

PFI Advisory

May 5, 2005

Special Attention:

PFI's MPF[®] Program Management and PFI's Servicing Management

Subject:

Servicemember's Civil Relief Act (SCRA)

We want to remind PFIs of the protections provided servicemembers by the Servicemember's Civil Relief Act (SCRA) of 2003.

In PFI Notice 2005-2, issued March 11, 2005, we updated Servicing Guide Chapter 107.1.7, Servicemember's Civil Relief Act (SCRA). This chapter covers the servicing of a Mortgage under the provisions of the SCRA that apply to the reduction of the Note Rate. However, in addition to these requirements, but not enumerated in the Servicing Guide, the SCRA also contains provisions that may prevent the sale, foreclosure or seizure of a property for a breach of a mortgage obligation during or shortly after a servicemember's military service. PFIs must be fully aware of and compliant with these provisions of the SCRA and any other provisions not explicitly enumerated in the Servicing Guide.

As you are aware, Mortgages must be serviced in conformance with all Applicable Laws as required in Chapter 103.1 of the Servicing Guide. This requirement applies to all provisions of an Applicable Law even if a law, or some of a particular law's provisions, is not referenced in the Servicing Guide. While we are confident that you are servicing MPF Mortgages in compliance with the SCRA and all other Applicable laws, we wanted to remind you of this important law at this time given the heightened awareness of individuals serving our nation in the armed services today.

If you have any questions, please contact your MPF Bank Representative or call the MPF Customer Support Desk at 877-INFO-MPF (877-463-6673).