



Original MPF[®] for FHA/VA Loans

Product Description

Original MPF for FHA/VA Loans provides an alternative to holding FHA insured/VA guaranteed loans in portfolio or selling them into the secondary market. Under Original MPF for FHA/VA Loans, the risks associated with financing FHA insured/VA guaranteed loans are allocated between the Federal Home Loan Bank (FHLB) and the member in a manner that uses the cooperative structure of the FHLB System to maximize comparative advantages. With Original MPF for FHA/VA Loans, members market to borrowers, obtain FHA insurance/VA guarantee and service fixed rate residential mortgage loans.

With Original MPF for FHA/VA Loans, the member is responsible for all unreimbursed servicing expenses (which is comparable to GNMA servicing requirements). **A recent HUD audit along with a USAP is required for member participation in the Original MPF for FHA/VA Loan product.**

Because of the cooperative nature of the FHLB system, the FHLB is able to offer superior pricing to our members for FHA/VA loans. In addition to the servicing fee of 44 bps, the PFI receives a Government Loan Fee of 2 bps. The FHLB manages the liquidity, interest rate and prepayment risks of the loans while the member bears the risk of unreimbursed servicing expenses. The combined effect of the superior pricing and fee makes the Original MPF for FHA/VA Loans product a far superior alternative to what is currently available in the market place today.

Features

FHA/VA plan types	All fixed rate mortgage types
Term	Up to 30 years fully amortizing
Loan limits	FHA conforming
Occupancy	Owner occupied (1-4 units)
Underwriting	Follow FHA underwriting guidelines (AU decisions as permitted by FHA)
Remittance	Scheduled/Scheduled
Commitment delivery	3, 10, 20, 30 and 45 business days
Pricing	Premium & discount pricing available
Master Commitment size	\$50 Million minimum
Servicing Fee	44 bps
Government Loan Fee	2 bps
Origination volume	\$100 Million annual production minimum

Benefits

- Superior execution
- Economic value for qualifying loans
- Similar processing to GNMA
- Ability to deliver closed loans
- Electronic access through the eMPF[®] website

Who should take advantage of this product?

An institution that is actively engaged in FHA/VA mortgage lending, values the income derived from originating and servicing loans, **is currently servicing \$500 million of FHA/VA servicing**, and is a member of the Federal Home Loan Bank System. The member, who should be interested in Original MPF for FHA/VA Loans, would value the superior secondary market execution along with the operational ease of our delivery system.

Who do I call for more information about the MPF Program?

For general information about the MPF Program or to locate a contact name from your participating Federal Home Loan Bank, call our toll free assistance number at **1-877-463-6673 (Info-MPF)**.