

The MPF® Traditional Product COVID-19 Payment Deferral Plan Process

March 23, 2021



About this Material

The following material is based upon current information in the MPF[®] Traditional Product Servicing Guide and recent announcements related to borrowers who have been impacted by COVID-19. These materials should not be used in place of the MPF Traditional Product Servicing Guide and the associated MPF announcements. The official versions of all MPF Guides and recent announcements are available through www.fhlbmpf.com and AllRegs[®].

Please note that PFIs and Servicers are expected to abide by any/all federal or state laws or proclamations that may affect borrowers or loans affected by COVID-19.

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About this Material

The primary purpose of this presentation is to cover the *COVID-19 Payment Deferral Plan* process that is available for MPF® Traditional (Conventional) products.

Please refer to the following resources for information on other MPF products:

- **MPF Traditional Government** loans and **MPF® Government MBS** product loans must follow relief policies and guidance issued by the applicable Government Agencies.
- **MPF Xtra®** product loans must follow relief policies and guidance issued by Fannie Mae.
- **MPF® Direct** product loans must follow relief policies and guidance issued by the product's investor, Redwood Trust.

Topics Covered

- *COVID-19 Payment Deferral Plan Overview*
- *Processing Steps*
- *Required Documentation*
- *Submitting the Workout Worksheet (SG-354)*
- *Uploading Supplemental Documentation*
- *Completing the COVID-19 Payment Deferral Plan Worksheet (Appendix B)*
- *Completing the COVID-19 Payment Deferral Plan Agreement (Appendix A)*



Understanding the COVID-19 Payment Deferral Plan

COVID-19 Payment Deferral Plan

If reinstatement or a repayment plan is not possible, the borrower should be evaluated for a COVID-19 Payment Deferral Plan

The Servicer defers the following amounts as a **non-interest bearing** balance:

- Any principal and interest the borrower has not paid during the forbearance period.
- Out of pocket escrow advances paid to third parties
- Servicing advances paid to third parties as a result of the delinquency.

What **cannot** be included in the deferred amount?

- No late fees, administrative fees or other such fees should be applied to any of the payments that were part of a COVID-19 related forbearance plan.
- If an escrow analysis is performed, any shortage that is identified cannot be added to the deferred amount.

COVID-19 Payment Deferral Plan

- **The deferred lump sum amount becomes due and payable when any of the following occurs:**
 - When the loan reaches maturity.
 - When the property is sold or transferred.
 - When/if the loan is refinanced.
 - When the loan is paid off or liquidated for any other reason.

COVID-19 Payment Deferral Plan Eligibility

The borrower must be on a COVID-19 related forbearance plan or experienced a hardship related to COVID-19 that impacted their ability to make their full monthly payment.

- Loans must be conventional, first lien mortgages.
- The property must be a primary or second home.
- The property cannot be vacant or condemned.

COVID-19 Payment Deferral Eligibility

- On March 1, 2020, the mortgage must have been current or less than 31 days delinquent.
- As of the date of the deferral evaluation, the loan should be between 31 -360 days delinquent.
 - ✓ Evaluations for payment deferral eligibility should be made no less than 30 days before the end of the forbearance period.
- If a loan was delinquent prior to March 1, 2020 due to reasons related to COVID-19, and the borrower can resume and continue to make full payments, Servicers should send a deferral request to the MPF Provider.
 - ✓ The request must be reviewed and approved by the MPF Bank.

Ineligible Characteristics

- The mortgage loan must not have previously received a COVID-19 payment deferral.
- The mortgage loan must not be subject to:
 - ✓ A recourse or indemnification arrangement under which the MPF Bank purchased or that was imposed by the MPF Bank after the mortgage loan was purchased.
 - ✓ An approved liquidation workout option.
 - ✓ An active and performing repayment plan or other non-COVID-19 related forbearance plan.
 - ✓ A current offer for another retention workout option, or an active and performing mortgage loan modification trial period plan.

Processing a COVID-19 Payment Deferral Plan

Processing a COVID-19 Payment Deferral Plan

- Evaluations for a deferral must begin at least **30 days prior** to the end of the borrower's forbearance plan.
- It must be determined that the borrower cannot fully reinstate or qualify for a repayment plan.
- Servicers may use an additional month to process the deferral.
 - ✓ If a borrower has been in a forbearance plan (or plans) that totaled 12 months, they must make their full, regular payment in the processing month when due (otherwise they will be over 360 days delinquent).
- Servicers must apply the processing month consistently to all borrowers, as evidenced by a written policy.

Processing Timeline Example

The borrower had a COVID-19 Initial 90-Day Forbearance Plan and obtained an additional 6 months.

They skipped their July through March payments.

At the beginning of March, the Servicer contacts the borrower and learns the hardship is resolved.

The appropriate workout option is a COVID-19 Payment Deferral Plan.

In early March, the Servicer completes the necessary forms and submits everything via eMAQCS®plus for review/approval.

Processing can continue into April*
The borrower makes a regular payment on April 1.

*The extra month cannot be used for processing if the borrower will be more than 360 days delinquent on the date their full payments are set to resume.

Required Documentation


Documentation Required to Process a COVID-19 Payment Deferral Plan

Form or Document Name	How is it Submitted?	Notes
Workout Worksheet (Form SG354)	Completed and submitted from within eMAQCSplus (housed in the system)	COVID-19 Payment Deferral Plans only require the completion of Sections 1 and 3
COVID-19 Payment Deferral Plan Worksheet (Appendix B)	Uploaded into eMAQCSplus	Found on the MPF website (COVID-19 Resource page)
Borrower Hardship Certification (Form SG402)	Completed and submitted from within eMAQCSplus (housed in the system) or may also be uploaded into eMAQCSplus	May not be required in all cases. Check with your local FHLB for details.
Proposed COVID-19 Payment Deferral Plan (unsigned)	Uploaded into eMAQCSplus	Found on the MPF website (COVID-19 Resource page) May use the COVID-19 Payment Deferral Plan Agreement (Appendix A) template or an equivalent
Borrower payment history for last 12 months	Uploaded into eMAQCSplus	
MI company approval	Uploaded into eMAQCSplus	Not required if there's no MI on the loan

Submitting the Workout Worksheet (SG-354)

Workout Worksheet (Form SG354)

Workout Worksheet (Form SG354)



Product Information

This form is for the MPF Traditional product only.

