



## UHM Production Bulletin

October, 2017

Bulletin U17-0010  
Issued 10/16/17

### TOPICS IMPACTED IN THIS BULLETIN

FNMA and FHLMC Products	✓	FHA/VA	
Mortgage Insurance	✓	USDA	✓
Other	✓	Underwriting Guidelines	✓

**FHA**

**No Updates At This Time**

**FNMA/FHLMC:**

**Fannie Mae Selling Guide Update [SEL-2017-08](#)**

The Selling Guide has been updated to include changes to the following:

Uniform Closing Dataset:

The Uniform Closing Dataset (UCD) is a common industry dataset that allows information in the Closing Disclosure to be transmitted electronically to Fannie Mae. Fannie Mae developed the UCD at the direction of the Federal Housing Finance Agency as part of the Uniform Mortgage Data Program, an ongoing multifaceted program focused on the adoption of data standards to enhance loan quality and accuracy through the loan manufacturing process.

Fannie Mae has updated the Selling Guide to include the requirement for submission of the UCD file. Prior to delivery of the loan to Fannie Mae, Lenders are required to electronically submit the UCD XML file containing the Borrower data and the PDF copy of the Borrower Closing Disclosure. This requirement applies to all conventional loans with note dates on or after 9/25/17. It applies, regardless of whether the TILA/Regulation Z Rule requires the Closing Disclosure, including for non-owner-occupied property loans.

Property Inspection Waivers for Purchase Transactions:

In December 2016, Fannie Mae began offering property inspection waivers (PIWs) for refinance transactions to all Lenders due to the dominant refinance market at that time. Since then, the market has shifted from a refinance to a purchase market. In response to this shift, we now also offer PIWs on certain purchase transactions, which will help increase efficiency and lower costs in the origination of more loans. Exercising a PIW offer gives a lender Day 1 Certainty with relief from enforcement of representations and warranties on the value, condition, and marketability of the property.

In addition, Fannie Mae has updated the transactions that are ineligible for a PIW to include gifts of equity and the use of rental income from a subject investment property to qualify the Borrower. When these apply to the loan, the Lender may not exercise a PIW and must obtain an appraisal.

Extension of DU Refi Plus and Refi Plus:

The Selling Guide has been updated to reflect the extension of DU Refi Plus and Refi Plus as previously communicated in Lender Letter [LL-2017-05](#), High Loan-to-Value Refinance Option.



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### **Freddie Mac LPA Feedback Messages, September Release**

The LPA feedback messages for the [LPA September 2017 Release](#) include recent appraisal and disaster zip code messaging.

### **Freddie Mac [Selling/Servicing Guide](#) Update**

With the October Multifamily Seller/Servicer Guide Bulletin, Freddie Mac is adding the Freddie Mac Multifamily Green Advantage® suite of offerings to the Guide; eliminating the early rate-lock delivery option for SBL Mortgages; updating Forms 1115 and 1115-SBL to remove questions regarding OFAC; updating requirements for reporting natural disaster losses; revising requirements for submitting a preliminary legal issues memorandum (PLIM) for Special Servicing Requests; updating property inspection requirements for SBL Mortgages; revising requirements for monitoring ongoing Property Improvement Alterations; and revising requirements for submitting requests for insurance waivers.

### **Universal Closing Dataset (UCD) Requirement Reminder**

As previously announced by UHM, for all loans with a Note date on or after 9/25/17, Fannie Mae and Freddie Mac have implemented new UCD requirements.

For Fannie Mae and Freddie Mac loans with a Note date on or after 9/25/17, UHM requires the following:

1. For all transactions, UHM must submit UCD files to both GSEs and provide evidence of a successful submission via the UCD Findings Report in the Mortgage Loan File as follows:
  - Fannie Mae UCD Findings Report reflecting “Successful” with no Fatal edit messages, and;
  - Freddie Mac Loan Closing Advisor (LCA) Feedback Certificate reflecting “Satisfied” with no Red (critical) messages.
2. All pages of both the UCD Findings Report and the LCA Feedback Certificate are required, including all edit messages.
3. The UCD Findings Report, LCA Feedback Certificate and UCD submission must reflect the most recent Borrower Closing Disclosure (CD) data.
4. The latest CD matching the UCD file submitted to the GSE(s) must be included in the Closed Loan Package:
  - This includes any post-consummation CD(s)
  - The Date/Time Evaluated on the Freddie Mac LCA Feedback Certificate and the Last Submission Date on the Fannie Mae UCD Findings Report must be dated on or after the latest CD date issued, including any post-consummation CD(s).

