

# **PFI Marketing Bulletin No. 2000-5**

## **Date 12-15-2000**



**Effective with Delivery Commitments dated: January 15, 2001.**

### **Announcing The Eligibility Of Second Home Properties For Delivery Into The MPF Program.**

Participating Financial Institutions (PFI) delivering mortgage loans into the MORTGAGE PARTNERSHIP FINANCE® (“MPF®”) Program may now deliver second home properties. Prior to this bulletin, members could not deliver mortgage loans collateralized by properties other than a borrower’s primary residence. The addition of the second home occupancy type provides our members with the ability to deliver single-family properties that meet the definition of a second home. Please refer to Chapter 9.4 of the MPF Origination Guide, Revised 12/08/00.

**Definition of a Second/Vacation Home:** A single-family (1-unit only) residential property, suitable for year round use, owned by the borrower in addition to a principal residence. The property must be occupied by the borrower for his or her intended use and enjoyment for some portion of the year, function as a second home, and may not be subject to any timesharing or rental pool agreements. Manufactured housing is not permitted. (second homes follow the Primary Residence 1-unit property guidelines for maximum LTV and TLTV Ratio requirements located in Chapter 10.4 of the MPF Origination Guide.)

#### **Features:**

- Available for all conventional MPF Program product lines.
- Maximum LTV is 95% on purchases and rate/term refinances.
- No operational changes are necessary. Simply include the second home occupancy information on the Credit Enhancement Form OG3 or code as a second home within the electronic delivery file of our eMPF™ web interface.

#### **Benefits:**

- Expands the loan eligibility characteristics of the MPF Program.
- Enhances member’s ability to market the MPF Program to a wider consumer audience.
- Members will receive the same execution benefits of the MPF Program on all eligible second homes.
- No delivery fees on second homes.

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