



NATIONS DIRECT
M O R T G A G E

DU/LP TROUBLESHOOTING

Loan Manager User Guide

ONE ★ TEAM
One Dream

NDM DU/LP Troubleshooting Guide
07.26.2021

Table of Contents

Credit Errors:

- [Check Credit Report Valid for Underwriting](#)
- [DU is not picking up the correct credit score](#)
- [SSN does not match borrower](#)
- [Unmapped DU Error](#)

Other Errors:

- [Asset / Institution Name – Maximum Length 35](#)
- [At least one subject property indicator should be Yes](#)
- [Construction Method Type is required when Project Legal Structure type does not equal Condominium](#)
- [Error – Tot. exp. Ratio < Hsng. Exp. Ratio](#)
- [Hired From Date is missing for secondary employment](#)
- [HOEPA](#)
- [Invalid AUS Report identifier – Invalid or Null](#)
- [Invalid Reference/Order Number](#)
- [Multiple properties exist in the REO w/ an Error 118358 indicator of subject](#)
- [No cash out is no longer a valid refinance purpose](#)
- [Property Existing Lien Amount – Required field – must be numeric w/ two decimals and no special characters](#)

Table of Contents

- [Property foreclosed/given must be Y or N for applicant](#)
- [Refinance purpose type missing or invalid](#)
- [REO property Disposition Code is missing](#)
- [Subject Property Type Code is missing from the 1003 file, or the property and/or project data element combinations are invalid in the MISMO 3.4 file](#)
- [The borrower who owns a property in the Real Estate Own Section must also be the account owner of the liability matched to that property](#)
- [Warning – Employment / Position Description Maximum length 25](#)
- [Warning - Liability / Account Identifier – String 30 format required](#)
- [Warning – License / Identifier – String 12 format required](#)
- [Warning – Mortgage Loan / Current First Mortgage Holder Type – Vaid value required](#)
- [Warning – Real Estate Owned Address/Address Line Text – Maximum length 35](#)

DTI Errors

- [DU is calculating “Subj, Neg. Cash Flow” on primary residence](#)
- [DU is not picking up Self-Employed Income](#)
- [DU is not picking up “Other Income”](#)
- [DU is not picking up REO income/loss on investment properties other than subject](#)

Table of Contents

- [Front end Ratio is not calculating](#)
- [When to mark liabilities “Paid Off” or “Exclude”](#)
- [Attaching MTG liens to REO Properties](#)
- [Marking “Yes” or “No” in declarations](#)

FHA Errors

- [Entering MIP Refund](#)
- [Section of the Act is missing or invalid](#)
- [Loan Amount exceeds FHA max loan calculation](#)
- [Guidelines require escrow account](#)
- [Both Lender ID and Sponsored Originator EIN not allowed](#)

Too many risk factors

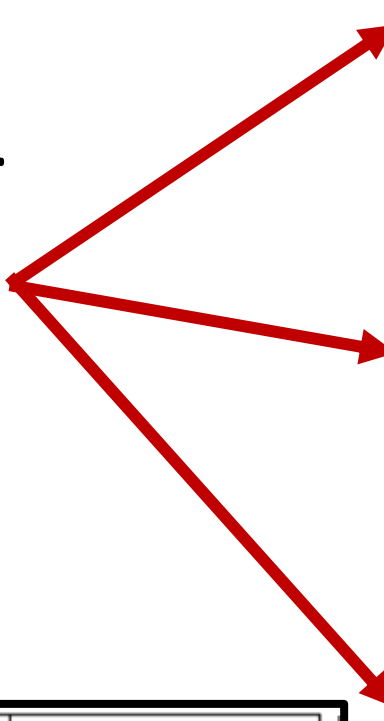
- [Too many risk factors](#)

PIW (Property Inspection Waiver)

- [Eligibility requirements for appraisal waiver consideration](#)
- [Transactions not eligible for PIW](#)
- [What prevents DU from offering PIW](#)
- [How you can lose a PIW](#)

Credit Error – Check credit report valid for underwriting


Check to see if there are 3 bureaus on the credit report. If there are only two, the broker will have to reach out to the credit company and update the order to a tri-merge credit report.



EQUIFAX/FICO CLASSIC V5 FACTA
SCORE: 680
00040 - DEROGATORY PUBLIC RE
00010 - PROPORTION OF BALANC
00013 - TIME SINCE DELINQUENC
00014 - LENGTH OF TIME ACCOU
FA- NUMBER OF INQUIRIES ADVE

TRANSUNION/FICO CLASSIC (04)
SCORE: 697
040 - DEROGATORY PUBLIC REC
013 - TIME SINCE DELINQUENCY
010 - PROPORTION OF BALANCES
008 - TOO MANY INQUIRIES LAST
FA- INQUIRIES IMPACTED THE CR

EXPERIAN/FAIR, ISAAC (VER. 2) - J
SCORE: 720
40 - DEROGATORY PUBLIC RECO
10 - PROPORTION OF BALANCE T
14 - LENGTH OF TIME ACCOUNTS

	Experian	TransUnion	Equifax
Bureau Scores		719	627
Potential Score Improvement	more+	+8 more+	0 more+

Credit Error – DU is not picking up the correct credit score

This loan casefile is ineligible for delivery to Fannie Mae because the representative credit score is less than 620. (2259)

CREDIT SCORE(S)

585 628 678

DU is not picking up the 628 credit score. Check the credit report and validate if there is a social security # next to each credit bureau. If missing social security # then the credit report will need to be repull with the correct social for all 3 bureaus.

Credit Error – SSN does not match borrower

Information on credit report & 1003 do not match

Confirm the following matches the 1003 & credit report:

- Social Security Numbers
- Spelling of borrower(s) name (First, Middle & Last)
- Suffix or Generation should not have a period at the end

Credit Errors with credit vendors – Unmapped DU Error Code 11349

MFI - No dash (-) in the credit reference #. Just the letters and numbers with no space.

Select a credit provider if using a merged report in the LP decision. Click LP Credit Request or Credit Reference Number in the rows below to change their values.

Merge Credit Credit Provider: Equifax Mortgage Solutions (5)
 MFI Credit Solutions

LP Credit Request	Borrower Name	Credit Reference
Reissue	[REDACTED]	BUEVL2022320

Reference #: BUEVL-2022320

If there is a dash in the reference number, you will most likely need to remove it when you enter the credit info.

Avantus - The credit report is in “Pending” status. Call the credit company to update to “Completed”

Errors Found

Unmapped DU ErrorCode-111349-Credit Agency Error: 42 . T resubmit. For support, contact 051-Avantus. - [Click here](#)

Errors Found

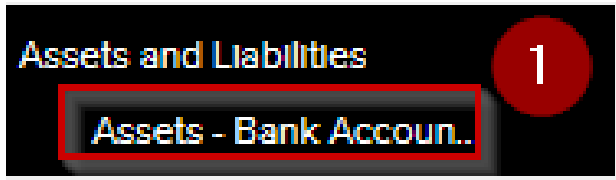
Unmapped DU ErrorCode-111349-Credit Agency Error: 42 . The borrower information in the credit report does not match the information the credit agency has on file for this reference number. Verify the data and resubmit. For support, contact 226-Advantage Credit, Inc. of Colorado. - [Click here](#)

Advantage Credit, Inc. of Colorado – The Credit Reference number on this file was ran as joint credit with a second borrower on it when there was only one borrower on the file. You need to call the credit company to update the report as “individual”.

