



# Seller Guide Update



SEL-2023-059: Updates to UCD Critical Edit Transition Phase 3B-4 Timeline

October 6, 2023

- Correspondent Lending
- Housing Finance Agency (HFA)

## Background

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

In **SEL-2023-023** published on April 21<sup>st</sup>, we reminded lenders that Fannie Mae and Freddie Mac (the GSEs) published new and updated Uniform Closing Dataset (UCD) critical edits resources to help lenders and software partners/technology solution providers prepare.

On September 6<sup>th</sup>, [Fannie Mae and Freddie Mac published a joint communication](#) announcing that the Uniform Closing Dataset (UCD) Phase 3B critical edits that limit the fee enumerations allowed in three sections of the Closing Disclosure (CD) will not turn critical/fatal on November 6, 2023. The changes shown in the table below are intended to provide relief to customers who are experiencing high failure rates for edits validating fees delivered in these sections. All other Phase 3B critical edits will transition to critical/fatal as planned on November 6, 2023.

Integrated Disclosure Section Type	Fee Type	Postponed Enforcement of Fee by Section 3B Requirements
Services Borrowers Did Not Shop For	Fee Type enumerations specified as valid for Section B	Fees must be valid for the section
Services Borrowers Did Shop For	Fee Type enumerations specified as valid for Section C	Fees must be valid for the section
Other	Fee Type enumerations specified as valid for Section H	Fees must be valid for the section

In addition, the enforcement of only one instance of “Recording Fee For Deed,” “Recording Fee For Mortgage,” and “Recording Fee Total” is postponed to allow ancillary fees for the recording process to be delivered in the above sections as applicable.

Note: The only change to the Phase 3B requirements in the published Critical Edits Matrix (CEM) v6.02 is an indication that certain messages are “3B Postponed.” These messages will continue to be issued as “warning” severity. Refer to the updated [Joint GSE UCD Phase 3 Critical Edits Feedback Message Mapping Document](#) for the 3B postponed message codes and feedback messages.

## Realignment of Fees and Sections

The GSEs are working on updates to the existing UCD Specification v1.5. Included in that work will be a determination of the best approach for ensuring that the fees in each section comply with the Integrated Disclosures regulation first, and then with industry practice. The updated UCD specification will reflect this realignment of fee types. Once that work is completed, the timeline of the “3B Postponed” edits will be announced.

## Phase 4 Critical Edits

Lenders and software partners/technology solution providers (TSPs) should consider delaying work to comply with the Phase 4 critical edits currently published in the CEM. While the focus of the edits is expected to remain the same, the specific requirements may change. Updates to the requirements for the Phase 4 critical edits will be included in the UCD Specification update to be published in 2024 and the CEM for Phase 4. Lenders and software partners/TSPs can expect a transition period similar to that used for Phase 3.



## Additional Resources

Each GSE will continue to provide reporting via their existing channels. Resources are available on the Fannie Mae UCD page and the Freddie Mac UCD page to help you prepare:

- The source documents affected by the postponement of certain edits are the Critical Edits Matrix ([CEM](#)) and the [Joint GSE UCD Phase 3 Critical Edits Feedback Message Mapping Document](#).
- [UCD Critical Edits Matrix, v6.02](#) - Updated
- [Joint GSE UCD Phase 3 Critical Edits Feedback Message Mapping Document, v2.4](#) – Updated
- Joint GSE UCD Phase 3 Critical Edits Job Aids - Updated:
  - [Fees](#) – Updated
  - [Escrows](#)
  - [Taxes and Other Government Fees](#) – Updated
  - [Prepays](#)
  - [Loan Discount Points and Lender Credits](#)
  - [Qualified Mortgage Short Reset ARM APR Percent](#)
- [UCD FAQs](#)
- GSE-specific critical edits [feedback message codes and text](#)

For more information on UCD, visit Fannie Mae and Freddie Mac UCD pages below:

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

## 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.