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	<p>Resources:</p> <ul style="list-style-type: none"> <li>• <a href="#">Fannie Mae</a>, <a href="#">Freddie Mac</a>, <a href="#">UCD Implementation Update</a>, <a href="#">Uniform Closing Dataset FAQs</a></li> </ul> <p>With <a href="#">EarlyCheck Release Notes</a> issued 9/19/17, Fannie Mae announced that starting 9/25/17, they will remove the “proxy” date used to trigger UCD file validation and will use the actual mandate Note Date of 9/25/17 to trigger validation of the UCD file.</p>
<p><b>VA:</b></p>	<p><b>No Updates At This Time</b></p>
<p><b>USDA:</b></p>	<p><b>USDA Fiscal Year 2018 Funding Available</b></p> <p>Fiscal Year (FY) 2018 funding for Rural Development’s Single Family Housing Guaranteed Loan Program is now available. The funding is authorized by the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (P.L. 115-56, H.R. 601).</p> <p>Requests that received Form RD 3555-18E, “Conditional Commitment for Single Family Housing Loan Guarantee” (aka Conditional Commitment), contingent upon the availability of an appropriation, will be obligated in the Agency’s financial system over the next 2-3 business days. An updated Conditional Commitment will be electronically generated by the Agency to remove the “contingent upon” language. Lender receipt of the updated Conditional Commitment will signal the request has been successfully obligated by the Agency. NOTE: Closing transactions are not eligible for submission to USDA until a loan is successfully obligated.</p> <p>Once the loan has closed (including loans that were closed prior to the obligation of funds by the Agency) Lenders may submit their request for Loan Note Guarantee along with a closing package. For manually submitted packages, ensure the lender certification on the Conditional Commitment is signed and dated after the Agency’s obligation date (the issuance date on the updated Conditional Commitment). Lenders using the Agency’s automated Lender Loan Closing (LLC) system will complete the lender certification electronically (i.e. no manual signature/date required).</p> <p>Questions regarding this notice may be directed to the Single Family Housing Guaranteed Loan Division at (202) 720-1452.</p>
<p><b>Other:</b></p>	<p><b>California Wildfires (DR-4344)</b></p> <p>The Federal Emergency Management Agency (FEMA) announced that federal disaster aid with individual assistance has been made available to the State of California to supplement state and local recovery efforts in the area affected by severe storms beginning on 10/8/17 with a disaster declaration on 10/10/17.</p> <p>Federal funding is also available to state and eligible local governments, certain private nonprofit</p>



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organizations, individuals and business owners on a cost-sharing basis for emergency work and the repair or replacement of facilities in the following counties:

COUNTIES: Sonoma, Butte, Lake, Mendocino, Yuba, Nevada, Orange

For all properties with appraisals dated prior to 10/8/17, an appraisal re-inspection will be required. A re-inspection fee of \$125.00 is to be disclosed to the Borrower for the cost of the report.

In reaction to California Wildfires, please refer to the UHM Disaster Policy in the Lending Guide for product specific appraisal requirements.

### **Borrower Taxes Owed, Reminder**

As a reminder, when a Borrower owes taxes for a previous year, UHM must maintain evidence the taxes have been paid (cancelled check) and funds sourced. UHM will permit a waiver of this requirement if the amount is <=\$2,000.00 and the Borrower has verified sufficient funds to pay the amount owed after required funds-to-close and reserve requirements.

### **Wisconsin Real Estate Tax Installment Plan Disclosure Requirements**

In September 2017, the [Wisconsin Statute 138.052](#) (Residential Mortgage Loans) was amended to clarify that the Wisconsin Tax Escrow Option Notice form or equivalent must be included in the loan delivery file for all conventional mortgage loans secured by properties in Wisconsin, that include escrows for taxes.

### **Mortgage Insurance:**

Essent Guaranty [Announcement](#), Updates to Underwriting Eligibility and Rate Cards

Essent Guaranty has enhanced Underwriting Guidelines and Rate Cards to provide greater flexibility in how Lenders meet the needs of Homebuyers! Highlights of the changes include:

#### Underwriting Guidelines

- Removing Clear2Close® overlays to make approval of DU®/Loan Product Advisor® loans easier and faster
- Adding new Doctor/Professional Guidelines with loan amounts up to \$1,000,000
- Allowing Affordable Housing/HFA loan amounts to \$636,150 (FHFA Max) to Max. 95% LTV/CLTV
- Increasing Loan Amounts>FHFA Max loan limits to \$1,500,000 for Primary Residences and \$850,000 for Second Homes

#### Rate Cards

- Updating Non-Refundable Borrower-Paid Single Premium and Split Premium rates

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	<ul style="list-style-type: none"> <li>• Expanding to eight FICO categories</li> </ul> <p>Essent Guaranty also announced several training courses available in October from Analyzing the Self-Employed Borrower and Tax Returns, Income Analysis, Encompass Training and Business/Sales Practices. Please view the full list of classes utilizing the <a href="#">link</a> provided.</p> <p><b>National MI Training Sessions in November</b></p> <p>National MI has announced the following training sessions available for professional enhancement:</p> <p><a href="#">Advanced Self-Employed Borrower Training</a> <a href="#">Multigenerational Marketing</a></p> <p>To register, utilize the links above.</p>
<p><b>Recent Releases:</b></p>	<p>Communications Policy Group Updates:</p> <ul style="list-style-type: none"> <li>▪ Waiting Periods for Significant Credit Update, 10/4/17</li> <li>▪ Revised Overlays impacting Conventional Overlays, GNMA Overlays, 10/9/17</li> </ul> <p>Compliance Corner:</p> <ul style="list-style-type: none"> <li>▪ Updated UHM Flood Insurance Policy Manual, 9/27/17</li> <li>▪ Retail and TPO Disclosure Requirement Update, 10/11/17</li> </ul>
<p><b>Forthcoming Releases:</b></p>	<p>1. TBD</p>
<p><b>Reminder:</b></p>	<p>All scenarios cannot be addressed, please continually review any and all internal and external updates.</p>