

Desktop Underwriter Validation Service

Release Notes

July 31, 2024

On September 20, 2024, Fannie Mae will update the Desktop Underwriter® (DU®) validation service to introduce enhancements to improve the digital verification of income and employment for loan casefiles submitted or resubmitted on or after September 20, 2024. The enhancements apply to loan casefiles for which employment or income is validated using an asset verification report. These enhancements include:

- Dynamic employment validation close by dates
- New report type to extend borrower employment validation
- Expanded eligibility for income and employment validation messaging

Note: These enhancements are available to all lenders, though lenders must opt-in to be activated to have access to this functionality. Desktop Originator® (DO®) lenders need their sponsoring lenders to opt in to receive this functionality.

Dynamic Employment Validation Close-by Dates

When employment is validated using an asset verification report, DU will apply a close-by date that is 15-days from the report “Current As-of Date,” or up to the next expected income deposit date (whichever is greater). For example, when borrowers are paid monthly, the next expected income deposit date may be up to 30 days after the report date. Therefore, this enhancement will allow lenders greater flexibility when verifying a borrower’s employment status.

The close-by date that applies to each employment will be provided in the DU Findings message indicating employment is validated.

New Report Type to Extend Borrower Employment Validation

On March 6, 2024, the *Selling Guide* was updated to permit manual reverification of employment using a supplemental deposit-based asset verification report. Supplemental asset verification reports are provided by some report vendors for employment reverification and contain asset account details without deposit amounts and account balances. This release will automate the use of the supplemental asset verification report to extend employment validation when employment was previously validated using an asset verification report.

When the most recent expected deposit is present for a borrower’s employer, DU will provide updated messaging to extend the close-by date for employment an additional 15-days or up to the next expected deposit date for a borrower (whichever is greater as noted above). Employment that is validated by DU using both the original asset verification report and the supplemental deposit-based asset verification report will receive relief from enforcement of related representations and warranties if the loan closes by the date specified in the DU messages and all other conditions of the DU validation service are met.

Expanded Eligibility for Income and Employment Validation Messaging

As of this release, more loans will be eligible for income and employment validation using an asset verification report. Effective with this release:

- All loan casefiles will be eligible to receive income and employment validation messages irrespective of the debt-to-income (DTI) ratio. Previously, those with a debt-to-income ratio greater than 45.000% were ineligible.
- Lenders can receive validation messages *regardless* of DU’s underwriting recommendation (only casefiles with Approve/Eligible recommendations received these messages prior to this release).



Note: These changes apply only to income and employment validation using an asset verification report. There are currently no DTI or underwriting recommendation constraints on validation using an income and employment verification report.

For More Information

For more information about the digital validation that is supported by asset verification reports, visit [our website](#) for resources and information for lenders.