

Alert

Update

Reminder

Clarification

Training
Information

Preview

DU Validation Service Revision: Asset Validation When Gift Funds Exist

Truist Bank (Truist) announces the release of an update to Fannie Mae's Desktop Underwriter® (DU®) validation service to allow for the validation of assets on loan transactions with gift funds.

Effective Dates

This update is effective for new DU casefiles created on or after April 18, 2021.

Background Information

Fannie Mae DU Validation Service April Release Notes announced an update related to the validation of assets when gift funds are present. In response to this publication, we reviewed impacted guidelines and identified the opportunity to implement revisions to align with Fannie Mae requirements.

Bulletin Details

Asset Validation When Gift Funds Exist

Currently, when a Verification of Assets (VOA) report is obtained by DU, and gift funds are entered in DU, the DU validation service will not attempt to validate assets. In these cases, DU returns a message indicating that the loan is not eligible for asset validation because the loan includes a gift.

For DU casefiles created on or after April 18, 2021, when a VOA report is obtained for a borrower, and gift funds are entered in DU, the DU validation service will attempt to validate assets. If the VOA report indicates the borrower has enough assets in their accounts to cover the Total Funds to be Verified, the DU validation service will issue the following messages:

- The existing DU validation service message indicating that assets have been validated and the asset report is acceptable documentation,
- A **new** DU message that requires verification that the gift is from an eligible source if the gift funds have been deposited in the borrower's asset accounts, and

Note: The new DU message text will read as follows: *Assets were validated on a transaction where gift funds are present. Confirm any deposited gift funds are from an acceptable source and are eligible for the transaction. Refer to the Selling Guide for additional information.*

- The existing DU message that is displayed on all loans with gifts that requires documentation and verification of the gift in accordance with DU "Gift Funds" requirements.

Revised Material

Click [Agency Loan Programs](#) to review the revised product material.

Former Guidelines

When gift funds were entered in DU, the DU validation service did not attempt to validate assets. In these cases, DU returned a message indicating that the loan was not eligible for asset validation because the loan included a gift.

Product Release

Information for Correspondent Lenders of Truist Bank
April 16, 2021 • COR21-019



Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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