

UCD Critical Edits Phase 3: Warning Edits are Available

Nov. 7, 2022

In May 2022, Fannie Mae and Freddie Mac (the GSEs) announced May 1, 2023, as the revised implementation date for Phase 3 of the Uniform Closing Dataset (UCD) critical edits mandate. The UCD critical edits transition is designed to improve data quality and consistency for single-family loans that the GSEs purchase. On May 1, 2023, specified edits in the UCD collection solutions will convert from “warning” to “critical/fatal.” Phase 3 begins Nov. 7, 2022, with the availability of “warning” edits and messages in each collection solution’s test and production environments.

NOTE: The data provided in the UCD XML file must match the data on the PDF of the Closing Disclosure provided to the borrower. The Phase 3 UCD critical edits focus on ensuring the quality and completeness of data supporting the Closing Disclosure Closing Cost Details section (fee, prepaid and escrow line items and section totals). Refer to the [UCD FAQs](#) for more information.

Transition Preparation

The GSEs recommend that lenders and software partners/technology solution providers take the following steps to prepare for the critical edits transition:

- Test your UCD XML files early and often to fully resolve potential critical issues prior to the Phase 3 transition on May 1, 2023. The respective GSE UCD collection solution test and production environments are now available for testing of the Phase 3 UCD critical edits.
- Take note of the [UCD Critical Edits Transition Timeline](#) for Phase 3. For now, each GSE's respective UCD collection solution issues a “warning” message if the data provided is missing, inconsistent, or incorrect according to the UCD specification. The rollout process consists of transitioning edits from “warning” to “critical/fatal” on May 1, 2023.
- Review the [UCD Critical Edits Implementation Guide](#), which provides additional guidance on the Phase 3 critical edits.
- Review the updated [UCD Critical Edits Matrix](#) (v. 5.2). Users are encouraged to familiarize themselves with the Phase 3 edits as soon as possible.
- Review the GSE-specific Phase 3 critical edit [Feedback Messages](#) documents. Lenders should review the feedback messages returned by the UCD collection solutions in response to submitted UCD files and resolve all issues identified. We'll also publish a joint GSE document that will compare messages returned by each GSE at the data point level to further assist with error resolution.

Additional Information

Visit the [Fannie Mae UCD page](#) and the [Freddie Mac UCD page](#) for more information on UCD and the critical edits transition.

If you need further assistance, please contact your GSE account representative or submit your questions to our UCD mailboxes: UCD@FannieMae.com and UCD@FreddieMac.com.