

# Agency Overlays Matrix



**\*\*Note: As of April 24, 2020, Truist applied temporary Agency product restrictions based on occupancy type, transaction type, number of units, minimum credit score, and maximum LTVs. Refer to Bulletin [COR20-015](#). Additional overlays resulting from these temporary restrictions and other COVID-19 related updates are outlined in this document (see the "Temporary COVID-19 Related Restrictions" topic below).**

Truist Bank Agency Overlays – as of March 19, 2021		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										
<b>Temporary COVID-19 Related Restrictions</b>	<b>Appraisal Requirements:</b> Appraisal Completion Reports (Forms 1004D/442) <u>must adhere to standard requirements</u> . Truist is not aligning with GSE flexibilities at this time.	X	X	X	X	X	X	X	X	X	X
	<b>Credit Score Requirements:</b> <u>At least one borrower on the transaction must have a usable credit score.</u>	X	X					X	X	X	X
	<b>Credit Score Requirements:</b> Minimum credit score is <u>680</u> .	X	X	X		X		X	X	X	X
	<b>Maximum LTV: Primary Residence, Fixed Rate &amp; ARMs</b> • <b>2-4 Units (all transaction types):</b> <u>Not permitted</u>	X	X	X		X		X	X		
	<b>Maximum LTV: Primary Residence, Fixed Rate &amp; ARMs</b> • <b>Cash-Out Refinance, 1 Unit:</b> <u>Max 70% LTV</u>	X	X	X		X				X	X
	<b>Maximum LTV: Second Home, Fixed Rate &amp; ARMs</b> • <b>Purchase, 1 Unit:</b> <u>Max 70% LTV</u>	X	X	X		X					
	<b>Maximum LTV: Second Home, Fixed Rate &amp; ARMs</b> • <b>Limited Cash-Out (Rate/Term) Refinance, 1 Unit:</b> When the existing lender is <u>not hBBT/hST/Truist</u> , the max LTV is <u>70%</u> <i>Note: hBBT refers to BB&amp;T now Truist; hST refers to SunTrust now Truist</i>	X	X	X		X					
	<b>Maximum LTV: Second Home, Fixed Rate &amp; ARMs</b> • <b>Cash-Out Refinance, 1 Unit:</b> <u>Not permitted</u>	X	X	X		X					
	<b>Occupancy:</b> Investment property transactions are <u>not permitted</u> .	X	X	X		X					
	<b>Power of Attorney:</b> Whenever the Attorney-in-Fact under the POA is an individual <u>employed by the title insurer or the title agent</u> , then the following is required for mortgages with note dates on and after April 7, 2020: • <u>After the 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 loan and use the POA with the borrower to confirm that the borrower understands them. This discussion must take place in person or telephonically and must be memorialized by an acknowledgement by the borrower of his or her understanding of the terms of the loan. The acknowledgement must be in writing.</u>	X		X	X			X		X	
<b>Self-Employed Borrowers:</b> • <u>The COVID Business Impact &amp; Continuity Attestation letter is required in the credit underwriting submission on all non-delegated loans</u> . This is in addition to existing verification of employment (VOE) and continuity of income requirements already in place. • <u>A Borrower Acknowledgement (for which the borrower attests regarding income/employment and forbearance) must be executed at closing for all loans.</u>	X	X	X	X	X	X	X	X	X	X	
<b>Verification of Employment:</b> • <u>Salaried/Hourly Wage Earners: A Borrower Acknowledgment (for which the borrower attests regarding income/employment and forbearance) must be executed at closing for all loans.</u> • <b>Self-Employed Borrowers:</b> See "Self-Employed Borrowers" above within this "Temporary COVID-19 Related Restrictions" topic.	X	X	X	X	X	X	X	X	X	X	
<b>Appraisal Requirements</b>	<b>Appraisal Waivers:</b> <u>Not eligible</u>				X		X				
	<b>Property Condition Ratings:</b> For properties with initial Condition Ratings of <u>C5</u> or <u>C6</u> , the appraisal must be completed subject to completion of the deficient item(s).	X		X	X			X		X	
	<b>Transferred Appraisals:</b> Transferred appraisals are <u>not eligible</u> .	X	X	X	X	X	X	X	X	X	X
