

MPF Announcement:

2025-16

Date:

February 14, 2025

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*)

MPF Traditional Selling – Limited Cash-Out Refinances

The MPF Traditional Selling Guide was updated to incorporate two additional exceptions to the requirement that at least one borrower is an owner (on title) of the subject property at the time of the initial application for a limited cash-out refinance.

The following, additional exceptions are permitted if the PFI documents:

- the borrower on the new loan is currently financially obligated on the loan being paid off. Ownership must be transferred to the Borrower at the time of closing; or
- the borrower is paying off an installment land contract that was executed more than 12 months prior to the application for the refinance.

For additional information see [MPF Traditional Selling Guide](#) Section 2.6.2.1 Limited Cash-Out Refinance.

For questions or assistance, please contact the MPF Service Center by using one of the following options:

- [MPF Customer Service Portal](#)
- Email: MPF-Help@fhlbc.com
- Phone: (877) 345-2673

Reference

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

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