PFI/Servicer Information

PFI Number: _____ Servicer Name: _____

SECTION 1 – COVID-19 related forbearance, repayment and deferment plans **ONLY**

MPF Loan Number: _____ Borrower Name: _____

Property Address: _____

Workout Option Requested (select one):

☐ Extension of Forbearance Plan (provide Borrower Hardship Certification (Form SG402) and copy of the unsigned/proposed agreement or plan)

☐ Repayment Plan of more than 3 months (provide Borrower Hardship Certification (Form SG402) and copy of the unsigned/proposed agreement or plan)

☒ COVID-19 Payment Deferral Plan (provide Borrower Hardship Certification (Form SG402), COVID-19 Payment Deferral Worksheet (Appendix B), 1 year Borrower payment history and copy of the unsigned/proposed agreement or plan)

Servicer has confirmed:

☐ Workout is acceptable to MI Company; or

☐ No MI on loan

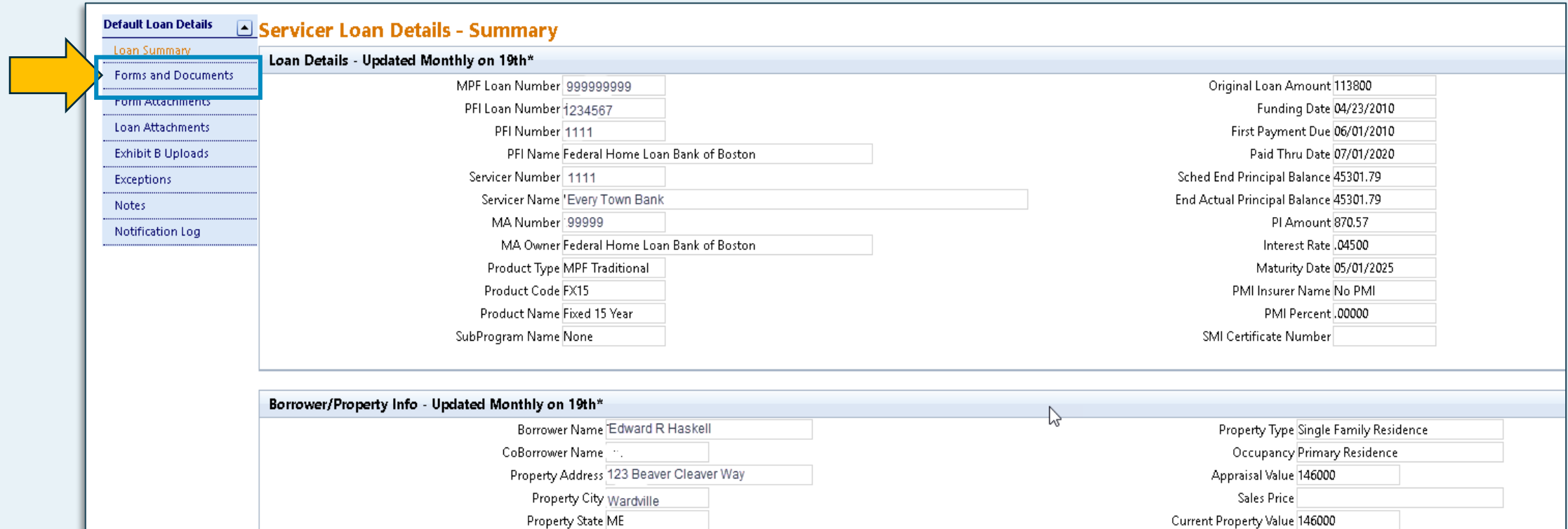
[Go to Section 3]

The Workout Worksheet (Form SG-354) is required to complete a COVID-19 Payment Deferral Plan

Only Sections 1 and 3 of the Workout Worksheet are required

The form should be completed and submitted via the eMAQCSplus system

Completing and Submitting Forms in eMAQCSplus



Default Loan Details **Servicer Loan Details - Summary**

Loan Details - Updated Monthly on 19th*

MPF Loan Number	999999999	Original Loan Amount	113800
PFI Loan Number	1234567	Funding Date	04/23/2010
PFI Number	1111	First Payment Due	06/01/2010
PFI Name	Federal Home Loan Bank of Boston	Paid Thru Date	07/01/2020
Servicer Number	1111	Sched End Principal Balance	45301.79
Servicer Name	Every Town Bank	End Actual Principal Balance	45301.79
MA Number	99999	PI Amount	870.57
MA Owner	Federal Home Loan Bank of Boston	Interest Rate	.04500
Product Type	MPF Traditional	Maturity Date	05/01/2025
Product Code	FX15	PMI Insurer Name	No PMI
Product Name	Fixed 15 Year	PMI Percent	.00000
SubProgram Name	None	SMI Certificate Number	

Borrower/Property Info - Updated Monthly on 19th*

Borrower Name	Edward R Haskell	Property Type	Single Family Residence
CoBorrower Name		Occupancy	Primary Residence
Property Address	123 Beaver Cleaver Way	Appraisal Value	146000
Property City	Wardville	Sales Price	
Property State	ME	Current Property Value	146000

1. Open the desired loan in eMAQCSplus.
2. From the Servicer Loan Details screen, click on the Forms and Documents link on the menu.

Selecting a Form

Default Loan Details ▾ Servicer Loan Details - Forms and Documents

Loan Summary

Forms and Documents

Attachments

Exceptions

Exhibit B Uploads

Notes

Notification Log

Submit New Form

Select Form

Create

Select Form

Foreclosure Update-1 Foreclosure Fees & Expenses

REO Update-1 REO Offer Submission

REO Update-2 REO List Price Reduction Request

REO Update-3 Rehabilitation Advance Request

SG-331 Property Inspection Report

SG-332 Calculation of Realized Loss/Gain

SG-334 Notice of Acquired or Conveyed Property

SG-337 HLC Mortgage Notification

SG-342 Property Insurance Loss Notification

SG-343 MI Cancellation Notice

SG-354 Workout Worksheet

SG-400 Loan Workout Plan

SG-401 Temp Loan Payment Modification

SG-402 Borrower Hardship Certification

SG-404 Bidding Instructions

SG-405 REO Marketing Plan

Form Name	Status	Created By	Created Date	Submitted By	Submitted Date
Bidding Instructions	Draft	Provider	02/05/2020	Servicer548833	02/07/2020

1. Click the drop down arrow to select a form
2. Select the *Workout Worksheet*
3. Click *Create*

Completing the Workout Worksheet (Section 1)

Workout Worksheet

Form Document Instruction

SG-354

Workout Worksheet (Form SG354)

PFI / Servicer Information

PFI Number: Servicer Name:

