

MPF® Traditional Products

Enhanced Product Guidelines

April 22, 2026



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Opening Remarks



Will McGrath **Director of Product Management**

Will McGrath has been with the Federal Home Loan Bank of Chicago since 2004 and his current role is Director, Product Management. Prior to his current role, Will supported MPF Strategic Initiatives, managed MPF marketing and training for Chicago members, collateral operations, and MPF mortgage analytics. From 2000 to 2004, Will was a management consultant for SCA Consulting which was merged into Mercer Consulting. From 1994 to 1998, Will worked for Bank of America in positions spanning corporate finance, asset-backed securities, corporate debt, and mergers and acquisitions. Will's undergraduate degree in Economics is from Carleton College. He has also earned a Master's Degree in Business Administration from the University of Chicago. Will received his Accredited Mortgage Professional (AMP) designation from the Mortgage Bankers Association in 2017.

What's Changing

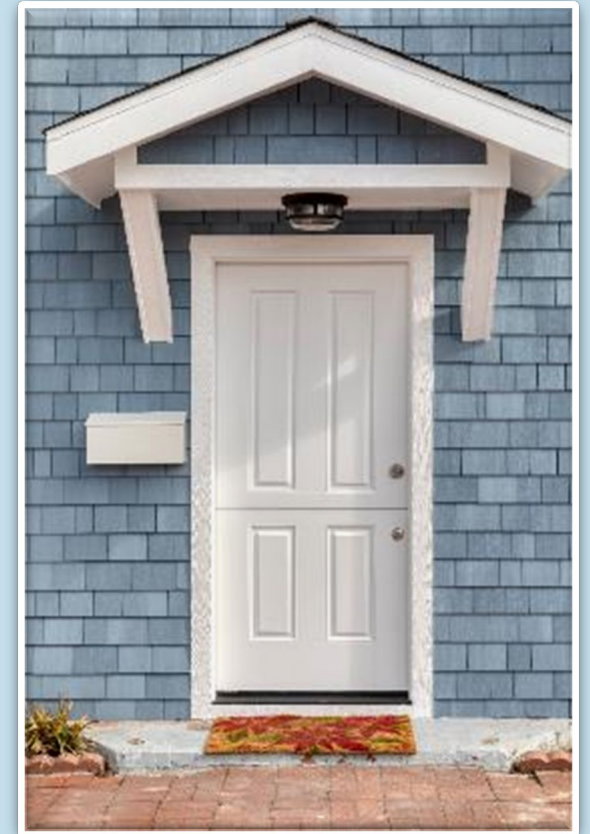
The MPF® Program is expanding the MPF Traditional Product guidelines to help more borrowers achieve homeownership

Enhancements to the MPF Traditional Selling Guide are designed to support sustainable affordability and stronger communities

Today's webinar will highlight key updates to the MPF Traditional conventional products which include:

- **MPF Original**
- **MPF 125**
- **MPF 35**

Availability Note: MPF 125 and MPF 35 may not be available in all markets



What's Changing

The new guideline enhancements launch on
Monday, April 27th

What areas are impacted by these
enhancements?

Addition of
HomeReady®
and
HomePossible®

Expanded
guidelines for
manufactured
homes

Delivery of
Renovation
Loans

Affordable
Housing
Program
Provider
Expansion

HomeReady and HomePossible

HomeReady and HomePossible

Fannie Mae's HomeReady and Freddie Mac's HomePossible products are flexible mortgage solutions that help reduce barriers for low-income borrowers

- Conventional MPF Traditional products will now include similar guidelines for borrowers meeting the eligibility requirements for HomeReady or HomePossible
- **Use of Desktop Underwriter® (DU®) or Loan Product Advisor® (LPA®) is required**

To be eligible, borrowers must have qualifying income at or below 80% of the Area Median Income (AMI)



Loan-to-values (LTVs) between 95.01% and 97% are eligible

Lower mortgage insurance (MI) coverage requirement

What Can HomeReady and HomePossible Offer?

