



Fannie Mae™

Fannie Mae Desktop Underwriter Specification Frequently Asked Questions

Document Version 1.1

Version Date: May 28, 2024

Frequently Asked Questions (FAQ) Revision History

Document Date	Version No.	Description
May 28, 2024	1.1	Addition of Q26 about the Optimized Dataset
September 28, 2022	1.0	Initial publication

1. What field should be used to identify the “sales price”?

The data point for “sales price” is *SalesContractAmount* (UID 7.0001) in the DU Spec. This data point is mapped to the “Sales Contract Price” in the URLA Lender Loan Information section L4. Qualifying the Borrower.

The sales contract amount must not include any amount of value assigned to personal property.

2. Does Fannie Mae support Excess Contributions from interested parties? If so, what fields will be used to submit this information?

Yes, for both conventional and government loans excess contributions are considered Sales Concessions and are reported using the data point *SalesConcessionAmount* (UID 17.0007). The property’s sales price (*SalesContractAmount* (UID 7.0001)) must be adjusted downward to reflect any Interested Party Contribution that exceeds the limit specified in the Fannie Mae Selling Guide.

For a detailed discussion on how to enter Excess Contributions see DU Job Aids on Excess Interested Party Contributions at the link shown below:

https://singlefamily.fanniemae.com/job-aid/new-desktopunderwriter/topic/excess_interested_party_contributions.htm

3. What data points are used to represent a Mortgage Credit Certificate (MCC) in the loan submission file?

For conventional loans a Mortgage Credit Certificate (MCC) is represented at the borrower level by a Current Income Item having *IncomeType* (UID 4.0044) = “MortgageCreditCertificate”. The amount of the MCC will be added to income for calculations.

For government loans, an MCC is represented at loan level using the data point *GovernmentMortgageCreditCertificateAmount* (UID 13.0014). For an FHA loan, the amount of the MCC will be subtracted from the mortgage payment for calculations. For a VA loan, the amount of the MCC will be added to the residual income, subject to VA monthly limits.

Also, you cannot submit both *IncomeType* = “MortgageCreditCertificate” AND *GovernmentMortgageCreditCertificateAmount* in the same Loan Application Submission file or DU will result in a recommendation of “Ineligible”.

4. How should Present Housing Expenses be represented in the file?

For present housing expenses related to home ownership, the OWNED_PROPERTY and LIABILITY structures are utilized. When an OWNED_PROPERTY has the *PropertyUsageType* = “PrimaryResidence” and *OwnedPropertyDispositionStatusType* = “Retain”, all expenses other than mortgage payments are reflected in the data point *OwnedPropertyMaintenanceExpenseAmount*. The present housing expense represented by the mortgage payments are reflected in the *LiabilityMonthlyPaymentAmount* of the *MortgageLoan* liability(s) associated to the OWNED_PROPERTY.

```

<ASSET SequenceNumber="6" xlink:label="ASSET_6">
  <OWNED_PROPERTY>
    <OWNED_PROPERTY_DETAIL>
      <OwnedPropertyDispositionStatusType>Retain</OwnedPropertyDispositionStatusType>
      <OwnedPropertyLienUPBAmount>210279.00</OwnedPropertyLienUPBAmount>
      <OwnedPropertyMaintenanceExpenseAmount>598.00</OwnedPropertyMaintenanceExpenseAmount>
      <OwnedPropertySubjectIndicator>>false</OwnedPropertySubjectIndicator>
    </OWNED_PROPERTY_DETAIL>
    <PROPERTY>
      <ADDRESS>
        <AddressLineText>4321 Cul de Sac St</AddressLineText>
        <AddressUnitIdentifier>44</AddressUnitIdentifier>
        <CityName>Someplace</CityName>
        <PostalCode>02723</PostalCode>
        <StateCode>MA</StateCode>
      </ADDRESS>
      <PROPERTY_DETAIL>
        <PropertyCurrentUsageType>PrimaryResidence</PropertyCurrentUsageType>
        <PropertyEstimatedValueAmount>600000.00</PropertyEstimatedValueAmount>
        <PropertyUsageType>PrimaryResidence</PropertyUsageType>
      </PROPERTY_DETAIL>
    </PROPERTY>
  </OWNED_PROPERTY>
</ASSET>

```

The ASSET container listed above will be linked using an ArcRole to all LIABILITY containers which contain the monthly mortgage payment(s) of the ASSET.

```

<RELATIONSHIP SequenceNumber="10" xlink:from="ASSET_6" xlink:to="LIABILITY_2"
xlink:arcrole="urn:fdc:mismo.org:2009:residential/ASSET_IsAssociatedWith_LIABILITY"/>

```

An example of a LIABILITY container associated with the ASSET is shown here. Please remember that this LIABILITY container should be associated with a borrower using an ArcRole.

```

<LIABILITY SequenceNumber="2" xlink:label="LIABILITY_2">
  <LIABILITY_DETAIL>
    <LiabilityAccountIdentifier>502088</LiabilityAccountIdentifier>
    <LiabilityMonthlyPaymentAmount>1691.00</LiabilityMonthlyPaymentAmount>
    <LiabilityPaymentIncludesTaxesInsuranceIndicator>>false</LiabilityPaymentIncludesTaxesInsuranceIndicator>
    <LiabilityPayoffStatusIndicator>>false</LiabilityPayoffStatusIndicator>
    <LiabilityType>MortgageLoan</LiabilityType>
    <LiabilityUnpaidBalanceAmount>210279.00</LiabilityUnpaidBalanceAmount>
  </LIABILITY_DETAIL>
</LIABILITY>

```

Should one of the Present Housing Expenses be Rent, it must be expressed using the LANDLORD_DETAIL and RESIDENCE_DETAIL containers. The value of

BorrowerResidencyBasisType must be "Rent" in RESIDENCE_DETAIL as shown here.

```

<RESIDENCES>
  <RESIDENCE>
    <ADDRESS>
      <AddressLineText>5404 Pawnee Trail</AddressLineText>
      <CityName>Louisville</CityName>
      <PostalCode>402071234</PostalCode>
      <StateCode>KY</StateCode>
    </ADDRESS>
    <LANDLORD>
      <LANDLORD_DETAIL>
        <MonthlyRentAmount>3500.00</MonthlyRentAmount>
      </LANDLORD_DETAIL>
    </LANDLORD>
    <RESIDENCE_DETAIL>
      <BorrowerResidencyBasisType>Rent</BorrowerResidencyBasisType>
      <BorrowerResidencyDurationMonthsCount>24</BorrowerResidencyDurationMonthsCount>
      <BorrowerResidencyType>Current</BorrowerResidencyType>
    </RESIDENCE_DETAIL>
  </RESIDENCE>
</RESIDENCES>

```

Covering these areas of the file will ensure that all Present Housing Expenses are included in any DU calculations that require this data.

5. Where is concurrent financing from section “4b. Other New Mortgage Loans on the Property You are Buying or Refinancing” found in the DU Spec?

Concurrent or subordinate financing data is identified in the DU Spec by filtering on the column *LoanRoleType* = “RelatedLoan”. There are 8 data points with *LoanRoleType* = “Related Loan”, six of which are displayed on the URLA form and two of the Related Loan data points, *FundsSourceType* and *FundSourceTypeOtherDescription*. are not on the form.

6. What data points does DU use for Purchase Credits? Why do they appear in two different sections of the URLA?

The Purchase Credit data points are: *PurchaseCreditType* (UID 5.0244), *PurchaseCreditAmount* (UID 5.0245), *PurchaseCreditTypeOtherDescription* (UID 17.0024), *PurchaseCreditSourceType* (UID 5.0270), and *PurchaseCreditSourceTypeOtherDescription* (UID 5.0271). The DU Spec includes the supported enumerations for each data point.

URLA, Section “2b. Other Assets and Credits You Have” is where details of the purchase credits for the transaction are provided. In the loan application submission file, include the corresponding data points mapped to this section.

The total of the purchase credits in the transaction are found in the URLA Lender Loan Information Section “L4. Qualifying the Borrower” on line M. Other Credits. The lender does not include a total in the loan application submission file. Fannie Mae will calculate the total of other credits in DU.

The enumeration “LotEquity” is not a valid enumeration for *PurchaseCreditType* and must be structured in the XML using *PurchaseCreditType* = “Other” and *PurchaseCreditTypeOtherDescription* = “LotEquity”.

A single instance of a Purchase Credit record in the loan application file should include a valid *PurchaseCreditType* or a *PurchaseCreditSourceType* but not both.

The values “EmployerAffiliate”, “LenderAffiliate” and “OtherInterestedParty” are not valid values for *PurchaseCreditSourceType* and must be structured in the XML using *PurchaseCreditSourceType* = “Other” and *PurchaseCreditSourceTypeOtherDescription*.

7. How is rental income for the purchase or refinance of a 2-4 unit property entered in the URLA and included in the loan application submission file?

For Purchase transactions where there is rental income related to the subject property, either investment or a 2-4 unit primary residence, the amount of the expected (gross) monthly rental income is entered in section “4c. Rental Income on the Property You Want to Purchase”. The lender will calculate the net monthly rental income and included it in the loan application submission file in data point *RentalEstimatedNetMonthlyRentAmount* (UID 4.0075).

For refinance transactions, either investment or a 2-4 unit primary residence, the amount of the gross rental income is entered in section “3a. Property You Own”. The lender will calculate the net monthly rental income and included it in the loan application submission file in data point “OwnedPropertyRentalIncomeNetAmount” (UID 5.0239).

DU will use the Gross Rental Income or Net Rental Income entered for borrower’s two- to four-unit current residence in the REO section of the loan application for the DTI ratio calculation. When Net Rental Income is entered, that amount will be used for the DTI ratio calculation. If only Gross Rental Income is provided, DU will use 75% of the Gross Rental Income for the DTI ratio calculation. For the specific scenarios of two-to-four unit Primary Residence see the following question.