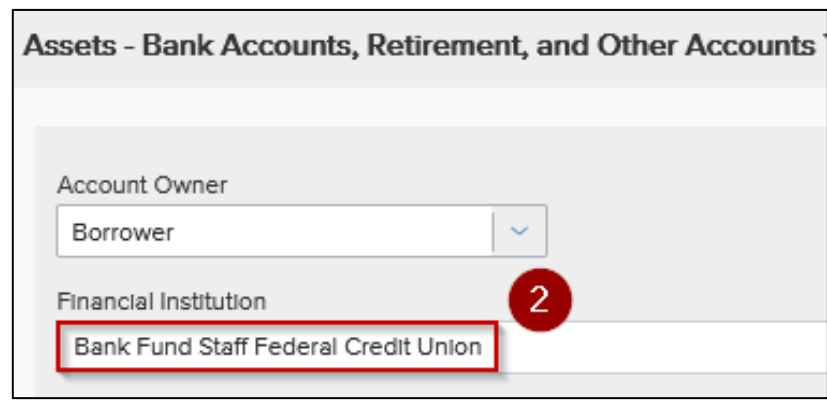
Asset / Institution_Name – Maximum Length 35

```
-----  
WARNING - ASSET / INSTITUTION_NAME (ASSET_1) - Maximum length 35  
( 'Bank Fund Staff Federal Credit Union' truncated from right ).  
WARNING - ASSET / INSTITUTION_NAME (ASSET_2) - Maximum length 35  
( 'Bank Fund Staff Federal Credit Union' truncated from right ).  
WARNING - ASSET / INSTITUTION_NAME (ASSET_3) - Maximum length 35  
( 'Bank Fund Staff Federal Credit Union' truncated from right ).
```

1 Go to Assets and Liabilities > Assets – Bank Accounts Section



2 Go to Financial Institution and update bank name to less than 35 characters



At least one subject property indicator should be Yes

Message Severity Code

At least one subject property indicator should be Error 118321 Yes.

Real Estate

3a-c. Property You O...

1

1

Go to Real Estate >
Property You Own Section

2

Check Subject Property for
the property you are
refinancing

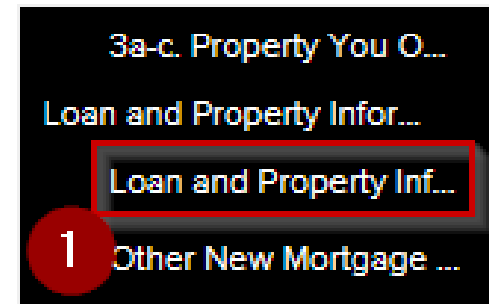
Street Address		
12345 Main Street		
Unit Type	Unit #	
Select an Option		
City	State	Zip Code
Huntington Beach	Califo...	92646
<input type="checkbox"/> Subject Property	Select for the property you are refinancing	
Property will be used as	Property Is used as	Other Description
Primary Residence	Primary Residence	

Construction Method Type is required when Project Legal Structure type does not equal Condominium

message
Construction Method Type is required when Project Legal Structure Type does not equal Condominium

1 Go to Loan and Property Information

2 Update Construction Method Type



Construction Method Type

Select an Option

2

Error – Tot. exp. Ratio < Hsng. Exp. ratio

Recommendation

Error

Housing Expense Ratio 20.08%

Debt-to-Income Ratio 12.34%

Tot. exp. ratio < Hsng. exp. ratio

Check omitted/pd. by closing liab.

1 Go to URLA > Information for Government > Declarations

2 Letter A should be marked yes if subject property is primary

Information for Gove...

1 Declarations

A. Will you occupy the property as your primary residence?

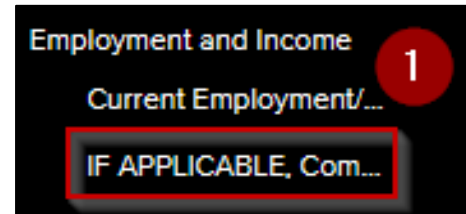
Yes

2

Hired From Date is missing for secondary employment

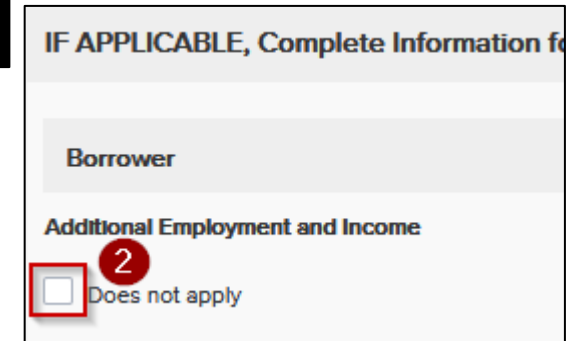
Hired From Date is missing for secondary Error 118310 employment for applicant 267630594.

1 Go to Employment and Income Section > If Applicable, Complete Information for Additional Employment



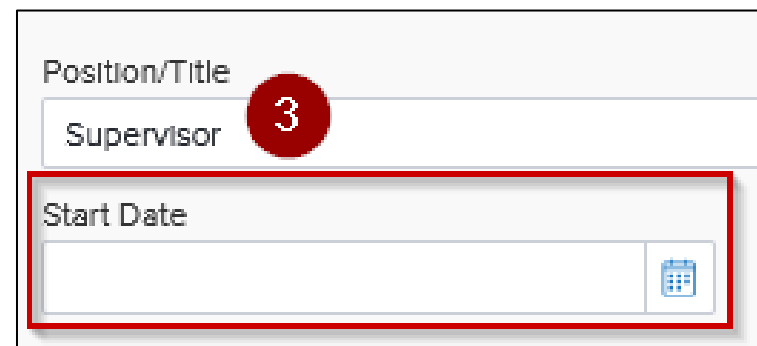
Employment and Income 1
Current Employment/...
IF APPLICABLE, Com...

2 If borrower does not have secondary employment, check “Does not apply”



IF APPLICABLE, Complete Information for
Borrower
Additional Employment and Income
 2 Does not apply

3 If borrower does have secondary employment, enter start date



Position/Title 3
Supervisor
Start Date

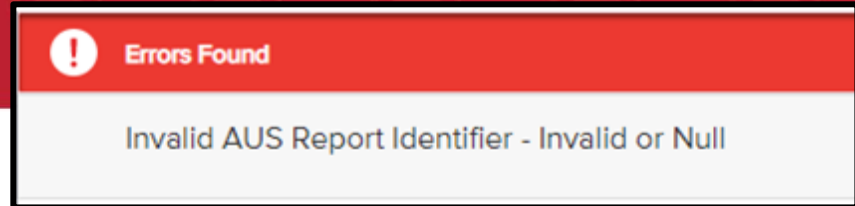
HOEPA

This case has been indicated as covered by the Home Ownership and Equity Protection Act (HOEPA) and is not eligible for delivery to Fannie Mae. (MSG ID 2029)

HOEPA is triggered when points and fees are exceeding threshold(3%). You can fix by:

- 1) Reviewing pricing - update rate to lower points
- 2) Submit the loan – Set-up will run Mavent to clear high cost fail and then will run DU to clear HOEPA alert

Invalid AUS Report Identifier – Invalid or Null



When DU has been ran, the AUS Key number should be entered in “DU Key Number” on the order DU screen.