Current MPF Traditional Product Guidelines (primary purchase or limited cash-out refinance)

- Max. loan-to-value (LTV) of **95%** for a 1-unit property
- Max LTV for a 2-unit property **85%**
- Max LTV for a 3-4-unit property **75%**
- **30%** mortgage insurance (MI) coverage for loans with a 90.01% - 95% LTV

New Guidelines for HomeReady or HomePossible Eligible Loans (primary purchase or limited cash-out refinance)

- Max. loan-to-value (LTV) of **97%** for a 1-unit property
- Max LTV **95%** for 2-4-unit properties
- **25%** mortgage insurance (MI) coverage for loans with a 90.01% - 97% LTV, standard coverage for 90% or less

Total loan-to-values (TLTV) of up to 105% are permitted with an eligible Affordable Housing Program (see Chapter 4.4 in the MPF Traditional Selling Guide)

Additional Features and Benefits

- Available for purchases and limited cash-out refinances of 1-4 unit-properties
- Loans being paid off through a limited cash-out refinances do not have to be owned by Fannie Mae or Freddie Mac
- No first-time buyer requirement
- Rental income from a boarder or from an accessory dwelling unit (ADU) on the property may be eligible for qualifying purposes
- The borrower may own one additional property



Underwriting

DU or LPA (as applicable) must be used to underwrite all loans that follow the guidelines for HomeReady or HomePossible

- Manual underwriting is not permitted
- All loans must receive an **Approve/Eligible** or an **Accept/Eligible** finding



General Qualifying Requirements

Both DU and LPA may return findings if it appears a loan may be eligible for HomeReady or HomePossible

To be eligible, the total qualifying income for all borrowers signing the promissory note must not exceed 80% of the AMI for the property's location

For loans with LTVs between 95.01% and 97%:

- At least one borrower must have a credit score
- All borrowers must occupy the property

Non-occupant co-borrowers are permitted (maximum LTV is 95%) however, their income does have to be considered when meeting the AMI requirement

If all borrowers on the loan are first-time buyers, at least one borrower must complete a homeownership education course before closing



For Your Information

To learn more about the eligibility guidelines for both HomeReady and HomePossible, a webinar will be offered on Wednesday, May 6 from 1:00-2:00 PM CT

To register, visit the [MPF Webinars](#) page on the MPF Program website



The screenshot shows the top navigation bar of the MPF Program website. The MPF logo (Mortgage Partnership Finance) is on the left. The navigation menu includes: Mortgage Solutions, Member Resources (highlighted in yellow), Program Guidelines, and About Us. On the right, there is a search icon, a Contact Us link, and a Login button with a right-pointing arrow.

Below the navigation bar, the page content is on a dark blue background. It features the text "TRAINING AND EDUCATION" in small white letters, followed by the large white heading "MPF Webinars". Below the heading is the subtext "Join our upcoming webinars to enhance your knowledge and stay updated on industry trends."

Manufactured Home Enhancements

NOTE: no more than 15% of the total Master Commitment (MC) amount may consist of manufactured housing loans



General Manufactured Home Enhancements

- Single-width homes are eligible
- Similar requirements for all loan terms up to 30 years (no longer split by *greater than or less than* 20-year terms)
- Purchases and limited cash-out refinances up to 95% LTV/TLTV
- Cash-out refinances with terms up to 30 years (max 65% LTV, multi-wide homes only)
- Subordinate financing is permitted (no Affordable Housing Program funds)
- Land equity in lieu of down payment funds may be acceptable



General information only, additional eligibility restrictions may apply in some cases

Expanded Options for Manufactured Homes

Fannie Mae's MH Advantage™ and Freddie Mac's CHOICEHome® options will be permitted

- Both initiatives provide additional lending flexibilities for homes carrying a Fannie Mae/Freddie Mac eligibility label
- Typically located near the HUD data plate, eligibility labels are attached at the factory by the manufacturer
- These multi-wide homes are built to meet specific construction, architectural, and energy efficiency requirements
- Include features that resemble site-built properties like higher-pitched rooflines, porches, garages, dormers, and eaves



