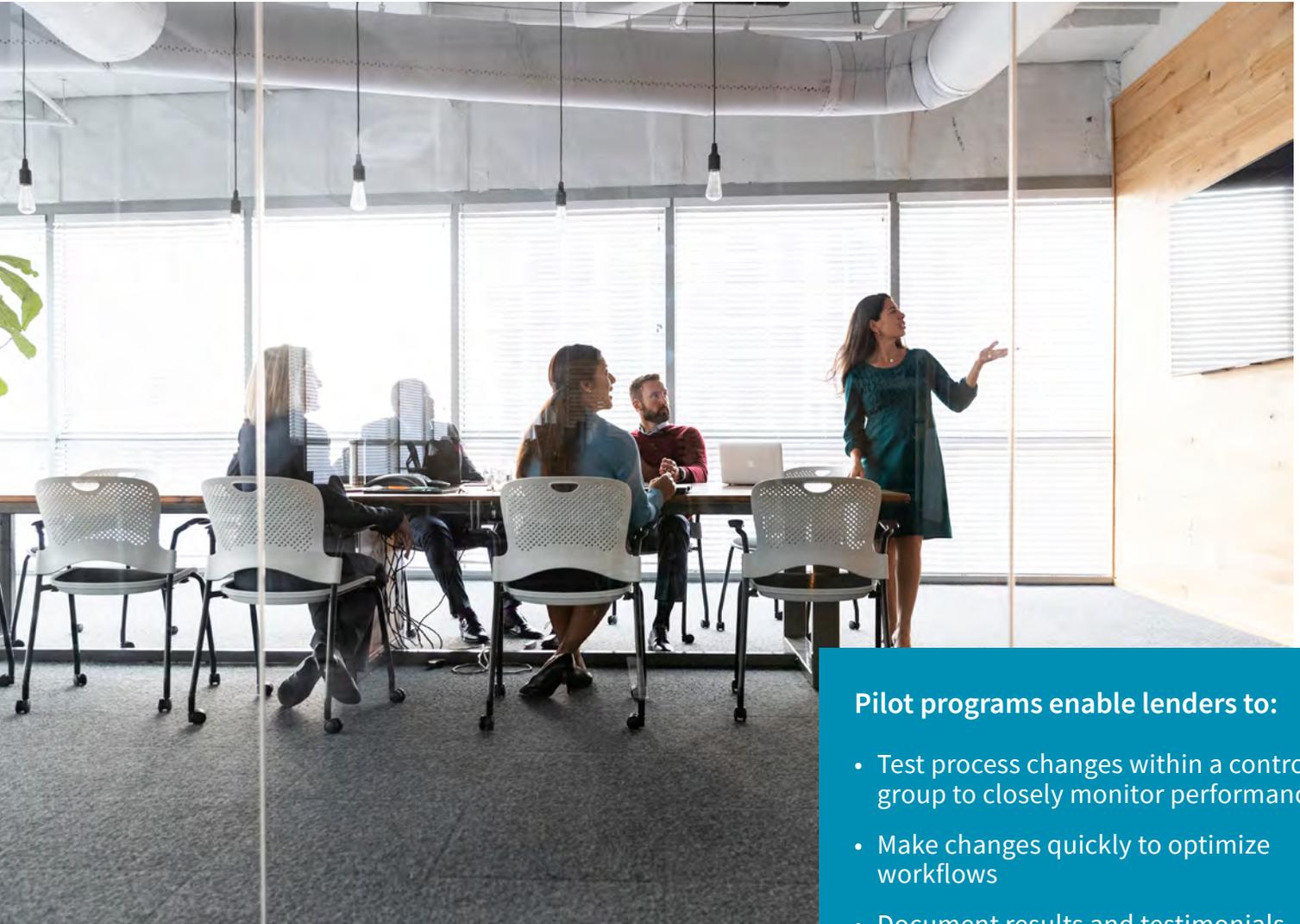# Implementing a DU validation service pilot

Implementing the Desktop Underwriter® (DU®) validation service requires adapting to technological, operational, and behavioral changes. Many lenders who successfully implement the DU validation service first conduct a pilot with a small group of employees.