SECTION 1 -- COVID-19 related forbearance, repayment and deferment plans ONLY

MPF Loan Number: Borrower Name:

Property Address:

☐ Extension of Forbearance Plan (provide Borrower Hardship Certification (Form SG402) and copy of the unsigned/proposed agreement or plan)

☐ Repayment Plan of more than 3 months (provide Borrower Hardship Certification (Form SG402) and copy of the unsigned/proposed agreement or plan)

☐ COVID-19 Payment Deferral Plan (provide Borrower Hardship Certification (Form SG402), COVID-19 Payment Deferral Worksheet (Appendix B), 1 year Borrower payment history and copy of the unsigned/proposed agreement or plan)

Servicer has confirmed:

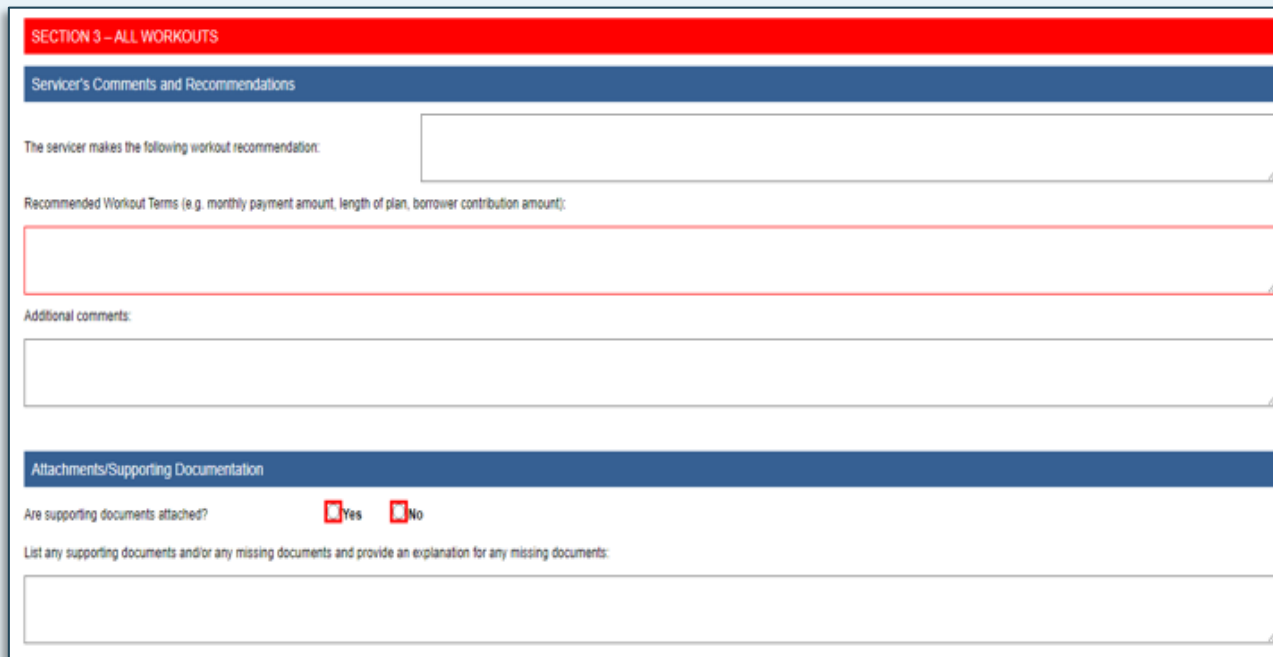
☐ Workout is acceptable to MI Company; or

☐ No MI on loan

- The form will appear on your screen. Note that you are on the *Form* tab.
- The fields highlighted in green should pre-populate for you.
- Select the option for a *COVID-19 Payment Deferral Plan*
- Select if you have MI company approval or if there's no MI on the loan.

Completing the Form (Section 3)

When requesting a COVID-19 Payment Deferral Plan, skip Section 2 of the Workout Worksheet and move to Section 3



The screenshot shows a form titled "SECTION 3 - ALL WORKOUTS" with a red header. Below the header is a blue bar labeled "Servicer's Comments and Recommendations". The form contains three main text input areas: 1. "The servicer makes the following workout recommendation:" followed by a large text box. 2. "Recommended Workout Terms (e.g. monthly payment amount, length of plan, borrower contribution amount):" followed by a large text box. 3. "Additional comments:" followed by a large text box. Below these is another blue bar labeled "Attachments/Supporting Documentation". Under this bar, there is a question "Are supporting documents attached?" with "Yes" and "No" radio buttons. Below this is a text box for "List any supporting documents and/or any missing documents and provide an explanation for any missing documents:".

Complete the fields as noted.

List any supporting documents attached to the Workout Worksheet. This may include:

- COVID-19 Payment Deferral Plan Worksheet
- Borrower payment history covering the previous 12 months
- Copy of the proposed plan
- MI company approval (if applicable)
- Borrower Hardship Certification (if applicable)

Completing the Form (Section 3)

Complete your information at the bottom of the form

The screenshot shows a web form titled "Employee Information". At the top, a blue header bar contains the title. Below the header, a line of text states: "By submitting this form, I certify that the information contained herein is true and accurate." The form contains several input fields: "Printed Name of Employee Completing Form:" with the value "Wanda Blake"; "Title:" with the value "Default Specialist"; "Email:" with the value "wb40@etbk.fake"; "Phone Number:" with the value "9999999999"; and "Date Completed:" with the value "01/28/2021" and a calendar icon. At the bottom of the form, there are three buttons: "Submit", "Save As Draft", and "Cancel". Three large yellow arrows are overlaid on the image: one pointing down to the "Submit" button, one pointing up to the "Save As Draft" button, and one pointing left to the "Cancel" button.

Click **Save As Draft** if you have not completed the form and want to save your work.

Click **Submit** to formally submit your completed form.

