



## ***Selling Guide Announcement SEL-2017-03***

**March 28, 2017**

### ***Selling Guide Updates***

The *Selling Guide* has been updated to include changes to the following:

- DU Validation Service
- Property Value Representations and Warranties
- Miscellaneous *Selling Guide* Update

Each update is described below and the affected topics are listed on the Attachment. Lenders should review each topic to gain a full understanding of the policy changes. The updated topics are dated March 28, 2017.

#### **DU Validation Service**

In response to requests from a number of our customers, we are clarifying that lenders may obtain a verification report for use with the Desktop Underwriter® (DU®) validation service directly from a “report supplier” that generates the report and sends the data electronically to DU, or from a “report distributor” that obtains the report from an authorized report supplier. The term “vendor report” has been changed to “verification report” throughout the Guide. Furthermore, references to specific report suppliers have also been removed from the *Selling Guide*. The DU Validation Service Verification Report Vendors list provides a listing of authorized report suppliers and report distributors and is available on Fannie Mae’s [website](#).

We have also updated [B3-2-02](#), DU Validation Service, to include a reminder of the following:

- lenders must review each verification report and reconcile any conflicting or contradictory information,
- lenders must take appropriate steps to determine the acceptability and impact of retirement and business accounts for asset validation, and
- military income is not eligible for income or employment validation.

The *DU Validation Service Reference Guide* has been updated to reflect the *Selling Guide* updates. (DU, Desktop Originator®, or Fannie Mae Connect™ credentials are required to access this Reference Guide.)

#### **Effective Date**

These clarifications are effective immediately.

#### **Property Value Representations and Warranties**

In December 2016, Fannie Mae began offering lenders Day 1 Certainty™ with relief from representations and warranties on property value for eligible loans. This applies to DU loan casefiles with a Collateral Underwriter® (CU™) Risk Score of 2.5 or lower on the appraisal and an Approve/Eligible recommendation. This offering, powered by CU, provides greater speed and simplicity while maximizing your efficiency.

Effective with CU Version 4.1, we further enhanced the eligibility of the enforcement relief requirements to be based solely on a CU Risk score of 2.5 or below, regardless of underwriting method or DU recommendation. We have updated the *Selling Guide* to align with this policy.



## Effective Date

The relief is effective for loan casefiles submitted to DU or appraisals submitted to CU on or after December 10, 2016.

## Miscellaneous *Selling Guide* Update

**[B4-1.4-10](#), Property Inspection Waivers.** To align with the existing policy covered in another topic in the Guide, Texas Section 50(a)(6) mortgages have been added to the list of transactions that are not eligible for a property inspection waiver (PIW).

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Lenders who have questions about this Announcement should contact their Account Team.

Carlos T. Perez  
Senior Vice President and  
Chief Credit Officer for Single-Family



## Attachment

Section of the Announcement	Updated <i>Selling Guide</i> Topics
DU Validation Service	<ul style="list-style-type: none"><li>▪ <a href="#">A2-2.1-04</a>, Limited Waiver and Enforcement Relief of Representations and Warranties for Mortgages Submitted to DU</li><li>▪ <a href="#">B3-2-02</a>, DU Validation Service</li><li>▪ <a href="#">D1-2-01</a>, Lender Prefunding Quality Control Review Process</li></ul>
Property Value Representations and Warranties	<ul style="list-style-type: none"><li>▪ <a href="#">A2-2.1-04</a>, Limited Waiver and Enforcement Relief of Representations and Warranties for Mortgages Submitted to DU</li><li>▪ NEW TOPIC - <a href="#">A2-2.1-06</a>, Representations and Warranties on Property Value</li><li>▪ <a href="#">B4-1.1-02</a>, Lender Responsibilities</li><li>▪ <a href="#">B4-1.4-10</a>, Property Inspection Waivers</li></ul>
Miscellaneous	<ul style="list-style-type: none"><li>▪ <a href="#">B4-1.4-10</a>, Property Inspection Waivers</li></ul>