

MPF Announcement

May 31, 2019 2019-31

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

REFERENCE

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

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Updates and Clarifications to the MPF Traditional Selling Guide

Mortgage Insurance Coverage Table

Modified the Mortgage Insurance Coverage table in Section 9.2.3 of the MPF Traditional Selling Guide to ensure clarity in differentiating each category. Please note the categories in the table have not changed, only revised to ensure each category can be identified. For example:

Before clarification:

>85%–90%	25% Coverage	12% Coverage
>80%–85%	12% Coverage	6% Coverage

After clarification:

>85% to ≤ 90%	25% Coverage	12% Coverage
>80% to ≤ 85%	12% Coverage	6% Coverage

See MPF Traditional Selling Guide section 9.2.3 to view the full Mortgage Insurance Coverage table.

Acceptable Uses of Power of Attorney

Modified the language to clarify the current policy for power of attorneys, which is the person acting as attorney-in-fact should not be employed by or affiliated with any party to the loan transaction other than the Borrower.

Restrictions on the Use of a Power of Attorney

Clarified the circumstances when unless it is required by applicable law, a power of attorney may not be utilized to sign a security instrument or note if either (or both) of the following applies:

- no other borrower executed such loan documents in person and in the presence of a notary, unless a power of attorney is utilized to sign such loan documents for each borrower, and the attorney in fact is either:
 - the borrowers attorney at law; or
 - the borrowers relative

- if the transaction is a cash out refinance.

See MPF Traditional Selling Guide section 10.2.6

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