

****Note: Overlays resulting from temporary COVID-19 restrictions are outlined in the "Temporary COVID-19 Related Restrictions" topic below.**

Truist Bank Agency Overlays – as of October 28, 2022 <i>In order to mitigate the risk on the loans we purchase, we have overlays in our standards in addition to Agency investor (i.e., Fannie Mae and Freddie Mac) requirements. This summary of overlays is being provided as a reference tool for AUS (DU and LPA) processed loans; it is not intended to replace our detailed product standard documents. An "X" under a product column indicates that the overlay applies for that product. For complete product requirements and for overlays (denoted by an underline) that apply for traditionally underwritten (i.e., non-AUS) loan transactions, please refer to the applicable product description in the Correspondent Seller Guide.</i>		Products									
		Agency DU	Agency LPA	Agency Plus DU	Agency Plus Select - DU	Agency Plus LPA	Agency Plus Select - LPA	HomeReady DU	Home Possible LPA	Texas 50(a)(6) - DU	Texas 50(a)(6) - LPA
Topic	Overlay Description										
Temporary COVID-19 Related Restrictions	Credit Score Requirements: <u>At least one borrower on the transaction must have a usable credit score</u> (applies to all occupancy types).	X	X					X	X	X	X
Appraisal Requirements	Property Condition Ratings: For properties with initial Condition Ratings of C5 or C6, the appraisal must be completed subject to completion of the deficient item(s).	X		X	X			X		X	
Appraisal Waivers	Agency Plus Select Mortgages: <u>Not eligible</u>				X		X				
	LPA ACE+ PDR: <u>Not eligible</u>		X			X	X		X		
AUS Eligibility	A-minus transactions are <u>not eligible</u> .		X			X	X				X
Community Land Trusts	Community Land Trusts are <u>not eligible</u> .	X	X	X	X	X	X	X	X	X	X
	<u>Not eligible</u> for LPA.		X			X	X		X		X
Construction-Lending: Single-Closings	Log homes are <u>not eligible</u> .	X		X	X			X			
	<u>Not eligible</u> for LPA.		X			X	X		X		X
Construction-Lending: Two-Closings	Use of an average median credit score to determine if a loan meets the minimum credit score requirement for the loan transaction is <u>not permitted</u> . For all DU loans, the representative credit score must be used to determine if the minimum credit score requirement has been met for the loan transaction.	X		X	X			X		X	
	Minimum representative credit score is <u>640</u> .	X	X	X		X		X	X	X	X
	Minimum representative credit score is <u>720</u> .				X		X				
	Temporary COVID-19 Related Restrictions: See the "Temporary COVID-19 Related Restrictions" topic in this matrix	X	X	X		X		X	X	X	X
Electronic Signatures	The use of electronic signatures is <u>not permitted</u> for the following: Security Agreement and Addendums and any notarized documents [inclusive of electronic notarizations (including remote online notarizations)].	X	X	X	X	X	X	X	X	X	X
Employment Offers or Contracts	Fannie Mae's "Option #1 - Paystub Obtained Before Loan Delivery" requirements for employment offers or contracts is <u>not offered</u> .	X		X	X			X		X	
	Freddie Mac's "Option #2" requirements for income commencing after the note date (where Freddie Mac indicates the commencement of income from new primary employment must be before the delivery date and where Freddie Mac also permits cash-out refinance, 2-4 unit primary residence, second home, and 1-4 unit investment property transactions) is <u>not offered</u> .		X				X	X		X	X
Escrow/Impound Account for a Property in a SFHA	An escrow/impound account must be established for payment of the flood insurance premium for all applicable loans delivered, <u>regardless of any exception under HFIAA for small lenders</u> . See the "Escrow Accounts and Escrow Waivers" subtopic within Section 2.01 Agency Loan Standard for additional information.	X	X	X	X	X	X	X	X	X	X
Frozen Credit	The credit report utilized to make the credit decision must reflect all three credit repositories have been accessed and none are currently frozen.	X	X	X	X	X	X	X	X	X	X
Geographic Restrictions	Alaska, Hawaii, U.S. Territories: <u>Not eligible for purchase or funding</u> .	X	X	X	X	X	X	X	X		
	Texas Section 50(a)(6) Mortgages: <u>Not eligible</u> as a Home Possible Mortgage.								X		X
Individual Taxpayer Identification Number	An individual taxpayer identification number is <u>not allowed</u> in lieu of a valid SSN.	X	X	X	X	X	X	X	X	X	X
Lender-Funded Grants	Lender-funded grants are <u>not eligible</u> .							X			
Loan Programs / Other Financing Arrangements	ARM transactions are <u>not permitted</u> .				X		X				
	Eligibility exceptions for HomePath Properties, Fannie Mae RefiNow™ Mortgages, Freddie Mac Refi Possible SM Mortgages, Freddie Mac Renovation Mortgages (excluding CHOICERenovation®), Seller-Owned Modified Mortgages offered under Freddie Mac's requirements, and Shared Equity Plans offered under Freddie Mac's requirements are <u>not eligible</u> .	X	X	X	X	X	X	X	X		X