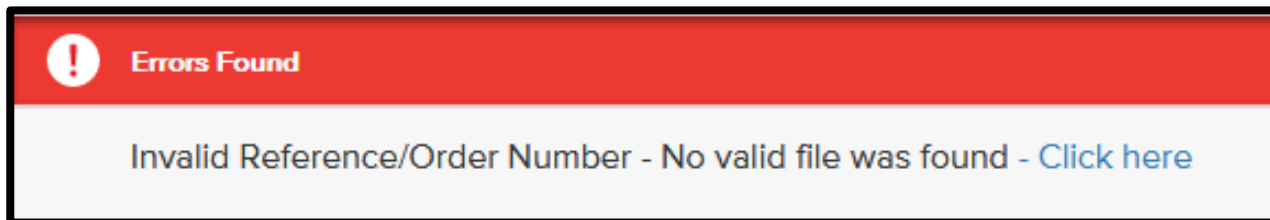
A screenshot of the "Order DU" web application interface. The page title is "Order DU". Below it is a "DU Order" section. The form contains several fields: "Request Type" (Resubmit), "Credit Provider" (Credit Plus (DU 17)), "Credit Provider User Name" (nations), "Credit Provider Password" (masked with dots), a checked "Save Login Information" checkbox, "Borrower Pair 1 Reference Number" (Alice Firstimer, 55130142), and "Product Description" (Standard LCOR). At the bottom, there is a "Last DU Ordered" section with a "DU Key Number" field. A red box highlights the "DU Key Number" field, with an arrow pointing to it from a text box that says "There should always be a key number entered when DU has been ran". Another red box highlights the "View Findings Report" button, with an arrow pointing to it from a text box that says "When 'View Findings Report' is visible this means that DU has already been ran".

Send to support@myndm.com or Nations Direct Team Member to enter DU Key Number

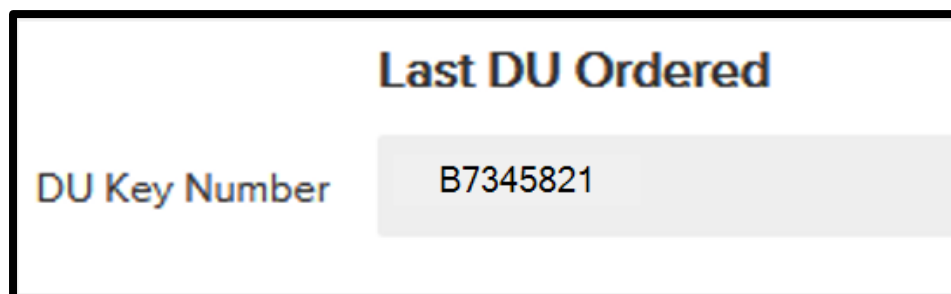
Nations Direct Team Member will need to go to Closing Summary TRID to remove case number (Field ID: MORNET.X4)

A snippet of a form titled "Conventional" with a "DU Case #:" label and an empty input field.

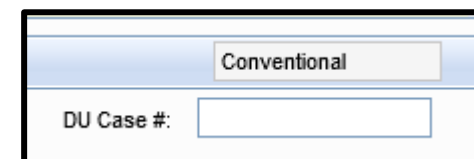
Invalid Reference/Order Number



You have an invalid DU case number entered in the file. Must send to support@myndm.com or Nations Direct Team Member to remove. This will happen if you run LP before running DU.



Nations Direct Team Member will need to go to Closing Summary TRID to remove case number (Field ID: MORNET.X4)



Multiple properties exist in the REO w/ an Error 118358 indicator of subject

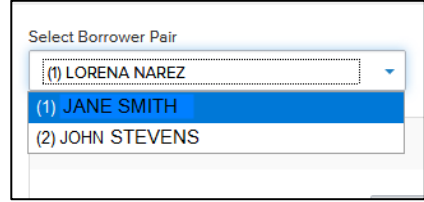
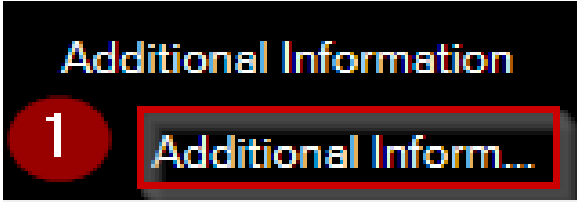
Underwriting Checklist

Message Severity Code

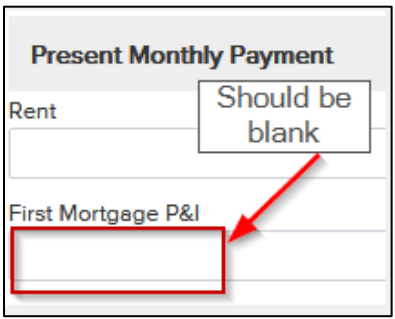
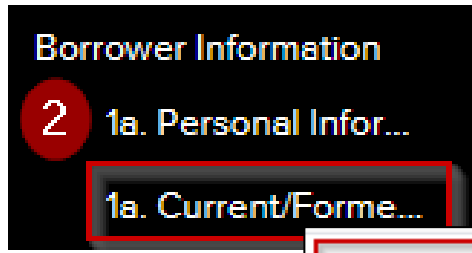
Multiple properties exist in the REO with an Error 118358 indicator of SUBJECT.

This will occur when you have two separate borrowers that owns the subject property & they each have the property entered in their REO & liabilities. To fix, you will need to remove the REO property from the 2nd borrower

1 Go to URLA > Additional Information > Under the borrower pair dropdown > Select 2nd Borrower

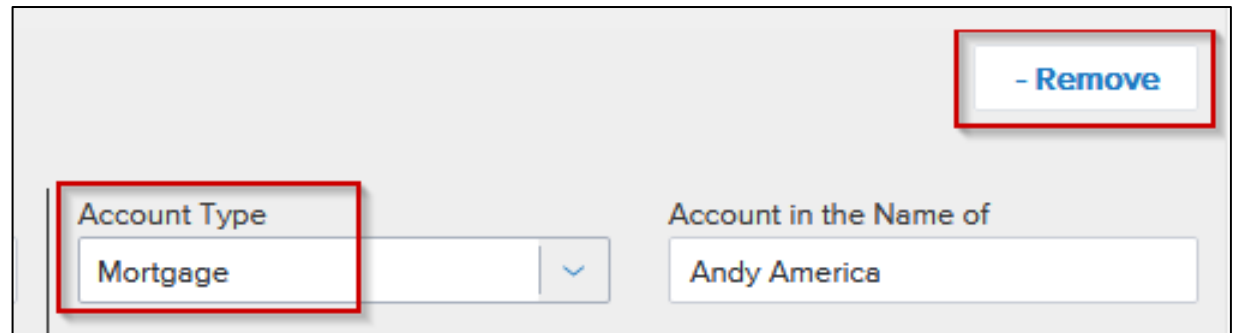
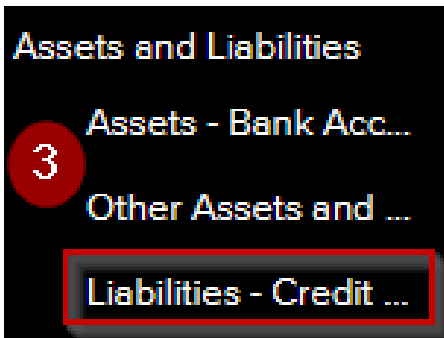


