

PFI Notice 2007-8

November 14, 2007

Effective Date

January 1st, 2008

Special Attention:

PFI MPF[®] Program Management, Origination Management and Servicing Management

Subject:

Announcing enhancements to the Servicing Guide:

- Updating requirements for High Cost, Covered and Home Loan categories (including categories affecting both North Carolina and Maine)
- 2008 Investor Reporting Calendar

Enhancements will affect the following Guide Chapters:

Origination Guide

Forms and Exhibits

Servicing Guide

Forms and Exhibits

Description of Changes:

Origination Guide Revisions

Predatory Lending (Origination Guide Exhibit A)

We are updating the Anti-Predatory Lending Category (Exhibit A) to reflect amendments to existing “high cost home loan” and “high rate, high fee” categories for the states of North Carolina and Maine, respectively, and the addition of a new “rate spread home loan” category for both states. The North Carolina H.B. 1817, Consumer Protection for Covered Loans & Amendments to the Mortgage Lending Act, and Maine H.B. 1301, Act to Protect Maine Homeowners from Predatory Lending, are both **effective January 1, 2008**.

All PFIs are required to review their retail, broker and correspondent loan origination processes and make any necessary changes to ensure that ineligible mortgages are not delivered under the MPF Program. PFIs are reminded that by delivering a mortgage under the MPF Program, the PFI represents and warrants that a mortgage is not a High Cost Loan as defined by the then-current version of Standard & Poor's LEVELS Glossary, Appendix E, and MPF Origination Guide, Exhibit A.

Special Notice for North Carolina and Maine MPF 100 Loans (MPF Bank Funded) with Note Dates on or after January 1st, 2008: All PFIs that deliver loans into the MPF 100 Program (MPF Bank/"table" funded mortgages) *and* the mortgaged property is located in the state of North Carolina or Maine must include the Agent Fee payable to the PFI from their MPF Bank when calculating "points and fees" under the respective Anti-Predatory Lending law.

Servicing Guide Revisions

2008 Investor Reporting Calendar (Servicing Guide Exhibit A)

The Servicer must complete and forward to the Master Servicer all forms and reports provided for in Servicing Guide Chapter 105.8.1, and such additional forms or reports reasonably requested by the Master Servicer, no later than the fifth (5th) Business Day of each month. To assist you in complying with timely reporting, the MPF Program offers a yearly reporting schedule, called the Investor Reporting Calendar, which is published as Servicing Guide Exhibit A. With this Servicing Guide update, we are publishing the 2008 Investor Reporting Calendar.

Origination and Servicing Guide Revisions:

The following Origination and Servicing 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
 - Exhibit A
- Servicing Guide
 - Exhibit A

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).