8. How is Rental Income from a two- to four-unit Primary Residence entered into DU to make sure the Debt-To-Income (DTI) calculation is correct?

Rental income is the amount of money derived from the units that are not occupied by the borrower. The following covers two possible scenarios.

Scenario 1 – A four-unit primary residence (which is the subject property) has rental income from the additional units is being refinanced. There is a second home owned by the borrower.

The property that is being refinanced is placed in Section 3a. of the redesigned URLA. The borrower will provide the Gross Rental Income, and the **lender should calculate and enter the Net Rental Income** as shown below. DU will use 75% of the Gross Rental Income to determine the Net Rental Income if the lender does not provide this information.

3a. Property You Own		If you are refinancing, list the property you are refinancing FIRST.			
Address		Street 4321 Cul de Sac St		Unit #	
City Someplace		State MA		ZIP 02723	
Country					
Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ 600,000.00	Retained	Primary Residence	\$ 598.00	\$ 1,800.00	\$ 1,350.00

The second home information is placed in Section 3b.

3b. IF APPLICABLE, Complete Information for Additional Property		<input type="checkbox"/> Does not apply			
Address		Street 123 Ocean Drive		Unit #	
City Ocean City		State MD		ZIP 12345	
Country					
Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ 400,000.00	Retained	Second Home	\$	\$	\$

In the XML file, the Gross and Net Rental Income will be placed in the OWNED_PROPERTY_DETAIL container. The OwnedPropertySubjectIndicator (Unique ID 5.0130) should be set to “true” to show that this is the same property that will be listed under SUBJECT_PROPERTY.

```
<ASSET SequenceNumber="6" xlink:label="ASSET_6">
  <OWNED_PROPERTY>
    <OWNED_PROPERTY_DETAIL>
      <OwnedPropertyDispositionStatusType>Retain</OwnedPropertyDi
      <OwnedPropertyLienUPBAmount>210279.00</OwnedPropertyLienUPB
      <OwnedPropertyMaintenanceExpenseAmount>598.00</OwnedPropert
      <OwnedPropertyRentalIncomeGrossAmount>1800.00</OwnedPropertyR
      <OwnedPropertyRentalIncomeNetAmount>1350.00</OwnedPropertyR
      <OwnedPropertySubjectIndicator>true</OwnedPropertySubjectIn
    </OWNED_PROPERTY_DETAIL>
    <PROPERTY>
      <ADDRESS>
        <AddressLineText>4321 Cul de Sac St</AddressLineText>
      </ADDRESS>
    </PROPERTY>
  </OWNED_PROPERTY>
</ASSET>
```

The number of units will be placed in the PROPERTY_DETAIL container under SUBJECT_PROPERTY.

```
<COLLATERALS>
  <COLLATERAL>
    <SUBJECT_PROPERTY>
      <ADDRESS>
        <AddressLineText>4321 Cul de Sac St</AddressLineText>
        <CityName>Someplace</CityName>
        <PostalCode>02723</PostalCode>
        <StateCode>MA</StateCode>
      </ADDRESS>
      <PROPERTY_DETAIL>
        <AttachmentType>Attached</AttachmentType>
        <ConstructionMethodType>SiteBuilt</ConstructionMethodType>
        <FinancedUnitCount>4</FinancedUnitCount>
      </PROPERTY_DETAIL>
    </SUBJECT_PROPERTY>
  </COLLATERAL>
</COLLATERALS>
```

When the loan is submitted to DU, the Net Rental Income from the XML will show up in the Findings as Subject Positive Cash Flow. The Debt-To-Income (DTI) and Housing Expense ratios will include the Subject Positive Cash Flow in the income amount for the borrower(s) as shown below:

File Edit Format View Help	
Income	
Base:	\$10400.00
Commission:	\$0.00
Bonus:	\$0.00
Overtime:	\$0.00
Other:	\$2200.00
Positive Net Rental:	\$0.00
Subj. Pos. Cash Flow:	\$1350.00
Total Income:	\$13950.00
Qualifying Ratios	
Housing Expense:	14.20%
Debt-to-Income:	32.55%

Proposed Monthly Payment	
First P&I (Qualifying):	\$1382.72
Second P&I:	\$0.00
Hazard Insurance:	\$198.00
Taxes:	\$400.00
Mortgage Insurance:	\$0.00
HOA Fees:	\$0.00
Supplemental Property Insurance:	\$0.00
Other:	\$0.00
Total Housing Payment:	\$1980.72
Negative Net Rental:	\$0.00
Subj. Neg. Cash Flow:	\$0.00
All Other Payments:	\$2560.22
Total Expense Payment:	\$4540.94
Present/Principal Housing Payment:	\$2289.00

Proposed Total Housing Payment	1,980.72	/	Total Income	13,950.00	14.1987	Housing Expense
Total Expense Payment	4,540.94	/	Total Income	13,950.00	32.5515	Debt-to-Income

Scenario 2 – A four-unit primary residence (which is not the subject property) has rental income from the additional units. The second home owned by the borrower is being refinanced.

The second home that is being refinanced (and is the subject property) will be placed in section 3a. of the redesigned URLA.

3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.					
Address		Street 123 Ocean Drive			Unit #
		City Ocean City		State MD	ZIP 12345
				Country	
Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ 600,000.00	Retained	Second Home	\$	\$	\$

The four-unit primary residence will be placed in section 3b. of the redesigned URLA. The Gross Rental Income will be entered by the borrower and the Net Rental Income **should be calculated and entered by the lender**. DU will use 75% of the Gross Rental Income to determine the Net Rental Income if the lender does not provide this information.

3b. IF APPLICABLE, Complete Information for Additional Property <input type="checkbox"/> Does not apply					
Address		Street 4321 Cul de Sac St			Unit #
		City Someplace		State MA	ZIP 02723
				Country	
Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$600,000.00	Retained	Primary Residence	\$598.00	\$1,800.00	\$1,350.00

In the XML file, the Gross and Net Rental Income will be placed in the OWNED_PROPERTY_DETAIL container. The OwnedPropertySubjectIndicator (Unique ID 5.0130) should be set to “false” and the SUBJECT_PROPERTY will not need the FinancedUnitCount populated.

```

<ASSET SequenceNumber="6" xlink:label="ASSET_6">
  <OWNED_PROPERTY>
    <OWNED_PROPERTY_DETAIL>
      <OwnedPropertyDispositionStatusType>Retain</OwnedPropertyDis
      <OwnedPropertyLienUPBAmount>210279.00</OwnedPropertyLienUPB/
      <OwnedPropertyMaintenanceExpenseAmount>598.00</OwnedProperty
      <OwnedPropertyRentalIncomeGrossAmount>1800.00</OwnedProperty
      <OwnedPropertyRentalIncomeNetAmount>1350.00</OwnedPropertyRe
      <OwnedPropertySubjectIndicator>false</OwnedPropertySubjectIr
    </OWNED_PROPERTY_DETAIL>
    <PROPERTY>
      <ADDRESS>
        <AddressLineText>4321 Cul de Sac St</AddressLineText>

```

Instead of the Net Rental Income showing up as Subject Positive Cash Flow in the DU Findings, the Net Rental Income will show up as Positive Net Rental. The Debt-To-Income (DTI) and Housing Expense Ratios will include the Net Rental Income in the income amount for the borrower(s) as shown below:

File Edit Format View Help	
Income	
Base:	\$10400.00
Commission:	\$0.00
Bonus:	\$0.00
Overtime:	\$0.00
Other:	\$2200.00
Positive Net Rental:	\$1350.00
Subj. Pos. Cash Flow:	\$0.00
Total Income:	\$13950.00
Qualifying Ratios	
Housing Expense:	16.41%
Debt-to-Income:	32.70%

Proposed Monthly Payment	
First P&I (Qualifying):	\$1382.72
Second P&I:	\$0.00
Hazard Insurance:	\$65.00
Taxes:	\$235.00
Mortgage Insurance:	\$0.00
HOA Fees:	\$400.00
Supplemental Property Insurance:	\$0.00
Other:	\$0.00
Total Housing Payment:	\$2082.72
Negative Net Rental:	\$0.00
Subj. Neg. Cash Flow:	\$0.00
All Other Payments:	\$189.22
Total Expense Payment:	\$4560.94
Present/Principal Housing Payment:	\$2289.00

Present /Principal Housing Payment	2,289.00	/	Total Income	13,950.00	16.4086	Housing Expense
Total Expense Payment	4,560.94	/	Total Income	13,950.00	32.6949	Debt-to-Income

Please note that the DU Findings is 32.70% even though the decimal is 32.6949. This is because DU rounds to three digits when it consumes data (so 32.695), and the Findings rounds this value to two decimals.

9. Why are tip income, automobile allowance, and housing allowance income listed as “Income from Other Sources”, when they are typically received as a result of employment?

Automobile Allowance, Housing Allowance, as well as Tip Income, are included in the supported enumerations for *IncomeType* (unique id 4.0044) that maps to section “I.e. Income from Other Sources” of the URLA. No *ArcRole* is required to associate these Income Types to an employer and the *EmploymentIncomeIndicator* must be set to false.

- EmploymentIncomeIndicator* (4.0293) = “false”
- IncomeType* (4.0044) = “TipIncome” (not on form)
- IncomeType* (4.0044) = “AutomobileAllowance” (Listed on form as Automobile Allowance)
- IncomeType* (4.0044) = “HousingAllowance” (Listed on form as Housing or Parsonage)

The benefit of sending the specific enumerations in *IncomeType* (4.0044) is that DU will return specific verification messages for each Income Type.

1e. Income from Other Sources

Does not apply

Include income from other sources below. Under Income Source, choose from the sources listed here:

- Alimony
- **Automobile Allowance**
- Boarder Income
- Capital Gains
- Child Support
- Disability
- Foster Care
- **Housing or Parsonage**
- Interest and Dividends
- Mortgage Credit Certificate
- Mortgage Differential Payments
- Notes Receivable
- Public Assistance
- Retirement (e.g., Pension, IRA)
- Royalty Payments
- Separate Maintenance
- Social Security
- Trust
- Unemployment Benefits
- VA Compensation
- Other

NOTE: Reveal alimony, child support, separate maintenance, or other income ONLY IF you want it considered in determining your qualification for this loan.

