

**MPF Announcement:**

2021-01

**Date:**

January 8, 2021

**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<sup>®</sup>**Effective Date:**

Immediately

## MPF Traditional COVID-19 Payment Deferral Reminders

To ensure there are no delays when submitting a request for a COVID-19 deferral, Servicers are reminded they must submit the following documentation with every request:

- a completed Workout Worksheet (Form SG354) with all required supporting documentation as indicated on the Workout Worksheet (which includes but is not limited to the following:
  - Insurer Approval Letter, if applicable;
  - Pay Stubs;
  - Bank Statements;
  - Tax Returns;
  - Credit Report; and
  - Any other documentation to support the Borrower's financial information.
- a completed Borrower Hardship Certification (Form SG402)
- a completed COVID-19 Payment Deferral Worksheet (Appendix B)\*,
- a one year Borrower payment history, and
- a copy of the unsigned COVID-19 Payment Deferral Agreement they intend on presenting to the Borrower\*\*

### 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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\* When completing the COVID-19 Payment Deferral Worksheet (Appendix B), Servicers must ensure they are providing the specific terms of the payment deferral.

\*\* While use of the COVID-19 payment deferral agreement in Appendix A is optional, it reflects the minimum level of information that the Servicer must communicate and illustrates a level of specificity that complies with the MPF Program requirements. In addition, Servicers must ensure the terms on the COVID-19 deferral agreement mirror the terms on the COVID-19 Payment Deferral Worksheet (Appendix B). Once Servicers receive approval, they must not delay in sending the COVID-19 payment deferral agreement to the Borrower for executing.

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To successfully submit a deferral request Servicers must ensure the required documentation is submitted through eMAQCS® Plus at <https://eMAQCS.covius.com>, as an attachment to the completed Workout Worksheet (Form SG354).

As a reminder, Servicers are expected to abide by any/all federal or state laws. If Servicers are providing accommodations to comply with any applicable law or investor requirement that conflicts with the guidance published in the MPF Guides or in the MPF Traditional COVID-19 announcements, then Servicers are required to notify the MPF Provider and MPF Bank to ensure that accurate records are maintained.

Please note, due to the volume of deferral and other loss mitigation requests, PFIs and Servicers are experiencing longer response times. We apologize for this inconvenience and have recently made internal adjustments to reduce the response time. **To avoid any further delays, Servicers are strongly encouraged to ensure all required documentation is provided with every request.**

For assistance with questions related to default management, Servicers should contact the MPF Service Center at 877-FHLB-MPF (877-345-2673) or [MPF-Help@fhlbc.com](mailto:MPF-Help@fhlbc.com) and utilize the call option for Default Management related questions (option 3).

## APPENDIX A

COVID-19 Payment Deferral Agreement

[DATE]

Dear [BORROWER NAME(S)]:

As we discussed, as a result of COVID-19 related impacts on you, you are approved for a COVID-19 related payment deferral, and we will defer your past-due amounts to bring your mortgage current. This letter describes what the payment deferral is and how it impacts your mortgage.

To accept this offer you must return this agreement [provide return instructions] fully executed by all borrowers, by [date before end of the current month].

**What is a Payment Deferral?**

A payment deferral brings your mortgage current and delays repayment of certain past-due monthly principal and interest payments, as well as other amounts we paid on your behalf related to the past-due monthly payments. Payment of these amounts is not being waived, you will be responsible for paying the past-due amounts upon the earlier of the maturity date of the mortgage loan, sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing unpaid principal balance.

**Terms of the Payment Deferral**

As of [EFFECTIVE DATE], we will:

- adjust the due date of your next scheduled monthly payment to bring your mortgage current,
- defer the scheduled repayment of the total past-due amounts to the maturity date of the mortgage or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing unpaid principal balance, and
- waive any late charges.

**[If Borrower was 12 months delinquent at the date of evaluation and servicer is using a processing month, include the following: We require a processing month to complete your payment deferral. Because you are 12 months delinquent, you must pay your current monthly contractual payment of \$[amount] by [date] in order for your payment deferral to become effective.]**

The following table describes the specific terms of your payment deferral.

