



Collateral Underwriter Implementation Guide for Non-Seller Correspondent Lenders

This Collateral Underwriter® (CU™) Implementation Guide provides steps for access to, and implementation of, the CU web-based application by non-seller correspondent lenders. **This information provides specific instruction for correspondent lenders who are submitting appraisals to the Uniform Collateral Data Portal® (UCDP®) for loans they intend to close in their own names but not sell directly to Fannie Mae.**

NOTE: *Direct Fannie Mae sellers should follow the different registration process detailed in the [Collateral Underwriter Registration Guide for Approved Fannie Mae Sellers](#).*

This job aid is designed to guide you through a successful CU implementation, starting with completing required training, online contracting and registration, followed by implementation steps and instructions to set up user access.

- Step 1 – Understand CU Basics..... 1
- Step 2 – Complete Contracting, Registration, and CU User Setup..... 2
- Step 3 – Complete CU Training..... 3
- Step 4 – Prepare for CU Implementation 3
- CU Support..... 4

Step 1 – Understand CU Basics

- A CU risk score, flags, and messages are provided in real time after an appraisal is submitted to Fannie Mae through UCDP on the Fannie Mae tab in UCDP and on the UCDP Submission Summary Report.
- **For in-depth appraisal analysis and additional context on the CU findings, lenders access the CU application via a web-based user interface.** No systems integration is required.
- Lenders can use the CU web-based application to efficiently and effectively:
 - Achieve **greater confidence** in the appraisal
 - **Validate** or **dismiss** potential red flags
 - **Inform** and **empower** follow-up requests to the appraiser (**avoid** unnecessary requests)
 - **Accelerate** completion of appraisal underwriting processes
- The CU web application provides easy access to a comprehensive suite of research tools at **a click of a button** and **free of charge** including:

• public property records	• market trend data	• building permit data
• sales history	• mapping	• local market analytics
• comparable sales data	• aerial/street view imagery	• adjustment benchmarks
- CU is a tool to assist lenders in reviewing appraisals:
 - The risk analysis performed by CU is for exclusive use by lenders in their analysis of the appraisal report, but may be used to inform a dialogue with the appraiser after the lender’s review. Neither appraisal management companies (AMCs) nor appraisers have access to the user interface. Lenders may only provide access to employees of their company; no third-party access is permitted.
 - The CU Print Report is for lender and aggregator use only and may not be sent to appraisers or AMCs.
 - **Please Note:** Although the CU terms of use prohibit providing copies or displays of Fannie Mae reports that contain CU findings *to AMCs and appraisers*, **correspondents may provide CU findings and analysis to an aggregator as the loan purchaser, including the CU Print Report (from the web application) and the SSR (from UCDP).**



- Correspondents may also use the appraisal-sharing functionality in UCDP to allow aggregators access to directly view their appraisal findings in both UCDP and CU, eliminating the manual process of sending copies of reports.
- Keep in mind the following **lender obligations**:
 - CU does not provide “approvals” or “denials” of appraisals and/or the corresponding loan. It does not replace or alter lenders’ obligations as described in the Fannie Mae *Selling Guide*. Lenders remain responsible for assessment of the appraisal in accordance with the provisions of the *Guide*.
 - CU is intended to assist lenders in reviewing appraisals. Fannie Mae expects lenders to use the CU feedback in combination with human due diligence. Users should understand the limitations of automated analysis and be aware of potential property or neighborhood nuances.
 - The lender should carefully review the appraisal report – including all commentary – before seeking clarification from the appraiser. Lenders should not make demands or provide instructions to the appraiser based solely on automated feedback.
 - CU generates up to 20 alternative comparables for the purpose of providing context for the appraisal report reviewer. Fannie Mae’s expectation is not that all alternatives be addressed or that only the CU top-ranked comps be used. Lenders may examine the alternative comparables in the course of reviewing an appraisal report to determine if their use may result in a different conclusion about value from that provided by the appraiser.
- Other information:
 - CU is effectively predictive of appraisal defects, but there are false positives. Well-informed human judgment should take precedence over automated results.
 - Lenders may not need to utilize CU’s full functionality and information available in the CU web application on every appraisal.

Fannie Mae expects lenders to use human due diligence in combination with the CU feedback, and will follow up with lenders who are reported to be asking appraisers to change their reports based on CU feedback without any further due diligence.

Step 2 – Complete Contracting, Registration, and CU User Setup

CU is provided at no cost to both Fannie Mae sellers and non-seller correspondent lenders. Access to the CU web application is limited to employees of the non-seller correspondent lender. Lenders may not provide user IDs for any Fannie Mae technology application to third parties.

1. Identify your active UCDP Lender Administrator (Lender Admin).
 - a) If you have questions regarding who your UCDP Lender Admins are for your organization, contact the UCDP Support Center at 1-800-917-9291 for assistance.
2. Your UCDP Lender Admin will need their Fannie Mae user ID and password which is **different** than their UCDP user ID and password.
 - a) The Fannie Mae user ID is the user ID and password that was assigned by Fannie Mae when they were initially set up as a UCDP Lender Admin. If the Lender Admin does not remember their Fannie Mae user ID and password, they should contact the Fannie Mae Customer Interaction Center at 1-877-722-6757.
3. **Your UCDP Lender Admin will contract for and register your organization for CU by logging in to an online application (using their Fannie Mae credentials from step 2) via this link: [CU Registration for Non-Sellers](#).**
 - a) This online application enables your UCDP Lender Admin to electronically accept the CU licensing terms.
 - b) It also establishes your UCDP Lender Admin as a Corporate Administrator for Fannie Mae’s Technology Manager (TM) application, where CU users are set up and managed.
 - c) Once the UCDP Lender Admin has completed the registration process, they will receive a system message on their screen indicating that the registration request has been submitted and is pending activation. An email will



be sent to their email address on file upon successful activation. It will take 30 minutes or less for the activation process to complete.

