

**MPF Announcement:**

2021-10

**Date:**

February 3, 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<sup>®</sup>

**Effective Date:**

Immediately

## MPF Traditional COVID-19 Loss Mitigation Updates

In continued efforts to improve the customer experience and to reduce response times on all MPF Traditional COVID-19 Loss Mitigation requests, the MPF Program has revised the Workout Worksheet (Form SG354) by streamlining the required information and documentation that must be submitted to the MPF Provider.

### 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](#).

### Follow Us

**Effective February 15, 2021:**

- The attached revised Workout Worksheet (Form SG354) will be accessible via eMAQCS<sup>®</sup>plus, and will be required for submissions.
- The new Form SG354 now has 3 sections:
  - ONLY Sections 1 and 3 must be completed for all COVID-19 related forbearance, repayment, and deferment plans.
  - ONLY Sections 2 and 3 must be completed for all other workout plans (including ALL loan modifications, short sales, deed in lieu, and non-COVID-19 related forbearance and repayment plans).
- For COVID-19 related forbearance, repayment, and deferment plans, only the following documents will be required to be submitted with the Form SG354:
  - Borrower Hardship Certification (Form SG402) if applicable
  - Copy of the unsigned/proposed agreement or plan
  - COVID-19 Payment Deferral Worksheet (Appendix B) (COVID-19 Deferment plan only)
  - 1 year Borrower payment history (COVID-19 Deferment plan only)
- The Insurer approval letter will no longer be required to be submitted, instead the new Form SG354 contains certification that the Servicer has obtained such approval if applicable.
- Nothing other than the format of the Form SG354 will change, these changes do not impact the current process or requirements for all other workout plans (including ALL loan modifications, short sales, deed in lieu, and non-COVID-19 related forbearance and repayment plans).

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**Effective immediately and until February 15, 2021**, for all COVID-19 related forbearance, repayment, and deferment plans **only the following documents** must be submitted via eMAQCSplus (No other documents will be required):

- The existing Workout Worksheet (Form SG354),\* completed as follows:
  - The PFI/Servicer Information, Loan information, and Borrower Hardship sections of the form must be completed as usual.
  - While it is expected that an appropriate review of the borrower's financial situation will occur, the Review of Borrower's Financial Information section is **no longer required** to be completed. As a result, Servicers must enter \$0.00 in the required fields.
  - Any additional Comments and Recommendations and certification of Employee Information must be completed.
- Borrower Hardship Certification (Form SG402)
- Copy of the unsigned/proposed agreement or plan (forbearance, repayment more than 3 months, deferment)
- COVID-19 Payment Deferral Worksheet (Appendix B ) (COVID-19 Deferment plan only)
- 1 year Borrower payment history (COVID-19 Deferment plan only)

All existing COVID-19 related forbearance, repayment, and deferment plan requests that have already been submitted via eMAQCSplus, but not yet approved, will be reviewed by the MPF Bank according to the streamlined requirements.

As a reminder, for all loss mitigation requests, Servicers must continue to evaluate the Borrower's loss mitigation application pursuant to any/all applicable laws and the Guides (including the most recent MPF Traditional COVID-19 Servicing Announcement ([MPF Announcement 2021- 07](#))) and must ensure they have MI approval, where applicable. The changes described in this announcement only pertain to the information and documentation required to be **submitted** to receive MPF Bank approval, and **do not in any way pertain to the obligations Servicers have to assess borrowers for loss mitigation options.**

Any requests/exceptions outside of the MPF Guide provisions, including where such exception is required by applicable law, must be submitted with any/all applicable supporting documentation.

For assistance with questions related to default management, Servicers should contact the MPF Service Center at 877-FHLB-MPF (877-345-2673) or MPF-Help@fhlbc.com and utilize the call option for Default Management related questions (option 3).