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CHAPTER 1. INTRODUCTION (11/29/16)[1]

The MPF Xtra Selling Guide outlines the requirements and/or processes for Participating Financial Institutions (PFIs) to originate, underwrite, and deliver residential mortgages under the MPF Program's Xtra product. The guidelines are designed to establish sound underwriting criteria and support the MPF Program's mortgage product offerings. This Selling Guide generally follows industry standards guidelines with some enhancements, restrictions, or overlays. All Mortgage Loans delivered under the MPF Xtra Product must meet these guidelines. For any topics not addressed in the Guides, including the Program Guide and the MPF Xtra Selling Guide, the Originator must follow the requirements of the Fannie Mae Selling Guide.

1.1 Repurchase and Indemnification (11/29/16)[2]

When a PFI, as Originator, Servicer or otherwise, fails to comply with the requirements of the PFI Agreement, Guides, Applicable Law or terms of Mortgage Loan documents, the PFI, Originator or Servicer may be required to repurchase Mortgage Loans which are impacted by such failure, in addition to covering any related costs or losses incurred by the MPF Provider as a result of holding the Mortgage Loans. The PFI must deposit funds into the P&I Custodial Account established with the MPF Provider by the date of liquidation. The PFI will repurchase the Mortgage Loan for the "Loan Repurchase Amount" determined by the MPF Bank, based on the following:

- The book value of the Mortgage; plus
- Interest at the "Pass-through Rate" (the Note Rate minus the Servicing Fee percentage) to the date of liquidation.

The Servicer at the time of repurchase is responsible for reporting the date and details of the liquidation to the Master Servicer in the next monthly reports due, as specified in MPF Xtra Servicing Guide. When any Mortgage Loan is repurchased, the Investor retains all LLPAs, IPAs and any premiums which were paid in connection with the Mortgage Loan.

As an alternative, the MPF Provider may, with the concurrence of the Investor, elect not to require repurchase but nonetheless require the PFI, Originator or Servicer, as appropriate, to execute a specific indemnification agreement covering the impacted Mortgage Loans. A PFI which purchases loans to be delivered under the MPF Xtra product is required to take steps to ensure that loans originated by third parties are in compliance with all Applicable Laws, which include without limitation, predatory lending laws.

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[1] MPF Announcement 2016-18 (11/29/16)
[2] MPF Announcement 2016-18 (11/29/16)

The MPF Provider waives its right to enforce Section 3.05 (Adverse Investor Determination) of the MPF Xtra Addendum to the PFI Agreement. This waiver does not relieve the PFI of any of its other obligations, duties or requirements under the PFI Agreement, the MPF Xtra Addendum, and the MPF Guides, Applicable Law or the terms of the Mortgage documents. Nor does this change affect any other rights of the MPF Provider, an MPF Bank or Fannie Mae under the PFI Agreement and MPF Xtra Addendum, including, without limitation, the right to require repurchase of a Mortgage or indemnification for a reason other than those stated in Section 3.05 of the MPF Xtra Addendum.

CHAPTER 2. MORTGAGE LOAN ELIGIBILITY (11/29/16)[3]

For the following topics, Originators must comply with Fannie Mae Selling Guide Chapter B2: Eligibility and all subchapters in their entirety and the requirements described below:

• Loan Limits	• Mortgage Loan Attributes
• High-Balance Mortgage Loans	• Eligible Transaction Types
• Ineligible Transactions, Products, or Attributes	

2.1 Loan Limits (11/29/16)[4]

The following maximum original loan amounts apply to Conventional Mortgage Loans delivered under the MPF Xtra product. Originators must comply with the Fannie Mae Selling Guide regarding loan limits. In addition, loan limits are published by the FHFA and can be found at the following link:

http://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx.

2.1.1 High-Balance Mortgage Loans (11/29/16)[5]

To determine the maximum original loan amount for High-Balance Mortgage Loans, see the loan limit lookup table on Fannie Mae's website which can be found at the following link:

https://www.fanniemae.com/singlefamily/loan-limits.

2.2 Maximum LTV and CLTV Ratios (11/29/16)[6]

Originators must comply with the Fannie Mae Selling Guide chapter B2-1.1 LTV, CLTV, HCLTV, and Subordinate Financing and all subchapters in their entirety. In addition, Originators must use the Fannie Mae eligibility grids to determine the maximum LTV/CLTV for Mortgage Loans sold under the MPF Xtra product. A Link to the most recent eligibility matrix is located below:

Fannie Mae Eligibility Matrix

[3] MPF Announcement 2016-18 (11/29/16)
[4] MPF Announcement 2016-18 (11/29/16)
[5] MPF Announcement 2016-18 (11/29/16)
[6] MPF Announcement 2016-18 (11/29/16)

2.3 Mortgage Loan Attributes

An investment quality mortgage loan is a loan that is made to a borrower, from whom repayment of the debt can be expected, which is secured by one-to-four unit residential real property and is originated in accordance with the requirements of the MPF Guides and Applicable Laws. The PFI warrants that all Mortgage Loans delivered to the MPF Bank have the characteristics of an investment quality Mortgage Loan.

2.3.1 Mortgage Loan Term (12/22/16)[7]

The minimum original loan term is 85 months, and the maximum original loan term is 360 months.

2.3.2 Eligible Transaction Types (11/29/16)[8]

The following transaction types are eligible for delivery under the MPF Xtra product:

• Purchase Transactions	• First Mortgage with Subordinate Financing
• Refinance Transactions	• First Mortgages with Home Equity Lines of Credit (HELOCs)
• Texas 50(a)(6) Mortgage Loans	• First Mortgages with Property Assessed Clean Energy (PACE) Loans
• Construction-to-Permanent Transactions	• First Mortgages with Community Seconds or Community Land Trusts
• New York Consolidation, Extension and Modification Agreements (CEMA)	• HomeReady Mortgage Loans
• Mortgages Where the Proceeds are Used to Pay Off of a Land Contract	

For the transaction types listed above, Originators must comply with the following Fannie Mae Selling Guide chapters and all subchapters in their entirety:

- Fannie Mae Selling Guide Chapter B2-1.1-03: Home Equity Combined Loan-to-Value (HCLTV) Ratios;

[7] MPF Announcement 2016-30 (12/22/16)
[8] MPF Announcement 2016-18 (11/29/16)

- Fannie Mae Selling Guide Chapter B2-1.1-04: Subordinate Financing;
- Fannie Mae Selling Guide Chapter B2-1.2-01: Purchase Transactions;
- Fannie Mae Selling Guide Chapter B2-1.2-02: Limited Cash-Out Refinance Transactions;
- Fannie Mae Selling Guide Chapter B-2-1.2-03: Cash-Out Refinance Transactions;
- Fannie Mae Selling Guide Chapter B2-1.2-04: Prohibited Refinancing Practices;
- Fannie Mae Selling Guide Chapter B2-1.2-05: Payoff of Installment Land Contract Requirements;
- Fannie Mae Selling Guide Chapter B2-1.4-04: Escrow Accounts;
- Fannie Mae Selling Guide Chapter B5-3.1-01: Conversion of Construction-to-Permanent Financing Overview;
- Fannie Mae Selling Guide Chapter B5-3.1-02: Conversion of Construction-to-Permanent Financing: Single-Closing Transactions;
- Fannie Mae Selling Guide Chapter B5-3.1-03: Conversion of Construction-to-Permanent Financing: Two-Closing Transactions;
- Fannie Mae Selling Guide Chapter B5-3.4-01: Property Assessed Clean Energy Loans;
- Fannie Mae Selling Guide Chapter B5-4-02: Disaster-Related Limited Cash-Out Refinance Flexibilities;
- Fannie Mae Selling Guide Chapter B5-4.1: General Requirements of Texas Section 50(a)(6) Mortgages;
- Fannie Mae Selling Guide Chapter B5-5: Community Seconds, Community Land Trusts, DU Refi Plus and Refi Plus, and Loans with Resale Restrictions;
- Fannie Mae Selling Guide chapter B5-6: HomeReady Mortgage.
- Fannie Mae Selling Guide Chapter B8-2-02: Special-Purpose Security Instruments;

2.3.3 Ineligible Transactions, Products, or Mortgage Loan Attributes (7/24/17)[9]

The following transactions, products or mortgage loan attributes are ineligible under the MPF Xtra product:

- Co-ops
- Investment properties

[9] MPF Announcement 2017-37 (7/24/17)

- Constructions loans where the construction phase has not been completed
- ARMs
- Balloon mortgages
- Interest only
- Home improvement/rehabilitation loans
- Condotels
- Time shares
- Unimproved land
- Agricultural properties, such as farms or ranches
- Properties that are not suitable for year-round occupancy, regardless of location
- Properties on the island of Hawaii located within lava zone 1 or 2, as defined by the U.S. Geological Survey Hawaiian Volcano Observatory
- Mortgage loans secured by properties in Guam, Puerto Rico, or the Virgin Islands
- Government loans
- Rural Development Section 502 (Blended) Mortgage Loans
- Manually underwritten Refi Plus Mortgage Loans
- HomeStyle Renovation loans
- HomeStyle Energy loans
- Housing Finance Authority (HFA) Preferred Loans

CHAPTER 3. BORROWER ELIGIBILITY

3.1 Borrower Overview (11/29/16)[10]

For the following topics, Originators must comply with Fannie Mae Selling Guide Chapter B2-2: Borrower Eligibility and all subchapters in their entirety and the requirements described below.

• Borrower Eligibility	• Non-Occupant Co-Borrowers
• Non-U.S. Citizen Borrowers	• Inter Vivos Revocable Trusts

3.1.1 OFAC

All Borrowers' names must be checked against Office of Foreign Asset Control (OFAC) lists in compliance with Applicable Law. Originators must comply with Fannie Mae Selling Guide Chapter A3-2-01 Compliance with Laws.

3.1.2 Illinois Land Trust

Loans where title to the Mortgaged Property is held by an Illinois Land Trust are eligible provided the trust meets the following criteria:

- The land trustee must be a financial institution customarily engaged in the business of acting as trustee under Illinois land trusts (individuals are not acceptable as trustees);
- All primary beneficiaries of the land trust must be a qualifying Borrower and must execute the Note and Security Instrument as individuals, without any reference to the Borrower's status as beneficiary(ies), co-signer(s), guarantor(s), etc., of the trust;
- The land trustee must execute the Note, the Security Instrument, and if applicable, any riders:
    - o The land trustee must execute the Security Instrument as trustee under the particular trust agreement dated a specified date and known as a specified trust number;
    - o The notary's certificate of acknowledgement should reflect that the execution is by the officer(s) of the institution acting as trustee, and specify the officer's(s') title(s); and
    - o The land trustee's execution of the Note and Security Instrument may either include a rider or stamp (whichever is customary) indicating that the trustee is not personally liable on the Note or on the Mortgage covenants and that the Mortgagee can only look to trust assets to satisfy

[10] MPF Announcement 2016-18 (11/29/16)

those obligations of the trustee. However, the rider or stamp must not be more broadly stated than only relieving the trustee from personal liability.

