

DU enhancements to help you qualify more borrowers with no credit scores



With enhancements in Desktop Underwriter® (DU®), Fannie Mae is helping lenders increase homeownership opportunities and simplify their underwriting process for loans where no borrower has a credit score. This includes:

Updating existing eligibility criteria for loans where no borrower has a credit score

For loans where no borrower has a credit score, and at least one borrower has a minimum of one credit account or installment account reported on their credit report:

- There are no limitations on loan purpose or occupancy.
- The loan application will be subject to standard eligibility guidelines, and risk is assessed using the borrower's reported credit.

For loans where no borrower has a credit score, and no borrower has a credit account or installment account reported on their credit report:

- The property must be a one- to four-unit, principal residence, and all borrowers must occupy the property.
- The transaction must be a purchase or limited cash-out refinance.

Using borrower-permissioned bank statement data to enhance the DU risk assessment

- Through the use of a 12-month third-party asset verification report, DU will assess or consider a borrower's cash flow by reviewing transaction patterns, balance trends, and other observations over time in their checking and savings accounts and investment accounts.

Simplifying the underwriting process by providing an automated option for lenders to meet *Selling Guide* requirements to document nontraditional credit sources

- When an asset verification report is used by DU in the analysis of loans where no borrower has a credit score, DU will issue a message indicating if the report may be used to satisfy the nontraditional credit source documentation requirements per the *Selling Guide*.*

**Lenders remain responsible for ensuring compliance with other documentation requirements applicable to them.*

Get started

After you have ordered a credit report and verified that the borrower(s) on the loan application does not have a credit score, follow the steps below to enable DU to conduct a cash flow assessment:

1. Educate the borrower(s) about what the asset verification process is and how it works, and obtain the appropriate consent to order an asset verification report.
2. Order an asset verification report with 12 months of asset data from an [authorized verification report supplier](#). Enter the Reference ID in DU.
3. Review the messages on the DU Underwriting Findings report to see if the bank statement data has been considered.
4. Not yet using asset verification reports? Learn more about asset verification in the [DU validation service](#).