

MPF Announcement:

2024- 51

Date:

August 6, 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)**

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 Traditional Government Loans – Loss Mitigation Updates

Updated the MPF Traditional Servicing Guide to incorporate the eligibility of MPF Traditional Government loss mitigation options.

In order to be eligible, Servicers must comply with applicable Government Agency requirements for loss mitigation and required approvals.

Servicers may offer Borrowers loss mitigation options without obtaining prior MPF Bank approval; however, Servicers must comply with the requirements outlined in Chapter 9 of the MPF Traditional Servicing Guide, including:

- Submitting the Form SG354: Workout Worksheet with the required supporting documentation for the following loss mitigation options:
 - Government Agency Payment Deferral (Government Agency equivalent)
 - Government Agency Loan Modification
 - Government Agency Loan Modification with Partial Claim
- Accurately reporting the status of all loans to the MPF Provider. Once a workout option is finalized, Servicers are required to report the new status of the loan pursuant to any specific requirements provided for in the applicable workout option sections of the Guide.

The MPF Program has updated section 9.1.2 Government Loans of the MPF Traditional Servicing Guide, Form SG354: Workout Worksheet, and Form SG357: Permanent Loan Modification Workout Worksheet.

NOTE: These updates are for MPF Traditional Government loans only.

For MPF Government MBS loans, Servicers must refer to the MPF Government MBS Servicing Guide for eligible loss mitigation options. As a reminder, Servicers are prohibited from modifying the terms of loans held in Ginnie Mae pools that affect the amount or duration of loan payments.

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