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DU Version 12.1, Rural High-Needs Value Acceptance, Authorized User Tradelines, Tax Installment Agreements, ADU, and Other Agency Revisions

Truist Bank (Truist) announces that Fannie Mae will implement updates to Desktop Underwriter® (DU®) Version 12.1 the **evening of June 26, 2026** (today). Changes in the DU release include the following:

- DU risk and eligibility assessment updates, including improvements that will help DU better identify and use a borrower's cash flow history to positively impact its risk assessment
- messaging updates to support:
 - income and condominium project review requirements revisions, previously announced in Product Release Bulletin [COR26-029](#)
 - the treatment of authorized user tradelines for DU "Approve/Eligible" loans
 - first-time homebuyer transactions
 - the upcoming mandatory transition to Uniform Appraisal Dataset (UAD) 3.6
- DU Validation Service related updates

We revise Agency requirements to align with recently announced Fannie Mae and Freddie Mac updates. With these updates we:

- announce the retirement of the DU Rural High-Needs Value Acceptance
- revise requirements to clarify the treatment of authorized user tradelines for loans that receive a DU "Approve/Eligible" recommendation
- revise non-AUS and DU requirements regarding the treatment of federal income tax installment agreements when calculating a borrower's monthly debt obligations
- clarify Loan Product Advisor® (LPASM) accessory dwelling unit (ADU) eligibility requirements related to the absence of a cooking appliance
- clarify the use of DU resubmission tolerances when modifying the interest rate and loan amount on a single-closing construction-to-permanent loan

In support of our standards improvements initiative, we

- remove various Truist Notes that were previously added to impacted Agency standards documents to assist with the origination of certain Home Possible pipeline loans with applications dated prior to April 12, 2026 (*as announced in Product Release Bulletin [COR26-022](#)*)
- refresh various Agency non-AUS and DU requirements to more closely align with Fannie Mae's wording and/or presentation of guidance (*requirements intent remain the same*)

Effective Dates

- The DU Version 12.1 related updates will apply to DU Version 12.1 loan casefiles submitted or resubmitted to DU on or after the evening of June 26, 2026, with the following exceptions:
 - The DU Validation Service “Enhanced Employer Name Matching” update will apply to DU Version 12.1 loan casefiles and DU Version 12.0 loan casefiles submitted or resubmitted to DU on or after June 27, 2026.
 - The DU risk and eligibility assessment updates, including improvements related to DU’s cash flow assessment, and all remaining DU Validation Service related updates will apply to new DU Version 12.1 loan casefiles created on or after June 27, 2026.
- All remaining updates are effective for new and existing locks on or after June 26, 2026.

Background Information

In Desktop Underwriter/Desktop Originator Release Notes DU Version 12.1 June Update, Fannie Mae SEL-2026-03 and SEL-2026-06, Fannie Mae announced DU Version 12.1 related updates. Fannie Mae SEL-2026-06 also announced the retirement of the DU Rural High-Needs Value Acceptance and clarification regarding the treatment of authorized user tradelines for DU “Approve/Eligible” loans. Fannie Mae SEL-2026-05 announced updates related to single-closing construction-to-permanent loan modifications and IRS tax installment agreements. Freddie Mac Bulletin 2026-1 announced an ADU eligibility clarification. In response to these publications, we reviewed impacted standard documents and identified the opportunity to implement revisions to align with Fannie Mae and Freddie Mac requirements. Additionally, now that the May 27, 2026 purchase cut-off date has passed for Home Possible pipeline loans impacted by the updates announced in Product Release Bulletin [COR26-022](#), we are removing the origination guidance notes that were temporarily included in impacted Agency standard documents. We also continue to identify opportunities to improve the presentation of our published Agency requirements.

Bulletin Details

DU Version 12.1 Updates

Highlights of the DU Version 12.1 June updates are outlined in the table below.

Topic	Update
DU Risk and Eligibility Assessment	<ul style="list-style-type: none"> • As part of normal business operations and prudent risk management, Fannie Mae regularly reviews and updates the DU risk assessment based on the latest market conditions and loan performance data. These updates are intended to ensure mortgages are safe and sustainable both for homeowners and for Fannie Mae; and enables Fannie Mae to continue to provide a steady and stable source of mortgage financing. • With the DU Version 12.1 June update release, the DU risk and eligibility assessment will be updated, including a modification to DU’s minimum credit risk standards. Fannie Mae anticipates that these changes will result in a moderate reduction in the number of DU loan casefiles that receive an “Approve/Eligible” recommendation.

