

# MPF Announcement

March 1, 2019 2019-18

## Alert

Policy Update ■

New Policy ■

Reminder

Clarification ■

Training Information

## Audience

Program Management ■

Origination ■

Quality Control

Servicing ■

Underwriting ■

Compliance/Legal

## Product

MPF Xtra®

MPF® Direct

MPF Government MBS

**MPF Traditional ■**

**Effective Date:**

**Immediately**

## **The MPF Program Announces Updates and Clarifications to the MPF Traditional Selling and Servicing Guide.**

### **MPF Traditional Selling Guide Updates:**

#### *HUD Guaranteed Section 184 Loans – Final Certification*

Updated the final certification requirement policy, providing guidance to PFIs experiencing delays in obtaining an Indian Loan Guaranty Certificate, or final certification, for any HUD section 184 loan delivered into the MPF Program. See Traditional Selling Guide section 15.4.1.1.

#### *Automated Underwriting Systems (AUS)- Approve/Eligible*

Clarified the language to indicate Mortgage Loans must receive an acceptable DU or LPA recommendation as provided for in the Traditional Selling Guide, or must be manually underwritten pursuant to MPF Program underwriting guidelines.. See MPF Traditional Selling Guide section 4.2.1.

## **REFERENCE**

### *Automated Underwriting Systems (AUS) - Approve/Ineligible*

Updated the policy for loans underwritten by an AUS system to reflect that when a loan receives an ineligible recommendation due to guidelines that do not make the loan ineligible under the MPF Program, the PFI should contact their MPF Bank to confirm if the Mortgage Loan is acceptable for delivery. See MPF Traditional Selling Guide section 4.2.1.

### **MPF Traditional Servicing Guide**

#### **Updates:**

#### *Mortgage Insurance Cancellation*

Specified that Servicers must comply with applicable state laws, in addition to the Homeowners Protection Act (HPA) when cancelling or terminating MI. See MPF Traditional Servicing Guide section 4.7.2.1.

To gain a full understanding of these topics, PFIs and Servicers should review the entire MPF Announcement plus any applicable MPF Traditional Selling and Servicing Guide chapters, forms, or exhibits noted in the announcement.