

# MPF Announcement

December 14, 2018

2018-61

## Alert

### Policy Update ■

New Policy  
Reminder  
Clarification  
Training Information

## Audience

### Program Management ■

Origination ■  
Quality Control ■  
Servicing  
Underwriting ■  
Compliance/Legal ■

## Product

MPF Xtra® ■  
MPF® Direct ■  
MPF Government MBS ■  
MPF Traditional ■

## Effective Date:

January 1, 2019

## MPF Origination and Underwriting Policy Updates

### Maximum Original Loan Amount—MPF Traditional Selling Guide Chapter 2.1

The maximum original loan amounts for conventional mortgages has increased for 2019.

## REFERENCE

The following topics are covered in this MPF Announcement:

- Conventional Loan Limits
- High-Balance Mortgage Loan Limits
- Allowable Points and Fees

Number of Units	Contiguous US, DC and Puerto Rico Loan Limits
1	\$484,350
2	\$620,200
3	\$749,650
4	\$931,600

Number of Units	Alaska, Hawaii and Virgin Islands
1	\$726,525
2	\$930,300
3	\$1,124,475
4	\$1,397,400

We have published an updated version of MPF Selling Guide Exhibit N, Conventional High-Cost Area Loan Limits, to reflect the increased loan limits.

The new loan limits are effective for loans with Funding Dates (i.e. the date the MPF Bank deposits funds into the

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PFI's account for the Mortgage Loan) on or after January 1, 2019.

If a loan exceeds the 2018 loan limits and has a Funding Date before January 1, 2019, it must be delivered under a high-balance Delivery Commitment. A Delivery Commitment for a loan that meets the 2019 conforming limits may be opened during 2018, provided that the Funding Date for that loan is on or after January 1, 2019. (Ex: A Delivery Commitment with a loan amount of \$480,000 may be opened in December 2018 as long as the loan's Funding Date is on or after January 1, 2019. If that same loan has a Funding Date before January 1, 2019, then it must be delivered under a high-balance Delivery Commitment).

## Maximum Original Loan Amount—MPF Government MBS Selling Guide Chapter 2.2

The maximum total loan limits for MPF Government MBS Mortgage Loans has increased for 2019 and are effective for loans purchased under the MPF Program on or after January 1, 2019. The maximum total loan limits include any financed guaranty fee, mortgage insurance premium or funding fee as reflected on the Note, unless a lower amount is required by the applicable Government Agency.

Number of Units	Contiguous US, DC and Puerto Rico Loan Limits
1	\$500,333
2	\$640,666
3	\$774,388
4	\$962,342

Number of Units	Alaska, Hawaii and Virgin Islands
1	\$750,500
2	\$960,999
3	\$1,161,582
4	\$1,443,514

## Allowable Points and Fees—MPF Program Guide Chapter 7.6.1 and Selling Guide Exhibit N

The Consumer Financial Protection Bureau (CFPB) has increased the loan amount thresholds and dollar amount caps that apply under the ability-to-repay and safe harbor qualified mortgage rules.

**The following loan amount thresholds and points and fees caps apply to all conventional and government mortgages secured by a primary residence or second home with a loan application date on or after January 1, 2019.**

The "total points and fees" and "total loan amount" must be calculated in accordance with Regulation Z (12 CFR § 1026.32).

Loan Amount <sup>1</sup>	% Cap of the Total Loan Amount <sup>1</sup>
>= \$107,747	3%
>= \$21,549 and < \$64,648	5%
< \$13,468	8%

Loan Amount <sup>1</sup>	Dollar Amount Cap
>= \$64,648 and < \$107,747	\$3,232
>= \$13,468 and < \$21,549	\$1,077

<sup>1</sup> For the loan amount categories with percentage caps, the PFI must apply the applicable percentage cap to the "total loan amount," which may be less than the "loan amount." (See Regulation Z, 12 CFR § 1026.43, for the term "loan amount," and Regulation Z, CFR § 1026.32, for the term "total loan amount.")