

Truist FHA Overlays – as of September 9, 2022

In order to mitigate the risk on the loans we originate, Truist has overlays in our guidelines in addition to the Federal Housing Administration (FHA) requirements. This summary of overlays is being provided as a reference tool; it is not intended to replace our detailed product guideline documents. An "X" under a product column indicates that the overlay applies for that product. For complete product guidelines, please refer to the FHA product description and general guideline sections in the Correspondent Selling Guide.

Topic	Overlay Description	FHA Conforming	FHA Jumbo
Cash To Close	Truist requires a borrower to liquidate stocks and/or bonds when using as cash to close and provide evidence.	X	X
Credit Requirements	Streamline Refinance Mortgage History: <ul style="list-style-type: none"> 0 x 30 12 month Mortgage payment history on all mortgages on the subject property reporting since the 1st payment due date of the mortgage that is being refinanced 	X	X
Credit Score Minimum	<ul style="list-style-type: none"> 600 for all borrowers with a credit score on Purchase, Cash-out Rate/Term, Simple, and Credit Qualifying SL (Truist to Truist) 660 for all borrower with a credit score on owner-occupied, non-serviced, Non-credit Qualifying Streamline Refinance 720 for all borrowers with a credit score on non-serviced Credit Qualifying Streamline 720 for all borrower with a credit score on investment, non-serviced, Non-credit Qualifying Streamline Refinance 	X	N/A
	<ul style="list-style-type: none"> 680 for all borrower with a credit score on owner-occupied, non-serviced, Non-credit Qualifying Streamline Refinance 	N/A	X
Eligible Secondary Financing	Secondary financing subject to negative amortization is not acceptable.	X	X
Exclusionary List	Must review the Truist Ineligible Lists.	X	X
Geographic Restrictions/ Leaseholds	<p>Alaska: Truist does not lend in the state of Alaska.</p> <p>Georgia Power Company Leaseholds are not allowed.</p> <p>Hawaii: Truist does not lend in the state of Hawaii.</p> <p>Texas: Cash-out refinances are not eligible.</p> <p>U.S. Territories-Truist does not lend in U.S. Territories</p>	X	X
HOI-6	Name of insured must include one title holder	X	X
Ineligible Borrowers	<ul style="list-style-type: none"> Non-occupant co-borrowers/co-signers are not permitted on 203(b) with repair escrow transactions unless parent. Non-Profit Organizations. Non-Permanent Residents that do not have a valid E, G, H,L, NATO, O or TN Visa. Borrowers with Diplomatic Immunity. Borrowers who do not provide a valid Social Security Number, including borrowers employed by the World Bank or a foreign embassy. 	X	X
Ineligible Property Type	<ul style="list-style-type: none"> Sinkhole Homes (even if repaired) Manufactured homes Methamphetamine homes (even if certified habitable) Cooperatives Properties with individual water purification systems required to make the water safe and potable 	X	X
Ineligible Transactions	<ul style="list-style-type: none"> 1, 3, 5, 7 and 10 year ARM program FHA 203(k) transactions Disasters and 203(h) Mortgage Insurance for Disaster Victims FHA Refinance Program for borrowers in negative equity positions (also known as a "Short Refinance") FHA Section 248 Indian Reservations and other Restricted Lands Section 247 Single Family Mortgage Insurance on Hawaiian Home Lands Truist Construction/Permanent financing Transactions where the FHA Back-to-Work Guidelines are utilized Home Equity Conversion Mortgage (HECMs) Investment Properties (except non-credit qualifying streamline refinance). 	X	X
Loan Terms	Annual amortization terms limited to 20 to 30 years	N/A	X
Private Roads/ Streets	Evidence of recorded road maintenance agreement required when private road is not maintained by a homeowners association.	X	X
Properties Recently Listed for Sale	<ul style="list-style-type: none"> If a property is listed for sale the following applies: <ul style="list-style-type: none"> for Rate-Term, Simple and Streamline Refinance transactions, <ul style="list-style-type: none"> the property must be taken off the market prior to the application (i.e., 1003) date, for cash-out refinances: <ul style="list-style-type: none"> the property must have been taken off the market for at least 60 days prior to loan application. 	X	X
Qualifying Ratios	<ul style="list-style-type: none"> Loans receiving AUS approval the following maximum DTI requirements apply: <ul style="list-style-type: none"> 50% for borrowers with credit scores 640-659 55% for borrowers with credit scores ≥ 660 	X	X
Maximum TLTV	105% All transactions including streamline refinance transactions, unless HUD is more restrictive.	X	X

END OF FHA OVERLAYS

Truist VA Overlays – as of October 12, 2021

This document is a summary of most Truist credit overlays for the VA product and is being provided as a reference tool to aid in identifying these overlays. For complete product guidelines refer to the applicable product description in the Correspondent Seller Guide.

