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DU Validation Service Revision

Truist Bank (Truist) aligns with Fannie Mae and revises Desktop Underwriter® (DU®) validation service requirements to allow income and employment validation using an asset verification report.

Effective Dates

This update is effective immediately for existing and new loan applications on or after June 07, 2024.

Background Information

Fannie Mae SEL-2024-02 announced an update that expanded the DU validation service to allow income and employment validation using an asset verification report. In response to this publication, we reviewed impacted standard documents and identified the opportunity to implement revisions to align with Fannie Mae.

Bulletin Details

DU Validation Service – Income and Employment Validation Using Asset Verification Reports

For DU loans, we revised requirements to reflect that income and employment can now be validated using an eligible asset verification report as a part of the DU validation service. With this new capability, borrower income (wage and non-wage) and employment information in the loan application is compared against deposits in an asset verification report's transaction history. When a recurring deposit can be matched to a borrower's income source, DU will validate the income when the income value calculated by DU supports the income provided by the lender on the loan application. Employment may also be validated when income can be calculated for the borrower's wage income even if the calculated amount cannot be used to validate the lender provided income amount.

When income or employment is validated using an asset verification report, lenders receive relief from enforcement of related representations and warranties if the loan closes by the date specified in the DU messages and all other conditions of the DU validation service are met. The close-by-date in DU for income validation is equal to 4-months from the "current-as-of" date (the effective date of the report data) of the asset verification report. Similarly, the close-by-date for employment validation is equal to 15 calendar days.

To be eligible for income and employment validation using asset verification reports, loans must meet the following criteria:

- The income type must be an eligible income type for validation (*see below for details*)
- Loan casefile must receive an "Approve/Eligible" recommendation from DU
- Loan casefile must have a debt-to-income ratio less than 45.000%
- Asset account data must be sourced from a valid account type (checking or savings account) and contain a minimum of 12-months of account history

Bulletin Details, continued

DU Validation Service – Income and Employment Validation Using Asset Verification Reports, continued

The following income types are eligible for income validation using an asset verification report obtained from an authorized provider; wage income is also eligible for employment validation:

- **Wage-Related (Non-Self-Employed) Income and Employment Types:** Base, Bonus, Overtime, and Commission
- **Non-Wage Income Types:** Alimony, Child Support, Retirement (Pension), Social Security (Retirement, Disability, Supplemental, Survivor Benefits), and VA Benefits (Non-Educational)

DU will return messages for each loan casefile where asset verification reports are referenced on the loan application and will inform the lender when these reports are used to support validation. A listing of the DU messages that may apply to income and employment validation when using an asset verification report is outlined in the [DU Validation Service Release Notes - March Update](#).

See today’s revised product material for additional details related to this update.

Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of all standard revisions.

Revised Material

Click [Agency Loan Standard](#) to review the revised product material.

Former Standards

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former standards.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator at 800.382.2111, option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.