

Section 1.21a - Subordinations for DU Refi Plus™

In This Section This section contains the following topics:

Subordination of Secondary Financing.....	2
General	2
Combo Second Mortgages and EZ Two	3
SunTrust Equity Lines and Equity Loans	5

Subordination of Secondary Financing

General

- Subordinations of SunTrust Combo Second Mortgage, EZ Two and SunTrust Equity Line or Equity Loan must be approved by a SunTrust Mortgage, Inc (i.e., SunTrust underwriter or a contract MI underwriter on behalf of SunTrust).

Note: Subordinations of secondary financing in connection with loan programs other than DU Refi Plus must follow standard Subordination guidelines for the transaction.

Reference: See [Section 1.21: Subordinations of SunTrust Second Mortgage Loans](#) of the *Broker Seller Guide* for additional information.

- Adding or removing a borrower is not allowed when subordinating a SunTrust Combo Second Mortgage, EZ Two, SunTrust Equity Line or Equity Loan.
- If the borrower has a SunTrust Combo Second Mortgage or EZ Two the following guidelines apply.
 - The maximum allowable financed closing cost/prepays added to the existing loan balance is limited to the following:
 - new loan payment is increasing - \$2500,
 - new loan balance is greater than the original balance - \$2500, or
 - new loan payment is decreasing and the new loan balance is less than the original principal balance - \$5000.
 - The borrower incidental cash back at closing is limited to \$1000; any amount over \$1000 must be applied toward the balance of the secondary financing.
 - If the current first mortgage being refinanced is a fixed rate, the new first mortgage must be a fixed rate.
 - The SunTrust Combo Second Mortgage or EZ Two can not be more than 60 days past due.
- **Note:** If the SunTrust Combo Second Mortgage or EZ Two are more than 60 days past due the loan must be referred to Loss Mitigation.
- If the borrower has a SunTrust Equity Line or Equity Loan the following guidelines apply.
 - For equity line of credit, a qualifying payment equal to one percent (1%) of the credit limit if there is no outstanding balance OR no payment amount is reported on the credit report; IF there is an outstanding balance (line is drawn), the current monthly payment on the credit report is used for qualifying
 - Subordinated secondary financing payments must be included in the evaluation of the loan through DU or CDU; findings must reflect existence of secondary financing and payment.
 - SunTrust Equity Lines or Equity Loans in third (3rd) lien position are not eligible for subordination.

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Subordination of Secondary Financing, Continued

Combo Second Mortgages and EZ Two

Follow the steps below to complete a Subordination Request.

Step	Action
1	<ul style="list-style-type: none"> • It is the responsibility of the Broker to advise the closing attorney that a <i>Subordination Agreement</i> will be required. • The request for the <i>Subordination Agreement</i> should be sent to the closing attorney or settlement agent within five (5) days after loan application. <p>Note: Automatic subordination for properties in the state of Virginia will not be allowed; a <i>Subordination Agreement</i> must be prepared and recorded for all secondary financing being subordinated.</p> <ul style="list-style-type: none"> • SunTrust Mortgage, Inc will not draft or create the <i>Subordination Agreement</i>. • The closing attorney/settlement agent is responsible for preparing the <i>Subordination Agreement</i>. • The <i>Subordination Agreement</i> must include in the upper left hand corner of the document the following information: When Recorded Return To: SunTrust Mortgage, Inc. 1001 Semmes Avenue 3rd Floor Mail Code: RVW-5093 Attn: Final Docs Richmond, VA 23224 Loan Number: <p>Note: The loan number of the SunTrust Combo Second Mortgage or EZ Two must be referenced on the <i>Subordination Agreement</i>.</p> <ul style="list-style-type: none"> • If the Combo Second Mortgage or EZ Two loan being subordinated is a MERS loan, the Subordination Agreement must be prepared in MERS. • There is no standard <i>Subordination Agreement</i> form so the document may look different from case to case. • At a minimum, the Subordination Agreement must include the following information: <ul style="list-style-type: none"> • Description of second lien being subordinated (date, original loan amount, legal description, deed book/page, place of recordation), • Description of new first lien (date, Trustee's name, if applicable, loan amount), and • Language specifically subordinating the current second lien to the new SunTrust first lien.

