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## Truist Accepts the Redesigned URLA Starting January 1, 2021

Truist Bank (Truist) notifies Correspondent lenders of our upcoming acceptance and mandatory use dates of the redesigned Fannie Mae Form 1003/Freddie Mac Form 65, *Uniform Residential Loan Application* (URLA). This guidance applies for all Truist loan programs (all underwriting methods).

We also alert Correspondent lenders of the new Fannie Mae Desktop Underwriter® (DU®) and Freddie Mac Loan Product Advisor® (LPA®) technical specifications and various other DU and LPA updates to support the implementation of the redesigned URLA.

### Effective Dates

- **January 1, 2021:** Truist will begin accepting the redesigned URLA (*version with the 1/2021 effective date in the footer*) for loans with application dates on or after January 1, 2021 from Correspondent lenders who are ready to implement; however, Correspondent lenders are not required to begin using the redesigned URLA at this time
- **January 16, 2021:** DU messaging specifying the loan application submission file type is effective for DU Version 10.3 loan casefiles submitted or resubmitted to DU on or after the weekend of January 16, 2021
- **March 1, 2021:**
  - Use of the redesigned URLA is **mandatory** by all Correspondent lenders for loans with application dates on or after March 1, 2021
  - Fannie Mae Form 1003A/Freddie Mac Form 65A, *Statement of Assets and Liabilities* will be retired
- Use of the new DU and LPA technical specifications and revised LPA instructions for alimony income and Affordable Seconds is **mandatory** with the lender's implementation of the redesigned URLA (see dates above)
- **November 30, 2021:** Loans with applications received **prior to** the March 1, 2021 mandate on the legacy URLA form (*version with the 7/05 (rev. 6/09) effective date in the footer*) and legacy AUS format must be purchased by Truist on or before November 30, 2021.

### Background Information

In collaboration with lenders, technology solution providers, government agencies (FHA, VA, and USDA-RD), mortgage insurance companies, document preparation companies, and other industry stakeholders, Fannie Mae and Freddie Mac (the GSEs) jointly redesigned the URLA and created new AUS specifications (*based on Mortgage Industry Standards Maintenance Organization [MISMO] v3.4*) to improve and modernize the loan application and automated underwriting process. The GSEs will begin accepting the redesigned URLA and MISMO v3.4 submissions to their automated underwriting systems on January 1, 2021, with a mandatory use date of March 1, 2021. With today's communication, we take the opportunity to notify our lenders of Truist's alignment with the GSEs' URLA implementation timeline and the application of this guidance for all Truist loan programs.

### Bulletin Details

#### Use of the Redesigned URLA

Truist aligns with the GSEs' redesigned URLA implementation timeline and applies the following guidance for all Truist loan programs:

- Truist will begin accepting the redesigned URLA, from Correspondent lenders who are ready to implement, starting January 1, 2021 for loans with application dates on or after January 1, 2021
- All Correspondent lenders are required to use the redesigned URLA beginning March 1, 2021 for loans with application dates on or after March 1, 2021
- Correspondent lenders using the redesigned URLA must use the updated AUS data specifications for each GSE (Fannie Mae DU Specification MISMO V. 3.4 and Freddie Mac LPA v5.0.06) based on MISMO v3.4. These new specifications replace the legacy specifications that were based on MISMO 2.X or a flat file. The redesigned URLA cannot be used with the existing legacy AUS formats.

## Bulletin Details, continued

### Use of the Redesigned URLA, continued

- If a legacy AUS file is submitted **prior to** the March 1, 2021 mandate, the submitted file may remain in the legacy format and the lender may complete the loan using the legacy 07/05 (Rev. 06/09) URLA form, even after the mandate; however, the loan must be purchased by Truist on or before November 30, 2021. **New** applications submitted after the mandate will not be accepted if submitted using a legacy AUS file format.

**Note:** Truist is imposing the above referenced November 30, 2021 purchase (by Truist) cut-off date to ensure compliance with the GSEs March 1, 2022 delivery date requirements for loan applications in the legacy AUS format and on the legacy URLA form.

- The Fannie Mae Form 1003A/Freddie Mac Form 65A, *Statement of Assets and Liabilities* (and the Spanish equivalent versions) will not be used with the redesigned URLA and will be retired on March 1, 2021

### DU and Fannie Mae Selling Guide Updates to Support the Redesigned URLA: *New Messaging and Other Updates*

DU will issue messages specifying the version of the loan application that was used for the submission of the DU loan casefile based on the timelines below.

