Implementation Timeline Update: Demographic Information Addendum, Redesigned URLA, and the Loan Product Advisor Specification

During the past several months, Fannie Mae and Freddie Mac (the GSEs) gathered industry feedback on the implementation timeline for the redesigned Uniform Residential Loan Application (URLA) and the automated underwriting system (AUS) specifications. Industry feedback was an important input to the implementation plans outlined in this announcement for the redesigned URLA, Desktop Underwriter® (DU®), Early Check™ and Loan Product Advisor®.

Finalized Demographic Information Addendum
The Consumer Financial Protection Bureau (CFPB) has finalized their Technical Corrections and Clarifying Amendments to the Home Mortgage Disclosure Act (HMDA) Regulation C. The GSEs have updated the Demographic Information Addendum based on this final rule. The changes were made only to the form instructions and not to the data fields. Lenders may begin using this version of the Demographic Information Addendum immediately. Reference the Demographic Information Addendum on Freddie Mac’s URLA webpage.

URLA Effective Dates
The industry may begin using the redesigned URLA starting July 1, 2019. The GSEs will require the use of the redesigned URLA for all new loan applications in February 2020.

Important Note: FHFA’s Request for Input on Improving Language Access in Mortgage Lending and Servicing may result in requiring the GSEs to add a borrower language preference question to the URLA or to an addendum to the URLA, and to collect the data in our AUS specifications. If this occurs it would be reflected in the 2017 updates to the published documents.

Freddie Mac will publish updated versions of the redesigned URLA, the Loan Product Advisor Specification and supporting documents by the end of 2017.

Loan Product Advisor Specification Timeline
Freddie Mac lenders and technology solution providers may begin testing submissions of the MISMO v3.4 Loan Product Advisor Submission file in January 2019. Loan Product Advisor will provide this test environment for lenders and technology solution providers to validate their new MISMO v3.4 Loan Product Advisor Submission files based on the new Loan Product Advisor v5.0 Specification.

Loan Product Advisor will begin accepting the new MISMO v3.4 Submission files in production as of July 1, 2019. Freddie Mac will require the submission of the Loan Product Advisor v5.0 Specification for all new loan applications in February 2020. Freddie Mac will continue to accept the older Loan Product Advisor formats (v4.x) until February 2021 during the loan pipeline transition period (see timeline below). Lenders and technology solution providers should work closely with their business partners and Freddie Mac to ensure a smooth transition to the updated MISMO v3.4 Loan Product Advisor Submission file.

This communication relates to the Uniform Mortgage Data Program®, an effort undertaken jointly by Fannie Mae and Freddie Mac at the direction of their regulator, the Federal Housing Finance Agency.
Freddie Mac Implementation Timeline

Industry may begin using Redesigned URLA
Loan Product Advisor v5.0
Loan Product Advisor accepts BOTH v4.x and v5.0 transactions

Lenders are required to use redesigned URLA for new loans
New Applications (as of App Rec’d Date 2/2020) must be submitted to Loan Product Advisor using Loan Product Advisor v5.0
Pipeline loans (App Rec’d Dates < 2/2020) use the same formats as initially submitted. (e.g., construction loans)

Old URLA forms no longer accepted
Loan Product Advisor Specification Transition Period End Date
Loan Product Advisor accepts ONLY Loan Product Advisor transactions based on MISMO v3.4

Pipeline Loans Transition Period

1/2019 7/1/2019 2/2020 2/2021

Additional Information

The documents referenced in this announcement, and other supporting materials, are located on the Freddie Mac URLA webpage. If you have questions about the redesigned URLA, the Loan Product Advisor Specification, or the implementation timelines, please contact your Freddie Mac representative.

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