

# DU Validation Service

## Message Rewrites FAQs

April 9, 2019

**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. Why am I getting duplicate messages for asset validation messages 2847 and 2849 firing with 3303 or 3299?**

In order to keep the DU validation service messages pertaining to asset validation unchanged, when a message lists the reports received, it will list all of the reports we received including asset reports. Since Fannie Mae has not changed asset related messages, these messages will continue to fire in conjunction with either message 3303 or 3299.

**Q5. 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) ([requires DO/DU credentials](#)).



**Q6. 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.

**Q7. 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).

**Q8. 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.

**Q9. 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>.

**Q10. 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.

**Q11. What are the allowable report types in the new vendor name report type parameter?**

For the parameter “Vendor Name and Report Type”, Fannie Mae will always issue the value in the format: “Vendor Name (Report Type)”. There are only four report type values that will appear:

- Report type = “VOE”, when a VOI/VOE report only contains an employment report and no income report
- Report type = “VOI/VOE”, when a VOI/VOE report contains both an employment report and an income report



- Report type = “Tax Transcript”, when it is a tax transcript
- Report type = “Asset” for an asset report

**Q12. What are some examples of possible vendor name and report type combinations?**

Some examples of Vendor Name (Report Type) combinations are as follows:

- The Work Number (VOE)
- The Work Number (VOI/VOE)
- Veri-Tax (Tax Transcript)
- Finicity (Asset)

Visit the [DU validation service vendor list](#) for a full list of vendors (Report Type).

**Q13. What do those data points mean?**

<b>Glossary of Terms</b>	
Borrower	The borrower’s full name, identifying the person associated with the loan application input used by the DU validation service.
Calculated Amount	The amount of income calculated by the DU validation service for a given income type.
Close-By Date	The date that the loan must close on or before for the validation result to be eligible for Day1 Certainty rep and warrant relief.
DU Income Type	Income type as reported on the loan application. The full list includes: Base Employment Income, Base Employment Income (includes self-employment), Bonuses, Commissions, Overtime, Pension/Retirement Income, Social Security/Disability Income, and VA Benefits (non-educational).
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.

**Q14. 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 has passed, then the lender can order a new report, enter the new report ID into DU, and resubmit the case.

If the income amount is not validated by DU because a lower amount than was entered into the loan application was calculated, the lender can:

- Reduce the income amount entered into the loan application to match the amount calculated by DU and resubmit the casefile to DU, or
- Follow the standard DU messages for eligibility and documentation of that income type.

**Q15. What do the messages look like when income and employment are not validated?**

When income and/or employment are not validated you will see two related messages. One message will simply state an employment or an income type was not validated. Another message will outline the eligibility and documentation requirements for that employment or income type (note: these are the standard DU messages that are issued on all casefiles where employment or income has not been validated).

**Example 1: Income**

Your borrower has base and bonus income. Base income was validated but bonus income was not validated.

You will see message #3309 stating that base income was validated:

- DU validated borrower income shown below. The specified report(s) is acceptable documentation to support this income.  
Borrower | DU Income Type | Vendor and Rep Type | Rep ID | Vendor Match | Validated Amount | Close-By Date

You will see message #3311 stating that bonus income was not validated:

- DU could not validate borrower income shown below because the income calculated from the specified report(s) is less than the amount entered in DU.  
Borrower | DU Income Type | Vendor and Rep Type | Rep ID | Vendor Match | DU Reported Amount | Calculated Amount

You will see DU message #2631 which is the standard DU message issued for borrowers with bonus income:

- %a's income, including bonus and/or overtime income must be supported by a paystub and W-2s that covers the most recent two-year period, or a fully completed standard Verification of Employment (1005). When a



paystub is obtained it must be dated no earlier than 30 days prior to the initial loan application date, include all year-to-date earnings, and include sufficient information to appropriately calculate income. Otherwise, additional documentation must be obtained. If a standard Verification of Employment (1005) is obtained it must include all year-to-date earnings, and all prior year earnings if a W-2 is not being provided. Refer to the Selling Guide for guidance on borrowers with less than a two-year history of receiving bonus income, or for any additional information on the verification of bonus income. Direct verifications provided by a third party employment verification vendor are acceptable if completed in accordance with the Selling Guide.

**NOTE:** *Standard DU messages may refer to multiple income types (e.g., bonus and overtime) since the eligibility and documentation requirements are the same. The lender need only comply with the message for the income type(s) that was not validated.*

### **Example 2: Employment**

Your borrower has two employers, and employment was validated for the first employer and not validated for the second employer.

You will see message #3305 stating that employment for first employer was validated:

- DU validated borrower employment shown below. The specified report(s) is acceptable documentation to support this employment.  
Borrower | DU Employer | Vendor and Rep Type | Rep ID | Vendor Match | Close-By Date

You will see message #3307 stating that employment for the second employer was not validated:

- DU could not validate borrower employment shown below for the reason provided.  
Borrower | DU Employer | Vendor and Rep Type | Rep ID | Vendor Match | Reason

You will see DU message #2469 which gives instructions on how to perform and document a verbal verification for the employer where employment was not validated:

- Perform and document a verbal verification of employment for each borrower. For all borrowers who are not Self-Employed no more than 10 business days prior to the note date, or Self-Employed within 120 calendar days prior to the note date. Direct verification by a third party employment verification vendor is acceptable if completed within the same timeframes, and the information is not more than 35 days old (120 days old if self employed) as of the note date. If the borrower is in the military, obtain either a Military Leave and Earnings Statement within 31 calendar days prior to the note date or a verification of employment through the Defense Manpower Data Center (<https://mla.dmdc.osd.mil/mla/#/home>). Lenders also have the option of obtaining the verbal verification of employment after the note date (and prior to delivery of the loan to Fannie Mae), but when using this option must ensure compliance with the Selling Guide.

The lender need only comply with the message for the employer for which employment was not validated.



**Q16. What is message ID 3319, DU validation service Income Calculation?**

Message ID	Message Name	Message Test
3319	DVS-INCOME-CONDITION-JOINT	DU matched vendor data to income source(s) based on the following components.  Borrower   DU Income Type   Vendor and Rep Type   Rep ID   DU Employer   Vendor Match   Calculated Amount

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.

**Q17. What is message ID 3317, DU validation service Income Condition Joint?**

Message ID	Message Name	Message Test
3317	DVS-INCOME-CONDITION-JOINT	%a for %a and %a of %a has been calculated using joint tax transcript data

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.

**Q18. 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.