



Selling Notice

June 1, 2022

Equifax Coding Error

We were recently informed by Equifax® Inc. of a coding issue that may have resulted in errors to consumer credit scores and credit data reported by Equifax from March 17 to April 6, 2022. We were informed that this error may have impacted approximately 12% of credit scores issued during this time period that were based on Equifax credit data. Any lender that received credit report data directly from Equifax online or via a third-party consumer reporting agency/reseller over this time period may be affected by this coding issue.

In light of the coding issue, lenders are reminded of their obligations under the *Selling Guide* to correct erroneous credit data, ensure the accuracy of the credit data submitted to Desktop Underwriter® (DU®) at the time of loan sale, and to provide any corrected information to us.

- [B3-2-09, Erroneous Credit Report Data](#): The lender is responsible for ensuring that credit report data used by DU in its underwriting analysis is accurate. Significant, material credit errors in a borrower's credit report may have a negative impact on the underwriting recommendation from DU. When there is documented evidence of material erroneous credit data, the underwriter should work with the credit repository to correct the data and resubmit the loan casefile to DU for underwriting. If there is not enough time to obtain corrected information, or if there are extenuating circumstances that contributed to the derogatory credit, the lender may manually underwrite the mortgage.
- [B3-2-10, Accuracy of DU Data, DU Tolerances, and Errors in the Credit Report](#): Lenders must ensure the accuracy of the data submitted to DU and at time of sale to Fannie Mae. For errors that are the result of reporting errors by the credit agency, lenders must take action when information not considered by DU would result in a recommendation other than that returned by DU.
- [C1-2-02, Loan Data and Documentation Delivery Requirements](#): Lenders must notify us if they determine there are discrepancies in the data attributes submitted to us at the time of loan delivery and the lender's loan records. Lenders must follow the post-purchase adjustment process to resolve these matters, including reporting of corrected credit scores from Equifax. See our [website](#) for additional information.
- [D1-3-03, Lender Post-Closing Quality Control Review of Data Integrity](#): The lender must review the final terms of the loan to ensure they align with data on which the underwriting was based. When a lender's loan file review identifies discrepancies between the data that was used in the underwriting decision and the data verified through the QC process, the lender must reassess the underwriting decision based on the newly verified information to determine whether the loan remains eligible to be sold to Fannie Mae. When there are inconsistencies between the data and/or information submitted to DU (or used for manual underwriting) and the source documents, the lender must follow the process laid out in D1-3-03.

If lenders have any questions about their obligations under the *Selling Guide*, they may contact their Fannie Mae account team. Lenders must work with their consumer credit report providers and Equifax to identify the potential impacts of the coding issue on their originations and direct questions about the coding issue or its impacts to them.

We are continuing to monitor the situation and additional guidance may be forthcoming as we learn more about the impact of the Equifax coding issue on lender credit reports.