



Seller Guide Update



SEL-2022-013: UCD Critical Edit Transition Phases 2-4 Timeline

March 31, 2022

- 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

On November 2, 2021 Freddie Mac and Fannie Mae (the GSEs) published the updated timeline for the Uniform Closing Dataset (UCD) critical edits transition for Phases 2-4. The updated timeline took into consideration the competing priorities of, and implementation resources needed by, lenders and technology solution providers.

As a reminder the UCD critical edits Phase 2 implementation date is March 31, 2022.

Phase 2-4 Timeline

Phase 1	Phase 2	Phase 3	Phase 4
July 31, 2021	March 31, 2022	September 30, 2022	March 31, 2023
<ul style="list-style-type: none"> • Closing Information • Loan Information • Loan Disclosures • Escrow Account • Loan Calculations • GSE Specific • Regulation Z & Qualified Mortgage (QM) 	<ul style="list-style-type: none"> • Loan Terms • Projected Payments • Cash to Close • Summaries of Transactions 	<ul style="list-style-type: none"> • Loan Costs • Other Costs • Total Closing Costs (Borrower - Paid) • Lender Credits 	<ul style="list-style-type: none"> • Transaction Information • Contacts • Cash to Close (Calculations) • Summaries of Transaction (Calculations)

Preparing for Phase 2 Implementation

In order to assist lenders in preparing for the upcoming implementation, please review this Seller Guide Update which contains the following information:

- Phase 2 Implementation Edits
- Transition Preparation
- Fannie Mae and Freddie Mac Resources
- Reminders
- Questions



**Phase 2
Implementation
Edits**

The following [critical edits](#) are included in the Phase 2 Implementation:

Phase 2: Implementation Date: March 31, 2022		
Closing Disclosure Sections	<ul style="list-style-type: none"> • Loan Terms • Projected Payments 	<ul style="list-style-type: none"> • Cash-to-Close • Summaries of Transactions
Fields Related to Critical Messages		
Loan Terms	<ul style="list-style-type: none"> • Loan Amount • Interest Rate • Payment Frequency 	<ul style="list-style-type: none"> • Prepayment Penalty • Principal and Interest • Balloon Indicator
Projected Payments	<ul style="list-style-type: none"> • First Payment Period • Payment Amount • Payment Frequency 	<ul style="list-style-type: none"> • Payment Frequency Comparison Rule • Estimated Taxes, Insurance & Assessments
Total Closing Costs (J)	<ul style="list-style-type: none"> • Total Closing Costs Must Exist 	<ul style="list-style-type: none"> • Total Closing Costs Amount Must Exist
Total Payoffs and Payments	<ul style="list-style-type: none"> • Total Payoffs And Payments Must exist 	<ul style="list-style-type: none"> • Total Payoffs And Payments Amount must exist
Cash-to-Close	<ul style="list-style-type: none"> • Cash To Close Total Must Exist 	<ul style="list-style-type: none"> • Cash To Close Total Amount Must Exist
Due From Borrower At Closing	<ul style="list-style-type: none"> • Due From Borrower At Closing section must exist 	<ul style="list-style-type: none"> • Grey Bar Total Must Exist for: Due From Borrower At Closing
Paid Already By Or On Behalf Of Borrower at Closing	<ul style="list-style-type: none"> • Paid Already By Or On Behalf Of Borrower at Closing section must exist • Grey Bar Total Must Exist for: Paid Already By Or On Behalf Of Borrower at Closing 	<ul style="list-style-type: none"> • Seller Concessions / IPC • Deposit

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 2 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 2 UCD Critical Edits. Test your UCD XML files to resolve potential critical issues prior to the Phase 2 transition on March 31, 2022.
- **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 3.0.** 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 for remaining phases 2-4.

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.
 - For Correspondent, 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.
 - For HFA, the HFA may sell the loan to Fannie Mae or Freddie Mac. Therefore, the UCD file must be submitted to the specific Agency that the HFA will ultimately deliver the loan to with evidence of a successful UCD submission contained in the closed loan submission package.
- As a reminder, for Phase 2 implementation edits as outlined on page 1 of this announcement, loans submitted to AUS prior to 3/31 will return as ‘warning’ messages; if the loan is resubmitted to AUS after 3/31, they will reflect ‘critical’ messages

Fannie Mae and Freddie Mac Resources

Additional resources provided by Fannie Mae and Freddie Mac include:

Item	Fannie Mae	Freddie Mac
UCD Resources	Uniform Closing Dataset Fannie Mae	Uniform Closing Dataset - Freddie Mac Single-Family

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.