

MPF Announcement:

2024-21

Date:

April 17, 2024

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 within*)

MPF Program – E&O Clarifications

The MPF Program Guide has made the following updates and clarifications regarding E&O:

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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- Specified that PFIs and Servicers must have a **mortgage related** E&O insurance policy in effect at all times.
- Clarified that the MPF Program does not require E&O coverage in excess of the following:
 - \$10 million if the Base* consists of residential 1-4 family properties only, or
 - \$30 million if the Base consists of residential 1-4 family properties and multifamily properties.

**The Base is defined as the total portfolio of all first-lien 1-4 single family and multi-family residential mortgage loans (MPF Program loans and non-MPF Program loans) serviced by the PFI for itself and others. This includes mortgage loans serviced on the PFI's behalf by a sub-servicer or designated an affiliate servicer.*

For additional information see MPF Program Guide Section 6.5.2 E&O Coverage and 6.6 Coverage Amounts.