

MPF Xtra® PFI Advisory

February 11, 2011

Special Attention: PFI MPF® Program Management, Origination Management, Servicing Management and Document Custody Management

Subject: Additional Required Data Elements for Loans Delivered to Fannie Mae and Freddie Mac

Recently, Fannie Mae and Freddie Mac announced a joint effort to establish a uniform set of data elements required for the delivery of loans. This project is mandated by the Federal Housing Finance Agency and is known as the “Uniform Mortgage Data Program” (UMDP). The UMDP involves loan data along with appraisal data with the following effective dates for each:

Appraisal data requirements; Effective September 1, 2011; and

Loan data requirements (the largest component); Effective December 1, 2011.

Implications for the MPF Program

Since loans sold under the MPF Program’s MPF Xtra product are ultimately delivered to Fannie Mae, it will be necessary for these loans to adhere to the UMDP appraisal and loan data requirements. Meeting the new data requirements will require you to increase the amount of data you collect and deliver under the MPF Xtra product and the way we collect and process that data.

Transitioning Together

Throughout the year, we will provide webinar sessions, bulletins and reminders to help your institution make a smooth transition to the new MPF Xtra product data requirements. The first webinar will take place on February 24, 2011. We will also provide periodic summaries on our own progress in adapting to the new requirements so that you can track your progress against our implementation.

Things to Do before the Webinar sessions begin

We believe that most common Loan Origination System (LOS) vendors will be developing the ability to support the additional loan data requirements. It is our plan to develop the ability for you to utilize those same LOS enhancements to create efficiency in the delivery of loans under the MPF Xtra product.

To ensure success in the implementation of the new data requirements, we feel the best practice is to start making preparations now. Below are some steps you can take today to begin your preparation for these new industry-wide requirements:

- Contact your LOS vendor to determine their awareness, plans, and preparation schedule for delivering the new functionality to you; and

- Contact your appraiser(s) to determine their preparedness and plans for adapting to the new requirements for appraisal data and the support they can provide to you for meeting the electronic delivery requirements.

See the Webinar Training Calendar under the Education link at <http://www.fhlbmpf.com> for more information on UMDP webinars.

While adjusting to these changes will take time and effort, we are confident that we can build a process through a concerted effort that for many will result in an efficient loan delivery process under the MPF Program. We look forward to working with you.

If you have any questions, please contact your MPF Bank Representative or call the MPF Xtra Service Center at 888-362-0011.