

MPF Xtra®

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With the MPF Xtra product, participating Federal Home Loan Bank PFIs are able to sell fixed-rate conforming loans into the secondary market, leveraging their FHLB membership to gain access to liquidity. PFIs of participating FHLBs can use the MPF Xtra product to:

- Offer fixed-rate residential mortgage loans to their borrowers and deliver those loans into the secondary market;
- Retain the servicing rights and servicing fee income, preserving the ability to cultivate relationships with customers; and
- Transfer the interest-rate and prepayment risks as well as the credit risk of the associated loans to an investor.

Because the PFI does not retain credit risk for loans sold under the MPF Xtra product structure, there are no risk-based capital or credit risk collateral requirements for the PFI. Additionally, for depository institution members, there is no leverage capital requirement.

MPF Xtra Product Features

Term: 5 to 30 years, fixed-rate, fully amortizing

Maximum LTV: 95%

FICO Score: Varies depending on loan characteristics

Loan Limits: Conventional conforming and high-balance

Occupancy: Owner-occupied (1–4 units) and second homes (1 unit)

Property Type: All types except co-ops and non-owner occupied

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

Pricing: Premium and discount pricing available

Remittance: Actual/Actual, according to the MPF Xtra Manual

Servicing: 25 bps, follow the MPF Servicing Guide and MPF Xtra Manual

Master Commitment Size: \$5 million minimum, best efforts

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Summary of Benefits

- Competitive execution
- Retain valuable servicing fee income and borrower relationships
- Economic value for quality loans
- Electronic processing through the eMPF® website

Who should take advantage of this product?

The MPF Xtra product is designed for any participating FHLB member that is actively engaged in mortgage lending in their community, seeks to minimize risk, and has a high regard for the value of customer relationships. With this product, members can gain access to secondary market liquidity, minimize the interest rate and prepayment risk, and transfer the credit risk to the investor. The originating member institution can retain the servicing rights and the associated valuable customer relationship.

Who do I contact for more information about the MPF Xtra product?

For general information about the availability of the MPF Xtra product in your district, contact your relationship banker or the MPF Xtra Service Center at 1-888-362-0011.

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*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.

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.

