

DU VERSION 11.1 NOVEMBER UPDATE CHEAT SHEET



Release Date: DU Version 11.1 Nov. Update - Oct. 4, 2023

Update Date: Effective November 18, 2023, Fannie Mae will update Desktop Underwriter® (DU®) Version 11.1.

CHANGES IN THIS RELEASE:

1. LTV Ratios:

- The maximum allowable LTV, CLTV, and HCLTV ratios for two- to four-unit, principal residence, purchase, and limited cash-out transactions will be updated to 95%.
- This change does not apply to high-balance mortgage loans and manually underwritten loans. The table below highlights the updated LTV ratios.

Standard Eligibility Requirements – Desktop Underwriter Version 11.1 Excludes: High LTV Refinance, HomeReady®, HomeStyle® Renovation, and Manufactured Housing

Transaction Type	Number Of Units	Maximum LTV,CLTV,HCLTV	
Principal Residence			
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97%	ARM: 97%
	2 Units	FRM/ARM: 95% (Currently 85%)	
	3-4 Units	FRM/ARM: 95% (Currently 75%)	
HomeReady			
Principal Residence			
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97%	ARM: 97%
	2 Units	FRM/ARM: 95% (Currently 85%)	
	3-4 Units	FRM/ARM: 95% (Currently 75%)	
HomeStyle Renovation			
Principal Residence			
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97%	ARM: 97%
	2 Units	FRM/ARM: 95% (Currently 85%)	
	3-4 Units	FRM/ARM: 95% (Currently 75%)	

Note: Loan Delivery and EarlyCheck™ will be updated Nov. 17, 2023, to support the higher LTV ratios.

2. HomeStyle Energy Loan and DU (Desktop Underwriter):

- DU now identifies HomeStyle Energy loan casefiles and allows lenders to include the energy improvements' amount in Line B of Qualifying the Borrower, streamlining the process.

3. Social Security Number Message Retirement:

- The DU message related to Social Security numbers stating they "have not been issued or were recently issued" is now retired, as SSNs are issued using randomization.

4. Liability Payment includes Taxes and Insurance Indicator:

- A new indicator in URLA (Uniform Residential Loan Application) specifies whether the liability payment includes taxes and insurance, simplifying expense calculations.

UPDATES TO ALIGN WITH THE SELLING GUIDE:

- Limited Cash-Out Refinance Transactions:**
 - Requires one borrower to be a current property owner at the initial loan application.
 - Property must be off the market if currently listed for sale.
- Gift Donors:**
 - Sellers can provide gifts if they are acceptable donors and unaffiliated with other parties.
 - DU messages will be updated accordingly.
- Trust Income:**
 - Updated requirements for trust income.
 - DU messages will guide lenders to follow the Selling Guide.
- Value Acceptance + Property Data:**
 - Clarification on Property Data Collection and Submission.
 - Loan case file resubmission needed for eligibility after property data submission.
- Self-Employed Borrowers:**
 - The policy allows one year of tax returns for self-employed borrowers.
- Miscellaneous Message Text Changes:**
 - Various DU messages are updated for clarity and alignment with the Selling Guide.

These updates aim to improve clarity and adhere to the latest Selling Guide requirements.

