

PFINotice2007-3

March14,2007

EffectiveDate: Immediately,exceptasnoted

SpecialAttention: PFIMPF[®] ProgramManagementandOriginationManagement

Subject:

AnnouncingenhancementstotheMPFGuidesonthefollowing subjects:

- TitleInsurance
- SeasoningforClosedLoans

EnhancementswillaffectthefollowingGuideChapters:

OriginationGuideChapter13	TitleInsurance
OriginationGuideChapter23	MortgageFundingorPurchase
UnderwritingGuideChapter4	BorrowerEligibility

DescriptionofChanges:

TitleInsurance(OriginationGuideChapter13)

Effectiveimmediately, foropinionsoftitle(alsoknownas“attorney’sopinions”)wehave revisedourguidelinesforinstanceswherelocalpracticesresultinopinionsoftitlethatdonot meettherequirementsofOriginationGuideChapter 13.5.Opinionsoftitlemaynowcontain unresolvedexceptionsandlackcertainassurancesduetolocalcustom.ThisallowsPFIsoserve theircustomersbasedonlocallyacceptedbusiness practiceswhileretainingtheriskinherentin thoselocalpractices. **EffectiveformortgageswithaNotatedonorafter April1,2007**, wehavealsoaddedarequirementthatanopinion beincludedinlieuofan EnvironmentalProtectionLienEndorsement(ALTAForm8.1)withanexceptionforpossible subsequentsuperliens.

Fortitleinsurancepolicies, **effectiveformortgageswithaNotatedonorafter April1,2007**, wewillrequirethatthe1992AmericanLandTitle Association(ALTA)Loan Policyformbeused,andtheALTAForm9(Restrictions,Encroachments,Minerals)beincluded whereapplicable.

Seasoning for Closed Loans (OG Chapter 23.6.2, UGC Chapters 4.5.1)

In order to align the MPF Program's seasoning limit standards, we have increased the number of months a loan can be seasoned prior to delivery from five to twelve (borrower's monthly payments applied).

To ensure all closed loans are delivered with accurate loan presentment data, each loan must meet the following criteria:

- The credit (FICO) score is ≤ 180 days on the Funding Date
- The value of the mortgaged property has not declined since the Note Date; and
- The loan has an acceptable payment history, with no payments 30 or more days late in the 12 months prior to delivery.

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/>.

- Origination Guide
 - Chapter 13 and 23 – changed text is highlighted in AllRegs
- Underwriting Guide
 - Chapter 4 – changed text is highlighted in AllRegs

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).