

Friday, December 3, 2021

Bulletin #2021-AC-045

NOTICE TO ALL CUSTOMERS

Desktop Underwriter (DU) Version 11.0 Release Notes

Tomorrow December 4, 2021, Fannie Mae will implement an update to Desktop Underwriter (DU) Version 11.0 and the changes will apply to loans submitted or resubmitted to DU on or after the weekend of December 4, 2021:

- **Credit Score Message:** A new “Observation” message will be issued that specifies the representative credit score and the average median credit score for the loan case file. For loan casefiles where only one borrower has a credit score, “not applicable” will be shown where the average median credit score would display in the message.
Reminder: At this time FLCBank is not implementing Fannie Mae’s use of average median credit score to determine credit score eligibility and conventional loans underwritten by DU continue to have a 620 minimum credit score requirement for each borrower regardless of the DU recommendation.
- **Rent Payment History Updates:** A new message will be issued when a first-time homebuyer states on the loan application they are renting, but no rent amount is provided. The message will remind the lender to enter the monthly payment amount on the loan application and resubmit the loan case file to DU. If DU then determines a more favorable recommendation could be received, DU will issue the message stating that the loan case file may be able to receive a more favorable recommendation if a 12- month VOA report with 12 months of transactions is obtained.
Reminder: When the borrower is renting, the application should indicate the Housing option of “Rent” and the monthly amount of rent the borrower is paying should then be provided Homeownership Education.
- **Homeownership Education:** Effective with homeownership education counseling completed on or after January 1, 2022, Fannie Mae will **now** accept any qualified third-party provider, independent of the lender, to administer homeownership education. The third-party provider’s content must be aligned with the National Industry Standards (NIS) for Homeownership Education and Counseling or with the U.S. Department of Housing and Urban Development (HUD) Housing Counseling Program or provided by a HUD-approved counseling agency. After this weekend, the DU homeownership messages will reflect this change.
- **Limited Cash-Out Refinance:** When a limited cash-out refinance loan casefile receives an “Ineligible” recommendation because it appears the amount of cash taken out of the subject property equity exceeds the limit of 2% of the loan amount or \$2000, a message will be issued specifying the amount of cash DU calculated as being taken out of the subject property (based on the loan application data provided).

To access our most recently updated Temporary Policies Related to COVID-19 (**version 44**) please [click here](#).