

Uniform Closing Dataset (UCD) Release 5.6

Phase 1 Fatal Edit Transition

April 15, 2021

Dear Integrated Partner,

On April 23, Fannie Mae will include additional message text for the existing Phase 1 edits that will transition from “Warning” to “Fatal” in the UCD Collection Solution. **The additional text will highlight the official transition date that the edit will go “Fatal” in UCD Production.** Fannie Mae has been implementing a two-year transition to convert certain edits in their UCD Collection Solution from “warning” to “fatal.” Phase 1 of the transition will begin on May 31, 2021 and is designed to enhance data quality and consistency for single-family loans the GSEs purchase.

Transition Rollout

In recognition of industry feedback and competing priorities for lenders and technology service providers (TSPs), the GSEs developed a phased implementation approach to transition UCD edits from “warning” to “fatal” that provides ample time and flexibility. The rollout approach consists of transitioning of edits from “warning” to “fatal” in four phases that closely align to the various sections of the Consumer Financial Protection Bureau’s (CFPB’s) Closing Disclosure.

- Phase 1 edits will transition to “fatal” on May 31, 2021.
- Phase 2 edits will transition to “fatal” on Sept. 30, 2021.
- Phase 3 edits will transition to “fatal” on March 31, 2022.
- Phase 4 edits will transition to “fatal” on Sept. 30, 2022.

Transition Timeline

The effective date of each transition is identified by phases 1-4 (see *Fig. 1*). In addition, the GSEs will publish the complete list of edits for any lenders who wish to implement the required technical changes all at once or ahead of schedule.

	Phase 1	Phase 2	Phase 3	Phase 4
Implementation Dates	May 31, 2021	Sept. 30, 2021	March 31, 2022	Sept. 30, 2022
Closing Disclosure Sections	<ul style="list-style-type: none"> • Closing Information • Loan Information • Loan Disclosures • Escrow Accounthttps://singlefamily.fanniemae.com/external-resource/ucd-test-environmentLoan Calculations • GSE Specific • GSE Regulation Z and Qualified Mortgage • Payoffs and Payments 	<ul style="list-style-type: none"> • Loan Terms • Projected Payments • Cash to Close • Summaries of Transactions 	<ul style="list-style-type: none"> • Loan Costs • Other Costs • Total Closing Costs (Borrower – Paid) • Lender Credits 	<ul style="list-style-type: none"> • Transaction Information • Contacts • Cash to Close (Calculations) • Summaries of Transaction (Calculations)

Fig. 1



NOTE: Lenders and TSPs should be aware that while the GSEs have made every effort to produce a complete list of fatal edits and an associated implementation timeline, changes may be required in the future. If additions, deletions or modifications are identified, advanced notice will be provided to inform lenders and TSPs of the details and effective date(s) of any such change.

Transition Preparation for Lenders and TSPs

- **Review “warning” messages.** The UCD Collection Solution currently issues a “warning” message if the data provided is missing, inconsistent, or incorrect according to the UCD specification. In preparation for the transition to “fatal edits, lenders should review all feedback messages returned by the UCD Collection Solution and resolve any issues, particularly those relating to future “fatal” edits.
- Test your UCD XML file. Access the [UCD Collection Solution Testing Environment](#) to test your UCD XML files to resolve potential fatal issues prior to the phased releases.
- Review the updated [UCD Fatal Edits Matrix 2.0](#). The GSEs published updates to the matrix, which contains the edits and associated datapoints for all phases. Lenders are encouraged to familiarize themselves with the matrix prior to implementation.
- Review the [UCD Fatal Edits - Implementation Guide](#). This resource was created to provide guidance on the transition of these specific edits. Portions of the Closing Disclosure are used throughout the guide to illustrate data elements identified as “fatal” by highlighting those in bold font. Figure 2 (below) includes an example of the Closing Disclosure that highlights the required data for the first phase.
- Review the [Feedback Messages](#) for the UCD Collection Solution. Each GSE published a list of feedback messages for Phase 1 of the UCD Fatal Edits for their respective systems.

<p>1.0 Closing Information</p> <p>1.1 Date Issued 4/7/2018 1.2 Closing Date 4/15/2018 1.3 Disbursement Date 4/15/2018</p> <p>1.4 Settlement Agent Epsilon Title Company 1.5 File # 12-3456 1.6 Property 456 Somewhere Ave. Anytown, NY 12345 1.7 Sale Price \$180,000</p>	<p>3.0 Loan Information</p> <p>3.1 Loan Term 30 Years 3.2 Purpose Purchase 3.3 Product Fixed Rate</p> <p>3.4 Loan Type <input type="radio"/> Conventional <input type="radio"/> FHA <input type="radio"/> VA <input type="radio"/> _____ 3.5 Loan ID # 123456789 3.6 MIC #</p>										
<p>Loan Disclosures</p> <p>17.1 Assumption</p> <p>If you sell or transfer this property to another person, your lender</p> <p><input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms.</p> <p><input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.</p> <p>17.3 Late Payment</p> <p>If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.</p>	<p>18.0 Escrow Account</p> <p>For now, your loan</p> <p>18.1 <input checked="" type="checkbox"/> will have an escrow account (also called an “impound” or “trust” account) to pay the property costs listed below. Without an escrow account, you would pay them directly possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.</p> <p>Loan Calculations</p> <table border="1"> <tr> <td>Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.</td> <td>21.1 \$1</td> </tr> <tr> <td>Finance Charge. The dollar amount the loan will cost you</td> <td>21.2 \$1</td> </tr> <tr> <td>Amount Financed. The loan amount available after paying your upfront finance charge</td> <td>21.3 \$1</td> </tr> <tr> <td>Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.</td> <td>21.4 1%</td> </tr> <tr> <td>Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount</td> <td>21.5 1%</td> </tr> </table>	Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	21.1 \$1	Finance Charge. The dollar amount the loan will cost you	21.2 \$1	Amount Financed. The loan amount available after paying your upfront finance charge	21.3 \$1	Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	21.4 1%	Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount	21.5 1%
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Fig. 2

NOTE: No new data has been added to the UCD Delivery Specification v.1.5, nor have elements been removed.

Additional Information

Please contact your account representative for assistance or submit your questions to our UCD mailbox: UCD@FannieMae.com. For more information on UCD, visit the [Fannie Mae UCD](#) and [UCD Collection Solution pages](#).