2 Go to Borrower Information > 1a. Current/Former/Mailing Address > Select Present and Proposed Payment > Delete current PITIA & Delete

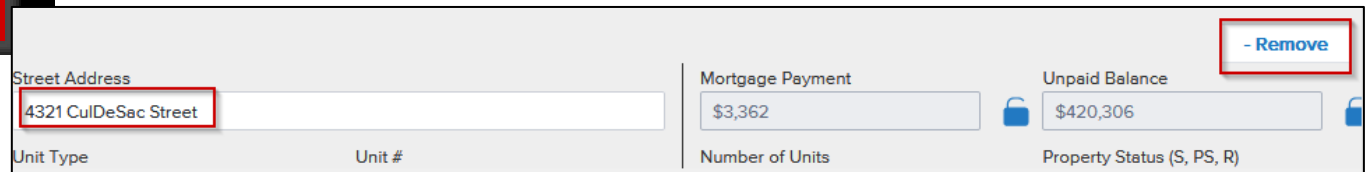


Multiple properties exist in the REO w/ an Error 118358 indicator of subject cont.

- 3 Go to Assets & Liabilities > Liabilities - Credit Cards Section > Locate the subject property mortgage lien > Select "Remove"



- 4 Go to Real Estate > 3a-c. Property You Own > Locate the property > Select "Delete"



No cash out is no longer a valid refinance purpose

```
-----  
No cash out is no longer a valid refinance  
118368  
purpose.
```

When to select “Limited Cash Out” or “No Cash out”:

- Conventional Loans – Select Limited Cash Out
- Government Loans – Select No Cash Out

Lender Loan Information

L1. Property and Loan ..

1

1 Go to Lender Loan Information

2 Scroll down to Refinance Type – Update to correct type depending on product type

Refinance Type

2

Cash Out Limited Cash Out No Cash Out

Property Existing Lien Amount – Required field – must be numeric w/ two decimals & no special characters

Existing Liens to be Paid Off

Error Details

Category: Data
PropertyExistingLienAmount - Required field - must be numeric with two decimals and no special characters

You will get this error if this is a refi and “Existing Liens to be paid off” (located in L1. Property and Loan information under refinance detail) is blank in 1003 Loan Information. You cannot manually enter the lien amount on this page. You will need to attach the lien from the REO property

- 1 Go to Real Estate > 3a-c. Property You Own
- 2 Locate the subject property
- 3 Select “ Link Liabilities”

Real Estate

1 3a-c. Property Yo...

Street Address

1234 Ocean Pines 2

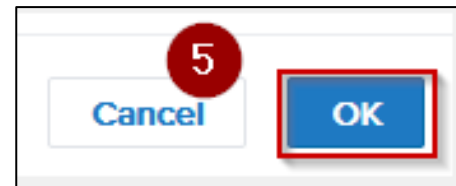
3 **Link Liabilities**

Property Existing Lien Amount – Required field – must be numeric w/ two decimals & no special characters cont.

4 Select the mortgage lien associated with the subject property

<input checked="" type="checkbox"/>	4 CALLABLE MORTGAGE	\$210,027	\$1,671	MortgageLoan
-------------------------------------	------------------------	-----------	---------	--------------

5 Select okay



6 "Existing Liens to be Paid Off" should now populate

Existing Liens to be Paid Off

\$210,027 6

Property foreclosed/given must be Y or N for applicant

Field 08A-050 (c. Property foreclosed/given Error 118335 title...?) must be Y or N for applicant 573139622.

1

Go to Information for Government > Declarations section

Information for Govern...

Declarations

1

2

Update letter J.

H. Are you currently delinquent or in default on a Federal debt?

No

I. Are you a party to a lawsuit in which you potentially have any personal financial liability?

No

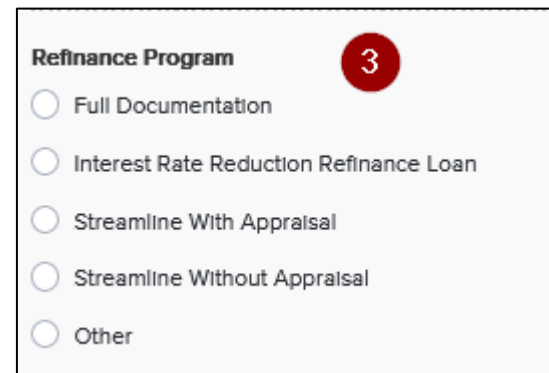
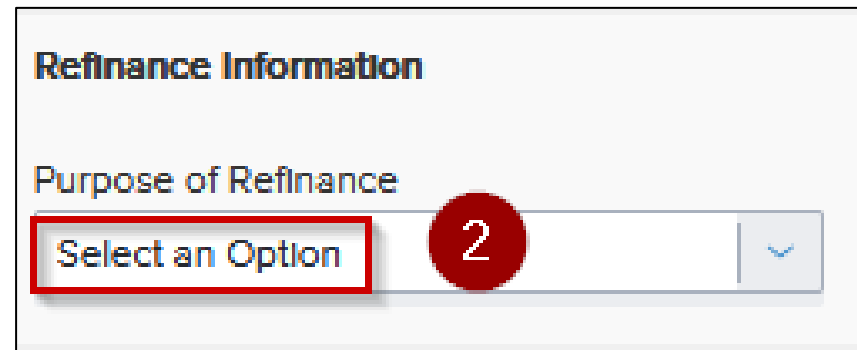
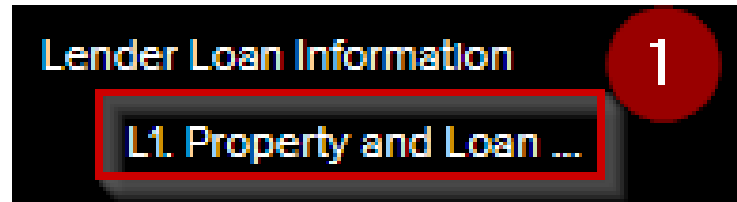
J. Have you conveyed title to any property in lieu of foreclosure in the past 7 years?

Select an Option

2

Refinance purpose type missing or invalid

- 1 Go to Lender Loan Information > L1. Property and Loan Information
- 2 Scroll down to purpose of refinance and select from dropdown
- 3 If purpose of refinance is selected, scroll down to refinance program and ensure the appropriate box is selected

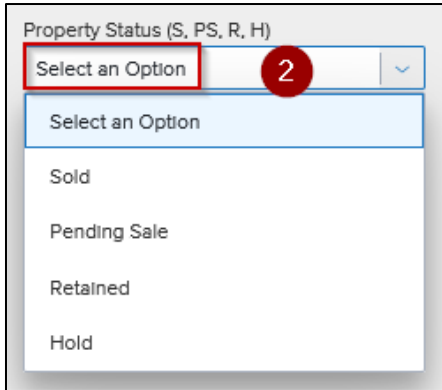


REO Property Disposition Code is missing

Field 06G-080 (REO Property Disposition Code) is
118337
missing



- 1 Go to Real Estate > Property You Own section
- 2 Update Property Status for each REO property
- 3 If disposition code is completed, ensure there are no additional REO properties. If section is blank, select “remove”



Subject Property Type Code is missing from the 1003 file, or the property and/or project data element combinations are invalid in the MISMO 3.4 file

```
Field LNC-040 (Subject Property Type Code) is
118337

-----
missing from the 1003 file, or the property and/or
project data element combinations are invalid in
the MISMO 3.4 file

Import Log
```

Lender Loan Information

L1. Property and Loan ...

