



# Early Assessment

Offered in Desktop Underwriter® (DU®)

**Federal Home Loan Bank of Chicago Webinar for  
Participating Financial Institutions (PFI)**

October 7<sup>th</sup>, 2024

# Session Objectives

- ❑ Opportunities for PFIs at the Mortgage Origination Point of Sale
- ❑ Origination and Underwriting Solutions for MPF Product
- ❑ Overview of Desktop Underwriter Early Assessment
- ❑ Getting Started and Implementation Resources

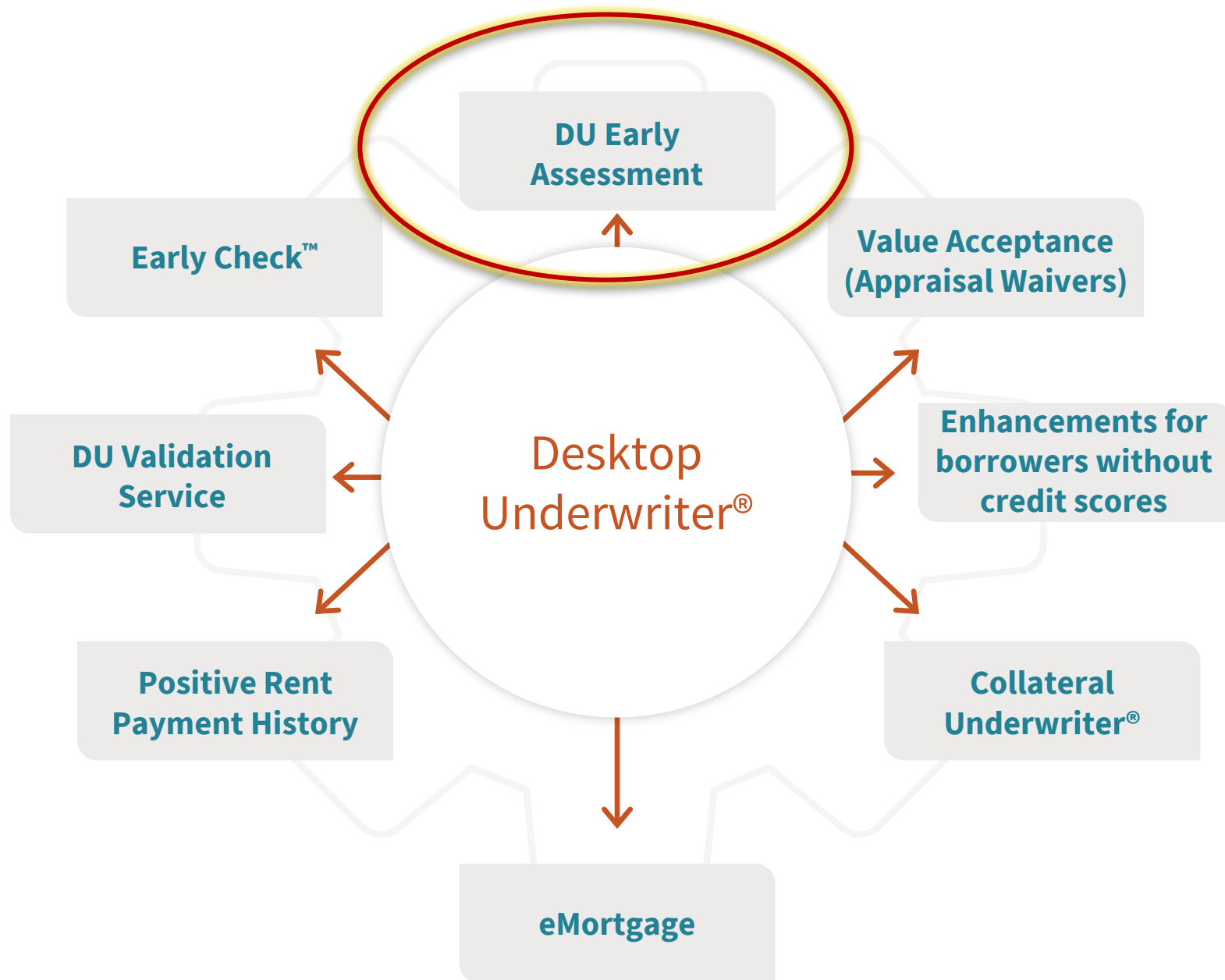
# PFI Opportunities

- ❑ Borrower prequalification process
- ❑ Borrower mortgage loan experience
- ❑ Manage loan application fallout

