



Announcement: CWL2021-23

Issue Date: August 12, 2021

Effective Date: August 12, 2021

Attachment: none

DU Authorized User Accounts and COVID-19 Conventional Update

DU Authorized User Accounts

DU Authorized User Account requirements has been updated for clarification purposes.

- When ensuring tradelines are an accurate reflection of the borrower's credit history, as a general guide, if the borrower has several authorized user accounts but only a few accounts of his/her own, *the lender should establish:*
 - The relationship of the borrower to the owner of the account,
 - If the borrower uses the account, and
 - If the borrower makes the payments on the account.
- If the authorized user tradeline belongs to another borrower on the mortgage loan, no additional investigation is needed. If the borrower has several tradelines in good standing and only a minor number of authorized user accounts, ML Mortgage could make the determination that:
 - The authorized user accounts had minimal, if any, impact on the borrower's overall credit profile; and
 - The information reported on the credit report is an accurate reflection of the borrower's credit history.
- It is not required to review an authorized user tradeline that belongs to the borrower's spouse when the spouse is not on the mortgage transaction.
- *For example, does the authorized user account reflect how the borrower pays their own accounts? (i.e., authorized user account is paid on time but the borrowers own accounts are not paid on time). In this case, it is not a true reflection of how the borrower pays their credit therefore, additional items are needed to support credit history or the authorize user account must be removed. If the borrower and authorized user's credit supports on-time payments, additional information is not required.*

COVID-19 Matrix

Effective August 11, 2021, temporary policies regarding Conventional Age of Documentation and Market-Based Assets (i.e., stocks, stock options, and mutual funds) have been retired. Follow standard Fannie Mae and Freddie Mac requirements.