Income Source – use list above **Monthly Income**

Identification Reference				MISMO v3.4 Information				DU Supported Enumerations	DU Data Point Format
Unique ID	Sort ID	Form Field ID	Form Field Name	MISMO v3.4 XPath	MISMO v3.4 Parent Container	MISMO v3.4 Data Point Name	MISMO v3.4 Data Point Definition		
4.0044	133	1e.1	Income Source	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/ROLES/ROLE/BORROWER/CURRENT_INCOME/CURRENT_INCOME_ITEMS/CURRENT_INCOME_ITEM/CURRENT_INCOME_ITEM_DETAIL	CURRENT_INCOME_ITEM_DETAIL	IncomeType	A value from a MISMO prescribed list that specifies borrower income items listed on a mortgage loan application.	<ul style="list-style-type: none"> AccessoryUnitIncome Alimony AutomobileAllowance BoarderIncome CapitalGains ChildSupport DefinedContributionPlan Disability DividendsInterest EmploymentRelatedAccount FosterCare HousingAllowance HousingChoiceVoucherProgram MortgageCreditCertificate MortgageDifferential NonBorrowerHouseholdIncome NotesReceivableInstallment Other Pension PublicAssistance Royalties SeparateMaintenance SocialSecurity TemporaryLeave TiIncome Trust Unemployment VABenefitsNonEducational 	Enumerated

10. How does DU use the data points *PropertyUsageType* (Unique ID 15.0009) and *PropertyUsageTypeOtherDescription* (unique ID 15.0010) for owned properties?

In scenarios where the borrower(s) is retaining an owned property but intends on using the property differently in the future, it is important for DU to distinguish the intended/future usage from the current usage to understand how to underwrite the loans and expenses related to each property. The form field “Intended Occupancy” was added to the URLA in sections 3a, 3b, and 3c. The Intended Occupancy is reflected in the loan application submission file as *PropertyUsageType*.

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. *I do not own any real estate*

3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.

Address Street _____ Unit # _____
 City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ _____			\$ _____	\$ _____	\$ _____

PropertyUsageType (15.0009), enumerations: Investment, Other, PrimaryResidence, SecondHome
PropertyUsageTypeOtherDescription (15.0010) to be used when the *PropertyUsageType* = “Other”

For conventional loans when the *PropertyUsageType* = “Other” and the property is commercial, multifamily, land, or a farm, enter the applicable description in the *PropertyUsageTypeOtherDescription* (i.e., commercial, multifamily, land, farm).

11. What is the purpose of the DU extension field *DU:LandValueAmountType*?

DU:LandValueAmountType (Unique ID 7.0159) is a new conditionally required field with enumerations of Appraised, Original, and NotApplicable, and serves to specify which amount should be used in DU calculations for the land value. This data is only needed if the land was acquired separately.

- When the value of “Appraised” is submitted, the value in *LandAppraisedValueAmount* (unique id 7.0041) is used in DU calculations.
- When “Original” is selected, the value in *LandOriginalCostAmount* (unique id 4.0004) is used in DU calculations.
- When “NotApplicable” is selected, no additional value will be used in DU calculations for the land.

Identification Reference				MISMO v3.4 Information					
Unique ID	Sort ID	Form Field ID	Form Field Name	MISMO v3.4 XPath	MISMO v3.4 Parent Container	MISMO v3.4 Data Point Name	MISMO v3.4 Data Point Definition	DU Supported Enumerations	DU Data Point Format
7.0159	419	L4.3	C. Land (if acquired separately)	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/LOANS/LOAN/CONSTRUCTION/EXTENSION/OTHER/DU:CONSTRUCTION_EXTENSION	DU:CONSTRUCTION_EXTENSION	LandValueAmountType	The Original Cost or Appraised Value of the lot / land to be used for DU calculation purposes.	Appraised Original NotApplicable	Enumerated

12. In what scenario would *ClosingAdjustmentItemType* (Unique ID 17.0025) = “LenderCredit” be utilized and in what scenario would *FundsSourceType* (Unique ID 5.0187) = “Lender” be used?

ClosingAdjustmentItemType = “LenderCredit” is used when the lender is covering a portion of the borrower’s closing costs (and prepaid fees). For example, in the case of premium pricing, where the borrower pays a slightly higher interest rate, and the lender covers all or part of the borrower’s closing costs. This data is displayed on the Lender Loan Information URLA in section “L4. Qualifying the Borrower, line M. Other Credits”.

TOTAL CREDITS	
L. Seller Credits (Enter the amount of Borrower(s) costs paid by the property seller)	\$
M. Other Credits (Enter the sum of all other credits — Borrower Paid Fees, Earnest Money, Employer Assisted Housing, Lease Purchase Fund, Lot Equity, Relocation Funds, Sweat Equity, Trade Equity, Other)	\$
N. TOTAL CREDITS (Total of L and M)	\$

"LenderCredit" should be included here.

The new enumeration of “Lender” for *FundsSourceType* for a grant (never called a gift, which come from relatives; grants come from entities) is to be used when the lender is giving the borrower funds to cover all or part of the down payment. These are typically for lower income, lower down payment loans that help the lender meet their CRA requirements. This data is displayed on the Borrower Form URLA in section “4d. Gifts or Grants You Have Been Given or Will Receive for this Loan”.

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan

Does not apply

Include all gifts and grants below. Under Source, choose from the sources listed here:

- Community Nonprofit
- Federal Agency
- Relative
- State Agency
- Lender
- Employer
- Local Agency
- Religious Nonprofit
- Unmarried Partner
- Other

Asset Type: Cash Gift, Gift of Equity, Grant	Deposited/Not Deposited 4d.2	Source – use list above	Cash or Market Value
4d.1	<input type="radio"/> Deposited <input type="radio"/> Not Deposited	4d.3	\$ 4d.4
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$

Identification			MISMO v3.4 Information						
Unique ID	Sort ID	Form Field ID	Form Field Name	MISMO v3.4 XPath	MISMO v3.4 Parent Container	MISMO v3.4 Data Point Name	MISMO v3.4 Data Point Definition	DU Supported Enumerations	DU Data Point Format
5.0187	245	4d.3	Source	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/ASSETS/ASSET/ASSET_DETAIL	ASSET_DETAIL	FundsSourceType	A value from a MISMO prescribed list that specifies the party providing the associated funds.	CommunityNonProfit Employer FederalAgency Lender LocalAgency Other Parent Relative ReligiousNonProfit StateAgency UnmarriedPartner UnrelatedFriend	Enumerated
17.0025	428		Not On Form	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/LOANS/LOAN/CLOSING_INFORMATION/CLOSING_ADJUSTMENT_ITEM\$/CLOSING_ADJUSTMENT_ITEM/CLOSING_ADJUSTMENT_ITEM_DETAIL	CLOSING_ADJUSTMENT_ITEM_DETAIL	ClosingAdjustmentItem	The type of adjustment made during the origination process.	LenderCredit	Enumerated

13. How do new subordinate HELOC loans impact the LTV, Combined LTV and HCLTV calculations for DU, and how do existing HELOC loans (including those partially paid off) impact LTV, Combined LTV and HCLTV?

New subordinate or existing HELOC loans have no impact on the LTV. The drawn amount of a new or existing HELOC is considered in the Combined LTV, and the maximum balance (credit available to the borrower) of the HELOC is considered in the HCLTV. The following scenarios provide detailed information on the LTV calculations.

Scenario 1 – In addition to the new subject loan the borrower has two new subordinate liens (new Related Loans) that are HELOC’s. HELOC 1, has a credit limit of \$25,000, with \$15,000 balance (Loan Amount / Amount to be Drawn) leaving an undrawn amount of \$10,000. HELOC 2, has a credit limit of \$12,000, with a \$4,000 balance (Loan Amount / Amount to be Drawn) and an undrawn amount of \$8,000.

Data point name	Form Field Name	HELOC 1 Value	HELOC 2 Value	Summary
HELOCMaximumBalanceAmount (6.0051)	Credit Limit	25,000.00	12,000.00	

<i>HELOCBalanceAmount</i> (6.0220)	Loan Amount / Amount to be Drawn	15,000.00	4,000.00	
<i>TotalSubordinateFinancingAmount</i> (7.0087)	J. Other New Mortgage Loans			19,000.00

The screen shots below display how the XML data maps to the form for scenario 1.

