



## Desktop Underwriter® (DU®) for Government Loans Reminder

August 19, 2016

### This Desktop Underwriter® (DU®) for Government Loans Reminder communicates important details on how to enter gift funds for FHA loan casefiles underwritten through DU.

**NOTE:** For ease of reference, this document generally uses the term “DU” to refer to “DU for government loans.”

#### Data Entry Guidance

The full gift funds amount should be entered in both the Source of Down Payment and Assets sections of the loan application on FHA submissions to ensure calculations are performed correctly by DU, and to ensure the correct information is sent to the FHA TOTAL Mortgage Scorecard.

- In Section II Source of Down Payment, a valid FHA Down Payment Type Code is required and the full gift amount must be entered, even if the amount is not being used for down payment or if the gift amount exceeds the down payment amount.
- In Section VI Assets, all assets should be entered as verified. If the borrower has received a gift and that gift has been deposited into a depository account, the gift should not be entered separately as a gift asset. If the gift has not been deposited into a depository account, it must be shown separately as a gift asset.
- For example, if the borrower’s verified checking account reflects a balance of \$15,000, and \$5,000 of that amount was from a gift, the checking account balance should remain as \$15,000, with the \$5,000 shown as a gift in the Source of Downpayment in Section II.

**NOTE:** Multiple gifts should be listed individually in both sections.

#### For More Information

Lenders may contact their Fannie Mae Account Team, and mortgage brokers should contact their DO sponsoring wholesale lender. For questions regarding HUD policies and guidelines, lenders and mortgage brokers should contact HUD at 1-800-CALL-FHA (1-800-225-5342).