- The Uniform Instrument, Illinois Mortgage Form 3014, must be amended as follows:
    - In the "Definitions" on page 1, describe "Borrower" as both (i) an institution which is a trustee under the particular trust agreement dated a specified date and known as a specified trust number and (ii) the credit-seeking beneficiary(ies) of the trust.
    - PFI must add the following language to the second paragraph of "Transfer of Rights in the Property:"

      "The term "Property" wherever used in this Security Instrument expressly includes all rights of the trust and of any beneficiary of the trust to receive the net proceeds from the rental, sale, hypothecation, or other disposition of the Property, whether or not such rights are classified as real or personal property or such proceeds are otherwise distributable to the beneficiaries of the trust pursuant to a trust agreement. The Borrower warrants that it possesses full power and authority to execute this Security Instrument."
- The trustee and the beneficiary(ies) must sign an agreement substantially in the form of the "Agreement by Beneficiary and Trustee to Notify Lender of a Sale or Transfer of Interest" (the "Agreement"), Exhibit P, which Agreement amends the trust agreement between the beneficiary(ies) and the trustee in order to protect the Mortgagee from transfers of beneficial interests in the trust without the Mortgagee's knowledge; or
    - If the PFI cannot obtain an Agreement, an assignment of beneficial interest in lieu of the Agreement is acceptable.

CHAPTER 4. UNDERWRITING STANDARDS

4.1 Permitted Underwriting Methods (11/29/16)[11]

Mortgage Loans can be underwritten manually or with Desktop Underwriter® (DU®) in accordance with the Fannie Mae Selling Guide. In addition, Loan Product Advisor® may be used with some additional criteria as explained further in chapter 4.3.

4.1.1 Automated Underwriting Systems (AUS) (11/29/16)[12]

Mortgage Loans may be underwritten using Fannie Mae's DU or Freddie Mac's Loan Product Advisor automated underwriting system. Mortgage Loans underwritten with either AUS must follow the underwriting and eligibility requirements of the applicable GSE for that Mortgage Loan. The only MPF Program requirements that supersede Fannie Mae/DU and Freddie Mac/Loan Product Advisor requirements are the following:

- Occupancy Requirements
- Property Type Eligibility (for example: Co-ops and investment properties are not eligible for sale under the MPF Xtra product)
- Products or loan attributes on the ineligible list (See MPF Xtra Selling Guide Chapter 2.3.3)
- Specific Requirements for using Loan Product Advisor (See Chapter 4.3 for additional information)

4.2 Fannie Mae Desktop Underwriter (DU)

Fannie Mae's DU guidelines provided in this Guide do not apply to the use of Fannie Mae's Desktop Originator® (DO®), which is an ineligible AUS System under the MPF Program. Originators must comply with Fannie Mae Selling Guide Chapter B3-2 Desktop Underwriter, and all subchapters in their entirety.

4.3 Freddie Mac Loan Product Advisor®

4.3.1 Loans with an Accept Risk Class (11/29/16)[13]

Mortgage Loans must receive an "Accept" risk class from Loan Product Advisor, and any verification messages or approval conditions specified on the last Loan Product Advisor Feedback Certificate must be satisfactorily resolved before Closing. In addition, a full interior/exterior Appraisal is required for

[11] MPF Announcement 2016-18 (11/29/16)
[12] MPF Announcement 2016-18 (11/29/16)
[13] MPF Announcement 2016-18 (11/29/16)

all Mortgage Loans underwritten with Loan Product Advisor, regardless of what Appraisal type Loan Product Advisor may allow/suggest. Terms and conditions of the closed Mortgage Loan and underwriting information in the Mortgage Loan File must match the data on which the Loan Product Advisor "Accept" risk class is based.

If Loan Product Advisor returns any response other than "Accept", then the Mortgage Loan must be underwritten with DU or manually underwritten to the guidelines of the Investor to be eligible for delivery.

4.3.2 Additional Underwriting and Other Criteria for Loan Product Advisor Mortgage Loans (2/1/18)[14]

Mortgage Loans underwritten with Loan Product Advisor must meet the following requirements:

- The last feedback certificate must not include any requirement for recourse or other credit enhancement beyond standard MI requirements;
- The documentation level must be Streamlined Accept or Standard;
- Maximum DTI of 50%;
- Maximum 95% LTV;
- Minimum 620 Credit Score;
- At least one Borrower on the transaction must have a usable credit score;
- Standard MI coverage according to the Fannie Mae Selling Guide; and
- The PFI must comply with Freddie Mac Seller Guide Chapter 5101 (Using Loan Product Advisor) related to general and specific Loan Product Advisor eligibility requirements.

If the Mortgage Loan is not eligible to be underwritten with Loan Product Advisor, then the Mortgage Loan must be underwritten with DU or manually underwritten to the guidelines of the Investor to be eligible for delivery.

Special Feature Code (SFC) "361" must be provided at Loan Presentment for Mortgage Loans underwritten with Loan Product Advisor. SFC 808 must be provided for Freddie Mac Super Conforming (i.e. high-balance) loans.

[14] MPF Announcement 2018-6 (2/1/18)
MPF Announcement 2016-18 (11/29/16)

4.3.2.1 Home Possible Loans (2/1/18)[15]

Freddie Mac Home Possible and Home Possible Advantage loans are eligible for delivery under the MPF Xtra product. Home Possible loans must meet the eligibility criteria in the preceding section, but are permitted the following expanded eligibility requirements:

- Maximum LTV: 97%
- Maximum CLTV: 105% with an Affordable Second®

Home Possible loans may use the Fannie Mae HomeReady MI coverage if the following requirements are met:

- The income used to qualify the Borrower(s) does not exceed 100% of the applicable area median income (AMI); or
- The property is located in a low income-income census tract (median tract income is no greater than 80% AMI).

SFC 605 must be provided at Loan Presentment for Home Possible loans that meet the criteria to use Fannie Mae HomeReady MI coverage.

Home Possible loans that do not meet the criteria to use Fannie Mae HomeReady MI coverage must have standard MI coverage per the Fannie Mae Selling Guide.

4.3.3 Ineligible Mortgage Types, Property Types, or Mortgage Loan Attributes When Using Loan Product Advisor (2/1/18)[16]

The following mortgage types, property types or mortgage loan attributes are not eligible for sale to the MPF Program when the mortgage loan is underwritten with the use of Loan Product Advisor:

- Manufactured homes
- Mortgage loans with renovation or rehabilitation that is incomplete at the time the mortgage loan is funded
- Freddie Mac Relief Refinance Mortgages℠
- Mortgage Loans subject to recourse or other credit enhancement beyond standard MI requirements

[15] MPF Announcement 2018-6 (2/1/18)
[16] MPF Announcement 2018-6 (2/1/18)
MPF Announcement 2016-18 (11/29/16)

4.3.4 Loan Product Advisor Delivery Requirements (11/29/16)[17]

Any Mortgage Loan File delivered as a Loan Product Advisor underwritten Mortgage Loan must include:

- Loan Product Advisor Feedback Certificate; and
- Credit documentation as required by Loan Product Advisor, including all credit reports and all credit scores generated.

Additional submission requirements may apply.

4.4 Manual Underwriting

Originators must comply with Fannie Mae Selling Guide Chapter B3-1, Manual Underwriting.

[17] MPF Announcement 2016-18 (11/29/16)

CHAPTER 5. UNDERWRITING THE BORROWER (11/29/16)[18]

For the following topics, Originators must comply with Fannie Mae Selling Guide Chapter B3: Underwriting Borrowers and all subchapters in their entirety and the requirements described below.

• Liabilities	• Assets and Reserves
• Verification of Employment	• Gifts
• Income Analysis	• Contributions
• Qualifying Ratios/DTI	• Credit Analysis
• Age of Documents	• Verification of Borrower Identity
• Consumer Credit Counseling	

5.1 Age of Documents

Originators must comply with Fannie Mae Selling Guide Chapter: B1-1-03 Allowable Age of Credit Documents and Federal Income Tax Returns.

5.2 Verification of Borrower Identity

Originators must comply with Fannie Mae Selling Guide Chapter: B2-2-01 General Borrower Eligibility Requirements.

5.3 Consumer Credit Counseling

Originators must comply with Fannie Mae Selling Guide chapter B2-2-06, Homeownership Education and Housing Counseling.

5.4 4506-T (10/27/17)[19]

Originators must comply with Fannie Mae Selling Guide chapter B3-3.1-06: Requirements and Uses of IRS Request for Transcript of Tax Return Form 4506-T.

[18] MPF Announcement 2016-18 (11/29/16)
[19] MPF Announcement 2017-62 (10/27/17)

If tax transcripts are not obtained during the origination process, an updated 4506-T is required at Closing, which must show the MPF Program vendor Covius Real Estate Services, LLC in Section 5 (see Exhibit T-X for an example of a completed 4506-T).

CHAPTER 6. PROPERTY REQUIREMENTS (11/29/16)[20]

This chapter covers the requirements for:

• Property Standards	• Title
• Occupancy Status	• Legal Description
• Property Condition	• Resale Restrictions
• Escrow for Completion/Postponed Improvements	• Manufactured Housing

For the topics listed above, Originators must comply with the following Fannie Mae Selling Guide chapters and all subchapters in their entirety:

- Fannie Mae Selling Guide Chapter B2-1-01: Occupancy Types
- Fannie Mae Selling Guide Chapter B2-1.4-02: Mortgage Loan Eligibility
- Fannie Mae Selling Guide Chapter B2-3: Property Eligibility
- Fannie Mae Selling Guide Chapter B4: Underwriting Property
- Fannie Mae Selling Guide Chapter B5-2: Manufactured Housing
- Fannie Mae Selling Guide chapter B5-5.3-01: Loans with Resale Restrictions
- Fannie Mae Selling Guide Chapter B7-2: Title Insurance
- Fannie Mae Selling Guide Chapter B7-3: Property and Flood Insurance
- Fannie Mae Selling Guide Chapter B8-2-02: Special Purpose Security Instruments

[20] MPF Announcement 2016-18 (11/29/16)

CHAPTER 7. APPRAISAL REQUIREMENTS (11/29/16)[21]

For the following topics, Originators must comply with Fannie Mae Selling Guide Chapter B4: Underwriting Property and all sub-chapters in their entirety.

• Appraisal Independence	• Appraisal Requirements
• Appraisal Reports	• Adverse Environmental Conditions

[21] MPF Announcement 2016-18 (11/29/16)

CHAPTER 8. OTHER PROPERTY TYPES (11/29/16)[22]

For the following topics, Originators must comply with Fannie Mae Selling Guide Chapter B4-2: Project Standards and all subchapters in their entirety:

• Planned Unit Development	• Ineligible Projects
• General Condominium Eligibility Requirements	• Project Eligibility
• Condominium Project Classification Standards	

Originators may also utilize the following Fannie Mae resources when determining project eligibility:

- Condominium Project Questionnaire – Full Form (Fannie Mae Form 1076)
- Condominium Project Questionnaire – Short Form (Fannie Mae Form 1077)

[22] MPF Announcement 2016-18 (11/29/16)

CHAPTER 9. INSURANCE REQUIREMENTS (11/29/16)[23]

For the following topics, Originators must comply with Fannie Mae Selling Guide Chapter B7: Insurance and all subchapters in their entirety and the requirements described below.

• Conventional Mortgage Insurance	• Property Insurance
• Title Insurance	• Flood Insurance

9.1 General Mortgage Insurance Requirements (11/29/16)[24]

PFIs must complete and submit the Mortgage Insurance Disclosure (Exhibit F-X) or an equivalent to the applicable mortgage insurer, instructing the mortgage insurer to release requested data to Fannie Mae for any MPF Xtra Mortgage Loan.