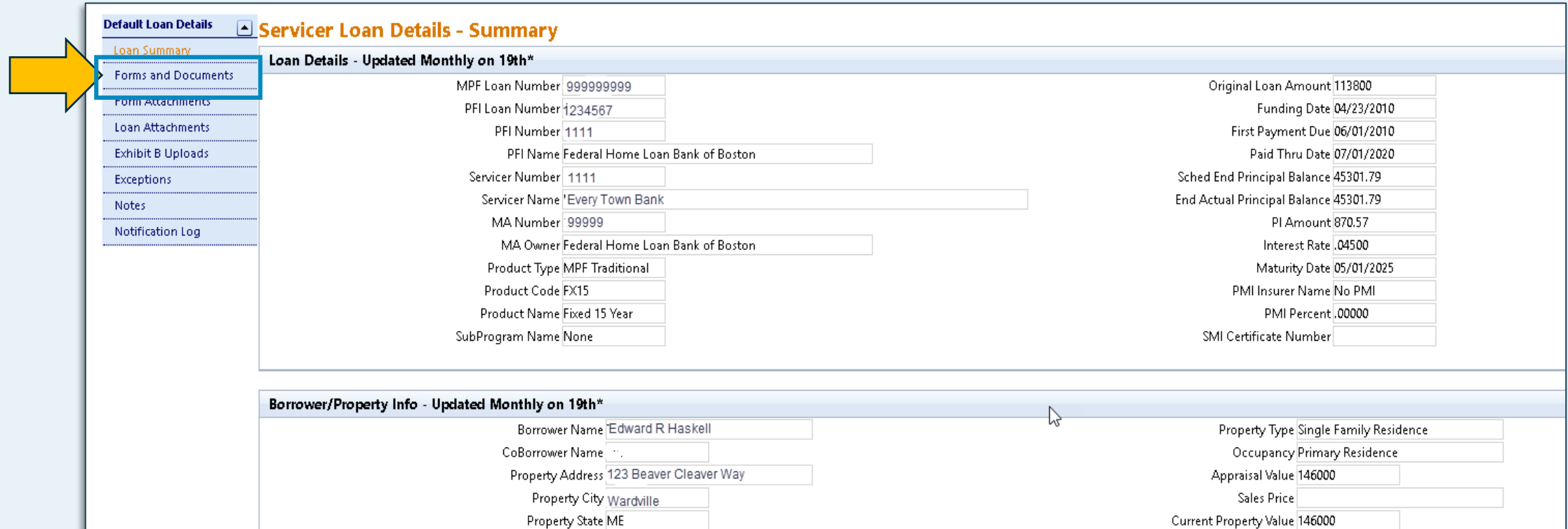
Cancel will erase all fields and close the form.

Note: The **Title** field has limited space. You may have to abbreviate your title.

DO NOT FORGET TO SUBMIT YOUR FORM!

Uploading Supplemental Documentation

Uploading Documents into eMAQCSplus



Default Loan Details **Servicer Loan Details - Summary**

Loan Details - Updated Monthly on 19th*

MPF Loan Number	999999999	Original Loan Amount	113800
PFI Loan Number	1234567	Funding Date	04/23/2010
PFI Number	1111	First Payment Due	06/01/2010
PFI Name	Federal Home Loan Bank of Boston	Paid Thru Date	07/01/2020
Servicer Number	1111	Sched End Principal Balance	45301.79
Servicer Name	Every Town Bank	End Actual Principal Balance	45301.79
MA Number	99999	PI Amount	870.57
MA Owner	Federal Home Loan Bank of Boston	Interest Rate	.04500
Product Type	MPF Traditional	Maturity Date	05/01/2025
Product Code	FX15	PMI Insurer Name	No PMI
Product Name	Fixed 15 Year	PMI Percent	.00000
SubProgram Name	None	SMI Certificate Number	

Borrower/Property Info - Updated Monthly on 19th*

Borrower Name	Edward R Haskell	Property Type	Single Family Residence
CoBorrower Name		Occupancy	Primary Residence
Property Address	123 Beaver Cleaver Way	Appraisal Value	146000
Property City	Wardville	Sales Price	
Property State	ME	Current Property Value	146000

1. Open the desired loan in eMAQCSplus.
2. From the Servicer Loan Details screen, click on the Forms and Documents link on the menu.

Uploading Documents into eMAQCSplus

Servicer Loan Details - Forms and Documents

Submit New Form

Select Form

Forms

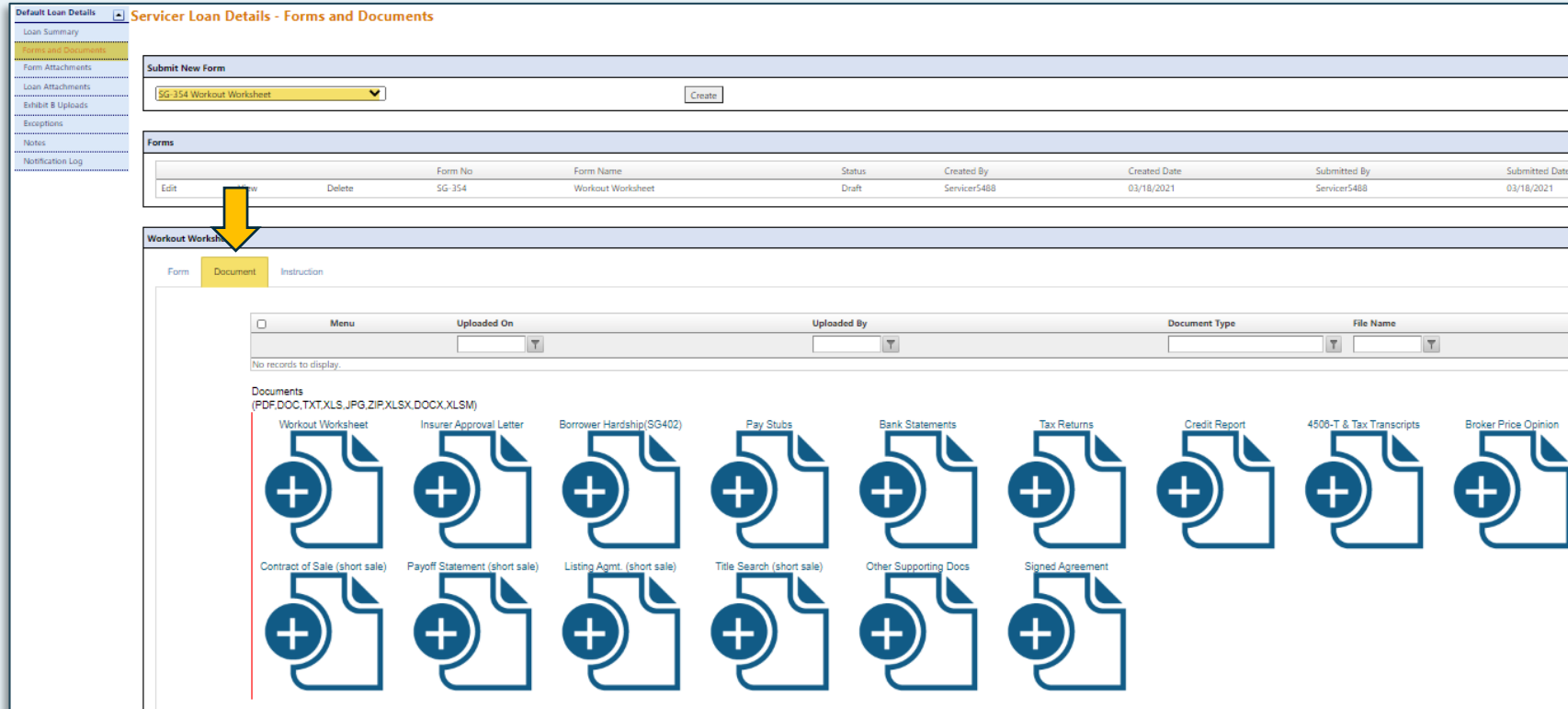
			Form No	Form Name	Status	Created By
Edit	View	Delete	SG-404	Bidding Instructions	Submitted	Servicer548
Edit	View	Delete	SG-404	Bidding Instructions	Draft	Servicer548

