

DU Validation Service Checklist

The step-by-step guide that gets you from gathering assets to pre-closing a loan. Created with proven processes from real mortgage lenders who use Fannie Mae Desktop Underwriter® (DU®) validation service successfully, you can use this checklist to ensure that you have completed all necessary steps to process a loan through the DU validation service.

Loan application

- Gather and complete 1003 mortgage application form.
- Obtain consent to order credit, income, employment and asset verification reports and order the reports.
- Confirm employer is in the The Work Number (TWN) database.
- If no TWN hit, order manual verification of employment and income (VOI/VOE).
- Explain the verification of assets (VOA) process to the borrower. If they give permission, walk them through the process and have them do it on the initial phone call, or while they are on the phone with you.
- Confirm the borrower executed the VOA process.
- Run DU – if income, employment, and assets validate then no additional documents are needed and give borrower pre-approval.
- Appraisal waiver offered – no appraisal needed.
- Review best fit for product, terms, etc.
- Lock in loan terms (evaluate lock term procedures based on process efficiencies).
- Provide status to borrower of process through closing.

Processing or underwriting (if not completed by Loan Officer)

- Credit and collateral clear to close (with appraisal waiver).
- Order appraisal if no appraisal waiver.
- Use streamline quality control (QC) review of appraisals with Collateral Underwriter® (CU®) risk scores less than 2.5.
- Issue LES disclosures.
- Order title and condo documents (if applicable).
- Run DU.

Pre-closing

- Re-order VOE within 10 days of closing and then resubmit to DU.
- Clear loan to close.
- Review settlement documents.