MPF® Announcement

MPF Announcement:
2022-23

Date:
May 25, 2022

Alert:
Clarification
New Policy
Policy Update
Reminder
Training Information

Audience:
Compliance/Legal
Program Management
Origination
Quality Control
Servicing
Underwriting

Product:
MPF Government MBS
MPF Traditional
MPF Xtra®

Effective Date:

Immediately *(unless otherwise noted)*

Reference

Fannie Mae Investor Reporting Manual

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

MPF Xtra Payoff Calculation Reminders

The MPF Program would like to remind Servicers of the requirements for payoff and liquidation remittances.

When calculating interest on a payoff, Servicers must meet the requirements in Section 2.12.2 Payoff and Liquidation Remittances of the MPF Xtra Servicing Guide and must also follow the actual/actual remittance calculation requirements in Fannie Mae Servicing Guide Chapter F-1-09: Processing Mortgage Loan Payments and Payoffs.

The Servicer must calculate the liquidation interest payable to the MPF Bank as follows:

- Based on the unpaid principal balance of the mortgage loan,
- As of the last paid installment date for the last reporting cycle not including the date of payoff except for FHA loans,
- A full month's interest due from the Borrower should be calculated on a 360–day year (30 / 360 day basis) and a partial month's interest due up to, but not including, the date of payoff should be based on a 365–day year (actual days / 365 day basis).
- For Mortgage Loans required to be repurchased under various provisions in the Guides: The book value of the Mortgage Loan plus interest at the "Pass-through Rate" (i.e. the Note Rate minus the Servicing Fee percentage) through the remittance date.

The interest calculations must align with the Borrowers mortgage loan history. Any discrepancy, including to but not limited to interest shortfalls, must be addressed and corrected by the Servicer and funded by the Servicer by the next business day.

For examples and additional information on Calculating Interest Paid Off, Servicers may refer to Chapter 2-04: Reporting Specific Payment Transactions to Fannie Mae of the Fannie Mae Investor Reporting Manual.

"Mortgage Partnership Finance", "MPF", "eMPF", "MPF Xtra" and "eMAQCS" are registered trademarks of the Federal Home Loan Bank of Chicago. The "MPF Mortgage Partnership Finance" logo is a trademark of the Federal Home Loan Bank of Chicago.