

PFI Advisory

August 15, 2007

Special Attention:

PFI's MPF Program Management and Origination Management

Subject: Short Form Security Instruments

Certain states have statutes that allow originating lenders to record a Master Form Security Instrument in a given county and then to record a Short Form Security Instrument for each subsequent Mortgage originated and recorded in that county. The Short Form Security Instrument contains the loan-specific information (e.g., borrower name, lender name, loan amount, description of property) and identifies the provisions of the Master Form Security Instrument that are being incorporated by reference into the Short Form Security Instrument.

The state-specific Fannie Mae/Freddie Mac Uniform Master and Short Form Security Instruments will be acceptable provided that:

- The Mortgaged Property is located in a state that permits the use of the Uniform FNMA/FHLMC Master and Short Form Security Instruments and the most current state specific FNMA/FHLMC Master and Short Form Security Instrument(s) are available for use;
- The Uniform FNMA/FHLMC Master Form Security Instrument is the Master Form Mortgage or Deed of Trust that is permitted under certain state statutes to be recorded by originating lenders in a given county in the state;
- The Uniform FNMA/FHLMC Short Form Security Instrument is the Mortgage or Deed of Trust recorded for each individual Mortgage made and recorded in the county where the Uniform FNMA/FHLMC Master Short Form Security Instrument is recorded;
- The use, execution and recording of the Uniform FNMA/FHLMC Master and Short Form Security Instrument(s) are in accordance with Origination Guide Chapter 31.6 and state and/or local statute(s).

If you have any questions about the use of either a Master or Short Form Security Instrument, please contact your MPF Bank Representative or call the MPF Customer Support Desk at 877-INFO-MPF (877-463-6673).