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing Does not apply

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)	Undrawn Amount
HELOC 1	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 150	\$ 15,000	\$ 25,000	\$ 10,000
HELOC 2	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 75	\$ 4,000	\$ 12,000	\$ 8,000
Total HELOC's 1 & 2			\$ 19,000	\$ 37,000	\$ 18,000

3.4 XML >>

```

<!-- Concurrent Financing with Multiple HELOC Loans -->
<LOAN loanRoleType="RelatedLoan" xlink:label="LOANRELATED_1">
  <HELOC>
    <HELOC_OCCURRENCES>
      <HELOC_OCCURRENCE>
        <HELOCBalanceAmount>15000.00</HELOCBalanceAmount>
      </HELOC_OCCURRENCE>
    </HELOC_OCCURRENCES>
    <HELOC_RULE>
      <HELOCMaximumBalanceAmount>25000.00</HELOCMaximumBalanceAmount>
    </HELOC_RULE>
  </HELOC>
  <LOAN_DETAIL>
    <HELOCIndicator>true</HELOCIndicator>
  </LOAN_DETAIL>
  <ORIGINATION_FUNDS>
    <ORIGINATION_FUND>
      <FundsSourceType>Lender</FundsSourceType>
    </ORIGINATION_FUND>
  </ORIGINATION_FUNDS>
  <PAYMENT>
    <PAYMENT_RULE>
      <InitialPrincipalAndInterestPaymentAmount>150.00</InitialPrincipalAndInterestPaymentAmount>
    </PAYMENT_RULE>
  </PAYMENT>
  <TERMS_OF_LOAN>
    <LienPriorityType>SecondLien</LienPriorityType>
  </TERMS_OF_LOAN>
</LOAN>
  
```

```

<LOAN loanRoleType="RelatedLoan" xlink:label="LOANRELATED_2">
  <HELOC>
    <HELOC_OCCURRENCES>
      <HELOC_OCCURRENCE>
        <HELOCBalanceAmount>4000.00</HELOCBalanceAmount>
      </HELOC_OCCURRENCE>
    </HELOC_OCCURRENCES>
    <HELOC_RULE>
      <HELOCMaximumBalanceAmount>12000.00</HELOCMaximumBalanceAmount>
    </HELOC_RULE>
  </HELOC>
  <LOAN_DETAIL>
    <HELOCIndicator>true</HELOCIndicator>
  </LOAN_DETAIL>
  <ORIGINATION_FUNDS>
    <ORIGINATION_FUND>
      <FundsSourceType>Lender</FundsSourceType>
    </ORIGINATION_FUND>
  </ORIGINATION_FUNDS>
  <PAYMENT>
    <PAYMENT_RULE>
      <InitialPrincipalAndInterestPaymentAmount>75.00</InitialPrincipalAndInterestPaymentAmount>
    </PAYMENT_RULE>
  </PAYMENT>
  <TERMS_OF_LOAN>
    <LienPriorityType>Other</LienPriorityType>
  </TERMS_OF_LOAN>
</LOAN>
  
```

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing

Does not apply

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)	Undrawn Amount
HELOC 1	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 150	\$ 15,000	\$ 25,000	\$ 10,000
HELOC 2	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 75	\$ 4,000	\$ 12,000	\$ 8,000
Total HELOC's 1 & 2			\$ 19,000	\$ 37,000	\$ 18,000

Instructions for Completing the Uniform Residential Loan Application

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back	
	<ul style="list-style-type: none"> ▪ <i>Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount</i> – Enter the amount of private mortgage insurance or equivalent (FHA Upfront Mortgage Insurance Premium, VA Funding Fee, and USDA-RD Guarantee Fee) that will be included in the loan amount. ▪ <i>Loan Amount</i> - Enter the sum of the base loan amount plus the financed mortgage insurance in the right-hand column.
J. Other New Mortgage Loans on the Property	<p>Enter the amount of any other new loans that will be obtained by the Borrower and secured by the property at the same time as the subject loan. (For example, if the Borrower is obtaining a new second mortgage in addition to the first mortgage (with the same or a different Lender), enter the amount of the new second mortgage here).</p> <p>Note: The amount entered here should be the same as the sum of the amounts entered for <i>Loan Amount/Amount to be Drawn</i> in Section 4b. <i>Other New Mortgage Loans on the Property You are Buying or Refinancing</i>.</p>

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back	
DUE FROM BORROWER(S)	
A. Sales Contract Price	\$ 275,000
B. Improvements, Renovations, and Repairs	\$ 100,000
C. Land (if acquired separately)	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)	\$
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)	\$
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ 9,096
G. Discount Points	\$
H. TOTAL DUE FROM BORROWER(s) (Total of A thru G)	\$ 384,096
TOTAL MORTGAGE LOANS	
I. Loan Amount	
Loan Amount Excluding Financed Mortgage Insurance (or Mortgage Insurance Equivalent)	\$ 300,000
Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount	\$ 300,000
J. Other New Mortgage Loans on the Property the Borrower(s) is Buying or Refinancing (See Table 4b. Other New Mortgage Loans on the Property You are Buying or Refinancing)	\$ 19,000
K. TOTAL MORTGAGE LOANS (Total of I and J)	\$ 319,000

```

<LOANS>
  <LOAN LoanRoleType="SubjectLoan" xlink:label="LOAN_1">
    <LOAN_DETAIL>
      <TotalSubordinateFinancingAmount>19000.00</TotalSubordinateFinancingAmount>
    </LOAN_DETAIL>
  </LOAN>

```

Scenario 1 Calculations:

Calculating the LTV: Loan Amount / Property value

Using the example data: $300,000 / 375,000 = 80\%$

DU Findings rounds up: 80%

Calculating Combined LTV: (Loan Amount + Subordinate Lien(s) Balance + HELOC Unpaid Balance) / Property Value

Using the example data: $(300,000 + (15,000 + 4,000)) / 375,000 = 85.066\%$

DU Findings rounds up: 86%

Calculating HCLTV: (Loan Amount + Subordinate Lien(s) Balance + HELOC Credit Limit Amount) / Property Value

Using the example data: $(300,000 + (25,000 + 12,000)) / 375,000 = 89.866\%$ DU

Findings rounds up: 90%

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing				<input type="checkbox"/> Does not apply	
Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)	Undrawn Amount
HELOC 1	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 150	\$ 15,000	\$ 25,000	\$ 10,000
HELOC 2	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 75	\$ 4,000	\$ 12,000	\$ 8,000
Total HELOC's 1 & 2			\$ 19,000	\$ 37,000	\$ 18,000

Instructions for Completing the Uniform Residential Loan Application

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back	
	<ul style="list-style-type: none"> ▪ <i>Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount</i> – Enter the amount of private mortgage insurance or equivalent (FHA Upfront Mortgage Insurance Premium, VA Funding Fee, and USDA-RD Guarantee Fee) that will be included in the loan amount. ▪ <i>Loan Amount</i> - Enter the sum of the base loan amount plus the financed mortgage insurance in the right-hand column.
J. Other New Mortgage Loans on the Property	<p>Enter the amount of any other new loans that will be obtained by the Borrower and secured by the property at the same time as the subject loan. (For example, if the Borrower is obtaining a new second mortgage in addition to the first mortgage (with the same or a different Lender), enter the amount of the new second mortgage here).</p> <p>Note: The amount entered here should be the same as the sum of the amounts entered for <i>Loan Amount/Amount to be Drawn</i> in Section 4b. <i>Other New Mortgage Loans on the Property You are Buying or Refinancing</i>.</p>

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back	
DUE FROM BORROWER(S)	
A. Sales Contract Price	\$ 275,000
B. Improvements, Renovations, and Repairs	\$ 100,000
C. Land (if acquired separately)	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)	\$
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)	\$
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ 9,096
G. Discount Points	\$
H. TOTAL DUE FROM BORROWER(s) (Total of A thru G)	\$ 384,096
TOTAL MORTGAGE LOANS	
I. Loan Amount	
Loan Amount Excluding Financed Mortgage Insurance (or Mortgage Insurance Equivalent) \$ 300,000	
Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount \$	\$ 300,000
J. Other New Mortgage Loans on the Property the Borrower(s) is Buying or Refinancing (See Table 4b. Other New Mortgage Loans on the Property You are Buying or Refinancing)	\$ 19,000
K. TOTAL MORTGAGE LOANS (Total of I and J)	\$ 319,000

```

<LOANS>
  <LOAN LoanRoleType="SubjectLoan" xlink:label="LOAN_1">
    <LOAN_DETAIL>
      <TotalSubordinateFinancingAmount>19000.00</TotalSubordinateFinancingAmount>
    </LOAN_DETAIL>
  </LOAN>
</LOANS>

```

Scenario 1 Calculations:

Calculating the LTV: Loan Amount / Property Value

Using the example data: $300,000 / 375,000 = 80\%$
 DU Findings rounds up: 80%

Calculating Combined LTV: (Loan Amount + HELOC Balance Amounts) / Property Value

Using the example data: $(300,000 + (15,000 + 4,000)) / 375,000 = 85.066\%$
 DU Findings rounds up: 86%

Calculating HCLTV: (Loan Amount + HELOC Credit Limit Amounts) / Property Value

Using the example data: $(300,000 + (25,000 + 12,000)) / 375,000 = 89.866\%$
 DU Findings rounds up: 90%

Scenario 2 – In this refinance transaction the Subject Property has an existing HELOC loan that is not being paid off. The existing HELOC has an unpaid balance of \$3,000.00, a credit limit of \$20,000.00 and an undrawn amount of \$17,000.00.

Existing HELOC Loan	Form Field Name	Value
<i>LiabilityUnpaidBalanceAmount</i> (6.0021)	Unpaid Balance	3,000.00
<i>HELOCMaximumBalanceAmount</i> (6.0095)	Credit Limit	20,000.00

Below are screen shots displaying how the XML data maps to the URLA form for scenario 2.

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. I do not own any real estate

3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.

