UCD Phase 3 Critical Edits Job Aid: Escrows

Contents

Background

The objective of the Uniform Closing Dataset (UCD) Phase 3 critical edits is to enhance data quality in the Closing Cost Details section of the Closing Disclosure (CD), with a focus on fee types and amounts.

The purpose of this document is to review the Initial Escrow Payment at Closing Section, as data points related to these items on the CD must be provided in the UCD XML file. It also outlines how the data in each section should be provided in the UCD XML file to avoid triggering Phase 3 critical edits, as specified in the UCD Critical Edits Matrix (CEM) available on the Fannie Mae and Freddie Mac UCD webpages.

UCD Data Requirements Associated with Phase 3 Critical Edits

Required Fee Component Data

Historically, each GSE's UCD collection solution has ignored or provided warnings when data submissions only partially met the UCD Specification requirements. As with the other fees, the data supporting Section G. Initial Escrow Payment at Closing must be complete. When ESCROW_ITEM containers are delivered in the UCD XML file, they must include the following data points. If these data points are not provided, an edit with "critical/fatal" severity will be triggered.

Note: The examples assume EscrowIndicator in the LOAN_DETAIL container is set to "true."

- ESCROW_ITEM
  - ESCROW_ITEM_DETAIL
    - EscrowItemType
    - EscrowItemTypeOtherDescription (only when EscrowItemType ="Other")
    - IntegratedDisclosureSectionType = InitialEscrowPaymentAtClosing
    - EscrowMonthlyPaymentAmount
    - FeePaidToType

- FeePaidToTypeOtherDescription (only when FeePaidToType="Other")

- o ESCROW_ITEM_PAYMENT
  - EscrowItemPaidByType
  - EscrowItemActualPaymentAmount

Escrows – Frequent Edits

If Escrow Item Type is missing when the Integrated Disclosure Section Type is "Initial Escrow Payment At Closing," the following edit messages will be issued:

Fannie Mae Feedback Messages		Freddie Mac Feedback Messages	
Message Code	Message Text	Message Code	Message Text
3638	For Initial Escrow Payment At Closing, Escrow Item Type is required and must be a valid enumeration. When Escrow Item Type equals Other, the Escrow Item Type Other Description is required.	DQC1302 CRIT0256	"A valid Escrow item is required with the Paid By amount '"+%Escrow Item Actual Payment Amount (Subject Loan: UCD)%+"'."
		DQC1314 CRIT0252	"A valid Escrow item is required with the Paid By amount '"+%Escrow Item Actual Payment Amount (Subject Loan: UCD)%+"'."
		DQC1319 CRIT0254	"An escrow item and Paid By Amount are required in the Initial Escrow Payment at Closing section."

If Escrow Item Actual Payment Amount is greater than zero and Fee Paid To Type is missing, the following edit messages will be issued:

Fannie Mae Feedback Messages		Freddie Mac Feedback Messages	
Message Code	Message Text	Message Code	Message Text
3640	For Initial Escrow Payment At Closing, Fee Paid to Type is required. When Fee Paid to Type equals "Other", the Fee Paid To Type Other Description is required.	DQC1310 CRIT0266	"The type of entity to which the fee is being paid is required and must be one of 'Broker', 'Investor', 'Lender', 'ThirdPartyProvider', 'Other-BrokerAffiliate', or 'Other-LenderAffiliate' when the Paid By amount is not equal to '0' for the escrow item '"+%Escrow Item Type (Subject Loan: UCD)%+"'."
3636	For Initial Escrow Payment At Closing, Fee Paid to Type must be a valid enumeration. When Fee Paid to Type equals "Other", the Fee Paid To Type Other Description must be "BrokerAffiliate" or "LenderAffiliate".		

When Escrow Item Type exists, the Escrow Item Actual Payment Amount is required even if a zero value. If Escrow Item Type is provided and Escrow Item Actual Payment Amount is missing, the following edit messages will be issued:

Fannie Mae Feedback Messages		Freddie Mac Feedback Messages	
Message Code	Message Text	Message Code	Message Text
3642	For Initial Escrow Payment At Closing, Escrow Item Actual Payment Amount is required.	DQC1313 CRIT0264	UCD File Error: At least one instance of ESCROW_ITEM_PAYMENT is required for the escrow item.
		DQC1311 CRIT0262	"A Paid By Amount is required for escrow item '"+%Escrow Item Type (Subject Loan: UCD)%+"."
		DQC1319 CRIT0254	"An escrow item and Paid By Amount are required in the Initial Escrow Payment at Closing section."

Examples: CD Data Points and Associated UCD File Data by Section

Escrow Item Type

Business Requirements

This scenario focuses on Section G. Initial Escrow Payment At Closing, with the Other Costs table showing that the borrower provided funds at closing for Homeowner's Insurance and Property Tax.

