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# Fannie Mae and Freddie Mac Uniform Mortgage Data Program

## Specification Update Impact Memo

Date: Feb. 15, 2022

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## Revision History

Version 1.0 .....February 15, 2022

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## Background

This Impact Memo announces the following changes to the Uniform Closing Dataset Specification (UCD) v1.5:

- The addition of a data point to capture the annual percentage rate (APR) for adjustable rate mortgages (ARMs) with interest rate changes within the first five years.
- Change to valid enumerations for mortgage insurance company names to support Genworth's name change to "Enact."
- Changes to acceptable values delivered for four data points.

**Note:** Fannie Mae and Freddie Mac (the GSEs) will publish updates to the joint GSE UCD Specification document after the UCD Critical Edits Phases 1-4 are implemented.

## New Data Point

### Overview

On Dec. 29, 2020, the Consumer Financial Protection Bureau (CFPB) revised the General Qualified Mortgage (QM) loan definition in an amendment to the Truth in Lending Act's (TILA) interpretive regulation, Regulation Z. The GSEs have worked together under the direction of FHFA to align on certain policies to implement QM requirements, as well as requirements related to loans that are exempt from the TILA or the Ability-to-Repay Rule.

In response to the policy changes under the revised General QM Rule, the GSEs have identified the need for an additional UCD datapoint that covers the Annual Percentage Rate (APR) datapoint specifically for Short Reset ARMs.

**NOTE:** *This change will not be reflected in the UCD Delivery Specification at this time.*

### Requirement

**Regulation Z Section:** 1026.43(e)(2)(iv)

**Data Point:** gse:QualifiedMortgageShortResetARM\_APRPercent

**Definition:** The annual percentage rate for the loan based on the accepted industry standard defined by Regulation Z (Section 12 C.F.R. 1026.43(e)(2)(iv)) used for QMs that have an interest rate change within the first five years after the date on which the first regular periodic payment is due.

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**UCD XPath:** This data point will be added to UCD as an EXTENSION of QUALIFIED\_MORTGAGE\_DETAIL:

```
.../LOAN
  QUALIFIED_MORTGAGE
    QUALIFIED_MORTGAGE_DETAIL
      EXTENSION
        OTHER/gse:QualifiedMortgageShortResetARM_APRPercent
```

**Current Requirement ([Fannie Mae Selling Guide](#)):** Greater of the note rate plus 2% or the fully indexed rate.

**New Requirement ([Fannie Mae Selling Guide](#)):** For all loans, lenders must use the loan amount over the loan term to calculate periodic payments of principal and interest. Revised QM Rule requires the lender to use the maximum interest rate that could apply during the first five years after the first payment is due when calculating the qualifying rate.

- 3-year ARMs: note rate plus lifetime cap
- 5-year ARMs: note rate plus first rate change cap

**Mandate:** This datapoint will be required for all loans on or after March 31, 2023.

**NOTE:** The new datapoint mandate is aligned with the [UCD Critical Edit Transition Phase 4](#) implementation.

## Enumeration Change

### Overview

On Feb. 7, 2022, Genworth Mortgage Insurance Corporation officially began doing business as Enact Mortgage Insurance Corporation. The UCD captures MI names in Unique ID 3.017 MICompanyNameType and 3.029 MICompanyNameTypeOtherDescription. Currently, the enumeration for “Genworth” is captured in 3.017 MICompanyNameType.

### Requirement

The UCD file is being updated to add “Enact” as a valid value for 3.029 MICompanyNameTypeOtherDescription. This change will be effective for Enact-insured loans delivered to Fannie Mae on and after February 17 and for Enact-insured loans delivered to Freddie Mac on and after February 11. Both GSEs will continue to accept the old value “Genworth” in UCD for a *minimum* of 90 days from their respective effective dates.

# Critical Edit Impacts on the UCD v1.5 Specification

## Overview

During the implementation of the Phase 1 and 2 UCD critical edits the GSEs determined there was a need to include additional data quality checks to the critical edits for three Qualified Mortgage (QM) related data points that were not required by the v1.5 UCD Specification. The Critical Edits Matrix (CEM) version where the change was communicated is provided below along with details of the change to each affected data point. The delivery requirement for discount points percent was relaxed to allow any value.

