



Seller Guide Update



SEL-2020-100: Upcoming Changes: Redesigned URLA Requirements

December 23, 2020

- Correspondent Lending
- Housing Finance Agency (HFA)

Upcoming Changes: Redesigned URLA



The redesigned URLA was developed by the GSEs (Fannie Mae and Freddie Mac) in partnership with the mortgage industry to provide greater efficiency, transparency and certainty for consumers applying for mortgage loans. The use of the redesigned URLA is required by the GSEs for all lenders to originate loans eligible for sale on the secondary market, and to satisfy the safe harbor requirements of the Equal Credit Opportunity Act (ECOA). The redesigned URLA will provide:

- Greater efficiency, transparency, and certainty with a cleaner overall loan application look and feel.
- Consistent and simplified organization of fields and labels with clearer upfront instructions to enable borrower self-service
- Defined separation of borrower, lender information and borrower applications within a loan package
- New and updated fields to reflect today's mortgage lending business, with obsolete fields removed
- 2018 HMDA Demographic Data, retiring the Demographic Information Addendum

U.S. Bank Implementation and Loan Delivery

U.S. Bank Correspondent and HFA will begin to accept the redesigned URLA starting during the open production timeline with new loan registrations and loan reservations beginning January 1, 2021, for the following programs using your delegated and non-delegated underwriting status:

- Agency Fannie Mae and Freddie Mac
- FHA, VA and USDA*
- Portfolio (*Correspondent only*)

Important Notes:

- *The USDA optional use period runs from December 7, 2020 – February 26, 2021. For USDA loans submitted to U.S. Bank during the optional use period that include the redesigned URLA, lenders will be required to provide the corresponding dataset in the MISMO v3.4 format.
- U.S. Bank will continue to accept applications using the current 1003 taken before the Mandated usage date of March 1, 2021.
- U.S. Bank will require submissions using the redesigned 1003 for applications taken on or after March 1, 2021.
- Any additional requirements for using the redesigned form will be addressed in future communications.



Overall Industry Implementation Timelines

Freddie Mac and Fannie Mae (the GSEs) have extended the implementation timeline for the redesigned Uniform Residential Loan Application (URLA) and automated underwriting systems (AUSs) to support the industry during the COVID-19 pandemic. **The new mandate date for the use of the redesigned URLA and AUS specifications is March 1, 2021.**

- **Limited Production Phase – August 1, 2020:** As announced in December 2019, the Limited Production Period can be thought of as a “test and learn” period. The GSEs will begin accepting the MISMO v3.4 loan application submission files in production on a limited basis. Lenders will have controlled access to the GSEs’ AUS production environments based upon validation of eligibility requirements and completion of the Partner Readiness Questionnaire. Only participants who have completed these prerequisites and received GSE approval will be allowed to submit loans using the redesigned URLA prior to its new effective date of 1/1/21.
- **Open Production – January 1, 2021:** Starting January 1, 2021, all lenders may submit the MISMO v3.4 loan application submission files to GSE-specific AUS production environments using the redesigned URLA. NOTE: Freddie Mac and Fannie Mae are updating the effective date in the footer of the redesigned URLA to 1/2021.
- **Mandate Date - March 1, 2021:** All lenders are required to submit the MISMO v3.4 loan application submission files to the GSEs’ AUS production environments using the redesigned URLA beginning March 1, 2021. Note: Freddie Mac and Fannie Mae will continue to process applications received prior to the mandate date within the AUS format on which they were initially submitted. A one-year run off old 1003’s will run through March 1, 2022.

U.S. Bank System Readiness

Correspondent UniteUS EXT System Readiness

Our current Correspondent loan origination system, UniteUS EXT, has been updated to accept the new 3.4

file including a radio button to alert file use (current URLA 3.2/Redesigned URLA 3.4) Refer to the attached screen shot).

Bulk Upload: U.S. Bank’s new bulk upload template has a new column dedicated to the new MISMO 3.4 file configuration.

HFA System Readiness

For HFA lenders, as this is for the reservation file only, there is no impact systematically.

Frequently Asked Questions

In order to assist you with the new loan deliveries, we have created the attached **Frequently Asked Questions (FAQ)** document that highlights various areas including timelines and processes.

Key highlights are included below; however, lenders are encouraged to review the FAQ in its entirety:

What information is required for delivery using the redesigned URLA?

U.S. Bank will require the borrower and lender pages on all loans. Where applicable, the additional borrower, unmarried addendum and continuation sheet will be required. The redesigned URLA provides one form in five parts:

Required for all loans:

- a. Borrower Information
- b. Lender Loan Information

Use when applicable to the transaction:

- c. Additional Borrower
- d. Unmarried Addendum
- e. Continuation Sheet

Will U.S. Bank accept the new MISMO 3.4 file configuration?

