

MPF Announcement:

2024-39

Date:

May 22, 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*)

MPF Traditional Servicing Released – Colonial Savings Reporting Update

In efforts to continue providing PFIs with continued support, the MPF Program is announcing a reporting change impacting mortgage loans delivered under the Colonial Savings Servicing Released option for MPF Traditional.

Current Reporting Process:

Currently, Colonial Savings sends PFIs a monthly report of delinquent mortgage loans that includes loan level data for PFIs to review.

New Reporting Process:

Effective immediately, Colonial Savings will no longer be distributing the monthly delinquent mortgage report. The MPF Provider will distribute this report to PFIs in place of Colonial Savings. PFIs should expect to receive this report by the 25th of each month. The monthly reporting only accounts for mortgage loans that are currently delinquent. If PFIs do not have any delinquent mortgage loans, they will not receive any reporting.

The monthly delinquent mortgage report distributed by the MPF Provider will also include information on loans that are severely delinquent that have not been reinstated.

The MPF Provider is continuously working to improve the reporting process and enhance PFIs ability to monitor their delinquent mortgage loan population. Any updates or enhancements to the reporting process will be communicated to PFIs as soon as they become available.

Importance of the Delinquency Reporting

PFIs should review the information on the delinquent mortgage loan report as it may assist PFIs with minimizing the potential impact to their Credit Enhancement Obligations should a loss occur by:

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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- **Estimating the Loss:** PFIs are encouraged to contact Colonial to gain additional details that may help estimate the potential loss, this includes total payoff figures and current value, if available.
- **Understanding the Impact:** PFIs should review or share this information internally to understand the structure of the MPF Traditional product as it pertains to Losses and Credit Enhancement Obligations.
- **Foreclosure Sale:** For loans that are severely delinquent and approaching Foreclosure Sale, PFIs may have the option to attend the sale and buy the mortgage loan back. Providing the PFI more flexibility with managing the expenses associated with a non-performing loan in REO.

Please contact the MPF Service Center with any questions or concerns via email at MPFDefaultServicing@fhlbc.com or by calling (877-FHLB-MPF) option 3.

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