

**MPF Announcement:**

2023-25

**Date:**

May 2, 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<sup>®</sup>

**Effective Date:**

**Immediately** (unless otherwise noted)

**Reference**

[Mortgagee Letter 2023-06](#)

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## MPF Traditional Government Loan Modification Update

Updated the Government Mortgage Loan Modification requirements to incorporate the 40 year loan modification loss mitigation option that was recently established by the FHA.

As a reminder, Servicers may repurchase delinquent FHA mortgage loans in compliance with the policies in the MPF Traditional Servicing Guide and may be modified in accordance with FHA's loss mitigation requirements and re-sold to the MPF Bank.

Modified FHA mortgage loans brought current must meet all the eligibility criteria for Government Mortgage Loans.

The modified FHA loan term may not be greater than four hundred-eighty (480) months from the due date of the first installment payable under the modification agreement.

Servicers should contact the MPF Service Center for assistance in re-delivering the modified loans.

For additional information, see section 8.5.2 Government Mortgage Loan Modifications.

**NOTE:** This update is only applicable for MPF Traditional Government mortgage loans. For MPF Government MBS mortgage loans, Servicers should refer to 8.5 of the MPF Government MBS Servicing Guide for loss mitigation requirements.