

MPF[®] Announcement

**MPF Announcement:**

2022-43

Date:

October 4, 2022

Alert:

Clarification
New Policy
Policy Update
Reminder
Training Information

Audience:

Compliance/Legal
Program
Management
Origination
Quality Control
Servicing

Product:

MPF Government MBS
MPF Traditional
MPF Xtra[®]

Effective Date:

Immediately (*unless otherwise noted*)

MPF Program Reminder

As a reminder, PFIs that are Originating, Selling, and/or Servicing mortgage loans are responsible for ensuring all applicable MPF Program and product specific guidelines are met, as set forth in the following:

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](#).

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- **MPF Traditional Conventional loans** must meet the requirements in the MPF Program Guide, MPF Traditional Selling and Servicing Guides, and any MPF Announcement related that may supersede Guide provisions.
- **MPF Traditional Government loans** must meet the requirements in the MPF Program Guide, MPF Traditional Selling and Servicing Guides, and all applicable guidance issued by the applicable Government Agency (including guides and announcements such as HUD Mortgagee Letters or VA Circulars).
- **MPF Government MBS loans** must meet the requirements in the MPF Program Guide, MPF Government MBS Selling and Servicing Guides, all applicable guidance issued by the applicable Government Agency and Ginnie Mae (including guides and announcements such as HUD Mortgagee Letters, VA Circulars, and Ginnie Mae All Participant Memorandums).
- **MPF Xtra loans must** meet the requirements in the MPF Program Guide, MPF Xtra Selling and Servicing Guides, and the applicable Fannie Mae Selling and Servicing Guide provisions (as provided for in the MPF Xtra Guides).

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The MPF Program would also like to remind PFIs and Servicers of the following obligations:

- By submitting information to the MPF Bank, the MPF Provider, the Master Servicer, Custodian, or Investor during the loan presentment, delivery process, servicing process or investor reporting process, each PFI or Servicer warrants that all such information is true, complete, and accurate.
- PFIs must have processes and procedures in place that meet or exceed industry standards to ensure that the Mortgage Loan was originated in compliance with all Applicable Laws and the applicable MPF Products requirements and that, at the time of closing, all information relied on to originate the loan was true, complete and accurate, including but not limited to:
 - Information in the Mortgage Loan application,
 - Information relied on for underwriting (i.e., employment status, financial information, etc.),
 - Information regarding any existing liabilities (i.e., seasoning requirement for loans being refinanced, applicable payment history of liabilities),
 - Information related to the property itself, and
 - Information about originator licensing and registration (i.e., NMLS numbers).
- PFIs must have processes and procedures in place that meet or exceed industry standards to ensure between time of initial verification/validation and closing there haven't been:
 - any changes or inconsistencies that appear in any financial information or credit worthiness of the Borrower,
 - any adverse circumstances involving the Mortgage Loan,
 - any adverse circumstances involving the Mortgaged Property, or
 - any other circumstance that would reduce the value or marketability of the Mortgage Loan or Mortgaged Property or that would affect the loan eligibility for the applicable MPF product.

Because there may not be one source or method for validating the above information, PFIs are responsible for exercising due diligence when performing the above validations, and consider, where appropriate, the use of:

- Public records
- Credit reports
- Payoff statements
- Payment histories
- Title reports
- Appraisals
- Validation services
- Borrower representations

For additional information, see MPF Program Guide Sections: 4.2 PFI and Servicer Representations and Warranties, 4.3 Selling PFI Representations and Warranties, and 8.6 Verification of Data and Documents.