#### **Loan casefiles submitted using the MISMO V3.4 loan application:**

- Loan casefiles **submitted or resubmitted** after the weekend of January 16, 2021: A new Observation message will be issued stating the MISMO V3.4 loan application was used on the loan casefile submission.

#### **Loan casefiles submitted using the 1003 v3.2 or MISMO v2.3.1 loan application:**

- Loan casefiles **created on or after January 16, 2021:** A new Observation message will be issued stating the loan casefile was submitted using the 1003 v3.2 or MISMO v2.3.1 loan application, and that as of March 1, 2021 all new loan applications must be submitted using the redesigned Form 1003 (MISMO V3.4).
- Loan casefiles **created on or after March 1, 2021:** A new Ratings message will be issued stating the loan casefile was submitted using the 1003 v3.2 or MISMO v2.3.1 loan application, and that all new loan applications taken on or after March 1, 2021 must be submitted using the redesigned Form 1003 (MISMO v3.4).

Several other updates are being made to DU to support the redesigned URLA. See the [Desktop Underwriter/Desktop Originator Release Notes - Support of the Redesigned Uniform Residential Loan Application](#) for details on the following topics:

- New User Interface
- Missing Data Field Errors
- New and Updated Messages
- DU Validation Service Reference Number
- DU Underwriting Findings Report
- Net Equity for Pending Sale Properties
- DU for Government Loans

**Reminder:** The following property/transaction types referenced in the above release notes remain ineligible for Agency DU loans purchased by Truist:

- cooperatives
- land trusts
- manufactured homes (including MH Advantage)

## Bulletin Details, continued

### DU and Fannie Mae Selling Guide Updates to Support the Redesigned URLA: *New Messaging and Other Updates, continued*

Fannie Mae Selling Guide updates to support the redesigned URLA are detailed in [Fannie Mae Announcement SEL-2020-07](#) as summarized below:

- The terms “loan application” and “Form 1003” generally mean the same thing. The term “online loan application” refers to the DU user interface (or the lender’s loan origination system) where data is collected that is not on the Form 1003.
- To account for changes in the location of data between the current and redesigned forms, where possible, Fannie Mae has removed references to specific Form 1003 section numbers and field names.
- Where necessary for clarity, Fannie Mae has added specific references to fields in Form 1003 (7/05 rev.6/09) and Form 1003 (1/2021).
- Fannie Mae has added some new fields that are on the redesigned Form 1003 that have related guidelines. For example, separate maintenance income has been added to alimony and child support income guidance. Grants are considered donations from others and no longer referred to as gifts.
- Fannie Mae has retained some information that is on the current Form 1003 but no longer in the redesigned Form 1003.

### LPA Updates to Support the Redesigned URLA: *New Messaging and Instructions for an Alimony Obligation and Affordable Seconds for Agency LPA Loans*

- LPA will issue new messages to support the implementation of the redesigned URLA. [Click here](#) to view the four new URLA related messages.
- When entering an alimony obligation with the updated LPA Specification v5.0.06, select “Alimony” for Income Type and enter it as a negative number. If the borrower also receives alimony income, select the applicable income type(s) of “Alimony” for Income Type and enter the amount received. Lenders will no longer need to manually add applicable income type(s) together and subtract out any obligations. These revised instructions must be used with the implementation of the redesigned URLA.
- The updated Loan Product Advisor v5.0.06 technical specifications contain new data fields to enable lenders to accurately identify Affordable Seconds with no payment requirements before the due date of the 61<sup>st</sup> monthly payment. See [Freddie Mac Bulletin 2020-26](#) (*table on pages #3-4*) for the revised data entry instructions. These revised instructions must be used with the implementation of the redesigned URLA.

#### **Note for Correspondent Lenders Who Do Not Implement the Redesigned URLA until March 1, 2021**

- Mortgages with Affordable Seconds treated as a gift in LPA remain ineligible for purchase by Truist (*an existing Truist overlay*). This overlay will no longer be applicable (and will be removed) with the implementation of the revised URLA.

### Additional Information

For additional information about the redesigned URLA and updated AUS specifications, see:

- Fannie Mae’s [URLA web page](#)
- Freddie Mac’s [URLA/ULAD web page](#)

### Revised Materials

All impacted product descriptions reflecting updates to support the implementation of the revised URLA will be published no later than January 29, 2021.

# Product Release

Information for Correspondent Lenders of Truist Bank  
December 23, 2020 • COR20-064



## Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators 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.

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