Desktop Underwriter® (DU®) Validation Service Message Rewrites FAQs

Q1. **What has changed?**

The Desktop Underwriter® (DU®) Validation Service messages for income and employment will be simplified and consolidated on the DU Underwriting Findings report. Eleven new messages will replace 41 existing messages. Affected messages include those that explain income and employment validation results and messages that explain vendor report retrieval status. These changes will only impact loan casefiles created on or after a future date as explained in the DU Version 10.3 March Update Release Notes.

Q2. **Why is Fannie Mae making these changes?**

Fannie Mae has received feedback from lenders and technology solution partners saying that the current DU validation service messages are complex, they may provide information that is difficult to translate into concrete actions on the part of underwriters and processors, and the number of messages makes them difficult to consume.

Based on this feedback, Fannie Mae has rewritten and simplified the DU validation service messages. The new DU validation service messages will provide consistent, actionable data content, and they will present the information where it is most useful (e.g. close-by date appearing along with validation). Additionally, the new messages are scalable so that each message can handle multiple validation methods (e.g. VOI/VOE reports and tax transcripts).

Q3. **Has anything changed for the asset validation messages?**

The DU validation service messages pertaining to the asset validation have not changed.

Q4. **What else has not changed?**

The process for validation of income and employment using DU validation service and the rules surrounding this process are not changing. These rules will continue to be outlined in the DU validation service Reference Guide. The intent of the DU validation service message simplification is to provide lenders with a clearer understanding of the validation outcomes while maintaining the existing logic.

The reference guide can be found at [www.fanniemae.com/singlefamily/desktop-underwriter-validation-service](http://www.fanniemae.com/singlefamily/desktop-underwriter-validation-service).

Q5. **Are new messages expected to change before the March release?**

Lenders and technology solution partners should be aware that some development on new messages will continue after the integration deployment on Jan. 16, 2019. Fannie Mae will be working to provide reason codes where income was not validated due to the income type being ineligible for validation or where income was not validated because DU did not receive a valid third-party vendor report. Fannie Mae may also remediate any bugs or defects discovered ahead of the March release to production. Neither of these development efforts should be expected to result in significant changes from what is deployed to integration in January.
Q6. **Where can I find a comprehensive list of the message changes?**

We are making available an Excel spreadsheet that is similar the DU Message File, highlighting the new DVS messages. This spreadsheet also contains a mapping of the old message IDs to the new message IDs. Visit this page for a full list of the message changes (requires DO/DU credentials).

Q7. **How will I view the new messages after the March release?**

For DU loan casefiles created and submitted on or after the future date, the new messages will be issued instead of the old messages. The new messages will be viewed in the same way as you have viewed the old messages—for example, on the DU Underwriting Findings report PDF or in the Codified Findings XML. The new messages will also be viewable in the enhanced version of the DU Underwriting Findings report (PDF and HTML versions) and in the DU Messages API.

Q8. **How can I view the new DU validation service messages prior to March?**

Fannie Mae is making the eleven new DU validation service messages available in its DU integration environment. Lenders and technology solution partners can submit test loan casefiles created on or after Jan. 16, 2019 to test and validate the new messages. In the test environment, the new messages can be viewed the same way as the old messages—for example, on the DU Findings HTML report or in the Codified Findings XML. Test cases should be derived in accordance with the DU Validation Service Integration and Testing Document at http://www.fanniemae.com/singlefamily/desktop-underwriter-validation-service.

*Note an exception to the answer above:* As part of the integration deployment on Jan. 16, 2019, lenders and technology partners should not expect data tables associated with new messages to appear within the enhanced version of DU Underwriting Findings report. The affected messages are 3305, 3307, 3309, 3311, 3313, and 3319. Customers will be notified when the issue is estimated to be fixed and the tables begin appearing. The Enhanced DU Findings HTML file will have the applicable data and can be referenced in the meantime.