## Requirement

Critical Edit Changes Not Reflected in UCD v1.5						
UID	Data Point	CEM Column	Spec v1.5 Req	Ph.	CEM Vers	Critical Edit Change (Markup)
16.002	LiabilityType (Payoffs and Payments)	F	CR	1	2.0	IF LoanPurposeType = "Refinance" AND ...INTEGRATED_DISCLOSURE_SECTION_SUMMARY_DETAIL/ IntegratedDisclosureSectionTotalAmount for IntegratedDisclosureSectionType = "PayoffsAndPayments" is not equal to "0" <del>liability type is reflected in the Payoffs and Payments.</del>
4.039	AveragePrimeOfferRatePercent	G   M	R	1	4.0	Must <u>be greater than "0"</u>
12.004	APRPercent	G	R	1	4.0	Must <u>be greater than "0"</u>
7.087	RegulationZExcludedBonaFideDiscountPointsIndicator	G	CR	1	4.0	IF FeeType = "LoanDiscountPoints" AND FeeTotalPercent <u>is greater than &lt;math&gt;\leq&lt;/math&gt; "0"</u>
7.088	RegulationZExcludedBonaFideDiscountPointsPercent	G	CR	1	4.0	Must exist for all loans when RegulationZExcludedBonaFideDiscountPointIndicator = "true" <u>and be greater than "0"</u>
7.091	RegulationZTotalAffiliateFeesAmount	G   M	R	1	4.0	Must exist for all loans <u>and be greater than or equal to "0"</u>
4.034	RegulationZTotalLoanAmount	G   M	R	1	4.0	Must exist for all loans <u>and be greater than "0"</u>
3.030	RegulationZTotalPointsAndFeesAmount	G   M	R	1	4.0	Must exist for all loans <u>and be greater than or equal to "0"</u>
4.038	LoanPriceQuoteInterestRatePercent	G   M	CR	1	4.0	Must exist for all loans when RegulationZExcludedBonaFideDiscountPointIndicator = "true" <u>and be greater than "0"</u>
4.001	NoteAmount	G   M	R	2	4.0	Must exist for all loans and <u>be greater than "0"</u>
10.038	ClosingAdjustmentItemType = "SellerCredit"	G   M	<del>R</del> CR	2	4.0	IF LoanPurposeType = "Purchase" <del>AND a seller credit paid already by or on behalf of</del>

