

Desktop Underwriter/Desktop Originator Release Notes

DU Version 12.1 November and December Updates

Oct. 14, 2026

During the **evenings of Nov. 13, 2026, Nov. 30, 2026, and Dec. 11, 2026**, Fannie Mae will implement updates to Desktop Underwriter® (DU®) Version 12.1, which will include the changes described below. Unless otherwise noted below, the changes in these releases will apply to DU V. 12.1 loan casefiles submitted or resubmitted on or after the evenings of Nov. 13, 2026, Nov. 30, 2026, or Dec. 11, 2026.

The changes in this release include the following:

- Potential Red Flags
- DU Validation Service
- Enhanced HTML and Enhanced PDF DU Underwriting Findings Report Retirement
- Updates to Align with the *Selling Guide*

Potential Red Flags

On the **evening of Nov. 13, 2026**, the following message will be issued using additional information related to the borrower's housing and rental property history, financial profile, and/or the characteristics of the subject property.

Potential Red Flags

1. The following red flags related to occupancy have been identified. [Msg 3969](#)

Message Identifier	Message Text
OCC-03	Based on external data, information on the loan application, and the borrower's history of managing rental properties, this loan has an elevated risk of an inaccurate occupancy type. The lender should document its review of occupancy information and any supporting information used to confirm the occupancy designation. If the primary occupancy was not confirmed, update the occupancy to investment and resubmit the loan casefile to DU.

Note: The [DU Potential Red Flag Matrix](#) will be updated on the release weekends to reflect changes.

DU Validation Service

The following change will be applied for loan casefiles created on or after **Nov. 14, 2026**.

Current Employment History for Fixed Base Income

The [DU Version 12.1 Sept. Update](#) enhanced current employment history requirements for fixed base Income. DU will be updated to require the borrower to have at least 12 months of employment with their current employer for borrowers that indicate on the loan application that they are employed by a family member, property seller, real estate agent, or other party to the transaction.

The following summarizes the current employment requirements that will be applied for borrowers with fixed base income for DU loan casefiles created on or after Nov. 14, 2026.

Income Type	Employed by a Family Member or Interested Party?	Current Employment History Requirement
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Fixed Base Income	No	▪ At least 3 months of current employment, and ▪ At least 12 months of total employment history (current and prior employment combined).
	Yes	▪ At least 12 months with the current employer

Enhanced HTML and Enhanced PDF DU Underwriting Findings Report Retirement

As specified in the [DU Version 12.1 September Update release notes](#), on the evening of **Nov. 30, 2026**, the enhanced HTML and enhanced PDF versions of the DU Underwriting Findings report will be retired. This retirement follows the introduction of the new DU Underwriting Findings report PDF option announced in the [New DU Findings Report Options release notes](#).

Updates to Align with the *Selling Guide*

The following updates will be made to DU Version 12.1 on the evening of **Dec. 11, 2026**.

Income Messaging

Selling Guide Announcement SEL-2026-09 removed the specific methods lenders must use to satisfy the verbal verification of employment requirement and updated the income continuance requirement to be based on the application date instead of the note date. DU will be updated to support these changes. Several other DU income messages will also be updated to be clearer and more concise.

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 Single-Family Market Engagement 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.