	CHOICERenovation Mortgages: CHOICEReno eXpress SM mortgages option is <u>not eligible</u> .		X				X	X		X	X
	HomeStyle Renovation and CHOICERenovation Mortgages: <ul style="list-style-type: none"> All HomeStyle Renovation and CHOICERenovation loans <u>must be delivered to Truist for purchase within 9 months of the date of the mortgage note</u>. Additionally, all renovation work must be completed when the loan is delivered to Truist for purchase. 	X	X	X	X	X	X	X	X	X	X
LPA Automated Income Assessment	LPA's automated income assessment using account data (direct deposits) is <u>not permitted</u> .		X			X	X		X		X
Maximum LTV Requirements	Maximum LTV/TLTV/HTLTV: Primary Residence, Fixed Rate <ul style="list-style-type: none"> Purchase and Limited Cash-Out Refinance, 1 Unit: <u>Max 90% LTV/TLTV/HTLTV</u> 				X		X				

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Topic	Overlay Description	Products										
		Agency DU	Agency LPA	Agency Plus DU	Agency Plus Select - DU	Agency Plus LPA	Agency Plus Select - LPA	HomeReady DU	Home Possible LPA	Texas 50(a)(6) - DU	Texas 50(a)(6) - LPA	
Mortgage Insurance	Standard mortgage insurance coverage <u>must be obtained</u> . The alternatives to standard mortgage insurance coverage offered by DU and LPA (i.e., minimum coverage with corresponding LLPAs [DU] and Custom MI [LPA] are <u>not allowed</u> .	X	X	X	X	X	X	X	X			
	Lender-Purchased Mortgage Insurance (LPMI): Only a single premium option is offered. Monthly and annual premiums are <u>not available</u> .	X	X	X	X			X	X			
	Split-Premiums: <u>Not eligible</u>	X	X	X	X	X	X	X	X			
Non-Permanent Resident Aliens	<u>Non U.S. citizen borrower eligibility, as specified in the applicable product standard document(s) only, is permitted.</u>	X	X	X	X	X	X	X	X	X	X	
Notarizations	An international notarization <u>must be performed by</u> a duly authorized official of the United States. Documents notarized by foreign notaries, apostilles, or notarios are <u>not acceptable</u> .	X		X	X			X		X		
	Electronic notarizations (including remote online notarizations) are <u>not acceptable</u> . See the "Electronic Signatures" topic in this matrix.	X	X	X	X	X	X	X	X			
	Remote ink-signed notarizations are <u>not acceptable</u> .	X	X	X	X	X	X	X	X			
Occupancy	1-unit, primary residence transactions <u>only are eligible</u> . 2-4 unit primary residence, second home, and 1-4 unit investment property transactions are <u>not permitted</u> .				X		X					
Power of Attorney	A power of attorney is <u>not permitted on cash-out refinance transactions</u> , unless applicable law requires the lender to accept use of a POA. <ul style="list-style-type: none"> If applicable law requires the acceptance of a POA, after the finalized Closing Disclosure has been delivered to the borrower but prior to closing, an employee of the originating lender or settlement agent must explain and discuss the terms of the mortgage and use of the POA with the borrower to confirm that the borrower understands them. However, if the borrower is in a period of military service and is unavailable for the discussion or the borrower is incapacitated such that he or she cannot participate in a discussion, then this requirement is waived as to that borrower. <ul style="list-style-type: none"> At a minimum, the discussion must include: <ul style="list-style-type: none"> Review of the rate, term and principal balance of the mortgage, The address of the mortgage premises, The fact that the attorney-in-fact uses the borrower's POA to sign documents on behalf of the borrower, and The scheduled or estimated closing date This discussion must take place in person, telephonically or using a video conference system. It may take place just before closing and does not require the presence of the attorney-in-fact. It must be memorialized by a borrower acknowledgment that <u>must be in writing or an e-mail exchange with the borrower at an e-mail address provided by the borrower</u>. The acknowledgement must be retained in the mortgage file and made available upon request 										X	
	A power of attorney <u>may not be used</u> to facilitate a closing via a recorded, interactive session conducted via the Internet.	X	X	X	X	X	X	X	X	X	X	X
	If the acceptance of a POA is required by law, the lender must include a written statement that explains the circumstances in the mortgage file <u>and deliver a copy of the statement to the Document Custodian with the POA</u> .		X			X	X			X		X
	The borrower <u>may not execute</u> the POA using an electronic signature. See the "Electronic Signatures" topic in this matrix.	X	X	X	X	X	X	X	X	X		
	Remote ink-signed and electronic notarizations (inclusive of remote online notarizations) are <u>not permitted</u> . See the "Electronic Signatures" and "Notarizations" topics in this matrix.	X	X	X	X	X	X	X	X			
