

Desktop Underwriter/Desktop Originator Release Notes

DU Version 11.0 Dec. Update

Oct. 20, 2021

Updated Nov. 17, 2021

During the **weekend of Dec. 4, 2021**, Fannie Mae will implement an update to Desktop Underwriter® (DU®) Version 11.0. The changes in this release will apply to DU Version 11.0 loan casefiles **submitted or resubmitted** on or after the weekend of Dec. 4, 2021.

The changes in this release include the following:

- RefiNow™ Updates
- Credit Score Message
- Rent Payment History Updates
- Updates to Align with the *Selling Guide*

Nov. 17, 2021: Additional Rent Payment History changes have been added on page 2 below.

RefiNow Updates

Lender Letter [LL-2021-10](#) was updated Oct. 20 to announce enhancements to RefiNow. The following updates will be made to the RefiNow requirements in DU.

- The total income on the loan casefile will now be required to be at or below 100% (increased from 80%) of the applicable area median income (AMI) for the subject property's location.
- The existing loan exclusion for loans seasoned 10 years or more will be removed.
- The existing loan exclusion for loans subject to investor-paid mortgage insurance will be removed.
- The \$5,000 limit on closing costs will be removed.
- The requirement for a reduction in the monthly mortgage payment of at least \$50 will be removed, though the borrower must see some reduction in the monthly mortgage payment.

Other RefiNow updates

No address match message

A message will be added on those refinance transactions that could be eligible for RefiNow (primary residence, one-unit, total income at or below 100% AMI) but an address match cannot be made with an existing Fannie Mae loan.

Existing loan mortgage insurance information message

The message issued specifying the mortgage insurance provider that currently has coverage in place on the existing Fannie Mae loan will be updated to also include the MI certificate number.

Credit Score Message

A new Observation message will be issued that specifies the representative credit score and the average median credit score for the loan casefile.

Note: For loan casefiles where only one borrower has a credit score, "not applicable" will be shown where the average median credit score would display in the message.



Rent Payment History Updates

Potential Recommendation Improvement Message Update

The message issued by DU when a loan casefile may be able to receive a more favorable recommendation if a 12-month Verification of Asset (VOA) report was obtained will be updated to clarify that the 12-month VOA report must also reflect at least 12 months of transactions.

Rent Payment Data Entry Message (added to release notes Nov. 17, 2021)

A new message will be issued when a first-time homebuyer states on the loan application they are renting, but no rent amount is provided. The message will remind the lender to enter the monthly payment amount on the loan application and resubmit the loan casefile to DU. If DU then determines a more favorable recommendation could be received, DU will issue the message stating that the loan casefile may be able to receive a more favorable recommendation if a 12-month VOA report with 12 months of transactions was obtained.

As a reminder, when the borrower is renting the application should indicate the Housing option of “Rent” and the monthly amount of rent the borrower is paying should then be provided in the field shown below.

Current Address

Street _____ Unit # _____

City _____ State _____ ZIP _____ Country _____

How Long at Current Address? ___ Years ___ Months **Housing** No primary housing expense Own Rent (\$ _____ /month)

Note: The lender should ensure that the rent amount provided for each borrower is the amount that each borrower pays monthly. If a borrower and co-borrower are living together and paying rent, the total amount of the rent should either be provided for one borrower, or each borrower’s portion should be provided for each specific borrower (the total amount of rent should not be provided as the rent amount for each borrower).

Rent Payment Identification on VOA Reports (added to release notes Nov. 17, 2021)

Since the rent payment history enhancement was released on Sept. 18, analysis has been performed to assess any potential updates to the logic that identifies the rent payment history on the VOA report. Based on observations in the first month of loan casefile submissions, updates will be made to assist DU in being able to identify a rent payment history on VOA reports.

Note: As continued analysis on this logic is performed, future updates will be made as necessary, and will be communicated in advance of the update being made in DU.

Updates to Align with the Selling Guide

Homeownership Education

As specified in *Selling Guide* Announcement SEL-2021-09, we will now permit any qualified third-party provider, independent of the lender, to administer homeownership education. The DU homeownership education messages will be updated to support this change.

Other Income Documentation Message for Self-employed Borrowers

DU will issue a new message on loan casefiles for a self-employed borrower when the ownership share is less than 25% and Other Employment Income is provided on the loan application. The message will specify that the lender obtain documentation to support the other employment income if not already covered by the documents required to verify borrower’s base, bonus, overtime, or commission income; and that if the other employment income is business income, obtain the most recent two years of signed individual federal income tax returns and the most recent two years of IRS Schedule K-1.



Area Median Income Observation Message

An Observation message will be issued on primary residence transactions specifying the AMI for the area in which the property is located.

Limited Cash-Out Refinance Message

When a limited cash-out refinance loan casefile receives an Ineligible recommendation because it appears the amount of cash taken out of the subject property equity exceeds the limit of 2 percent of the loan amount or \$2000, a message will be issued specifying the amount of cash DU calculated as being taken out of the subject property (based on the loan application data provided).

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 Business Account Management Solutions (BAMS) 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.