- Federal Home Loan Bank of Chicago MPF® Marketing Bulletin – Sept 20<sup>th</sup>
- Fannie Mae Bulletin 24-01: FHLB DU Only via MPF Program Addendum – Sept 23<sup>rd</sup>

# Power, Connect, Innovate —All at Once

DU is the powerhouse that connects Fannie Mae technologies and gives users innovation at their fingertips.



# Pre-qualify homebuyers with more certainty from DU®

Now lenders can get an early assessment from DU during their pre-qualification process, with no impact to a consumer's credit score.



# Providing an enhanced experience for lenders and homebuyers

Early assessment provides lenders a DU-based conditional eligibility recommendation as part of their pre-qualification process for retail originations. To provide an early assessment, the enhancement uses:



## Soft credit pull

Accepts a single soft credit report, which doesn't impact the consumer's credit score.



## Optimized dataset with option to default and auto-populate data fields

Accepts an optimized dataset, which can help lenders with process efficiencies.

*Note: DU early assessment can also accept dual or tri-bureau soft credit reports*



# Providing key information earlier in the mortgage process

After an early assessment submission to DU, lenders receive a DU Findings report with the conditional recommendation in Message 3087.

The Findings report also includes eligibility information, including the potential for:

- Value acceptance (appraisal waivers)
- HomeReady® eligibility
- Positive rent payment history eligibility\*
- Validation of assets, income, and employment through the DU validation service\* on a conditional basis

*NOTE: To be eligible for delivery, the casefile must be re-submitted to DU with a standard tri-merge credit report.*

*\*if verification reports are submitted during pre-qualification*

# How it works

## Pre-qualification



Lender obtains a soft credit report on the borrower(s) and submits the pre-qualification application to DU.



Lender receives the DU Findings report, including the conditional assessment in Message 3087, to guide their pre-qualification evaluation.

## Loan application



Lender resubmits the full application with a tri-merge hard credit report using the same casefile ID.



DU drops Message 3087 and identifies it as a full application.

*A Loan Delivery fatal edit (Edit ID# D170) will fire if DU Message 3087 exists on the DU Findings Report.*





# How to get started

A man in a white shirt stands and holds a tablet, smiling and talking to two colleagues seated at a table. The woman has curly hair and wears a red and blue striped top. The man is wearing a blue and white shirt. They are in a bright room with large windows in the background.

1 Review the Lender Readiness Checklist for key considerations for implementation.

2 Contact an approved credit information provider to set up a separate credentialed credit account for soft credit pulls. Learn more about the soft credit setup process.

3 Submit\* a request for activation to Fannie Mae.

\*Fannie Mae Bulletin 24-01: FHLB DU Only  
via MPF Program Addendum Effective  
October 15<sup>th</sup>, 2024

# Approved credit information providers

<b>ACRAnet, Inc.</b>	<b>Certified Credit Reporting, Inc.</b>	<b>Credit Technologies, Inc.</b>	<b>Lenders One</b>	<b>Service First Information Systems</b>
<b>Advantage Credit Bureau</b>	<b>CIC Mortgage Credit, Inc.</b>	<b>Data Facts, Inc.</b>	<b>MeridianLink*</b>	<b>SettlementOne</b>
<b>Advantage Credit, Inc. by Credit Interlink</b>	<b>CoreLogic Credco</b>	<b>Equifax Mortgage Solutions</b>	<b>NCRA*</b>	<b>SharperLending Solutions, LLC*</b>
<b>Advantage Credit, Inc. of Colorado</b>	<b>Credit Information Systems</b>	<b>Factual Data by CBC</b>	<b>Partner's Credit and Verification Solutions</b>	<b>United One</b>
<b>Advantage Plus Credit Reporting</b>	<b>Credit Interlink, Inc.</b>	<b>Informative Research</b>	<b>Premium Credit Bureau</b>	<b>Universal Credit by Xactus</b>
<b>Birchwood Credit Services, Inc.</b>	<b>Credit Plus by Xactus</b>	<b>KCB Credit LLC</b>	<b>Sarma</b>	<b>Xactus</b>

\*Supports early assessment via Credit Information Providers (Affiliates).