To attach a document that is associated with a form (i.e. Workout Worksheet), you must first open the form

1. If the form has not been started/created, click the drop down arrow to select/**Submit New Form** then click **Create**
2. If the form has been created and *Saved as a Draft*, click **Edit** (**View** works also)
3. If the form has been created and *Submitted*, click **View**

NOTE: Most of the documents that need to be uploaded for a COVID-19 Payment Deferral Plan are considered to be attachments to the **Workout Worksheet**.

Attaching Documentation



The screenshot shows the 'Servicer Loan Details - Forms and Documents' interface. On the left is a sidebar with navigation links: Loan Summary, Forms and Documents (highlighted), Form Attachments, Loan Attachments, Exhibit & Uploads, Exceptions, Notes, and Notification Log. The main area has a 'Submit New Form' section with a dropdown menu showing 'SG-354 Workout Worksheet' and a 'Create' button. Below this is a 'Forms' table with columns: Edit, Delete, Form No, Form Name, Status, Created By, Created Date, Submitted By, and Submitted Date. The table contains one row for 'SG-354 Workout Worksheet' with status 'Draft'. A yellow arrow points to the 'Document' tab in the 'Workout Worksheet' section. The 'Document' tab shows a table with columns: Menu, Uploaded On, Uploaded By, Document Type, and File Name. Below the table is a section titled 'Documents (PDF, DOC, TXT, XLS, JPG, ZIP, XLSX, DOCX, XLSM)' displaying various document icons with plus signs, including: Workout Worksheet, Insurer Approval Letter, Borrower Hardship(SG402), Pay Stubs, Bank Statements, Tax Returns, Credit Report, 4506-T & Tax Transcripts, Broker Price Opinion, Contract of Sale (short sale), Payoff Statement (short sale), Listing Agmt. (short sale), Title Search (short sale), Other Supporting Docs, and Signed Agreement.

1. Once the Workout Worksheet is open, click on the *Document* tab
2. Various document icons will be listed allowing you to drag a document from your desktop files and drop it into place.

Attaching Documentation

Servicer Loan Details - Forms and Documents

Submit New Form

SG-354 Workout Worksheet Create

	Form No	Form Name	Status	Created By	Created Date	Submitted By	Submitted Date
Edit View Delete	SG-354	Workout Worksheet	Draft	Servicer5488	03/18/2021	Servicer5488	03/18/2021

Workout Worksheet

Form Document Instruction

Menu Uploaded On Uploaded By Document Type File Name

No records to display.

Documents
(PDF,DOC,TXT,XLS,JPG,ZIP,XLSX,DOCX,XLSM)

Workout Worksheet Insurer Approval Letter Borrower Hardship(SG402) Pay Stubs Bank Statements Tax Returns Credit Report 4506-T & Tax Transcripts Broker Price Opinion

Contract of Sale (short sale) Payoff Statement (short sale) Listing Agmt. (short sale) Title Search (short sale) Other Supporting Docs Signed Agreement

1. Most of the documentation for a COVID-19 Payment Deferral Plan can be dragged and dropped over the *Other Supporting Docs* icon.
2. Note that the *Borrower Hardship Certification* may also be dragged and dropped into place.
3. The icon will turn green once the document has been added. It will also reflect the number of documents that have been added.


Completing the COVID-19 Payment Deferral Plan Worksheet (Appendix B)

COVID-19 Payment Deferral Worksheet (Appendix B)

- **Appendix B** is a required attachment to the **Workout Worksheet** and must be uploaded into eMAQCSplus.
- Servicers must use this worksheet when recommending a COVID-19 Payment Deferral Plan as a option for the borrower.
- **Appendix B** is available on the **COVID-19 Resource Center** page on the MPF Program website.

Completing Appendix B

COVID-19 Payment Deferral Plan Worksheet



Loan Information

MPF Loan Number: Borrower Name:

Product Information

A Payment Deferral plan is a home retention workout option for MPF Traditional (Conventional) Loans. This option is for Borrowers who are nearing the end of a COVID-19 forbearance plan, have resolved a temporary hardship and are prepared to resume their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current. This option is also for Borrower's who have a confirmed but resolved COVID-19 financial hardship.

Review of Terms of Payment Deferral Plan

COVID-19 Forbearance Plan Completion Date	<input type="text"/>
COVID-19 Payment Deferral Plan Target Effective Date	<input type="text"/>
Number of Days Delinquent as of March 1, 2020	<input type="text"/>
Days Delinquent as of Payment Deferral Worksheet Date	<input type="text"/>
Unpaid Principal Balance prior to payment deferral	<input type="text"/>
MI Approval Date (Servicers must obtain MI approval, if applicable)*	<input type="text"/>


The COVID-19 Forbearance Plan Completion Date:

Insert the last day of the last month that the loan was subject to a forbearance.

For example, if the loan was subject to forbearance from October 2020 through March 2021, this date should be March 31, 2021.

Completing Appendix B

COVID-19 Payment Deferral Plan Worksheet



Loan Information

MPF Loan Number: Borrower Name:

Product Information

A Payment Deferral plan is a home retention workout option for MPF Traditional (Conventional) Loans. This option is for Borrowers who are nearing the end of a COVID-19 forbearance plan, have resolved a temporary hardship and are prepared to resume their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current. This option is also for Borrower's who have a confirmed but resolved COVID-19 financial hardship.

