

July 2, 2014

UCDP Updates for July 2014

Starting on July 13, 2014 Fannie Mae and Freddie Mac will accept appraisals only in MISMO XML format – PDF, ACI XML and AI Ready XML files will no longer be accepted. Every major appraisal software package allows an appraiser to generate a MISMO 2.6 GSE XML (with embedded PDF) file directly from the desktop software. Any appraiser who is unfamiliar with this process should contact their software provider right away for instruction and training. Appraisers who are unable or unwilling to provide their appraisal reports to their lender clients in the MISMO XML format will see a noticeable reduction in work after July 13th that might be very hard to recover afterwards.

In addition to the format changes, several UAD compliance warning edits will become fatal edits on July 13th as well. The change in severity from a warning to a fatal edit means that when these specific fields are either incomplete or in an invalid format, instead of being overridden enabling a successful UCDP submission, the lender or vendor will receive a “not successful” status and they will be required to resubmit a corrected appraisal in order to complete the submission.

The three areas of the appraisal where edits convert from warning to fatal are:

- Subject and Comparable Address
- Subject Contract Date
- Comparable Date of Sale/Time

The time and effort needed to get corrections and resubmit appraisals is very costly to lenders and their trading partners. Compliance testing and validation before the July 13th deadline will benefit all stakeholders and ensure a smooth transition.

A full description of the UAD field requirements can be found in the [May 6, 2014 update letter](#) from the GSEs, and in the [UAD Appendix D](#) version 1.6 dated November 22, 2013.

There are some additional changes to UAD edits anticipated later this year, as well as updates to the Fannie Mae messaging expected for later in 2014 or early 2015. Additionally, on August 9, 2014 numerous Fannie Mae proprietary appraisal messages will be retired. We will provide specifics on the messaging changes as soon as they become available.

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