

## Instructions Page

### Purpose

Servicers of MPF® Traditional loans must use this form to notify the MPF Provider when a High Level Concern (HLC) Mortgage has been identified in accordance with MPF Traditional Servicing Guide Chapter 8.

### Preparation

- **When:** The Servicer must complete the form within 60 days of making the determination that the loan is an HLC Mortgage, but no later than the date Form SG332 is submitted.
- **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 attached form is provided as a job aid and should be used for informational purposes only. To complete this form Servicers must access it through eMAQCS®plus by visiting <https://eMAQCS.covius.com>.
- **Attachments:** The completed form must be accompanied by the following documents:
  - A retrospective property valuation confirming accuracy of the appraised value determined at origination, which is defined as a review of the original appraised value, comp selection and adjustments, as of the date of the original appraisal.
  - Any review of the original appraisal must be performed by an appropriately licensed or certified appraiser independent of the original appraisal or appraisal firm and unaffiliated with the Servicer.
  - The retrospective property valuation must not be more than 90 days old at the time the Servicer evaluates the HLC loan, using one of the following:
    - an enhanced desktop review of the original appraisal (i.e. Form 1033);
    - a field review of the original appraisal;
    - a retrospective third-party AVM; or
    - a retrospective AVM from the Servicer's own internal AVM, provided that
      - the Servicer is subject to supervision by a federal regulatory agency, and
      - the Servicer's primary federal regulatory agency has reviewed the model.
  - Uniform Residential Loan Application (FNMA Form 1003 / FHLMC Form 65)
  - Settlement Statement
  - Credit documentation: includes credit report explanation for derogatory items and other supporting documentation (evidence of payoffs, bankruptcy, etc.)
  - Employment and income documentation
  - Sources of funds documentation
  - Original Appraisal documentation and any other applicable property eligibility documentation
  - Condominium project documentation
  - Sales contract
  - For manually underwritten Mortgages: the Uniform Underwriting and Transmittal Summary (FNMA Form 1008 / FHLMC Form 1077)
  - Final Desktop Underwriter or Loan Product Advisor output certificate, if applicable. (Adequate documentation must be in the loan file for each condition listed on the final approval certificate.)
  - Notes and riders

# High Level Concern (HLC) Mortgage Notification

- Security Instruments, riders and Assignments
- Final Truth-in-lending disclosures
- Title binder or final title insurance policy (both if available) or other evidence of title
- Plat or survey
- Leasehold estate documents
- Other documents required by Applicable Laws
- Property insurance policy or certificate
- Flood insurance policy or certificate, if applicable
- Mortgage insurance certificate, if applicable
- Closing instructions
- Secondary Financing / Home Equity Line of Credit (HELOC), if applicable

## Submission

- **When:** The Servicer must submit the completed form and supporting documentation within 60 days of making the determination that the loan is an HLC Mortgage, but no later than the date Form SG332 is submitted.
- **How:**
  - **Via eMAQCSplus:** To submit your response and the required form in eMAQCSplus follow these steps:
    - Step 1: Go to <https://eMAQCS.covius.com>. On the Main Menu under the Forms menu, select "Add/View Forms". Enter the MPF Loan Number and click "Submit".
    - Step 2: From the drop down menu, select Form SG337 and click "Create" to complete the form and submit to the MPF Provider.
- **To Whom:** The form and supporting documentation must be submitted to the MPF Provider's Default Servicing Department.

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

## Additional Guidance

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

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

## Helpful Hints

- A loss claim on an HLC Mortgage will not be settled until the completion of the required HLC review. Failure to submit the HLC Mortgage File or a retrospective property valuation will result in the Servicer forfeiting its right to file a claim under the Applicable Agreement.
- Any form submission that is incomplete or not submitted with all supporting documentation will be returned to the Servicer.
- Any review of the original appraisal must be performed by a qualified, appropriately licensed or certified appraiser independent of the original appraiser or appraisal firm and unaffiliated with the Originator or Servicer.

# High Level Concern (HLC) Mortgage Notification

## PFI/Servicer Information

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

## Loan Information

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

Property Address: \_\_\_\_\_

## HLC Determination

The above mentioned loan has been identified as a High Level Concern (HLC) Mortgage.

The HLC Mortgage has also been identified as an Early Payment Default (EPD) as defined in the Guides:  Yes  No

## 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 Submitting/Completing Form: \_\_\_\_\_

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

Phone Number: \_\_\_\_\_ Date Completed: \_\_\_\_\_

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