MH Advantage and CHOICEHome Features

Financing flexibilities are available for homes that are identified with an MH Advantage or CHOICEHome label

DU must be used for all MH Advantage loans and LPA for all CHOICEHome loans

- **Higher LTVs** for primary residences (up to 97% LTV/105% CLTV with an approved Affordable Housing Program funds)
- **Lower MI coverage** (in some cases)
- **Secondary financing** is permitted
- In certain circumstances, an MH Advantage or CHOICEHome primary residence may include **accessory dwelling units (ADUs)***

**This option is available only when utilizing the Uniform Appraisal Dataset (UAD) 3.6 file which becomes mandatory in November 2026*

For Your Information

To learn more about manufactured home eligibility guidelines including MH Advantage and CHOICEHome, a webinar will be held on
Thursday, May 21 from 1:00-2:00 PM CT

To register, visit the [MPF Webinars](#) page on the MPF Program website



Delivery of Renovation Loans



Renovation Loans

Home Improvement/rehabilitation loans will be removed from the list of *Ineligible Transactions, Products or Attributes* (Chapter 2.7)

- Home improvement or rehabilitation loans are used to repair or renovate an **existing home**, and not used to construct a new home
- Purchase or refinance loans that include the use of loan proceeds for home improvement or renovations will be eligible, provided the work is **100% complete** at the time of loan delivery
- If the appraisal is returned subject-to completion, an appraisal update and/or completion report FNMA Form 1004D /FHLMC Form 442, or permissible completion alternative is required (see Chapter 7.2.5)



**Affordable
Housing
Program (AHP)
Funds**



AHP Provider Enhancement

When not using non-FHLBank AHP funds, providers have always been limited to:

- A federal agency, municipality, state or county programs
- State or local housing finance agencies
- Non-profit organizations

With AHP funds, up to 105% TLTV may be available in many cases

AHP Providers may now include:

PFI-funded AHP affordable seconds programs or PFI-funded programs that support Community Reinvestment Act (CRA) mandates (if applicable)

General Information

To be eligible as a non-FHLBank funds, PFI-funded AHP programs must meet the following requirements:

- Primary residence only
- No manufactured homes
- May not be funded in any way through the first lien mortgage transaction, including differential pricing in rate, discount points or fees
- Equity sharing is not permitted
- Terms and conditions for the program must be made available to the MPF Provider upon request

Repayment Terms

The following structures may be acceptable for AHP funds:

Fully amortizing, level monthly payments

Payments deferred for a set period and subsequently changed to fully-amortizing, level monthly payments

A loan that is forgiven over time

Payments deferred for a set period and subsequently changed to fully-amortizing, level monthly payments

Payments deferred for the entire loan term, being due and payable if the borrower pays off the mortgage or sells the subject property prior to the maturity date of the AHP second loan

If the AHP payment is deferred for five years or more, the monthly AHP payment is not required to be included the debt-to-income ratio

The Non-FHLB AHP Program Guide Checklist (Exhibit U) may be used to assess whether a Non-FHLB AHP program is acceptable

Loan Delivery Requirements



Use of Special Feature Codes

To identify that HomeReady/HomePossible or MH Advantage/CHOICEHome guidelines are being used, there must be a **Special Feature Code (SFC)** provided at delivery

If the borrower qualifies and you are using HomeReady or HomePossible guidelines

Use SFC 900

If the home qualifies for MH Advantage or CHOICEHome and you are using those eligibility guidelines

Use SFC 859

Interactive Loan Presentment with Special Feature Codes

If you deliver loans manually through the interactive loan presentment screen in eMPF, add the Special Feature Code in the section located at the bottom of the Loan Presentment page

The screenshot displays the eMPF loan presentment interface. It includes several input fields for loan details: Note Date, Investor Due Date, Principal & Interest Amount, Maturity Date, Outstanding Loan Balance, MERS Min Number, First Payment Date, eNote Indicator, Next Payment Date, and Remote Online Notarization Indicator. Below these are sections for Nationwide National Mortgage Licensing System and Registry Information, Anti-Predatory Lending (with HOEPA Status and Rate/APR Spread fields), and Additional Information. The Special Feature Codes section at the bottom right is highlighted with a red box, showing a numeric input field with '900' and a set of alphanumeric buttons.

