

MPF Announcement:

2021-50

Date:

July 1, 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:

August 1, 2021

Updates Regarding IRS Form 4506-C and Tax Return Transcripts and Clarification To Collateral File Package

Reference

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

Visit the [MPF Website](#) to review and register for upcoming complimentary [MPF Webinars](#).

Updates Regarding IRS Form 4506-C and Tax Return Transcripts

Effective for all **MPF Traditional** and **MPF Xtra** initial loan applications dated on and after August 1, 2021, although tax transcripts are not always required to underwrite the loan, they will now be required to be included in all Mortgage Loan Files selected for post-closing quality control review.

Follow Us



- If tax transcripts were obtained during the underwriting process: the transcripts must be included in the loan file submitted for any post-closing quality control review. As a reminder, the PFI must obtain transcripts for the same tax years as documented by the Borrower's tax returns. The PFI must reconcile the transcript information received from the IRS with the income documents in the loan file.
- If tax transcripts were not obtained during the underwriting process: PFIs are required to include in the loan file submitted for any post-closing quality control review, tax transcripts obtained from the IRS (or designee) using a Form 4506-C, signed at or

"Mortgage Partnership Finance", "MPF", "eMPF", "MPF Xtra" and "eMAQCS" are registered trademarks of the Federal Home Loan Bank of Chicago. The "MPF Mortgage Partnership Finance" logo is a trademark of the Federal Home Loan Bank of Chicago.

before Closing, regardless of the type of income documentation provided in the Mortgage Loan File.

Failure to provide the tax transcripts will be cited as a QC exception, the severity of which will be determined by the applicable MPF Bank and/or Investor.

The requirements for obtaining or using tax transcripts during the **underwriting** process are not changing.

PFIs continue to be responsible for ensuring consent is obtained from each borrower that meets MPF Program requirements (including [MPF Announcement 2020-81](#)) and applicable laws (including the Taxpayer First Act), to obtain and re-disclose tax transcripts to others.

For additional information, see MPF Traditional Selling Guide Section 5.9.8 - 4506-C and Tax Transcripts, and MPF Xtra Selling Guide Section 5.4 - 4506-C and Tax Transcripts.

Clarification to Collateral File Package

Chapter 15.1 of the MPF Traditional Selling Guide and Chapter 15.1 of the MPF Xtra Selling Guide will be clarified to reflect that documents are not required to be in a pocket folder and may be submitted to the Custodian in the order specified in a legal-sized manila folder.