### Critical Edit Changes Not Reflected in UCD v1.5

UID	Data Point	CEM Column	Spec v1.5 Req	Ph.	CEM Vers	Critical Edit Change (Markup)
						<del>the borrower at closing is part of the transaction.</del>
10.036	ClosingAdjustmentItemAmount	G   M	CR	2	4.0	Must exist for all purchases when ClosingAdjustmentItemType = "SellerCredit" <u>and be greater than or equal to "0"</u>
10.028	FundsType = "DepositOnSalesContract"	G   M	<del>R</del> CR	2	4.0	IF LoanPurposeType = "Purchase" <del>AND a deposit is present in the transaction.</del>
10.029	CLOSING_COST_FUND/ClosingCostFundAmount	G   M	CR	2	4.0	Must exist for all purchases <u>and be greater than or equal to "0"</u>
7.006	FeeTotalPercent (Discount Points)	G   M	CR	3	2.0	May be negative, zero or positive
5.035	ProjectedPaymentEstimatedTaxesInsuranceAssessmentTotalAmount	G   M	R	2	4.0	Must exist for all loans and <u>be greater than or equal to "0"</u>
9.014	CASH_TO_CLOSE_ITEM/IntegratedDisclosureCashToCloseItemFinalAmount	G   M	R	2	4.0	Must exist for all loans when IntegratedDisclosureCashToCloseItemType = "TotalClosingCosts" <u>and be greater than or equal to "0"</u>
10.002	INTEGRATED_DISCLOSURE_SECTION_SUMMARY_DETAIL/IntegratedDisclosureSectionTotalAmount	G   M	R	2	4.0	Must exist for all purchases when IntegratedDisclosureSectionType = "DueFromBorrowerAtClosing" <u>and be greater than or equal to "0"</u>
6.015	CashFromBorrowerAtClosingAmount	G   M	CR	2	4.0	Must exist for all loans when condition is met <u>and be greater than or equal to "0"</u>
6.016	CashToBorrowerAtClosingAmount	G   M	CR	2	4.0	Must exist for all loans when condition is met <u>and be greater than or equal to "0"</u>
8.197	FeeType = RecordingFeeTotal	G   M	CR	3	4.0	IF <del>FeeActualTotalAmount &gt; "0"</del> for FeeType = "RecordingFeeForDeed" or "RecordingFeeForMortgage".
7.002	IntegratedDisclosureSectionTotalAmount (OriginationCharges)	G   M	R	3	4.0	Must exist for all loans <u>AND be greater than or equal to "0"</u>
7.024	IntegratedDisclosureSectionTotalAmount (ServicesBorrowerDidNotShopFor)	G   M	R	3	4.0	Must exist for all loans <u>AND be greater than or equal to "0"</u>
7.044	IntegratedDisclosureSectionTotalAmount (ServicesBorrowerDidShopFor)	G   M	R	3	4.0	Must exist for all loans <u>AND be greater than or equal to "0"</u>
7.064	IntegratedDisclosureSectionTotalAmount (TotalLoanCosts)	G   M	R	3	4.0	Must exist for all loans <u>AND be greater than or equal to "0"</u>

### Critical Edit Changes Not Reflected in UCD v1.5

UID	Data Point	CEM Column	Spec v1.5 Req	Ph.	CEM Vers	Critical Edit Change (Markup)
8.003	IntegratedDisclosureSectionTotalAmount (TaxesAndOtherGovernmentFees)	G   M	R	3	4.0	Must exist for all loans <a href="#">AND be greater than or equal to "0"</a>
8.024   11.086	IntegratedDisclosureSectionTotalAmount (InitialEscrowPaymentAtClosing)	G   M	R	3	4.0	Must exist for all loans <a href="#">AND be greater than or equal to "0"</a>
8.064	IntegratedDisclosureSectionTotalAmount (OtherCosts)	G   M	R	3	4.0	Must exist for all loans <a href="#">AND be greater than or equal to "0"</a>
8.074   6.011	IntegratedDisclosureSectionTotalAmount (TotalOtherCosts)	G   M	R	3	4.0	Must exist for all loans <a href="#">AND be greater than or equal to "0"</a>
8.080   6.008   6.005	IntegratedDisclosureSectionTotalAmount (TotalClosingCosts)	G   M	R	3	4.0	Must exist for all loans <a href="#">AND be greater than or equal to "0"</a>
2.006	StateCode (Borrower address)	G   M	CR	4	4.0	IF PartyRoleType = "Borrower" <del>AND IF CountryCode = "US" OR "CA".</del>
2.007	PostalCode (Borrower address)	G   M	CR	4	4.0	IF PartyRoleType = "Borrower" <del>AND IF CountryCode = "US" OR "CA".</del>
2.020	StateCode (Seller address)	G   M	CR	4	4.0	IF PartyRoleType = "Seller" <del>AND IF CountryCode = "US" OR "CA".</del>
2.019	PostalCode (Seller address)	G   M	CR	4	4.0	IF PartyRoleType = "Seller" <del>AND IF CountryCode = "US" OR "CA".</del>

### Additional Information

Should you require assistance, please contact your account representative or submit your questions to our UCD mailboxes: [UCD@FreddieMac.com](mailto:UCD@FreddieMac.com) and [UCD@FannieMae.com](mailto:UCD@FannieMae.com). For more information on UCD, visit the [Freddie Mac UCD page](#) or [Fannie Mae UCD page](#).