



# MPF Xtra®

The MPF Program provides an alternative to holding fixed-rate loans in portfolio, creating additional liquidity opportunities for Participating Financial Institutions (PFIs)

## Summary of Benefits

Competitive execution

Retain valuable servicing fee income and borrower relationships

Economic value for quality loans

Electronic processing through the eMPF® website

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.

The MPF Xtra product offers PFIs of participating FHLBs an attractive alternative for selling first mortgage loans they originate, allowing them to take advantage of a product designed to transfer loan risks to the investor.

### MPF Xtra Product Features

Term.....	Up to 30 years, fixed rate, fully amortizing
Maximum LTV.....	95%
FICO Score.....	Varies depending on loan characteristics
Loan Limits .....	Agency conforming, conventional only
Occupancy.....	Owner-occupied (1-4 units) and second homes
Property Type .....	All types except co-ops and non-owner occupied
Underwriting .....	Follow the MPF Origination Guide and MPF Xtra Manual
Commitment Delivery .....	3, 10, 20, 30, and 45 business days
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

#### 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 the customer relationship. 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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