

Desktop Underwriter/Desktop Originator Release Notes

DU Version 11.1 Aug. Update

June 7, 2023

Updated July 12, 2023

During the **weekend of Aug. 19, 2023**, Fannie Mae will update Desktop Underwriter® (DU®) Version 11.1, which will include the changes described below. The changes in this release will apply to DU Version 11.1 loan casefiles **submitted or resubmitted** on or after the weekend of Aug. 19, 2023.

The changes in this release include the following:

- Technical Updates
- Property and Appraisal Updates
- DU Validation Service Update
- New Duty to Serve Message
- Updates to Align with the *Selling Guide*

Technical Updates

Technical changes will be made to enhance the DU platform. These changes will have no impact on DU's risk or eligibility assessment.

Property and Appraisal Updates **(added to release notes July 12, 2023)**

Value Acceptance + Property Data

DU will no longer display a green checkmark in The Day 1 Certainty Property Information section (as shown below) when the lender receives the message stating the loan is eligible for value acceptance + property data but that eligibility is **contingent upon the submission of property data** to the Fannie Mae Property Data API.

Day 1 Certainty

Property Information

Value Acceptance  Not Eligible

Appraisal Rep & Warrant Not Applicable

DU will continue to display the green checkmark in the Day 1 Certainty Property Information section when able to determine the **property data was submitted** to the API.



Day 1 Certainty

Property Information

Value Acceptance  Eligible

Appraisal Rep & Warrant Not Applicable

Traditional Appraisal Message Update

The traditional (Form 1004) appraisal message will be updated to specify that the loan casefile may also be eligible for other property assessment and valuation options and that all eligible options will be displayed in the Property and Appraisal Information section of the DU Underwriting Findings report.

DU Validation Service Update

Desktop Originator® Submissions (added to release notes July 12, 2023)

Currently verification reports are only obtained by the DU validation service for Desktop Originator (DO®) loan casefiles when a sponsoring lender has been selected. Effective the weekend of Aug. 19, 2023, verification reports will now be obtained for DO loan casefiles submitted using Preliminary Findings. This will allow Preliminary Findings loan casefiles to receive validation messages, use the positive rent payment history feature, and use the cash flow assessment feature available for DU loan casefiles.

Large Deposits

To enhance the security of borrower data in the DU Underwriting Findings report, Account Numbers displayed in the DU validation service message about large deposits will be truncated to the last four characters.

New Duty to Serve Message (added to release notes July 12, 2023)

A new Observation message will be issued on principal residence, HomeStyle® Renovation and HomeStyle Energy loan casefiles where the total qualifying income is equal to or less than 100% of AMI. This message will remind lenders that if the improvements being made on the HomeStyle Renovation or HomeStyle Energy loan include at least one EnergyStar®-certified improvement, then the loan may be eligible for the Duty to Serve LLPA Waiver.

Updates to Align with the *Selling Guide*

Condominium Message

Selling Guide Announcement SEL-2023-02 required the use of Condo Project Manager™ (CPM™) for all condo projects being reviewed under the Full Review process. The message issued by DU when a Full Review of the condo project is required will reflect this requirement.

Affordable LTV Message

Selling Guide Announcement SEL-2023-04 updated requirements for loans that are part of shared equity transactions. The DU message that is issued on loans using the Affordable LTV feature will be updated to reflect these updates.



Manufactured Homes with Temporary Interest Rate Buydowns

Selling Guide Announcement SEL-2023-05 specified that Fannie Mae will now permit temporary interest rate buydowns on manufactured homes. DU will no longer issue an Ineligible recommendation for these transactions.

Qualifying Rate Changes

Selling Guide Announcement SEL-2023-05 updated the qualifying interest rate requirements for 7- and 10-year ARMs. For borrowers obtaining a 7- or 10-year ARM, DU will now calculate the qualifying payment using the note rate, instead of the greater of note rate and fully indexed rate.

Note: *The greater of the note rate and the fully indexed rate is still required for loans that are higher-priced mortgage loans or higher-priced covered transactions under Regulation Z. Those loans must be manually underwritten.*

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 Fannie Mae Business Account Management Solutions (BAMS) 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.