

Important Notice**This Announcement has been updated with the Announcement dated December 9, 2016****ANNOUNCEMENT****Please see that Announcement for updates on Fannie Mae's PIW and DU Validation Service.****DU® Validation Service**

EFFECTIVE: DECEMBER 10, 2016

As outlined in Selling Guide Announcement SEL-2016-08 and the DU Version 10.0 December Release Notes, Fannie Mae announced the implementation of the DU Validation Service for income, assets, and employment and updates to the Property Inspection Waiver (PIW). Details regarding Essent's position on these changes are outlined below.

DU Validation Service

The DU Validation Service for income is an optional service for lenders whereby data is obtained from a designated vendor to potentially validate specific borrower income information. Essent supports the DU Validation Service for income to the extent the following additional responsibilities of the lender are met:

- Ensuring the designated vendor report matches the borrower
- Conducting due diligence on any inconsistent or contradictory information
- Ensuring the documentation meets the applicable age of credit document requirements
- Complying with all DU messages and documenting the file accordingly

The DU Validation Service will be expanded on December 10, 2016 to include validation of assets and employment. Details on asset and employment validations will be released by Fannie Mae with a December Selling Guide update during the week of December 6, 2016. Subject to a review of the update, Essent expects to support the DU Validation Service for assets and employment.

Property Inspection Waivers

A PIW is an offer to waive the appraisal requirements for certain loans that receive a DU Approve/Eligible recommendation. With the DU Version 10.0 December release, PIW eligibility will be expanded to include Rate/Term Refinances of certain 1-unit Primary Residences and Second Homes to a Max. 90% LTV/CLTV.

Essent will accept a PIW that meets Fannie Mae's enhanced PIW requirements subject to a Min. 700 FICO and a prior UAD appraisal aged ≤ 54 months.¹ PIWs do not relieve lenders of their responsibilities to Essent under the Master Policy related to the value and condition of the subject property. In addition, Essent requires an appraisal to be completed in the event that a property has sustained Physical Damage at any time subsequent to the prior UAD appraisal, or if the lender has reason to believe that fieldwork is warranted based on events such as a hurricane or other natural disaster.

If you have any questions regarding these updates, please contact your [Essent account manager](#).

¹If a PIW is exercised, the current loan application date cannot exceed 54 months from the latter of the note date OR the date opened of the mortgage being refinanced as reflected on the current credit report.

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