Address

Street 1234 Main St Unit # City Baltimore State ME - ZIP 20600-1234

Property Value	Status: Sold, Pending Sale, or Retained	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For Investment Property Only	
			Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ 600,000	Retained -	\$ 375	\$	\$

Mortgage Loans on this Property Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)	Undrawn Amount
ACE MORTGAGE	478453	\$ 746	\$ 98,514	<input checked="" type="checkbox"/>	-	\$	
ENLIGHTENED BANK	5566778	\$ 245	\$ 3,000	<input type="checkbox"/>	-	\$ 20,000	

3.4 XML >>

```
<ASSET SequenceNumber="5" xlink:label="ASSET_5">
  <OWNED_PROPERTY>
    <OWNED_PROPERTY_DETAIL>
      <OwnedPropertyDispositionStatusType>Retain</OwnedPropertyDispositionStatusType>
      <OwnedPropertyLienUPBAmount>101514.03</OwnedPropertyLienUPBAmount>
      <OwnedPropertyMaintenanceExpenseAmount>375.00</OwnedPropertyMaintenanceExpenseAmount>
      <OwnedPropertySubjectIndicator>true</OwnedPropertySubjectIndicator>
    </OWNED_PROPERTY_DETAIL>
    <PROPERTY>
      <ADDRESS>
        <AddressLineText>1234 Main St</AddressLineText>
        <CityName>Baltimore</CityName>
        <PostalCode>206001234</PostalCode>
        <StateCode>MD</StateCode>
      </ADDRESS>
      <PROPERTY_DETAIL>
        <PropertyCurrentUsageType>PrimaryResidence</PropertyCurrentUsageType>
        <PropertyEstimatedValueAmount>600000.00</PropertyEstimatedValueAmount>
      </PROPERTY_DETAIL>
    </PROPERTY>
  </OWNED_PROPERTY>
</ASSET>
```

```

<!--Liabilities related to Properties owned by the borrowers-->
<LIABILITY SequenceNumber="1" xlink:label="LIABILITY_1">
  <LIABILITY_DETAIL>
    <LiabilityAccountIdentifier>478453</LiabilityAccountIdentifier>
    <LiabilityMonthlyPaymentAmount>746.07</LiabilityMonthlyPaymentAmount>
    <LiabilityPaymentIncludesTaxesInsuranceIndicator>>false</LiabilityPaymentIncludesTax
    <LiabilityPayoffStatusIndicator>>true</LiabilityPayoffStatusIndicator>
    <LiabilityType>MortgageLoan</LiabilityType>
    <LiabilityUnpaidBalanceAmount>98514.03</LiabilityUnpaidBalanceAmount>
  </LIABILITY_DETAIL>
  <LIABILITY_HOLDER>
    <NAME>
      <FullName>ACE MORTGAGE</FullName>
    </NAME>
  </LIABILITY_HOLDER>
</LIABILITY>

<LIABILITY SequenceNumber="3" xlink:label="LIABILITY_3">
  <LIABILITY_DETAIL>
    <!--Added HELOCMaximumBalanceAmount data point to LIABILITY_DETAIL container-->
    <HELOCMaximumBalanceAmount>20000.00</HELOCMaximumBalanceAmount>
    <LiabilityAccountIdentifier>5566778</LiabilityAccountIdentifier>
    <LiabilityMonthlyPaymentAmount>245.00</LiabilityMonthlyPaymentAmount>
    <LiabilityPaymentIncludesTaxesInsuranceIndicator>>false</LiabilityPaymentIncludesTax
    <LiabilityPayoffStatusIndicator>>false</LiabilityPayoffStatusIndicator>
    <LiabilityType>HELOC</LiabilityType>
    <LiabilityUnpaidBalanceAmount>3000.00</LiabilityUnpaidBalanceAmount>
  </LIABILITY_DETAIL>
  <LIABILITY_HOLDER>
    <NAME>
      <FullName>ENLIGHTENED BANK</FullName>
    </NAME>
  </LIABILITY_HOLDER>
</LIABILITY>

```

Scenario 2 Calculations:

Calculating the LTV: Loan Amount / Property Value

Using the example data: $104,000 / 600,000 = 17.333\%$

DU Findings rounds up: 18%

Calculating Combined LTV: (Loan Amount + Subordinate Lien(s) Balance + HELOC Unpaid Balance) / Property Value

Using the example data: $(104,000 + 3,000) / 600,000 = 17.833\%$

DU Findings rounds up: 18%

Calculating HCLTV: (Loan Amount + Subordinate Lien(s) Balance + HELOC Credit Limit Amount) / Property Value

Using the example data: $(104,000 + 20,000) / 600,000 = 20.666\%$ DU

Findings rounds up: 21%

Scenario 3 – In this refinance transaction the Subject Property has an existing HELOC loan that is being partially paid off. The existing HELOC has an unpaid balance of \$15,000.00, a credit limit of \$40,000.00

and an undrawn amount of \$25,000.00. The Borrower will pay off \$6,000 of unpaid balance prior to closing to reduce the unpaid balance to \$9,000.

To reflect partial payoff on the account, two separate liability containers are created in the Submission File:

- LIABILITY_3.1
- LIABILITY_3.2

[Note: Labels may include decimals (LIABILITY_3.1, LIABILITY_3.2) provided each label is unique in the transaction.]

LIABILITY_3.1 has a *LiabilityPayoffStatusIndicator* = “true”, and it is structured to represent only the portion of the liability which is paid off.

Consequently, the *LiabilityUnpaidBalanceAmount* is set to \$6,000 which is the amount to be paid off. The *HELOCMaximumBalanceAmount* is also set to \$6,000.

```
<LIABILITY SequenceNumber="3" xlink:label="LIABILITY_3.1">
  <LIABILITY_DETAIL>
    <HELOCMaximumBalanceAmount>6000.00</HELOCMaximumBalanceAmount>
    <LiabilityAccountIdentifier>5566778</LiabilityAccountIdentifier>
    <LiabilityExclusionIndicator>>false</LiabilityExclusionIndicator>
    <LiabilityMonthlyPaymentAmount>245.00</LiabilityMonthlyPaymentAmount>
    <LiabilityPaymentIncludesTaxesInsuranceIndicator>>false</LiabilityPaymentIncludesTaxesIn
    <LiabilityPayoffStatusIndicator>>true</LiabilityPayoffStatusIndicator>
    <LiabilityType>HELOC</LiabilityType>
    <LiabilityUnpaidBalanceAmount>6000.00</LiabilityUnpaidBalanceAmount>
  </LIABILITY_DETAIL>
  <LIABILITY_HOLDER>
    <NAME>
      <FullName>ENLIGHTENED BANK</FullName>
    </NAME>
  </LIABILITY_HOLDER>
</LIABILITY>
```

LIABILITY_3.2 has a *LiabilityPayoffStatusIndicator* = “false”, and it is structured to represent only the portion of the liability which will remain after the partial payoff.

Consequently, the *LiabilityUnpaidBalanceAmount* is set to \$9,000 which is the amount remaining after the \$6,000 payment. The *HELOCMaximumBalanceAmount* is set to the full \$40,000 which remains in place.

Scenario 3 Calculations:

Calculating the LTV: Loan Amount / Property Value

Using the example data: $230,000 / 350,000 = 65.71\%$

DU Findings rounds up: 66%

Calculating Combined LTV: (Loan Amount + Liability Unpaid Balance Amount) / Property Value

Using the example data: $(230,000 + 9,000) / 350,000 = 68.29\%$

DU Findings rounds up: 69%

Calculating HCLTV: (Loan Amount + HELOC Credit Limit Amount) / Property Value

Using the example data: $(230,000 + 40,000) / 350,000 = 77.14\%$ DU
Findings rounds up: 78%

14. How are sections “L1. Property and Loan Information” and “L4. Qualifying the Borrower” on the Lender Loan Information URLA completed for Construction-to-Permanent loans?

Construction-to-permanent financing can be structured as a transaction with one closing or a transaction with two separate closings. This FAQ will highlight the XML data and the relevant Lender Loan Information URLA section “L1. Property and Loan Information” and “L4. Qualifying the Borrower” to illustrate a Single-Closing Limited Cash Out Refinance and a Two-Closing Limited Cash Out Refinance.

Single-Closing Construction-to-Permanent Transactions

A single-closing construction-to-permanent mortgage loan may be closed as:

- **Purchase transaction** - The borrower is not the owner of the lot at the time of the first advance of interim construction financing, and the borrower is using the proceeds from the interim construction financing to purchase the lot and finance the construction of the property.
- **Limited Cash Out Refinance transaction** - The borrower must have held legal title to the lot before he or she receives the first advance of interim construction financing. The borrower is using the proceeds from the construction financing to pay off any existing liens on the lot and finance the construction of the property. This type of transaction is not a “true” limited cash-out refinance whereby the borrower refinances a loan(s) that was used to purchase a completed property; however, all other requirements for limited cash-out refinances apply.

The following is a sample of a Single-Closing, Limited Cash Out Refinance Construction-to-Permanent transaction. For the complete XML and full URLA forms please refer to test case DI-C05.

“L1. Property and Loan Information” of the Lender Loan Information URLA and the related XML.

Uniform Residential Loan Application — Lender Loan Info
This section is completed by your Lender.

L1. Property and Loan Information

<p>Community Property State</p> <p><input type="checkbox"/> At least one borrower lives in a community property state. <input type="checkbox"/> The property is in a community property state.</p> <p>Transaction Detail</p> <p><input type="checkbox"/> Conversion of Contract for Deed or Land Contract <input type="checkbox"/> Renovation <input checked="" type="checkbox"/> Construction-Conversion/Construction-to-Permanent <input checked="" type="radio"/> Single-Closing <input type="radio"/> Two-Closing</p> <p>Construction/Improvement Costs \$ _____ Lot Acquired Date <u>02</u> / <u>10</u> / 2014 (mm/dd/yyyy) Original Cost of Lot \$ _____</p>	<p>Refinance Type</p> <p><input type="radio"/> No Cash Out <input checked="" type="radio"/> Limited Cash Out <input type="radio"/> Cash Out</p> <p>Energy Improvement</p> <p><input type="checkbox"/> Mortgage loan will fin <input type="checkbox"/> Property is currently s the first mortgage lien property taxes (e.g., th</p>
--	---

```

<REFINANCE>
  <RefinanceCashOutDeterminationType>LimitedCashOut</RefinanceCashOutDeterminationType>
</REFINANCE>
<TERMS_OF_LOAN>
  <BaseLoanAmount>290000.00</BaseLoanAmount>
  <LienPriorityType>FirstLien</LienPriorityType>
  <LoanPurposeType>Refinance</LoanPurposeType>
  <MortgageType>Conventional</MortgageType>
  <NoteRatePercent>4.500</NoteRatePercent>
</TERMS_OF_LOAN>
<LOANS>
  <LOAN LoanRoleType="SubjectLoan" xlink:label="LOAN_1">
    <AMORTIZATION>
      <AMORTIZATION_RULE>
        <AmortizationType>Fixed</AmortizationType>
        <LoanAmortizationPeriodCount>360</LoanAmortizationPeriodCount>
        <LoanAmortizationPeriodType>Month</LoanAmortizationPeriodType>
      </AMORTIZATION_RULE>
    </AMORTIZATION>
    <CONSTRUCTION>
      <ConstructionLoanType>ConstructionToPermanent</ConstructionLoanType>
      <ConstructionToPermanentClosingType>OneClosing</ConstructionToPermanentClosingType>
    </CONSTRUCTION>
  </LOAN>
</LOANS>

```

“L4. Qualifying the Borrower” – Construction costs are reflected as \$275,000 on “Line A. Sales Contract Price”. The payoff of the \$25,000 remaining lot lien is shown on Line D. The loan amount is \$290,000.

