

MPF Announcement:

2025-43

Date:

May 21, 2025

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 Xtra Selling Updates – FNMA SEL-2025-03

Fannie Mae published [SEL-2025-03](#) which covers the below referenced topics that are applicable to mortgage loans sold under the MPF Xtra product:

Reference

[Fannie Mae Selling Guide SEL-2025-03](#)

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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- **Interested party contributions and lender incentives:**

- Updated the interested party contributions definitions, identified items excluded from financing concessions, clarified treatment of realtor rebates, clarified arrangements subject to the lender incentive policy, and increased the lender incentive limit to \$2,500, and clarified lender incentives from an interested party to be treated as a sales concession.

Effective Date: Originators are encouraged to implement these changes immediately but must do so for all loans with note dates on and after September 3, 2025.

- **Prorated real estate tax credit:**

- Clarified the treatment of a prorated tax credit in underwriting.

Other topics mentioned in the Fannie Mae announcement do not apply to MPF Xtra. To gain a full understanding of these topics, PFIs should review the entire Fannie Mae Announcement and any applicable Fannie Mae Selling Guide chapters, forms, or exhibits noted in the announcements.

For questions or assistance, please contact the MPF Service Center by using one of the following options:

- MPF Customer Service Portal
- Email: MPF-Help@fhllbc.com
- Phone: (877) 345-2673

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Selling Guide Announcement (SEL-2025-03)

May 7, 2025

The *Selling Guide* has been updated to include changes to the following:

- [Interested party contributions and lender incentives](#): updating interested party contributions definitions, identifying items excluded from maximum financing concessions, clarifying treatment of realtor rebates, clarifying arrangements subject to the lender incentive policy, increasing incentive limit to \$2,500, and requiring lender incentives from an interested party to be treated as a sales concession
- [Maximum buyup amount](#): establishing that the maximum guaranty fee buyup amount can be found in the lender's MBS commitment
- [Prorated real estate tax credit](#): clarifying treatment of a prorated tax credit in underwriting

View the list of [impacted topics](#).

Interested party contributions and lender incentives

To enhance transparency and consistency, Fannie Mae, in collaboration with Freddie Mac and in consultation with FHFA has updated its policies on interested party contributions (IPCs) and lender incentives. Related topics in the *Selling Guide* have also been reorganized.

IPCs

- Clearer definitions of IPCs.
- A new list of items that are not subject to maximum financing concessions (formerly "IPC limits").
- Clarified a realtor rebate, not applied to the transaction (for example, not used towards closing costs), must be treated as a sales concession, regardless of when the rebate is provided.

Lender Incentives

- Clarified arrangements subject to the lender incentive policy include cash, cash-like gifts, or items of value which may be provided directly by a lender to a borrower or through a third-party on behalf of the lender.
- Revised the requirement that when a lender who is, or is affiliated with, an interested party, provides an incentive, it must be treated as a sales concession.

Note: Fannie Mae has also increased the \$500 limit on lender incentives to \$2,500.

Effective: Lenders are encouraged to implement these changes immediately but must do so for all loans with note dates on and after Sept. 3, 2025.



Maximum buyup amount

We have revised our policy regarding the maximum guaranty fee buyup amount, which will be stated in the lender's MBS commitment. The guaranty fee cannot be bought down to a number less than zero.

Effective: This change is effective immediately as the maximum buyup amount is already included in each MBS commitment.

Prorated real estate tax credit

We clarified a prorated real estate tax credit may be considered in determining the amount of funds required from the borrower at closing only when an escrow account has been established and includes the portion of taxes owed by the property seller for the period of time they owned the property. In these cases, the prorated real estate tax credit from the seller may offset all or a portion of the funds needed for the escrow account.

Effective: Lenders may take advantage of this policy clarification immediately.

Lenders may contact their Fannie Mae Account Team if they have questions about this Announcement.
Have guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli.](#)



Impacted Topics

Section of the Announcement	Updated <i>Selling Guide</i> Topics (Dated May 07, 2025)
Interested party contributions and lender incentives	<ul style="list-style-type: none">▪ B3-4.1-02, Interested Party Contributions (IPCs)▪ B3-4.1-03, Lender Incentives▪ B3-4.3-06, Grants and Lender Contributions▪ B5-4.2-03, Loans Secured by HomePath Properties
Maximum buyup amount	<ul style="list-style-type: none">▪ C3-3-03, Buying Up and Buying Down the Guaranty Fee for MBS
Prorated real estate tax credit	<ul style="list-style-type: none">▪ B2-1.3-01, Purchase Transactions