

CU User Interface Implementation Guide for Non-Seller Correspondent Lenders

This Collateral Underwriter™ (CU™) Implementation Guide provides steps for successful access to, and implementation of, the CU application for correspondent lenders who are not direct sellers to Fannie Mae. **This information provides specific instruction for correspondent lenders who are submitting appraisals to the Uniform Collateral Data Portal® (UCDP®) for loans they intend to close in their own names but not sell directly to Fannie Mae.**

Direct Fannie Mae sellers have a different process to access CU, and they should access the [Collateral Underwriter Registration Guide for Approved Fannie Mae Sellers](#).

Follow these steps to contract, register, and obtain access to the CU web-based user interface for in-depth appraisal analysis as a non-seller correspondent lender. This job aid is designed to guide you through a successful CU implementation, starting with completing required training, online contracting and registration, followed by implementation steps and instructions to set up user access.

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Step 1 – Understand CU Basics

- CU feedback is provided to lenders in three ways:
 1. A CU risk score, flags, and messages are provided in real time after an appraisal is submitted to Fannie Mae through UCDP. Any UCDP user who submits an appraisal to Fannie Mae can view the CU risk score, flags, and messages on the Fannie Mae tab in UCDP and on the UCDP Submission Summary Report.
 2. For in-depth appraisal analysis, lenders may access the full CU application via a web-based user interface. No systems integration is required. All contracting, registration, and user access is easily managed through Fannie Mae's [Technology Manager](#) application.
 3. The CU risk score, flags, and messages are now available for display in Desktop Underwriter® (DU®) and EarlyCheck™. The Doc File ID assigned on appraisal submission to UCDP must be provided to enable display of CU Findings in DU or EarlyCheck. For details, see [DU Version 9.2 April Update Release Notes](#) and [EarlyCheck Ver 3.0 Release Notes](#).)
- CU is a tool to assist lenders in reviewing appraisals:
 - The risk analysis performed by CU is for exclusive use by lenders in their analysis of the appraisal report, but may be used to inform a dialogue with the appraiser after the lender's review. Neither appraisal

management companies (AMCs) nor appraisers have access to the user interface. Lenders may only provide access to employees of their company; no third-party access is permitted.

- The CU Print Report is for lender and aggregator use only and may not be sent to appraisers or AMCs.
 - **Please Note:** Although the CU terms of use prohibit providing copies or displays of Fannie Mae reports that contain CU findings *to AMCs and appraisers*, **correspondents may provide CU findings and analysis to an aggregator as the loan purchaser, including the CU print report (from the user interface) and the SSR (from UCDP).**
- Keep in mind the following **lender obligations**:
 - CU does not provide “approvals” or “denials” of appraisals and/or the corresponding loan. It does not replace or alter lenders’ obligations as described in the Fannie Mae *Selling Guide*. Lenders remain responsible for assessment of the appraisal in accordance with the provisions of the *Guide*.
 - CU is intended to assist lenders in reviewing appraisals. Fannie Mae expects lenders to use the CU feedback in combination with human due diligence. Users should understand the limitations of automated analysis and be aware of potential property or neighborhood nuances.
 - Although the risk analysis performed by CU is for exclusive use by the lender in their analysis of the appraisal report, it may be used to inform a dialogue with the appraiser. The lender should carefully review the appraisal report – including all commentary – before seeking clarification from the appraiser. Lenders should not make demands or provide instructions to the appraiser based solely on automated feedback.
 - Fannie Mae does not instruct or suggest to lenders that they ask appraisers to address all or any of the up to 20 comparables that are provided by CU for most appraisals.
- Other information:
 - CU is effectively predictive of appraisal defects, but there are false positives. Well-informed human judgment should take precedence over automated results.
 - Lenders may not need to utilize CU’s full functionality and information available in the CU user interface on every appraisal.
 - Lenders can use the information in the CU application to validate or dismiss potential red flags.
 - Ideally, lenders will use CU to make fewer – but more informed – requests for clarification from their appraisers. Lenders should not expect a significant increase in correction requests.

Fannie Mae expects lenders to use human due diligence in combination with the CU feedback, and will follow up with lenders who are reported to be asking appraisers to change their reports based on CU feedback without any further due diligence.