The mortgage insurance provider is not responsible for the accuracy of the data provided to it by the PFI for Mortgage Loans delivered under the MPF Xtra product.

[23] MPF Announcement 2016-18 (11/29/16)
[24] MPF Announcement 2016-18 (11/29/16)

CHAPTER 10. MORTGAGE LOAN DOCUMENT EXECUTION AND RETENTION

10.1 Mortgage Loan File Contents

Originators must comply with Fannie Mae selling Guide Chapter B1, Loan Application Package, B8, Closing: Legal Documents, and B3 Underwriting Borrowers.

10.2 Access to Records

Upon request, the PFI must deliver all Mortgage Loan records and documents to the MPF Bank or MPF Provider. Each Mortgage Loan File must be clearly identified. If the records have been microfilmed or otherwise condensed, the PFI must reproduce them at its own expense. The MPF Bank will not execute any trust receipts for documents it requests and will not participate in, or provide compensation for, their delivery.

10.3 MERS Registered Mortgage Loans (11/29/16)[25]

If the PFI is a MERS Member, it must comply with the requirements of Fannie Mae Selling Guide Chapter B8-7: Mortgage Electronic Registration Systems (MERS) in addition to the requirements in the Guides and the MERS Membership Agreement.

If the Mortgage Loan is to be registered with MERS, the PFI must register it immediately using the PFI's Org ID for both the Servicer and Investor (if the PFI is concurrently selling the servicing, the Servicer's Org ID should be used for both the Servicer and Investor).

If a Mortgage Loan has been registered with MERS, no Assignment from the PFI is required. However, certified copies of all recorded Intervening Assignments (if applicable) to the point where MERS is the recorded Mortgagee must be delivered to the Custodian.

If MERS is the original Mortgagee (a MOM loan), a certified copy of the Security Instrument showing MERS as the original Mortgagee must be delivered to the Custodian.

10.4 Note Preparation (11/29/16)[26]

The Note Rate must be indicated in one-fortieth percent (0.025%) increments. Examples of eligible Note Rates are: 5.000%, 5.025%, 5.050%, or 5.125%.

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[25] MPF Announcement 2016-18 (11/29/16)
[26] MPF Announcement 2016-18 (11/29/16)

CHAPTER 11. LOAN PRESENTMENT

11.1 Loan Presentment Overview (3/16/17)[27]

The PFI must submit all Mortgage Loan data to the eMPF website in a uniform XML file format, known as the Uniform Loan Delivery Dataset format, or ULDD. See Exhibit S-X for a complete detailed list of ULDD required fields or visit the MPF Program's "UMDP website" at https://www.fhlbmpf.com/Pages/UMDP.aspx for additional information concerning ULDD.

In limited instances where a loan originator may be exempt from licensing or registration under the de minimum exception of the SAFE Act, and does not have a loan originator identifier through NMLS, the PFI should populate all applicable data fields related to an NMLS license number, including the OG3, with a value of "1000".

[27] MPF Announcement 2017-12 (3/16/17)

CHAPTER 12. MASTER COMMITMENTS

12.1 Master Commitment Overview

A Master Commitment is an agreement between the PFI and the MPF Bank which defines the terms under which the MPF Bank will purchase a pool of Mortgage Loans delivered by the PFI. A Master Commitment must be completed and signed by an authorized party of the PFI in accordance with the PFI Agreement, and must be signed as accepted by the MPF Bank.

The signing of a Master Commitment does not require the PFI to originate or sell any mortgages under the agreement, but it does constitute the PFI's best efforts commitment to deliver mortgages to the MPF Bank. The MPF Bank reserves the right to limit the number and/or total dollar amount of Master Commitments.

12.2 Establishing a Master Commitment (11/29/16)[28]

Master Commitments must be established for each distinct Mortgage Loan type and distinct remittance type.

When establishing a Master Commitment, the PFI and the MPF Bank must determine and/or be aware of the following:

- The estimated number and dollar amount of Mortgage Loans it believes it will deliver to the MPF Bank over the term of the Master Commitment (The estimated dollar amount of Mortgage Loans will be shown as the amount of the Master Commitment);
- The remittance type for the Master Commitment (actual/actual);
- The initial term of the Master Commitment (must be at least three (3) months, but may not exceed twelve (12) months); and
- Whether Servicing of the Mortgage Loans will be retained, or sold concurrently with the sale of Mortgage Loans.

The following Mortgage Loan types and Delivery Commitments are not allowed within the same MPF Xtra Master Commitment and require separate MPF Xtra Master Commitments:

- DU Refi Plus Mortgages cannot be combined with purchase Mortgage Loans or other refinance Mortgage Loan types and must be delivered under a Refi Plus Master Commitment; and

[28] MPF Announcement 2016-18 (11/29/16)

- Mandatory Delivery Commitments cannot be combined with Best Efforts Delivery Commitments. A Best Efforts Delivery Commitment must be opened under a Best Efforts Master Commitment.

12.3 Filling a Master Commitment (11/29/16)[29]

The Master Commitment gets filled when Delivery Commitments are obtained and Mortgage Loans are delivered under the Delivery Commitments..

The PFI must assign each Delivery Commitment to a specific open Master Commitment. A Master Commitment is open for the issuance of a new Delivery Commitment as long as the sum of open Delivery Commitments and the Mortgage Loans already delivered under the Master Commitment is less than the Master Commitment amount.

12.4 Amending a Master Commitment (11/29/16)[30]

The PFI may request that the MPF Bank amend an open Master Commitment at any time. Any Master Commitment amendment made by the MPF Bank will be made at the MPF Bank's sole discretion.

Amendments may be requested to:

- Change the size and term of the Master Commitment; or
- Extend the expiration date of the Master Commitment.

Amendment requests are subject to the following conditions:

- Requests for amendments must be accompanied by complete information and supporting data; and
- No request for amendment may be made which would affect a Mortgage Loan or Delivery Commitment already assigned to a specific Master Commitment.

12.5 Closing a Master Commitment

A Master Commitment is considered closed when either of the following occurs:

- The sum of open Delivery Commitments and the Mortgage Loans delivered under the Master Commitment equals or exceeds the Master Commitment amount; or
- The Master Commitment term has expired.

[29] MPF Announcement 2016-18 (11/29/16)
[30] MPF Announcement 2016-18 (11/29/16)

CHAPTER 13. DELIVERY COMMITMENTS

13.1 Delivery Commitment Overview (11/29/16)[31]

A Delivery Commitment is an agreement between the PFI and the MPF Bank that defines the Note Rate, premium or discount, expiration date, product type, total dollar amount, and other terms pertaining to the purchase of Mortgage Loans under the terms of the corresponding Master Commitment.

A Delivery Commitment cannot be assigned to a closed Master Commitment, nor reassigned to another Master Commitment.

Mandatory Delivery Commitments may be filled with a single Mortgage Loan or multiple Mortgage Loans. Best Efforts Delivery Commitments may only be filled with a single Mortgage Loan. Mandatory Delivery Commitments cannot be converted to Best Efforts Delivery Commitments nor can Best Efforts Delivery Commitments be converted to Mandatory Delivery Commitments.

13.1.1 Loan Level Price Adjustments (11/29/16)[32]

Mortgage Loans delivered under the MPF Xtra product may be subject to the following Loan Level Price Adjustments (LLPAs), as applicable:

- Standard – LLPAs that apply to all Mortgage Loan types other than DU Refi Plus Mortgage Loans (See Fannie Mae's Standard LLPA Matrix); and
- DU Refi Plus – LLPAs that apply only to DU Refi Plus Mortgage Loans (see Fannie Mae's Refi Plus LLPA Matrix). The DU Refi Plus LLPAs are in lieu of, and not in addition to, the Standard LLPAs.

All LLPAs are cumulative, unless otherwise noted. The LLPAs are incorporated by reference into the Guides and are binding on PFIs as provided by the MPF Xtra Master Commitments. LLPAs are calculated by the MPF Provider post-delivery and are generally charged to the PFI's DDA account on the same day the loan funding proceeds are deposited.

13.1.2 Indicative Pricing (10/27/17)[33]

Indicative pricing rates and fees for MPF Xtra Delivery Commitments are posted on the eMPF website each Business Day at 8:30 A.M., 9:30 A.M., 11:00 A.M., 2:00 P.M., and 3:00 P.M. (Central Time), if

[31] MPF Announcement 2016-18 (11/29/16)
[32] MPF Announcement 2016-18 (11/29/16)
[33] MPF Announcement 2017-62 (10/27/17)
MPF Announcement 2016-18 (11/29/16)

available from the MPF Bank. Indicative pricing may also be obtained by calling the MPF Service Center.

The MPF Provider may cancel, withdraw and/or reissue the indicative rates and fees at any time during the Business Day.

Rates and fees and verbally quoted prices provide indicative pricing only and do not constitute an offer by the MPF Bank to the PFI for a Delivery Commitment. Rates become binding on the MPF Bank only upon issuance of a Delivery Commitment.

13.2 Establishing a Mandatory Delivery Commitment

13.2.1 Obtaining a Mandatory Delivery Commitment (10/27/17)[34]

PFIs may open a Mandatory Delivery Commitment any time between the hours of 8:30 A.M. and 3:30 P.M. (Central Time) using the following methods:

- The PFI may utilize the eMPF Website or contact the MPF Service Center to establish Delivery Commitments of less than $10 Million for the following Mortgage Loan types:
  - Conforming Mortgage Loans;
  - High-Balance Mortgage Loans;
  - Mortgage Loans with loan terms of 15, 20, or 30 years; and
  - DU Refi Plus Mortgage Loans with LTVs less than or equal to 105%.
- The PFI must contact the MPF Service Center to establish Delivery Commitments for the following:
  - Delivery Commitments greater than or equal to $10 Million;
  - Delivery Commitments for DU Refi Plus Mortgage Loans with LTVs greater than 105%; and
  - Delivery Commitments with Mortgage Loans with a 10 year term.

DU Refi Plus Mortgage Loans can only be delivered under a Mandatory Delivery Commitment.

All telephone conversations relative to obtaining a Delivery Commitment will be recorded.

The PFI must supply the following information to open a Delivery Commitment:

- The PFI’s name and number (if via telephone);

[34] MPF Announcement 2016-18 (11/29/16)

- The name of the person calling and authorized to obtain a Delivery Commitment (if via telephone);
- The number of the Master Commitment to which the Delivery Commitment is to be assigned;
- Delivery period;
- The Loan term --10, 15, 20, or 30 year;
- The loan type of the Delivery Commitment;
- The Note Rate for the Delivery Commitment; and
- The Delivery Commitment amount.

The MPF Provider will assign a Delivery Commitment number and issue a binding Delivery Commitment if the referenced Rate and Fee Schedule is still valid and if the referenced Master Commitment is open and the remaining amount equals or exceeds the amount of the Delivery Commitment. Each Delivery Commitment will be confirmed with the PFI on the day of issuance via on-screen notification and e-mail.

Once a Mandatory Delivery Commitment is established, the PFI may submit loans for Loan Presentment and loan delivery up until 3:30 P.M. Central Time two (2) Business Days prior to the Delivery Commitment's expiration (expiration is specified on the Delivery Commitment Confirmation) or until the Delivery Commitment is filled, whichever occurs first. Loan funding will occur generally on the Business Day following the loan delivery request, provided the loan data presented meets the Investor's requirements.