- U.S. Bank currently requires the usage of the MISMO 3.2 file for loans created using the old loan application in alignment with GSE requirements.
- The 3.2 file format will remain a U.S. Bank acceptable file until it is no longer allowed by the GSEs but should only be used for loans originated using the old 1003 documentation. When utilizing the redesigned URLA loan documentation, the MISMO 3.4 or ULAD data is required with that loan documentation.
- **It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).**

Guide Update: 1160.30: U.S. Bank URLA FAQ

Representations, Warranties and Covenants

Lenders are reminded that all representations, warranties and covenants remain in full effect during the optional use and mandate periods. Refer to Correspondent Seller and HFA Lending Guide Section 300: Representations, Warranties and Covenants for more details.

Additional Tools and Resources

- **U.S. Bank URLA Frequently Asked Questions** – attached at the end of this update.
 - [Fannie Mae URLA web page](#)
 - [Freddie Mac URLA web page](#)
 - [Fannie Mae and Freddie Mac Uniform Residential Loan Application \(URLA\) / Uniform Loan Application Dataset \(ULAD\) FAQs](#)
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Questions



Correspondent: Please contact your Account Executive or the Client Support Area at 800.200.5881, option 1.

HFA: Please contact the Housing Finance Agency Hotline at 800.562.5165, option 1 for the HFA Customer Care Team.



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

Updated December 23, 2020

U.S. Bank Correspondent and HFA will begin to accept the redesigned URLA starting with redesigned applications on and after January 1, 2021.

Lenders are encouraged to review our **SEL-2020-100** for additional information and details.

This FAQ document will be dynamic and will continually be edited and updated throughout the project.

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Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

Topic	Question	Response
General Information and Implementation Timelines		
Background	What is the Uniform Residential Loan Application (URLA)?	The URLA (also known as the Freddie Mac Form 65 / Fannie Mae Form 1003) is a standardized document used by borrowers to apply for a mortgage. The URLA is jointly published by the GSEs and has been in use for more than 40 years in all U.S. states and territories.
	Why was the URLA redesigned?	<p>Changes in the mortgage industry and the regulatory environment led the GSEs to reassess the information obtained at the time of loan origination. The URLA/ULAD initiative has the following objectives:</p> <ul style="list-style-type: none"> Update the URLA form to collect loan application information that is relevant and useful to the industry in making a loan underwriting decision, as well as update the physical format and layout to enhance the collection of information and usability of the form. Develop and publish a corresponding standard dataset to support the URLA. The ULAD Mapping Document provides a cross reference for every field on the redesigned URLA to the equivalent data point(s) in the MISMO Version 3.4 Reference Model. Publish GSE-specific automated underwriting system (AUS) specifications for Desktop Underwriter® (DU®) and Loan Product Advisor® updated to MISMO v3.4 and including the redesigned URLA fields.
Overall Industry Timeline	What is the timeline for implementation by the Agencies?	Freddie Mac/Fannie Mae (the GSEs) will extend the implementation timeline for the redesigned Uniform Residential Loan Application (URLA) and automated underwriting systems (AUSs) to support the industry during the COVID-19 pandemic. The new mandate date for the use of the redesigned URLA and AUS specifications is March 1, 2021.
	What is the Limited Production Phase (LPP)?	<p>Limited Production Phase – August 1, 2020: As announced in December 2019, the Limited Production Period can be thought of as a “test and learn” period. The GSEs will begin accepting the MISMO v3.4 loan application submission files in production on a limited basis. Lenders will have controlled access to the GSEs’ AUS production environments based upon validation of eligibility requirements and completion of the Partner Readiness Questionnaire.</p> <p>Only participants who have completed these prerequisites and received GSE approval will be allowed to submit loans using the redesigned URLA prior to its redesigned effective date of 1/1/21.</p>
	When does Open Production begin?	Open Production – January 1, 2021: Starting January 1, 2021, all lenders may submit the MISMO v3.4 loan application submission files to GSE-specific AUS production environments using the redesigned URLA. NOTE: Freddie Mac and Fannie Mae are updating the effective date in the footer of the redesigned URLA to 1/2021.
	When is the Mandated Effective Date?	March 1, 2021: All lenders are required to submit the MISMO v3.4 loan application submission files to the GSEs’ AUS production environments using the redesigned URLA beginning March 1, 2021. NOTE: Freddie Mac and Fannie Mae will continue to process applications received prior to the mandate date within the AUS format on which they were initially submitted. A one-year run off old 1003's will run through March 1 st , 2022.



