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Announcing a New 20-Year Fully Amortizing Loan Product Type

Participating Financial Institutions (PFI) delivering mortgage loans into the MORTGAGE PARTNERSHIP FINANCE® ("MPF®") Program may now price for and deliver loans with 20-year fully amortizing mortgage payments. Prior to this bulletin, members could deliver a 20-year fully amortizing loan into the MPF Program, but would receive a 30-year price for that mortgage loan. The addition of the 20-year loan product type, provides our members with the ability to receive a price reflective of the amortization characteristics of a 20-year fully amortizing loan.

Description: The 20-year fully amortizing mortgage is being offered through the MPF Program enhancing the spectrum of fully amortizing mortgage loan programs that are currently available today. The 20-year fully amortizing loan is widely accepted in both the primary and secondary markets. The popularity of the 20-year loan has risen over the years because of its quicker equity appreciation, similar to a 15-year loan, but without the payment shock of the 15-year mortgage loan. The 20-year mortgage loan product type has proven to be a personal favorite of consumers both in refinance and non-refinance markets.

Features:

- Available across all conventional MPF Program product lines.
- Commitment deliveries of 3, 10, 20, 30 and 45 business days.
- Pricing options available for both Actual/Actual and Scheduled/Scheduled remittance options. Pricing for the 20-year mortgage appears on the same Origination Fee Schedule as the 15-year mortgage pricing (see attached sample Rate Schedule).
- Indication pricing available by phone, fax or via our electronic eMPF™ web interface.

Benefits:

- Execution based upon the amortizing characteristics of a 20-year loan.
- Expands the fixed rate product types available to our members and their customers.
- When compared to a 15-year loan, consumers enjoy the faster equity build-up without the commensurate higher payment cost.

Who do I call for more information about the information provided in this bulletin?

For more information about this bulletin please contact an MPF business expert either at your FHL Bank or MPF Bank or call our toll free assistance number at 1-877-463-6673.