Topic	Overlay Description	VA Conforming	Truist VA Jumbo
Temporary COVID-19 Restrictions	Current Truist overlays and VA guidelines continue to apply outside of these restrictions. <ul style="list-style-type: none"> Verification of self-employment within 20 business days of the note 	X	X
Cash Out Refinance	LTV >90% ineligible	X	X
Condominiums	HO-6 insurance coverage required if master hazard policy is a bare walls policy	X	X
Credit Score Minimum	<ul style="list-style-type: none"> 640 for all borrowers with a credit score on Purchase and Cash-out Refinance 640 for all borrowers with a credit score on owner-occupied non-serviced IRRRL 720 for all borrowers with a credit score on previously occupied/investment non-serviced IRRRL 660 for all borrowers with a credit score on owner-occupied non-serviced IRRRL 	X	N/A
Credit Requirements	<ul style="list-style-type: none"> Chapter 7 or 13 bankruptcy, Foreclosure, Deed In Lieu of Foreclosure or Short Sale in the last 3 years disqualifies the borrower No late housing payments (0 x 30) reporting in prior 12 months Individual or multiple collection accounts that have a singular or cumulative balance greater than \$2000 must meet one of the following requirements: <ul style="list-style-type: none"> be paid in full using an acceptable source of funds, have documented payment arrangements with the creditor(s) and include the payment in the borrower's debt to income ratio a satisfactory letter of explanation and appropriate supporting documentation if account(s) are disputed. IRRRL Mortgage payment history: <ul style="list-style-type: none"> 12 month seasoning with no Mortgage (s) late payments (0 x 30) reporting 	N/A	X
Escrow Waiver	Waiver of escrows for taxes and insurance not permitted	X	X
Exclusionary Lists	Must review the Truist Ineligible Lists	X	X
Geographic Restrictions	<ul style="list-style-type: none"> Georgia Power Company Leaseholds not allowed Loans in Hawaii and Alaska not allowed Texas: Cash-out refinances are not eligible 	X	X
HOI-6	Name of insured must include one title holder	X	X
Income Documentation	<ul style="list-style-type: none"> Signed 4506-C required at closing Verbal VOE completed within 10 business days, prior to closing (i.e. Note date), for salaried borrowers, excluding Active Duty Military. 	X	X
Ineligible Income	Income derived from an activity that is deemed illegal by federal or state law (for example, income derived from a business that is legal by state law but illegal by federal law cannot be considered)	X	X
Ineligible Programs	<ul style="list-style-type: none"> Buyer-paid temporary buydowns are ineligible Any ARM Programs Ease-in Payment Reduction Feature 	X	X
Ineligible Property Types	<ul style="list-style-type: none"> Sinkhole Homes (even if repaired) Manufactured homes Methamphetamine homes (even if certified habitable) Cooperatives 	N/A	X
Loan Terms	Annual amortization terms limited to 20 to 30 years	X	X
Maximum Loan Amount	<ul style="list-style-type: none"> \$1,033,000 - excluding FF for purchase and cash-out refinance \$750,000 – excluding FF for IRRRLs 	N/A	X
Maximum Number of Financed Properties	Maximum number of financed properties with any lender is (4)	X	X
Properties Recently Listed for Sale	Cash Out Refinance – property must be taken off the market at least 60 days prior to loan application AND if listed for sale within the 6 months preceding loan application date the maximum LTV/TLTV 85%.	X	X
Qualifying Ratios	Maximum 50% DTI regardless of AUS findings	X	X
Rental Income from Conversion of existing Primary Residence	Evidence of security deposit and/or 1 month's rent paid to the homeowner/borrower	X	X
TLTV	Max 105% on purchase and regular/cash-out refinances	X	X
END OF VA OVERLAYS			

Truist RD Overlays – August 16, 2021

This document is a summary of most Truist credit overlays for the RD product and is being provided as a reference tool to aid in identifying these overlays. For complete product guidelines refer to the applicable product description in the Correspondent Seller Guide.