13.2.2 Tolerances (11/29/16)[35]

The low delivery tolerance for Mandatory Delivery Commitments is an amount that does not fall below the greater of $10,000 or 2.5% of the original Delivery Commitment amount. If the Mortgage Loans delivered under the Delivery Commitment fall below the delivery tolerance amount, then Pair-off Fees may be assessed to the PFI.

The high delivery tolerance for Mandatory Delivery Commitments is an amount that does not exceed the greater of $10,000 or 2.5% of the original Delivery Commitment amount. If the Mortgage Loans delivered under the Delivery Commitment exceed the high delivery tolerance amount, then over-delivery fees may be assessed to the PFI.

[35] MPF Announcement 2016-18 (11/29/16)

If the PFI requests a partial pair-off or over-delivery, the low delivery tolerance amount will be reduced to $50 below the revised commitment amount, and the high delivery tolerance will be reduced to $50 above the revised commitment amount.

Example:

- Original Delivery Commitment amount = $500,000
- 2.5% of $500,000 = $12,500
- Delivery Tolerance = greater of $10,000 or 2.5% of the original Delivery Commitment amount = $12,500
- High delivery tolerance = $512,500
- Low delivery tolerance = $487,500

13.2.3 Maximum Delivery Amount (7/24/17)[36]

The maximum over-delivery amount is twenty-five percent (25%) of the original Delivery Commitment amount.

A PFI is permitted to deliver Mortgage Loans that are over the high delivery tolerance (subject to an over-delivery fee), but the PFI may not deliver a Mortgage Loan that is more than the maximum over-delivery amount.

Example:

- Original Delivery Commitment amount = $150,000
- 25% of $150,000 = $37,500
- Maximum delivery amount = $187,500

If the calculation based on twenty-five percent (25%) of the original Delivery Commitment amount is less than $10,000, then $10,000 is used as the high delivery tolerance amount and the maximum amount that can be delivered under that Delivery Commitment.

Example:

- Original Delivery Commitment amount = $20,000
- 25% of $20,000 = $5,000
- Maximum delivery amount = $20,000 + $10,000 = $30,000

[36] MPF Announcement 2017-37 (7/24/17)

13.2.4 Note Rate Range (11/29/16)[37]

For each Mandatory Delivery Commitment, the PFI must specify a Note Rate. Acceptable Note Rate ranges may vary depending on the Note Rate a PFI specifies at the time the Mandatory Delivery Commitment is obtained. In some cases, the specified Note Rate range may occur in the upper or lower part of the acceptable Note Rate range. Please refer to the following chart for examples:

Note Rate (X denotes any integer)	Note Rate Range
X.000%	Minus (-) 0.250% and Plus (+) 0.250%
X.125%	Minus (-) 0.375% and Plus (+) 0.125%
X.250%	Minus (-) 0.000% and Plus (+) 0.500%
X.375%	Minus (-) 0.125% and Plus (+) 0.375%
X.500%	Minus (-) 0.250% and Plus (+) 0.250%
X.625%	Minus (-) 0.375% and Plus (+) 0.125%
X.750%	Minus (-) 0.000% and Plus (+) 0.500%
X.875%	Minus (-) 0.125% and Plus (+) 0.375%

Further examples substituting four (4) for X:

Sample Note Rate	Note Rate Range
4.000%	3.750% to 4.250%
4.125%	3.750% to 4.250%
4.250%	4.250% to 4.750%

[37] MPF Announcement 2016-18 (11/29/16)

Sample Note Rate	Note Rate Range
4.375%	4.250% to 4.750%
4.500%	4.250% to 4.750%
4.625%	4.250% to 4.750%
4.750%	4.750% to 5.250%
4.875%	4.750% to 5.250%

Since Delivery Commitment pricing is published and obtained in one-eighth percent (0.125%) increments, pricing will be determined for Mortgage Loans that are delivered with Note Rates in between one-eighth percent increments by interpolating the pricing difference, at the time the Mortgage Loan is purchased under the MPF Program, between the upper and lower one-eighth percent rate published for the specific Delivery Commitment.

13.2.5 Delivery Commitment Reduction (11/29/16)[38]

PFIs must contact the MPF Service Center to reduce the amount of a Mandatory Delivery Commitment prior to its expiration.

For all Delivery Commitments which are reduced, a Pair-off Fee will be calculated on one hundred percent (100%) of the reduction amount of the Delivery Commitment. The Pair-off Fee will be calculated at the time of the reduction.

13.2.6 Delivery Commitment Extension (11/29/16)[39]

PFIs must contact the MPF Service Center to extend a Mandatory Delivery Commitment. A Mandatory Delivery Commitment may be extended prior to its expiration for up to thirty (30) calendar days as either a one-time thirty (30) day extension or multiple extensions, provided the multiple cumulative extensions do not exceed a total of thirty (30) calendar days. A fee will be assessed for each extension. The extension fee takes into consideration the amount to be extended and the actual number of days by which the Delivery Commitment is extended.

[38] MPF Announcement 2016-18 (11/29/16)
[39] MPF Announcement 2016-18 (11/29/16)

13.3 Establishing a Best Efforts Delivery Commitment (11/29/16)[40]

To obtain a Best Efforts Delivery Commitment, the PFI shall identify a proposed mortgage loan that has not yet closed, and the PFI shall select the time period for delivery of the closed Mortgage Loan.

A Best Efforts Delivery Commitment contains the specific Note Rate, premium or discount, expiration date, loan product type, subproduct type, specific dollar amount and other terms pertaining to the delivery of the identified closed Mortgage Loan under the terms of a Best Efforts Master Commitment.

Once the proposed mortgage loan closes, the delivery of the closed Mortgage Loan becomes mandatory, and the loan must be delivered within the time period specified in the Delivery Commitment.

No change may be made in the identity of the borrowers, nor may the mortgaged property be different from that provided by the PFI when the Best Efforts Delivery Commitment was issued. A Best Efforts Delivery Commitment may not be cancelled for the purpose of delivering the identified mortgage loan for which it was opened under another Delivery Commitment, nor may another mortgage loan be delivered in place of the proposed mortgage loan for which the Best Efforts Delivery Commitment was opened.

If the proposed mortgage loan does not close, the PFI must notify the MPF Service Center to cancel the Best Efforts Delivery Commitment. No pair-off fee will be assessed in this instance.

13.3.1 Obtaining a Best Efforts Delivery Commitment (10/27/17)[41]

PFIs may open a Best Efforts Delivery Commitment using the eMPF website or by calling the MPF Service Center. Best Efforts Delivery Commitments may be issued at any time between the hours of 8:30 A.M. and 3:30 P.M. (Central Time) using the following methods:

- The PFI may utilize the eMPF website to establish a Delivery Commitment for the following loan types:
  - Conforming Mortgage Loans;
  - High-Balance Mortgage Loans; and
  - Mortgage Loans with loan terms of 15, 20, or 30 years.

[40] MPF Announcement 2016-18 (11/29/16)
[41] MPF Announcement 2017-62 (10/27/17)
MPF Announcement 2016-18 (11/29/16)

- The PFI must contact the MPF Service Center to establish a Delivery Commitment for Mortgage Loans with a 10 year term.

DU Refi Plus Mortgage Loans may not be delivered under a Best Efforts Delivery Commitment.

All telephone conversations relative to obtaining a Best Efforts Delivery Commitment are recorded.

The PFI must supply the following information when opening a Delivery Commitment (the Best Efforts Delivery Commitment information and the ULDD/XML file information must match in order for the delivery request to be approved):

- The PFI's name and number (if via telephone);
- The name of the person calling and authorized to obtain a Delivery Commitment (if via telephone)
- The number of the Master Commitment to which the Delivery Commitment is to be assigned;
- The delivery period;
- The loan term – 10, 15, 20, or 30 years;
- The Note Rate: must be the Note Rate for the Mortgage Loan to be delivered;
- The loan amount;
- The Borrower information; and
- The Mortgaged Property information.

If any of the Best Efforts Delivery Commitment data is also entered into Desktop Underwriter (DU), such data must match at the time the loan delivery request is made. If the DU data changes after the issuance of the Best Efforts Delivery Commitment, the PFI must request changes to the Best Efforts Delivery Commitment to ensure that the data matches the DU data prior to submitting the delivery request.

After the entry of this information into the MPF system, the following information will be verified with the PFI:

- The Best Efforts Delivery Commitment's price for the corresponding Note Rate, loan term and delivery period; and
- The referenced Best Efforts Master Commitment is open and the remaining amount equals or exceeds the amount of the Best Efforts Delivery Commitment.

Each Best Efforts Delivery Commitments will be confirmed with the PFI on the day of issuance via e–mail.

If a PFI opens a Best Efforts Delivery Commitment for a proposed mortgage loan that was identified for a prior Best Efforts Delivery Commitment, the new Best Efforts Delivery Commitment will not be subject to worse-case pricing if the following requirements are met:

- The new Best Efforts Delivery Commitment must be opened more than thirty (30) calendar days after the earlier of the expiration or cancellation of the prior Best Efforts Delivery Commitment (see the example in chapter 13.5.4); and
- For a loan underwritten with the assistance of DU, the PFI must submit the Mortgage Loan through DU again as a new loan and obtain a new DU casefile number. The requirements of the new DU casefile certificate must be followed for the mortgage loan to be eligible.

13.3.2 Note Rate Range (11/29/16)[42]

The Note Rate for the proposed mortgage loan must match the specific Note Rate for the corresponding Best Efforts Delivery Commitment and the Note Rate in the ULDD/XML file. The Note Rate must be in a one-eighth percent (0.125%) increment only. A Note Rate range is not available under a Best Efforts Delivery Commitment.

If the Note Rate for the proposed mortgage loan changes, the PFI must contact the MPF Service Center prior to submitting the delivery request with the ULDD/XML file to request that the Best Efforts Delivery Commitment Note Rate be changed to match the new Note Rate. The Best Efforts Delivery Commitment will be re–priced, and the pass through rate and prices will be based on the prices in effect when the Best Efforts Delivery Commitment was originally issued.

13.3.3 Delivery Commitment Amount (11/29/16)[43]

The loan amount for the proposed mortgage loan must match the specific commitment amount for the corresponding Best Efforts Delivery Commitment and the loan mount in the ULDD/XML file.

If the loan amount of the proposed mortgage loan changes, the PFI must contact the MPF Service Center prior to submitting the delivery request with the ULDD/XML file to request that the Best Efforts Delivery Commitment amount be changed to match the new loan amount. If the unpaid principal balance of the closed mortgage loan is less than the loan amount on the note due to a curtailment or the application of borrower payments, the PFI must request that the Best Efforts Delivery Commitment amount be changed to match the unpaid principal balance of the mortgage loan.

[42] MPF Announcement 2016-18 (11/29/16)
[43] MPF Announcement 2016-18 (11/29/16)

When the commitment amount is changed to the new loan amount, the Best Efforts Delivery Commitment will be re–priced if:

- The Note Rate changes;
- The loan term changes; or
- The loan amount increases from a conforming loan amount to a High–Balance Mortgage Loan amount or decreases from a High-Balance Mortgage Loan amount to a conforming loan amount.