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Subordination of Secondary Financing, Continued

Combo Second Mortgages and EZ Two, (continued)

Step	Action
2	<ul style="list-style-type: none"> • The underwriter must review the file and complete the <i>SunTrust Secondary Financing Subordination Checklist – DU Refi Plus</i> (BRO 1372). • Once the subordination is approved by the underwriter, the <i>Subordination Agreement</i> must be sent to the following department for review and signature. SunTrust Mortgage 1001 Semmes Avenue Mail Code RVW-3022 Attn: Subordinations Richmond, VA 23224 • The signed <i>Subordination Agreement</i> will be sent to the branch or attorney within 3 business days. <p>Note: A self addressed overnight package must be submitted with the <i>Subordination Agreement</i> and must be addressed who should receive the signed <i>Subordination Agreement</i>.</p> <ul style="list-style-type: none"> • The Wholesale branch office is responsible for notifying the Broker that request for subordination has been approved.
3	<ul style="list-style-type: none"> • Once the <i>Subordination Agreement</i> has been executed at closing, the closing attorney/settlement agent should include the recorded <i>Subordination Agreement</i> in the closed loan package that is sent to SunTrust at the following address: SunTrust Mortgage 1001 Semmes Avenue 3rd Floor Mail Code RVW-5093 Attn: Final Docs Richmond, VA 23224

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Subordination of Secondary Financing, Continued

SunTrust Equity Lines and Equity Loans

Follow the steps below to complete a Subordination Request.

Step	Action
1	<ul style="list-style-type: none"> • It is the responsibility of the Broker to advise the closing attorney that a <i>Subordination Agreement</i> will be required. • The request for the <i>Subordination Agreement</i> should be sent to the closing attorney or settlement agent within five (5) days after loan application. <p>Note: Automatic subordination for properties in the state of Virginia will not be allowed; a <i>Subordination Agreement</i> must be prepared and recorded for all secondary financing being subordinated.</p> <ul style="list-style-type: none"> • SunTrust Mortgage, Inc will not draft or create the <i>Subordination Agreement</i>. • The closing attorney/settlement agent is responsible for preparing the <i>Subordination Agreement</i>. • The <i>Subordination Agreement</i> must include in the upper left hand of the document the following information: When Recorded Return To: SunTrust Consumer Loan Operations. Image Department Post Office Box 305053 Nashville, TN 37230-5053 Loan Number: <p>Note: The loan number of the SunTrust Equity Line or Equity Loan must be referenced on the <i>Subordination Agreement</i>.</p> <ul style="list-style-type: none"> • There is no standard <i>Subordination Agreement</i> form so the document may look different from case to case. • At a minimum, the <i>Subordination Agreement</i> must include the following information: <ul style="list-style-type: none"> • Description of second lien being subordinated (date, original loan amount, legal description, deed book/page, place of recordation), • Description of new first lien (date, Trustee's name, if applicable, loan amount), and • Language specifically subordinating the current second lien to the new SunTrust first lien.

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Subordination of Secondary Financing, Continued

**SunTrust
Equity Lines
and Equity
Loans,**
(continued)

Step	Action
2	<ul style="list-style-type: none"> • The underwriter must review the file and complete the <i>SunTrust Secondary Financing Subordination Checklist – DU Refi Plus</i> (BRO 1372). • Once the subordination is approved by the underwriter, the <i>Subordination Agreement</i> must be sent to the following department for review and signature. SunTrust Mortgage 1001 Semmes Avenue Mail Code RVW-3022 Attn: Subordinations Richmond, VA 23224 • The signed <i>Subordination Agreement</i> will be sent to the branch or attorney within 3 business days. <p>Note: A self addressed overnight package must be submitted with the <i>Subordination Agreement</i> and must be addressed who should receive the signed <i>Subordination Agreement</i>.</p> <ul style="list-style-type: none"> • The Wholesale branch office is responsible for notifying the Broker that request for subordination has been approved.
3	<ul style="list-style-type: none"> • Once the <i>Subordination Agreement</i> has been executed at closing, the closing attorney/settlement agent must send the recorded <i>Subordination Agreement</i> to SunTrust at the following address: SunTrust Consumer Loan Operations. Image Department Post Office Box 305053 Nashville, TN 37230-5053 <p>Notes:</p> <ul style="list-style-type: none"> • Closing instructions to the attorney/settlement agent should include the information and address above. • An executed copy of the Subordination Agreement must be retained in the first mortgage loan file.