Review of Terms of Payment Deferral Plan

COVID-19 Forbearance Plan Completion Date	<input type="text"/>
COVID-19 Payment Deferral Plan Target Effective Date	<input type="text"/>
Number of Days Delinquent as of March 1, 2020	<input type="text"/>
Days Delinquent as of Payment Deferral Worksheet Date	<input type="text"/>
Unpaid Principal Balance prior to payment deferral	<input type="text"/>
MI Approval Date (Servicers must obtain MI approval, if applicable)*	<input type="text"/>

The COVID-19 Payment Deferral Plan Target Effective Date

Insert the first day of the month in which the loan becomes current after the COVID-19 Payment Deferral is processed.

If deferring October 2020 through March 2021, the effective date is April 1, 2021.

Completing Appendix B

COVID-19 Payment Deferral Plan Worksheet

mpf

Mortgage
Partnership
Finance

Loan Information

MPF Loan Number: Borrower Name:

Product Information

A Payment Deferral plan is a home retention workout option for MPF Traditional (Conventional) Loans. This option is for Borrowers who are nearing the end of a COVID-19 forbearance plan, have resolved a temporary hardship and are prepared to resume their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current. This option is also for Borrower's who have a confirmed but resolved COVID-19 financial hardship.

Review of Terms of Payment Deferral Plan

COVID-19 Forbearance Plan Completion Date	
COVID-19 Payment Deferral Plan Target Effective Date	
Number of Days Delinquent as of March 1, 2020	
Days Delinquent as of Payment Deferral Worksheet Date	
Unpaid Principal Balance prior to payment deferral	
MI Approval Date (Servicers must obtain MI approval, if applicable)*	

Days Delinquent as of March 1, 2020

Insert the number of days the loan was delinquent as of March 1, 2020.

Enter zero if not delinquent as of March 1.

Completing Appendix B

COVID-19 Payment Deferral Plan Worksheet

mpf

Mortgage
Partnership
Finance

Loan Information

MPF Loan Number: Borrower Name:

Product Information

A Payment Deferral plan is a home retention workout option for MPF Traditional (Conventional) Loans. This option is for Borrowers who are nearing the end of a COVID-19 forbearance plan, have resolved a temporary hardship and are prepared to resume their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current. This option is also for Borrower's who have a confirmed but resolved COVID-19 financial hardship.

Review of Terms of Payment Deferral Plan

COVID-19 Forbearance Plan Completion Date	
COVID-19 Payment Deferral Plan Target Effective Date	
Number of Days Delinquent as of March 1, 2020	
Days Delinquent as of Payment Deferral Worksheet Date	
Unpaid Principal Balance prior to payment deferral	
MI Approval Date (Servicers must obtain MI approval, if applicable)*	


Days Delinquent as of *COVID-19 Payment Deferral Plan Worksheet* Date

Insert the number of days the loan was delinquent as of the **COVID-19 Payment Deferral Plan Worksheet** submission date.



Completing Appendix B

COVID-19 Payment Deferral Plan Worksheet



Loan Information

MPF Loan Number: Borrower Name:

Product Information

A Payment Deferral plan is a home retention workout option for MPF Traditional (Conventional) Loans. This option is for Borrowers who are nearing the end of a COVID-19 forbearance plan, have resolved a temporary hardship and are prepared to resume their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current. This option is also for Borrower's who have a confirmed but resolved COVID-19 financial hardship.

Review of Terms of Payment Deferral Plan

COVID-19 Forbearance Plan Completion Date	<input type="text"/>
COVID-19 Payment Deferral Plan Target Effective Date	<input type="text"/>
Number of Days Delinquent as of March 1, 2020	<input type="text"/>
Days Delinquent as of Payment Deferral Worksheet Date	<input type="text"/>
Unpaid Principal Balance prior to payment deferral	<input type="text"/>
MI Approval Date (Servicers must obtain MI approval, if applicable)*	<input type="text"/>

Unpaid Principal Balance prior to payment deferral

The last balance reported prior to the first missed payment that is included in the deferral.

For example, if the months included in the deferral are October 2020 through March 2021, the unpaid principal balance would be the balance as of September 2020.

Completing Appendix B

COVID-19 Payment Deferral Plan Worksheet

mpf

Mortgage
Partnership
Finance

Loan Information

MPF Loan Number: Borrower Name:

Product Information

A Payment Deferral plan is a home retention workout option for MPF Traditional (Conventional) Loans. This option is for Borrowers who are nearing the end of a COVID-19 forbearance plan, have resolved a temporary hardship and are prepared to resume their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current. This option is also for Borrower's who have a confirmed but resolved COVID-19 financial hardship.

Review of Terms of Payment Deferral Plan

COVID-19 Forbearance Plan Completion Date	
COVID-19 Payment Deferral Plan Target Effective Date	
Number of Days Delinquent as of March 1, 2020	
Days Delinquent as of Payment Deferral Worksheet Date	
Unpaid Principal Balance prior to payment deferral	
MI Approval Date (Servicers must obtain MI approval, if applicable)*	

MI Approval Date

Servicers must obtain MI company approval (if applicable).

The date of a blanket approval/notification is acceptable.

Completing Appendix B

Total Past-due principal payment amount to be deferred	
Total Past-due interest payment amount to be deferred	
Other amount to be deferred**	
Total amount to be deferred***	
Total late charges to be waived	

* If relying on issued guidance by the MI Company, please indicate so.
**Includes any amounts the Servicer paid on the Borrower's behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.
***Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.



Total past-due principal payment amount to be deferred

This should equal the principal portion of the deferred P&I (principal & interest) payments as determined by an amortization schedule.

Completing Appendix B

Total Past-due principal payment amount to be deferred	
Total Past-due interest payment amount to be deferred	
Other amount to be deferred**	
Total amount to be deferred***	
Total late charges to be waived	

* If relying on issued guidance by the MI Company, please indicate so.
**Includes any amounts the Servicer paid on the Borrower's behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.
***Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.



Total past-due interest payment amount to be deferred

This should equal the interest portion of the deferred P&I (principal & interest) payments as determined by an amortization schedule.

Completing Appendix B

Total Past-due principal payment amount to be deferred	\$400.00
Total Past-due interest payment amount to be deferred	\$2,000.00
Other amount to be deferred**	
Total amount to be deferred***	
Total late charges to be waived	

* If relying on issued guidance by the MI Company, please indicate so.