The pass through rate and prices will be based on the prices in effect when the Best Efforts Delivery Commitment was originally issued.

13.3.4 Delivery Commitment Loan Term (11/29/16)[44]

The loan term for the proposed mortgage loan must match the specific loan term for the corresponding Best Efforts Delivery Commitment and the loan term in the ULDD/XML file.

The term of the Mortgage Loan must be exactly:

- 120, 180, 240, or 360 months for conforming Mortgage Loans; or
- 180 or 360 months for High-Balance Mortgage Loans.

If the term of the proposed mortgage loan changes, the PFI must contact the MPF Service Center prior to submitting the delivery request with the ULDD/XML file to request that the Best Efforts Delivery Commitment loan term be changed to match the new loan term. The Best Efforts Delivery Commitment will be re–priced; the pass through rate and prices will be based on the prices in effect when the Best Efforts Delivery Commitment was originally issued.

13.3.5 Delivery Commitment Extension (11/29/16)[45]

The Best Efforts Delivery Commitment expiration date is specified on the Best Efforts Delivery Commitment Confirmation. The commitment period can be extended as follows:

- For an unclosed mortgage loan: the PFI must contact the MPF Service Center to extend a Best Efforts Delivery Commitment. A Best Efforts Delivery Commitment may be extended prior to its expiration for up to and no more than thirty (30) calendar days as either a one-time, thirty (30) day extension or multiple extensions, provided the multiple extensions do not cumulatively exceed a total of thirty (30) calendar days. Once this 30 calendar day extension period expires,

[44] MPF Announcement 2016-18 (11/29/16)
[45] MPF Announcement 2017-62 (10/27/17)
MPF Announcement 2016-18 (11/29/16)

any subsequent Delivery Commitment requested for the delivery of the identified mortgage loan will be subject to a worse–case pricing adjustment.

- For closed Mortgage Loans:
  - If the loan funding does not occur prior to the Best Efforts Delivery Commitment expiration date, there will be an automatic extension of five (5) calendar days until the loan funding occurs; or
  - A Best Efforts Delivery Commitment may be extended after the loan delivery request, and prior to its expiration, for up to thirty (30) calendar days as either a one-time, thirty (30) day extension or multiple extensions, provided the multiple cumulative extensions do not exceed a total of thirty (30) calendar days. The PFI must contact the MPF Service Center to extend a Best Efforts Delivery Commitment after a delivery request has been made. If the loan funding does not occur prior to this 30 calendar day extended expiration date, the Best Efforts Delivery Commitment will automatically be extended five (5) calendar days until the loan funding occurs.

A fee will be assessed for each extension. If the Best Efforts Delivery Commitment is cancelled after the loan delivery request has been made, including due to the mortgage loan being ineligible for sale under the MPF Xtra product, the Delivery Commitment will be subject to a Pair-off Fee.

13.3.6 Loan Delivery Requests (4/18/17)[46]

The PFI will request the delivery of the closed Mortgage Loan that was identified in the Best Efforts Delivery Commitment through the submission of the ULDD/XML file. Loan delivery requests are subject to the following requirements:

- All of the Best Efforts Delivery Commitment information, the ULDD/XML file and DU (if loan was underwritten with DU) information must match, including:
  - The Borrower's information. Substitution of Borrower(s) on the Mortgage Loan identified in the Best Efforts Delivery Commitment is not allowed; and
  - The property address. Substitution of the Mortgaged Property identified in the Best Efforts Delivery Commitment is not allowed.
- The PFI shall provide notice that the Mortgage Loan identified in Best Efforts Delivery Commitment has become a closed Mortgage Loan. The PFI's submission, and the eMPF website's

[46] MPF Announcement 2017-16 (4/18/17)

initial confirmation of the delivery request, is the notification that the proposed mortgage loan identified in the Best Efforts Delivery Commitment has become a closed Mortgage Loan;

- The PFI must successfully complete the Loan Presentment process for the Mortgage Loan prior to or simultaneously with the loan delivery request;
- Loan Presentments and loan delivery requests may be requested up until 3:30 P.M. Central Time no less than two (2) Business Days prior to the Delivery Commitment's expiration. Loan funding will occur generally on the first (1st) Business Day following the loan delivery request, provided the loan data presented meets the investor's requirements; and
- The dollar amount permitted to be delivered must match the commitment amount and must be either the loan amount on the Note or the unpaid Principal Balance of the closed Mortgage Loan. The unpaid principal balance may be less than the loan amount on the Note due to a Curtailment or the application of Borrower payments. If the loan amount changes by any amount after the Delivery Commitment is opened, the PFI must notify the MPF Service Center no later than the day prior to date of the delivery request.

13.3.7 Delivery Commitment Fallout (11/29/16)[47]

In order to maintain eligibility to deliver Mortgage Loans under Best Efforts Delivery Commitments, PFIs must demonstrate acceptable use of the Best Efforts Delivery Commitments.

Examples of unacceptable use of Best Efforts Delivery Commitments are:

- A higher cancellation rate than those generally experienced under MPF Xtra product; or
- The cancellation of a Best Efforts Delivery Commitment specifically in order to deliver a closed Mortgage Loan under another Best Efforts Delivery Commitment or a Mandatory Delivery Commitment, regardless of any fees and price adjustments paid by the PFI.

Loss of eligibility would result in the PFI's Best Efforts Master Commitment being closed to new Best Efforts Delivery Commitments.

13.4 Closing a Delivery commitment (11/29/16)[48]

A Best Efforts Delivery Commitment is closed on the earlier of the applicable expiration date or on the date the Delivery Commitment is filled. A Mandatory Delivery Commitment is closed on the applicable expiration date. When a Delivery Commitment has expired, no other Mortgage Loans may be delivered under that Delivery Commitment.

[47] MPF Announcement 2016-18 (11/29/16)
[48] MPF Announcement 2016-18 (11/29/16)

In addition, no Mortgage Loan may be delivered under a Delivery Commitment if it would cause that Delivery Commitment to exceed the maximum permitted dollar amount. An exception is made for one over-delivery per Mandatory Delivery Commitment under the following extenuating circumstances:

- Where a Borrower decides to make a lower down payment, requiring a higher loan amount after the PFI obtained the Mandatory Delivery Commitment; or
- Where the PFI is unable to deliver a Mortgage Loan and the only eligible Mortgage Loan available has a higher loan amount than the maximum dollar amount permitted under the Mandatory Delivery Commitment.

When the above extenuating circumstances exist, the PFI must contact the MPF Service Center to deliver the Mortgage Loan.

13.5 Delivery Commitment Fees

This section describes the fees that may be assessed in relation to a Delivery Commitment.

13.5.1 Pair-off Fees

13.5.1.1 Mandatory Delivery Commitment Pair-off Fees (11/29/16)[49]

The entire remaining commitment balance will be automatically paired off for any expired, unfilled Mandatory Delivery Commitment. The Pair-off Fee will be based on the entire remaining balance of the Mandatory Delivery Commitment (original commitment amount less the total principal delivered).

The Pair-off Fee will be calculated as of the close of business on the expiration date of the Delivery Commitment.

13.5.1.2 Best Efforts Delivery Commitment Pair-off Fees (11/29/16)[50]

The delivery of the proposed mortgage loan in the Best Efforts Delivery Commitment becomes mandatory when it becomes a closed mortgage loan as reported at the time of the loan delivery request.

The PFI is subject to a Pair-off Fee when the closed mortgage loan is not delivered under the corresponding Best Efforts Delivery Commitment.

13.5.2 Over-Delivery Fees (11/29/16)[51]

[49] MPF Announcement 2016-18 (11/29/16)
[50] MPF Announcement 2016-18 (11/29/16)

Over-delivery fees will apply when the aggregate principal amount of the Mortgage Loans delivered under a Mandatory Delivery Commitment is greater than the Mandatory Delivery Commitment amount at expiration.

The over-delivery fee will be calculated as of the close of business on the date that the aggregate principal amount of the Mortgage Loan purchased exceeds the amount of the Delivery Commitment.

13.5.3 Calculation of the Pair-off Fee and the Over-Delivery Fee (11/29/16)[52]

The MPF Provider will calculate the Pair-off Fee and over-delivery fee based on the following:

- The amount of the pair-off;
- The premium or discount corresponding to the Note Rate for the Delivery Commitment; and
- The premium or discount in effect at the time of pair-off for Delivery Commitments that have the same product type, subproduct type, Note Rate, and delivery period that most closely approximates the remaining term of the Delivery Commitment being paired off.

Pair-off Fees and over-delivery fees will be charged to the PFI's DDA.

13.5.4 Worse-Case Pricing for Best Efforts Delivery Commitments (11/29/16)[53]

If another Best Efforts Delivery Commitment or a Mandatory Delivery Commitment is issued for the purpose of delivering the Mortgage Loan identified in the original Best efforts Delivery Commitment, the closed Mortgage Loan will be subject to a worse–case pricing adjustment under the Delivery Commitment which it is delivered if:

- The subsequent Delivery Commitment is opened while the original Best Efforts Delivery Commitment is open and unexpired; or
- The subsequent Delivery Commitment is opened less than or equal to thirty (30) calendar days after the earlier of the expiration or cancellation of the original Best Efforts Delivery Commitment even if the original Best Efforts Delivery Commitment was cancelled prior to the loan becoming a closed Mortgage Loan.

[51] MPF Announcement 2016-18 (11/29/16)
[52] MPF Announcement 2016-18 (11/29/16)
[53] MPF Announcement 2016-18 (11/29/16)

Under worse–case pricing, the closed Mortgage Loan's pricing under the new Delivery Commitment is adjusted after delivery and is calculated as follows:

(Original Commitment Price – New Commitment Price) x funded loan amount + any applicable extension period fees

The extension period is calculated in calendar days from the original Best Efforts Delivery Commitment expiration or cancellation date to the closed Mortgage Loan's funding date under the new Delivery Commitment and includes any extension fees already assessed.

Worse–case pricing adjustments are charged to the PFI's DDA post–funding.

	Best Efforts Delivery Commitment	**New Delivery Commitment (Best Efforts Delivery Commitment or Mandatory Delivery Commitment)**
Commitment Effective Date	09/01/16	11/03/16
Commitment Expiration Date	10/28/16	12/02/16
Loan Funding Date		11/15/16
Loan Amount	$100,000	$100,000
Pass Through Rate (Note Rate minus Servicing Fee)	4.125	4.125
Commitment Price	1.185	1.375

Price Difference = (1.185 – 1.375) x $100,000 = $190.00

Calendar Days between Best Efforts Delivery Commitment Expiration Date and Loan Funding Date = 18

Extension fee (18 days extension from 10/28/16 to 11/15/16) = $206.25 (example rate only)

Worse–case Pricing Adjustment ($190.00 + $206.25) = $396.25

CHAPTER 14. MORTGAGE LOAN PURCHASE

14.1 Conventional Mortgage Loan Seasoning Requirements (11/29/16)[54]

Originators must comply with Fannie Mae Selling Guide Chapter B2-1.4-02: Mortgage Loan Eligibility.