Q9. **What is the purpose of introducing additional data in a table format?**

The data tables provide relevant validation information to our customers in a way that is scalable for future needs. They will provide consistent, actionable data content, and they will present the information where it is most useful (e.g. close-by date appearing along with validation). Additionally, the new format is scalable so that each message can handle multiple validation methods (e.g. VOI/VOE reports and tax transcripts). As additional vendor reports are submitted along with a given casefile, then the number of messages does not necessarily need to increase.

Q10. **What do all of those data points mean?**

<table>
<thead>
<tr>
<th><strong>Glossary of Terms</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Borrower</strong></td>
</tr>
<tr>
<td><strong>Calculated Amount</strong></td>
</tr>
<tr>
<td><strong>Close-By Date</strong></td>
</tr>
<tr>
<td><strong>DU Income Type</strong></td>
</tr>
</tbody>
</table>
DU Employer | Employer name as reported on the loan application.
---|---
DU Reported Amount | Amount of income reported on the loan application for a given income type.
Expiration Date | The date that the loan must close on or before for the third-party report to remain usable as documentation in the loan file.
Reason | Reason code for a given input not receiving validation or a report not being received. Depending on the reason code, action may be taken to remedy the issue.
Report Date | The date that the vendor report was created by the vendor.
Report Reference ID | The reference ID used to identify the vendor report. For most vendors, this field is provided by the vendor when the report is ordered.
Validated Amount | Amount of income reported on the loan application that has received validation.
Vendor (Report Type) | Name of the vendor creating the report. The report type is provided in parenthesis. Allowable report types currently are VOI/VOE, VOE, Tax Transcript, and Asset.
Vendor Match | This is the value found on the report that allowed DU to identify the income source (i.e., employer name). By specifying this value, lenders will be able to review the appropriate section of the report to determine if there is conflicting or contradictory information.

Q11. I've received a message saying income or employment is not validated. What should I do next?

Depending on the reason for not receiving validation, the issue may be remedied. For example, if the information effective date for a VOE report is too old, then the vendor may be able to retrieve a new report, provide the lender with a new report ID, and then the lender may resubmit the case.

In cases where the issue is not able to be remedied, then the lender is advised to follow the remaining DU messages. Among the other DU messages will be instructions for verifying and documenting the input that did not receive validation.

Q12. What is message ID 3319, DU validation service Income Calculation?

<table>
<thead>
<tr>
<th>Message ID</th>
<th>Message Name</th>
<th>Message Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>3319</td>
<td>DVS-INCOME-CONDITION-JOINT</td>
<td>DU matched vendor data to income source(s) based on the following components. Borrower</td>
</tr>
</tbody>
</table>

Message ID 3319 will be issued when there are multiple entries on the vendor file that can be used to derive income. A common reason for this is when the borrower reports multiple employers, and the DU validation service finds both employers on the VOI report. This means that the service combines income from each source for the purposes of using the borrower income type, such as base employment income. This is an informational message that will be issued along with DU validation service Income Validated, message ID 3309, and DU validation service income Calculated Lower Amount message ID 3311. Message 3319 does not provide validation outcome results.
Q13. **What is message ID 3317, DU validation service Income Condition Joint?**

<table>
<thead>
<tr>
<th>Message ID</th>
<th>Message Name</th>
<th>Message Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>3317</td>
<td>• DVS-INCOME-CONDITION-JOINT</td>
<td>%a for %a and %a of %a has been calculated using joint tax transcript data</td>
</tr>
<tr>
<td></td>
<td>Table Text Bullet 1 style</td>
<td></td>
</tr>
</tbody>
</table>

Parameter %a takes on the following values: DU Income Type, Borrower, Borrower, Calculated amount

This is an informational message that fires any time Social Security income is validated using tax transcripts and the transcripts had marital status as married filing jointly.

Q14. **How is self-employment income handled in the new messages?**

Self-employment income validation will appear in the new income messages as “Base (contains self-employment)”. The remainder of the self-employment validation process remains the same:

The lender reports self-employment income on the loan application under the DU income type “Base Employment Income”. The lender reports an employer as “self-employed” for the same borrower in the employment section of the application. A tax transcript must also be submitted.