



PFI Notice 2000-6

October 27, 2000

Effective Date

January 1, 2001

You may take advantage of the following revisions to the MPF Origination Guide described in this PFI Notice effective immediately.

Special Attention:

PFI's MPF[®] Program Management, Secondary Marketing Management, Information Systems/Technology (IS / IT) Management

Subject:

Announcing New Enhancements to the MPF Origination Guide:

Origination Guide Chapter 20.1.1	Required Submission Data
Origination Guide Chapter 23.2.1	Data To Be Submitted for Funding of MPF Bank Funded Loans
Origination Guide Chapter 23.6.3	Data To Be Submitted for Funding of Closed Loans

Attachments

MPF Origination Guide Form OG3	Credit Enhancement Request Form
eMPF [™] Extranet Implementation Manual	MORTGAGE PARTNERSHIP FINANCE [®] DATA FEED WITH PFI FIELD MAPPING MPF [®] INPUT FORMAT (MPF Electronic Data Input Format) *

(*See last page of Notice for requirements on new Data Feed Input Format)

Description of Change:

1. Chapter 20.1.1 of the Origination Guide has been revised to reflect the new data elements required for a credit enhancement evaluation as follows:

Required Submission Data for Credit Enhancement

Unless data is transmitted electronically as provided in Chapter 20.1.2, a Credit Enhancement Request Form OG3 containing all the information required to complete the form, must be submitted in order for a Credit Enhancement evaluation to be processed. The Originator warrants that all the information submitted with respect to each loan, whether sent electronically or on Form OG3, is complete, correct, and accurate. (See Form OG3 for the complete list of required submission data)

2. Chapter 23.2.1 of the Origination Guide has been revised to reflect the new data elements necessary for loan funding of MPF Bank funded mortgages.

Data To Be Submitted for Funding of MPF Bank Funded Mortgages

Whether data is transmitted electronically by submitting the MPF Electronic Data Input Format or via another medium, the Originator will furnish the following information to the MPF Provider to fund a specific loan. The Originator warrants that all the information submitted with respect to each loan, whether sent electronically, telephonically or in any other manner, is complete, correct, and accurate.

- Originator Number and Name
- Person Authorized to Fund Mortgages
- MPF Delivery Commitment Number
- MPF Master Commitment Number
- Originator Loan Number
- Borrower/Co-Borrower
 - First, Middle Initial, Last Name
 - Self Employed
 - Monthly Income
 - SSN
 - FICO
 - Race or National Origin
 - Gender
 - Age
- Property Street, City, State, Zip
- Property County Name
- Property Type
- Occupancy
- Loan Purpose

- Loan Product
- Term
- Interest Rate
- Original Loan Amount
- Scheduled Principal Balance
- Loan to Value
- Subordinated Financing
- Total Loan to Value
- Current Loan to Value (Seasoned Loan Only)
- Housing Expense Ratio
- Total Debt Ratio
- PMI Coverage Level
- PMI Insurer Code
- Estimated Closing Date
- Funding Date
- Disbursement Date
- Investor Due Date
- First Payment Date
- Next Payment Due Date
- Maturity Date
- Principal and Interest Payment
- Pay History (Seasoned Loan Only)
- Property Value
- Documentation Type
- Agency Case Number (Closed Gov't Loan Only)
- Loan Plan Code
- MERS MIN Number (If MERS Registered)
- First Time Home Buyer
- Number of Bedrooms per unit
- Rent Level per unit
- Rent Plus Utilities per unit
- Unit Owner Occupied per unit
- Automated Underwriting System
- Number of Borrowers

3. Chapter 23.6.3 of the Origination Guide has been revised to reflect the new data elements necessary for loan funding of closed loans.

Data To Be Submitted for Funding of Closed Loans

Whether data is transmitted electronically by submitting the MPF Electronic Data Input Format or in another medium, the Originator will furnish the data elements listed in Chapter 23.2.1 to the MPF Provider to fund a specific loan. The Originator warrants that all the information submitted with respect to each loan,

whether sent electronically, telephonically or in any other manner, is complete, correct, and accurate.

4. The MPF Origination Guide Form OG3 referenced in Chapter 20.1.1 has been changed to reflect the new data fields to be submitted for Credit Enhancement evaluation. The **Credit Enhancement Request Form (Form OG3)** is designed to provide MPF Operations with the necessary information to evaluate the credit risk of the loan and arrive at a credit enhancement amount. In addition, the information contained in this form supplies the MPF Program with the necessary data to establish the loan in the MPF System. All the data submitted must be complete, correct and accurate. Please replace the Credit Enhancement Request Form Revised 4/00 located under the Origination Guide Forms section with the 10/02/00 revision attached.
5. The eMPF™ Extranet Implementation Manual referenced in Chapter 20.1.2 and 23.2 of the Origination Guide has been updated to reflect the new data fields to be submitted for electronic submission of data under the MPF Program. The **MPF Electronic Data Input Format** is designed to assist in creating the interface between our two systems. Upon mapping, all batch files that you provide under the MPF Program will automatically be correctly interfaced into the MPF System, processed and the results returned back to you (See your eMPF™ Extranet Implementation Manual April 24,2000 for more details on this process). In the eMPF™ Extranet Implementation Manual, please replace the MORTGAGE PARTNERSHIP FINANCE® DATA FEED WITH PFI FIELD MAPPING MPF® INPUT FORMAT with the 10/02/00 revision attached.

