

**MPF Announcement:**

2020-29

**Date:**

May 11, 2020

**Alert:**

Clarification

**New Policy**

**Policy Update**

**Reminder**

Training Information

**Audience:**

Compliance/Legal

Program Management

**Origination**

Quality Control

Servicing

**Underwriting**

**Product:**

MPF Direct

MPF Government MBS

MPF Traditional

**MPF Xtra<sup>®</sup>**

**Effective Date:**

**Immediately (unless otherwise noted)**

## Impact of COVID-19 on Originations of MPF Xtra Loans

On May 5, 2020, Fannie Mae issued an update to Lender Letter LL-2020-03 and Lender Letter LL-2020-04, communicating updates to temporary policies previously announced. The policies in this Lender Letter are effective immediately and are effective until Fannie Mae provides further notice, unless otherwise stated.

### Reference

[Fannie Mae Lender Letter LL-2020-03](#)

[Fannie Mae Lender Letter LL-2020-04](#)

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

Visit the MPF Website to review and register for upcoming complimentary [MPF Webinars](#).

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Additions to [Fannie Mae Lender Letter LL-2020-03](#) - Impact of COVID-19 on Originations:

- Extended the application dates for the temporary policies in place to June 30, 2020.
- Incorporated a reminder that unemployment benefits can only be used as qualifying income if it is associated with seasonal employment.
- Clarified that the income of a furloughed borrower is not eligible under Fannie Mae's temporary leave income policy.
- Temporarily suspended the representation and warranty relief for employment validation through the DU validation service.
- All loans must be purchased or securitized no more than six months from the first payment date.

Updates to [Fannie Mae Lender Letter LL-2020-04](#) - Impact of COVID-19 on Appraisals:

- Extended the application dates for the temporary appraisal policies in place from May 17, 2020 to June 30, 2020

PFIs and Servicers of **MPF XTRA** must follow the relief policies and guidance issued by Fannie Mae, including the announcements below and by visiting [Fannie Mae's COVID-19 webpage](#).

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In addition, PFIs and Servicers originating, delivering or servicing:

- MPF Traditional (Conventional) loans must follow the policies and guidance recently issued by the MPF Program. Please visit the MPF Website to view recently published [MPF Announcements](#).
- MPF Government loans and MPF Government MBS loans, must follow policies and guidance issued by the applicable Government Agencies.
- MPF Direct loans, must follow policies and guidance issued by the product's investor, Redwood Trust.

To gain a full understanding of these topics, PFIs and Servicers should review the entire Fannie Mae Lender Letter plus any applicable Fannie Mae Guide chapters, forms, or exhibits noted in the announcement.