

MPF® Government

MPF Government

With the MPF Government product, the risks associated with financing loans insured or guaranteed by Government Agencies (Government Loans) are shared with the Federal Home Loan Bank (FHLB) to maximize comparative advantages. With MPF Government, members market to borrowers, obtain the insurance or guarantee, and may choose to service fixed-rate residential Government Loans or take advantage of our servicing released option for FHA, VA, and RHS Section 502 loans through Colonial Savings, F.A.

Who would benefit from the MPF Government product?

Any institution that:

- Values the income derived from originating and servicing Government Loans;
- Is approved to originate and service Government Loans; and
- Is a member of the Federal Home Loan Bank System.

Features of MPF Government

Government Plan Types: HUD Section 184 and RHS Section 502, Fixed-rate mortgage types

Term: Up to 30 years fully amortizing

Loan Limits: Up to applicable agency loan limits

Occupancy: Owner occupied (1–4 units) guaranteed or insured by HUD

Underwriting: Follow applicable agency underwriting guidelines (AU decisions as permitted by the RHS or HUD.)

Remittance: Scheduled/Scheduled, Actual/Actual, and Actual/Actual Single Remittance, depending on Servicing Option.

Commitment Delivery: 3, 10, 20, 30, and 45 business days, mandatory delivery

Pricing: Premium and discount pricing available

Master Commitment Size: \$5 million minimum

Servicing Options: May retain or sell servicing to Colonial Savings, F.A.

SRP Payment: Paid by Colonial Savings, F.A.

Servicing Fee: 44 bps, for servicing retained

Summary of Benefits

- Competitive execution
- Economic value for qualifying loans
- Similar processing to GNMA
- Ability to deliver closed loans
- Electronic access through the eMPF® website

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Benefits

Because of the cooperative nature of the FHLB System, we are able to offer competitive pricing to our members for Government Loans. The FHLB manages the liquidity, interest rate, and prepayment risks of the loans. The member can choose to retain servicing and is then responsible for and bears the risk of unreimbursed servicing expenses (which is comparable to GNMA servicing requirements.) Or, the member can choose to sell the servicing to Colonial Savings and receive a competitive SRP. The combined effects of our competitive pricing, your servicing expertise, and an attractive SRP structure distinguishes the MPF Government product as an alternative to other options available in the marketplace today.

For depository institutions, there is no leverage capital or risk-based capital requirement for loans sold under the MPF Government product.*

A recent HUD audit may be required for member participation in the MPF Government product.

*The FHLB is not providing accounting or legal advice with respect to the accounting treatment of MPF Program assets and liabilities. The participating member is expected to consult with its own accountants and attorneys for advice on this matter.

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For more information about the MPF Program, or to locate a contact at your participating Federal Home Loan Bank, call 1-877-463-6673 (Info-MPF) or visit www.fhlbmpf.com.