

**MPF Announcement:**

2025-79

**Date:**

October 01, 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<sup>®</sup>

**Effective Date:**

**Immediately (*unless  
otherwise noted within*)**

## MPF Program - Policy Guidance Related to Federal Government Shutdown

The MPF Program is providing this guidance to assist borrowers impacted by the government shut down.

This temporary guidance, which only applies to borrowers affected by the federal government shutdown, is effective immediately, and will automatically expire when the federal government resumes full operations. Unless specifically mentioned in this MPF Announcement, all MPF Guide selling and servicing requirements must be met, including employment documentation requirements.

PFI and Servicers originating, delivering or servicing:

- MPF Traditional Government loans and MPF Government MBS loans must follow relief policies and guidance issued by Ginnie Mae and the applicable Government Agencies.
- MPF Xtra loans must follow relief policies and guidance issued by Fannie Mae.

**In addition, PFI and Servicers are expected to abide by any/all federal or state laws.**

Servicers under the **Scheduled/Scheduled** remittance option are expected to continue to make P&I advances as required.

### **MPF Traditional (conventional loans):**

#### **Selling:**

#### **Financial Reserves:**

A minimum reserves requirement is being imposed for loans with application dates on or after November 3, 2025,

### Reference

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to compensate for the interruption of income of affected borrowers. For loans other than high LTV refinances with application dates on or after the date of this announcement, the borrower must have the greater of:

- two months of documented reserves; or
- for loans underwritten through Desktop Underwriter® (DU®) or Loan Product Advisor® (LPA), the amount of reserves required by DU or LPA; or for manually underwritten loans, the amount of reserves required for the transaction per the MPF Guide.

#### Verbal VOE:

Flexibility is being provided with regard to the verbal verification of employment (VOE). PFIs must continue to attempt to obtain the verbal VOE required by the Guides. However, if a verbal VOE cannot be obtained due to the shutdown, the verbal VOE requirements are waived if the PFI documents the loan file with a written statement describing:

- the steps taken to obtain the verbal VOE, and
- that the requirement could not be met as a direct result of the shutdown.

**NOTE:** Temporary leave income guidance does not apply to borrowers who have been furloughed.

#### Paystubs:

Our current requirement states that a paystub be dated no earlier than 30 days prior to the initial loan application date. PFIs must obtain the most current paystub that reflects year-to-date earnings (dated no more than 120 days before the Note Date). All other paystub requirements remain unchanged.

#### IRS Transcripts:

Requirements remain unchanged.

#### Flood Insurance:

Requirements remain unchanged.

#### Representations and Warranties:

When delivering loans originated pursuant to the provisions of this announcement, the PFI warrants that the borrower is employed at the time the loan is delivered to the MPF Bank.

#### Servicing:

##### Forbearance:

Servicers are reminded they are authorized to offer the Borrower a forbearance plan that would reduce or suspend the Borrowers payments in increments, not to exceed a cumulative term of 12 month for Borrowers whose income is affected by the shutdown. See MPF Traditional Servicing Guide Chapter 9 and section 9.2.1 Forbearance Plans.

##### Late Charges:

Servicers are encouraged, but not required to waive late charges for borrowers impacted by the federal government shutdown.

##### Credit Reporting:

Servicers are encouraged, but not required, to suspend credit reporting for borrowers impacted by the federal government shutdown, during the duration of the shutdown. Servicers will continue to be responsible for complying with all applicable laws when reporting a mortgage loan status to credit repositories.

#### Flood Insurance:

Requirements remain unchanged.

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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