1

1 Go to Lender Loan Information > L1 Property and Loan Information

2 Go to Project Type section > Mark the appropriate box, select attachment and property type from drop down

Project Type

- Condominium
- Cooperative
- Planned Unit Development (PUD)
- Property is not located in a project

2

Attachment Type

Detached

Property Type

Detached

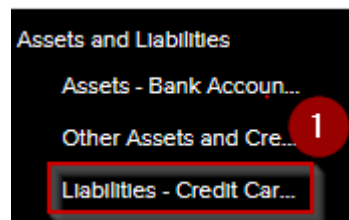
Project Design Type

Select an Option

The borrower who owns a property in the Real Estate Own Section must also be the account owner of the liability matched to that property

```
-----  
-----  
The borrower who owns a property in the Real Estate Owned Section must also be the account  
118361 owner of the liability matched to that property.  
-----
```

1 Go to Assets and Liabilities – Liabilities – Credit Card section



2 Go to the mortgage lien and confirm account owner

A screenshot of a form field labeled "Account Owner". A dropdown menu is open, showing "Borrower" as the selected option. A red box and a red circle with the number "2" highlight the dropdown menu.

3 Go to Real Estate – Property You own section



4 Make sure owned by matches account holder to the lien the property is attached to.

A screenshot of a form section titled "3a-c. Property You Own - If you are refinancing,". It contains a checkbox labeled "I do not own any real estate" which is unchecked. To its right are two radio buttons: "Borrower" (checked) and "Co-Borrower" (unchecked). Below this is a dropdown menu labeled "Owned by" with "Borrower" selected. A red box and a red circle with the number "4" highlight the "Owned by" dropdown menu.

Warning – Employment / Position_Description Maximum length 25

```
-----  
WARNING - EMPLOYMENT / POSITION_DESCRIPTION (EMPLOYER_1) -  
Maximum length 25 (value truncated from right).
```

1

Go to Employment and
Income > Current
Employment section

Employment and Income

Current Employment/...

1

2

Go to Position or Title and
update to less than 25
characters

Position/Title

2

Associate Director of Operations

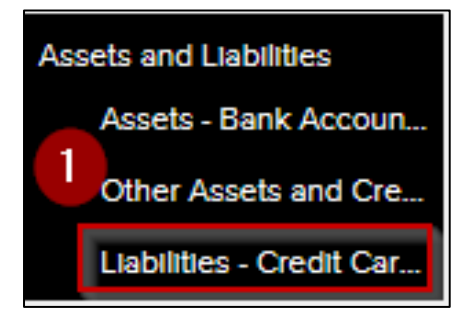
Warning – Liability / Account_Identifier – String 30 format required

```
101427

Internal System Error: Call Customer Care for assistance
-----
Loan Application Data Warnings
-----
WARNING - LIABILITY / ACCOUNT_IDENTIFIER (LIABILITY_9) - String 30 format required
('DESED3*****473ABAE768E88466BEC1' truncated from right).
WARNING - LIABILITY / ACCOUNT_IDENTIFIER (LIABILITY_11) - String 30 format required
('OB80F0*****4CA8BDC2DD430A079CA6' truncated from right).
```

1 Go to Assets and Liabilities > Liabilities – Credit Cards Section

2 Go to the liabilities with the errors and delete additional digits from the account number

A screenshot of a web form for editing a liability. The form includes fields for "Account Owner" (set to "Borrower"), "Financial Institution" (set to "Telecom Self-Reported"), "Street Address", "City", "State", and "Zip Code". On the right side, there are fields for "Account Type" (set to "Installment") and "Account Number" (set to "DESED345543873563590764"). A red box highlights the "Account Number" field. A red circle with the number "2" is next to the "Financial Institution" field, with a callout box containing the text "Remove to less than 30 digits" and a red arrow pointing to the "Account Number" field.

Warning – License / Identifier – String 12 format required

```
WARNING - LICENSE / IDENTIFIER - String 12 format required ('C2 FINANCIAL CORPORATION' truncated from right).
```

1

Go Information for Government >
Loan Originator Information Section

2

Update Loan Originator
Organization NMLSR ID#

Information for Govern...

Declarations

Acknowledgements a...

Military Service and L...

Demographic Informa...

Loan Originator Infor...

1

Loan Originator Organizational Name

Nations Direct Mortgage, LLC dba Mo

2

Loan Originator Organization NMLSR ID

NDM LLC

Update

Warning – Mortgage_Loan / Current_First_Mortgage_Holder_Type – Valid value required

```
-----  
WARNING - MORTGAGE_LOAN / CURRENT_FIRST_MORTGAGE_HOLDER_TYPE  
(LOAN_1) - Valid value required ('Other' dropped).
```

1

Go to Real Estate > Property
You own section

Real Estate

3a-c. Property You O...

1

2

Check “I do not own any
real estate” if borrower
does not own an REO
properties

3a-c. Property You Own - If you are refinancing, list the

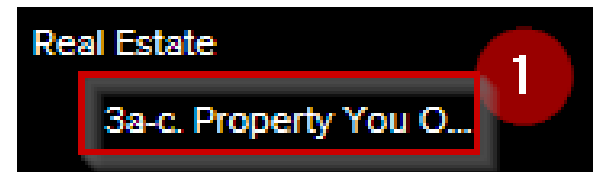
I do not own any real Borrower Co-Borrower
estate

Select if borrower does not own REO properties

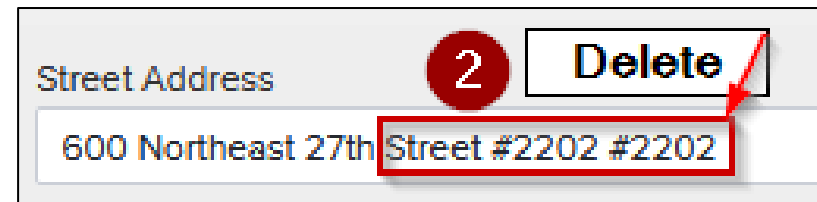
Warning – Real_Estate_Owned_Address / Address_Line_Text – Maximum length 35

```
-----  
WARNING - REAL_ESTATE_OWNED_ADDRESS / ADDRESS_LINE_TEXT (ASSET_5) - Maximum length 35  
( '600 NORTHEAST 27th STREET #2202 #2202' truncated from right ).
```

1 Go to Real Estate > Property You Own section



2 Locate property and update to less than 35 characters



DTI - DU is calculating "Subj. Neg. Cash Flow" on primary residence

Review DU income and expense section. Subj. Neg. Cash Flow should not be calculating when the subject property is primary

