

# MPF Xtra<sup>®</sup> PFI Advisory

March 18, 2013

## **Special Attention: PFI MPF<sup>®</sup> Program Management and Origination Management**

### **Subject: Conversion of Uniform Collateral Data Portal<sup>®</sup> (UCDP) Error Messages from Warning Edits to Fatal Edits**

As the first follow-up to the MPF Xtra PFI Advisory, dated February 11, 2013, on this subject, we are informing PFIs of upcoming changes scheduled for June 2013 to the monitoring of the Uniform Appraisal Dataset (UAD) that is uploaded into the Uniform Collateral Data Portal (UCDP). These changes will support the continued successful compliance with the appraisal dataset requirements.

In order for PFIs to prepare for the warning-to-fatal edit changes scheduled for June, we are providing PFIs with the following list from Fannie Mae of the UAD fields that will convert from warning-to-fatal edits:

- Appraisal effective date;
- Subject contract price and comparable sale price;
- Above grade Gross Living Area (GLA) (subject and comparables); and
- Sale type (subject and comparables).

Each of these data fields have associated UAD edits that will be returned by the UCDP if the data provided is incomplete or if the data is in an invalid format as defined in Fannie Mae's UAD Specifications. If one or more of these edits are issued, it will result in the UCDP issuing the "Hard Stop 401" (UAD Compliance Check Failure) and a "Not Successful" status. The edits on these data fields apply to the following four UAD forms:

1. Uniform Residential Appraisal Report (Fannie Mae Form 1004/Freddie Mac Form 70);
2. Individual Condominium Unit Appraisal Report (Fannie Mae Form 1073/Freddie Mac Form 465);
3. Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Fannie Mae Form 1075/Freddie Mac Form 466); and
4. Exterior-Only Inspection Residential Appraisal Report (Fannie Mae and Freddie Mac Form 2055).

A "Not Successful" status will prevent the PFI from transmitting the appraisal file and ultimately prevent the delivery of the associated mortgage under the MPF Xtra product. If a "Not Successful" status is received from UCDP, the appraisal must be resubmitted with corrected or updated information based on the fatal edits received until a "Successful" status and Appraisal ID# are obtained. The correction process may take time to complete; please plan accordingly and adjust your process as needed to prevent delays.

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The UAD messages below will appear when there is a fatal edit error.

### Subject Property Messages

Data Field Name	Subject Property Appraisal Form Field Name	UAD Compliance Message ID #	Message
Appraisal Effective Date	Effective Date of Appraisal	5277, 5278, 5279	The effective date of the appraisal must be provided in mm/dd/yyyy format, and must match the effective date in the Reconciliation section.
Appraisal Effective Date	“As of” Date of Appraisal	5273, 5274	The “as of” effective date must be provided in mm/dd/yyyy format.
Subject Contract Price	Contract Price	5030, 5031	A purchase transaction was indicated; therefore, the Contract Price must be provided in whole dollars.
Subject Above Grade Gross Living Area (GLA)	GLA	5084, 5085 (Improvements Section) 5131, 5132 (Sales Comparison Approach Section)	The Above Grade Gross Living Area must be provided as a whole number.
Subject Sale Type	I did/did not analyze the Contract for Sale	5027, 5028	A purchase transaction was indicated; therefore, the first appropriate Sale Type must be selected from “REO sale,” “Short Sale,” “Court ordered sale,” “Estate sale,” “Relocation sale,” “Non-arms length sale,” or “Arms length sale”.

### Comparable Property Messages

Data Field Name	Comparable Property Appraisal Form Field Name	UAD Compliance Message ID #	Message
Comparable Sale Price	Sale Price	5170, 5171	The Sale Price must be provided in whole dollars.
Comparable Above Grade Gross Living Area (GLA)	GLA	5226, 5227	The Above Grade Gross Living Area Must be provided as a whole number.
Comparable Sale Type	Sale or Financing	5173, 5174	The first appropriate Sale Type must be Selected from “REO sale,” “Short sale,” “Court Ordered sale,” “Estate sale,” “Relocation sale,” “Non-arms length Sale,” “Arms length sale,” or “Listing,” must be present.

The remaining warning edits for the following data fields will convert from warning edits to fatal UAD edits in phases at a future date during 2013:

- Subject and comparable address (including unit number for condominiums);
- Subject contract date/Comparable date of sale/time;
- Condition rating (subject and comparables);
- Quality of construction rating (subject and comparables);
- Location rating (subject and comparables); and
- View rating (subject and comparables).

#### Change to Accepted XML File Formats in UCDP

In order to ensure that the UAD data submitted to the UCDP is of high quality and compliant with data standards, it is Fannie Mae's intent to discontinue the acceptance of appraisals in PDF and other alternative appraisal formats, and to accept only the MISMO file format in the UCDP. Fannie Mae's goal is to retire UCDP acceptance of the ACI XML and AIReady formats, and the PDF extraction services as well. PFIs should work closely with their vendors that are working with the non-MISMO XML formats to ensure a smooth migration to this uniformity.

We will communicate the implementation of upcoming changes in future PFI Advisories as we are informed of the effective dates. PFIs are encouraged to analyze all warning edits now to ensure that business processes are in place to evaluate UAD compliance for a smooth transition this year.

We greatly appreciate your efforts to adopt the UAD standard and to provide correct and accurate data required by the UCDP. If you have any questions, please contact your MPF Bank Representative or call the MPF Customer Support Desk at 877-INFO-MPF (877-463-6673).