14.2 Data to be Submitted

In order to deliver a Mortgage Loan under the MPF Program, the following data must be submitted electronically via the eMPF website:

- PFI number and name
- PFI loan number
- Loan Application Date
- Name of the person submitting data and authorized to deliver Mortgages
- Master Commitment number
- Delivery Commitment number
- Borrower(s) name
- Borrower(s) ethnicity
- Borrower(s) race or national origin
- Borrower(s) gender
- Borrower(s) age
- Borrower(s) date of birth
- Borrower(s) monthly income
- Borrower(s) Social Security Number
- Borrower(s) FICO score
- Borrower(s) FICO score source
- Number of Borrowers
- NextGen FICO score

[54] MPF Announcement 2016-18 (11/29/16)

- Borrower(s) self-employed
- First time buyer
- Loan Origination Source
- Mortgage Identification Number (if MERS registered)
- Loan plan type
- Loan purpose
- Occupancy
- Loan feature
- Product type
- Loan term (in months)
- Note Rate
- Original loan amount
- Appraised value
- Sales price
- Note Date
- Loan-to-Value (LTV) Ratio
- Subordinated financing
- Total Loan-to-Value (TLTV) Ratio
- Housing expense ratio
- Total debt ratio
- Mortgage insurance coverage level (%), if required
- Mortgage insurance company code (if required)
- Mortgage Insurance certificate number (if required)
- Documentation type
- Asset verification

- Automated Underwriting System (AUS)
- Automated Underwriting System (AUS) certificate number
- Appraisal Type
- Buydown
- Special feature code(s)
- Anti-predatory lending (APL) category
- HOEPA status
- Rate/APR spread or Average Prime Offer Rate/APR spread
- Higher Priced Mortgage Loan status
- Property street address and apartment number
- City, state and zip code
- Property county name
- Federal Information Processing Standards (FIPS) code
- Property type
- Manufactured housing information
- Number of bedrooms per unit
- Unit owner occupied per unit
- Rent level per unit
- Rent plus utilities per unit
- Principal and Interest Payment
- Outstanding loan balance
- First payment due date
- Next payment due date
- Maturity date
- Funding Date

- Investor due date
- Disbursement date (if refinance)
- Loan Originator and Originator's Company ID numbers
- Appraiser state license number
- Supervisory appraiser state license number (if signor on Appraisal form)
- Current Loan-to-Value ratio (seasoned loan only)
- Pay history (seasoned loan only)
- All applicable Special Feature Codes (SFCs) as described in Exhibit Q-X. the SFC field may also be identified as the "Investor Feature Identifier" by a Loan Origination System (LOS) that is capable of creating delivery data in the Uniform Loan Delivery Dataset (ULDD) format. See Xtra Manual Exhibit Q-X for a complete list of the required SFCs. Note that some loans may require multiple SFCs. If more than six (6) SFCs are required, the first 6 SFCs must be delivered in MISMO field 368 (Investor Feature Identifier), and the 7th or greater SFC may delivered in MISMO field 393 (Loan Comments Field)
- The SFC for Flood insurance status coverage
- The Appraisal Document File Identifier (Appraisal ID #) obtained after delivery of an electronic appraisal file (UAD) through the UCDP website. The delivery of the Appraisal ID # is mandatory except for:
  - Property types in which the corresponding appraisal form has not yet been UAD standardized (2-4 unit properties and manufactured homes);
  - DU Refi Plus Mortgage Loans that meet the requirements to allow for a prior appraisal to be used or if no appraisal is required; and
  - A Mortgage Loan delivered with an appraisal form 2070/2075 according to a Desktop Underwriter (DU) approval;
- All Mortgage Loans must identify and deliver the payee (generally defined as the "Lender") as indicated on the Note. This information is found in MISMO field 641.1, described as "Full Name".
- All Mortgage Loan must be delivered in a uniform XML file format, known as the Uniform Loan Delivery Dataset format, or ULDD. See Exhibit S-X for a complete detailed list of ULDD required fields or visit the MPF Program's Resources at Uniform Loan Delivery Dataset Resources for additional information concerning ULDD. PFIs may use the Loan Presentment Instructions (Form

OG3) to help understand and cross-reference the definitions for some of the data fields and their enumerations.

14.2.1 DU Refi Plus Loan Data Delivery (11/29/16)[55]

When delivering DU Refi Plus Mortgage Loans, PFIs must deliver the following codes, as applicable:

- PMI Company Code: If the LTV ratio is greater than 80% and no MI coverage is obtained, the PFI must deliver "00" - No PMI;
- Appraisal Type For DU Refi Plus: If the PFI chose to exercise the property fieldwork waiver offer, the PFI should enter "00" – None, otherwise it should enter the appropriate code for the Appraisal Form used;
- Property Type Code V for condominiums– ULDD/XML File PT06; and
- Property Type Code E for PUDs– ULDD/XML File PT13.

14.3 Purchase Requirements

In order to qualify for purchase under the MPF Program, the Mortgage Loan must meet the following requirements:

- Complies with Fannie Mae Selling Guide Chapter B2-1.4-05, Principal Curtailments, for requirements regarding principal curtailments made prior to loan delivery;
- Is assigned to the appropriate open Delivery Commitment) as follows:
  - High-Balance Mortgage Loans (Mandatory and Best Efforts Delivery Commitments);
  - Conforming Mortgage Loans (Mandatory and Best Efforts Delivery Commitments);
  - DU Refi Plus Mortgage Loans with LTVs between 105.01% and 125% (Mandatory Delivery Commitments only); or
  - DU Refi Plus Mortgage Loans with LTVs greater than 125% (Mandatory Delivery Commitments only).
- Does not cause the maximum permitted amount of the referenced Delivery Commitment to be exceeded;
- Loan delivery requests must be made:
  - Mandatory Delivery Commitments – no later than 3:30 P.M. Central Time, no later than two (2) Business Days prior to Delivery Commitment expiration; or

[55] MPF Announcement 2016-18 (11/29/16)

  - Best Efforts Delivery Commitments – no later than 3:30 P.M. Central Time, no later than three (3) Business Days prior to Delivery Commitment expiration.
- Collateral Files must receive Initial Certification within the time period specified in the Guides.

14.4 Amount to be Paid

Mortgage Loans will be purchased in the amount of the current principal balance plus interim interest, from the prior payment date to the Funding Date, calculated on a 30/360 basis at the pass-through rate, plus or minus any applicable premium or discount.

For the Actual/Actual remittance type, the "outstanding loan balance" is the actual principal balance as of the Funding Date.

Depending on loan characteristics, each Mortgage Loan delivered may be subject to Loan Level Price Adjustments (LLPAs). Any LLPAs assessed will be deducted from the PFI’s DDA account at the MPF Bank, generally on the Funding Date.

See the Fannie Mae LLPA Matrix and Fannie Mae DU Refi Plus LLPA Matrix.

14.4.1 Payment Method (10/27/17)[56]

The PFI must successfully complete the Loan Presentment process via the eMPF® website by submitting all Mortgage Loan data in a uniform XML file format, known as the Uniform Loan Delivery Dataset format, or ULDD. See the Xtra Manual Exhibit S-X for a complete detailed list of ULDD required fields or visit the MPF Program’s Resources: Uniform Loan Delivery Dataset (ULDD) Resources for additional information concerning ULDD.

The loan delivery request must be submitted no later than 3:30 P.M Central Time, two (2) Business Days prior to Delivery Commitment expiration. Upon determination that a closed Mortgage Loan can be purchased as presented, the MPF Bank will initiate a credit to the PFI's DDA, typically on the Business Day following the loan delivery request. The purchase of a Mortgage Loan will be confirmed with the PFI via e-mail or electronically on the day of the loan delivery request. A follow up Transaction Confirmation and Loan Funding Activity Report will be delivered to the PFI on the purchase date that will include any applicable Investor fees and interim interest.

The first payment due date for all Mortgage Loans must be the first day of the second month following the disbursement date of the Mortgage Loan.

Mortgage Loans submitted for delivery are be subject to system validation of the Borrowers’ SSN. The system validation will check for the following:

[56] MPF Announcement 2017-62 (10/27/17)

- Invalid formats;
- SSN not issued;
- SSNs belonging to a deceased individual; and
- Borrower age/issue date discrepancies.

Any mortgage loan that has an SSN validation issue is not eligible for delivery under the MPF Program. The MPF Service Center will notify the PFI of the SSN issue the next Business Day following the loan delivery request.

When a loan delivery request cannot be completed due to an SSN issue, the PFI will be responsible for resolving the issue prior to re-submitting the mortgage loan for delivery. The SSN issue may be resolved by correcting an erroneously entered SSN or by validating a correctly entered SSN with the Social Security Administration (SSA). If the SSN needs to be corrected or the PFI has validated the SSN with the SSA, the mortgage loan may only be re-submitted for delivery by contacting the MPF Service Center. The PFI cannot deliver the loan using the eMPF website.

14.4.2 Reconciliation

If at a later date it is determined that a payment error has taken place, regardless of the source of the error, the MPF Bank will make adjusting debits or credits to the PFI's DDA and confirm the details of such adjustments with the PFI.

14.4.3 Premium Pricing Reimbursement (12/22/16)[57]

The MPF Bank reserves the right to request reimbursement for any premiums paid in connection with Mortgage Loans that are paid off within 120 days of the Funding Date.

[57] MPF Announcement 2016-30 (12/22/16)

CHAPTER 15. DOCUMENT DELIVERY TO THE CUSTODIAN (10/27/17)[58]

Unless otherwise directed by the MPF Provider, PFIs are required to use the MPF Program Custodian. The PFI must obtain acceptance from the Custodian that documents are in proper form and are properly executed. PFIs should reference MPF Custody Frequently Asked Questions and Answers (Exhibit J) for assistance with the MPF Custody process.

In addition, the PFI represents, warrants and agrees that immediately upon its receipt of funds for the purchase of each Mortgage Loan under the MPF Xtra product, until the Collateral File is delivered to the MPF Program Custodian, and during any time thereafter that the Originator is in possession of the Collateral File, it holds the Note and all the contents of the Collateral File for the account of Fannie Mae and its successors and assigns.

15.1 Collateral File Package (7/24/17)[59]

Documents must be submitted to the Custodian in the order specified in a legal-sized pocket manila folder. The outside of the manila folder must identify the MPF Program, the PFI's name, the Master Commitment number, the Borrower's name, the MPF loan number and the PFI's loan number. Collateral Files must be sent in MPF loan number order to the Custodian.

The following documents must be sent to the Custodian in the order indicated:

- Original Note with proper endorsements;

  In the case of a lost Note, a replacement Note must be executed by the mortgagor in accordance with the Initial Certification Review Checklist for MPF Xtra (Exhibit K-X). A lost note affidavit or a lost instrument bond cannot substitute for the original Note.

- The original unrecorded Assignment of the Security Instrument "in blank" from the PFI;
- Original unrecorded Assignments of the Security Instrument from the Affiliate to the PFI (if applicable);
- All recorded Intervening Assignments or certified copies of Intervening Assignments sent for recording (if applicable);
- Original/certified copy of the Power of Attorney (if applicable);
- Any rider, addendum, modification or Assumption that modifies the Note (if applicable); and

[58] MPF Announcement 2017-62 (10/27/17)
[59] MPF Announcement 2017-37 (7/24/17)

- Trust Agreement(s) (if applicable).

Any copies provided must be certified with the following signed statement: "certified to be a true and correct copy of the original."