Total Housing Payments	\$2,354.47
Negative Net Rental	\$0.00
DU should not be calculating this	
Subj. Neg. Cash Flow	\$1,856.00
All other Payments	\$1,518.18
Total Expense Payments	\$5,728.65

- 1 Go to 1003 URLA Part 3
- 2 Locate Subject Property
- 3 Ensure Property is used as, and Property will be used as are both updated to "Primary"

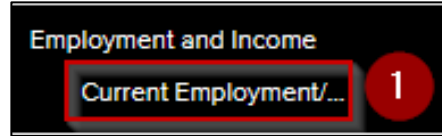


Street Address: 1234 Test St
Unit Type: Select an Option
City: MODESTO
State: California
Country: US
 Subject Property
Property will be used as: Primary Residence
Property is used as: Primary Residence

DTI - DU is not picking up Self-Employed income

INCOME		
Base	\$1,355 is not reflecting in DU	\$4065.00
Commission		\$0.00
Bonus		\$0.00
Overtime		\$0.00
Other		\$0.00
Positive Net Rental		\$0.00
Subj. Pos. Cash Flow		\$0.00
Total		\$4065.00

1 Go to Employment and Income Section



Gross Monthly Income		Gross Monthly Income	
Base	\$4,065 /month	Overtime	
Base	\$1,355 /month	Overtime	

Self-Employed Income should not be entered in this section

2 Review Gross Monthly Income > If SE income is entered in this section, remove.

3 Scroll down to SE section and enter income there

Check if this statement applies

I am employed by a family member, property seller, real estate agent, or other transaction.

Check if you are the Business Owner or Self-Employed

Ownership

I have ownership share of less than 25%.

I have ownership share of 25% or more.

Monthly Income (or Loss)

\$1,355

% Business Owned

50%

If this is checked, income should be entered in this section

DTI - DU is not picking up "other income"

1

Go to Employment and Income Section > Current Employment

2

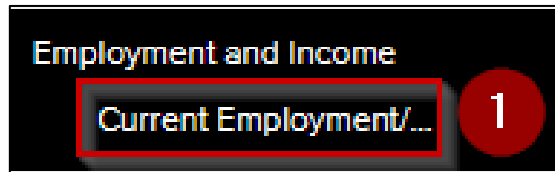
Go to Gross Monthly Income section, delete income in "other field"

3

Scroll down to Income from Other Sources > Enter other income in Income Source dropdown

Base	\$-461.00	Commission	\$0.00
Bonus	\$0.00	Over Time	\$0.00
Other	\$0.00	Positive Net Rental	\$0.00
Subj. Pos. Cash Flow	\$0.00	Total	\$-461.00

DU not picking up income



Gross Monthly Income

Base: _____ /month

Overtime: _____

Bonuses: _____ /month

Commissions: _____

Military Entitlements: _____ /month

Other: **\$4,500** /month

Do not enter "other" income here

2

Income from Other Sources **3**

Does not apply Borrower Co-Borrower

Income For: Borrower

Financial Institution: _____

Street Address: _____

Enter "Other" income here

Other Income Source: Other

Monthly Income: \$4,500

DTI - DU is not picking up REO income/loss on Investment properties other than subject

1

Go to Real Estate >
Property You Own section

2

Make sure property will be used as reflects “investment” to calculate rent income/loss

Real Estate

3a-c. Property You O...

1

Loan and Property Infor...

Street Address		
1234 Main Street		
Unit Type	Unit #	
Select an Option		
City	State	Zip Code
Huntington Beach	Califo...	92646
<input type="checkbox"/> Subject Property	Property is used as	
	Investment Property	
Property will be used as	Other Description	
Investment		

2

DTI – Front end Ratio is not calculating

If there is no front end ratio, go to current housing section to enter primary mtg/rent expense

- 1 Select Current/ Former/ Mailing Address
- 2 Select Present and Proposed Housing if the borrower owns a property for their primary or pays rent
- 3 Enter housing expense

Borrower Information

1a. Personal Information

1a. Current/Former/Mailing Addr...

Housing

No primary housing expense

Own

Rent

Monthly Payment / Month

Present and Proposed Housing

Present and Proposed Housing

3 Enter Present Expense

Present Monthly Payment

Rent

First Mortgage P&I

Other Financing P&I

Hazard Insurance

Supplemental Property Insurance

Property Taxes

Mortgage Insurance

Association/Project Dues (Condo, Co-Op, PUD)

Other

DTI - When to mark Liabilities “Paid Off” or “Exclude”

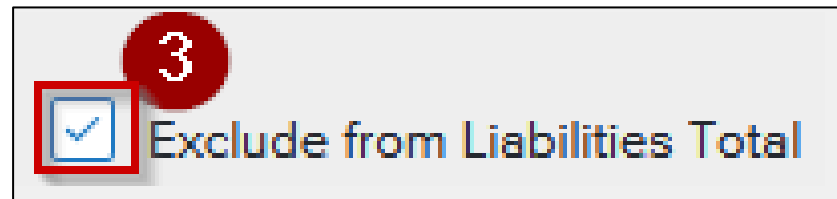
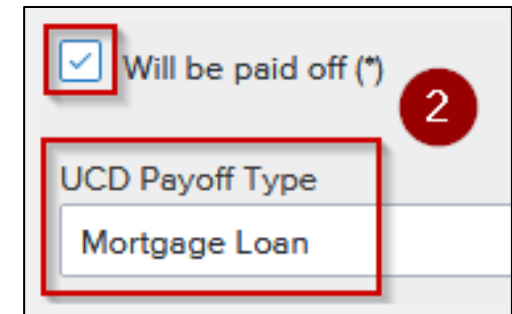
Paid off:

- Any time you are paying off a mortgage lien or any other debts through the loan

Exclude:

- A property is pending sale or has sold and has not fallen off the credit report
 - **Installment debt with less than 10 payments (cannot exclude if debt is a lease)
 - **A debt that has been awarded to the ex-spouse with a recorded divorce decree (may need to provide canceled checks to verify)
- ** Refer to guidelines if you can exclude

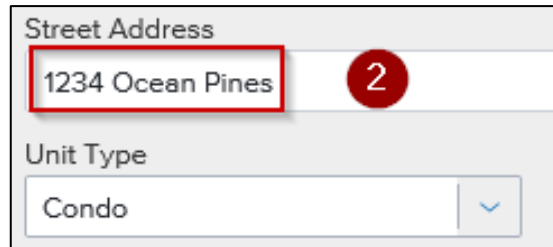
- 1 Go to URLA > Assets & Liabilities > Liabilities - Credit Cards Section
- 2 Select “Paid Off” if liability is to be paid off
- 3 Select “Exclude from liabilities table” if liability is to be excluded



DTI - Attaching MTG liens to REO Properties

If the borrower owns “financed” REO properties, they must attach them to the mtg liens in the liabilities.

- 1 Go to URLA > Real Estate > 3a-c. Property You Own
- 2 Locate the Property
- 3 Select “Link Liabilities”
- 4 Check the mortgage lien associated with the property
- 5 Repeat steps with other financed REO properties



<input checked="" type="checkbox"/>	4 Both	\$210,027	\$1,671	MortgageLoan
-------------------------------------	--------	-----------	---------	--------------

DTI - Marking “Yes” or “No” in declarations

If subject property is an investment and letter “A” is marked “yes” the rental income will not calculate in the DTI.