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back	
DUE FROM BORROWER(S)	
A. Sales Contract Price	\$ 275,000.00
B. Improvements, Renovations, and Repairs	\$
C. Land (if acquired separately)	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)	\$ 25,000.00
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)	\$ 0.00
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ 9,096.00
G. Discount Points	\$
H. TOTAL DUE FROM BORROWER(s) (Total of A thru G)	\$ 309,096.00
TOTAL MORTGAGE LOANS	
I. Loan Amount	
Loan Amount Excluding Financed Mortgage Insurance (or Mortgage Insurance Equivalent) \$290,000.00	
Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount \$	\$ 290,000.00

```

<SALES_CONTRACTS>
  <SALES_CONTRACT>
    <SALES_CONTRACT_DETAIL>
      <SalesContractAmount>275000.00</SalesContractAmount>
    </SALES_CONTRACT_DETAIL>
  </SALES_CONTRACT>
</SALES_CONTRACTS>

```

```

<LIABILITY SequenceNumber="2" xlink:label="LIABILITY_2">
  <LIABILITY_DETAIL>
    <LiabilityAccountIdentifier>7654321</LiabilityAccountIdentifier>
    <LiabilityMonthlyPaymentAmount>100.00</LiabilityMonthlyPaymentAmount>
    <LiabilityPaymentIncludesTaxesInsuranceIndicator>false</LiabilityPaymentIncludesTaxesInsuranceIndicator>
    <LiabilityPayoffStatusIndicator>true</LiabilityPayoffStatusIndicator>
    <LiabilityType>MortgageLoan</LiabilityType>
    <LiabilityUnpaidBalanceAmount>25000.00</LiabilityUnpaidBalanceAmount>
  </LIABILITY_DETAIL>
  <LIABILITY_HOLDER>
    <NAME>
      <FullName>Lot Loan</FullName>
    </NAME>
  </LIABILITY_HOLDER>
</LIABILITY>
<LIABILITY_SUMMARY>
  <TotalNonSubjectPropertyDebtsToBePaidOffAmount>0.00</TotalNonSubjectPropertyDebtsToBePaidOffAmount>
  <TotalSubjectPropertyPayoffsAndPaymentsAmount>25000.00</TotalSubjectPropertyPayoffsAndPaymentsAmount>
</LIABILITY_SUMMARY>

```

Two-Closing Construction-to-Permanent Transactions

Two-closing construction-to-permanent mortgage transactions utilize two separate loan closings with two separate sets of legal documents. The first closing is to obtain the interim construction financing (and may include the purchase of the lot), and the second closing is to obtain the permanent financing upon completion of the improvements. Fannie Mae does not purchase construction loans (the first closing); however, Fannie Mae does purchase loans that were used to provide the permanent financing.

In a two-closing construction-to-permanent transaction, the permanent mortgage delivered to Fannie Mae may be closed as:

- **Limited Cash-out Refinance transaction**
- **Cash-out Refinance transaction.**

The following is a sample of a Two Closing, Limited Cash-Out Refinance Construction-to-Permanent transaction. For the complete XML and full URLA forms please refer to test case DI-C06.

“L1. Property and Loan Information” of the Lender Loan Information URLA and the related XML.

L1. Property and Loan Information	
<p>Community Property State</p> <p><input checked="" type="checkbox"/> At least one borrower lives in a community property state.</p> <p><input type="checkbox"/> The property is in a community property state.</p> <p>Transaction Detail</p> <p><input type="checkbox"/> Conversion of Contract for Deed or Land Contract</p> <p><input type="checkbox"/> Renovation</p> <p><input checked="" type="checkbox"/> Construction-Conversion/Construction-to-Permanent</p> <p><input type="radio"/> Single-Closing <input checked="" type="radio"/> Two-Closing</p> <p>Construction/Improvement Costs \$ _____</p> <p>Lot Acquired Date ____ / ____ / ____ (mm/dd/yyyy)</p> <p>Original Cost of Lot \$ _____</p>	<p>Refinance Type</p> <p><input type="radio"/> No Cash Out</p> <p><input checked="" type="radio"/> Limited Cash Out</p> <p><input type="radio"/> Cash Out</p> <p>Energy Improvement</p> <p><input type="checkbox"/> Mortgage loan will f</p> <p><input type="checkbox"/> Property is currently the first mortgage li property taxes (e.g.,</p>


```

<REFINANCE>
  <RefinanceCashOutDeterminationType>LimitedCashOut</RefinanceCashOutDeterminationType>
</REFINANCE>
<TERMS_OF_LOAN>
  <BaseLoanAmount>152000.00</BaseLoanAmount>
  <LienPriorityType>FirstLien</LienPriorityType>
  <LoanPurposeType>Refinance</LoanPurposeType>
  <MortgageType>Conventional</MortgageType>
  <NoteRatePercent>4.500</NoteRatePercent>
</TERMS_OF_LOAN>
<LOANS>
  <LOAN LoanRoleType="SubjectLoan" xlink:label="LOAN_1">
    <AMORTIZATION>
      <AMORTIZATION_RULE>
        <AmortizationType>Fixed</AmortizationType>
        <LoanAmortizationPeriodCount>360</LoanAmortizationPeriodCount>
        <LoanAmortizationPeriodType>Month</LoanAmortizationPeriodType>
      </AMORTIZATION_RULE>
    </AMORTIZATION>
    <CONSTRUCTION>
      <ConstructionLoanType>ConstructionToPermanent</ConstructionLoanType>
      <ConstructionToPermanentClosingType>TwoClosing</ConstructionToPermanentClosingType>
    </CONSTRUCTION>
  </LOAN>
</LOANS>

```

In a Two Closing transaction no value is sent in the XML or shown on the form in section “L4 Line A. Sales Contract Price”. Rather, the \$145,000 financed construction cost is reflected on “Line D. For Refinance: Balance of Mortgage Loan”, as a payoff of the interim construction loan. In the XML the \$145,000 amount is reflected as a payoff of “LIABILITY_1” where *LiabilityPayoffStatusIndicator* = “true”, and in the LIABILITY_SUMMARY as *TotalSubjectPropertyPayoffsAndPaymentAmounts*.

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back	
DUE FROM BORROWER(S)	
A. Sales Contract Price	\$
B. Improvements, Renovations, and Repairs	\$
C. Land (if acquired separately)	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)	\$ 145,000.00
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)	\$
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ 6,850.00
G. Discount Points	\$
H. TOTAL DUE FROM BORROWER(S) (Total of A thru G)	\$ 151,850.00
TOTAL MORTGAGE LOANS	
I. Loan Amount	
Loan Amount Excluding Financed Mortgage Insurance (or Mortgage Insurance Equivalent)	\$ 152,000.00
Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount	\$ 152,000.00

```

<LIABILITY SequenceNumber="1" xlink:label="LIABILITY_1">
  <LIABILITY_DETAIL>
    <LiabilityAccountIdentifier>Constr-12345</LiabilityAccountIdentifier>
    <LiabilityMonthlyPaymentAmount>1100.00</LiabilityMonthlyPaymentAmount>
    <LiabilityPaymentIncludesTaxesInsuranceIndicator>false</LiabilityPaymentIncludesTaxesInsuranceIndicator>
    <LiabilityPayoffStatusIndicator>true</LiabilityPayoffStatusIndicator>
    <LiabilityType>MortgageLoan</LiabilityType>
    <LiabilityUnpaidBalanceAmount>145000.00</LiabilityUnpaidBalanceAmount>
  </LIABILITY_DETAIL>
  <LIABILITY_HOLDER>
    <NAME>
      <FullName>ABC Mortgage of Ohio</FullName>
    </NAME>
  </LIABILITY_HOLDER>
</LIABILITY>
<LIABILITY_SUMMARY>
  <TotalSubjectPropertyPayoffsAndPaymentsAmount>145000.00</TotalSubjectPropertyPayoffsAndPaymentsAmount>

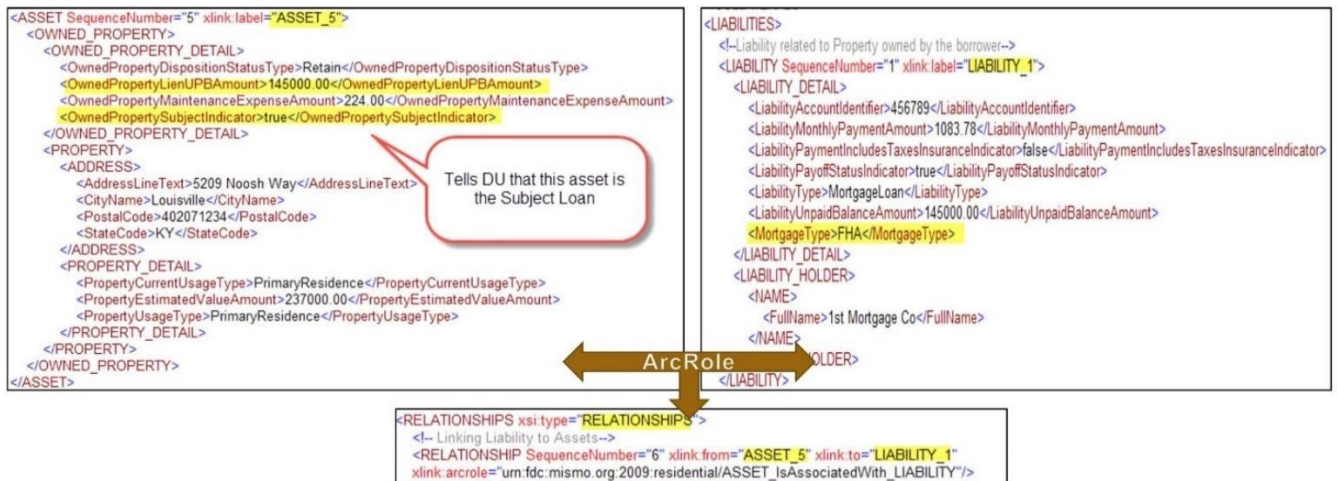
```

15. What data related to Maintenance Expenses needs to be provided to make sure that the “Debt-to-Income” (DTI) ratio and “All Other Payments” values are calculated correctly in the DU Findings for Second Home and Investment loan transactions?