Topic	Overlay Description
Temporary COVID-19 Restrictions	<p>Current Truist overlays and RD guidelines continue to apply outside of these restrictions (including TLTV/HTLTV ratio requirements).</p> <ul style="list-style-type: none"> • <u>Verification of self-employment within 20 business days of the note</u>
Assets	<ul style="list-style-type: none"> • <u>Bitcoin and related products are not an acceptable source of funds for the down payment, closing costs, or financial reserves.</u> • <u>A large deposit from bitcoin converted to cash must be excluded from the funds used for qualifying purposes.</u>
Assumptions	<p><u>Not eligible to be assumed.</u></p>
Automated Underwriting	<ul style="list-style-type: none"> • <u>Loans submitted to GUS receiving an automated “Refer” or “Refer with Caution” are ineligible.</u> • <u>For manual downgrades, the transmittal summary (1008) must indicate the reason why the findings have been manually downgraded.</u>
Certifications	<ul style="list-style-type: none"> • <u>Qualified Mortgage (QM), Higher-Priced (HPML) and High Cost (HCL) Mortgage Loan Certification or comparable form that validates QM status, HPML and HCL.</u> • <u>High cost loans are ineligible.</u> • <u>The following are required:</u> <ul style="list-style-type: none"> • <u>Points and Fees Worksheet or comparable form</u> • <u>Ability to Repay Worksheet or comparable form or,</u> <ul style="list-style-type: none"> • <u>Income calculation for each borrower on either the Transmittal Summary or on a separate form; AND</u> • <u>Income and debt amounts must match on the Transmittal Summary, final application and final AUS submission; AND</u> • <u>Total debt-to-income ratio on the Transmittal Summary and final AUS submission must match</u>
Credit Report	<ul style="list-style-type: none"> • <u>A Non-Traditional Mortgage Credit Report (NTMCR) score is not eligible for consideration.</u> • <u>Use of credit repair designed to help a borrower manipulate the credit data in order to obtain financing for which they would not otherwise qualify is ineligible.</u> • <u>The following documents will be required at the time of delivery to validate the borrower qualified for the initial loan.</u> <ul style="list-style-type: none"> • <u>Initial credit report and GUS findings, at the time of application, with an acceptable response of Accept/ Approve Eligible.</u> • <u>The final credit report (if another was pulled for loan file decision) and GUS findings with an acceptable response of Accept/ Approve Eligible.</u>
Credit Score Minimum	<ul style="list-style-type: none"> • <u>640 minimum credit score required for all transactions except Streamlined-assist.</u> • <u>Borrowers with no score are ineligible.</u>
Escrow for Completion	<p><u>A fully executed Escrow Holdback Agreement indicating the amount of holdback and an itemized list of repairs to be completed is required.</u></p>
Down Payment Assistance	<ul style="list-style-type: none"> • <u>The follow are eligible downpayment assistance programs:</u> <ul style="list-style-type: none"> • <u>Federal Home Loan Bank</u> • <u>Truist approved affordable Down Payment Assistance Programs</u>
Geographic Restrictions	<p><u>Properties containing Georgia Power Company leasehold agreements are ineligible.</u></p>
Ineligible Borrower	<ul style="list-style-type: none"> • <u>Non-Permanent Resident Aliens that do not have a valid E, G, H,L, NATO, O or TN Visa.</u>
Ineligible Property Types	<ul style="list-style-type: none"> • <u>Manufactured Housing,</u> • <u>Geodesic domes,</u> • <u>Earth Homes,</u> • <u>Quonset Huts,</u> • <u>Cooperatives, and</u> • <u>Properties located in mudslide zone</u>
Ineligible Transactions	<ul style="list-style-type: none"> • <u>Construction Modification loans</u> • <u>Assumption</u> • <u>Streamlined Refinance</u> • <u>Energy Efficient Mortgages (EEMs)</u> • <u>Lending on Native American Tribal Lands</u> • <u>Properties subject to Property Assessed Clean Energy (PACE) Obligations</u> • <u>Temporary Buydown</u> • <u>Ease-in</u> • <u>ARM Alternative</u>
Inquiries	<p><u>Written explanation is required from Borrower for all credit inquiries made within the last 90 days regardless of GUS recommendation.</u></p>

Truist RD Overlays, continued – as of August 16, 2021

Topic	Overlay Description
Property Insurance	<ul style="list-style-type: none"> • The following attached PUD property Insurance requirements apply: <ul style="list-style-type: none"> • <u>HO3/comparable full coverage homeowners insurance policy; or</u> • <u>HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for attached PUDs where the homeowners association has a blanket policy covering the exterior structure only; or</u> • <u>Homeowners Association blanket policy covering the exterior AND interior of the unit.</u> • The following Condominium property insurance requirements apply: <ul style="list-style-type: none"> • <u>HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for Condominiums where the condominium master policy covers the exterior structure only; OR</u> • <u>Condominium master policy covering the exterior AND interior of the unit.</u>
Property Flipping	<ul style="list-style-type: none"> • <u>Seller must have held title to property for a minimum of 10 days prior to loan closing (90 days if property was acquired through a Bank Short-Sale).</u> • <u>Concurrent or same-day seller acquisitions of title are not acceptable.</u> • <u>Sales contract cannot reflect buyer as "to be determined" or reference an assignment of contract.</u> • <u>If the difference between the seller's acquisition price and sales price is 25% or greater, document the file to justify increase (evidence of repairs, renovations, etc.).</u> • <u>The appraisal must include an address, the seller's acquisition of the subject in the property/title transfer history or an addendum, and analysis of the transfer in determining market value</u>
Signature Requirement	<ul style="list-style-type: none"> • <u>Letters of explanation addressing issues deemed material to the credit decision must be signed with a "wet signature" or an "electronic signature."</u> • <u>All verifications must be signed by the Borrower and Correspondent with either a "wet" or an "electronic" signature.</u> • <u>The verification is required to be completed by the responding company/institution with a "wet" signature, unless:</u> <ul style="list-style-type: none"> • <u>The verification is generated on company letterhead and contains all requested information, date, name, title and signature of the associate fulfilling the verification request. Or,</u> • <u>It is a satisfactory company generated form, directly from the responding company/institution, that contains all the required information for the verification.</u>
Streamlined-assist	<ul style="list-style-type: none"> • <u>The loan being refinanced must be an existing USDA Guaranteed loan that is serviced by Truist.</u> • <u>0 x 30 12-month mortgage history required.</u>
END OF RD OVERLAYS	