- 1 Go to URLA > Information for Government Monitoring > Declarations
- 2 Letter A - A. Will you occupy the property as your primary residence?

A screenshot of a form question: 'A. Will you occupy the property as your primary residence?'. There are two radio button options: 'Yes' and 'No'. The 'No' option is selected and highlighted with a red rectangular box. To the right of the 'No' option is a red circle with the number '2' and a box containing the text 'Investment Property'.

FHA - Entering MIP refund

1

Go to L3. Mortgage Loan Information section

2

Go to Terms of Loan > Select MIP

3

Select Get MI

4

Check HUD 92900 Case # Assigned Date & click "Select"

5

Select Done & MIP amount will populate

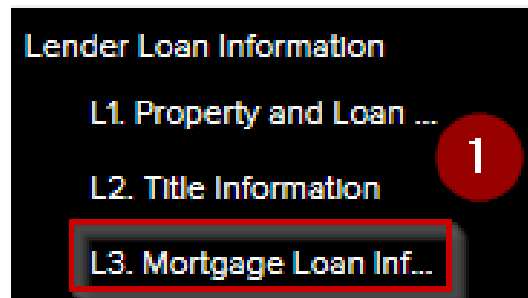
The screenshot shows a web interface for entering MIP refund information. It is divided into several sections:

- Lender Loan Information:** A dark sidebar with three options: L1. Property and Loan Information, L2. Title Information, and L3. Mortgage Loan Information. L3 is highlighted with a red box and a red circle containing the number 1.
- Terms of Loan:** A white box containing a 'Purchase Price' field with the value '\$100,000' and a 'MIP / FF' dropdown menu. The dropdown is set to 'MIP' and is highlighted with a red box and a red circle containing the number 2.
- Monthly Mortgage Insurance:** A white box with a 'Calculated Based On' dropdown set to 'Base Loan Amount' and a 'Get MI' button. The button is highlighted with a red box and a red circle containing the number 3.
- HUD 92900 Case # Filter:** A blue-bordered box containing a search filter: 'HUD 92900 Case # Assigned Date >= 01/26/2015 and Loan Amount <= 625500 and Fannie Mae Refinance Type <> StreamlineWithAppraisal and Fannie Mae Refinance Type <> StreamlineWithoutAppraisal and Simple Refinance (FHA to FHA) = No and Trans Details Loan To Value (LTV) between 0 and 90 and Loan Term > 180'. A radio button is selected and highlighted with a red box and a red circle containing the number 4. Below the filter is a 'Select' button, also highlighted with a red box and a red circle containing the number 4.
- Bottom Buttons:** A white box containing 'Cancel' and 'Done' buttons. The 'Done' button is highlighted with a red box and a red circle containing the number 5.

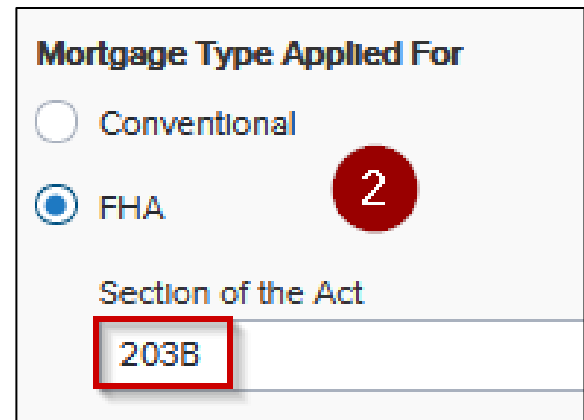
Section of the Act is missing or invalid

Section of the Act is missing or invalid (field Error 118347 GOB-020).

1 Go to Lender Loan Information > L3. Mortgage Loan Information



2 Go to Mortgage Type Applied For and update Section of the Act to 203B



FHA – Loan Amount exceeds FHA max loan calculation

RISK/ELIGIBILITY

- 1 This loan has been underwritten through DU for government loans using the FHA TOTAL Scorecard.
- 2 This case is ineligible because the loan amount of \$280000.00 exceeds the FHA maximum loan calculation of \$279603.00.

This can occur if MI was not populated

1

Go to Lender Loan Information > L3. Mortgage Loan Information > Scroll down to Terms of Loan

2

Select “MIP”

3

Get MI

4

Check HUD 92900 Case # & click “Select”

5

Select “Done”

MI will auto populate

Lender Loan Inform...

L1. Property and L...

L2. Title Informati...

L3. Mortgage Loa...

2

MIP

3

Get MI

5

Done

HUD 92900 Case # Assigned Date >= 01/26/2015 and Loan Amount <= 625500 and Fannie Mae Refinance Type <> StreamlineWithAppraisal and Fannie Mae Refinance Type <> StreamlineWithoutAppraisal and Simple Refinance (FHA to FHA) = No and Trans Details Loan To Value (LTV) > 95 and Loan Term > 180

Close 4 Select

FHA- Guidelines require escrow accounts

3 This case is ineligible because FHA guidelines require escrow accounts on all loans.

1 Go to URLA > Lender Loan Information > L3. Mortgage Loan Information

2 Under Terms of loan > Select Impounds dropdown > Update to "Not Waived"

Lender Loan Inform...

1 L1. Property and L...

L2. Title Informati...

L3. Mortgage Loa...

Impounds Required

Select an Option

Select an Option

Waived

Not Waived

2

Both Lender ID and Sponsored Originator EIN not allowed

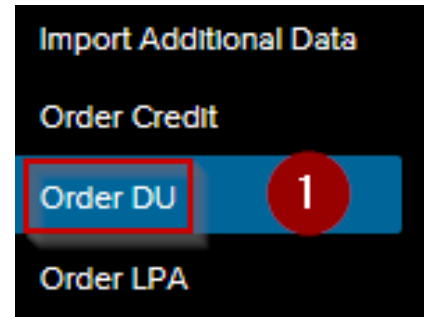
RISK/ELIGIBILITY

1 Error Messages: 386 Both Lender ID and Sponsored Originator EIN not allowed. Please submit either Lender ID or Sponsored Originator EIN.

1 Go to Order DU Screen

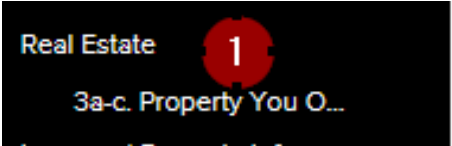
2 Update FHA Lender Identifier to 2531000004

3 Leave FHA Sponsor Identifier blank

A screenshot of a form with two input fields. The first field is labeled "FHA Lender Identifier" and contains the value "2531000004", with a red circle containing the number "2" next to it. The second field is labeled "FHA Sponsor Identifier" and is empty, with a red circle containing the number "3" next to it. A red arrow points from the "Leave Blank" button to the empty field. The "Leave Blank" button is a rectangular button with the text "Leave Blank" inside.

