

Instructions Page

Purpose

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

Preparation

When: The Servicer must complete the form monthly when servicing escrowed loans.

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 in PDF.

Section 1 – T&I Custodial Account Reconciliation

Line 1: Bank Statement Balance as of the Accounting Cycle Cut-Off Date – Enter the ending balance from the PFI's bank statement as of the last Business Day of the month.

Line 2: Deposits in Transit – List any outstanding deposits not yet reflected on the bank statement. Each outstanding deposit must be recorded separately by date, and supporting documentation should be attached. The date entered should be the date funds were applied to the loans. The MPF Program requires that funds be deposited to the T&I Custodial Account within two (2) Business Days of the Servicer's receipt of the payment.

Line 3: Disbursements in Transit – List any outstanding disbursements not yet reflected on the bank statement. Each outstanding disbursement should be itemized with dates, and supporting documentation should be attached.

Line 4: Other – Explain – Enter any other debits or credits that may be outstanding. This section should be used for items such as erroneous deposits or withdrawals to the account that have not yet been corrected, **and should only contain adjustments for which there is no corresponding adjustment in the cashbook (Section 2)**. Any amounts noted should also reflect dates and explanations and should be cleared within the next accounting cycle.

Line 5: Total of Lines 1 through 4 – Total of lines 1 through 4.

Line 6: Escrow Trial Balance as of the Accounting Cycle Cut-Off Date – Enter the total of your Escrow Funds, which are held for the payment of escrow items. A loan level trial balance reflecting escrow balances should be attached as supporting documentation.

Line 7: Zero Balance Reconciliation – Since line 5, which is the total funds in the T&I Custodial Account, should equal the escrow trial balance, this line should always be zero.

Section 2 – Composition of Cashbook

Line 1: T&I Fund – Enter the amount of the month-end-trial balance (net of all positive and Negative escrow balances for the T&I funds).

Line 2: Advances to Cover Overdrafts – If applicable, enter the amount of the month-end balance of any advances the Servicer made to cover escrow account overdrafts (all negative escrow balances).

Line 3: Insurance Loss Drafts – If applicable, enter the amount of the month-end balance of any insurance loss drafts the servicer is holding (Any entry to this line must be broken down at the loan level in section 3).

Line 4: Unapplied Funds Pending Use – If applicable, enter the amount of the month-end balance of any unapplied funds (partial payments, etc.) the Servicer is holding.

Line 5: Buydown Funds – If applicable, enter the amount of any lender buydown (P&I) funds the servicer is holding as of the cutoff date for the reconciliation period.

Line 6: Other (Explain) – If applicable, enter the amount of any funds tied to the T&I cashbook that the Servicer is holding that do not fall into any of the previous categories (Any entry to this line must be broken down at the loan level in Section 3).

Line 7: Total (Must Equal Line 6, Section 1) – Enter the total of lines 1 through 6 on line 7.

Section 3 – Explanation of Line Items in Section 2

Insurance Loss Draft (Line 3, Section 2) – If you entered an amount in this field, you must either:

- Enter the aggregate total for all insurance loss drafts that are six or fewer months old as a single line item, showing the number of mortgages under the “MPF Loan Number” column and the total dollar amount under “Amount” column; or
- For insurance loss drafts that are seven or more months old, itemize each mortgage involved, showing the MPF Loan Number, the age of the loss draft (in months), the amount of the draft, and the reason that the funds have not been disbursed.

Unapplied Funds Pending Use (Line 4, Section 2) – If you entered an amount in this field, you must:

- Provide the most current report that reflects the aging, identification of funds (why they’re being held) and actions taken to resolve the dispositioning of funds (prior to 90 days of aging)

Other (Line 6, Section 2) – If you entered an amount in this field, you must:

- Provide supporting documentation for items listed in this area

Attachments: The completed form must be accompanied by:

- T&I Custodial Account Bank Statement (if servicing escrowed loans) for the month the reconciliation is being completed.
- Last page of the Trial Balance showing the totals
- Supporting document for any adjustments or items listed under “other” for Section 1 or Section 2
- Proof of advances to cover overdrafts
- Support of any unapplied suspense funds showing they are appropriately and timely handled, and that the funds are held in the appropriate custodial account.

Submission

When: The Servicer should retain the completed form and supporting documentation in their files.

T&I Custodial Account Reconciliation (Form SG321A)

How: Email the completed form and supporting documentation upon request to 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.

Assistance

Please email MPF Loan Accounting at MPFLoanAccounting@fhlbc.com for any questions or assistance needed in completing the form.

Helpful Hints

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

T&I Custodial Account Reconciliation (Form SG321A)

PFI/Servicer Information

PFI Number: _____ Servicer Name: _____

Product Information

Choose one of each category per form:

Product: MPF Traditional MPF Xtra

Remittance Type: Actual/Actual Actual/Actual Single

Section 1 – T&I Custodial Account Reconciliation

T&I Custodial Account Number: _____

		Date (MM/DD/YY)	Amount
1.	Bank Statement Balance as of the accounting cycle cut-off date		
2.	Deposits in Transit	_____ _____	+ _____ + _____
3.	Disbursements in Transit	_____ _____	_____ _____
4.	Other – Explain: _____ _____	_____ _____	_____ _____
5.	Total (Lines 1+2+3+4)		= _____
6.	Escrow Trial Balance as of the Last Business Day of the Month		- _____
7.	Zero Balance Reconciliation (Lines 5-6)		= Zero (0)

Section 2 – Composition of Cashbook

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T&I Custodial Account Reconciliation (Form SG321A)

		Amount
1.	T&I Funds	+ _____
2.	Advance to Cover Overdrafts	+ _____
3.	Insurance Loss Drafts	+ _____
4.	Unapplied Funds Pending Use	+ _____
5.	Buydown Funds	+ _____
6.	Other (Explain)	+ _____
7.	Total (Must equal line 6, Section 1)	= _____

Section 3 – Explanation of Line Items in Section 1 & Section 2

Insurance Loss Draft (Line 3, Section 2)

MPF Loan Number	Age	Amount	Reason funds have not be disbursed

Unapplied Funds Pending Use (Line 4, Section 2)

MPF Loan Number	Age	Amount	Reason funds have not be disbursed	Expected date of application

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T&I Custodial Account Reconciliation (Form SG321A)

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Other (Explain) (Line 6, Section 2)				
MPF Loan Number	Age	Amount	Reason funds have not be disbursed	Expected date of application

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: _____

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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