

Desktop Underwriter/Desktop Originator Release Notes

DU Version 10.3 January Update

Nov. 18, 2020

During the **weekend of Jan. 16, 2021**, Fannie Mae will implement an update to Desktop Underwriter® (DU®) Version 10.3. Unless specified below, the changes in this release will apply to DU Version 10.3 loan casefiles submitted or resubmitted on or after the weekend of Jan. 16, 2021.

The changes in this release include the following:

- Manufactured Housing Message
- Support of the Redesigned Uniform Residential Loan Application (Form 1003)
- Submission Detail Messages
- Minimum Amortization Term
- Updates to Align with the *Selling Guide*

Manufactured Housing Message

A new Observation message will be added to DU informing lenders if a loan may be eligible for delivery as a Duty to Serve manufactured housing loan. The message will be issued using information associated with the borrower's income, the transaction, and the subject property.

Support of the Redesigned Uniform Residential Loan Application (Form 1003)

In August 2016, Fannie Mae and Freddie Mac announced the publication of the redesigned Uniform Residential Loan Application (Form 1003) and the Uniform Loan Application Dataset (ULAD) Mapping Document. Lenders must use redesigned Form 1003 for all new loan applications received on or after Mar. 1, 2021. DU will issue messages specifying the version of the loan application that was used for the submission of the DU loan casefile based on the timelines below.

Loan casefiles submitted using the MISMO V3.4 loan application:

- Loan casefiles **submitted or resubmitted** after the weekend of Jan. 16, 2021: A new Observation message will be issued stating the MISMO V3.4 loan application was used on the loan casefile submission.

Loan casefiles submitted using the 1003 v3.2 or MISMO v2.3.1 loan application:

- Loan casefiles **created on or after Jan. 16, 2021**: A new Observation message will be issued stating the loan casefile was submitted using the 1003 v3.2 or MISMO v2.3.1 loan application, and that as of March 1, 2021 all new loan applications must be submitted using the redesigned Form 1003 (MISMO V3.4).
- Loan casefiles **created on or after Mar. 1, 2021**: A new Ratings message will be issued stating the loan casefile was submitted using the 1003 v3.2 or MISMO v2.3.1 loan application, and that all new loan applications taken on or after March 1, 2021 must be submitted using the redesigned Form 1003 (MISMO v3.4). The recommendation will not be impacted based on the use of the 1003 v3.2 or MISMO v2.3.1 loan application.

Submission Detail Messages

The existing Observation message that specifies the name of the lender institution the loan casefile was submitted to and the submission number will be updated. The message will now also include the casefile create date and will no longer be issued on loan casefiles underwritten using Desktop Originator® (DO®).

A new Observation message will be issued on loan casefiles submitted using DO that also includes the name of the broker institution used for the submission and the submission type (interim or final).



Minimum Amortization Term

DU will now issue an Ineligible recommendation on loan casefiles with an amortization term less than 85 months.

Updates to Align with the *Selling Guide*

Lease Review Message Removal

Selling Guide Announcement SEL-2020-03 updated our policy to no longer prescribe action the lender must take at the loan level to ensure rental property leases do not adversely impact first lien position or enforceability. The DU message requiring review of the lease is being removed.

Support of LIBOR ARM Retirement

To support the retirement of the London Interbank Offered Rate (LIBOR) ARM plans, ARM 3252 is being removed as a valid Fannie Mae ARM plan in DU.

Miscellaneous Message Text Changes

To continue to provide clarity and consistency with the *Selling Guide*, various DU messages will be updated.

For More Information

For more information about these Release Notes, lenders may contact their Fannie Mae Customer Management Solution Team, and mortgage brokers should contact their DO sponsoring wholesale lender. For technology considerations, an Integration Impact Memo will be posted on the [Technology Integration](#) page.