	Property Assessed Clean Energy (PACE) Loans	PACE loans are <u>not eligible</u> for subordination. <u>All PACE loans must be paid off</u> as a condition of obtaining a new mortgage.	X	X	X	X	X	X	X	X		
Property Insurance Rating Requirements	A. M. Best Company, Inc.: Either: <ul style="list-style-type: none"> a "B+" or better Financial Strength Rating <u>and a Financial Size Category of "III" or greater</u> in Best's Insurance Reports, or an "A" or better Financial Strength Rating and a Financial Size Category of "VIII" or greater in Best's Insurance Reports Non-US Edition 	X		X	X			X		X		
Properties with Resale Restrictions	<u>Resale Restrictions that Terminate Automatically</u> : LTV/TLTV/HLTV ratios <u>must be calculated</u> using the lesser of the sale price or appraised value.	X		X	X			X		X		
	<u>Affordable Seconds / Community Seconds</u> : See "Affordable Seconds" and "Community Seconds" under the "Secondary Financing" topic in this matrix.	X	X	X	X	X	X	X	X		X	
Property Types	Indian lands are <u>not eligible</u> for leasehold estates.	X	X	X	X	X	X	X	X	X	X	
	MH Advantage™ properties are <u>not eligible</u> . [Note: Fannie Mae's MH Advantage initiative offers affordable conventional financing for manufactured homes (MH) that is designed to meet specific construction, architectural design, and energy efficiency standards that are more consistent with site built homes.]	X		X	X			X		X		
	Manufactured Home Primary Dwelling Units: <u>Not eligible</u>	X	X	X	X			X	X	X	X	

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Property Types, (continued)	Manufactured Home Accessory Dwelling Units: <u>Not eligible</u>	X	X	X	X	X	X	X	X	X	X
Qualifying Ratio	<u>Maximum 50% DTI</u>		X			X	X		X		X
Refinances	Cash-Out Refinances: <u>Not eligible</u>				X		X				
	Disaster Related Limited Cash-Out Refinance: Disaster-related limited cash-out refinance flexibilities provided by Fannie Mae are <u>not eligible</u> .	X		X	X			X		X	
	Limited Cash-Out Refinance Seasoning Requirement: If the transaction is being used to pay off an existing first mortgage that was originated as a refinance (cash-out or <u>limited cash-out</u>) transaction, the note date of the first mortgage that is being paid off, must be greater than thirty days prior to the application date of the new limited cash-out refinance mortgage, as documented in the mortgage file (e.g., on the credit report or the title commitment).	X		X	X			X			
Secondary Financing	Affordable Seconds:										
	<ul style="list-style-type: none"> Treating an Affordable Second in LPA as a Gift, Rather than as Secondary Financing: <u>Not permitted</u>. [Note: This overlay applies for loans originated using the legacy 07/05 (Rev. 06/09) version of Form 65, Uniform Residential Loan Application AND the Legacy LPA Specification Version 4.8.01 and Lower ONLY.] Properties Subject to Income-Based Resale Restrictions: The source of the Affordable Second may <u>not</u> be a non-profit entity that is also the property seller but is not affiliated with a government agency. 		X			X	X		X		X
	Community Seconds: Subsidizing the sales price on a Community Seconds mortgage is <u>not permitted</u> .	X		X	X			X			
	Permanently Modified HELOC: <u>Non-AUS requirements apply</u> . Refer to the permanently modified HELOC requirements outlined in the applicable product standard document(s) for additional information.		X				X	X		X	
	Rural Housing Service (RHS) Leveraged Seconds are <u>not eligible</u> .								X		
Settlement Agent	<u>An attorney/title agent is not allowed to close his/her own loan or that of an immediate family member.</u>	X	X	X	X	X	X	X	X	X	X
Spousal/Partner Buy-Out	A spousal/partner buy-out transaction is <u>not eligible</u> .		X			X	X				
Temporary Buydowns	An interest rate buydown plan must provide for: a buydown period not greater than 36 months, and increases of not more than 1% in the portion of the interest rate paid by the borrower in each 12-month interval. More frequent changes are <u>not permitted</u> .	X		X	X			X			
	Temporary buydowns are <u>not permitted</u> on "no cash-out" refinance transactions.										X
	Lender-funded buydowns are <u>not permitted</u> .				X		X				
Title Binder/Policy/Insurance	Properties Purchased at Auction: Short form title policy is <u>not acceptable</u>	X	X	X	X	X	X	X	X		
	Unexpired Redemption Period: <u>An unexpired redemption period exception is unacceptable, regardless if the title policy contains affirmative language that the lender will not suffer loss or damage as a result of the situation or recites them in Schedule B, Part II (subordinate exceptions).</u>	X	X	X	X	X	X	X	X	X	X
Validation of Parties to the Mortgage Transaction	<u>The GSA EPL, HUD LDP, and Truist Ineligible Lists must be reviewed.</u>	X	X	X	X	X	X	X	X	X	X