TRUIST

Product Release

Information for Correspondent Lenders of Truist Bank

July 17, 2026 • COR26-039

Alert	**Update**	Reminder	Clarification	Training Information	Preview

Retirement and Trust Income Updates for the Key Loan Program

Truist takes the opportunity to update retirement and trust income requirements for the Key Loan Program.

Effective Dates

Effective for new locks on or after July 17, 2026.

Background Information

Truist is taking the opportunity to update and clarify guidance around retirement and trust income requirements to align with upcoming GSE requirements.

Bulletin Details

Retirement Income, Government Annuity, and Pension Income Updates

With this update, Truist updates the acceptable documentation and verification requirements for Retirement, Government Annuity and Pension income to include the following:

- **Documentation -** Obtain verification of the income amount using at least one (1) or more of the following: a statement from the organization providing the income,
  - a copy of retirement awards letter or benefit statement,
  - a copy of financial or bank statement (must clearly identify source),
  - a copy of signed federal income tax returns,
  - an IRS W-2 form, or
  - **a 1099 form (added)**

  If the borrower will begin receiving payments from an annuity or a pension account on or before the first payment date of the subject mortgage, document the income with a benefit statement from the organization providing the income.

  If the borrower has recently retired and set up an account for income draws, income from the principal balance may only be used if a payment schedule has been set up and at least one (1) month of actual receipt is documented.

Bulletin Details, continued

- **Income History Requirement**
  Fixed Payment - No minimum history is required.
  Variable Distribution - A minimum 12-month history is required.

- **Income Continuance -** Insurance/personal annuity or retirement account distribution: document that income is expected to continue for at least **five (5)** years after the note date.

  Distributions or fixed payment from a pension: document(s) used to support the monthly income amount may not reference the required minimum five-year continuance from the note date. In these situations, the lender must make the determination using alternative documentation such as, but not limited to, an applicable written agreement, the respective government program associated with the distribution, or information required by law or regulation related to the distribution.

- **Determination of Qualifying Income**
  - **Fixed Distribution or Fixed payment -** The monthly payment amount as documented above may be used as qualifying income.
  - **Variable Distribution -** Develop an average of the income received for the most recent 12 months.

Trust Income

With this update, Truist reduces the continuity requirement for trust in addition to updating guidance for acceptable documentation and verification requirements, as follows:

- **Documentation** - Should include one or more of the following trust verification documents to confirm the amount, frequency, type of income being received, and the date the trust was created:
  - a copy of the trust agreement,
  - the trustee's statement (provided the borrower is not the trustee),
  - the trust's federal income tax returns,
  - a letter from an accountant or attorney who reviewed the trust documents, when the above documents are not available or when the borrower is the trustee, or
  - additional trust documentation (such as a contract or written agreement, etc.).

  If trust income is derived from non-financial sources (for example, royalties), in addition to the requirements above, refer to the appropriate income sub-section within the Standard for the trust's income source and apply the relevant guidance for documentation.

Bulletin Details, continued

Additionally, receipt of the income should be documented for at least one month using sources including, but not limited to:

- bank statements,
- cancelled checks, or
- evidence of other electronic receipt of payments

- **Income History**

  Fixed Payments - Documentation should confirm the trust was established for 12 months or longer, unless all of the following requirements are met:
  - the trust verification documentation reflects fixed payments,
  - the borrower is not the grantor, and
  - at least one payment is received prior to closing.

  Variable Payments - A minimum 24-month history is required to show stability of the income by obtaining copies of the following:
  - the borrower's signed federal tax income tax returns for the most recent two years, or
  - the trust's federal income tax returns for the most recent two years.

- **Income Continuance**

  Continuance of income must be confirmed based on the type of income received through the trust. For example, if the income from the trust is derived from rental income, then follow the continuance requirements for rental income, including 24-month history and landlord requirements. However, if the income received through the trust is a fixed payment derived from a depleting asset, it must be documented that income is expected to continue for at least five years from the note date.

  If any assets from the trust are being used for down payment, closing costs, or reserves, those assets must be subtracted from the total amount before determining if the trust income meets these income continuance requirements.

- **Determination of Qualifying Income**

  Fixed Payments - The fixed payment amount from the trust verification documentation must be used as the borrower's qualifying income, converting it to a monthly amount, as applicable.

  Variable Payments - An average of the income received for the most recent two years must be developed.

Bulletin Details, continued

Note: Income received from 12 to 24 months may be considered as acceptable income when other positive factors are present that reasonably offset a shorter income history.

Before and After Matrix
Click here to see the before and after matrix that provides a detailed overview of all standard revisions.

Revised Material
Click Key Loan Standard to review the revised product material/materials.

Former Standards
See the before and after matrix/matrices provided in the Bulletin Details section of this bulletin to access the former standards.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator at 800.382.2111, option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.