

MPF Announcement:

2023-19

Date:

April 6, 2023

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

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 Government MBS Guide Updates

Because MPF Government MBS loans are included in Ginnie Mae (GNMA) pools, all mortgage loans must be originated and serviced in compliance with the requirements of the applicable government agency insuring/guaranteeing the mortgage loan as well as the requirements applicable to GNMA's MBS mortgage loans.

As a result, PFIs and Servicers are required to have policies and procedures that ensure they are aware of and timely implement any and all updates made by the MPF Program, applicable Government Agencies, and GNMA to any applicable guides, guidance or agreements. The MPF Government MBS Guides and MPF Program Guide are being updated to ensure clarity as to PFI and Servicer obligations, and to incorporate additional requirements detailed below.

Repurchases

Updated the Guides to ensure clarity as to the limitations and requirements for voluntary purchases or repurchases of Mortgage Loans, and to ensure clarity around the process of purchasing or repurchasing Mortgage loans.

See MPF Government MBS Selling Guide Section 1.4 Repurchases, MPF Government MBS Servicing Guide 1.6 Repurchases and 2.10.6 Mortgage Loan Payoffs and Liquidation Proceeds, and MPF Program Guide 3.5.2 Voluntary Repurchase.

MPF Government MBS Custodian

Updated the MPF Guides to incorporate the new MPF Government MBS Custodian.

FHA Partial Claims

Updated the Guide to clarify that prior to processing an FHA Partial Claim, Servicers must contact the MPF Provider to ensure the Holding Mortgagee in FHA connection is updated and reflects the Servicer is as the holder.

See 8.5.2 Government MBS Mortgage Loan Modifications of the MPF Government MBS Servicing Guide.

Property Loss Events and Insurance Loss Settlements

Updated the requirements for notification to the MPF Provider, Servicers are no longer required to submit an SG342: Property Insurance Loss Draft Notification form for all losses. Servicers must only submit an SG342 to the MPF Provider for the following scenarios:

- If the Insurance Proceeds are greater than \$40,000,
- If the Mortgage Loan is 31 or more Days Delinquent, or
- If the Mortgaged Property is located in an area affected by a Major Disaster.

The Form SG342 has been updated to require the following documentation that supports the Servicer's recommendation:

- For all Property Losses that require submission of an SG342, Servicers must include:
 - Insurance Adjustor's Report, and
 - Front and Back Copy of the Settlement Check. Additional information required for Property Losses with Insurance Proceeds greater than \$40,000:
 - Additional information required for Property Losses with Insurance Proceeds greater than \$40,000:
- Additional information required for Property Losses with Insurance Proceeds greater than \$40,000:
 - Contract for repairs, and
 - Inspection showing completion of the repairs to date (pictures and an attestation of completion of the work from the PFI or the contractor on the PFIs letterhead).

See 4.6 – Property Loss Events and Insurance Loss Settlements of the MPF Government MBS Servicing Guide.

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