

Servicing Management Default Underwriter (SMDU)

Release Notes for SMDU Version 2025.9

September 18, 2025

On September 19, 2025, Fannie Mae will implement Servicing Management Default Underwriter™ (SMDU™) Version 2025.9. During this implementation SMDU will not be available to process transactions from 10:00 p.m. Eastern Time on September 19, 2025, until 7:00 a.m. Eastern Time on September 21, 2025. Please do not submit transactions during this time.

Table of Contents

SMDU Loss Mitigation	2
Policy Update in Alignment with Servicing Guide Announcement (SVC-2025-05)	2
Mortgage loans subject to a temporary interest rate buydown plan (08/13/2025)	2
SMDU Case Management – <i>SMDU UI</i>	2
External User Upload Document from Case History – Cancelled and Completed Cases	2
Questions and More Information.....	2
Additional Resources	3



SMDU Loss Mitigation

Policy Update in Alignment with Servicing Guide Announcement (SVC-2025-05)

Mortgage loans subject to a temporary interest rate buydown plan (08/13/2025)

In alignment with the Servicing Guide announcement that clarified how interest rate buydown funds should be applied in connection with workout options, servicers must enter these funds to reduce arrearages to be capitalized during a Fannie Mae Flex Modification. The servicers must adopt these changes by November 1, 2025.

Refer to Lender Letter: <https://singlefamily.fanniemae.com/media/43296/display>

Submitting Loan Interest Rate Buydown Funds for Flex Modifications

Case Management

Servicers are required to include the Loan Interest Buydown Funds Amount as part of the total Borrower Contribution Amount reported.

Auto Decision

UI

- Select an **Evaluation request** icon.
- Select **Delinquency & Foreclosure** tab.
- Select **Loan Interest Rate Buydown Funds** field and enter amount.

B2B

Submit the following new Name/Value pair field:

Example:

Name DD 960.82 <Name>LoanInterestRateBuydownFundsAmount <Name>

Value DD 961.82 <Value>100.00<Value>

SMDU Case Management – SMDU UI

External User Upload Document from Case History – Cancelled and Completed Cases

- Select **SMDU Evaluation & Case History** icon.
- Select the **Case History** button.
- Select the image icon for upload documents from **Actions** column, displayed against each Completed/Cancelled Case IDs.
- Select the **Document Type**.
- Select **Choose File** button to select PDF File to upload.
- Successful document uploads will be shown in the **List Of Uploaded Documents** section.

Questions and More Information

Please contact the Servicing Solutions team at Servicing_Solutions@fanniemae.com or your Fannie Mae Servicing Portfolio Manager if you need additional information about this Release and/or SMDU.



Additional Resources

- [SMDU Applications & Technology Page](#) (Previous Release Notes, Loss Mitigation functions, etc.)
- [SMDU Learning Center](#) (User Guides, eLearning Modules, etc.)
- [SMDU UI Technology Registration Job Aid](#)