4. Set up CU User IDs.
 - a) Once the activation process in step 3c is complete, your UCDP Lender Admin – who is now also set up as a TM Corporate Administrator – can access Technology Manager to set up and manage CU application user IDs (using credentials from step 2).
 - b) Follow the steps in the [Non-Seller Admin Guide job aid](#) (see pages 2–9) to access Technology Manager to set up and manage CU user credentials. The steps listed must be completed for each new user before the user can begin utilizing their new user ID to access Collateral Underwriter.
 - c) Set up CU User IDs.
5. It is recommended that your organization establish a backup TM Corporate Administrator by completing the [TM Administrator Registration Form](#).
 - a) Only your TM Corporate Administrator will be able to execute and submit this form for successful processing.

Step 3 – Complete CU Training

Fannie Mae offers a series of eLearning courses designed to train your staff on CU. To maximize the benefit of learning about CU, we recommend that organizations participate in CU training that is available via recorded eLearning sessions at no cost (the order listed below is recommended).

eLearning Course Title, Description, and Link	Recommended Participants
Introduction to Collateral Underwriter Highlights CU's features and benefits and describes how lenders may be able to use CU to make their appraisal review process more effective and efficient	<ul style="list-style-type: none"> • Management • Project teams responsible for implementing appraisal review tools • Lender's appraisal review staff • Underwriting staff • QC and risk staff
Understanding CU's Risk Score, Flags and Messages Provides a foundational understanding of the CU risk score, flags, and messages provided on appraisals submitted to Fannie Mae via UCDP	<ul style="list-style-type: none"> • Management • Lender's appraisal review staff • Underwriting staff • QC and risk staff
CU Implementation Readiness Provides process considerations and tips for successfully implementing Collateral Underwriter.	<ul style="list-style-type: none"> • Management • Project teams responsible for implementing appraisal review tools
CU User Interface Basic Training Covers basic use of CU functionality and navigation for CU user interface end users to gain efficient and effective use	<ul style="list-style-type: none"> • CU user interface users • Lender's appraisal review staff • Underwriting staff • QC and risk staff
CU User Interface Advanced Training Covers advanced CU functionality and navigation for end users	<ul style="list-style-type: none"> • Advanced CU users • Lender's appraisal review staff • Underwriting staff • QC and risk staff

Step 4 – Prepare for CU Implementation

The following guidelines provide information to consider for CU implementation planning; all recommendations may not be applicable to your organization.



- Understand your appraisal review process and adjust as needed:
 - Determine if your organization utilizes an appraisal review team or underwriting staff to perform the review once the appraisal is received in-house from an AMC or in-house panel appraiser
 - Ensure the appraisal submission in UCDP takes place *prior* to appraisal review to incorporate CU's risk score, flags, and messages in the review process
 - If underwriting staff is used, determine to whom they escalate appraisal concerns, and assess their process as well
- Implementation considerations to enhance your process:
 - Identify your organization's risk tolerance as it relates to the CU risk score and risk flags by identifying which – if not all – scores may require a deeper appraisal review through the CU web application (CU risk scores range from 1.0 – 5.0)
 - Modify processes to incorporate the CU risk score assessment, use of the CU web application, and consider whether to include the CU Print Report in the loan file
 - Consider using CU to more effectively assign appraisal review resources for varying levels of deeper appraisal review
 - Use more skilled appraisal reviewers for deeper review of higher CU scores or CU risk flags
 - Identify which actions and documentation will be required for risk flags and messages received
 - Formulate a training plan that includes CU Basic and/or Advanced user training for resources depending on how they will use the CU web application
 - Assess and expand use of the CU web application into other areas – QC, Fraud, Repurchase, etc.
 - Determine whether and when communication to AMCs and/or appraiser networks is necessary for new correction requests that may result from CU findings
 - Document process for review staff to enter appropriate comments in CU regarding action taken and/or not needed and why
 - Ensure your process checks UCDP submission status and messages from each GSE and your systems capture status from each GSE independently
 - Initiate management assessment of score and message trends for continuous quality improvement
- Understand your aggregator's requirements:
 - Understand your aggregator's guidance and policies for handling of UCDP manual overrides, CU risk score, risk flags, and messages, supporting file documentation, and appraisal-sharing expectations
 - Attend correspondent lender-specific training (if offered) to better understand their policies and procedures, and recommended use of the CU web application
 - Understand documentation requirements regarding the support of UCDP and CU messages that the aggregator may require to be included in the loan package
 - Understand if the aggregator requires the final copy of the CU Print Report to be included in the loan file as a condition of loan purchase
 - Understand how to receive help and support from aggregators regarding UCDP and CU appraisal-specific questions and their overall guidelines and policies
- No system integration to the CU web application is needed; only a user ID and password are required for each user. CU can be accessed only by employees of the lender's organization.

CU Support

Access the [CU web page](#) for more information on CU including eLearning courses, any available live webinars, the [CU Fact Sheet](#), and the [CU FAQs](#).

For appraisal-specific support or policy guidance regarding UCDP or CU, **contact your Aggregator**.

For general CU support questions, contact the Fannie Mae Customer Interaction Center at **(800) 2FANNIE**.

For general UCDP support questions, contact the UCDP Support Center at **(800) 917-9291**.

Collateral Underwriter: <https://www.fanniemae.com/singlefamily/collateral-underwriter>

UCDP: <https://www.fanniemae.com/singlefamily/uniform-collateral-data-portal>

Technology Manager: <https://www.fanniemae.com/singlefamily/technology-manager>