

**MPF Announcement:**

2025-67

**Date:**

September 2, 2025

**Alert:**

**Clarification**

New Policy

Policy Update

**Reminder**

Training Information

Marketing Bulletin

**Audience:**

Compliance/Legal

Program Management

Origination

**Quality Control**

Servicing

Underwriting

**Product:**

**MPF Government MBS**

**MPF Traditional**

**MPF Xtra<sup>®</sup>**

**Effective Date:**

**September 8, 2025**

## MPF Quality Control – eMAQCS<sup>®</sup>plus System Enhancements:

Effective September 8, 2025, the MPF Quality Control (QC) process within the eMAQCSplus system will be enhanced to improve transparency and efficiency. These updates include revised severity level classifications, a streamlined process flow for exception handling, clearer status definitions, and improved communication tools within the platform.

### 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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### SEVERITY LEVELS

The severity levels of the exceptions have been updated. With this enhancement, there will now only be 3 severity levels, instead of 4:

- Severity 3 - Material Issue: exceptions that affect eligibility of the loan, that may make the loan subject to repurchase.
- Severity 2 - Non-Material Issue: exceptions that don't affect eligibility of the loan.
- Severity 1 - No Issue: typically Severity 3 or Severity 2 exceptions that have been reclassified (See below for details).

A more detailed description of each severity level can be found in the MPF Program Guide, Section 8.1 MPF Bank's Quality Control Review. [MPF Program Guide](#)

### PROCESS FLOW – Exception Severity Reclassification

Exceptions initially classified as Severity 3 – Material Issue may be reclassified based on the documentation or explanation provided by the PFI during the QC review process:

- if the exception is fully resolved with acceptable documentation or an explanation acceptable to the MPF Bank/Investor, it will be reclassified as Severity 1 – No Issue.
- if the exception is waived or accepted by the investor (e.g., via a side letter), it will be downgraded to Severity 2 – Non-Material Issue.

Any Severity 3 Exception that cannot be resolved or for which the supporting documentation provided by PFI is deemed insufficient by the MPF Bank/Investor, will remain at Severity 3 – Material Issue and the loan will be subject to repurchase.

## NEW EXCEPTION STATUS DEFINITIONS

As part of the upcoming enhancements to the eMAQCSplus system, the following exception status definitions will be implemented to improve clarity and streamline communication:

- **Active** – Indicates that an exception has been identified and is awaiting response or action from the PFI. PFIs should prioritize addressing exceptions in this status. Once a comment is submitted by the PFI, the status will update to **Active-Pending**.
- **Active-Pending** – Indicates the response to an exception is under review. If the response is determined to be insufficient, the status will revert to Active. Otherwise, it will transition to one of the final resolution statuses listed below.
- **Cancelled** – Indicates the exception has been invalidated during the rebuttal process and is no longer considered applicable.
- **Satisfied** – Indicates the documentation or explanation provided by the PFI has successfully resolved the exception.
- **Waived** – Indicates the exception is acknowledged as valid; however, the MPF Bank/investor has elected to waive it or downgrade its severity to a non-material level or no issue. (Severity 1 or 2).

## IMPROVED COMMUNICATION TOOLS

We are introducing an upgrade to how communication is handled across PFIs, MPF Bank, QC team, and the vendor within eMAQCSplus system. The platform will now support two-way communication directly at both the exception and loan levels. This means:

- Comments can be added and responded to in real time by all parties involved.
- Each comment is archived and fully retrievable, ensuring transparency.
- Statuses will automatically update from Active to Active-Pending once a comment is submitted, signaling that exception is under review.

These enhancements are designed to streamline collaboration, reduce turnaround times, and ensure that all stakeholders have a clear, documented view of exception resolution progress.

Training materials for the QC eMAQCSplus enhancements are available on the MPF website [On-Demand Webinars | FHLBMPF](#) under the Miscellaneous category. In addition, an updated [eMAQCSplus PFI User Manual](#) is available.

## GENERAL QC REMINDERS

- MPF QC Documentation Worksheet [Form OG4 - MPF QC Documentation Checklist](#) is required to be used and uploaded with mortgage files to eMAQCSplus
- To obtain eMAQCSplus log-in credentials or to update email contacts, click here [eMAQCSplus](#)
- If someone in your organization has changed roles or is no longer with the institution and does not need access to eMAQCSplus, please contact the [MPF Customer Service Portal](#) to have their access deactivated.

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

- [MPF Customer Service Portal](#)
- Email: [MPF-Help@fhlbc.com](mailto:MPF-Help@fhlbc.com)
- Phone: (877) 345-2673

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