

Alert

Update

Reminder

Clarification

Training
Information

Preview

DU Version 11.1 Release

Truist Bank (Truist) announces the release of Fannie Mae’s Desktop Underwriter® (DU®) Version 11.1, scheduled for this weekend, February 25, 2023. The changes in this release will include the following:

- DU risk and eligibility assessment update
- rent payment identification on third-party asset verification reports
- HomeStyle® Renovation mortgage update
- retirement of DU Version 10.3

Effective Dates

- Fannie Mae implements DU Version 11.1 effective for new loan casefiles submitted to DU on or after the weekend of February 25, 2023. *(Loan casefiles created in DU Version 11.0 and resubmitted after the weekend of February 25, 2023 will continue to be underwritten through DU 11.0.)*
- Fannie Mae retires DU Version 10.3 on February 25, 2023.

Background Information

In Desktop Underwriter/Desktop Originator Release Notes DU Version 11.1, Fannie Mae announced the release of DU Version 11.1 and the retirement of DU Version 10.3.

Bulletin Details

DU Risk and Eligibility Assessment Update

DU Version 11.1 will include an updated risk and eligibility assessment that will fine-tune DU’s ability to assess risk. Fannie Mae anticipates that these changes will yield a marginal reduction in loan casefiles receiving an “Approve/Eligible” recommendation, with the most noticeable reduction on loan casefiles with high loan-to-value (LTV) ratios and high debt-to-income (DTI) ratios when multiple high-risk factors are present.

Certain loan casefiles that meet Fannie Mae’s affordable housing mission initiatives will continue to be excluded from receiving an “Approve/Ineligible” recommendation due to a combination of product features and risk factors being present. This population includes specific housing goals-eligible loans, loans meeting Duty to Serve requirements, as well as other loans securing properties that support affordable supply within their market.

Rent Payment Identification on Third-Party Asset Verification Reports

Fannie Mae continues to fine-tune the logic that identifies the rent payment history on a 12-month third-party asset verification report. Based on recent observations, updates will be made to improve DU’s ability to identify a rent payment history.

Bulletin Details, continued

HomeStyle Renovation Mortgage Update

DU will now identify HomeStyle Renovation loan casefiles using both the Renovation Loan Indicator and the amount of renovations provided on Line B in Section 4 of the loan application. When either of the fields is provided without the other, DU will issue a message specifying that both fields must be provided in order for the loan casefile to be underwritten as a HomeStyle Renovation mortgage.

Retirement of DU Version 10.3

With the release of DU Version 11.1, Fannie Mae retires DU Version 10.3. Complete final submissions of all DU Version 10.3 loans (to DU Version 10.3) before February 25, 2023 or obtain an updated underwriting recommendation by submitting a new loan casefile to DU Version 11.1 on or after the weekend of February 25, 2023.

Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of the HomeStyle Renovation mortgage update.

Revised Materials

Click [Agency Loan Standard](#) and [Fannie Mae HomeReady® and Freddie Mac Home Possible® Mortgages Standard](#) to review the revised product materials.

Former Standards

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former standards.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. Truist Bank does not guarantee or assume liability for any third-party products or services. Truist Bank is an Equal Housing Lender. ©2020 Truist Financial Corporation. Truist, and the Truist logo are service marks of Truist Financial Corporation. All rights reserved.