

PFI Notice 2003-1

February 4, 2003

Effective Date

Immediately

Special Attention:

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

Subject:

Announcing enhancements to the Origination and Servicing Guides:

- Adding a new remittance option under the MPF Program called Actual/Actual

Enhancements will affect the following Guide Chapters:

Origination Guide Chapter 18
Origination Guide Chapter 19
Origination Guide Chapter 23

Master Commitment
Delivery Commitments
Mortgage Funding or Purchase

Servicing Guide Chapter 105
Servicing Guide Forms & Exhibits

Custodial Account, Advances and Loan Accounting
Revisions to Forms SG300A, SG301A, SG320A, and
SG321A

Description of Change:

The following revisions have been made to the Origination and Servicing Guides.

Origination Guide Revisions:

New Remittance Option under the MPF Program – Actual/Actual

We are now offering a new remittance option in addition to the existing scheduled/scheduled and actual/actual single remittance types. Actual/actual is a multiple remittance option which requires that collected principal and interest funds be transferred to a special non-interest bearing custodial account with the MPF Bank on any day where accumulated principal and interest collections, net of servicing fees, exceed \$2,500. The new actual/actual option offers an improved price for mortgages delivered under the MPF Program.

In order to be eligible for the new actual/actual remittance option, a PFI must deliver loans via the eMPF[®] Website and transmit all monthly investor reporting electronically. Loan data may not be transmitted via facsimile, telephone, or hard copy. Rate and Fee Schedules for the new actual/actual remittance method, if available from the MPF Bank, will only be published on the eMPF Website. Remittance types may not be mixed within a single Master Commitment, however a PFI may service loans employing different remittance types in separate Master Commitments. Therefore, mortgages with an actual/actual remittance method may not be delivered under a Master Commitment designated for scheduled/scheduled or actual/actual single remittances.

Changes related to the actual/actual remittance method have been made to Chapters 18, 19, and 23 of the Origination Guide and Chapter 105 of the Servicing Guide.

Servicing Guide Revisions:

PFI Notice 2002-TBD incorporates changes to the following Servicing Guide Chapter:

- **Chapter 105 – Custodial Accounts, Advances and Loan Accounting:** Adds language regarding changes to actual/actual remittances (see explanation under Origination Guide Revisions).
- **Forms** – Revised forms SG300A, SG301A, SG320A, and SG321A for actual/actual remittances.

REVISIONS TO THE ORIGINATION & SERVICING GUIDES:

Replacement pages for the revised Guide Chapters are attached. The revision includes:

- Origination Guide Chapters: 18, 19, and 23.
- Servicing Guide Chapters: 105 and Forms & Exhibits.

We have highlighted the changes on these replacement pages by double underlining the revised text.

If you have any questions about these changes, please contact your MPF Bank Representative or call the MPF Customer Support Desk at 877-INFO-MPF (877-463-6673).