

UCD Critical Edits Phase 3 will Transition as Two Subsets

April 11, 2023

Fannie Mae and Freddie Mac (the GSEs) are announcing changes to the Uniform Closing Dataset (UCD) critical edits Phase 3 transition timeline. The GSEs are dividing the Phase 3 critical edits into two subsets: 3A and 3B. Phase 3A edits will transition to critical/fatal as planned on **May 1, 2023**. The second subset of edits, Phase 3B, will transition to critical/fatal on **Nov. 6, 2023**. The critical edit transition date for Phase 4 has been deferred.

UCD Critical Edits Phase 3A and 3B

More than half of the Phase 3 critical edits will be included in Phase 3A and transition to critical on May 1, including all edits for the data points supporting Qualified Mortgage (QM) Short Reset adjustable-rate mortgages (ARMs): gse:Qualified Mortgage Short Reset ARM_APR Percent and First Rate Change Months Count datapoints. The GSEs are delaying a subset of the high-firing Phase 3 critical edits to Phase 3B with a Nov. 6 transition date to give lenders, third-party originators, and software partners/Technology Solution Providers (TSPs) more time to analyze and resolve problematic data. All edits for both Phases 3A and 3B are currently available for testing in the GSEs' respective production UCD collection systems and customer testing environments.

The Phase 3A and 3B UCD critical edits focus on ensuring the quality and completeness of data supporting the Closing Disclosure (CD) Closing Cost Details section (fee, prepaid, and escrow line items, and section totals). As you analyze the UCD files with Phase 3A and 3B edits, keep in mind that data provided in the UCD XML file must match the data in the PDF of the CD provided to the borrower. The GSEs are observing instances where the submitted CD is correct but the UCD XML file contains errors.

Updated Critical Edits Transition Dates

Mandate Date	What's Being Implemented
May 1, 2023	Phase 3A edits will transition from "warning" to "critical/fatal"
	The gse:Qualified Mortgage Short Reset ARM APR Percent and First Rate Change Months Count datapoints will be required for all ARMs meeting the definition for a short reset ARM on and after May 1, 2023.
	Phase 3B edits will remain as "critical/fatal" in the customer testing environments and "warning" in production.
Nov. 6, 2023	Phase 3B will transition from "warning" to "critical/fatal" edits.
TBD	Phase 4 critical edits transition.

Identifying Edits in Phase 3A and 3B

The specific edits associated with Phase 3A or 3B are noted in a new column A in the [UCD Critical Edits Matrix v6.0](#) and column A in the [Joint GSE UCD Phase 3 Critical Edits Feedback Message Mapping Document v2.0](#). We have added this column to each document so that you can continue to use familiar tools and identify the critical edits in each phase.

To identify the edits for Phase 3A and 3B, follow these steps:

1. Highlight Row 2, individual column headings.
2. Select "Data" from the top ribbon to display the "Data" menu.
3. Select "Filter" from the Data menu. Arrows should appear in the bottom right corner of each column in Row 2.

A	B	C	D	E
CEM Reference		Closing Disclosure Form References		
Phase 3 Subset	CEM Sort ID	Section Name	Field ID	Field Name
3A	1	Loan Costs (7.0)	7.1	A. Origination Charges (Gray Bar heading)
3A	2	Loan Costs (7.0)	7.1.1	A. Origination Charges (Gray Bar amount)
3B	3	A. Origination Charges	7.2	Points (label)
3B	4	A. Origination Charges	7.2	Points (tagalong)

-
4. Select the arrow for Column A, Phase 3 Subset. A filter dropdown box should appear.
 5. Select “3A.” The data points with edits transitioning to “critical/fatal” on May 1 will be displayed.
 6. To identify the Phase 3B edits, return to the arrow for Column A. Select “All,” then Select “3B.” The data points with edits transitioning to critical on Nov. 6 will be displayed.

Each GSE will continue to provide reporting via their existing channels. Resources are available on the [Fannie Mae UCD page](#) and the [Freddie Mac UCD page](#) to help you prepare:

- [UCD Critical Edits Matrix](#), v6.0 - **Updated**
- [Joint GSE UCD Phase 3 Critical Edits Feedback Message Mapping Document](#), v2.0 – **Updated**
- Joint GSE UCD Phase 3 Critical Edits Job Aids - **Updated**:
 - [Fees](#)
 - [Loan Discount Points and Lender Credits](#)
 - [Escrows](#)
 - [Qualified Mortgage Short Reset ARM APR Percent](#)
- [UCD Critical Edits Implementation Guide](#)
- [UCD FAQs](#)
- GSE-specific critical edits [feedback message codes and text](#)

Additional information

For more information on UCD, visit the [Fannie Mae UCD page](#) or the [Freddie Mac UCD page](#).

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.