

# What's New

*A summary of recent and upcoming changes:*

Topic	What Happened?
SSN Form	The Social Security Administration published an updated <b>Form SSA-89: Authorization for the SSA to Release SSN Verification</b> as of 4/2017 and they have recently started rejecting requests coming in on outdated versions of the form. Please make sure you are using the most recent version of the <a href="#">Authorization for SSN Verification</a> .

## Agency Updates

<p><b>Fannie Mae- DU Version 10.1 Release Reminder</b></p>	<p>Fannie Mae will implement the release of DU Version 10.1 over the weekend of July 29, 2017. Changes outlined in the <a href="#">Release Notes</a> will apply to new loan casefiles submitted to DU on or after the weekend of July 29, 2017. For any exiting casefiles in process that would like to take advantage of the below outlined changes, email LDWholesale's <a href="#">AUSDesk</a> for this change.</p> <p><b>DU Version 10.1 Changes being made effective July 29, 2017:</b></p> <p><u>Maximum allowable debt-to-income (DTI) ratio will be 50%</u></p> <ul style="list-style-type: none"> <li>• New risk assessment is expected to increase the percentage of Approve/Eligible recommendations, specifically those with DTI ratios between 45% and 50%.</li> <li>• Compensating factors between 45% and 50% will no longer be required.</li> </ul> <p><u>Disputed Trade-lines</u></p> <ul style="list-style-type: none"> <li>• Updated risk assessment and messaging for loan casefiles for borrowers with disputed tradelines. DU will issue one of 2 messages based on the risk assessment:                         <ul style="list-style-type: none"> <li>○ DU issued an Approve recommendation when including the disputed information in the credit risk assessment, no further action required</li> <li>○ DU casefile does not receive an Approve recommendation using disputed tradeline in the risk assessment, the risk will be assessed with the disputed tradeline excluded and DU will issue a specific message.</li> </ul> </li> </ul> <p><u>Property Inspection Waivers</u></p> <ul style="list-style-type: none"> <li>• Moving forward, PIWs will be offered through DO (based on the subject property) without a sponsoring lender assigned</li> </ul> <p><u>Employment Offer Message</u></p>
--	--

- New message will be issued to specify the requirements that apply to a borrower(s) with a contract to start a job, but will not begin employment before loan closing.

Multiple Financed Properties

- When a loan casefile receive an Ineligible finding due to inadequate reserves (with multiple financed properties), DU 10.1 will now give messaging to show the amount of reserves required

Timeshare Debt

- DU 10.1 will treat all timeshare debts as installment debts

Self-employment Income Documentation

- The criteria that determines the documentation required to verify a self-employed borrower's income will be updated. The number of DU loan casefiles eligible for the one year of personal and business tax return documentation requirements will increase

Condo Review on "Site Condos"

- DU 10.1 will provide updated messaging on site condos that will no longer require a condo review
- See LDW's [Condo Fast Facts](#) for additional details on condo requirements

**DU Version 10.1 Changes that are scheduled for a future release with LDW:**

DU Validation of Income (Day 1 Certainty)

- The DU validation service will now validate income and employment for a borrower that has both self-employment income that can be validated using tax transcript information and base, bonus, overtime, and/or commission income that can be validated using an income report.
- The message issued when employment has not been validated will also be updated to specify that if employment cannot be validated, income from that employer may not be validated. The message will now state that employment could not be validated, and as a result messages related to income validation may have changed or been removed.

ARM LTV Ratios

- ARM LTV cap of 95% to match their fixed products

Student Loan Cash-out Refinance

- Cash-out loan requirements when paying off student loan debt

**Note:** DU version 9.3 will be retired and no longer available as of July 29, 2017

<p><b>Freddie Mac</b></p>	<p>On July 26, 2017, Freddie Mac issued <a href="#">Bulletin 2017-11</a> providing notice regarding changes to lender gift and grant requirements pertaining to Home Possible and Home Possible Advantage Mortgage programs.</p> <p>New Updated Lender Gift and Grant Requirements</p> <ul style="list-style-type: none"><li>• Gifts or grants from the originating lender cannot be funded directly or indirectly through the mortgage transaction, including differential pricing in rate, discount points or fees</li><li>• Gifts or grants from an originating lender will now only be permitted after a contribution of at least 3% of value (i.e., the lesser of the appraised value or the purchase price) is made from<ul style="list-style-type: none"><li>○ Borrower's personal funds and/or</li><li>○ Eligible sources of funds<ul style="list-style-type: none"><li>▪ Gift from a related person</li><li>▪ Funds from government agencies, employer housing programs and Affordable Seconds. LDW does not allow government agencies, employer housing and affordable seconds at this time.</li></ul></li></ul></li></ul>
---------------------------	--

