

PFI Notice 2001-4

June 22, 2001

Effective Date

Immediately

Special Attention:

PFI's MPF® Program Management, PFI's Origination Management, PFI's Servicing Management

Subject:

Announcing Enhancement to the Servicing Guide:

Servicing Guide Chapter 107.4.6 **Repurchase of FHA and VA Loans**

Description of Change:

The following revision has been made to the Servicing Guide.

Announcing the revision to Chapter 107.4.6 - Repurchase of FHA and VA Loans

Servicers will now be required to obtain prior authorization from the Master Servicer when repurchasing FHA or VA loans in a Master Commitment that meet the requirements of Chapter 107.4.6. The first paragraph of this Chapter has been revised to reflect the new guideline.

107.4.6 Repurchase of FHA and VA Loans

Without limiting or waiving the PFI's obligation as Servicer to advance principal and interest under the Scheduled/Scheduled servicing option, the PFI or its designee, with the Master Servicer's approval, may repurchase any FHA or VA loan in a Master

Commitment for an amount equal to 100 percent of the loan's then current outstanding scheduled principal balance, in the following circumstances:

If you have any questions about these changes, please contact your MPF Bank Representative.