Interactive Loan Presentment with Special Feature Codes

If you deliver loans manually through the interactive loan presentment screen in eMPF, add the Special Feature Code in the section located at the bottom of the Loan Presentment page

HomeReady or HomePossible
(always use HomeReady SFC 900 even if HomePossible)



Special Feature Codes: 1 2 3 4 5
6 7 8 9 10

Special Feature Codes: 1 2 3 4 5
6 7 8 9 10

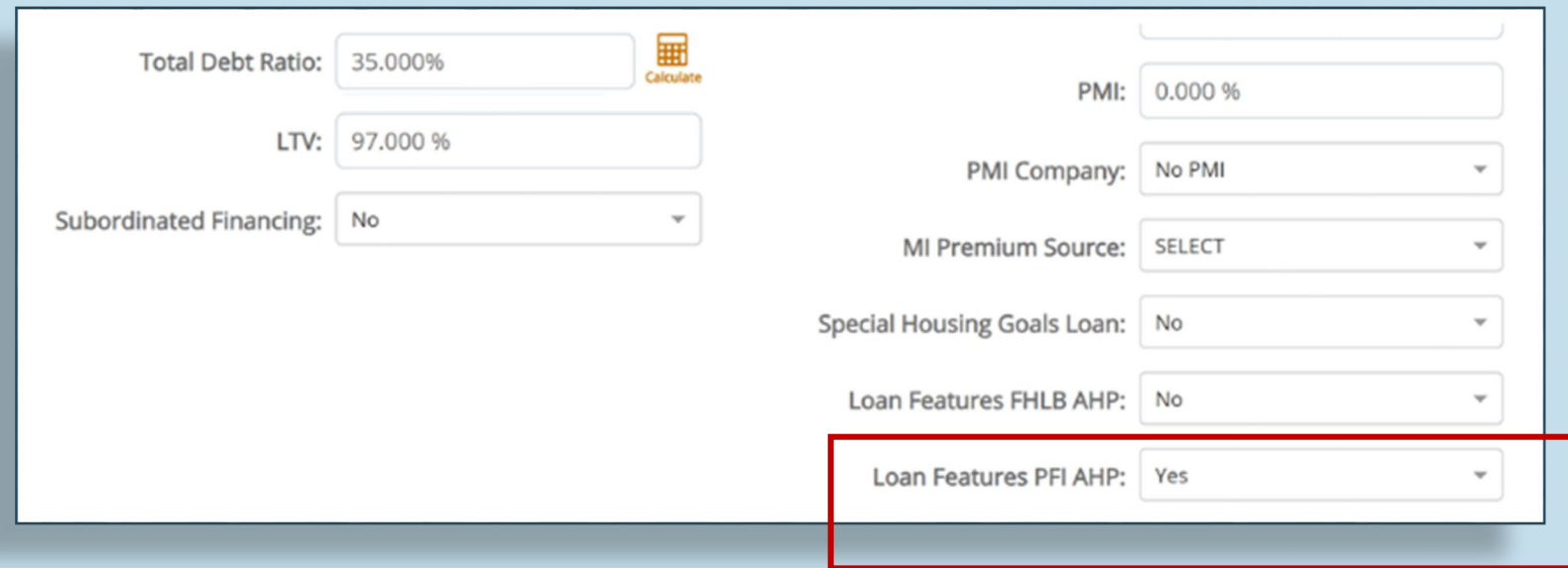


MH Advantage or CHOICEHome
(always use MH Advantage SFC 859 even if CHOICEHome)

