



# WHOLESALE ANNOUNCEMENT 2025-28

March 28, 2025

## Fannie Mae Update

### Effective Date

Effective the weekend of April 4, 2025

### Update:

Fannie Mae will implement an update to the Desktop Underwriter® (DU®) validation service that expands the income types eligible to receive validation using a 12-month asset verification report. These changes will apply to loan casefiles submitted or resubmitted on or after the weekend of April 4th, 2025.

### **Expansion of Income and Employment Validation to include Military Base Pay and Entitlements**

- Military employment, base pay, and those entitlements specified in the DU loan application will now be eligible to receive validation using a 12-month asset verification report. This eligibility includes income and employment for military personnel serving in the Reserves and/or National Guard.
- As a reminder, the lender must provide the name of the military employer (e.g., U.S. Army) and enter military income in the DU field specified for this purpose (i.e., military base pay). Entitlements are entered individually according to the type of entitlement (e.g., quarter's allowance).
- When both military base pay and entitlements are entered in DU, DU will attempt to validate the total amount of military income. In other words, DU will not separately validate military base pay from entitlements. When military income is validated, the lender is not required to obtain the borrower's military Leave and Earnings Statement (LES) to document income.
- When the DU validation service identifies an eligible military income stream, DU will attempt to validate employment by matching the name of the military employer in DU with known military employer names (e.g., U.S. Army). When military employment is not validated by DU (e.g., military employer name is not entered in DU), the lender may continue to verify employment using a written or verbal verification of employment (verbal VOE), a military Leave and Earnings Statement dated within 120 calendar days prior to the note date, or a verification of employment through the Defense Manpower Data Center. See Selling Guide B3-3.1-07 for information on verbal VOE

**Should you have any questions, please reach out to your Account Executive or Client Manager**