	<b>Temporary COVID-19 Related Restrictions:</b> See the "Temporary COVID-19 Related Restrictions" topic in this matrix.	X	X	X	X	X	X	X	X	X	
<b>AUS Eligibility</b>	A-minus transactions (including Affordable Merit Rate® Mortgages) are <u>not eligible</u> .		X			X	X			X	
<b>Community Land Trusts</b>	Community Land Trusts are <u>not eligible</u> .	X		X	X			X		X	
<b>Construction-Lending: Single-Closings</b>	<u>Not eligible</u> for LPA.		X			X	X		X	X	
	Log homes are <u>not eligible</u> .	X		X	X			X			
<b>Construction-Lending: Two-Closings</b>	<u>Not eligible</u> for LPA.		X			X	X		X	X	
<b>Credit Score Requirements</b>	Minimum credit score is <u>720</u> .				X		X				
	<b>Temporary COVID-19 Related Restrictions:</b> See the "Temporary COVID-19 Related Restrictions" topic in this matrix.	X	X	X		X		X	X	X	
<b>Electronic Signatures</b>	The use of electronic signatures is <u>not permitted</u> for the following: Security Agreement and Addendums, IRS Form W-9, and any notarized documents (inclusive of remote and online notarizations).	X	X	X	X	X	X	X	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	
Employment Offers or Contracts	Fannie Mae's "Option #1 - Paystub Obtained Before Loan Delivery" requirements for employment offers or contracts <u>is 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 <b>must</b> 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) <u>is 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</u> under HFIAA for small lenders. See the "Escrow Accounts and Escrow Waivers" subtopic within <a href="#">Section 2.01 Agency Loan Programs</a> 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	
Loan Programs / Other Financing Arrangements	ARM transactions are <u>not permitted</u> .				X		X					
	The Affordable Merit Rate® Mortgage, eligibility exceptions for HomePath Properties, Freddie Mac Renovation Mortgages (excluding CHOICERenovation <sup>SM</sup> ), and Shared Equity Plans offered under Freddie Mac's guidelines are <u>not eligible</u> .	X	X	X	X	X	X	X	X		X	
	<b>HomeStyle Renovation and CHOICERenovation Mortgages:</b> <ul style="list-style-type: none"> <li>With the exception of ARM loans, all HomeStyle Renovation and CHOICERenovation loans <u>must be delivered to Truist for purchase within 9 months of the date of the mortgage note. Additionally, all renovation work must be completed when the loan is delivered to Truist for purchase.</u></li> <li>All HomeStyle Renovation and CHOICERenovation ARM loans must be delivered to Truist for purchase within 5 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.</u></li> </ul>	X	X	X	X	X	X	X	X	X	X	
Maximum LTV Requirements	<b>Maximum LTV/TLTV/HTLTV: Primary Residence, Fixed Rate</b> <ul style="list-style-type: none"> <li><b>Purchase and Limited Cash-Out Refinance, 1 Unit: <u>Max 90% LTV/TLTV/HTLTV</u></b></li> </ul>				X		X					
	<b>Community Seconds:</b> See "Community Seconds" under the "Secondary Financing" topic in this matrix.	X		X				X				
	<b>Temporary COVID-19 Related Restrictions:</b> See the "Temporary COVID-19 Related Restrictions" topic in this matrix.	X	X	X		X		X	X	X	X	
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			
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					
	<b>Temporary COVID-19 Related Restriction:</b> See the "Temporary COVID-19 Related Restrictions" topic in this matrix.	X	X	X		X						
Power of Attorney	A power of attorney is <u>not permitted</u> on cash-out refinance transactions.		X			X			X		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	
	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. This discussion must take place in person, telephonically or using a video conference system and must be memorialized in an acknowledgment by the borrower of his or her understanding of the terms of the mortgage. The acknowledgment: <ul style="list-style-type: none"> <li><u>must be in writing</u>,</li> <li>must be retained in the mortgage file, and</li> <li>must be made available upon request.</li> </ul>		X			X	X		X		X	
