Desktop Underwriter® (DU®) Early Assessment

Frequently Asked Questions

May 28, 2024

General FAQs

Q1. **What types of loans and mortgage transactions are eligible for the DU early assessment conditional recommendation?**

- Eligible Transactions: All conforming conventional mortgage transactions.

- Ineligible Transactions: Not available for government loans.

Loan Feature	Eligibility
Loan Purpose	Purchase, Limited Cash-out Refinance, Cash-out Refinance
Occupancy	Primary Residence, Second Home, Investment
LTV/ CLTV/ HCLTV	Maximum DU Eligibility
Property Type	All eligible property types
Origination Channel	Limited to retail originations only. Not available in Desktop Originator® (DO®). The lender must request advanced permission to include the wholesale origination channel. Please refer to the DU subscription agreement for more details.

Q2. **How is the representations and warranties framework impacted?**

The early assessment recommendation of 'Approve/eligible' for a pre-qualification loan application is conditional. It is not eligible for delivery at the pre-qualification stage and the representations and warranties that will exist when Fannie Mae purchases the loan are not impacted by the findings in the early assessment recommendation. The recommendation provided with an early assessment DU findings report is conditional on 1) meeting all credit report requirements required by the *Selling Guide* prior to delivery (including requirements related to the appearance of inquiries on the credit report and the number of credit bureaus data must be pulled from), 2) confirming all data is accurate and complete at the time of full application, and 3) resubmission to DU. The lender must meet all *Selling Guide* requirements at full application.

Q3. **What do I need from my existing Credit Information provider to participate?**

If the lender is using a soft credit report (or single-in hard credit report), the Credit Information Provider must be participating in and have completed development work to support the requirements of DU early assessment. A separate account must be established with the Credit Information Provider to comply with the technical requirements to pull a soft credit report. The lender must also work with them to test the new account before accessing the production environment for DU. Lenders should work with their Credit Information Provider to

ensure they meet all terms and conditions prior to requesting a soft pull credit report. For those lenders that are pulling credit as defined by the *Selling Guide*, the lender is not required to do anything with their provider.

Q4. **Do pre-qualification loan applications restrict waivers and/or DU validation service messaging from firing?**

No, the early assessment functionality does not suppress any waivers and/or DU validation service messaging from firing. All eligibility checks are run for a pre-qualification application, and it will not place any restrictions/limitations on Fannie Mae's value acceptance (appraisal waiver) offering. For value acceptance, a valid address must be provided at pre-qualification for DU to determine if a waiver exists. If value acceptance was offered during early assessment, the loan casefile may not be eligible for a waiver when resubmitted to DU at the time of full application unless the waiver eligibility requirements are met.

Q5. **Does early assessment support government pre-qualification loan applications?**

No, it supports conventional pre-qualification loan applications only. FHA/VA loan types will not be underwritten in DU unless a tri-merge, hard pull credit report is obtained.

Q6. **What integration is available?**

Currently, the early assessment functionality is available through DU XIS Direct Integration and DU Messages API in the DU Production Environment. It is not available through Desktop Originator (DO).

Q7. **Can lenders use a Credit Information Provider that is not approved for early assessment?**

No; at this time, only the providers that have implemented the technical requirements to support the ability to identify and format soft credit reports and are able to manage a separate unique account for pre-qualification applications can be used.

Q8. **If a lender already uses one of the approved Credit Information Providers, does anything else need to be set up?**

Yes, the lender must create a new soft credit account with trended data specific for the DU early assessment functionality with their Credit Information Provider. This account is unique in that the credit report file will be identified in DU as an early assessment casefile and DU will issue a DU early assessment message.

Q9. **How will the Credit Information Provider distinguish a soft credit report for DU early assessment?**

The Credit Information Provider will create a unique account user id and password for participating lenders to access soft credit reports with trended data. The provider will manage access by the specific account established. Some credit information providers and LOS vendors have updated workflow, allowing lenders to choose the early assessment credit product within the lender's credit account set-up versus requiring a unique account user id and password.

Q10. **Will the soft credit pull for DU early assessment include trended data?**

The soft credit pull must include trended data for DU to process the pre-qualification loan application.

Q11. **Will the Credit Information Provider provide a credit score with a single in-file soft credit inquiry?**

The provider will provide a credit score in the credit data files supplied to Fannie Mae.

Q12. **Are there specific test cases to test the single in-file soft credit inquiry?**

Yes, the selected Credit Information Provider will provide the test case(s) to the lender.

Q13. **Can the Credit Information Provider and credit bureau providers be changed after implementation?**

Lenders can switch providers, so long as the provider and credit bureau are approved participants and have implemented the technical requirements to support the early assessment functionality.

Q14. **What's the risk of not using an approved Credit Information Provider?**

Approved vendors have implemented changes to format the credit reports as per DU requirements to distinguish soft credit data files with trended data from a standard tri-merge credit report. If using a Credit Information Provider that has not been approved, a lender might submit an early assessment casefile that does not contain the early assessment credit report file. Subsequently, DU will not issue DU Message 3087 (conditional recommendation) on the early assessment casefile, which will prevent the Loan Delivery Fatal Edit from firing. This could result in deliveries that are not compliant with *Selling Guide* requirements. Please make sure Credit Information Provider tags any credit files used in connection with DU early assessment as a "Preapproval" to mitigate this risk.

Q15. **When using a soft credit report, will a new credit pull be required at full application?**

Yes, if a soft credit report was ordered at pre-qualification, then the lender must order new credit to obtain a tri-merge credit report that generates an inquiry on future credit reports at full application.