Interactive Loan Presentment and PFI-Funded AHP Funds

Any loans utilizing AHP funds from your own program must be flagged at loan presentment

If entering your data manually through the interactive loan presentment process, the appropriate AHP fund option must be selected



The screenshot shows a loan presentment form with the following fields and values:

- Total Debt Ratio: 35.000% (with a Calculate icon)
- LTV: 97.000 %
- Subordinated Financing: No
- PMI: 0.000 %
- PMI Company: No PMI
- MI Premium Source: SELECT
- Special Housing Goals Loan: No
- Loan Features FHLB AHP: No
- Loan Features PFI AHP: Yes (highlighted with a red box)

Batch Submissions

If you complete the loan presentment process through a batch submission, any applicable SFCs or an indicator that AHP funds are provided by your organization must be included in your Uniform Loan Delivery Dataset (ULDD) file

If any loan characteristics indicate the need for a SFC or an AHP flag, an error message will be returned, and the data must be edited accordingly

Select the *Edit* link to make any applicable edits

DOWNLOAD SELECTED Select All Expand All [Submit New Batch](#)

BATCH NUMBER 949872 - 03/27/2025 09:58:26 AM CT Completed

Batch Status

Status	
Loan Count:	1 Loan(s) Submitted
LPR Status:	0 Loan(s) Successful
Funding Status:	0 Loan(s) Funded

Batch Details

Master Commitment Number: 19237

Program: Original	Batch Type: LPR
Delivery Type: Mandatory	Post Closing Contact: Jane Smith
Servicing Model: Servicing Retained	Batch File: 949872.xml
	Additional Info File: N/A

Batch Reports

[Batch Error Report](#)

Loan Details

[FUND](#) Select All

PPI LOAN NUMBER	DELIVERY COMMITMENT	BORROWER'S LAST NAME	LPR STATUS	FUNDING STATUS	EDIT LOAN	SELECT TO FUND
5573301426	1039560	Boop	Editing Required	Editing Required	Edit	

Special Feature Codes (SFCs)

When Underwritten with DU

Interactive (manual) loan presentment in eMPF

- Enter **SFC 900** for HomeReady
- Enter **SFC 859** for MH Advantage

Batch submission using a ULDD file

- The ULDD file must include a Fannie Mae's SFC if HomeReady or MH Advantage

When Underwritten with LPA

Interactive (manual) loan presentment in eMPF

- Enter **SFC 900** for HomePossible
- Enter **SFC 859** for CHOICEHome

Batch submission using a ULDD file

- The ULDD file must include Fannie Mae's SFC if CHOICEHome. **If you experience any issues, contact the MPF Service Center**

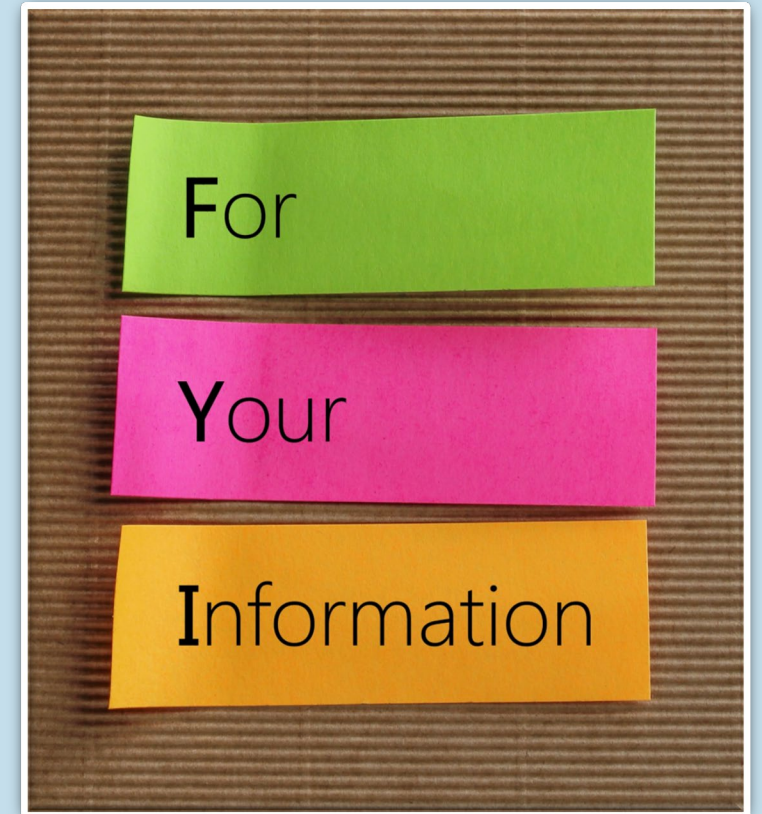
Product and Pricing Engines (PPEs)