Step 2 – Complete CU Training

Fannie Mae offers a series of eLearning courses designed to train your staff on CU. To maximize the benefit of learning about this new powerful industry-leading application, we recommend that organizations participate in CU training that is available via recorded eLearning sessions at no cost. To maximize the benefit and effectiveness of the training, completion of the courses in the order listed is recommended.

| eLearning Course Title, Description, and Link | Recommended Participants |
|--|---|
| <u>Introduction to Collateral Underwriter</u> Highlights CU's features and benefits and describes how lenders may be able to use CU to make their appraisal review process more effective and efficient | <ul style="list-style-type: none">• Management• Project teams responsible for implementing appraisal review tools• Lender's appraisal review staff• Underwriting staff• QC and risk staff |
| <u>Understanding CU's Risk Score, Flags and Messages</u> Provides a foundational understanding of the CU risk score, flags, and messages provided on appraisals submitted to Fannie Mae via UCDP | <ul style="list-style-type: none">• Management• Lender's appraisal review staff• Underwriting staff• QC and risk staff |
| <u>CU Implementation Readiness</u> Provides process considerations and tips for successfully implementing Collateral Underwriter. | <ul style="list-style-type: none">• Management• Project teams responsible for implementing appraisal review tools |
| <u>CU User Interface Basic Training</u> Covers basic use of CU functionality and navigation for CU user interface end users to gain efficient and effective use | <ul style="list-style-type: none">• CU user interface users• Lender's appraisal review staff• Underwriting staff• QC and risk staff |
| <u>CU User Interface Advanced Training</u> Covers advanced CU functionality and navigation for end users | <ul style="list-style-type: none">• Advanced CU users• Lender's appraisal review staff• Underwriting staff• QC and risk staff |

Optional "Ask the Expert" Live Q&A Webinars

Once all the above training has been completed and users have had the opportunity to utilize CU, we invite your organization to engage with our collateral strategy experts for an open forum Q&A webinar. Bring your questions and hear what your industry peers are asking based on their CU experience. These sessions are for Q&A only and are not training. [View Ask the Expert webinar dates and register](#)

Step 3 – Prepare for CU Implementation

The following guidelines provide information to consider for CU implementation planning; all recommendations may not be applicable to your organization.

- Reference the [CU Checkpoint Implementation Tips and Milestone Targets](#) that provides insight into steps you should follow for a successful implementation
- Understand your appraisal review process and adjust as needed:
 - Determine if your organization utilizes an appraisal review team or underwriting staff to perform the review once the appraisal is received in-house from an AMC or in-house panel appraiser
 - Ensure the appraisal submission in UCDP takes place *prior* to appraisal review if you wish to incorporate CU's risk score, flags, and messages in the review process

- If underwriting staff is used, determine to whom they escalate appraisal concerns, and assess their process as well
- Implementation considerations to enhance your process:
 - Identify your organization's risk tolerance as it relates to the CU risk score and risk flags by identifying which – if not all – scores may require a deeper appraisal review through the CU user interface (CU risk scores range from 1.0 – 5.0)
 - Modify processes to incorporate the CU risk score assessment, use of the CU user interface, and consider whether to include the CU Print Report in the loan file
 - Consider using CU to more effectively assign appraisal review resources for varying levels of deeper appraisal review
 - Use more skilled appraisal reviewers for deeper review of higher CU scores or certain CU risk flags
 - Identify which actions and documentation will be required for risk flags and messages received
 - Formulate a training plan that includes CU Basic and/or Advanced user training for resources depending on how they will use the CU user interface
 - Assess and expand use of the CU user interface into other areas – QC, Fraud, Repurchase, etc.
 - Determine whether and when communication to AMCs and/or appraiser networks is necessary to obtain appropriate results on new correction requests that may result from CU findings
 - Document process for review staff to enter appropriate comments in CU regarding action taken and/or not needed and why
 - Ensure your process checks UCDP submission status and messages from each GSE and your systems captures status from each GSE independently
 - Initiate management assessment of score and message trends for continuous quality improvement
- Understand your aggregator's requirements:
 - Understand your aggregator's guidance and policies for handling of UCDP manual overrides, CU risk score and messages, and supporting file documentation
 - Attend correspondent lender-specific training (if offered) to better understand their policies and procedures, documentation requirements, and recommended use of the CU User Interface
 - Understand documentation requirements regarding the support of UCDP and CU messages that the aggregator may require to be included in the loan package
 - Understand if the aggregator requires the final copy of the CU Print Report to be included in the loan file as a condition of loan purchase
 - Understand how to receive help and support from aggregators regarding UCDP and CU appraisal-specific questions and their overall guidelines and policies
- No system integration to the CU user interface is needed; only a user ID and password are required for each user. CU can be accessed only by employees of the lender's organization.

