



MPF® Government

The MPF® Government product provides an alternative to holding loans insured or guaranteed by government agencies in portfolio or selling them to other secondary market investors.

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

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	All FHA/VA fixed-rate mortgage types, HUD Section 184 and RHS Section 502
Term.....	Up to 30 years fully amortizing
Loan limits	Up to applicable agency loan limits (not to exceed MPF Conventional Loan limits)
Occupancy.....	Owner occupied (1-4 units) guaranteed by the VA/RHS or insured by the FHA/HUD
Underwriting	Follow applicable agency underwriting guidelines (AU decisions as permitted by FHA)
Remittance	Scheduled/Scheduled, Actual/Actual, and Actual/Actual Single Remittance, depending on Servicing Option
Commitment delivery.....	3, 10, 20, 30, and 45 business days
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., for Servicing Released
Servicing Fee.....	44 bps, for Servicing Retained

Would you value the efficient secondary market execution and operational ease of our delivery system?

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 along with USAP 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.

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.

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