

PFI Notice 2004-3

September 23, 2004

Effective Date

Immediately, except as noted

Special Attention:

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

Subject:

Announcing enhancements to the Origination and Servicing Guides:

- Updating requirements for High Cost, Covered and Home Loans (including New Jersey covered home loans)
- Updating Origination, Custody and Servicing Guide Forms and Exhibits

Enhancements will affect the following Guide Chapters:

Origination Guide	Forms and Exhibits
Custody Manual	Forms and Exhibits
Servicing Guide	Forms and Exhibits

Description of Change:

The following revisions have been made to the Origination Guide

Origination Guide Revisions:

Predatory Lending (Exhibit A)

We are updating the Predatory Lending Category Exhibit (Exhibit A) due to recent changes in Standard & Poor's requirements for New Jersey Covered Home Loans as updated by Standard & Poor's LEVELS Glossary, Appendix E (see Chapter 2.6 of the Origination Guide for more information). See PFI Notice 2004-2 for a full explanation of the use and purpose of Exhibit A.

Based on Standard & Poor's review of the amendment to New Jersey's predatory lending laws, it has eliminated New Jersey from the Covered Home Loans category effective for loans originated on or after July 6, 2004. **However, the restriction making New Jersey Covered**

Home Loans originated between November 27, 2003 and July 5, 2004 ineligible for delivery remains in force.

Based on Standard & Poor's revisions, we have also removed both the Oakland and Los Angeles laws from Exhibit A as these laws are pending and not yet effective. In addition we have added the name and effective dates of each jurisdiction's laws to Exhibit A. As a reminder, the categories in Exhibit A must be used to determine a loan's eligibility and delivery requirements under the MPF Program.

Additional Revisions

PFI Notice 2004-3 incorporates the following revisions:

- **Delegation of Authority-Supplemental:** Based on feedback from our customers, we have added the Delegation of Authority-Supplemental Form (Exhibit M) to the Guides and the eMPF® website. This form is used for updates to current PFI contacts or new PFI contacts and is sent to the PFI's MPF Bank upon completion.

Origination and Servicing Guide Revisions:

Origination, Custody and Servicing Guide Forms and Exhibits

We have updated the Forms and exhibits in our Guides to a uniform format. In addition to the revisions to the Origination Guide Exhibit A described above we have removed the MPF Master Servicer's address from all Forms and Exhibits. The address has been replaced with a reference to Chapter 111.2 of the Servicing Guide which contains the MPF Master Servicer's address, phone number, and facsimile number. PFIs are reminded that the most current Forms and Exhibits are available on the eMPF® website.

REVISIONS TO THE ORIGINATION & SERVICING GUIDES:

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

- Origination Guide – All Forms and Exhibits, including Exhibit A
- Custody Manual – All Forms and Exhibits
- Servicing Guide – All Forms and Exhibits

We have highlighted the changes to Origination Guide Exhibit A by double underlining the revised text. The change in the MPF Master Servicer's address in the Forms and Exhibits is not highlighted.

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).