

Collateral Underwriter[®] Version 5.4 Release Notes

April 20, 2022

On June 24, 2022, Fannie Mae will implement Collateral Underwriter[®] (CU[®]) Version 5.4. During the updates, CU will be unavailable from **9 p.m. ET on Friday, June 24 until 1 a.m. ET on Saturday, June 25.**

The following changes will be included in the release.

CU Message Enhancements

Undervaluation messages – A new undervaluation risk flag along with 16 new undervaluation risk reason codes will be introduced to complement the existing overvaluation risk flag and reason codes. Similar to the function of the overvaluation risk message suite, when an undervaluation risk flag is displayed in CU, the single most relevant reason code will be displayed. These messages will also be disseminated to downstream systems including Desktop Underwriter and will display in the Uniform Collateral Data Portal Submission Summary Report.

Misvaluation Flags and Messages

Overvaluation Risk Message ID	Overvaluation Risk Message Text	New Undervaluation Risk Message ID	New Undervaluation Risk Message Text
Risk Flag			
1004	There is a heightened risk of overvaluation.	1010	There is a heightened risk of undervaluation.
Reason Codes			
1011	CU indicates that the heightened overvaluation risk may be the result of the appraiser's weighting of the adjusted sale prices of the comparables. Ensure that the appraiser appropriately weighted the adjusted sale prices of the comparables.	1031	CU indicates that the heightened undervaluation risk may be the result of the appraiser's weighting of the adjusted sale prices of the comparables. Ensure that the appraiser appropriately weighted the adjusted sale prices of the comparables.
1025	CU has identified comparable sales that may be more similar in features & geographical location than those relied on by the appraiser. Ensure that the appraiser has relied on comparables with similar property features & geographical location. See the CU Comparables tab for details.	1045	CU has identified comparable sales that may be more similar in features & geographical location than those relied on by the appraiser. Ensure that the appraiser has relied on comparables with similar property features & geographical location. See the CU Comparables tab for details.
1024	CU has identified comparable sales that may be more similar in	1044	CU has identified comparable sales that may be more similar in geographical location than



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	geographical location than those relied on by the appraiser. Ensure that the appraiser has relied on comparables with a similar geographical location. See the CU Comparables tab for details.		those relied on by the appraiser. Ensure that the appraiser has relied on comparables with a similar geographical location. See the CU Comparables tab for details.
1023	CU has identified comparable sales that may be more similar in property features than those relied on by the appraiser. Ensure that the appraiser has relied on comparables with similar property features. See the CU Comparables tab for details.	1043	CU has identified comparable sales that may be more similar in property features than those relied on by the appraiser. Ensure that the appraiser has relied on comparables with similar property features. See the CU Comparables tab for details.
1022	CU has identified comparable sales that may be more similar to the subject than those relied on by the appraiser. Ensure that the appraiser has relied on comparables that are the best and most appropriate for the assignment. See the CU Comparables tab for details.	1042	CU has identified comparable sales that may be more similar to the subject than those relied on by the appraiser. Ensure that the appraiser has relied on comparables that are the best and most appropriate for the assignment. See the CU Comparables tab for details.
1013	CU has identified market reaction to Above Grade Room Count & Gross Living Area that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.	1033	CU has identified market reaction to Above Grade Room Count & Gross Living Area that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.
1014	CU has identified market reaction to Basement & Finished Rooms Below Grade that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.	1034	CU has identified market reaction to Basement & Finished Rooms Below Grade that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to these attributes. See the CU Adjustments tab for details.



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1015	CU has identified market reaction to Condition, Quality of Construction, or Actual Age that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to each of these attributes. See the CU Adjustments tab for details.	1035	CU has identified market reaction to Condition, Quality of Construction, or Actual Age that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to each of these attributes. See the CU Adjustments tab for details.
1016	CU has identified market reaction to Location that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.	1036	CU has identified market reaction to Location that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.
1017	CU has identified market reaction to 'Garage/Carport' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.	1037	CU has identified market reaction to 'Garage/Carport' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.
1018	CU has identified market reaction to 'Sales Concessions' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.	1038	CU has identified market reaction to 'Sales Concessions' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.
1019	CU has identified market reaction to 'Site' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market	1039	CU has identified market reaction to 'Site' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.



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	reaction to this attribute. See the CU Adjustments tab for details.		
1020	CU has identified market reaction to 'Date of Sale' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.	1040	CU has identified market reaction to 'Date of Sale' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.
1021	CU has identified market reaction to 'View' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.	1041	CU has identified market reaction to 'View' that may differ from the adjustment rate used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction to this attribute. See the CU Adjustments tab for details.
1012	CU has identified market reaction to attributes that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction. See the CU Adjustments tab for details.	1032	CU has identified market reaction to attributes that may differ from the adjustment rates used by the appraiser. Ensure that the appraiser has made adjustments accurately reflecting market reaction. See the CU Adjustments tab for details.
1026	CU has identified heightened overvaluation risk. Ensure that the appraiser's value estimate is consistent with the best market data.	1046	CU has identified heightened undervaluation risk. Ensure that the appraiser's value estimate is consistent with the best market data.

For More Information

For more information about these Release Notes, lenders may contact their Fannie Mae customer account team. Additional information including help and training is available on the [Collateral Underwriter page](#).