

PFI Advisory

April 20, 2006

Special Attention:

PFI's MPF Program Management, PFI's Servicing Management

Subject: PFI "Opt-in" under the Mississippi Development Authority's Homeowner Assistance Grant Program

The Mississippi Development Authority (MDA) has established a Homeowner Assistance Grant Program (HAGP) for properties located in certain hurricane Katrina affected counties. The HAGP will provide financial assistance to qualified homeowners whose primary residence is outside Federal Emergency Management Agency (FEMA) designated Special Flood Hazard Areas and whose hazard insurance did not cover flood damage. More information on the HAGP can be found on the Mississippi website at <http://www.mshomehelp.gov> and the Mortgage Bankers Association website at <http://www.mortgagebankers.org/NewsandMedia/PressCenter/40798.htm>.

Under the HAGP, qualified homeowners will receive grant proceeds payable to them directly from the MDA. In order for a PFI to be a co-payee on the grant proceeds check, the PFI must execute an Opt-In Agreement for Mortgage Lenders ("the Agreement"). The MPF Program encourages PFIs servicing mortgages for properties located in Jackson, Harrison, Hancock and Pearl River counties to execute the Agreement in order to help control the use of the benefits paid to borrowers. **THE DEADLINE FOR THE SUBMISSION OF AN EXECUTED AGREEMENT TO THE MDA IS FRIDAY, APRIL 21, 2006.** See the websites above for directions on how to submit the Agreement to the MDA.

The MPF Program's encouragement to PFIs to execute the Agreement is not an endorsement of the HAGP and its requirements. It is the PFI's responsibility to review the HAGP information and documentation prior to executing the Agreement. The Agreement with MDA will not supersede or amend the PFI's obligations under the PFI Agreement and MPF Guides.

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