



Collateral Underwriter® Version 5.0 Release Notes

April 20, 2021

On June 25, 2021, Fannie Mae will implement an updated version of Collateral Underwriter® (CU®), version 5.0, to:

- Enhance the user interface - The new user interface will incorporate the two existing versions of CU into one platform, integrating all current features into a single, more user-friendly interface.
- Improve the CU messages - CU messages will be updated to provide additional guidance, retire less effective messages, and add overvaluation messages.

During the updates, CU will be unavailable on June 25, 2021 from 9 PM to 12 AM (midnight) ET.

User Interface Redesign

Based on user feedback, we have made significant changes to bring forward the best functionality and interface design from CU (version 4.0) and CU Classic into CU 5.0. Older versions will be retired. The enhanced CU interface will be accessible from the [Collateral Underwriter page](#).

The new user interface will...

- ...further improve lenders' ability to manage appraisal quality with all the features they rely on in one easy to navigate space.
- ...eliminate toggling between versions of CU – everything is in one place.

For example:

- View Market Trend Snapshot in the Overview tab.
- Review messages while analyzing data on the Comparables tab.

CU Message Enhancements

We reviewed all CU messages to determine whether each one would be retained as-is, updated to provide additional guidance, or retired.

- 127 messages updated to include guidance on evaluating or investigating issues identified in the message¹
- 38 messages retired
- 16 new Overvaluation (OV) reason codes¹
 - When an overvaluation flag is present, the single most relevant reason code is displayed.

¹ To review the changes made to the messages and new overvaluation codes, review [CU V. 5.0 Message Updates | June 25, 2021](#). Login required.



Retired Messages

These messages will be removed from the interface.

Message Type	Message ID	Message Title	Message
Eligibility	FNM0084	No comment on market conditions	There was no comment on market conditions, even though one or more negative housing trends were indicated (declining, over supply, over 6 months).
Eligibility	FNM0101	Subject is hotel or condotel	The subject property may be a hotel/motel or condo hotel.
Eligibility	FNM0102	Subject may be in an ineligible project	The subject property is in a condominium project that may be ineligible for delivery to Fannie Mae.
Eligibility	FNM0103	Developer/Builder controls HOA	The developer/builder is in control of the HOA. Consult the Fannie Mae Selling Guide to determine the appropriate project review type required for this transaction.
Eligibility	FNM0104	Entity owns 10%+ of project	A single entity owns more than 10% of the project units. Projects where a single entity (other than the developer during the initial marketing period) owns more than 10% of the total units are ineligible under Fannie Mae policy.
Eligibility	FNM0105	Project not yet completed	Some part of the condominium project has not been completed (including planned rehabilitation). Confirm that the project, or subject legal phase, meets the applicable completion standard as described in the Fannie Mae Selling Guide.
Eligibility	FNM0106	Condo project is more than 25% commercial space	More than 35% of the overall space in the project is commercial use. Property is ineligible for delivery per the selling guide.
Eligibility	FNM0107	Motel/Condotel	Comparable property may be a hotel/motel or condo hotel.
Eligibility	FNM0174	Project name suggests it is a condotel	The project name suggests that the property may be a condo hotel. Verify the subject is located in a project that meets Fannie Mae's Selling Guide requirements.
Data Discrepancy (0400 series)	FNM0428	Basement to GLA composition peer discrepancy	The reported finished basement area is materially different than what has been reported by other appraisers, but the total living area is consistent.
Data Discrepancy (0400 series)	FNM0429	Basement to GLA composition self discrepancy	The appraiser has reported a materially different finished basement area in one or more appraisal reports, but the total living area is consistent.
Data Discrepancy (0400 series)	FNM0430	Sale price >20% different than any peer	The sales price is significantly different than what has been reported by any other appraiser.
Data Discrepancy (0400 series)	FNM0431	GLA >20% different from any peer	The GLA is significantly different than what has been reported by any other appraiser.



