

## DU Version 12.0 Updates and Other Agency Revision

Truist Bank (Truist) announces that Fannie Mae will implement updates to Desktop Underwriter® (DU®) Version 12.0 this weekend, September 27, 2025. Changes in the DU release will include updates related to the following:

- DU Eligibility Assessment
- Value Acceptance and Value Acceptance + Property Data Messages (**Reminder:** *DU loans originated with a Value Acceptance + Property Data offer must be underwritten by the Correspondent lender [approved by Truist for delegated underwriting authority]. This includes CorrAdvantage loans.*)
- DU Underwriting Findings Report *Day 1 Certainty* Section
- Limited Cash-Out Refinance Transactions
- First-Time Homebuyer Determination
- Restricted Stock
- Interested Party Contributions
- Multiple Financed Properties

We also refresh DU student loan cash-out refinance requirements to eliminate duplicated guidance.

### Effective Dates

The DU eligibility assessment update will apply to DU Version 12.0 loan casefiles created on or after September 28, 2025. All other DU release related changes will apply to DU Version 12.0 loan casefiles submitted or resubmitted to DU on or after the weekend of September 27, 2025.

### Background Information

In Desktop Underwriter/Desktop Originator Release Notes DU Version 12.0 September Update, Fannie Mae announced DU Version 12.0 related updates. In response to this publication, we reviewed impacted standard documents and identified the opportunity to align with Fannie Mae requirements. We also continue to identify opportunities to improve the presentation of our published Agency requirements.

### Bulletin Details










#### DU Version 12.0 Updates

Highlights of the DU Version 12.0 updates are outlined in the table below:

Topic	Update
DU Eligibility Assessment	The DU eligibility assessment will be updated to issue an Ineligible recommendation on loan casefiles when a combination of product features and risk factors are present which place the loan outside Fannie Mae's current acquisition preferences and constraints. Fannie Mae anticipates that these changes may yield a slight reduction in loan casefiles receiving an Approve/Eligible recommendation.

## Bulletin Details, continued

### DU Version 12.0 Updates, continued

Topic	Update						
Value Acceptance and Value Acceptance + Property Data Messages	<ul style="list-style-type: none"> <li>The value acceptance and value acceptance + property data messages will be simplified. <i>See today's revised product materials for the updated, simplified messages.</i></li> <li>The following new message will also be added reminding lenders that when a purchase loan casefile is eligible for value acceptance or value acceptance + property data, to proceed with the offer the property value provided in the loan application must reflect the sales price: <ul style="list-style-type: none"> <li><i>"Although this loan casefile is eligible for value acceptance or value acceptance + property data, there is a discrepancy between the property value and the sales price in DU. To proceed with a value acceptance or value acceptance + property data offer, update these amounts to ensure the property value reflects the sales price and resubmit the loan casefile to DU." (DU MESSAGE ID 3933)</i></li> </ul> </li> </ul>						
DU Underwriting Findings Report	<p>The <i>Day 1 Certainty</i> section of the DU Underwriting Findings report will be updated as follows:</p> <ul style="list-style-type: none"> <li>The section will include a new header.</li> <li>A new row will indicate value acceptance + property data eligibility.</li> <li>The <i>Rep &amp; Warrant</i> row will be updated so it not only reflects representation and warranty relief for appraisals with a collateral underwriter (CU) risk core of 2.5 or less but will also reflect the representation and warranty relief received on loan casefiles that are eligible for value acceptance, and loan casefiles eligible for value acceptance + property data when the property data collection has been completed.</li> </ul> <p>Outlined below is an illustration of a <i>Day 1 Certainty</i> section of a DU Underwriting Findings Report for a loan casefile that was eligible for value acceptance + property data and the property data collection has been completed.</p> <div> <p><b>Day 1 Certainty</b></p> <hr/> <p><b>Valuation Option</b></p> <table> <tr> <td>Value Acceptance</td> <td> Not Eligible</td> </tr> <tr> <td>Value Acceptance + Property Data</td> <td> Eligible</td> </tr> <tr> <td>Rep &amp; Warrant</td> <td> Eligible</td> </tr> </table> </div>	Value Acceptance	 Not Eligible	Value Acceptance + Property Data	 Eligible	Rep & Warrant	 Eligible
Value Acceptance	 Not Eligible						
Value Acceptance + Property Data	 Eligible						
Rep & Warrant	 Eligible						
Limited Cash-Out Refinance Transactions	<p>The amount of cash back the borrower may receive in a limited cash-out refinance transaction will be increased from the "lesser of 2% of the new refinance loan amount or \$2,000" to the "greater of 1% of the new refinance loan amount or \$2,000." DU will be updated to reflect these new cash back limits and will require assets to be documented for liabilities being paid off with the transaction that exceeds these new limits (<i>vs. the current requirement for asset documentation for the entire amount of non-subject liabilities being paid off with the transaction</i>). When providing information on the liabilities that will be paid off with the transaction, include any liabilities associated with the subject property in <i>Section L4. Qualifying the Borrower</i> of the loan application on Line D, and any liabilities not associated with the subject property on Line E.</p> <p><b>Note:</b> <i>Because the standard limited cash-out refinance maximum cash back limit can be received by borrowers on a DU student loan cash-out refinance transaction, the "Student Loan Cash-Out Refinance" subtopic was also impacted as a result of the above referenced update. In support of our standards improvement initiative, the "Student Loan Cash-Out Refinance" subtopic was also revised to remove duplicated guidance.</i></p>						
First-Time Homebuyer Determination	<p>Current Agency requirements permit an individual who is a displaced homemaker or single parent to be considered a first-time homebuyer (FTHB) if they have had no ownership interest in a principal residence other than a joint ownership interest with a spouse during the preceding three-year time period. DU will be updated to determine if the borrower is a first-time buyer under this exception. When the borrower specifies in <i>Section 5. Declarations</i> of the loan application that they have had ownership interest in another property in the last three years, but that borrower can be</p>						

## Bulletin Details, continued

### DU Version 12.0 Updates, continued

Topic	Update
First-Time Homebuyer Determination, continued	considered a first-time homebuyer using this exception, the lender can provide "FTHB Exception" in the DU Policy Feature Description associated to that borrower and DU will determine the borrower to be a first-time homebuyer. When this exception is used, a verification message will be issued informing the lender that at least one borrower has been identified as a first-time homebuyer using the exception for a displaced homemaker or single parent, and that the lender must confirm that the exception does apply to the borrower.
Restricted Stock	Restricted stock is being added as an income type in DU. Lenders must enter the applicable income amount in <i>Section 1e. Income from Other Sources</i> of the loan application as an Other Income Source with a description of "Restricted Stock". DU will include the value provided in the total income and issue a verification message reminding the lender to confirm the restricted stock units have vested and have been distributed to the borrower without restrictions, and that the income is calculated and documented in accordance with published requirements.
Interested Party Contributions	DU will be updated to use the lower of the sales price or appraised value, instead of only the sales price, to calculate maximum financing concessions ( <i>as previously announced in Product Release Bulletin <a href="#">COR25-040</a></i> ).
Multiple Financed Properties	DU will be updated to allow lenders to provide "Timeshare" and "Chattel" in the Other Description field in <i>Section 3: Real Estate Owned</i> in the <i>Property Information</i> section. When "Timeshare" or "Chattel" is provided in the Other Description field, DU will <b>not</b> include those properties when applying the multiple financed properties requirements for second home and investment property loan casefiles.

### Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of all standard revisions.

### 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 Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator 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.

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