15.1.1 New York Consolidation, Extension, and Modification Agreements

For CEMA, the following documents must be submitted to the Custodian:

- Original/Certified Copy of the most current version of CEMA (FNMA/FHLMC Form 3172);
- FNMA/FHLMC Form 3172 Exhibits "A", "B", "C", and "D". Exhibit "A" must list all Notes and Security Instruments being consolidated, modified and extended; and
- The original consolidated Note evidencing the new indebtedness endorsed "in blank", without recourse.

See the Initial Certification Review Checklist for MPF Xtra (Exhibit K-X) for more CEMA requirements.

15.1.2 Data Accuracy

The PFI is responsible for reviewing all Mortgage Loan documents for completeness and accuracy, and is responsible for the correction of all errors prior to submission to the Custodian. All Closing documents must be error-free. If corrections are necessary, strike-overs that are initialed by the Borrower must be used. Corrective coverings are not acceptable.

The names and signatures of each Borrower must be consistent on all Closing documents, and must correspond to the names appearing on the title insurance policy.

15.2 Document Safeguarding

The PFI must protect and safeguard all Mortgage Loan documents before they are sent to the Custodian or upon release from the Custodian. These practices include protection from external elements (such as fire), identification of documents as MPF Bank assets, and separation from other unrelated documents. Collateral Files should be stored in secure, fire resistant facilities with customary controls on access to assure their safety and security.

15.2.1 Transit Insurance (3/16/17)[60]

If the PFI has not contractually agreed with the Custodian to have the Custodian assume liability for Notes and Assignments and any other documents in the Collateral File while in transit, the PFI must

[60] MPF Announcement 2017-12 (3/16/17)

obtain insurance covering physical damage or destruction to, or loss of, any Notes, Assignments and other documents while such documents are in transit between the Custodian's premises and anywhere, regardless of the means by which they are transported. For the purpose of this insurance, Mortgage Notes are considered to be "Negotiable Instruments" under Section 3-104 of the Uniform Commercial Code (UCC).

The PFI or PFI's insurer, insurance broker or agent must notify the MPF Provider at least thirty (30) calendar days prior to cancellation or nonrenewal of the insurance.

The PFI's insurance policy must:

- Be underwritten by an insurer that has a B+ or better rating and also a financial size category of VI or better according to the A.M. Best Company, or be affiliated with Lloyd's of London;
- Be maintained in an amount that is deemed adequate for the number of Notes and Assignments held in custody and that is deemed appropriate based on prudent business practice; and
- Have a deductible amount no more than the greater of five percent (5%) of the PFI's GAAP net worth or $100,000, but in no case greater than $10,000,000.

If the PFI is covered under its parent's insurance program rather than by its own insurance, then the following additional requirements apply:

- The acceptable deductible amount for each insurance policy may be no more than the greater of five percent (5%) of the parent's GAAP net worth or $100,000, but in no case greater than $10,000,000; and
- The PFI must be a named insured.

15.3 Initial Certification Review (3/16/17)[61]

The PFI must deliver all required documents to the MPF Program Custodian for review, certification and safekeeping within seven (7) calendar days of the Funding Date by the MPF Bank. The MPF Program Custodian will review the Collateral File in accordance with the Initial Certification Review Checklist for MPF Xtra (Exhibit K-X).

For each Collateral File not received and certified within the required time frame, an uncertified loan fee will be assessed to the PFI each calendar day thereafter until the date of Initial Certification by the MPF Program Custodian or repurchase of the Mortgage Loan.

[61] MPF Announcement 2017-12 (3/16/17)

Any Mortgage Loans for which an Initial Certification has not been received from the Custodian within twelve (12) calendar days of the Funding Date will be deemed "Not Eligible" and must be repurchased by the PFI.

If the MPF Program Custodian determines that the documents submitted are not acceptable, the Collateral File will be suspended or deemed ineligible. The MPF Provider will notify the PFI of any Mortgage Loans for which the Collateral Files are suspended or ineligible, and the detailed reasons for the suspension or ineligibility.

If the MPF Program Custodian sends documents to the PFI for correction, the PFI must immediately correct any defects and return all documents to the MPF Program Custodian. Penalty charges may be assessed for delays in correcting and resubmitting required documents.

15.3.1 Correction of Exception (10/27/17)[62]

When the PFI discovers an Exception, which includes an error on one of the documents in the Collateral File or a discrepancy between the Loan Presentment information and the loan document information, the PFI must immediately report the Exception by emailing the MPF Custody Department at MPFCustody@FHLBC.com and work with the MPF Custody Department to correct the Exception.

Exceptions are detailed in the Exception Report on the eMPF website. PFIs should reference Exhibit H (Document Codes) and Exhibit I (Exception Codes) for a translation of the codes on the Exception Report.

15.3.2 Loan Not Eligible

If the Custodian determines that the documents in the Collateral File do not meet the MPF Program requirements, the Custodian will inform the MPF Provider of the conditions that cause ineligibility, and the Mortgage Loan must be repurchased by the PFI. The MPF Bank will affect the repurchase by withdrawing the required funds from the PFI's DDA.

15.4 MPF Program Custodian Fees and Service Charges (3/16/17)[63]

The MPF Program Custodian assesses the PFI the following fees and service charges:

- Rush release or rejected release request : (i) a request issued within the timelines listed below or (ii) for an invalid release request as determined by the MPF Program Custodian.

[62] MPF Announcement 2017-62 (10/27/17)
[63] MPF Announcement 2017-12 (3/16/17)

  - 1 Business Day turnaround -- $5.00
  - 2 Business Day turnaround -- $3.50
- Nonstandard or rejected release request - A fee charged to the PFI for: (i) the release of a Collateral File for a purpose other than Liquidation, Foreclosure or other Servicing responsibility that requires the physical possession of the Note or other documents (such as Exception correction for Initial or Final Certification requirements, etc.) or (ii) an invalid release request as determined by the Custodian.
  - 1 Business Day turnaround -- $5.00
  - 2 Business Day turnaround -- $3.50
  - 3-4 Business Day turnaround -- $2.00
- Non-standard or rejected file reinstatement requests -- A fee charged to the PFI for: (i) the file reinstatement following a release request for a purpose other than Liquidation, Foreclosure or other Servicing responsibility that requires the physical possession of the Note or other documents (such as Exception correction for Initial or Final Certification requirements, etc.) or (ii) an invalid reinstatement request as determined by the Custodian -- $3.00
- Copies of documents -- $1.00 plus $0.25 per single sided copy
- Exception correction (per Exception) – A fee charged to the PFI for every Exception cited by the MPF Program Custodian for Initial Certification, Final Certification, or recertification. Exception fees will be billed to a new PFI once one of the following occurs: sixty (60) calendar days have passed from first receipt of Collateral Files or one hundred (100) Collateral Files have been received by the Custodian from the PFI -- $3.50
- External file transfer (change of Custodian) -- $3.50

The MPF Provider will create preliminary custody invoices no later than the fifth (5th) Business Day of each month for the custody fees and service charges accrued in the previous month. The MPF Provider will create the final custody invoices on the eighteenth (18th) calendar day of each month or on the preceding Business Day if the eighteenth (18th) is not a Business Day, indicating the amount that will be drafted from the PFI's DDA. Both the preliminary and final invoices are available on the eMPF website. The MPF Provider reserves the right to amend the custodian fee schedule from time to time.

CHAPTER 16. POST-CLOSING REQUIREMENTS

16.1 Payments and Correspondence

If the Originator is not the current Servicer, any payments and correspondence that the Originator receives from the Borrower after Closing must be immediately forwarded to the current Servicer of the Mortgage Loan.

16.2 Rescission Notice

The Originator must immediately notify the current Servicer of the Mortgage Loan, the Master Servicer, the investor, and the MPF Bank if a rescission notice is received from a Borrower.

CHAPTER 17. SERVICING REQUIREMENTS

This chapter provides an overview for servicing retained loans and servicing released loans.

This chapter does not cover the requirements for the following types of transfers (which are addressed in the Servicing Guide):

- Transfers of servicing initiated post-loan delivery; or
- Transfers of servicing arising from mergers or other portfolio dispositions.

17.1 Servicing Retained

PFIs that are retaining the Servicing of the Mortgage Loans must refer to the MPF Xtra Servicing Guide for the servicing requirements.

17.2 Servicing Released

This chapter addresses the options for PFIs to transfer Servicing of a Mortgage Loan at loan delivery. To participate in these Servicing released options, PFIs must contact their MPF Bank Representative.

17.2.1 Whole Loan Sale

The MPF Xtra whole loan sale option involves the PFI selling MPF Xtra Mortgage Loans and the Servicing Rights for those Mortgage Loans to the MPF Provider at loan delivery. The MPF Provider then sells the Mortgage Loan to an investor and transfers the Servicing Rights to an Assuming Servicer. The PFI selling the whole loan (Selling Servicer) must execute an MPF Xtra Addendum to the PFI Agreement and must obtain an MPF Xtra Master Commitment that (i) indicates it will sell MPF Xtra Mortgage Loans on a whole loan basis and (ii) lists an Assuming Servicer as directed by the Selling Servicer's MPF Bank.

17.2.1.1 Selling Servicer Responsibilities (9/13/17)[64]

17.2.1.1.1 Transfer Process (9/13/17)[65]

MPF Xtra DCs opened on or before September 29, 2017 with Redwood Trust as the designated servicer

[64] MPF Announcement 2017-49 (9/13/17)
[65] MPF Announcement 2017-49 (9/13/17)

The Selling Servicer must transfer servicing to the Assuming Servicer in full compliance with Applicable Law, the Guides and in accordance with the terms and conditions of the Redwood Whole Loan Servicing Transfer Manual for MPF Xtra (Exhibit G-X).

MPF Xtra DCs opened on or after October 2, 2017 with CMC Funding as the designated servicer

The Selling Servicer must transfer servicing to the Assuming Servicer in full compliance with Applicable Law, the Guides and in accordance with the terms and conditions of the CMC Funding Whole Loan Servicing Transfer Manual for MPF Xtra (Exhibit W-X).

17.2.1.1.2 Quality Control Review

The Selling Servicer is responsible for conducting the quality control review in accordance with the Guides for MPF Xtra Mortgage Loans that were sold by the Selling Servicer on a whole loan basis. If an MPF Xtra Mortgage Loan is selected for MPF Provider or Fannie Mae quality control review, the Selling Servicer shall be responsible for providing copies of the required documents upon request from the MPF Provider or Fannie Mae.

17.2.1.2 Termination of the Assuming Servicer

The MPF Bank and the MPF Provider have the full right to terminate an Assuming Servicer's right to service MPF Xtra Mortgage Loans at any time. If an Assuming Servicer's right to service MPF Xtra Mortgage Loans is terminated, all MPF Xtra Master Commitments listing the Assuming Servicer as Servicer will be closed. The MPF Bank will work with the Selling Servicer to find an alternative servicing released option.

The MPF Provider or Fannie Mae may transfer the Servicing to such party as the MPF Provider or Fannie Mae may designate.

17.2.2 Concurrent Sale of Servicing to Another PFI (9/13/17)[66]

Concurrent sales or transfers of Servicing involve the PFI (Selling Servicer) selling the Servicing Rights to an Assuming Servicer at the same time the Mortgage Loan is sold to the MPF Bank. The Selling Servicer will remain liable for origination representations and warranties under its PFI Agreement. The Assuming Servicer must service the Mortgage Loans in compliance with the requirements in the Servicing Guide.

