



## CLIENT ALERT DU Version 9.2 Update

**Date:** March 17, 2015  
**Impacted Channels:** Wholesale, Correspondent

During the weekend of April 18, 2015, Fannie Mae will update Desktop Underwriter® (DU®) Version 9.2 with the changes described below.

The changes included in this release will apply to DU Version 9.2 loan casefiles submitted or resubmitted to DU on or after the weekend of April 18, 2015.

Changes include:

- [Collateral Underwriter \(CU\) messages](#)
- [Disputed tradeline message enhancement](#)
- Miscellaneous message text updates to align with the *Selling Guide*

### CU messages

Fannie Mae made CU available January 26, 2015. CU performs an automated risk assessment of appraisals submitted to the Uniform Collateral Data Portal (UCDP) and returns messages to the submitting lender.

With the DU Version 9.2 April update, the CU risk score, flags and messages and UCDP messages will appear in the CU Findings report to provide a more holistic view of risk. To obtain the CU Findings report, which will include both the CU and UCDP messages, include the following fields in the online loan application.

Field	Comments
<b>Actual vs. Estimated Indicator</b>	On the <b>Additional Data</b> screen in the <b>Appraisal Information</b> section, set this field to <b>Actual</b> .
<b>Doc File ID</b>	This new field will be added to the <b>Additional Data</b> screen in the <b>Appraisal Information</b> section the weekend of April 18, 2015.
<ul style="list-style-type: none"><li>• <b>Property Appraised Value</b></li><li>• <b>Property Zip Code</b></li></ul>	The value in these fields must match the information submitted through UDCP when the <b>Doc File ID</b> was obtained. If the appraised value and zip code in DU do not match the appraised value in UCDP associated with the <b>Doc File ID</b> , DU will not be able to return any messages from CU.

When the above information is provided, and DU can find a match with the most recent appraisal in CU, all of the CU and UCDP messages that were returned when the appraisal was submitted to UCDP will also appear in the CU Findings report. This section will appear after the DU Underwriting Findings report and Underwriting Analysis Report.

Each category of messages will appear as a list message in the Collateral Underwriter Messages section as in the following example.

## CU Findings

- 1 The messages below were issued by Collateral Underwriter and the Uniform Collateral Data Portal for the appraisal submitted under DocFileID <DocFileID> on <date and time>. These messages are the result of automated analysis and for informational purposes only. Lenders remain responsible for the appraisal report in accordance with the Fannie Mae Selling Guide. CU Findings may not be used as the lenders' basis to accept or reject the appraisal nor may they be used as basis for a credit decision. The CU Findings do not need to be cleared and do not impact the Desktop Underwriter risk assessment nor the lenders' ability to deliver the associated loan to Fannie Mae. Lenders must analyze CU Findings in context of the appraisal report to determine an appropriate course of action and may not use CU Findings to interfere with the independent judgment of the appraiser. Under no circumstance should lenders encourage appraisers to provide inaccurate or otherwise misleading conclusions to conform with automated output from CU.

### COLLATERAL UNDERWRITER MESSAGES

- 2 The following Risk Score and submission status message(s) were issued by Collateral Underwriter:

Message ID	Message Text
FNM1000	The Collateral Underwriter Risk Score is 3 on a scale of 1 to 5 where 5 indicates highest potential collateral risk. A score of 999 indicates no Collateral Underwriter Risk Score available.
FNM1007	The Fannie Mae UCDP Submission Status is successful.

- 3 The following Risk Flag message(s) were issued by Collateral Underwriter:

Message ID	Message Text
FNM1002	There is heightened risk of Appraisal Quality issues.

- 4 The following UCDP Basic Edit Check message(s) were issued by UCDP:

Message ID	Message Text
402	UAD compliance check failure (warnings only)

- 5 The following UAD Compliance message(s) were issued by UCDP:

Message ID	Message Text
5156	For [comparable number], PropertySalesAmount: A prior sale was indicated within the past 3 years; therefore, the Price of Prior Sale/Transfer must be provided in whole dollars.

## Disputed tradeline message enhancement

DU will only issue the disputed tradeline message when a tradeline on the credit report is reported as disputed and has a delinquency that occurred within the last two years from the credit report date (Manner of Payment > 1 with an associated date ≤ 2 years from the credit report date). As a result of this change, the message will be issued on a smaller number of loan casefiles.

The message will also be updated to clarify the information Kinecta needs to confirm on the tradelines, and will list **only the tradelines Kinecta will be required to investigate** (those with a reported delinquency within the last two years). Kinecta will not be required to investigate all accounts that were reported as disputed.

The new message will appear as follows:

*The following tradeline(s) were identified by DU as disputed by the borrower and the reported information was not included in the credit risk assessment. In order to determine if the information on the listed tradeline(s) needs to be taken into consideration, the lender must determine if it belongs to the borrower and confirm the accuracy and completeness of the information on the tradeline. If the borrower is not responsible for the account or the information on the tradeline does not accurately and completely report the account, no further action is necessary.*

*If the borrower is responsible for the account and the tradeline information accurately and completely reports the account, it must be taken into consideration in the credit risk assessment. To ensure it is considered, the lender may obtain a new credit report with the tradeline no longer reported as disputed and resubmit the loan casefile to DU, or the lender may manually underwrite the loan. If the confirmed tradeline information shows that the account is a mortgage that was past due by two or more payments in the last 12 months, or a foreclosure that has been filed within seven years of the disbursement date of the new loan, the loan casefile is ineligible for delivery to Fannie Mae.*

<b>Creditor</b>	<b>Account Number</b>	<b>Account Type</b>
ABC Lender	12345	Installment

If DU does not issue the disputed tradeline message, Kinecta is not required to further investigate the disputed tradeline on the credit report, obtain an updated credit report (with the tradeline no longer disputed), or manually underwrite the loan. However, Kinecta must ensure that any payment for the tradeline is included in the total expense ratio if the account belongs to the borrower.

**Note:** Tradelines reported as medical debt (Account Type Code of MD or Remarks Code of E0166) will not appear in the disputed tradeline message if also reported as disputed, and Kinecta will not be required to investigate the disputed medical tradeline.

Contact your Account Executive if you have any questions.