Message Type	Message ID	Message Title	Message
Data Discrepancy (0400 series)	FNM0432	Lot size >20% different from any peer	The lot size is significantly different than what has been reported by any other appraiser.
Data Discrepancy (0400 series)	FNM0433	Condition 2+ levels different from peer consensus	The condition rating is significantly different than what has been reported by any other appraiser.
Data Discrepancy (0400 series)	FNM0434	Quality 2+ levels different from peer consensus	The quality rating is significantly different than what has been reported by any other appraiser.
Data Discrepancy (0400 series)	FNM0435	Location 2+ levels different from peer consensus	The location rating is significantly different than what has been reported by any other appraiser.
Data Discrepancy (0400 series)	FNM0436	View 2+ levels different from peer consensus	The view rating is significantly different than what has been reported by any other appraiser.
Data Discrepancy (0400 series)	FNM0442	Subject's reported location differs from another appraisal of the subject	The location rating is materially different than what has been reported in another appraisal of the same subject.
Data Discrepancy (0400 series)	FNM0443	Subject's reported view differs from another appraisal of the subject	The view rating is materially different than what has been reported in another appraisal of the same subject.
Data Discrepancy (0400 series)	FNM0445	Subject's reported condition differs from another appraisal of the subject	The condition rating is materially different than what has been reported in another appraisal of the same subject.
Data Discrepancy (0400 series)	FNM0446	Missing Unit Number	The subject was excluded from data discrepancy computations due to a missing unit number.
Data Discrepancy (0400 series)	FNM0450	Property type – self discrepancy	The appraiser has reported a materially different attachment type in one or more appraisal reports.
Data Discrepancy (0400 series)	FNM0451	Property type – peer discrepancy	The attachment type reported is materially different than what has been reported by other appraisers.
Data Discrepancy (0400 series)	FNM0464	Water view factor - peer discrepancy	The water view factor is materially different than what has been reported by other appraisers.
Data Discrepancy (0400 series)	FNM0465	Water view factor - subject-to-subject disagreement	The water view factor is materially different than what has been reported in another appraisal of the same subject.
Data Discrepancy (0400 series)	FNM0490	Condition & comparable property age conflict (both SF and condo)	The condition rating conflicts with the reported age (condition rating is likely "C1").
Adjustment	FNM0630	Comp Inversion (downward adjustment)	The appraiser's negative net adjustment indicates the comparable is materially superior to the subject, but the appraised value of the subject is materially higher.
Adjustment	FNM0631	Comp Inversion (upward adjustment)	The appraiser's positive net adjustment indicates the comparable is materially inferior to the subject, but the appraised value is materially lower.
Adjustment	FNM0632	No time adjustment (positive)	Market data indicates that a positive time adjustment may be warranted, but no adjustment has been made by appraiser.



Message Type	Message ID	Message Title	Message
Adjustment	FNM0633	No time adjustment (negative)	Market data indicates that a negative time adjustment may be warranted, but no adjustment has been made by appraiser.
Adjustment	FNM0640	Appraisal Bias	The appraiser's net adjustments for the comparable sales are materially different from the model net adjustments.
Data Quality	FNM0814	Fewer than 3 comps	The appraisal has fewer than 3 closed sale comps.
Data Quality	FNM0815	Appraisal effective date is out of range	The appraisal's effective date is invalid.
Data Quality	FNM0816	Condition is out of range	The reported condition rating is outside of the model range (1-5).
Data Quality	FNM0820	Appraisal value could have data error	The appraised value is suspected to have a data entry error.
Data Quality	FNM0821	Unadjusted price is very different than appraisal value	The unadjusted sale price is significantly different than the appraised value.
Data Quality	FNM0822	Net adjustment is different than sum of line-item adjustments	The net adjustment is erroneous.

For More Information

For more information about these Release Notes, lenders may contact their Fannie Mae customer account team. Additional information including help and training is available on the [Collateral Underwriter page](#).