

MPF Announcement:

2024-41

Date:

May 30, 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)

MPF Traditional – Alternative Property Valuations & Other Appraisal Updates

Updated the following appraisal eligibility requirements:

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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Alternative Property Valuations

Effective with the publication of this announcement, conventional mortgage loans with accepted Alternative Property Valuation offers from Desktop Underwriter (DU) or Loan Product Advisor (LPA) are eligible for delivery as MPF Traditional Conventional Mortgage Loans.

PFIs are required to ensure the loans meet all applicable MPF Program eligibility requirements, including requirements contained in any applicable Agreement and in the MPF Guides.

Please note, PFIs delivering mortgage loans with a Value Acceptance + Property Data or ACE+PDR must be delivered with Special Feature Code 774.

For additional guidance, see MPF Traditional Selling Guide sections 4.2.1.1. Fannie Mae Desktop Underwriter (DU) and 4.2.1.2. Freddie Mac Loan Product Advisor[®].

Various non-substantive changes were made throughout the MPF Guides, to ensure clarity as to appraisal requirements and use of alternative property valuation methods. See MPF Traditional Selling Guide sections: 2.6.3.1, 2.6.10, 2.7, 4.2.1.1, 4.2.1.2, 6.3, 6.7.4, 6.8.8, 6.8.11, 7.2.3, 7.2.4, and 7.15.

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Additional Appraisal Updates and Clarifications

Updated appraisal report requirements by:

- Clarifying appraisal photos must be in color;
- Clarifying interior appraisals must also include photos of the basement including all finished or unfinished bedrooms, and
- Aligning with industry standard by adopting the American National Standards Institute (ANSI) Standard when measuring, calculating, and reporting the gross living area and non-gross living areas of certain 1-unit properties.

Effective Date: PFIs may begin accepting appraisals with the above requirements immediately but compliance is required for all appraisals with an effective date on or after September 2, 2024.

For additional information see MPF Traditional Selling Guide section 7.2 Appraisal Report.