

PFI Marketing Bulletin No. 2007-1

Date: 2-1-2007

Effective Date: Immediately

Subject: MPF® Government

The MPF® Program is pleased to announce that its Original MPF for FHA/VA Loans product has been renamed **MPF Government** to reflect its expansion and enhancements, including additional loan and remittance types.

As Participating Financial Institutions (PFIs), you can continue to deliver all FHA and VA fixed-rate mortgages under the MPF Government product. Approved PFIs will be allowed to deliver HUD Section 184 and RHS Section 502 mortgages under the expanded product.

The HUD Section 184 loan type is designed to offer home ownership, property rehabilitation, and new construction opportunities for Native American individuals and families who are members of eligible tribes and who want to own a home on trust land or land located in an approved Indian or Alaska Native area.

The RHS Section 502 Guaranteed Loan type is administered by the USDA's Rural Development Office and allows qualifying low- and moderate-income families to purchase or refinance homes in rural areas with a population of less than 10,000 and "non-metro" communities with populations between 10,000 and 25,000.

The benefits to PFIs include expanded marketing opportunities in rural areas and within your Native American communities. Any PFI that is already approved by HUD or the RHS to originate Section 184 or Section 502 loans may be eligible to deliver these loans to their MPF Bank under the MPF Government product.

The Actual/Actual Remittance option allows MPF Banks the option of offering an additional remittance type to its PFIs that participate in the MPF Government product. As PFIs, you will find the A/A remittance option extremely attractive if you value the up-front price benefit and have experience in A/A investor reporting and servicing.

For More Information:

PFIs interested in discussing how the MPF Government product option can benefit them and their customers should call their MPF Bank Marketing Representative or Relationship Manager. For general information about the MPF Government product, please call the MPF Customer Support Desk at **877-INFO-MPF (877-463-6673)**.

For more information on the MPF Program:

<http://www.fhlbmpf.com>

For more information on HUD Section 184 loans:

<http://www.hud.gov/offices/pih/ih/homeownership/184/>

For more information on RHS Section 502 loans:

<http://www.rurdev.usda.gov/rhs/>