Pilot programs enable lenders to:

- Test process changes within a controlled group to closely monitor performance

- Make changes quickly to optimize workflows

- Document results and testimonials

- Build training materials and other resources

- Use learnings to prepare a broader rollout

> **❝** Fundamentally, we've fine-tuned how we service our customers. Showing the team the data is really important to increase buy-in and morale. **❞**

Melanie Jackson,
Operations Manager, First Citizens Bank

Pilot best practices

✓ **Establish a baseline.** Before you implement changes may affect your pilot group's performance, determine the baseline loan processing timeline metrics that you'll measure against. Look at the **DU Validation Appraisal Waiver & Appraised Value Certainty Pre- and Post-Delivery Reports** in **Fannie Mae Connect™** to monitor the rates at which your team receives income, employment, and/or asset validation. Define your organization's pilot exit criteria—what does success look like?

✓ **Define new processes.** Before starting the pilot, establish which operational processes need to change in order to use the DU validation service. When the pilot is underway, test the new processes and refine as needed.

✓ **Form boundaries.** Make it clear which employees are a part of the pilot team, and that you've included the employees who have crucial roles in the loan origination process. Consider which types of loans you will include in the pilot, and whether you will pilot all three components (income, employment, and asset validation) or start with one or two components.

✓ **Embrace "test and learn" culture.** Encourage the pilot group to communicate how they're talking to borrowers about using electronic data to validate employment, income, and assets. Consider establishing an ongoing forum for the group to share what works well and what they'd do differently next time.

✓ **Check in routinely.** Make it a point to ask pilot participants about their work. Establish check-in points throughout the pilot to measure and discuss results. This will help you determine how close you are to your pilot exit criteria.

✓ **Apply learnings to your rollout plan.** Fine-tune your workflows for processes, procedures, and operations based on the learnings established from the pilot team's experience.

✓ **Talk to your Fannie Mae team.** Let your technology delivery manager and relationship manager know about your plans so they can support you.

For more resources to help you implement and use the DU validation service, visit DUValidationCenter.com.

Pilot implementation checklist

Based on the best practices of lenders who have been successful with the DU validation service, this checklist can help you smoothly implement the tool in your organization.

STEP 1: COMMIT TO A NEW WAY OF WORKING

- ☐ Explore LOS vendor integrations and understand process implications by channel
- ☐ Perform cost benefit analysis
- ☐ Choose data vendor(s), identify SLAs, and execute contract(s)

STEP 2: OPERATIONAL READINESS

- ☐ Identify how you will track pilot progress (Fannie Mae Pre-Delivery Report, etc.)
- ☐ Update current process flows to account for new/revised processes
- ☐ Communicate the efficiencies of using the DU validation service/Day 1 Certainty® to loan officers, processors, underwriters, and QA/QC
- ☐ Take advantage of Day 1 Certainty materials and the DU Validation Service Resource Center
- ☐ Develop a communication plan for realtors/builders that underscores the benefits of Day 1 Certainty
- ☐ Create a marketing plan (branding, etc.)

Pilot implementation checklist (continued)

STEP 3: PREPARE FOR THE PILOT

- ☐ Create and establish boundaries for the pilot (pilot timeline, product types, business channels, etc.)
- ☐ Establish current/baseline processing timeline metrics
- ☐ Form your pilot team, including representation for all touch points in the loan origination process
- ☐ Identify pilot success criteria – what makes the pilot a success? (# of days cycle time reduction, staff efficiencies, customer satisfaction, etc.)

STEP 4: TRAIN YOUR SALES & OPS TEAMS

- ☐ Train staff on updated Day 1 Certainty process flows and procedures
- ☐ Emphasize when the DU validation service should be executed
- ☐ Develop scripts and FAQs to ensure loan officers are educated on how to speak to borrowers about verification of employment, income, and assets
- ☐ Explain how Day 1 Certainty benefits each staff position in the loan origination process

STEP 5: LAUNCH & MONITOR PILOT

- ☐ Establish pilot oversight to ensure participants adhere to new Day 1 Certainty process flows
- ☐ Conduct routine check-ins with members of the pilot team
- ☐ Measure progress – compare established pre-Day 1 Certainty baseline metrics to post-Day 1 Certainty processing metrics
- ☐ Test and learn during the pilot – communicate wins, challenges, and key learnings to both the pilot team and overall organization
- ☐ Update your full production rollout plan based on pilot learnings