	Electronic signatures (inclusive of remote and online notarizations) are <u>not permitted</u> . See the "Electronic Signatures" topic in this matrix.	X	X	X	X	X	X	X	X	X	X	X
	<b>Temporary COVID-19 Related Restrictions:</b> See the "Temporary COVID-19 Related Restrictions" topic in this matrix.	X		X	X			X		X		
Property Assessed Clean Energy (PACE) Loans	PACE loans are <u>not eligible</u> for subordination. All PACE loans must be paid off as a condition of obtaining a new mortgage.	X	X	X	X	X	X	X	X	X	X	

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		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
Property Insurance Rating Requirements	<b>A. M. Best Company, Inc.:</b> Either: <ul style="list-style-type: none"> <li>a "B+" or better Financial Strength Rating <u>and a Financial Size Category of "III" or greater</u> in Best's Insurance Reports, or</li> <li>an "A" or better Financial Strength Rating and a Financial Size Category of "VIII" or greater in Best's Insurance Reports Non-US Edition</li> </ul>	X		X	X			X		X	
Properties with Resale Restrictions	<b>Resale Restrictions that Terminate Automatically:</b> LTV/TLTV/HTLTV ratios <u>must be calculated</u> using the lesser of the sale price or appraised value.	X		X	X			X		X	
	<b>Affordable Seconds / Community Seconds:</b> 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> . <i>[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.]</i>	X		X	X			X		X	
	<b>Manufactured Home Primary Dwelling Units:</b> <u>Not eligible</u>	X	X	X	X			X	X	X	X
	<b>Manufactured Home Accessory Dwelling Units:</b> <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	<b>Cash-Out Refinances:</b> <u>Not eligible</u>				X		X				
	<b>Disaster Related Limited Cash-Out Refinance:</b> Disaster-related limited cash-out refinance flexibilities provided by Fannie Mae are <u>not eligible</u> .	X		X	X			X		X	
Secondary Financing	<b>Affordable Seconds:</b> <ul style="list-style-type: none"> <li><b>Treating an Affordable Second in LPA as a Gift, Rather than as Secondary Financing:</b> <u>Not permitted</u>. <i>[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.]</i></li> <li><b>Properties Subject to Income-Based Resale Restrictions:</b> 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.</li> </ul>		X			X	X		X		X
	<b>Community Seconds:</b> <ul style="list-style-type: none"> <li>Subsidizing the sales price on a Community Seconds mortgage is <u>not permitted</u>.</li> </ul>	X		X	X			X			
	<b>Community Seconds:</b> <ul style="list-style-type: none"> <li><b>5/5 ARMs, 1-4 units, Purchase and Limited Cash-Out Refinance:</b> <u>The loan must comply with the maximum ARM TLTV ratios outlined in the applicable first mortgage product description; the TLTV cannot be expanded to 105%.</u></li> </ul>	X		X				X			
	<b>Permanently Modified HELOC:</b> <u>Non-AUS guidelines apply</u> . Refer to the permanently modified HELOC guidelines outlined in the applicable guideline document for additional information.		X				X	X		X	
	Rural Housing Service (RHS) Leveraged Seconds are <u>not eligible</u> .								X		
	<b>Self-Employed Borrowers</b>	<b>Temporary COVID-19 Related Restrictions:</b> See the "Temporary COVID-19 Related Restrictions" topic in this matrix.	X	X	X	X	X	X	X	X	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	<b>Properties Purchased at Auction:</b> Short form title policy is <u>not acceptable</u>	X	X	X	X	X	X	X	X		
	<b>Unexpired Redemption Period:</b> <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
Verification of Employment	<b>Temporary COVID-19 Related Restrictions:</b> See the "Temporary COVID-19 Related Restrictions" topic in this matrix.	X	X	X	X	X	X	X	X	X	X