MPF® Announcement



MPF Announcement:

2019-63

Date:

December 4, 2019

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 Years

MPF Xtra®

Effective Date: For all mortgage loans delivered into the MPF Program on or after

December 24, 2019.

REFERENCE

Fannie Mae Selling and Servicing Notice

Redwood Trust Announcement 2019.11-06 (Enclosed)

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.

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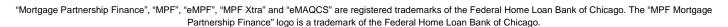
Updates and Clarifications regarding Tax Return Information

The Internal Revenue Services (IRS) has recently made changes to their process in response to the Taxpayer First Act. One of the provisions in the Act is that persons receiving borrower tax return information must obtain the express permission of the taxpayers prior to disclosing tax information (as defined in the Act) to any other person.

Because the IRS has indicated that it has no plans at this time to provide a standard consent form related to disclosing or sharing tax return information with other parties, PFIs are required to develop their own consent forms and ensure they are including the taxpayer consent when submitting mortgage loan files that contain borrower tax return information for delivery into the MPF Program.

PFIs may utilize the model consent language that has been developed by the Mortgage Industry Standards Maintenance Organization (MISMO®). PFIs may also prepare their own taxpayer consent form, as long as the consent:

- expresses permission that such tax return information can be shared with any actual or potential owners of the mortgage loan, or acquirers of any beneficial or other interest in the mortgage loan, or any service providers for these parties; and
- is compliant with any applicable laws including IRS Code and regulations.







Because the provision becomes effective on December 28, 2019, PFIs must obtain signed taxpayer consent forms from borrowers for all mortgage loans being delivered into the MPF Program on or after December 24, 2019 to allow for any delivery delays/turn times.

As a reminder, our MPF Program underwriting guidelines as to tax returns and transcripts is not changing. Our policy for MPF Traditional and MPF Xtra will remain that, if tax transcripts are not obtained during the origination process, a 4506-T naming Covius, LLC (see Exhibit T-X) is required to be signed at closing. Acceptable tax transcripts must come directly from the IRS and must be returned/mailed directly to the Originator's underwriting or processing staff.

For **Government Loans** sold under MPF Traditional **or MPF Government MBS**, PFIs must ensure they are following the applicable government agency guidelines.

For **MPF Xtra loans**, please refer to the enclosed Fannie Mae Selling and Servicing Notice dated November 6, 2019.

For **MPF Direct**, please refer to the enclosed Redwood Trust Announcement 2019.11-06.