Cash to Close

This case is ineligible because the amount of cash taken out of the subject property equity exceeds the limit of 2 percent of the loan amount or \$2,000.00 for limited cash-out refinances. (MSG ID 1772)



- 1. Go to Real Estate 3A. Property You Own & ensure the following are completed:
 - A. Subject Property is reflected in the REO section
 - B. REO property is linked to the lien(s)
 - C. Subject Property indicator is checked off

Street Address: 1234 Test St

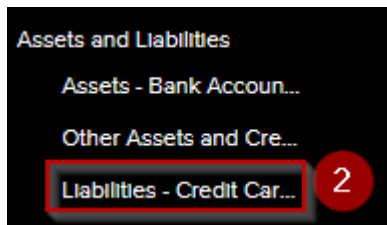
Mortgage Payment: \$1,825 | Unpaid Balance: \$450,000

Subject Property:

Link Liabilities

Cash to Close cont.

- Go to 1003 URLA Part 3, Liabilities – Credit Cards section & ensure the subject property mortgage lien is marked “paid off”



Account Owner: Borrower - Remove

Financial Institution: Nations Direct

Street Address: 1234 Hutton Center

City: Orange State: Calif... Zip Code: 92648

Account Type: Mortgage Account in the Name of: Alice Firstimer

Account Number: 1111111111 Other Description:

Debt Information

No. Months to exclude from installment debts:

Will be paid off (*)

UCD Payoff Type:

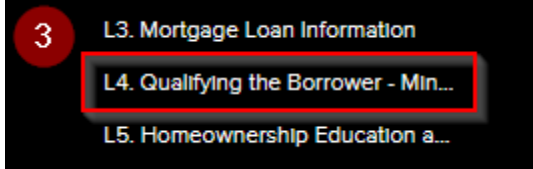
Unpaid Balance: \$450,000 Months Left: 180

Monthly Payment: \$1,825 Credit Limit:

Subject property mortgage lien should be marked paid off

Cash to Close cont.

3. After these fields are completed, go to 1003 URLA – Lender, L4. Qualifying the Borrower Section



(A) Ensure all lock icons are blue (calculated value from other fields) and not yellow (manually entering an amount). DU will always read the calculated value

(B) Review how much cash the borrower is receiving. Must be less than \$2,000 on conventional loans for limited rate and term

(C) Review letter F. Closing Costs – This amount will be updated once the loan is submitted, and set-up enters in all the fields.

Due from Borrower	Total Credits
A. Sales Contract Price \$	L. Seller Credits \$
B. Improvements, Renovations, and Repairs \$0	M. Other Credits (Total of M1 to M6) \$
C. Land (if acquired separately) \$0	M1. Total Closing Costs Paid by Lender and Other \$
D. Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction \$115,000	M2. Total Closing Costs Paid by Borrower \$
E. Credit Cards and Other Debts Paid Off \$	N. Total Credits (Total of L and M) \$
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments) \$1,424	Calculation
Estimated prepaid items	Total Due From Borrower(s) (Line H) \$116,424
Estimated closing costs 1424	Less Total Mortgage Loans (Line K) and Total Credits (Line M) \$125,000
MIP, PMI, Funding Fee	Cash From/To the Borrower (Line H minus Line K and Line N) -\$8,576
G. Discount Points \$	

NOTE: This amount does not include reserves or other funds that may be required by the Lender to

Cash to Close Continue

4. If cash to borrower is still too much after increasing the closing cost, lower the loan amount to make up the difference

Lender Loan Information

- L1. Property and Loan Information
- L2. Title Information
- L3. Mortgage Loan Information**

Terms of Loan

Purchase Price	Loan Amount
<input type="text" value="\$100,000"/>	<input type="text" value="\$125,000"/>
MIP / FF	<input type="button" value="MIP"/>
<input type="text" value="\$0"/>	

Too many risk factors

1. Review reserves

- 1st increase to 3 & rerun
- 2nd increase to 6 months & rerun

2. Review DTI – Lower DTI

- 1st to 43% & rerun
- 2nd to 36% & rerun
- Lower DTI by:
 - Paying off debts
 - Lowering interest rate
 - Lowering Loan Amount

3. Add more income – Add non-occupying co-borrower to increase income

4. Lower LTV by 5%

- Risk Factors Evaluated by DU – <https://selling-guide.fanniemae.com/Selling-Guide/Origination-thru-Closing/Subpart-B3-Underwriting-Borrowers/Chapter-B3-2-Desktop-Underwriter-DU-/1032994121/B3-2-03-Risk-Factors-Evaluated-by-DU-03-03-2021.htm?SearchType=>

Months Reserves

0

Increase to 6
Months

Housing Expense Ratio 29.18%

Lower to less
than 43%

Debt-to-Income Ratio 44.75%

Eligibility requirements for appraisal waiver consideration

The appraisal waiver offer will be considered on the transactions below:

- Loan casefiles that receive an Approve/Eligible recommendation
 - One-Unit properties, including condominiums
 - Limited cash-out refinance transactions:
 - Principal residences and second homes up to 90% LTV/CLTV
 - Investment properties up to 75% LTV/CLTV
 - Cash-Out refinance transactions:
 - Principal residences up to 70% LTV/CLTV
 - Second homes and investment properties up to 60% LTV/CLTV
 - Purchase transactions:
 - Principal residences up to 80% LTV/CLTV
 - Principal residences in “high-needs rural” locations identified by FHFA up to 97% LTV/ 105% CLTV (for borrowers at or below AMI), contingent on home property inspection
 - Recently constructed property (i.e., new construction that is 100% complete) when there is an existing “as is” prior appraisal for the subject property
 - The majority of transactions will not receive an appraisal waiver offer, which means they will require an appraisal by a qualified residential appraiser to establish the market value.
-

Transactions not eligible for PIW

- Texas 50(a)6 loans
- When the lender has any reason to believe an appraisal is warranted
- Construction and construction-to-permanent loans
- Two- to four-unit properties, cooperative units, and manufactured homes
- Loan casefiles in which the value of the subject property provided to DU is \$1,000,000 or greater
- HomeStyle® mortgage products (Renovation and Energy)
- Leasehold properties
- Community land trust homes or other properties with resale restrictions
- DU loan casefiles that receive an ineligible recommendation
- Loans for which the mortgage insurance provider requires an appraisal
- Loans for which rental income from the subject property is used to qualify
- A transaction using a gift of equity

What Prevents DU from offering PIW

Yes. There are a few requirements not related to the loan product or terms that will prevent DU from offering an appraisal waiver, including:

- The subject property address must include the street address, unit number if applicable, city, state, and ZIP Code.
- If a Doc File ID is provided (which indicates an appraisal was already obtained), an appraisal waiver will not be offered.

Are there prior appraisal requirements for an appraisal waiver to be considered?

For an appraisal waiver to be considered, generally a prior appraisal must be found for the subject property in Fannie Mae's Collateral Underwriter (CU) data. When required, DU will compare the address for the subject property to the property addresses found in CU. When a property address match is found, DU will use the information from the prior appraisal to determine if the loan casefile is eligible for the appraisal waiver. In some cases, the prior appraisal may not be acceptable. For example, if a CU Overvaluation Flag was issued on the prior appraisal or the appraisal could not be scored, that prior appraisal will not be used, and an appraisal waiver will not be offered on the new loan casefile.

How you can lose a PIW

If you ran DU and received a “PIW” you can lose it if any of the following change:

- Loan Amount
- Estimated Property Value
- LTV
- Property Address
- Loan Purpose
- Please make sure these fields are accurate before running DU