Desktop Underwriter® (DU®) Validation Service Integration Impact Memo
April update

Feb. 22, 2021

Updated Feb. 24, 2021

During the **weekend of April 17, 2021**, Fannie Mae will implement changes to the Desktop Underwriter® (DU®) validation service as described in the DU validation service Release Notes, April update.

Please review the following, in addition to the release notes, to ensure that your integrated system(s) will be prepared to support this release.

This update will introduce new messages, modify existing messages and retire certain messages related to the DU validation service. Integrated systems that parse the DU Codified Findings (UNDERWRITING_FINDINGS_XML), DU Underwriting Findings report data file (RES) or DU Messages API response file (JSON) may require updates to support the message changes. A preliminary count of expected message changes is included below to assist with impact assessment.

New Messages	Modified Messages	Retired Messages
3	12	3

Integrated systems that receive and display the DU Underwriting Findings report TXT file, HTML and/or PDF files should not be impacted since these files are for display purposes only and parsing is not supported. However, if your integrated systems parse the HTML and/or TXT versions of the DU Underwriting Findings, your system may be impacted by this release.

> **N O T E :**   *Unless specified below, these changes will apply to conventional loan casefiles created on or after Nov. 2, 2020 and submitted or resubmitted to DU on or after April 17, 2021 via Direct Integration and the User Interface (UI).*

DU Underwriting Findings - New DU Validation Service Messages

DU will implement business rules to issue several new DU validation service messages in the DU Underwriting Findings Report, when applicable.

Integrated Systems that receive and parse the following DU message identifiers and related message text will need to be updated to support these changes.

Message Status	MessageIdentifier	MessageSeverityTypeCode	MessageCategoryTypeCode	Message Type	MessageText
New	3523	5 = VERIFICATION	6 = REQUIRED FUNDS	List	The large deposit(s) listed below have been identified using asset account information. These funds have been included in the total amount of assets validated. Document that these funds are from an acceptable source in accordance with the Selling Guide. Large Deposit Amount | Financial Institution | Account Number

Message Status	MessageIdentifier	MessageSeverityTypeCode	MessageCategoryTypeCode	Message Type	MessageText
New	3525	5 = VERIFICATION	6 = REQUIRED FUNDS	Fixed	An eligible asset report has been received; however, Total Funds to be Verified is $0.00. If Total Funds to be Verified increases, asset validation may be achieved upon resubmission.
New	3527	5 = VERIFICATION	6 = REQUIRED FUNDS	Fixed	Assets were validated on a transaction where gift funds are present. Confirm any deposited gift funds are from an acceptable source and are eligible for the transaction. Refer to the Selling Guide for additional information.

Modified Message Category Type

DU validation service messages returned in the DU Underwriting Findings report are grouped by Message Severity and Message Category.

To better align with the business rules and intent of the message, several messages will be assigned to a different message category and moved to a new location within the DU Underwriting Findings report.

Integrated Systems that parse the following DU message identifiers, message category type codes and related message text will need to be updated to support these changes.

This change will apply to all loans submitted or resubmitted on or after April 18, 2021. DU XML Codified Findings - Data Mapping

Parent Element	MessageIdentifier	*Current* MessageCategoryTypeCode	*Updated* MessageCategoryTypeCode
CasefileMessages Messages	2849	1 = RISK ASSESSMENT	6 = REQUIRED FUNDS
CasefileMessages Messages	2931	1 = RISK ASSESSMENT	6 = REQUIRED FUNDS
CasefileMessages Messages	3299	5 = EMPLOYMENT/ INCOME	1 = RISK ASSESSMENT
CasefileMessages Messages	3301	5 = EMPLOYMENT/ INCOME	1 = RISK ASSESSMENT
CasefileMessages Messages	3303	5 = EMPLOYMENT/ INCOME	1 = RISK ASSESSMENT

DU Validation Service List Message - Column Header Change

Integrated Systems that parse the DU validation service list messages referenced below may need to be updated to use the new column header message text.

MessageIdentifier	MessageSeverityType Code	MessageCategoryType Code	Message Type	Current Column MessageText Header Value	New Column MessageText Header Value
3305*	5 = VERIFICATION	5 = EMPLOYMENT/ INCOME	List	Vendor Match	Employer Name in Rep
3307	5 = VERIFICATION	5 = EMPLOYMENT/ INCOME	List	Vendor Match	Employer Name(s) in Rep
3309	5 = VERIFICATION	5 = EMPLOYMENT/ INCOME	List	Vendor Match	Income Source from Rep
3311	5 = VERIFICATION	5 = EMPLOYMENT/ INCOME	List	Vendor Match	Income Source from Rep
3313	5 = VERIFICATION	5 = EMPLOYMENT/ INCOME	List	Vendor Match	Income Source from Rep
3319	5 = VERIFICATION	5 = EMPLOYMENT/ INCOME	List	Vendor Match	Employer Name in Rep
3419	5 = VERIFICATION	5 = EMPLOYMENT/ INCOME	List	Vendor Match	Income Source from Rep

* NOTE: Message 3305 has been suspended temporarily due to COVID-19. Changes will be applied when employment validation is reinstated.

Updated Reason Code Text

The text for a reason code will be updated as defined below.

Message ID	Current Reason Code Text	New Reason Code Text
3307	Employer name in VOE doesn't match employer name in DU	Employer in DU doesn't match employer(s) in VOE report; review the employer name(s) on the VOE report

DU XML Codified Findings – Message Text (Sample)

```
<Message MessageIdentifier="3307" MessageSeverityTypeCode="5" MessageCategoryTypeCode="5">
  <LenderMessageText>
  <Line MessageText="DU could not validate borrower employment shown below for the reason provided."/>
  <TableRow>
   <Column MessageText="Borrower "/>
   <Column MessageText=" DU Employer "/>
   <Column MessageText=" Vendor and Rep Type "/>
   <Column MessageText=" Rep ID "/>
   <Column MessageText=" Employer Name(s) in Rep"/>
   <Column MessageText="Reason"/>
  </TableRow>
  <TableRow>
  <Column MessageText="Lorraine Purchaser"/>
  <Column MessageText="Enterprise USA"/>
  <Column MessageText="Missing"/>
  <Column MessageText="Missing"/>
  <Column MessageText="Missing"/>
  <Column MessageText="Employer name in VOE doesn't match employer name in DU Employer in DU doesn't match employer(s) in VOE report; review the employer name(s) on the VOE report"
"/>
  </TableRow>
```

Retired DU Validation Service Messages

The following messages will be retired in this release.

Message Identifier	Message Text	Impact
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	Duplicate message Replaced with existing message 3303
2953	A large deposit of $%a has been identified on the %a account of %a using asset account information. This amount has been included in the total amount of assets validated. Document that these funds are from an acceptable source. Refer to the Fannie Mae Selling Guide for additional information.	Replaced with new message 3523
3209	This loan casefile received an asset report that was not used for the following reason(s). Borrower | Vendor | Reference # | Reason	Duplicate message Replaced with existing message 3301

Release Support

The DU validation service changes will be implemented in the DU integration environment on or about **March 18**. Integration partners will be notified via e-mail from Integration News (integration_news@fanniemae.com) after implementation.

If you have questions about the Integration Impact Memo or if you require support specific to this release, contact Integration Support. For more information about the DU validation service, visit the DU validation service page or contact your Fannie Mae representative.