

Desktop Underwriter Validation Service

Release Notes

Feb. 22, 2021

During the **weekend of April 17, 2021**, Fannie Mae will implement an update to the Desktop Underwriter® (DU®) validation service, which will include the changes described below. Unless specified below, these changes will apply to conventional loan casefiles created on or after Nov. 2, 2020 and submitted or resubmitted to DU after the April update.

The changes in this release include the following:

- Message change when employer name in DU is not matched to employer in the Income and Employment Verification Report (VOI/E)
- Asset validation changes
- DU validation service message changes

Message change when employer name in DU is not matched to employer name on the Employment and Income Verification Report

When the employer name in DU does not match the employer name on the VOI/E report, the DU validation service returns a message with the employer name from the VOI/E report listed as “Missing.”

In order to provide more details about what is observed in the VOI/E report, this message will be updated as follows:

- The employer name(s) observed in the VOI/E report will be displayed, instead of the word “Missing”, and
- The reason given for employment not being validated will be provided.

Asset validation changes

Asset validation when gift funds exist

Currently, when a Verification of Assets (VOA) report has been obtained by DU, and gift funds are entered in DU, the DU validation service will not attempt to validate assets. In these cases, DU will issue a message indicating that the loan is not eligible for asset validation because the loan includes a gift.

For casefiles created on or after April 18, 2021, when a VOA has been obtained for a borrower, and gift funds are entered in DU, the DU validation service will attempt to validate assets. If the VOA report indicates the borrower has enough assets in their accounts to cover the Total Funds to be Verified, the DU validation service will issue the following messages:

- The existing DU validation service message indicating that assets have been validated and the asset report is acceptable documentation,
- A new message that requires verification that the gift is from an eligible source if the gift funds have been deposited in the borrower’s asset accounts, and
- The existing DU message that is displayed on all loans with gifts that requires documentation and verification of the gift in accordance with the Selling Guide.

NOTE | *When the DU validation service validates assets on transactions with gift funds, the lender must ensure that gift funds that appear as deposits on the VOA report (if any) are from an acceptable source and are eligible for the transaction.*



Review of assets when no asset verification required

Currently, when a VOA report has been obtained by DU and the Total Funds to be Verified amount is \$0.00, the DU validation service will issue a message indicating that the casefile is not eligible for asset validation. With this update, a new message will be displayed to indicate that an eligible VOA report has been obtained and the loan may be eligible for asset validation if the amount of assets required increases and the loan is resubmitted to DU.

Message about large deposits

The DU validation service automates the assessment of large deposits on purchase transactions. When a large deposit needs to be documented, DU will issue a message. The current message notifying lenders of a large deposit may be issued more than once as it is issued for each large deposit that is required to be documented. To simplify the identification of large deposits, the existing message will be replaced with a message in table format with each large deposit displayed in the table.

DU validation service message changes

Message placement

To improve clarity and organization of the DU validation service messages in the DU findings, the placement of messages in the DU findings will be modified as defined below. This change will apply to all loans submitted or resubmitted on or after April 18, 2021.

- Messages indicating whether a VOI/E report, a Tax Transcript or a VOA report has been obtained will be moved from the “Employment and Income” section to the “Verification Messages/ Approval Conditions” section.
- Messages related to receipt of a VOA report will be moved from the “Verification Messages/ Approval Conditions” section to the “Assets” section.

Updates to column headers in message tables

Some column headers in the DU validation service messages will be updated to provide consistency and clarity as defined below. This change will apply to all loans submitted or resubmitted on or after April 18, 2021.

Current Column Name	New Column Name
Vendor Match (for employment validation messages)	Employer Name(s) in Report
Vendor Match (for income validation messages)	Income Source from Report

Retirement of duplicate messages

Two messages which appear in the Assets section of the DU findings, but which are duplicated by other DU validation service messages will be retired.

Messages to be Retired		Duplicated by Existing Messages	
Message ID	Message Text	Message ID	Message Text
2847	Information on the borrower(s) accounts was not received from the following vendor(s). Confirm that the Report ID and borrower Social Security Number entered on the online loan application match those on the vendor report. Borrower Vendor Report ID	3303	DU did not receive report data from the vendor(s) shown below. Borrower Vendor and Rep Type Rep ID Reason
3209	This loan casefile received an asset report that was not used for the following reason(s). Borrower Vendor Reference # Reason	3301	DU did not use data received from the vendor report(s) shown below for the reason provided. Borrower Vendor and Rep Type Rep ID Rep Date Reason



For more information

For more information about these Release Notes, lenders may contact their Fannie Mae Customer Management Solution 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.