

MPF Announcement:

2020-8

Date:

March 18, 2020

Alert:

Clarification

New Policy

Policy Update

Reminder

Training Information

Audience:

Compliance/Legal

Program Management

Origination

Quality Control

Servicing

Underwriting

Product:

MPF Direct

MPF Government MBS

MPF Traditional

MPF Xtra®

Effective Date:

Immediately (unless otherwise noted)

Reference

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Clarifications to the MPF Traditional Servicing Guide

All partial releases of the Mortgaged Property, easements, requests to substantially alter the Mortgaged Property, and any other changes affecting the Mortgaged Property must meet the requirements in Section 6.6 of the MPF Traditional Servicing Guide and all applicable requirements for the MPF Program. In order to assist Servicers when evaluating such requests, the MPF Program is expanding its Partial Property Releases and Easements policy by providing the following additional guidance.

Evaluating a Request to Lease Real Property for the Installation of a Semi-Permanent Structure

Clarified that Servicers may process requests to lease a portion of the property for the installation of any semi-permanent structure such as a wind turbine, cellular base station or other similar structure, provided the granting of such rights meets the general requirements listed in the Guide and the following additional requirements:

- The rights granted by the agreement must not materially infringe on the property owner's rights.
- No hazards, nuisances, or damages may result from the exercise of the rights granted by the lease.
- The installed structure must lie outside of a 500-foot radius from the dwelling and any additional structures, including but not limited to detached garages, storage sheds, or accessory dwelling units.

See MPF Traditional Servicing Guide section 6.6.3.

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Evaluating a Request for the Release of an Easements

Clarified that Servicers may process requests for the release of easements, provided the granting of such requests meets the general requirements listed in the Guide and has determined the release will not adversely affect the value of the property securing a Mortgage Loan by considering the following:

- the convenience, access, or other benefits provided by the easement, which will be lost upon release, and
- the value of the property with the easement in place compared with the value of the property without the easement.

The Servicer must assess the effect a release of the easement may have on the use or value of the property.

See MPF Traditional Servicing Guide section 6.6.4.

Evaluating a Request for the Granting of an Easements

Clarified that Servicers may process requests for the granting of an easement, provided the granting of such rights meets the general requirements provided for in the Guide, and has determined that granting the easement does not adversely affect the use, value, or future marketability of the property securing a Mortgage Loan by considering the following:

- the degree and quantity of rights that are released with the easement;
- the community's customs, attitudes, and prevalent practices regarding such easements;
- the value of the property without the easement in place compared with the value of the property with the easement in place; and
- the manner and extent of the use of the easement.

See MPF Traditional Servicing Guide section 6.6.5.