**Includes any amounts the Servicer paid on the Borrower's behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.

***Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.

The amounts in the principal and interest fields when added together should equal the total P&I payments being deferred

Total principal deferred: **\$400**

Total interest deferred: **\$2000**

Total number of months deferred: **3**

$$\text{\$2400} \div 3 = \text{\$800}$$

\$800 should equal the borrower's monthly P&I payment

Completing Appendix B

Total Past-due principal payment amount to be deferred	
Total Past-due interest payment amount to be deferred	
Other amount to be deferred**	
Total amount to be deferred***	
Total late charges to be waived	

* If relying on issued guidance by the MI Company, please indicate so.
**Includes any amounts the Servicer paid on the Borrower's behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.
***Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.



Other amounts to be deferred

Insert the total of any amounts paid on behalf of the borrower relating to the past-due payments, such as taxes or insurance as authorized by your mortgage documents.

Completing Appendix B

Total Past-due principal payment amount to be deferred	
Total Past-due interest payment amount to be deferred	
Other amount to be deferred**	
Total amount to be deferred***	
Total late charges to be waived	

* If relying on issued guidance by the MI Company, please indicate so.
**Includes any amounts the Servicer paid on the Borrower's behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.
***Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.



Total amount to be deferred

This is the total of the past due principal, past due interest and the other deferred amount.

Completing Appendix B

Total Past-due principal payment amount to be deferred	
Total Past-due interest payment amount to be deferred	
Other amount to be deferred**	
Total amount to be deferred***	
Total late charges to be waived	

* If relying on issued guidance by the MI Company, please indicate so.
**Includes any amounts the Servicer paid on the Borrower's behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.
***Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.



Total late charges to be waived

Enter the amount of late fees that you as the Servicer have waived on behalf of the borrower.

Servicers must not charge the borrower administrative fees. Servicers are encouraged to waive all late charges, penalties, stop payment fees, or similar charges related to COVID-19 hardships.

Completing a COVID-19 Payment Deferral Plan Agreement (Appendix A)

Appendix A

MPF Announcement 2020-31 May 19, 2020

APPENDIX A
COVID-19 Payment Deferral Agreement

[DATE]

Dear [BORROWER NAME(S)]:

As we discussed, as a result of COVID-19 related impacts on you, you are approved for a COVID-19 related payment deferral, and we will defer your past-due amounts to bring your mortgage current. This letter describes what the payment deferral is and how it impacts your mortgage.

To accept this offer you must return this agreement [provide return instructions] fully executed by all borrowers, by [date before end of the current month].

What is a Payment Deferral?

A payment deferral brings your mortgage current and delays repayment of certain past-due monthly principal and interest payments, as well as other amounts we paid on your behalf related to the past-due monthly payments. Payment of these amounts is not being waived, you will be responsible for paying the past-due amounts upon the earlier of the maturity date of the mortgage loan, sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing unpaid principal balance.

Terms of the Payment Deferral

As of [EFFECTIVE DATE], we will:

- adjust the due date of your next scheduled monthly payment to bring your mortgage current,
- defer the scheduled repayment of the total past-due amounts to the maturity date of the mortgage or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing unpaid principal balance, and
- waive any late charges.

[If Borrower was 12 months delinquent at the date of evaluation and servicer is using a processing month, include the following: We require a processing month to complete your payment deferral. Because you are 12 months delinquent, you must pay your current monthly contractual payment of \$[amount] by [date] in order for your payment deferral to become effective.]

The following table describes the specific terms of your payment deferral.

Number of past due principal and interest payments to be deferred	
Past-due principal and interest payment amount to be deferred	
Other past-due amounts to be deferred*	
Total past-due amounts to be deferred**	
Late charges to be waived	

*Includes any amounts we paid on your behalf related to the past-due payments, such as tax mortgage documents.

- The **COVID-19 Payment Deferral Agreement (Appendix A)** template may be used to outline the proposed plan and submitted as part of the approval process.
- Once approved, **Appendix A** or an equivalent must be signed by the borrower and submitted to the MPF Program Default Team.
- **Appendix A** is designed to be customized and a signature line may/should be added by the Servicer.
- While use of **Appendix A** is optional, it reflects the minimum level of information that the Servicer must communicate and illustrates a level of specificity that complies with the MPF Program requirements.

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**Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.

Once your payment deferral is in effect, you must continue to make your scheduled monthly payment to keep your mortgage current.

[Add contact information for borrower wishing to contact Servicer]

[The servicer must include any disclosures required by federal, state, or local law.]

Appendix A

APPENDIX A
COVID-19 Payment Deferral Agreement

[DATE]

Dear [BORROWER NAME(S)]:

As we discussed, as a result of COVID-19 related impacts on you, you are approved for a COVID-19 related payment deferral, and we

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****Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.**

Once your payment deferral is in effect, you must continue to make your scheduled monthly payment to keep your mortgage current.

[Add contact information for borrower wishing to contact Servicer]

[The servicer must include any disclosures required by federal, state, or local law.]

current monthly contractual payment of \$[amount] by [date] in order for your payment deferral to become effective.

Appendix A is being revised to include space for the borrower's address and an identifying loan number. **In the meantime, please insert that information where noted.**

Because **Appendix A** is intended to be customizable, borrower signature lines at the end of the document are not on the current version and should be added by the Servicer.

Appendix A

The **Effective Date** will be provided on the on the approval notification (sent by the MPF Default Team)

- The **Effective Date** should be the same as the **COVID-19 Payment Deferral Plan Target Effective Date** provided on the approval notification.

Terms of the Payment Deferral

As of [EFFECTIVE DATE], we will:

- adjust the due date of your next scheduled monthly payment to bring your mortgage current,
- defer the scheduled repayment of the total past-due amounts to the maturity date of the mortgage or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing unpaid principal balance, and
- waive any late charges.

Appendix A-Completing the Table

The following table describes the specific terms of your payment deferral.

Number of past due principal and interest payments to be deferred	Enter the number of missed P&I payments
Past-due principal and interest payment amount to be deferred	Enter the total P&I for the missed payments
Other past-due amounts to be deferred*	Enter the total amount the Servicer paid on behalf of the borrower relating to the past-due payments, such as taxes or insurance
Total past-due amounts to be deferred**	Enter the total of the P&I and other past-due amounts from above
Late charges to be waived	Enter the amount of late fees that you as the Servicer have waived on behalf of the borrower

*Includes any amounts we paid on your behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.

