

URLA Implementation Guidance and Update

November 1, 2016

On August 23, 2016, Fannie Mae and Freddie Mac (the GSEs) published the redesigned Uniform Residential Loan Application (URLA) to provide the industry with sufficient time to begin analysis and planning for the future URLA implementation, system updates, and the transition to the new automated underwriting system (AUS) specifications.

In response to industry inquiries, we are providing clarification on the “effective date” for the redesigned URLA. The GSEs have republished all URLA forms with an updated footer that states, “*Not for Current Use*” as opposed to the previous statement, “*Effective 1/2018*.” As a reminder, the redesigned URLA should not be used until the GSEs establish final effective and mandate dates. Although a mandate or implementation timeline has yet to be determined by the GSEs, lenders may use the published documents to identify required changes to their processes and procedures.

Guidance to Support the Demographic Information

On October 15, 2015, the Consumer Financial Protection Bureau (CFPB) published a final rule amending Regulation C to implement amendments to the Home Mortgage Disclosure Act (HMDA). Among other changes, the final rule modified the reportable data requirements related to the collection of borrower ethnicity, race, and sex. Lenders are required to collect the new and amended borrower demographic information on loan applications taken on or after January 1, 2018. However, lenders may begin collecting the expanded demographic information in 2017 as part of their preparation to meet the January 2018 mandate date. For additional information, please visit the Federal Register’s website at www.federalregister.gov and type “2015-26607” into the search engine.

The GSEs published the *Demographic Information Addendum* to provide lenders the ability to collect the new and expanded race and ethnicity subcategories while still using the current URLA dated 7/05 (revised 6/09). The *Addendum* replaces the existing Section X, *Information for Government Monitoring Purposes*, which must be crossed-out, shaded-out, or otherwise deleted if the *Addendum* is used. Lenders may begin using the *Demographic Information Addendum* at any time on or after January 1, 2017.

New URLA Status under Regulation B

The CFPB reviewed the redesigned URLA under ECOA and Regulation B. On September 23, 2016, CFPB issued a notice of Bureau Official Approval of the URLA establishing a safe harbor for use of the URLA under the Equal Credit Opportunity Act (ECOA) and Regulation B. For additional information, please visit the [Federal Register’s website](http://www.federalregister.gov) and type “2016-23555” into the search engine.

Additional Information

Over the coming months, the GSEs will further collaborate with industry stakeholders to help shape the implementation timeline for the redesigned URLA. Our goal is to provide lenders with more precise information by mid-2017 regarding when the URLA and our AUS specifications will be mandated.

The documents referenced in this announcement, and other supporting materials, are located on the GSEs’ respective URLA web pages of FannieMae.com and FreddieMac.com. If you have questions about the redesigned URLA, please contact your Fannie Mae or Freddie Mac representative, or email ULAD@fanniemae.com and ULAD@freddiemac.com.