



# Seller Guide Update



SEL-2021-013: Uniform Closing Dataset (UCD) Changes Coming Soon

March 25, 2021

- Correspondent Lending
- Housing Finance Agency (HFA)

## Summary

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

[Freddie Mac and Fannie Mae \(the GSEs\) announced on August 11, 2020](#), that they are implementing a two-year transition to convert certain edits in their Uniform Closing Dataset (UCD) collection systems from “warning” to “critical.” This transition will begin May 31, 2021, and is designed to enhance data quality and consistency for single-family loans the GSEs purchase.

### Fannie Mae and Freddie Mac shared the following items for transition preparation:

The GSEs recommend lenders and software partners/technology solution providers (TSPs) take the following steps to prepare for the transition:

- [Review GSE-specific feedback messages](#). In preparation for the transition to “critical” edits, lenders should review all feedback messages returned by the UCD collection systems and resolve any issues, particularly those relating to future “critical” edits. Each GSE published a list of feedback messages for Phase 1 of the UCD Critical Edits for their respective UCD collection systems. Currently, each GSE’s respective UCD collection system issues a “warning” message if the data provided is missing, inconsistent, or incorrect according to the UCD specification.
- **Test your UCD XML files.** The respective GSE UCD collection system testing environments are available for testing for Phase 1 UCD Critical Edits. Test your UCD XML files to resolve potential critical issues prior to the Phase 1 transition on May 31, 2021.
- **Plan implementation with the updated UCD Critical Edits Implementation Guide.** The GSEs have updated the UCD Critical Edits Implementation Guide to provide additional clarity on certain critical edits.
  - [Review the UCD Critical Edits - Implementation Guide](#).
- **Review the UCD Critical Edits Matrix 2.0.** The GSEs published the matrix, which contains the edits and associated datapoints for all phases. Lenders are encouraged to familiarize themselves with the matrix prior to implementation.
- **Review the Transition Timeline.** The rollout approach consists of transitioning edits from “warning” to “critical/fatal” in four phases that closely align with the various sections of the Consumer Financial Protection Bureau’s Closing Disclosure. The effective date of each edit transition to “critical/fatal” is identified by phases 1-4.

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**Phase 1  
Implementation  
Edits**

The following edits are included in the Phase 1 Implementation:

<b>Phase 1: Implementation Date: May 31, 2021</b>		
<b>Closing Disclosure Sections</b>	<ul style="list-style-type: none"> <li>• Closing Information</li> <li>• Loan Information</li> <li>• Loan Disclosures</li> <li>• Escrow Account</li> </ul>	<ul style="list-style-type: none"> <li>• Loan Calculations</li> <li>• GSE Specific</li> <li>• GSE Regulation Z</li> <li>• Payoffs and Payments</li> </ul>
<b>Fields Related to Critical Messages</b>		
<b>Closing Information Section:</b> (8 messages related to 9 fields)	<ul style="list-style-type: none"> <li>• Issue Date</li> <li>• Closing Date</li> <li>• Disbursement Date</li> <li>• Postal Code</li> <li>• Sales Contract Amount</li> </ul>	<ul style="list-style-type: none"> <li>• Real Property Amount</li> <li>• Personal Property Indicator</li> <li>• Property Valuation Amount</li> <li>• Property Estimated Value Amount</li> </ul>
<b>Loan Information Section:</b> (6 messages related to 10 fields)	<ul style="list-style-type: none"> <li>• Loan Maturity Period Count</li> <li>• Construction Loan Term Count</li> <li>• Construction Loan Indicator</li> <li>• Loan Purpose Type</li> <li>• Amortization Type</li> </ul>	<ul style="list-style-type: none"> <li>• Mortgage Type</li> <li>• Mortgage Type 'Other'</li> <li>• MI Company Name Type</li> <li>• MI Company Name Type 'Other' Desc.</li> <li>• MI Required Indicator</li> </ul>
<b>Loan Disclosures:</b> (5 messages related to 5 fields)	<ul style="list-style-type: none"> <li>• Assumability Indicator</li> <li>• Late Charge Type</li> <li>• Late Charge Amount</li> </ul>	<ul style="list-style-type: none"> <li>• Late Charge Grace Period</li> <li>• Late Charge Rate Change</li> </ul>
<b>Escrow Account Fields:</b> (1 message related to 1 field)	<ul style="list-style-type: none"> <li>• Escrow Indicator</li> </ul>	
<b>Loan Calculations Fields:</b> (1 message related to 1 field)	<ul style="list-style-type: none"> <li>• Annual Percentage Rate</li> </ul>	
<b>GSE Specific Fields:</b> (9 messages related to 9 fields)	<ul style="list-style-type: none"> <li>• Ability to Repay Method Type</li> <li>• Ability to Repay Exemption Reason</li> <li>• Lien Priority Type</li> <li>• AUS Type</li> <li>• AUS Type Other Description</li> </ul>	<ul style="list-style-type: none"> <li>• Loan Manual Underwriting Indicator</li> <li>• Average Prime Offer Rate Percent</li> <li>• Current Rate Set Date</li> <li>• Appraisal Identifier</li> </ul>
<b>GSE Reg Z Fields:</b> (6 messages related to 6 fields)	<ul style="list-style-type: none"> <li>• Reg Z Excluded Bona Fide Discount Point Indicator</li> <li>• Loan Price Quote Interest Rate %</li> <li>• Reg Z Excluded Bona Fide Discount Points Percentage</li> </ul>	<ul style="list-style-type: none"> <li>• Reg Z Total Affiliate Fees Amount</li> <li>• Reg Z Total Loan Amount</li> <li>• Reg Z Total Points and Fees Amount</li> </ul>
<b>Payoffs and Payments Fields:</b> (4 messages related to 6 fields)	<ul style="list-style-type: none"> <li>• Liability Secured by Subject Property Indicator</li> <li>• Payoffs and Payments Section</li> <li>• Liability Type</li> </ul>	<ul style="list-style-type: none"> <li>• Liability Type Other Description</li> <li>• Integrated Disclosure Section Type = Payoffs and Payments</li> <li>• Integrated Disclosure Section Total Amount</li> </ul>

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## Reminders

- Conventional conforming loans must meet the GSEs' UCD requirements as well as U.S. Bank Home Mortgage-specific UCD requirements to be eligible for purchase as outlined in the Correspondent Seller and HFA Lending Guides.
  - This includes evidence of a successful UCD submission response from **both** of the GSEs (Fannie Mae and Freddie Mac) that is required in the closed loan package with the exception of Correspondents who deliver as an approved Easy D™ Seller; loans delivered under Easy D delivery only require the Freddie Mac Feedback Certificate.
  - As a reminder, for Phase 1 implementation edits as outlined on page 2 of this announcement, loans submitted to AUS prior to 5/31 will return as 'warning' messages; if the loan is resubmitted to AUS after 5/31, they will reflect 'critical' messages.
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## Fannie Mae and Freddie Mac Resources

Additional resources provided by Fannie Mae and Freddie Mac include:

Item	Fannie Mae	Freddie Mac
UCD Resources	<a href="#">Uniform Closing Dataset   Fannie Mae</a>	<a href="#">Uniform Closing Dataset - Freddie Mac Single-Family</a>

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## Questions



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

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