

Participating in the URLA Limited Production Period

May 19, 2020

Freddie Mac and Fannie Mae (the GSEs) invite lenders who meet the eligibility criteria and prerequisites below to participate in the Uniform Residential Loan Application (URLA) Limited Production Period (LPP) beginning on August 1, 2020. During the LPP, participants will use the redesigned URLA (Freddie Mac Form 65/Fannie Mae Form 1003) and updated Freddie Mac Loan Product Advisor® and Fannie Mae Desktop Underwriter® (DU®) automated underwriting systems (AUSs) to originate loans in a controlled implementation.

Purposes of the Limited Production Period

The LPP is designed for lenders who are ready to submit loan files using the redesigned URLA and updated AUS before the Open Production Period that begins on January 1, 2021, by providing them with a “test and learn” mode in the **production environment**. The LPP rollout is intended for a small, controlled number of experienced AUS users to assist the GSEs in identifying and mitigating production issues before the start of the Open Production Period. The LPP “test and learn” enables testing of the following origination essentials:

1. **Redesigned URLA and data handoffs** – Ensure that the redesigned form and data format can be exchanged successfully with all applicable business partners throughout the entire loan application and underwriting process.
2. **Verified software product outputs** – Ensure that lenders’ third-party software file submissions to the AUSs return the expected feedback.
3. **Internal operational readiness** – Confirm that all business units within lenders’ organizations are prepared to accept the redesigned URLA and use the updated data format.

The GSEs will begin the LPP by granting a limited number of organizations access into their GSE-specific AUS; others will then be granted LPP access on a rolling basis. As each group successfully submits loan files in the production environment, successive groups may become larger and more frequent.

Lenders are not required to enter the LPP with both GSEs at the same time; however, this may be the easiest implementation approach. If you deliver loans to both GSEs, you may contact your GSE-specific representatives for help with coordinating your access to the LPP.

Participation Criteria

Organization Eligibility – Retail Channels

When the LPP begins August 1, 2020, only retail channels of existing loan sellers (with GSE-specific seller IDs) will be eligible to participate. Limiting the LPP to the retail channel will allow the GSEs to test the three capabilities outlined above in a controlled implementation. Lenders can begin testing with their remaining channels during the Open Production Period as their business partners become ready.

Organizations that are not existing GSE-approved sellers will be asked to wait to enter production until the Open Production Period begins January 1, 2021.

NOTE: *Freddie Mac and Fannie Mae representatives will begin reaching out to their lending customers to discuss their interest in participating in the LPP, and to track implementation progress. If you believe you are a candidate for the LPP but do not meet the participation criteria, please reach out to your GSE representative.*

Prerequisites

To participate in the LPP, eligible organizations must meet prerequisites published on April 14, 2020 in the [URLA Implementation Timeline](#). These include:

1. **Complete AUS testing** by successfully submitting specified test cases and meeting Loan Product Advisor v5.0.06 and/or DU Specification MISMO V3.4 (DU Spec) technical requirements. Lenders must ensure that their point of sale and loan origination software products have been approved by each GSE. [Freddie Mac-approved software partners](#) and [Fannie Mae-approved software partners](#) are published on their respective websites.

NOTE: *Lenders using point of sale and loan origination software products must have the ability to allow and restrict user access to the new versions of DU and Loan Product Advisor by individual customers or organizations within a customer (e.g., channel).*

2. **Complete the Partner Readiness Questionnaire** to help assure that the lender's front office, internal touch points, technology, and external trading partners are all ready to use the redesigned URLA and updated AUS specifications, and that readiness has been communicated to these partners.

NOTE: *Lenders must develop contingency plans with their partners in case system issues arise.*

3. **Receive GSE-specific approval** to participate in the LPP and use the redesigned URLA prior to January 1, 2021. The GSEs will evaluate each participation request and communicate to lenders their approval to participate in the LPP along with the process for using the updated GSE-specific AUS specifications and redesigned URLA prior to its effective date of January 1, 2021.

