

PFI Notice 2006-1

March 3, 2006

Effective Date

Immediately

Special Attention:

PFI's MPF[®] Program Management and PFI's Origination Management

Subject:

Announcing enhancements to the MPF Guides on the following subject:

- FHLMC Appraisal Form 2070 (Loan Prospector Condition and Marketability Report) and FNMA Appraisal Form 2075 (Desktop Underwriter Property Inspection Report)

Enhancements will affect the following Guide Chapters:

Underwriting Guide Chapter 2	Mortgage Eligibility
Origination Guide Forms & Exhibits	Credit Enhancement Request Form (Form OG3)

Description of Changes:

The following revisions have been made to the Underwriting and Origination Guides

Underwriting and Origination Guide Revisions

Appraisal Forms 2070 and 2075 (Underwriting Guide Chapter 2.17.1)

PFI's may now deliver mortgages with a FHLMC Form 2070 (Loan Prospector Condition and Marketability Report) or FNMA Form 2075 (Desktop Underwriter Property Inspection Report) appraisal form. These appraisal forms are used to support the condition and marketability of a mortgaged property when authorized by Loan Prospector (LP) or Desktop Underwriter[®] (DU) in conjunction with an "Accept and Eligible to Purchase" from LP or an "Approve / Eligible" from DU. The use of these appraisal forms is subject to the requirements for the use of exterior-only inspection forms and specific representations and warranties set forth in Underwriting Guide Chapter 2.17.1.

Credit Enhancement Data (Credit Enhancement Request Form (Form OG3))

For PFIs who submit loans in batch format rather than on an individual, loan level basis, mortgages that utilize either a Form 2070 or Form 2075 must be delivered with Appraisal Type code “10”. For PFIs who submit data on an individual, loan level basis on the eMPF[®] website, choose the Appraisal Type description of “Form 2070 or 2075 with approved AUS”. Detailed information for completing the Appraisal Type field, including field definition and data codes, is provided in the Instructions for Completing the Credit Enhancement Request (Form OG3).

All PFIs are reminded that by delivering a mortgage under the MPF Program, each PFI represents and warrants that all associated information, including data provided for the Credit Enhancement process, is true, complete and accurate. We appreciate your commitment to accurate data reporting. Please consult your MPF Bank representative for further training and guidance, as needed.

Underwriting and Origination Guide Revisions

The following Origination and Underwriting Guide changes can be found on the AllRegs[®] and eMPF websites. Links to these sites are on fhlbmpf.com and fhlb-mpf.com or may be accessed directly at <http://www.allregs.com/fhlbmpf/>.

- Underwriting Guide
 - Chapter 2 – changed text is highlighted in AllRegs
- Origination Guide
 - Form OG3 – changed text is highlighted in AllRegs

Note: The Form 2070 and Form 2075 appraisal forms are available on AllRegs[®], or you may contact your current forms vendor to obtain copies.

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).