

PFI Notice 2003-7

September 16, 2003

Effective Date

As Noted Below

Special Attention:

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

Subject:

Announcing Enhancements to the Origination and Servicing Guides:

- Adding and modifying data fields for new borrower application
- Eliminating Property Value field

Enhancements will affect the following Guide Chapters:

Origination Guide Chapter 23

Origination Guide Chapter 24

Origination Guide – Forms & Exhibits

Servicing Guide Chapter 111

Mortgage Funding or Purchase

Documentation Delivery

Credit Enhancement Request (Form OG3),

Instructions to Credit Enhancement Request (Form OG3), and Exhibit F

Directory and Notices

Description of Change:

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

Origination Guide Revisions:

New and Modified Data Elements (Chapters 23.2.1 and 23.6.3, Form OG3 and Instructions)

For borrower applications taken on or after January 1, 2004, PFIs will need to provide new or revised data based on the changes to the application previously announced in our July 11, 2003 PFI Advisory. Detailed information for completing the fields is provided in the Credit Enhancement Request (Form OG3) Instructions and the eMPF 3.1.1 User Manual (see www.fhfb-mpf.com or the eMPF website). For existing applications dated prior to January 1, 2004, refer to the transition rules provided by the

Federal Reserve in Section 203.4 of the official staff commentary to Regulation C (12 CFR Part 203.4). The new or revised fields are:

- Date of Birth
- Ethnicity
- Race

Property Value Field (Chapters 23.2.1 and 23.6.3, Form OG3 and Instructions)

The Property Value field was previously used to collect the lower of the sales price or the appraised value of a property. In order to clarify our data requirements and bring them in line with industry standards, we will be eliminating the Property Value field from our data file layout **effective in the fourth quarter 2003**. After implementation of this change, PFIs should provide the Appraised Value field based upon the final value indicated on the appraisal. For all purchase transactions, PFIs should also provide the Sales Price field based upon the purchase or sales price of the property. Detailed information for completing the fields is provided in the Credit Enhancement Request (Form OG3) Instructions and the eMPF 3.1.1 User Manual.

Additional Revisions to the Origination and Servicing Guides

PFI Notice 2003-7 incorporates changes to the following Origination and Servicing Guide Chapters:

- **Chapter 24 and Forms & Exhibits in the Origination Guide** – Removed Notice of Loan Approval (Exhibit F) as a result of changes to payment of the Agent Fee announced in PFI Notice 2003-6.
- **Chapter 111.2 of the Servicing Guide** – Revised the address for the MPF Program Custodian, effective September 15, 2003. The change of address was previously announced in PFI Notice 2003-6. The telephone and facsimile numbers will remain the same.

REVISIONS TO THE ORIGINATION & SERVICING GUIDES:

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

- Origination Guide Chapters 23 and 24;
- Forms & Exhibits – Table of Contents, Credit Enhancement Request (Form OG3) and Instructions, and Exhibit F;
- Servicing Guide Chapter 111.

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).