



DU Validation Service

Harnessing the power of DU to provide you with Day 1 Certainty™

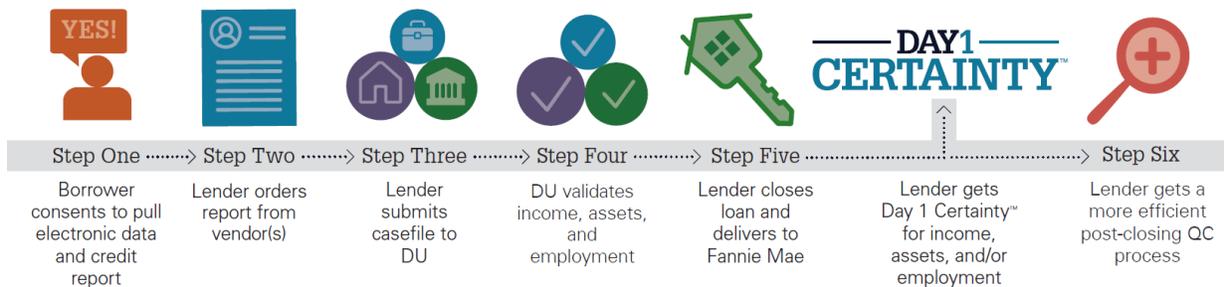
Desktop Underwriter® (DU®), the most widely used automated underwriting system in the market today, gives you even more power with the DU validation service. Fannie Mae’s DU validation service is designed to provide lenders with enhanced loan origination controls, process efficiency, and certainty around borrower income, assets, and employment input into DU.

How the DU validation service works

When a lender opts in to use the DU validation service, DU will use third-party vendor data to perform calculations and validate information entered by the lender in DU.

With borrower consent, the lender orders an eligible verification report from a DU validation service vendor. The lender reviews the report, addresses any discrepancies with the borrower, enters the information into DU, and submits the loan.

DU obtains a duplicate copy of the report from the vendor and performs its own income and asset calculations to arrive at a value that is compared to DU. DU issues messages advising the lender on whether the income, assets, and/or employment could be validated, as well as the documentation required.



As long as the lender meets all DU validation service requirements and complies with applicable DU messages, the lender receives Day 1 Certainty for validated components.

DU validation service benefits

- **Easier Documentation Process.** Borrowers save time by consenting to use electronic data versus collecting documents such as paystubs, bank statements, and investment account statements.
- **Streamlined Loan Processing.** Keeps lenders focused on exceptions.
- **Dynamic Underwriting.** Validates key loan data up front, provides more certainty on income and asset calculations, and confirms that the validated component meets Fannie Mae’s requirements.
- **Process Efficiencies.** Reverification is not required for assets, income, and/or employment validated in DU; execution of the IRS Form 4506-T is not required when all borrower income has been validated; and lenders have lower fraud risk when data is gathered from the source.
- **Day 1 Certainty.** Lender receives certainty regarding income, assets, and employment information validated by DU. With validation, lenders will receive freedom from representations and warranties with regard to the accuracy of income and/or asset calculation, borrower employment status, and the integrity of the data from the vendor.



What our lenders are saying

Lenders who are using the DU validation service are seeing lower origination costs, faster processing times, and improved borrower satisfaction. Lenders are telling us that:

- Loans with at least one validated component close an average of 8 to 10 days faster than loans without validation.
- They are able to streamline their QC workflow, spending less time on loans with validated components to maximize efficiency.
- Borrowers enjoy the reduced paperwork and accelerated origination time.

Steps to sign up for the DU validation service

- ✔ Learn more about the DU validation service.
 - Talk to your Fannie Mae account team
 - Review learning materials posted on the [DU validation service web page](#)
 - [DU Release Notes](#)
 - Review policy changes in the [DU Validation Service Reference Guide](#) 
You will need DU/DO or Fannie Mae Connect user credentials to access the reference guide.
 - [FAQs](#)
 - View DU validation service eLearning presentation

- ✔ We're ready when you are.

Complete the onboarding process with the DU validation service vendor of your choice* (except Equifax/The Work Number and distributors of their reports), and that's it. You can begin using the DU validation service immediately.

Vendors who use a Reference ID

- Step 1 Complete contracts and activation with approved vendor.
- Step 2 Start using the validation service by requesting verification reports.

NOTE: *The DU validation service will run and messages will be issued only when a vendor is selected from the drop down and a reference number is entered in the additional information field in DU.*

Equifax (including The Work Number)

- Step 1 Complete contracts and activation with Equifax (or their resellers).
- Step 2 Submit Fannie Mae DU/DO setup form – allow up to 72 hours for activation.
- Step 3 Start using the validation service by requesting verification reports.

NOTE: *DU validation service messages (including verification report not found) will be issued as soon as Step 2 above has been completed.*

*Data Vendor Information

Fannie Mae has an open platform for data vendor participation to provide a range of options for our customers. Lenders may participate in the DU validation service through relationships with vendors of their choice that can provide Day 1 Certainty verification reports accepted by Fannie Mae. More information on Fannie Mae's open platform for data vendor participation is available in the [Vendor Information document](#).

View the [DU Validation Service Verification Report Vendors](#) for a list of vendor options and eligible reports.

Learn more

For more information, contact your account team or call 1-800-2FANNIE (1-800-232-6643), Option 1 (technology support).

Information is also available at www.fanniemae.com/duvalidationservice

