



# CORRESPONDENT ANNOUNCEMENT 2021-18

## September 7, 2021

### FNMA DU September Updates

first community mortgage

#### Effective Date

DU Version 11.0 loan casefiles submitted or resubmitted on or after the weekend of September 18, 2021

#### Summary

The following summary does not provide all update details. For complete update details, please review

[FNMA DU Version 11.0 Sept. Update](#)

<b>Positive Rent Payment History Added to DU Risk Assessment</b>	DU Enhancement to consider a borrower's positive rent payment history in the credit risk assessment
<b>Credit Score Eligibility in DU<sup>1</sup></b>	Update to the credit score used by DU in the eligibility assessment. DU will now use an average median credit score as follows when determining if a loan casefile meets the minimum credit score requirement of 620: <ul style="list-style-type: none"> <li>• First, DU will determine each borrower's applicable credit score (middle of the three scores received, or the lower of the two when only two scores received).</li> <li>• Second, DU will average the applicable credit scores for all of the borrowers on the loan casefile to determine if the 620-credit score requirement is met.</li> </ul>
<b>RefiNow™ Updates</b>	<ul style="list-style-type: none"> <li>• Income &amp; Asset Validation now available</li> <li>• New RefiNow messages <ul style="list-style-type: none"> <li>○ Existing loan payment information message</li> <li>○ Existing loan mortgage insurance information message</li> </ul> </li> </ul>
<b>DU Eligibility Assessment Update</b>	In July of 2019, the DU eligibility assessment was updated to issue an Ineligible recommendation on loan casefiles when multiple high-risk factors are present. To provide additional transparency regarding the DU eligibility and risk assessments, we are updating the way eligibility is messaged to clarify the difference between meeting Fannie Mae's credit risk standards and loan eligibility limitations based on our acquisition preferences and constraints. We will be updating the eligibility messaging to clarify that loans may receive an Ineligible recommendation if the loan is outside our current acquisition parameters.
<b>DU Validation Service Update for COVID-19 Policy Overlay Removal</b>	See update for removal details
<b>Support of the Updated Uniform Residential Loan Application</b>	See update for all URLA changes
<b>FIPS Code Verification Messages</b>	A new message will be issued by DU when the lender provides a FIPS code on the loan application. The message will specify the FIPS code provided by the lender, as well as the county that was derived from the provided code. As the FIPS code is used to determine the AMI to be applied to the loan casefile, the message will also instruct the lender to document the subject property is located in the specified census tract or county.
<b>Selling Guide Alignment</b>	<ul style="list-style-type: none"> <li>• Depository asset requirements</li> <li>• Miscellaneous message text changes</li> </ul>

<sup>1</sup>FCM will align to the average of credit score for AUS qualification purposes only. Representative mid-credit score, for pricing and eligibility, remains unchanged and must meet our required credit score of 620.