

MPF Announcement:

2021-45

Date:

June 21, 2021

Alert:

Clarification

New Policy

Policy Update

Reminder

Training Information

Audience:

Compliance/Legal

Program Management

Origination

Quality Control

Servicing

Underwriting

Product:

MPF Direct

MPF Government MBS

MPF Traditional

MPF Xtra[®]

Effective Date:

July 1, 2021

MPF Xtra: Investment Properties and Second Homes Temporarily Ineligible

Effective July 1, 2021, Investment Properties (Non-Owner Occupied) and Second Homes will become temporarily ineligible under the MPF Xtra product.

As previously announced, we initially set a target of 7% for Non-Owner Occupied (NOO) and Second Home loans based on requirements established by Fannie Mae. Due to recent market activity, we are imposing these temporary eligibility restrictions.

At this time, it is unknown how long the restrictions will be in place; a future communication will be published once NOO and Second Home loans become eligible.

Effective July 1, 2021, PFIs will no longer be able to execute new MPF Xtra Investment Property Delivery Commitments (DCs). Funding requests including a Second Home will be rejected and the PFI may be subject to a pair-off fee for DCs dated on or after July 1, 2021.

MPF Xtra Investment Property and Second Home DCs dated prior to July 1, 2021 are eligible for funding by contacting the MPF Service Center. Extensions for DCs will not be allowed after June 30, 2021.

An MPF Xtra Selling Guide update will be communicated in the near future.

Please contact the MPF Service Center via email (MPF-Help@fhlbc.com) or phone (877-345-2673) with any questions or to begin funding your MPF Xtra Investment Property and Second Home DCs dated prior to July 1, 2021.

Reference

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

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