NOTE: *Freddie Mac and Fannie Mae will follow GSE-specific processes when approving and notifying lenders for participation in the LPP.*

Automated Underwriting System Testing Criteria

Direct Integration

Lenders developing and implementing proprietary interfaces must successfully complete all use cases and other tests as required by each GSE-specific AUS. Successful completion validates that the lender is technically ready to begin submitting loan application files in the production environment.

Details about each AUS's verification testing requirements can be obtained from your GSE-specific account representative.

Lenders Working with Software Partners

Lenders that use a third-party software partner's product to submit loan files using Loan Product Advisor v5.0.06 specification and/or the DU Spec can participate in the LPP provided they meet the following requirements:

1. **Verification testing** – Lenders must validate that their software partners have successfully tested through Freddie Mac and/or Fannie Mae software partners' verification process by confirming that they appear on each GSE-specific approved list of software partners.
2. **Controlled user access** – Lenders must have the ability to allow and restrict user access in the GSE-specific AUS in order to participate.
3. **Partner Readiness Questionnaire** – Each lender must complete the questionnaire to receive permission to participate from one or both GSEs in order to begin submitting loans through the approved software partners' products.
4. **GSE-specific AUS version support** – Lenders must verify that software partners' products can support loan application submissions in both specification versions for Loan Product Advisor (v4.n and v5.0.06) and in both the DU

Spec and legacy DU formats (Residential Loan Data Format1003, V.3.2 or MISMO AUS V2.3.1 Underwriting Requirements Specification).

Partner Readiness Questionnaire

The Partner Readiness Questionnaire provides lenders with a checklist for their internal origination organizations and external partners to transition to the redesigned URLA and updated AUSs.

The following table provides a breakdown of the sections included in the Partner Readiness Questionnaire:

Section	Purpose
1. Organization	Information about the lender interested in participating during the LPP.
2. Operational Readiness	Questions about internal organizations, policies, processes and procedures to ensure readiness to support the redesigned form and updated data format.
3. System Readiness	Checklist to ensure software partners' products are GSE-verified and that the lender has tested with them and is ready to use their products for production.
4. Manufacturing Readiness	Checklist to ensure that the lender's service providers (e.g., credit reporting agencies, income/asset verification, doc prep, MI, quality management, due diligence, etc.) are ready to produce, consume, and submit loans based on the redesigned URLA and updated Loan Product Advisor v5.0.06 specification and/or DU Spec.
5. Voluntary Feedback	Information for the GSEs about the lender's implementation.

To Participate

If you have any questions about the LPP or are interested in participating, contact Freddie Mac or Fannie Mae as follows:

Freddie Mac – Visit the [Freddie Mac URLA/ULAD Limited Production Period Questionnaire Request Form](#) or reach out to your Freddie Mac representative for more information.

Fannie Mae - Please send an email with your request to participate in the LPP to the URLA_LPP@fanniemae.com mailbox and copy your Fannie Mae account representative.

The completed questionnaire must be submitted **no later than July 1, 2020**, for consideration in the first wave of the LPP beginning August 1, 2020. Note, the completion of the questionnaire does not guarantee entry in the LPP as the GSEs intend to limit the number of participants in the LPP as part of this “test and learn.”

On a rolling basis, the GSEs will grant access to additional lenders interested in participating in the LPP. Lenders that want to start later in the LPP should adhere to the schedule in the following table for submitting their completed questionnaire.

Participation Wave	Deadline for Submitting Completed Questionnaire	Potential Start Date
1	July 1, 2020	August 2020
2	August 1, 2020	September 2020
3	September 1, 2020	October 2020
4	October 1, 2020	November 2020
5	November 1, 2020	December 2020

Additional Information

A complete implementation timeline and the supporting materials referenced can be accessed on Freddie Mac's [URLA web page](#) and Fannie Mae's [URLA web page](#).

If you have questions about these updates, please contact your GSE representative or ULAD@FreddieMac.com or ULAD@FannieMae.com.