Bulletin Details, continued

DU Version 12.1 Updates, continued

Topic	Update
Cash Flow Assessment	<ul style="list-style-type: none"> • DU currently conducts a cash flow assessment, which positively supplements the credit risk assessment and satisfies the documentation requirement for nontraditional credit references for borrowers without a credit score. With the DU Version 12.1 June update release, this cash flow assessment process will be updated to further improve DU's ability to identify and use a borrower's cash flow history to positively impact the DU risk assessment. • As a reminder, to be eligible for the cash flow assessment in DU: <ul style="list-style-type: none"> • At least one borrower on the transaction must have a credit score (<i>an existing Truist overlay</i>) • The lender must obtain an asset verification report with 12 months of bank data through an authorized DU Validation Service asset verification report vendor and confirm the borrower is an account holder. • At the time of loan origination, the originating lender must have access to the full asset verification report containing the data covering the timeframe provided to DU for the cash flow assessment.
DU Validation Service	<ul style="list-style-type: none"> • Income Validation for Borrowers with Multiple Employers: <ul style="list-style-type: none"> • Currently, when a borrower reports multiple employers and an employment and income verification report, asset verification report, or tax return transcript is obtained by DU, DU evaluates the borrower's employment income by type on a combined basis across all employers. DU then issues messages indicating whether each income type has been validated. • For loan casefiles where a borrower reports multiple employers, with the DU Version 12.1 June update release, DU will now attempt to validate reported income by income type for each employer individually. DU will continue to issue validation messages and will include both the employer's name in DU and the employer's name from the verification report. • Employment and Income Validation Using an Asset Verification Report: <ul style="list-style-type: none"> • With the DU Version 12.1 June update release, the DU Validation Service will be updated to improve the evaluation of employment and income using information available in asset verification reports, as described below. <ul style="list-style-type: none"> • When determining attributed gross monthly income, DU Validation Service considers factors such as recency, regularity, and the overall length of the income stream. It will now be updated to consider a shorter history of deposits to support validation of income. • When an income stream is attributed to a borrower, DU Validation Service will now consider income earned in the most recent period and the length of time reflected in the available deposit history when calculating income. • In cases where DU Validation Service identifies an eligible income stream that cannot be matched to the borrower, the messaging will include the ACH description to support lender review. • Enhanced Employer Name Matching: <ul style="list-style-type: none"> • With the DU Version 12.1 June update release, the DU Validation Service will be updated to enhance the ability to match the employer's name in the loan application to the employer's name on the verification of employment or verification of income and employment report. As a reminder, when the employer's name does not match, a DU message will specify the name of the active employer(s) observed in the verification report.
DU Message Updates	<ul style="list-style-type: none"> • Income Messaging: <ul style="list-style-type: none"> • Product Release Bulletin COR26-029 announced income updates that introduced new requirements, requirements changes, and/or requirements clarifications to improve clarity and consistency. With the DU Version 12.1 June update release, the DU income messages will be updated to support the previously announced income requirements updates, including the removal of specific second job messages. Income documentation requirements will now be based on each employment and income type, not on whether the employment is the borrower's primary or secondary employment.

Bulletin Details, continued

DU Version 12.1 Updates, continued

Topic	Update
DU Message Updates, continued	<ul style="list-style-type: none"> • Income Messaging, continued: <ul style="list-style-type: none"> • Equalization Payment Income: <ul style="list-style-type: none"> • Product Release Bulletin COR26-029 also announced the addition of requirements for Equalization Payments. With the DU Version 12.1 June update release, Equalization Payment is being added as a new income type in DU. To include an Equalization Payment as income, 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 Equalization Payment. DU will include the monthly income provided in the total income and issue a verification message reminding the lender to verify the amount and continuity of the income. • Condominium Project Messaging: <ul style="list-style-type: none"> • Product Release Bulletin COR26-029 announced various updates to condominium project review requirements. With the DU Version 12.1 June update release, DU will be updated to support the previously announced updates. Condo Project Manager™ messages issued in DU will also be updated to reflect these changes and to provide clarity and consistency where needed. • Authorized User Tradelines: <ul style="list-style-type: none"> • With the DU Version 12.1 June update release, the authorized user tradeline message issued in DU will be updated to reflect the clarification regarding the treatment of authorized user tradelines for DU “Approve/Eligible” loans announced in this product release bulletin. See the “Authorized User Tradelines” topic subsequently presented in this bulletin for additional details. • First-Time Homebuyer Transactions: <ul style="list-style-type: none"> • With the DU Version 12.1 June update release, when the loan application indicates that a borrower is a first-time homebuyer and there is information on the loan application that may contradict that declaration, DU will be updated to issue a new message. This message will specify that based on the loan application and/or credit report, the first-time homebuyer has been associated with a mortgage, HELOC, or another residential property, and that the lender must confirm the accuracy of the borrower declarations and resubmit the loan casefile to DU if any changes are needed. • Uniform Appraisal Dataset (UAD) 3.6: <ul style="list-style-type: none"> • As lenders must transition to Uniform Appraisal Dataset (UAD) 3.6 no later than November 2, 2026, with the DU Version 12.1 June update release, two new messages will be added referencing this transition. One message will be issued when no Doc File ID is provided, and the other will be issued when the Doc File ID provided is one associated with a UAD 2.6 appraisal. Both messages will remind lenders to begin the transition to UAD 3.6 as early as possible to take advantage of expanded eligibility requirements only available using UAD 3.6, and to ensure compliance by the November 2, 2026, mandate. <p><i>Note: Truist has not transitioned to UAD 3.6 and currently, continues to only accept UAD 2.6 appraisals. However, Truist is currently preparing for the UAD 3.6 transition to ensure compliance by the November 2, 2026, mandate. Additional details regarding the UAD 3.6 transition will be provided in a future communication.</i></p>