Investor Due Date

Special attention should be given to the data element “**Investor Due Date**”. This required data field is being added to ensure the correct loan balance is used in the funding process. In the past, Originators have provided the MPF Service Center with a loan balance that did not necessarily represent the loan balance they wished to fund, depending upon the loan due date. With the addition of this new data field, future loan balance funding issues will be eliminated.

The “**Investor Due Date**” field is defined as, “The date representing the first payment due to the MPF Bank. This date may not be earlier than today’s date.”

INVESTOR DUE DATE EXAMPLES

The following examples will help to illustrate the existing Loan Funding Process and the changes that will become effective with the addition of the Data Field – “**Investor Due Date**”.

Current MPF Loan Funding Process is as follows:

The MPF Bank purchases loans with scheduled balances due as of the first of the following month. When the current month loan balance is given, the MPF Service Center will amortize based on the current month's payment to obtain the correct loan balance for funding.

Example*:

Payment Due Date - 09/01/2000 (Month 3 scheduled payment)
 MPF Funding Date - 09/20/2000

Loan Principal:	\$	100,000			
Interest Rate:		8.0000%			
Term:		360			
Monthly P&I:		(\$733.76)			
<u>Month</u>	<u>Payment Due Date</u>	<u>Beg Bal</u>	<u>Interest</u>	<u>Principal</u>	<u>End Bal</u>
1	7/1/00	\$100,000.00	666.67	67.10	99,932.90
2	8/1/00	\$99,932.90	666.22	67.55	99,865.36
3	9/1/00	\$99,865.36	665.77	68.00	99,797.36
4	10/1/00	\$99,797.36	665.32	68.45	99,728.91
5	11/1/00	\$99,728.91	664.86	68.91	99,660.01
6	12/1/00	\$99,660.01	664.40	69.36	99,590.64
7	1/1/01	\$99,590.64	663.94	69.83	99,520.82
8	2/1/01	\$99,520.82	663.47	70.29	99,450.52
9	3/1/01	\$99,450.52	663.00	70.76	99,379.76
10	4/1/01	\$99,379.76	662.53	71.23	99,308.53

The PFI provides the MPF Service Center with the 9/1/2000 Payment Due Date Ending Balance (same as 10/1/2000 Payment Due Date Beginning Balance) of \$99,797.36. The MPF Bank funds based on this loan balance with the Borrower's next payment due date of 10/1/2000.

If the PFI provides the MPF Service Center with the 9/1/2000 Payment Due Date Beginning Balance of \$99,865.36; MPF will amortize based on the 9/1/2000 payment.

*The PFI must represent and warrant it is not delivering a loan that is 60 days or more delinquent.

Revised MPF Loan Funding Process:

Payment Due Date - 09/01/2000 (Month 3 scheduled payment)
 MPF Funding Date - 09/20/2000
 Next Payment Due Date - 09/01/2000 (Data Field 40)

Investor Due Date - 10/01/2000 (Data Field 38)
Loan Funding Balance - \$99,797.36

The PFI provides the MPF Service Center with the 9/1/2000 Payment Due Date Ending Balance (same as 10/1/2000 Payment Due Date Beginning Balance) of \$99,797.36. The MPF Bank funds based on this loan balance.

In this example the next remittance date is October 18, 2000. On October 18, MPF Service Center will sweep for the 10/1/2000 balance of \$99,797.36 (balance paid through the September payment) and the 10/1/2000 payment.

Correspondent Loan Funding Process:

Payment Due Date - 09/01/2000 (Month 3 scheduled payment)
MPF Funding Date - 09/20/2000
Next Payment Due Date - 09/01/2000 (Data Field 40)
Investor Due Date - 11/01/2000 (Data Field 38)
Loan Funding Balance - \$99,728.91

The PFI provides the MPF Service Center with the 10/1/2000 Payment Due Date Ending Balance (same as 11/1/2000 Payment Due Date Beginning Balance) of \$99,728.91. The MPF Bank funds based on this loan balance and will collect interim interest from the transaction date 9/20/2000 to the end of the month.

In this example, the next remittance date is November 18, 2000. On November 18, MPF Service Center will sweep for the 11/1/2000 balance of \$99,728.91 (balance paid through the October payment) and the 11/1/2000 payment.

Important Announcement regarding New Data Fields: PFI's that currently submit files via eMPF are required to complete the sample file submission process using the new layout prior to the date of install. Please contact the MPF Service Center to make arrangements to submit a sample file in the new file format to empf@fhlbc.com. The Service Center will normalize the data file and return the results to you for approval.

Please contact your MPF Bank Representative with any questions.