For Conventional loans DU includes the *OwnedPropertyMaintenanceExpenseAmount* (UID 6.0094) from the relevant Owned Property in “All Other Payments”.

16. On an FHA refinance loan, how should we inform DU that the existing loan on the subject property is an FHA loan?

On a refinance transaction the OWNED_PROPERTY ASSET record for the subject property (*OwnedPropertySubjectIndicator* UID 5.0130 = “true”) will have an associated mortgage loan liability. In that liability the LIABILITY_DETAIL container must have the *MortgageType* = “FHA”. When the *MortgageType* = “FHA”, DU will know this transaction is a refinance of an existing FHA loan.



DU Spec:

Identification Reference				MISMO v3.4 Information					
Unique ID	Sort ID	Form Field ID	Form Field Name	MISMO v3.4 XPath	MISMO v3.4 Parent Container	MISMO v3.4 Data Point Name	MISMO v3.4 Data Point Definition	DU Supported Enumerations	DU Data Point Format
6.0205	198	3a.12	Type	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/LIABILITIES/LIABILITY/LIABILITY_DETAIL	LIABILITY_DETAIL	MortgageType	A value from a MISMO prescribed list that specifies the private or public sector entity under whose guidelines the mortgage is originated.	FHA	Enumerated

17. For FHA loans when should the FHA Sponsor Identifier be included in the submission file and when should the Lender Identifier be included?

The FHA Lender ID is a code assigned by FHA to identify the originator making the underwriting request. If there are two FHA-approved lenders in the transaction, the ID for the originating lender should be included in the Lender ID field and the ID for the underwriting lender should be included in the Sponsor ID field. If the originating lender is not FHA-approved, the Lender ID field should be left blank. The ID for the FHA-approved underwriting lender should be included in the Sponsor ID field and the EIN for the originating lender should be included in the Sponsored Originator EIN field.

FHA Sponsor ID is a code assigned by FHA to identify the FHA ID of the underwriting lender if they are acting in conjunction with an FHA approved originating lender or acting as a sponsor for a nonFHA lender. The FHA Sponsor ID is optional if an FHA-approved lender is identified in the Lender ID field and is performing both the originating and underwriting function on the transaction.

The matrix below outlines when each data point should be included in the loan application submission file.

Scenario	Lender	Third Party Originator (TPO)	FHA Lender ID	FHA Sponsor ID	FHA Sponsored Originator EIN
			The HUD Issued FHA Lender Identifier in the same format as issued by HUD. Refer to the FHA Handbook 4000.1 to insure you are following the FHA guidelines.	The HUD Issued FHA Sponsor Identifier in the same format as issued by HUD. Refer to the FHA Handbook 4000.1 to insure you are following the FHA guidelines.	The Employer Identification Number (EIN) for the originating lender that is sponsored by an FHA-approved lender. Refer to the FHA Handbook 4000.1 to insure you are following the FHA guidelines.
			FHALoanLenderIdentifier (Unique ID: 20.0002)	FHALoanSponsorIdentifier (Unique ID:20.0003)	TaxPayerIdentifierType=EmployerIdentificationNumber TaxpayerIdentifierValue={LoanOriginationCompanyEIN}
1	<ul style="list-style-type: none"> The Lender is both Originator and Underwriter. The Lender is FHA Approved. The Lender has FHA ID 	<ul style="list-style-type: none"> There is no TPO in the transaction. 	Submit the Lender FHA ID in this data point.	NA (Do not include)	NA (Do not include)
2	<ul style="list-style-type: none"> The Lender is the Underwriter. The underwriting lender is FHA Approved. The underwriting lender has an FHA ID. 	<ul style="list-style-type: none"> The TPO is the Originator. The TPO is FHA Approved. The TPO has FHA ID and EIN. 	Submit the TPO FHA ID in this data point.	Submit the Lender FHA ID in this data point.	*optional
3	<ul style="list-style-type: none"> The Lender is the FHA Sponsor and the Underwriter. The underwriting lender is FHA Approved. The underwriting Lender has an FHA ID. 	<ul style="list-style-type: none"> The TPO is the Sponsored Originator. The TPO is not FHA Approved. The TPO has an EIN, does not have FHA ID. 	NA (Do not pass)	Submit the Lender FHA ID in this data point.	Submit the TPO EIN in this data point

18. Which three data points are used to indicate the Borrower’s Preferred Language in the loan application submission file?

The DU Spec includes three data points related to language preference: *LanguageCode* (UID 1.0181), *ULAD:LanguageCodeOtherDescription* (UID 1.0182), and *ULAD:LanguageRefusalIndicator* (UID 1.0183). If a *LanguageCode* is provided, the *ULAD:LanguageRefusalIndicator* is not expected and if provided will be ignored.

If *LanguageCode* is absent and *ULAD:LanguageRefusalIndicator* is “true”, DU will consume the indicator.

If both *LanguageCode* and *ULAD:LanguageRefusalIndicator* are absent, nothing will be consumed by DU.

19. How should Preferred Language with “Other” be reflected in the loan application submission file?

When a Borrower selects “Other” as the Preferred Language and enters in the other language on the Supplemental Consumer Information Form, in the loan application submission file the *LanguageCode* (UID 1.0181), is reflected as “zxx”, and the value entered is provided in the data point *ULAD:LanguageCodeOtherDescription* (UID 1.0182)

20. There are no values listed for InvestorProductPlanIdentifier (Unique ID 13.0053) in the DU Spec. Where is the information listed for those values?

This [link](#) has been added to the DU Spec in the Implementation Notes of InvestorProductPlanIdentifier. It directs users to the details of the ARM Plan each value represents.

21. What Freddie Mac-specific data points and enumerations are allowed/not allowed to be included in a DU Loan Application Submission file sent to Fannie Mae?

Fannie Mae will allow the inclusion of any valid MISMO v3.4 data points that Freddie Mac uses on the Loan Application Submission file even if they are not included in the DU Spec.

Fannie Mae will **IGNORE** the inclusion of any data points that Freddie Mac has added to its file using EXTENSION containers with Freddie Mac’s namespace (lpa:).

Even if an enumeration used by Freddie Mac is valid in MISMO v3.4, Fannie Mae will **NOT** accept enumerations that are not listed in the DU Spec.

22. How should Positive Rental History be reflected for an FHA loan in the loan application submission file?

The Total Scorecard payload will expect to receive an indicator (Y or N), where a value of “true” in the loan application file indicates at least one borrower has a documented positive rental history, according to the FHA guidelines. A value of “false” in the loan application file indicates the lender has not documented a borrower’s positive rental history and does not necessarily indicate a poor rental history.

The GSEs created an extension under the existing QUALIFICATION container. The extension is a new container and data point both documented under the ULAD Namespace. The new data point will be an indicator named *PositiveRentalHistoryIndicator*.

The Extension is located under the Subject Loan, and only one value is expected per loan.

```

<LOANS>
  <LOAN LoanRoleType="SubjectLoan" xlink:label="LOAN_1">
    <AFFORDABLE_LENDING>
    <AMORTIZATION>
    <DOCUMENT_SPECIFIC_DATA_SETS>
    <HOUSING_EXPENSES>
    <LOAN_DETAIL>
    <LOAN_IDENTIFIERS>
    <ORIGINATION_SYSTEMS>
    <PURCHASE_CREDITS>
    <QUALIFICATION>
      <EXTENSION>
        <OTHER>
          <ULAD:QUALIFICATION_EXTENSION>
            <ULAD:PositiveRentalHistoryIndicator>true</ULAD:PositiveRentalHistoryIndicator>
          </ULAD:QUALIFICATION_EXTENSION>
        </OTHER>
      </EXTENSION>
    </QUALIFICATION>
    <TERMS_OF_LOAN>

```

23. A borrower has an investment property which is currently vacant. They are refinancing the property and need to show the P&I amount as negative income because there is no rent coming in. What fields from the DU Spec should be used to ensure the proper calculation of the Debtto-Income (DTI) ratio, the current P&I amount, or the proposed P&I amount in this scenario?

In this scenario, DU is expecting the P&I that is proposed under the new loan terms. In the XML, the present housing payment amount would be shown in either a LIABILITY_DETAIL container with LiabilityType="MortgageLoan" or "HELOC" or in the LANDLORD_DETAIL container under MonthlyRentAmount.

