



Bulletin 18-57

Fannie Mae DU Version 10.3 Release

Fannie Mae will release DU Version 10.3 the weekend of December 8, 2018. New loans submitted to DU, or loans re-submitted to DU on or after the weekend of December 8th will be subject to the changes.

Highlights of DU version 10.3 include:

DU Risk Assessment

The DU credit risk assessment is being adjusted to align with 2018 market conditions (i.e. rising interest rates, declining refinance transactions, and higher LTV lending).

Fannie Mae indicated DU will:

- Continue to analyze each loan using variables that have been shown to be predictive of mortgage delinquency and
- Address market expansion into loans with multiple high-risk factors with more effective management of risk layering

Fannie Mae anticipates a slight **reduction** in loans receiving an “Approve/Eligible” Finding, most notably on loans with multiple high-risk factors

Debt-to-Income Ratio – Cash-Out Refinance Transactions

Cash-out transactions with a DTI > 45% will require a minimum of six (6) months reserves.

Loans for a Borrower Without Traditional Credit

Borrowers with a credit score, but the only tradelines on the credit report are medical tradelines, the loan will receive an “Out of Scope” Finding which will require a manual underwrite. These transactions will be ineligible with HomeBridge as HomeBridge does not offer manual underwrites on Fannie Mae transactions.

2019 Loan Limits

DU will updated with the new conforming loan limits; refer to HomeBridge [Bulletin 18-55](#) for 2019 loan limit information.

Updates to Appraisal Waiver Offers

- Appraisal waivers will **no longer** be offered on refinance transactions when the estimated value of the property is \geq \$1,000,000

Updates to Appraisal Waiver Offers (cont.)

- Loans that received an appraisal waiver offer prior to a disaster, and upon resubmission to DU, continues to meet all other appraisal waiver eligibility requirements, may exercise the appraisal waiver (previously appraisal waiver offer was rescinded).

With the release of DU Version 10.3, Fannie Mae will retire DU Version 10.1. HomeBridge has removed the DU 10.1 guidelines from our website. The DU 10.2 guidelines will remain posted on the HomeBridge website at this time. Brokers should refer to the applicable guidelines based on the DU version the loan was submitted under.

To review Fannie Mae's DU Version 10.3 Release Notes, click here: [DU Version 10.3 Release Notes](#)

The HomeBridge Fannie Mae program guidelines have been updated with the applicable information and posted on the HomeBridge website at www.HomeBridgeWholesale.com

If you have any questions, please contact your Account Executive.