Please be aware that some PPEs may not have these new product rules implemented by April 27th

There may be some short delays

If you experience any issues, you may have to temporarily obtain pricing through eMPF

If issues persist, please reach out to your PPE vendor or the MPF Service Center



Final Reminders



Stacking Product Options

Some of the options discussed today may be stacked with others to provide even more benefits for your borrowers

HomeReady or
HomePossible



AHP Funds

HomeReady or
HomePossible



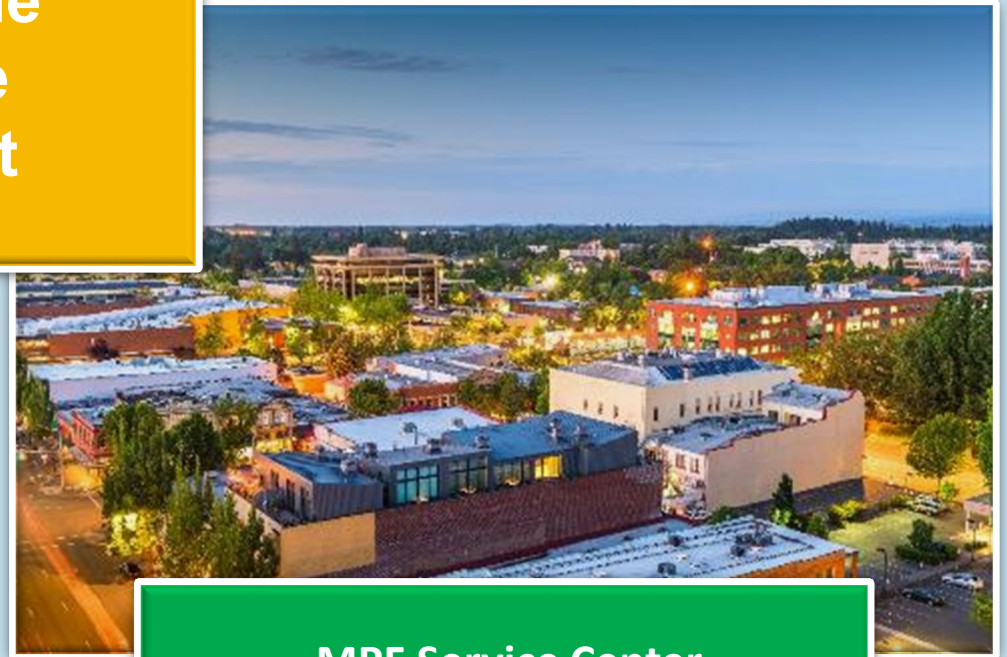
MH Advantage
CHOICEHome

Assist
borrowers
with limited
funds and
increase
affordability

Resources

When renters become homeowners, entire communities benefit

Don't forget to register for our upcoming [webinars](#) on HomeReady/HomePossible and manufactured housing



MPF Service Center

Email - MPF-Help@FHLBC.com

Hours - 8:30 am to 4:30 pm CST

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