Number of past due principal and interest payments to be deferred	
Past-due principal and interest payment amount to be deferred	
Other past-due amounts to be deferred*	
Total past-due amounts to be deferred**	
Late charges to be waived	

\*Includes any amounts we paid on your behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.

\*\*Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.

Once your payment deferral is in effect, you must continue to make your scheduled monthly payment to keep your mortgage current.

**[Add contact information for borrower wishing to contact Servicer]**

**[The servicer must include any disclosures required by federal, state, or local law.]**

**APPENDIX B****COVID-19 Payment Deferral Plan Worksheet****Instructions Page****Purpose**

Servicers of conventional MPF Traditional loans must use this worksheet when recommending a COVID-19 Payment Deferral Plan option for the Borrower.

**Preparation**

- **When** – The Servicer must complete the worksheet when recommending COVID-19 Payment Plan option for a Borrower who the Servicer has deemed to be ineligible for a reinstatement or a repayment plan.
- **Who** - This worksheet 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 worksheet and has authority to certify to the truthfulness and accuracy of the information on this worksheet.
- **How** – The completed worksheet must be submitted via eMAQCS@Plus as an attachment to the Workout Worksheet (Form SG354) and along with all required supporting documents as indicated on the Workout Worksheet (Form SG354).
- **Attachments** – The completed Workout Worksheet must be accompanied by the following documentation:
  1. COVID-19 Payment Deferral Plan Worksheet
  2. Insurer Approval Letter, if applicable
  3. 12-month payment history for the Borrower

**Submission**

- **When** – The Servicer must obtain approval prior to offering a COVID-19 payment deferral to Borrower, by submitting a completed Workout Worksheet (Form SG354) to the MPF Provider prior to the forbearance plan ending and allowing 5 business days for the request to be processed.
- **How** – The completed worksheet must be submitted through eMAQCS@Plus at <https://eMAQCS.covius.com> as an **attachment to the Workout Worksheet (Form SG354)** and all required supporting documents as indicated on the Workout Worksheet (Form SG354).
- **To Whom** – The completed worksheet and supporting documentation must be submitted to the MPF Provider.
- The Servicer should retain a copy of the completed worksheet and supporting documentation for their own records.

**Assistance**

Please call the MPF Service Center at 877-FHLB-MPF (877-345-2673) for any questions or assistance needed in completing the worksheet.

**Helpful Hints**

- Servicers must include reasoning for the recommendation for the Payment Deferral as a workout option for the Borrower on the Workout Worksheet (Form SG354).

## COVID-19 Payment Deferral Plan Worksheet

- Any worksheet that is incomplete or not submitted with all supporting documentation will be promptly returned to the Servicer.
- To be eligible for a COVID-19 Payment Deferral Plan, the Borrower must meet the eligibility requirements provided for in the most recent COVID-19 Related Servicing Guidance for MPF Traditional (Conventional) Loans announcement.

### Loan Information

MPF Loan Number: \_\_\_\_\_ Borrower Name: \_\_\_\_\_

### Product Information

A Payment Deferral plan is a home retention workout option for MPF Traditional (Conventional) Loans. This option is for Borrowers who are nearing the end of a COVID-19 forbearance plan, have resolved a temporary hardship and are prepared to resume their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current. This option is also for Borrower's who have a confirmed but resolved COVID-19 financial hardship.

### Review of Terms of Payment Deferral Plan

COVID-19 Forbearance Plan Completion Date	
COVID-19 Payment Deferral Plan Target Effective Date	
Number of Days Delinquent as of March 1, 2020	
Days Delinquent as of Payment Deferral Worksheet Date	
Unpaid Principal Balance prior to payment deferral	
MI Approval Date (Servicers must obtain MI approval, if applicable)*	
Total Past-due principal payment amount to be deferred	
Total Past-due interest payment amount to be deferred	
Other amount to be deferred**	
Total amount to be deferred***	
Total late charges to be waived	

\* If relying on issued guidance by the MI Company, please indicate so.

\*\*Includes any amounts the Servicer paid on the Borrower's behalf related to the past-due payments, such as taxes or insurance, as authorized by your mortgage documents.

\*\*\*Interest will not be charged on the total past-due amounts to be deferred. The payment deferral will not change any other terms of your mortgage.