

# MPF Announcement

August 5, 2019 2019-41

## 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

### **MPF Traditional Servicing Guide**

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](#).

Follow us on:



## **Clarifications to the MPF Traditional Servicing Guide**

### **Flood Insurance Servicing Requirements**

Clarified that Servicers must have procedures to monitor all flood maps and community status changes for all Mortgaged Properties and must take appropriate actions as changes occur.

See MPF Traditional Servicing Guide section 4.3.2.

### **Loss Procedures**

Updated the title for Section 4.6.5 of the MPF Traditional Servicing Guide. The title for the section has been updated from “Current Loan” to “Loss Settlement Approval” to clarify that the section applies to mortgages whether or not they are current. Please note, the policy for property damage/loss procedures has not changed.

### **Partial Property Release Requirements**

Updated the language to clarify the following current eligibility requirements for partial releases:

- The Mortgage Loan was originated greater than 12 months prior to the date of the request;
- The Borrower's monthly Mortgage Loan payment must be current and cannot have been:

- over thirty (30) days past due more than once in the last twelve (12) month period, or
- otherwise in default under the terms of the Mortgage Loan over the most recent 12-month period.

For all other requirements for partial releases, see MPF Traditional Servicing Guide 6.6.1.

### **Lease of Oil, Gas, or Mineral Rights**

Updated the current policy for processing requests for lease of oil, gas, or mineral rights, which included adding the following requirements:

- the exercise of rights does not expose the residents to health or safety hazards;
- the lease does not have a material impact on the value of the Mortgaged Property.

For all other requirements for lease of oil, gas, or mineral rights see MPF Traditional Servicing Guide section 6.8.

### **Voluntary Repurchase Request- Subordinate Liens**

Incorporated a new voluntary repurchase policy, that during the Foreclosure process, the Servicer may submit a request to their MPF Bank to voluntarily repurchase a Mortgage Loan if it holds a subordinate lien interest in the Mortgaged Property that it is trying to mitigate losses for.

See MPF Traditional Servicing Guide 10.2.2.