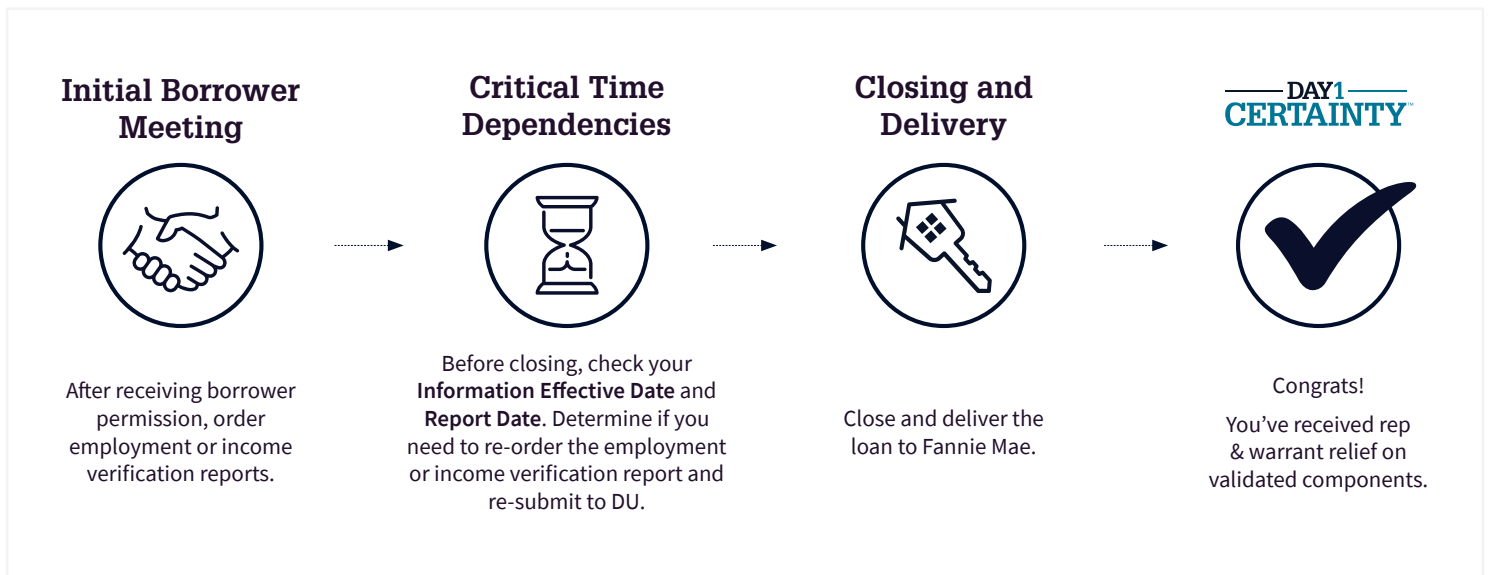


## Verify Income and Employment

The Desktop Underwriter® (DU®) validation service leverages third-party data reports to digitally validate borrower employment and income. Before you get started, review these timing tips to ensure success.

### Employment Verification Process



#### Tips for Success

- Active employment. Ensure the status is clear that the borrower is “actively” employed.
- Age of data. Ensure you’re meeting age of data requirements and look at the “as of” dates.
- Conflicting/contradictory information. Investigate any information in the verification report that conflicts with or contradicts other information in the file.
- Employer name match. Ensure the employer name matches the information entered in the 1003.

Income Type	Report Type
Base pay	Employment or income verification report
Bonus	
Overtime	
Commission	Tax Transcripts
Social Security	
Retirement	
Self-Employed Income (Sole Proprietor, Schedule C)	

## Income Verification Process

When looking at income verification report in DU, check the following:

- The loan officer is responsible for entering the appropriate amount of income in DU based on a review of the vendor report and any supplemental information in the loan file (including the application and/or any other income documentation the borrower may have provided).
- The loan must close within 120 calendar days of the report date on which income is validated.
- Ensure the borrower’s identifying information on the vendor report matches the loan application.
- Ensure the employer name on the vendor report matches the employer name entered in DU.
- Ensure the borrower’s income type and amount on the vendor report match the information entered in DU.
- If you don’t receive validation and receive a “calculated lower amount” message, double-check the report, adjust the income amount entered into DU, and adjust/re-run as necessary.
- If the “close by data” has passed, order an updated report/re-run DU.
- If any time you discover conflicting or contradictory information in the income verification report, you should investigate the information, obtain additional documentation if necessary, and enter the appropriate information in DU.

Ineligible Income Types	
Military Income	These types of income are not currently covered by the DU validation service. If the borrower’s income type is ineligible, you can still submit the loan to DU – just document income information per the <i>Selling Guide</i> .
Rental Income	
Self-Employment from a Partnership, S-Corp, and Corporation	