

Collateral Underwriter™

Taking appraisal review to the next level

Collateral Underwriter (CU™) is a proprietary appraisal risk assessment application developed by Fannie Mae to support proactive management of appraisal quality.

Overview

- CU is the latest addition to Fannie Mae's comprehensive suite of risk management tools available to lenders.
- CU will provide additional transparency and certainty by giving lenders access to the same appraisal analytics used in Fannie Mae's quality control process.
- CU performs an automated risk assessment of appraisals submitted to the Uniform Collateral Data Portal® (UCDP®) and returns a risk score, flags, and messages to the submitting lender.
- CU leverages an extensive database of property records, market data, and proprietary analytical models to analyze key components of the appraisal including data integrity, comparable selection, adjustments, and reconciliation.
- Fannie Mae will make CU available at no charge so lenders can take full advantage of the application for quality control and risk management purposes.

How to Use CU Risk Scores and Messages

- Lenders may use the CU risk score to segment appraisals by risk profile, resulting in more efficient resource allocation, workflow management, and collateral risk management processes.
- Risk flags identify appraisals with heightened risk of quality issues, overvaluation, and property eligibility or policy compliance violations.
- Detailed messaging directs reviewers to specific aspects of the appraisal report that may warrant further attention.
- Perform in-depth analysis using CU's dynamic web-based interface that includes comparable sales data, market trends, mapping, aerial photography, public records, and other functionality to assist with manual review of the appraisal.

RESOURCES

[Collateral Underwriter \(CU\) FAQs](#)

**OnDemand eLearning courses, available 24/7 —
view them at your convenience:**

[Introduction to Collateral Underwriter](#)
[Understanding CU's Risk Score, Flags,
and Messages](#)

Appraisal Data Evolution

Data Standardization: The Uniform Appraisal Dataset (UAD) standardized critical data points on the appraisal.

Electronic Data Capture: UCDP has collected over 12 million appraisals and nearly 20 million transactions to date.

Data Quality Feedback: Fannie Mae Messages in UCDP provide basic property eligibility, data reasonableness, and compliance checks.

Fannie Mae Use: CU informs Fannie Mae's post-acquisition quality control process and [Appraiser Quality Monitoring](#).

Coming January 26, 2015

CU risk score and messages will be available to all UCDP users in real-time through UCDP and in the Submission Summary Report just like Fannie Mae's original Proprietary Messages. No registration or additional technology integration is required.

Fannie Mae will provide access to the web interface for Fannie Mae Sellers and their correspondent customers to support in-depth appraisal analysis.

CU will be integrated with DU® in the first half of 2015 to give lenders a holistic view of risk. This will provide a foundation for future waiver of representations and warranties on value, and we are working with our regulator, FHFA, on timing and details.