

Agency Standards Revisions

Note: Truist specific overlays are underlined.

Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for Loan Casefiles Submitted or Resubmitted to DU ON OR AFTER April 04, 2025																																								
DU Validation Service - Military Income	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none"> Standard Agency (DU) Agency Plus (DU) Agency Plus Select (DU) Home Ready® (DU) Texas Section 50(a)(6) Mortgages (DU) 	<p>Underwriting the Borrower / Fannie Mae DU Loans</p> <p>Fannie Mae DU Follow DU requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> DU Validation Service <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> Income Validation <ul style="list-style-type: none"> The following table lists the income types that can be validated, and the documentation that DU will require, which may be different than the standard documentation required. For all eligible income types, the lender must determine the income type, amount, and source and enter this information in the applicable field in DU. <p>Note: Income types not listed below (such as military income) are not eligible for income validation by DU.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 40%;">Eligible Income Types</th> <th style="width: 60%;">Eligible Verification Report</th> </tr> </thead> <tbody> <tr> <td>Base (non-self-employed)</td> <td rowspan="4"> <ul style="list-style-type: none"> Asset Verification Report Employment and Income Verification Report </td> </tr> <tr> <td>Bonus</td> </tr> <tr> <td>Overtime</td> </tr> <tr> <td>Commission</td> </tr> <tr> <td>Alimony</td> <td> <ul style="list-style-type: none"> Asset Verification Report </td> </tr> <tr> <td>Child Support</td> <td> <ul style="list-style-type: none"> Asset Verification Report </td> </tr> <tr> <td>Retirement (pension)</td> <td> <ul style="list-style-type: none"> Asset Verification Report Tax Return Transcript (Taxpayer Tax Return Summary Report) </td> </tr> <tr> <td>Social Security (retirement, disability, supplemental, survivor benefits)</td> <td> <ul style="list-style-type: none"> Asset Verification Report Tax Return Transcript (Taxpayer Tax Return Summary Report) </td> </tr> <tr> <td>Self-employed (IRS Form 1040 Schedules C or C-EZ for sole proprietorships only)</td> <td> <ul style="list-style-type: none"> Tax Return Transcript (Taxpayer Tax Return Summary Report) </td> </tr> <tr> <td>VA Benefits (non-educational)</td> <td> <ul style="list-style-type: none"> Asset Verification Report </td> </tr> </tbody> </table> <p>Note: Additional supporting documentation may be required for some income types (such as child support or alimony).</p> <ul style="list-style-type: none"> Income -Additional Information <ul style="list-style-type: none"> The following additional information applies to income validated by DU: <ul style="list-style-type: none"> If an employment and income verification report is used, the vendor must obtain income information using data obtained from the report supplier's existing database of employer provided information. All income or direct deposit amounts shown on the income or asset verification report must be reflected in U.S. dollars. 	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See “Employment-Additional Information” below for guidance.</p> <ul style="list-style-type: none"> • must review the verification report relied upon by DU for validation, and: <ul style="list-style-type: none"> • investigate and resolve any conflicting or contradictory information, and • when an asset verification report is used to validate income, the lender must confirm that the borrower is listed as an owner of the asset account and that the report reflects the borrower’s name as account holder. The lender need only review the report covering the period of time (30- or 60-days) required for asset verification for the transaction type, or if no asset verification is required for the transaction, the account activity covering the most recent 30-day period, for these purposes. • Age of Income Document Requirements <ul style="list-style-type: none"> • Asset Verification Reports and Employment and Income Verification Reports: The date of the report must comply with standard age of credit document requirements as outlined in the “Allowable Age of Credit Documents” requirements previously presented in the “income” topic. • Tax Return Transcripts: To ensure that the income validation is completed using the most recent tax transcripts, the following will be used to determine if the transcript contains the most recent tax return information. Lenders are not required to comply with the “Allowable Age of Credit Documents” requirements when DU issues the message that income has been validated. <ul style="list-style-type: none"> • For loan casefiles created on or before April 30, the most recent tax transcript must be provided. The most recent tax transcript would be for the prior year (current year minus 1). If the prior year tax return has not yet been filed or the transcript is not yet available, the most recent tax transcript will be the current year minus two. • For loan casefiles created after April 30, the most recent year tax transcript must be provided for validation to be completed. 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