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

U.S. Bank Home Mortgage General Information and Loan Delivery

Loan Delivery	<p>Will U.S. Bank accept the redesigned URLA prior to the Agencies mandate date of 3/1/21?</p>	<p>Yes, U.S. Bank will begin accepting the redesigned URLA in loan documents beginning January 1, 2021 during the Open Production period outlined on page 2 (refer to Overall Industry Timeline).</p>
	<p>Will U.S. Bank continue to accept the current MISMO 3.2 file configuration?</p>	<p>U.S. Bank requires the usage of the MISMO 3.2 file for loans created using the old loan application in alignment with GSE requirements. The 3.2 file format will remain a U.S. Bank acceptable file until it is no longer allowed by the GSEs but should only be used for loans originated using the old 1003 documentation.</p>
	<p>Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?</p>	<p>U.S. Bank will accept the MISMO 3.4 file for loans created using the redesigned loan application in alignment with GSE requirements beginning January 1, 2021. It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).</p>
	<p>What programs/products can I deliver to U.S. Bank beginning January 2021?</p>	<p>You may now deliver the following programs using your delegated and non-delegated underwriting status:</p> <ul style="list-style-type: none"> Agency Fannie Mae and Freddie Mac FHA, VA and USDA* Portfolio <p>*The USDA optional use period runs from December 7, 2020 – February 26, 2021. For USDA loans submitted to U.S. Bank during the optional use period that include the redesigned URLA, lenders will be required to provide the corresponding dataset in the MISMO v3.4 format.</p>
	<p>What information is required to be delivered using the redesigned URLA if a lender is approved to do so?</p>	<p>U.S. Bank will require the borrower and lender pages on all loans. Where applicable, the additional borrower, unmarried addendum and continuation sheet will be required.</p> <p>The redesigned URLA provides one form in five parts:</p> <p>Required for all loans:</p> <ol style="list-style-type: none"> a. Borrower Information b. Lender Loan Information <p>Use when applicable to the transaction:</p> <ol style="list-style-type: none"> c. Additional Borrower d. Unmarried Addendum e. Continuation Sheet
	<p>Will there be a preference for displaying the loan number and/or the ULI at the top of the URLA output forms?</p>	<p>U.S. Bank does not have a specific requirement. It would, however, be helpful if the chosen path is consistent from page to page and from application to application.</p>



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

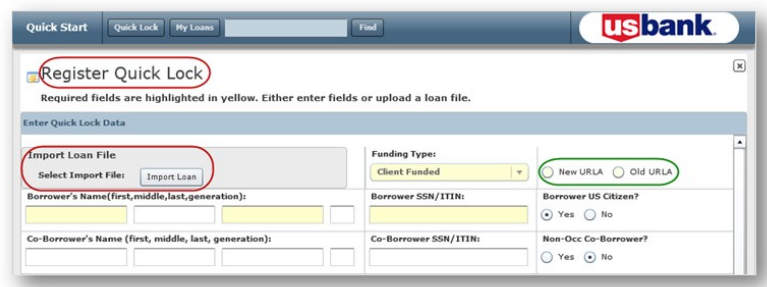
Loan Delivery, continued	Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?	<p>U.S. Bank will accept the MISMO 3.4 file for loans created using the redesigned loan application in alignment with GSE requirements beginning January 1, 2021.</p> <p>It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).</p>
	What does U.S. Bank required for sections where no data is entered?	<p>U.S. Bank does not have a specific requirement, other than a clear indication if the section does not apply so that U.S. Bank knows there is no information in it.</p>
	In regard to the (.fnm) file upload on the redesigned U.S. Bank lock request form, will there be any updates to this process?	<p>U.S. Bank will begin accepting the redesigned URLA on January 1, 2021. We will continue to accept the 3.2 version until it is no longer allowed by the GSEs.</p> <ul style="list-style-type: none"> If a user uploads the (.fnm) file, our UniteUS EXT system will automatically set the URLA flag based on the version. If a user is manually creating a loan, he/she will need to select which URLA version was used for the loan. <p>It is important to note, that once a loan has the URLA version selected, it cannot be changed. In the event there is an error, the loan would have to be cancelled and new loan created.</p>

Systems

U.S. Bank will accept production utilizing the redesigned URLA through our current loan origination system, UniteUS EXT.

Functionality Highlights:

- UniteUS EXT** – For Correspondent, UniteUS EXT has been updated to accept the redesigned 3.4 file including a radio button to alert file use (Old URLA 3.2/Redesigned URLA 3.4) Refer to the attached screen shot here reflecting the system change.)
 - Bulk Upload:** U.S. Bank’s redesigned bulk upload template has a redesigned column dedicated to the redesigned MISMO 3.4 file configuration.
- LICS** - For HFA lenders, as this is for the reservation file only, there is no impact systematically.



Additional Resources

- [Fannie Mae URLA web page](#)
- [Freddie Mac URLA web page](#)
- [Fannie Mae and Freddie Mac Uniform Residential Loan Application \(URLA\) / Uniform Loan Application Dataset \(ULAD\) FAQs](#)

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