

## Instructions Page

### Purpose

Servicers of MPF® Traditional loans servicing under the actual/actual or actual/actual single remittance type must use this form to reconcile the balance of each P&I Custodial Account and A/A Account to zero in accordance with MPF Traditional Servicing Guide Chapter 2.

### Preparation

- **When:** The Servicer must complete the form monthly.
- **Who:** This form must be completed by an employee of the Servicer who has responsibilities that would cause such individual to be knowledgeable of the facts and processes needed to complete this form and has authority to certify to the truthfulness and accuracy of the information on this form.
- **How:** The form may be completed electronically.
  - Time Period Covered* - the first business day of the prior month through the last business day of the prior month.
  - Bank Statement Balance* - Enter the ending balance from the PFI's bank statement as of the last Business Day of the month. With actual/actual, the PFI will have two accounts: the PFI's P&I Custodial Account and the Actual/Actual Account ("A/A Account") at the MPF Bank. The PFI will need to use the balances from both accounts for the reconciliation. For actual/actual single remittance, the PFI will only enter the balance under the P&I Custodial Account column.
  - Deposits in Transit* - Enter any outstanding deposits not yet reflected on the bank statement. Again, with actual/actual, the PFI will have two accounts: the P&I Custodial Account and the A/A Account at the MPF Bank. There may be deposits outstanding to either or both accounts. For actual/actual single remittance, the PFI will have entries only under the P&I Custodial Account column. Each outstanding deposit must be recorded separately by date. The dates entered should be the dates that funds were applied to the loans. The MPF Program requires that funds be deposited to the P&I Custodial Account within two (2) Business Days of the Servicer's receipt of the payment.
  - Transfers between P&I and A/A Accounts* - Enter any amounts not yet transferred from the P&I account to the A/A account. The P&I column should show a debit and the A/A column should show a credit.
  - Zero Balance Reconciliation* - This line is a sum of the amounts entered in each column. Since both the A/A and A/A single remittance types require that the remittance due the MPF Bank equals the collections during the accounting cycle, this total should always equal zero.
- **Attachments:** The completed form must be accompanied by an EOB form from the primary and/or supplemental mortgage insurer (if applicable), any claim forms, statements, payments, and/or checks from the primary and/or supplemental mortgage insurer (if applicable), copies of appropriate statements, vouchers, receipts, cancelled checks, and any other documentation to support all expenses and credits.
  - P&I Custodial Account Bank Statement for the month which the reconciliation is being completed.
  - Verification that the P&I Custodial Account title complies with MPF Traditional Servicing Guide Chapter 2.
  - FHLB actual/actual account statement for the month reconciled
  - Supporting documentation for any adjustments.

# P&I Custodial Account Reconciliation

## Submission

- **When:** The Servicer should retain the completed form and supporting documentation in their files.
- **How:** Email the completed form and supporting documentation upon request to [MPFLoanAccounting@fhlbc.com](mailto:MPFLoanAccounting@fhlbc.com).
- **To Whom:** The completed form and supporting documentation must be submitted upon request to the MPF Loan Accounting Department

**The Servicer should retain a copy of the completed form and supporting documentation for their own records.**

## Additional Guidance

Please email MPF Loan Accounting at [MPFLoanAccounting@fhlbc.com](mailto:MPFLoanAccounting@fhlbc.com) for any questions or assistance needed in completing the form.

## Helpful Hints

- MPF Loan Accounting will perform an annual review of Custodial Account Reconciliations and will request this form along with any attachments and supporting documentation.
- Any unreconciled items must be cleared within 60 days.

# P&I Custodial Account Reconciliation

## PFI/Servicer Information

PFI Number: \_\_\_\_\_ Servicer Name: \_\_\_\_\_

## Product Information

This form is for the MPF Traditional product only. Choose one remittance type per form.

Remittance Type:  Actual/Actual  Actual/Actual Single

## Body Form

Time Period Covered: \_\_\_\_\_

For actual/actual remittance, complete both columns. For actual/actual single remittance, complete the P&I Custodial Account column only.

			P&I Custodial Account Acct# _____	A/A Account at MPF Bank Acct# _____
		Date	Amount	Amount
1.	Bank Statement Balance			
2.	Deposits in Transit		+ _____	+ _____
3.	Transfers between P&I and A/A		- _____	+ _____
4.	Disbursements in Transit		- _____	- _____
5.	Remittance Due to MPF Bank on the 18 <sup>th</sup>		- _____	- _____
6.	Adjustments (explanation and date): _____ _____		+/- _____	+/- _____
7.*	Zero Balance Reconciliation (Line 1+2+3+4+5+6)		= _____	= _____

\*The account balance should be zero. Any unreconciled items must be cleared within 60 days.

## Attachments/Supporting Documentation

Are supporting documents attached?  Yes  No

List any supporting documents and/or any missing documents and provide an explanation for any missing documents:

\_\_\_\_\_

# P&I Custodial Account Reconciliation

## Employee Information

By submitting this form, I certify that the information contained herein is true and accurate.

Printed Name of Employee Completing Form: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

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