		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
8.10 **G. Initial Escrow Payment at Closing**		8.10.1 $351.66				
01 8.11 Homeowner's Insurance	8.11.1 ($100.83 per month for 2 mo.)	8.11.2 **$201.66**				
02 8.12 Mortgage Insurance	8.12.1 (__per month for __mo.)	8.12.2				
03 8.13 Property Taxes	8.13.1 ($75.00 per month for 2 mo.)	8.13.2 **$150.00**				
04 8.14 Property Taxes	8.14.1 ($ per month for mo.)	8.14.2				
05						
06 8.15 Aggregate Adjustment		8.15.2				

Technical Requirements

The following table provides an example of how the Initial Escrow Payment at Closing section heading and escrow line items illustrated in the CD snippet above should be delivered in the UCD XML file. Data points that are included in Phase 3 critical edits are highlighted in light yellow.

```
<INTEGRATED_DISCLOSURE_SECTION_SUMMARIES>
  <INTEGRATED_DISCLOSURE_SECTION_SUMMARY>
    <INTEGRATED_DISCLOSURE_SECTION_SUMMARY_DETAIL>
      <IntegratedDisclosureSectionTotalAmount>351.66</IntegratedDisclosureSectionTotalAmount>
      <IntegratedDisclosureSectionType>InitialEscrowPaymentAtClosing</IntegratedDisclosureSectionType>
    </INTEGRATED_DISCLOSURE_SECTION_SUMMARY_DETAIL>
  </INTEGRATED_DISCLOSURE_SECTION_SUMMARY>
</INTEGRATED_DISCLOSURE_SECTION_SUMMARY>
```

Homeowner's Insurance
``` <ESCROW_ITEM>   <ESCROW_ITEM_DETAIL>   <EscrowCollectedNumberOfMonthsCount>2</EscrowCollectedNumberOfMonthsCount>   <EscrowItemType>HomeownersInsurance</EscrowItemType>   <EscrowMonthlyPaymentAmount>100.83</EscrowMonthlyPaymentAmount> ```

Homeowner's Insurance

`<FeePaidToType>`**Lender**`</FeePaidToType>`
`<IntegratedDisclosureSectionType>`**InitialEscrowPaymentAtClosing**`</IntegratedDisclosureSectionType>`
`<RegulationZPointsAndFeesIndicator>`**false**`</RegulationZPointsAndFeesIndicator>`
 	
  `<ESCROW_ITEM_PAYMENT>`
     `<EscrowItemActualPaymentAmount>`**201.66**`</EscrowItemActualPaymentAmount>`
     `<EscrowItemPaymentPaidByType>`**Buyer**`</EscrowItemPaymentPaidByType>`
     `<EscrowItemPaymentTimingType>`**AtClosing**`</EscrowItemPaymentTimingType>`

Property Taxes

`<ESCROW_ITEM>`
  `<ESCROW_ITEM_DETAIL>`
     `<EscrowCollectedNumberOfMonthsCount>`**2**`</EscrowCollectedNumberOfMonthsCount>`
     `<EscrowItemType>`**CityPropertyTax**`</EscrowItemType>`
     `<EscrowMonthlyPaymentAmount>`**75.00**`</EscrowMonthlyPaymentAmount>`
     `<FeePaidToType>`**Lender**`</FeePaidToType>`
     `<IntegratedDisclosureSectionType>`**InitialEscrowPaymentAtClosing**`</IntegratedDisclosureSectionType>`
     `<RegulationZPointsAndFeesIndicator>`**false**`</RegulationZPointsAndFeesIndicator>`
 	
  `<ESCROW_ITEM_PAYMENT>`
     `<EscrowItemActualPaymentAmount>`**150.00**`</EscrowItemActualPaymentAmount>`
     `<EscrowItemPaymentPaidByType>`**Buyer**`</EscrowItemPaymentPaidByType>`
     `<EscrowItemPaymentTimingType>`**AtClosing**`</EscrowItemPaymentTimingType>`

Resources

Resource	Fannie Mae Link	Freddie Mac Link
UCD Critical Edits Timeline	https://singlefamily.fanniemae.com/media/document/pdf/ucd-critical-edits-phase-3-will-transition-two-subsets	https://sf.freddiemac.com/tools-learning/uniform-mortgage-data-program/ucd
Critical Edits Matrix	https://singlefamily.fanniemae.com/media/document/xlsx/uniform-closing-dataset-critical-edits-matrix	https://sf.freddiemac.com/content/_assets/resources/xls/other/ucd-critical-edits-matrix.xlsx
UCD Critical Edits Implementation Guide	https://singlefamily.fanniemae.com/media/document/pdf/ucd-critical-edits-implementation-guide	https://sf.freddiemac.com/content/_assets/resources/pdf/other/ucd-critical-edits-implementation-guide_.pdf
Specification Update Impact Memo	https://singlefamily.fanniemae.com/media/document/pdf/ucd-specification-update-impact-memo	https://sf.freddiemac.com/content/_assets/resources/pdf/fact-sheet/specification-update-joint-impact-memo.pdf
UCD Feedback Messages	https://singlefamily.fanniemae.com/media/document/xlsx/ucd-feedback-messages	https://sf.freddiemac.com/content/_assets/resources/xls/other/lcla-feedback-msgs-3-31-2022.xlsx
Joint GSE UCD Critical Edits Phase 3 Feedback Message Mapping	https://singlefamily.fanniemae.com/media/document/xlsx/joint-gse-ucd-critical-edits-phase-3-feedback-message-mapping	https://sf.freddiemac.com/content/_assets/resources/xls/other/joint-gse-ucd-phase-3-critical-edits-feedback-message-mapping-document.xls
UCD Phase 3 Critical Edits Job Aid: Fees	https://singlefamily.fanniemae.com/media/document/pdf/ucd-phase-3-critical-edits-job-aid-fees	https://sf.freddiemac.com/content/_assets/resources/doc/fact-sheet/ucd-joint-gse-job-aid-guide-fees.docx

Additional Information

For more information on UCD, visit the Fannie Mae UCD page or the Freddie Mac UCD page.

This document relates to the Uniform Mortgage Data Program®, an effort undertaken jointly by Fannie Mae and Freddie Mac at the direction of the Federal Housing Finance Agency.

If you have questions or need further assistance, please contact your GSE account representative or submit your questions to our UCD mailboxes: UCD@FannieMae.com or UCD@FreddieMac.com.

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