Bulletin Details, continued

Retirement of the DU Rural High-Needs Value Acceptance

To eliminate redundancy between the DU Value Acceptance + Property Data and the DU Rural High-Needs Value Acceptance, Fannie Mae retired the DU Rural High-Needs Value Acceptance and removed all references to it from their *Selling Guide*. In response to this retirement, with today's updates, Truist removed all references to the DU Rural High-Needs Value Acceptance from all impacted Agency product standard documents.

Note: *DU loan casefiles created on or after June 27, 2026, will no longer receive the DU Rural High-Needs Value Acceptance offer, but may be eligible for DU Value Acceptance + Property Data. As a 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.*

Authorized User Tradelines

We revised Agency requirements to clarify the treatment of authorized user tradelines for loans that receive a DU "Approve/Eligible" recommendation. For these DU loans, lenders are not required to perform any additional investigation into the borrower's credit history **unless** instructed by DU.

Note: *Requirements for manually (i.e., non-AUS) underwritten loans remain unchanged. Lenders must continue to follow existing published Agency requirements.*

IRS Tax Installment Agreements

For Agency non-AUS and DU loans, we revised requirements regarding the treatment of federal income tax installment agreements when calculating a borrower's monthly debt obligations. When the borrower has an IRS installment agreement to repay delinquent federal taxes, and no federal tax lien has been filed against the subject property, the lender must consider the monthly payment amount as part of the borrower's monthly debt obligations as follows:

- For an installment agreement approved by the IRS, the lender must obtain:
 - a copy of the approved agreement showing monthly payment and total amount owed, and
 - evidence the borrower is current on payments.
- For an installment agreement still pending approval, the lender must obtain a copy of the application showing repayment terms, monthly payment, and the total amount owed.

If these requirements are not met, the borrower must fully pay off the IRS tax balance either before or at closing.

ADU Eligibility

For Agency LPA loans, we revised requirements to specify that the absence of a cooking appliance does not change the classification of an ADU.

Bulletin Details, continued

Single-Closing Construction-to-Permanent Loan Modifications

For Agency DU single-closing construction-to-permanent loans, we clarified requirements to allow the purchase of loans with eligible modified terms (such as loan amount and interest rate), **without** requiring its resubmission to DU. The lender must ensure the changes fall within allowable DU resubmission tolerances, and the loan complies with all other currently published Agency single-closing construction-to-permanent loan requirements.

Notes:

- See “Ensuring DU Data and Delivery Information Accuracy / DU Tolerances” requirements presented in the “Underwriting the Borrower” topic within the Section 2.01 Agency Loan Standard document for guidance regarding allowable DU resubmission tolerances.
- As a reminder, non-delegated lenders are not eligible to sell Truist single-closing construction-to-permanent transactions. Additionally, DU single-closing transactions are ineligible for delivery under the CorrAdvantage execution.

Standards Improvements Updates

In support of our standards improvements initiative, we:

- removed the Truist Notes that were previously added to impacted Agency standards documents to assist with the origination of certain Home Possible pipeline loans with applications dated prior to April 12, 2026 (as announced in Product Release Bulletin [COR26-022](#))

Note: Now that the May 27, 2026 purchase cut-off date has passed for the impacted Home Possible pipeline loans, the Truist Notes referenced above are no longer required.

- refreshed the following Agency non-AUS and DU requirements to more closely align with Fannie Mae’s wording and/or presentation of guidance (requirements intent remained the same):
 - Debt Paid by Others / Contingent Liabilities
 - Revolving Debt
 - DU Value Acceptance / Representations and Warranties Related to Value Acceptance

Before and After Matrix

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

Revised Materials

Click [Appraisal Standard](#), [Loan Delivery and Purchase Review Standard](#), [Agency Loan Standard](#), [Fannie Mae HomeReady® and Freddie Mac Home Possible® Mortgages Standard](#), and [CorrAdvantage 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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