# More resources are available



## **Webpage**

For everything you need to know about DU early assessment.



## **FAQs**

Get answers to frequently asked questions.



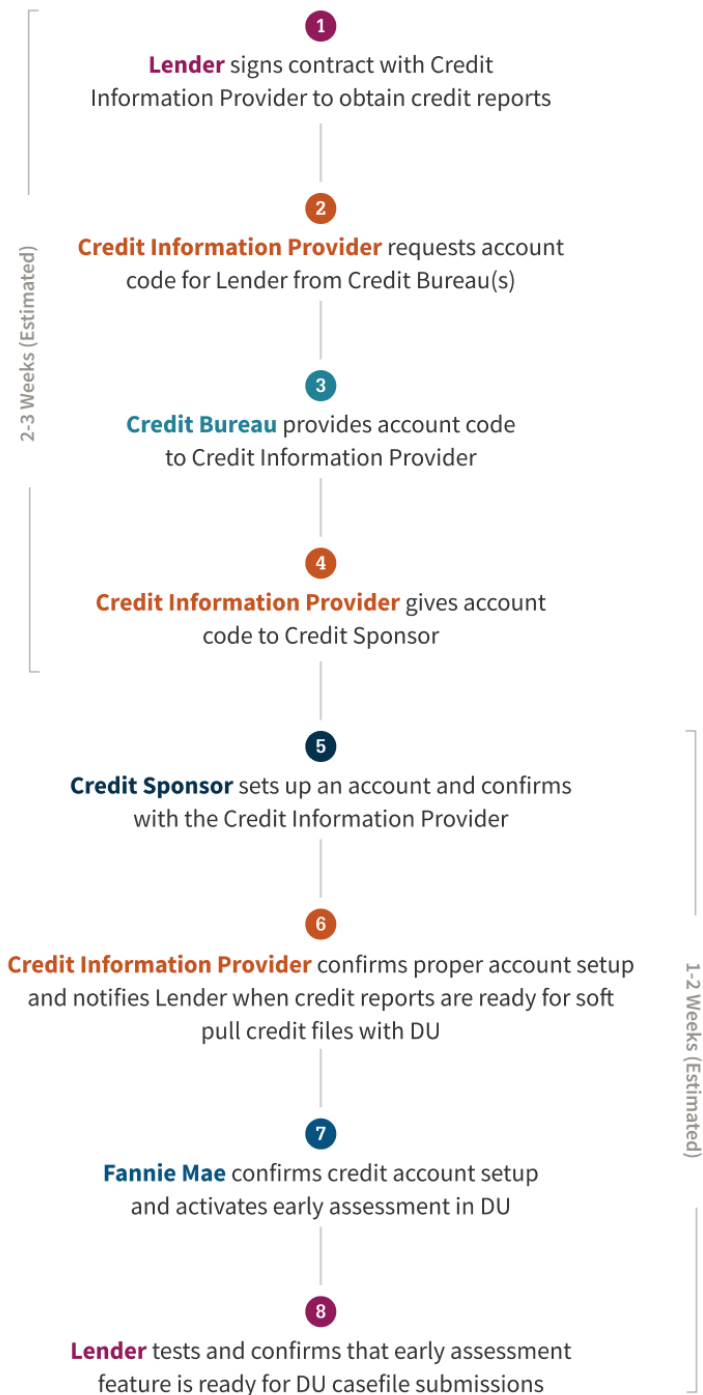
## **Lender Fact Sheet**

An overview and steps to get started.



# Appendix

# Learn about the steps required to set up a soft credit account



*Note: Lenders should work with their credit reporting agency to ensure they meet all terms and conditions prior to requesting a soft pull credit report.*

\*Step 7 does not have a dependency on prior steps of Credit setup by the PFI



# Message 3087

The DU Findings report will return Message 3087, which notes that it is an Early Assessment conditional recommendation because the casefile uses credit file data from soft credit inquiries (or from fewer than three credit reporting bureaus.) Lenders will need to resubmit the casefile with a tri-merge credit report and full DU dataset prior to delivery.