Step 4 – Complete Contracting, Registration, and CU User Setup

CU is provided at no cost to both Fannie Mae sellers and non-seller correspondent lenders. Access to the CU user interface is limited to employees of the non-seller correspondent lender. Lenders may not provide user IDs for any Fannie Mae technology application to third parties.

On-Line Contracting and Initial Registration for CU

- Initial CU setup and registration must be performed by an active UCDP Lender Administrator. If you have questions regarding UCDP administrators for your organization, contact the UCDP Support Center at 1-800-917-9291 for assistance.
- Your UCDP Lender Administrator will need a Fannie Mae user ID and password to log into Technology Manager, which is ***different*** than their UCDP user ID and password. It is the user ID and password that was assigned by Fannie Mae when they were initially setup as a UCDP Lender Administrator. If they do not remember their Fannie Mae user ID and password that was only used for initial UCDP sign-up with Fannie Mae, they should contact the Fannie Mae Customer Interaction Center at (877) 722-6757.

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- **Your UCDP Lender Administrator will contract for and register your organization for CU by accessing an online application using this link: [CU Registration for Non-Sellers](#).** This online application enables your UCDP Lender Administrator to electronically accept the CU licensing terms. It also establishes your UCDP administrator as a Corporate Administrator to Fannie Mae's Technology Manager (TM) application where CU users are set up and managed. Once you have completed the CU On-Line Contracting and Registration process, you will receive a system message on your screen indicating that the registration request has been submitted and is pending activation. An email will be sent to your email address on file upon successful activation. It will take 30 minutes or less for the activation process to complete.
 - It is recommended that your organization establish a backup TM Corporate Administrator. Designate an additional corporate administrator by completing the [TM Administrator Registration Form](#). Only your TM Corporate Administrator will be able to execute and submit this form for successful processing.

Setting-Up CU User IDs (must be performed by the TM Corporate Administrator)

Once the contract and registration process are complete, your UCDP Lender Administrator – who is now also setup as a TM Corporate Administrator – can access Technology Manager to set up and manage CU application user IDs.

Follow these steps to access Technology Manager to set up and manage CU user credentials. Additional information (including screen shots) can be found in the [Non-Seller Admin Guide job aid](#).

1. Log in to [Technology Manager \(TM\)](#) using your Fannie Mae user ID and password
2. On the Home Page, follow the *Manage Users* link to open the *Manage Users* screen
3. Click *Create New User* (the address of the user is defaulted from the user group)
4. Once all users are created, add CU to each user profile. From the Home Page, select *Manage Users* and click the *search button* to display all active users. Select the User ID from the displayed Active Users panel to open the user record
5. Click the *Available Applications I Manage* panel, then choose *Collateral Underwriter* to assign the application to the user
6. In the Role section, assign the *EXTERNAL_USER* to the user id.
7. In the Data Folder section, select which data folder(s) the user will be able to access, then click Add (the data folder should correspond to the 9 digit Non-Seller/Service Number used for UCDP submissions) (ex. 123450001).
8. Click *Submit*
9. Then click *Confirm*, to save your changes

You must complete the steps listed above before a user can begin utilizing their new user ID to access Collateral Underwriter. You will need to repeat the entire process separately for each new user ID you create.

Once the user IDs are created, there are ongoing user ID management functions that you may need to perform through Technology Manager. Refer to the [Non-Seller Admin Guide job aid](#) for information on how to perform these functions:

- Resetting a User's Password
- Deactivating a User ID
- Reactivating a User ID

CU Support

Access the [CU web page](#) as your first level of support, where the most recent CU information is posted along with eLearning courses and any available live webinars. Here are some reference materials you can access:

- [Collateral Underwriter Fact Sheet](#)
- [CU Checkpoint – Implementation Tips and Milestone Targets](#)
- [Collateral Underwriter FAQs](#) *(check the CU page frequently for FAQ updates)*

For appraisal-specific support or policy guidance regarding UCDP or CU, ***contact your Aggregator***

For general CU support questions, contact the Fannie Mae Customer Interaction Center at **(877) 722-6757**

For general UCDP support questions, contact the UCDP Support Center at **(800) 917-9291**

Bookmark the CU, UCDP, and TM Web Pages

Collateral Underwriter: <https://www.fanniemae.com/singlefamily/collateral-underwriter>

UCDP: <https://www.fanniemae.com/singlefamily/uniform-collateral-data-portal>

Technology Manager: <https://www.fanniemae.com/singlefamily/technology-manager>