

Value Acceptance + Property Data (Fannie Mae)



Value Acceptance + Property Data (Fannie Mae)

Steps to follow when submitting value acceptance + property data to Newrez:

- Different from value acceptance (appraisal waiver), value acceptance + property data **does require property data collection (PDC) and submission to Fannie Mae API.**

Desktop Underwriter **must** issue *an initial message* (MSG 3709) indicating the loan is eligible for value acceptance + property data at which time, the Correspondent Client can order the property data collection report. The Correspondent Client remains responsible to confirm the transaction is not an ineligible transaction type. Refer to Newrez Guide **1J**.

Property and Appraisal Information

DU accepts the value submitted by the lender for this subject property. **This loan is eligible for value acceptance + property data with representation and warranty relief on the value and marketability of the subject property contingent upon the submission of property data to the Fannie Mae Property Data API** and the inclusion of the Casefile ID and Special Feature Code 774 in the loan delivery file. Note that DU does not identify all value acceptance + property data ineligible transactions, including Texas Section 50(a)(6) mortgages; always refer to the Selling Guide to verify eligibility. (MSG ID 3709)

- The property data collection (PDC) consists of a full interior and exterior inspection capturing data and images throughout the subject property. The property data collection must be completed by a trained and vetted property data collector and must adhere to Fannie Mae's Property Data Standard. The Correspondent Client remains responsible to ensure that the data collectors are vetted through an annual background check, professionally trained, and they possess the essential knowledge to competently complete the property data collection.
- The property data collection report is used to confirm property eligibility and must include a detailed description of the property, include a floor plan and significant photos including but not limited to front, rear and side views of the exterior, street scene, all interior rooms including finished and unfinished areas, interior and exterior of all significant outbuildings and any physical deterioration, improvements, amenities and any observed issues or external influences.
- Once the property data collection has been completed, either the Correspondent Client or service provider must successfully submit the property data collection report to Fannie Mae's Property Data Application Programming Interface (API).
- After the property data collection report has been submitted to Fannie Mae's Property Data API, DU must be rerun and return a *final message* that the property is eligible for value acceptance + property data (without contingencies). The final run of DU must reflect **MSG ID 3713**.

Property and Appraisal Information

DU accepts the property data and value submitted for this subject property. **This loan is eligible for value acceptance + property data with representation and warranty relief on the value and marketability of the subject property upon inclusion of the Casefile ID and Special Feature Code 774 in the loan delivery file.** If an appraisal was obtained for this property, the loan cannot be sold with Special Feature code 774. Instead, the lender must use the value provided on the appraisal and follow all appraisal requirements. Note that DU does not identify all value acceptance + property data ineligible transactions, including Texas Section 50(a)(6) mortgages; always refer to the Selling Guide to verify eligibility. (MSG ID 3713)

Value Acceptance + Property Data (Fannie Mae)

The Value Acceptance report + PDR must be dated prior closing.

- Effective for casefiles submitted and resubmitted on or after the weekend of August 19, 2023, when Desktop Underwriter returns the initial message that the loan is eligible for value acceptance + property data but is contingent upon the submission of property data to Fannie Mae's Property Data API, Desktop Underwriter will no longer display a green checkmark in The Day 1 Certainty Property Information Section. When Desktop Underwriter has determined the property data was submitted to Fannie Mae's Property Data API, a green checkmark will then display in The Day 1 Certainty Property Information Section.

Day 1 Certainty


Property Information

Value Acceptance  Not Eligible

Appraisal Rep & Warrant Not Applicable

Day 1 Certainty

Property Information

Value Acceptance  Eligible

Appraisal Rep & Warrant Not Applicable

HYBRID APPRAISALS

- If the value acceptance + property data offer is lost after the property data report was obtained, it may be possible to provide the property data collection (PDC) to an appraiser to perform a hybrid appraisal. **A hybrid appraisal is only permitted when all the preconditions below are met in this sequence:**
 1. Desktop Underwriter determines the loan is eligible for value acceptance + property data.
 2. Correspondent Client arranges for property data collection and submits to Fannie Mae's API.
 3. Property data collection (PDC) confirms the property type is single-family residential (excludes manufactured homes, condominiums, co-ops, 2+ units and non-residential) and
 4. The loan loses eligibility in Desktop Underwriter for value acceptance + property data due to a change in qualifying loan characteristics.
- Desktop Underwriter messages **will not** indicate when a casefile is eligible for a 1004 Hybrid appraisal.- A hybrid appraisal is only considered when the preconditions above have been met. The Correspondent Client also has the option to obtain a Traditional Appraisal Form 1004 instead of a hybrid appraisal.
- **When submitting a loan with a hybrid appraisal, the Correspondent Client must also include a copy of the previous DU submission to show the offer of value acceptance + PDR.**

Value Acceptance + Property Data (Fannie Mae)

Helpful Hints:

- The property data collection must represent that the property:
 - Does not have safety, soundness, or structural integrity issues.
 - Is not in C5 or C6 condition.
 - Is not Q6 quality.
 - Does not have significant items of incomplete construction or renovation; and
 - Meets Fannie Mae's property eligible requirements (see B2-3-01 General Property Eligibility)
- To make the above representations and warranties in the absence of an appraisal, the Correspondent Client must examine the descriptive information, floor plan and photo exhibits from the property data collection to determine whether the property meets all of the *Selling Guide* requirements.
- When the property data collection and/or photos evidences any items failing eligibility requirements or there is uncertainty about the need for repairs, alternations or completion, the Correspondent Client may need to obtain a professionally prepared report from a qualified professional to confirm the eligibility of the property and if repairs are required (well, septic, foundation, roof, electrical, mold, etc.). The review of a professionally prepared report may lead to a repair requirement or may resolve the issue.
- Because there is no appraisal, if repairs are required, the Correspondent Client cannot use appraisal Form 1004D for verification of completion. Instead, at the minimum, the following is required:
 - Borrower attestation letter including
 - Borrower's name.
 - Property address.
 - Certification language that the alteration or repair was satisfactorily completed.
 - Date and signature of the borrower(s).
 - Visually verifiable exhibits of the completed work *and*
 - One or more of the following: signature of the qualified professional, a professionally prepared report or paid invoices for the alterations or repairs.
- **The DU offer of value acceptance + property data cannot be more than 4 months old as of the Note date. The property data collection must be dated prior to the date of the Note and the property data collection is only valid for 12 months from date of collection.**

Additional Resources:

[Value Acceptance + Property Data Service Providers](#)

[Value Acceptance + Property Data Fact Sheet](#)