COVID-19 Payment Deferral Agreement

- If required by law or needed to maintain lien priority, the COVID-19 Payment Deferral Agreement must be recorded.
- If the agreement is recorded, a title endorsement (or similar) to the existing lender's policy must be requested.
 - ✓ Retain the endorsement with the title policy in the loan file.
- Electronic signatures are permitted as long as e-signing does not affect the enforceability of the document under applicable law, or the ability to record the document when recording is required by law or needed to maintain lien priority.

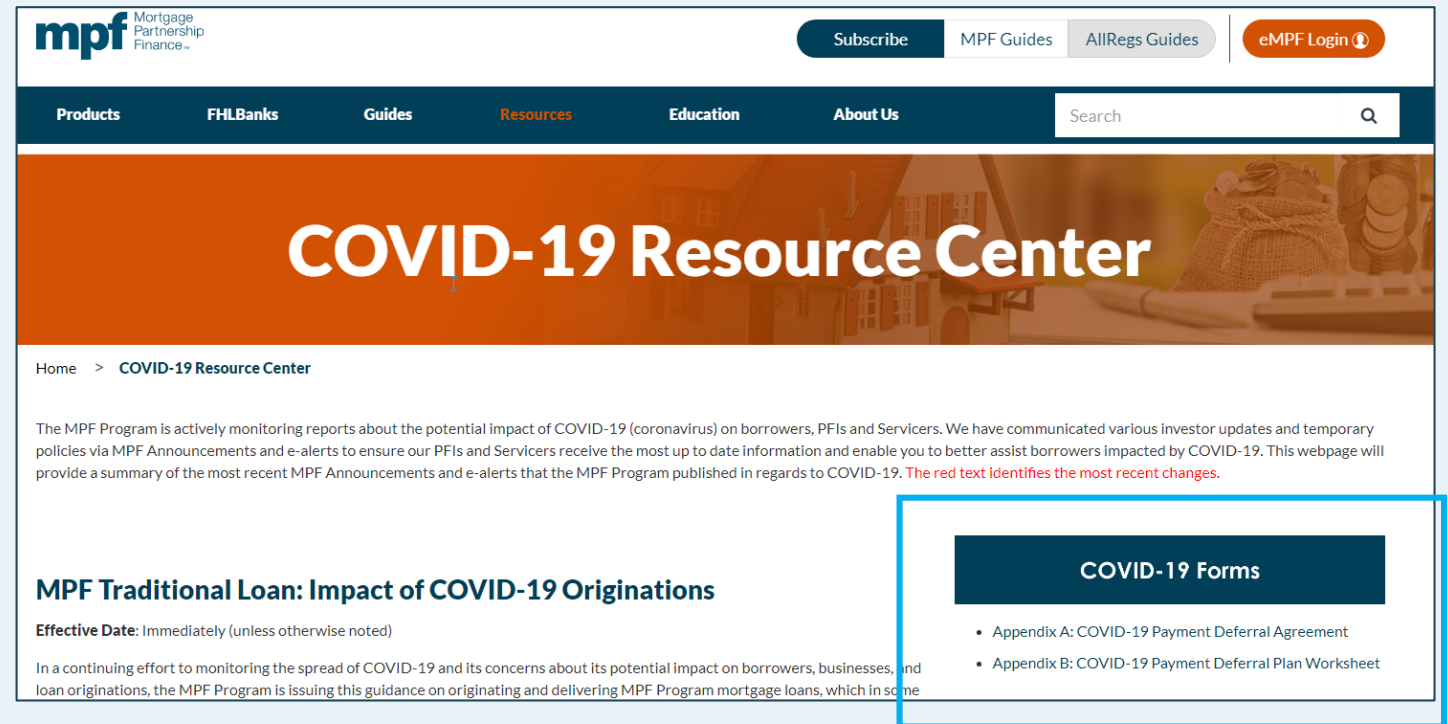
Custody Requirements

Was the COVID-19 Deferral Agreement Recorded?	
YES	<ul style="list-style-type: none">• Within 25 calendar days of the effective date, deliver a certified copy of the agreement to the MPF Custodian, Wells Fargo.• Within five calendar days of receipt, deliver the original, recorded agreement to the MPF Program Custodian, Wells Fargo.
NO	<ul style="list-style-type: none">• Within 25 calendar days of the effective date, deliver the original agreement to the MPF Program Custodian, Wells Fargo.

Reporting Requirements

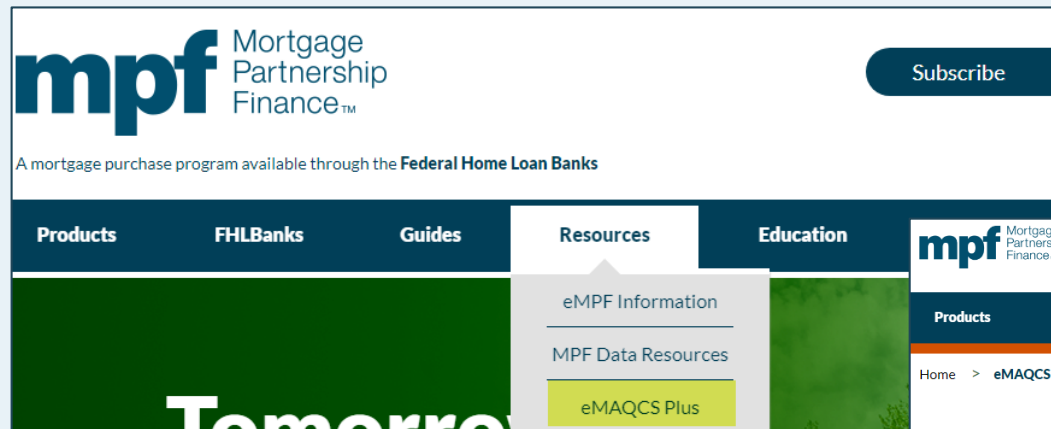
- **Once the COVID-19 Payment Deferral becomes effective, the mortgage loan no longer needs to be reported on the Servicer's *Monthly Delinquent Mortgage & Bankruptcy Status Report* (Exhibit B).**
- The effective date of the COVID-19 Payment Deferral Plan is the date the borrower resumes their regular payments (after the applicable forbearance plan expires).
- Example: If the borrower makes a payment on April 1st, there is no need to report the loan on Exhibit B in May.

COVID-19 Resource Center



MPF Website Resources

Access to eMAQCS Plus



www.fhlbmpf.com



MPF Program Contacts

MPF Service Center

Phone – 877-345-2673

Email - MPF-Help@FHLBC.com

Hours - 8:30 AM to 4:30 PM CST

MPF Program Default Team

mpfDefaultServicing@fhlbc.com