Q16. **If using a single hard credit report, will a new credit pull be required at full application?**

A lender will have two choices in obtaining a full tri-merge credit report. One option is to upgrade a single hard inquiry credit report to a tri-merge hard report by requesting an upgrade of the initial report and adding two additional bureaus. The lenders' LOS/ POS must be able to support this upgrade option. The other option is to request a new tri-merge credit report at the time of the full application.

Q17. **Will Loan Delivery have any edits?**

Yes, there is a fatal edit (Edit ID# D170) and it will fire if DU Message ID# 3087 exists on the DU Underwriting Findings Report. This Loan Delivery edit identifies when the pre-qualification casefile is underwritten with a credit file that does not meet *Selling Guide* credit report requirements.

Q18. **Will there be changes required of a lender's pre- and post-closing requirements?**

No, DU early assessment does not require any changes to the existing Quality Control (QC) requirements in the *Selling Guide* because the pre-qualification loan applications are not eligible for delivery. As a best practice, the lender may choose to perform additional QC by selecting loan applications that started as a pre-qualification to ensure that the loan data is complete and accurate and that the casefile was resubmitted to DU at full application.

Q19. **How do I activate the soft credit trait in DU?**

Use this form to submit a request to activate the soft credit trait on your DU Institution ID. Please contact your Fannie Mae account for trait deactivation requests.

Implementation FAQs

Q20. **What files are necessary in an early assessment submission file?**

Early assessment uses the standard DU submission file.

- **MISMO v3.4 Reference Model (Build 324):** This can be downloaded, including the schema and supporting files, from the [MISMO Version 3.4 Specifications page](#) on the MISMO site.

  Note: There are different download links for MISMO members and non-members.
- **Joint ULAD Schema ExtensionV3_4, DU Schema ExtensionV3_4, and Wrapper 3.4.0_B324:** These files can be downloaded from the same zip file available at [Fannie Mae Technology Integration](#) .
- **Schema Compliance:** When the file is submitted to Fannie Mae, DU will ensure it is a valid XML that complies with the MISMO Schema v3.4 and other necessary schema files for a Loan Pre-Qualification Submission file.

The following example illustrate the schema files invoked in the header section of a Loan Pre-Qualification submission file under early assessment:

<MESSAGE MISMOReferenceModelIdentifier="3.4.032420160128" xmlns="http://www.mismo.org/residential/2009/schemas"2.0 xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance" xmlns:ULAD="http://www.datamodelextension.org/Schema/ULAD" xmlns:DU="http://www.datamodelextension.org/Schema/DU" xmlns:xlink="http://www.w3.org/1999/xlink" xsi:schemaLocation=" http://www.mismo.org/residential/2009/schemas DU_Wrapper_3.4.0_B324.xsd">

Q21. **What data points are required in an early assessment casefile submission to get a conditional recommendation?**

Only a reduced dataset (called the Optimized Dataset) along with an early assessment credit file (single bureau hard or single/dual/tri soft credit report) is required in the DU casefile submission to get a conditional recommendation.

The Optimized Dataset can be identified in the DU Spec by filtering for "X" in the "Optimized Dataset" column under the Early Assessment section. There are 60 data points in total.

Note: Some columns in the screenshot below have been hidden to improve readability.

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

DU Map v1.9

Q22. **What message in the DU Findings confirms that the recommendation for a pre-qualification submission is conditional and based on a soft credit inquiry, and where does this message appear?**

The message confirming an early assessment conditional recommendation based on a soft credit inquiry is Message ID 3087. It appears in the first section of the Findings (Risk/Eligibility). For any questions about Message 3087, lenders should contact Credit Information Provider.

Q23. **Is Message ID 3087 included in the DU Message API?**

The DU Messages API retrieves findings related to the latest submission of the casefile. Lenders will receive the conditional recommendation if they request findings for a casefile ID submitted with an early assessment credit report (Msg 3087). However, if the casefile has been resubmitted with a standard tri-merge credit report to DU, Msg 3087 will not appear in the finding's messages.

Q24. **Does DU early assessment provide conditional recommendations for FHA or VA loans?**

No, when an FHA or VA loan is submitted using a soft credit inquiry, the Recommendation is "Error", and a message noting that a tri-merge credit report was not received is returned in lieu of any findings.

Q25. **What should be considered if an early assessment submission is not successful?**

- Trait Activation: Ensure trait activation has been requested and confirmed. See [Lender Activation Request Form](#).

- DU Institution ID: Verify that the trait is activated on the correct DU Institution ID.

- Credit Account: Check if credit is requested using the separately credentialed credit account that supports early assessment.

- Preapproval Tag: Ensure that "CreditReportResponseType=Preapproval" is contained in the XML header, which is applied by the credit vendor.

- Credit File Comparison: Compare the credit file reference numbers, as they should match.

- Loan Type: Ensure the casefile submission is not for a government loan (FHA/VA), as government loans are not eligible.

- Proper Credit Report Formatting: Check for proper formatting and contact credit provider to resolve any format errors, as indicated by DU Message ID 27.

Data element	Current value
Improperly Formatted Credit Report	DU has received a credit report that is not properly formatted or is missing. Contact the credit agency technical support group to ensure the correct version of the credit report is being provided.

Format errors include:
- Improper credentials to access soft pull credit account.
- Raw credit file is missing the "&" (Multiple Report Indicator) report separator between the borrower and co-borrower credit files.
- The version of the credit file may not be accepted by DU.
- Invalid data or missing data segments on the credit file such as the Social Security Number is not populated in the credit file.