To participate in this concurrent sale of servicing option, PFIs must contact their MPF Bank Representative.

[66] MPF Announcement 2017-49 (9/13/17)

17.2.2.1 Eligible Servicers

Servicers of MPF Xtra Loans must:

- Be a PFI;
- Meet the eligibility requirements in the Program Guide and comply with the Applicable Standards;
- Execute an MPF Addendum to the PFI Agreement;
- Be engaged in purchasing servicing rights under existing servicing sales agreements;
- Be eligible to service loans for Fannie Mae;
- Execute an MPF Xtra Addendum to the PFI Agreement; and
- Be approved by its MPF Bank as a Servicer (thereafter known as an Assuming Servicer) eligible to acquire Servicing Rights for Serviced Xtra Mortgage Loans from Selling Servicers under the MPF Xtra product.

17.2.2.2 Selling Servicer Prerequisites to Selling Servicing Rights

The Selling Servicer may not sell any of its Servicing Rights without the written consent of the MPF Provider under the MPF Xtra product. The Assuming Servicer may not acquire Servicing Rights for Serviced Xtra Mortgage Loans under its PFI Agreement without the written consent of the Assuming Servicer's MPF Bank. Therefore, in order to sell Servicing Rights to an approved Assuming Servicer, the Selling Servicer must first complete all the following requirements:

- The Selling Servicer and the Assuming Servicer must complete and submit an MPF Xtra Servicing Transfer Notice (Form SG361-X) to the Assuming PFI's MPF Bank for its approval;
- The Selling Servicer and the Assuming Servicer must execute a Sale of Servicing Agreement;
- The Selling Servicer must obtain an MPF Xtra Master Commitment (MC) with the approved Assuming Servicer as the Servicing PFI for that MC; and
- The Selling Servicer must have the ability to either originate Mortgage Loans as a "MOM" loan (MERS as Original Mortgagee) or the ability to assign and register the loan with MERS immediately after the sale of the Servicing Rights.

17.2.2.3 Sale of Servicing Agreements

It is the Selling Servicer's responsibility to verify the Assuming Servicer is approved to purchase Servicing Rights and service MPF Xtra Mortgage Loans for the MPF Program. When a PFI is not approved to acquire Servicing Rights, the PFI must obtain approval to become an Assuming Servicer.

The Selling Servicer and the Assuming Servicer will enter into a Sale of Servicing Agreement in order to sell Servicing Rights for MPF Xtra Mortgage Loans. The MPF Bank and MPF Provider are not parties to the Sale of Servicing Agreement and do not have any obligations or liabilities under the Sale of Servicing Agreement. Additionally, no MPF Bank shall owe any fees to the Selling Servicer or the Assuming Servicer in connection with the sale of MPF Xtra Servicing Rights. Any compensation payable by the Assuming Servicer to the Selling Servicer in connection with the sale of MPF Xtra Mortgage Loan Servicing Rights shall be as provided in the Sale of Servicing Agreement.

In the event of a conflict between the Guides or the PFI Agreements and the Sale of Servicing Agreement, the Guides and PFI Agreements will control. However, to the extent that the Sale of Servicing Agreement addresses matters solely between the PFIs which do not affect the MPF Banks' rights with respect to the Serviced Xtra Mortgage Loans or the Servicing of such Mortgage Loans, then the Guides or PFI Agreements shall have no applicability to such matters.

The Assuming Servicer's Servicing Rights with respect to the Serviced Xtra Mortgages are specifically subject to the rights of its MPF Bank and the MPF Provider under the Assuming Servicer's PFI Agreement and as provided for in the Guides.

17.2.2.4 Servicing Rights Transfer Process

On the date provided for in the Sale of Servicing Agreement, but not later than the last date on which a sale can occur that would allow the Selling Servicer and the Assuming Servicer to comply with the Servicing Requirements specified in the Guides for Serviced Xtra Mortgage Loans, the Selling Servicer shall transfer or deliver to the Assuming Servicer:

- All funds held in connection with the servicing of the Serviced Xtra Mortgage Loans for the benefit of the Borrowers or Fannie Mae;
- Mortgage Loan Files and data related to the servicing of the Serviced Xtra Mortgage Loans necessary to service the Serviced Xtra Mortgages in accordance with Applicable Standards; and
- All Borrower notices pertaining to transfer of the Servicing Rights in accordance with Applicable Standards and the Sale of Servicing Agreement.

As of the date a Serviced Xtra Mortgage Loan is sold by the Selling Servicer under the MPF Xtra product, the Assuming Servicer shall be responsible for the servicing of the Serviced Xtra Mortgage Loan in accordance with the Applicable Standards. The Assuming Servicer shall accept the servicing of the Serviced Xtra Mortgage Loan despite any Selling Servicer breach of Sale of Servicing Agreement or breach of Selling Servicer Obligations.

The MPF Provider may be required to reverse a funding of a Serviced Xtra Mortgage Loan for which the Servicing Rights have been sold in order to correct loan data. This will result in a new funding confirmation for the Serviced Xtra Mortgage Loan. The Assuming Servicer will be required to service the Serviced Xtra Mortgage Loan in accordance with the new funding confirmation. Because such notifications of loan data corrections are delivered to the Selling Servicer, it is recommended that the Sale of Servicing Agreement contain provisions for the Selling Servicer to share such notification with the Assuming Servicer.

17.2.2.5 Custody Documents

The Selling Servicer shall deliver custodial documents for the Serviced Xtra Mortgage Loans to the MPF Program Custodian.

17.2.2.6 Note Endorsement

The Selling Servicer must endorse the Note “in blank” before it is delivered to the MPF Program Custodian.

17.2.2.7 Assignments

Unless MERS is the original Mortgagee, the Selling Servicer must prepare and record an Assignment of the Security Instrument to MERS for each Serviced Xtra Mortgage Loan in the form that complies with MERS requirements and Applicable Law.

17.2.2.8 Recording Assignments

Every Serviced Xtra Mortgage Loan must either be a MOM loan (MERS as Original Mortgagee) or assigned to MERS immediately after the sale of Servicing. Immediately following the sale of the Serviced Xtra Mortgage to the MPF Provider, either the Selling Servicer or the Assuming Servicer (as agreed to between them) shall record such assignment in the appropriate public records of the jurisdiction where the related Mortgaged Property is located.

17.2.2.9 Certification with the MPF Program Custodian

The Selling Servicer is responsible for the Initial Certification of the Collateral Files, resolving Initial Certification issues with the MPF Program Custodian, and payment of all fees imposed for uncertified documents or custodial Exceptions. All Serviced Xtra Mortgage Loans that do not meet the Initial Certification requirements within the required time period must be repurchased immediately by the Selling Servicer, along with the Servicing Rights pertaining to such Serviced Xtra Mortgage Loan.

17.2.2.10 Selling Servicer Document Access

The Selling Servicer may request and obtain the Collateral File from the MPF Program Custodian in order to correct certification exceptions only during the time period permitted for Initial Certification.

17.2.2.11 Custodial Accounts, Loan Accounts, and Remittances

The Assuming Servicer is required to maintain separate Custodial Accounts in accordance with the Guides. The Assuming Servicer will be responsible for monthly loan accounting and reporting commencing the first monthly cycle cutoff date after the Serviced Xtra Mortgage Loan was sold.

17.2.2.12 Other Selling Servicer Responsibilities

The Selling Servicer is responsible for conducting the quality control review in accordance with the Program Guide for Serviced Xtra Mortgage Loans for which the Servicing Rights have been sold.

If a Serviced Xtra Mortgage Loan for which the Servicing Rights were sold is selected for MPF Provider or Fannie Mae quality control review, the Selling Servicer shall be responsible for providing copies of the required documents upon request from the MPF Provider or Fannie Mae.

17.2.2.13 Servicing Rights Sale Provisions

In addition to the representations and warranties in the PFI Agreement, the Selling Servicer represents and warrants as of the Funding Date that:

- The Selling Servicer is the sole and lawful owner of the Servicing Rights;
- The Selling Servicer has the full right and power to sell the Servicing Rights to the Assuming Servicer;
- Except for the Sale of Servicing Agreement and the Selling Servicer Agreement, the Servicing Rights are not subject to any contract or other agreements of the Selling Servicer;
- The terms of the Master Commitment(s) remain in full force and effect; and
- The PFI Agreement remains in full force and effect.

Additionally, the Selling Servicer shall remain liable for:

- The origination obligations for the Serviced Xtra Mortgage Loans;
- Delivery of the document package; and
- Any violations of the Servicing Responsibilities that occur prior to the sale of the Servicing Rights to the Assuming PFI.

The MPF Provider or Fannie Mae may request that the Assuming Servicer repurchase any Serviced Xtra Mortgage Loan:

- Which does not meet the requirements of the Guides, whether such condition is due to the Selling Servicer's breach of any of its origination obligations or Servicing Responsibilities with respect to such Serviced Xtra Mortgage Loan; or

- If the Assuming Servicer violated its Servicing Responsibilities after its purchase of the Servicing Rights to the Serviced Xtra Mortgage Loan.

Without waiving its rights against the Selling Servicer, the Assuming Servicer shall effect such repurchase, provided:

- The Selling Servicer has not filed nor has a filing been made against the Selling Servicer under the Bankruptcy Code; and
- Neither a receiver nor a conservator has been appointed for the Selling Servicer;
- The MPF Provider or Fannie Mae assigns its rights against the Selling Servicer with respect to such Mortgage to the Assuming Servicer; and/or
- The Assuming Servicer is subrogated to the rights of the MPF Provider or Fannie Mae against the Selling Servicer with respect to such Mortgage Loan.

Regardless of whether or not any of the above conditions are met, the MPF Provider or Fannie Mae may pursue repurchase of the Serviced Xtra Mortgage Loan directly against the Selling Servicer or its successors and assigns in an instance where the Selling Servicer is responsible for a repurchase under the terms of the Guides and the Selling Servicer's PFI Agreement. However, the Assuming Servicer will continue to service such Serviced Xtra Mortgage Loan until it is repaid, liquidated or the MPF Provider or Fannie Mae notifies the Assuming Servicer that the Serviced Xtra Mortgage Loan has been sold.

17.2.2.14 Termination of the Assuming Servicer as Servicer

Termination of the Assuming Servicer's right to service Mortgage Loans under the PFI Agreement, shall terminate the Assuming Servicer's MPF Xtra Servicing without separate notice to the Assuming Servicer. If Fannie Mae terminates the Assuming Servicer's eligibility as a Servicer, it will also result in the termination of the Assuming Servicer's MPF Xtra Servicing Rights for the Serviced Xtra Mortgage Loans. Such termination shall not relieve the Assuming Servicer of its obligation to transfer all funds, Mortgage Loan Files and data for the Service Xtra Mortgage Loans in its possession to the party designated by the MPF Provider, or Fannie Mae. The MPF Provider or Fannie Mae may transfer the Servicing to such party as the MPF Provider or Fannie Mae may designate.

17.2.2.15 Termination of the Sale of Servicing Agreement

If the Selling Servicer terminates the Sale of Servicing Agreement, the Selling Servicer must notify the MPF Provider immediately in writing of the termination. Termination of the Sale of Servicing Agreement does not relieve the Assuming Servicer of its obligation to service the Serviced Xtra Mortgage Loans in accordance with the requirements of the Guides.