The proposed housing expenses would be in the file as shown below in the HOUSING_EXPENSE container:

```

<HOUSING_EXPENSES>
  <HOUSING_EXPENSE SequenceNumber="1">
    <HousingExpensePaymentAmount>2210.48</HousingExpensePaymentAmount>
    <HousingExpenseTimingType>Proposed</HousingExpenseTimingType>
    <HousingExpenseType>FirstMortgagePrincipalAndInterest</HousingExpenseType>
  </HOUSING_EXPENSE>

```

As the property has no rental income, the Net Rental Income will be -\$2210.48 as shown below in the OWNED_PROPERTY container:

```

<OWNED_PROPERTY>
  <OWNED_PROPERTY_DETAIL>
    <OwnedPropertyDispositionStatusType>Retain</OwnedPropertyDispositionStatusType>
    <OwnedPropertyLienUPBAmount>400000.00</OwnedPropertyLienUPBAmount>
    <OwnedPropertyRentalIncomeNetAmount>-2210.48</OwnedPropertyRentalIncomeNetAmount>
    <OwnedPropertySubjectIndicator>true</OwnedPropertySubjectIndicator>
  </OWNED_PROPERTY_DETAIL>
  <PROPERTY>
    <ADDRESS>
      <AddressLineText>888 Subject Property</AddressLineText>
      <AddressUnitIdentifier>A103</AddressUnitIdentifier>
      <CityName>Broomfield</CityName>
      <PostalCode>80023</PostalCode>
      <StateCode>CO</StateCode>
    </ADDRESS>
    <PROPERTY_DETAIL>
      <PropertyCurrentUsageType>Investment</PropertyCurrentUsageType>
      <PropertyEstimatedValueAmount>750000.00</PropertyEstimatedValueAmount>
      <PropertyUsageType>Investment</PropertyUsageType>
    </PROPERTY_DETAIL>
  </PROPERTY>
</OWNED_PROPERTY>

```

The inclusion of the Net Rental Income places an amount in the Subject Negative Cash Flow in the DU Findings. This will increase the Total Expense Payment, which will ensure the correct DTI ratio of 15.59%. Below is an example of the DU Findings when Net Rental Income is included and is not provided separately in DU submission. The \$2,000 Total Expense Payment on the left (which is included in the \$4,210.48 on the right) is the total rent the borrowers are paying for their primary residence. Each borrower is paying \$1,000 rent on their current residence as shown in the XML below.

```

<LANDLORD>
  <LANDLORD_DETAIL>
    <MonthlyRentAmount>1000.00</MonthlyRentAmount>
  </LANDLORD_DETAIL>
</LANDLORD>
<RESIDENCE_DETAIL>
  <BorrowerResidencyBasisType>Rent</BorrowerResidencyBasisType>
  <BorrowerResidencyDurationMonthsCount>24</BorrowerResidencyDurationMonthsCount>
  <BorrowerResidencyType>Current</BorrowerResidencyType>
</RESIDENCE_DETAIL>

```

Without Net Rental Income

Income	
Base:	\$19000.00
Commission:	\$0.00
Bonus:	\$1000.00
Overtime:	\$0.00
Other:	\$7000.00
Positive Net Rental:	\$0.00
Subj. Pos. Cash Flow:	\$0.00
Total Income:	\$27000.00
Qualifying Ratios	
Housing Expense:	7.41%
Debt-to-Income:	7.41%

With Net Rental Income

Income	
Base:	\$19000.00
Commission:	\$0.00
Bonus:	\$1000.00
Overtime:	\$0.00
Other:	\$7000.00
Positive Net Rental:	\$0.00
Subj. Pos. Cash Flow:	\$0.00
Total Income:	\$27000.00
Qualifying Ratios	
Housing Expense:	7.41%
Debt-to-Income:	15.59%

Proposed Monthly Payment	
First P&I (Qualifying):	\$2210.48
Second P&I:	\$0.00
Hazard Insurance:	\$0.00
Taxes:	\$0.00
Mortgage Insurance:	\$0.00
HOA Fees:	\$0.00
Other:	\$0.00
Total Housing Payment:	\$2210.48
Negative Net Rental:	\$0.00
Subj. Neg. Cash Flow:	\$0.00
All Other Payments:	\$0.00
Total Expense Payment:	\$2000.00
Present/Principal Housing Payment:	\$2000.00

Proposed Monthly Payment	
First P&I (Qualifying):	\$2210.48
Second P&I:	\$0.00
Hazard Insurance:	\$0.00
Taxes:	\$0.00
Mortgage Insurance:	\$0.00
HOA Fees:	\$0.00
Other:	\$0.00
Total Housing Payment:	\$2210.48
Negative Net Rental:	\$0.00
Subj. Neg. Cash Flow:	\$2210.48
All Other Payments:	\$0.00
Total Expense Payment:	\$4210.48
Present/Principal Housing Payment:	\$2000.00

24. I am entering a loan with a non-occupant co-borrower and the housing ratio calculation is inaccurate. Why is this happening and how do I fix it?

The borrower and non-occupant borrower (NOB) both need to have individual credit for the NOB's housing expense to be considered in the housing-to-income (HTI) calculation (which is used in the risk assessment). When the borrowers are presented as borrower and co-borrower (joint credit), DU assumes that both borrowers share a housing expense. Therefore, the NOB's housing expense will not be used in the HTI calculation.

NOTE: For more information please refer to the DU Job Aid section on non-occupant borrowers.

25. How do Community Seconds Repayment plans impact DU?

If the Community Seconds loan has deferred repayment for five years or more:

- The DU risk assessment is based on LTV, rather than the CLTV.
- The monthly payment for the Community Seconds loan does not need to be included in the borrower's debt-to-income ratio.

The MISMO enumerated values for the CommunitySecondsRepaymentType do not identify how long a repayment is deferred (i.e., DeferredFullyForgiven, DeferredNotFullyForgiven, NonDeferred). The DU Spec has an Implementation Note to clarify the enumerated values for CommunitySecondsRepaymentType (UID 13.0022):

- “Deferred Fully Forgiven” is for a repayment deferred for 5 or more years and the debt is forgiven.
- “Deferred Not Fully Forgiven” is for a repayment deferred for 5 or more years and the debt is not forgiven.
- “Non Deferred” is for a repayment that begins after closing.

Fannie Mae has updated the DU User Interface (UI) to add the 5-year repayment for Community Seconds Repayment Structures based on the DU Spec CommunitySecondsRepaymentType definitions for each enumeration. See the example below.




Fannie Mae recommends your UI includes the 5-year repayment in your UI selections for Community Seconds Repayment Structures to prevent an incorrect repayment type selection.

The image shows a screenshot of a web form titled "Community Seconds Repayment Structure". At the top, there is a dropdown menu with the text "Select" and a downward arrow. Below the dropdown is a list of three options, each enclosed in a red rectangular box. The first option is "Deferred Fully Forgiven (repayment deferred for 5 or more years)". The second option is "Deferred Not Fully Forgiven (repayment deferred for 5 or more years)". The third option is "Non Deferred (repayment required within 5 years)".

26. **NEW** What is the purpose of the Optimized Dataset column and how is it used in a DU Submissions?

The Optimized Dataset column was added to the DU Spec to filter for the minimum data points required to submit a conventional loan casefile to DU and receive a recommendation. The DU findings are not final as additional data (i.e. declarations, employer information, etc.) may be required to receive a final recommendation from DU.

To select the minimum data points for a conventional loan submission, filter the text in the Optimized Dataset column by the “X” as shown in the image below.

DU Map				Legend										
				 Section Header Rows	 Sub-section Header Rows	 Attribute Rows								
Identification Reference				MISMO v3.4 Information						Conditionality Information				
Unique ID	Sort ID	Form Field ID	Form Field Name	MISMO v3.4 XPath	MISMO v3.4 Parent Container	MISMO v3.4 Data Point Name	MISMO v3.4 Data Point Definition	DU Supported Enumerations	DU Data Point Format	Desktop Underwriter (DU)	Conditionality Statements for DU, CR, and EC	Optimized Dataset		
1.0001	21	1a.1	Personal Information	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/ROLES/ROLE/ROLE_DETAIL	ROLE_DETAIL	PartyRoleType	A value from a MISMO defined list that identifies the role that the party plays in the transaction. Parties may be either a person or legal entity. A party may play multiple roles in a transaction.	Borrower	Enumerated	R			X	
1.0003	22	1a.1.1	Borrower Name (First)	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/INDIVIDUAL/NAME	NAME	FirstName	The first name of the individual represented by the parent object.		String 35	R			X	
1.0002	24	1a.1.3	Borrower Name (Last)	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/INDIVIDUAL/NAME	NAME	LastName	The last name of the individual represented by the parent object.		String 35	R			X	
1.0006	30	1a.3	Social Security Number	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/TAXPAYER_IDENTIFIERS/TAXPAYER_IDENTIFIER	TAXPAYER_IDENTIFIER	TaxpayerIdentifierType	A value from a MISMO prescribed list that classifies identification numbers used by the Internal Revenue Service (IRS) in the administration of tax laws. A Social Security number (SSN) is issued by the SSA; all other taxpayer identification numbers are issued by the IRS.	IndividualTaxpayerIdentificationNumber SocialSecurityNumber	Enumerated	R			X	
1.0008	31	1a.3	Social Security Number	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/TAXPAYER_IDENTIFIERS/TAXPAYER_IDENTIFIER	TAXPAYER_IDENTIFIER	TaxpayerIdentifierValue	The value of the taxpayer identifier as assigned by the IRS to the individual or legal entity.		Numeric 9	R			X	
1.0023	33	1a.5	US Citizen Permanent Resident Alien Non-Permanent Resident Alien	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/ROLES/ROLE/BORROWER/DECLARATION/DECLARATION_DETAIL	DECLARATION_DETAIL	CitizenshipResidencyType	A value from a MISMO prescribed list that specifies the U.S. citizenship or alien status of the individual.	NonPermanentResidentAlien PermanentResidentAlien USCitizen	Enumerated	R			X	
1.0033	46	1a.13	Current Address	MESSAGE/DEAL_SETS/DEAL_SET/DEALS/DEAL/PARTIES/PARTY/ROLES/ROLE/BORROWER/RESIDENCES/RESIDENCE/RESIDENCE_DETAIL	RESIDENCE_DETAIL	BorrowerResidencyType	This attribute, accompanying borrower residence data, qualifies it as either the current or prior borrowers residence.	Current	Enumerated	R			X	