

MPF Announcement:

2023-26

Date:

May 3, 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:

July 1, 2023

MPF Traditional: New Requirements for Manually Underwriting Borrowers

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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In an effort to align with industry standards and ensure that Originators are adhering to the verification standards outlined in Regulation Z, the MPF Program is updating the requirements for manually underwriting Borrowers. As a result, the MPF Traditional Selling Guide has been updated to incorporate a new “**Chapter 5. Underwriting the Borrower (Effective for Mortgage Loan Applications on or after July 1, 2023)**”.

Originators may begin underwriting Borrowers in accordance to the new Chapter 5 requirements immediately, but are required to do so for all mortgage loan applications received on or after July 1, 2023.

To allow time for Originators to implement the updated requirements and finish processing any current mortgage loan applications, the original “Chapter 5. Underwriting the Borrower,” will remain effective for all mortgage loans with applications dated prior to July 1, 2023.

For the original Underwriting the Borrower requirements see “**Chapter 5. Underwriting the Borrower (Effective for Mortgage Loan Applications prior to July 1, 2023)**”.

Prior to the mandatory effective date, Originators have the option to manually underwrite Borrowers in accordance to the new Chapter 5 or the original Chapter 5. Please note that Originators must select one of the versions and must meet all of the requirements of the applicable Chapter 5 selected. Combining underwriting requirements from each version will not be accepted.

The MPF Program is hosting a webinar providing an overview of this update and covering some of the key changes that may impact the underwriting of MPF Traditional mortgage loans. **The webinar will be held on May 11, 2023 at 1:00 PM CDT. Register [here](#).**

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