PARTICIPATING FINANCIAL INSTITUTION (PFI) APPLICATION

mpf Mortgage Partnership Finance™

Legal Name: _____ **MPF Bank:** FHLBank Topeka

Holding Company: _____

Charter Type: _____

Street Address 1: _____

Street Address 2: _____

City: _____ County: _____ Main Phone: _____

Zip Code: _____ State: _____ Website: _____

PFI Status: _____ FHFA #: _____ Member #: _____

PFI #: _____ Tax ID: _____ DID/DDA #: _____

FDIC/NCUA: _____ ABA #: _____ Risk Rating: _____

Legal Entity Identifier (LEI): _____

Mortgage Partnership Finance® (MPF®) Program Product Interest				
	Master Commitment Request #1	**Master Commitment Request #2**	**Master Commitment Request #3**	**Master Commitment Request #4**
Product:				
Servicing:				
Servicer:				
Remittance:				
MC Amount:				
Credit Enhancement (CE) Obligation:				
CE Fee in Basis Points:				

Mandatory Documentation	Conventional	Government	Jumbo
Fidelity Bond and E&O Insurance Declaration Pages	•	•	•
Quality Control Plan	•	•	•
Loan or Lending Policy (including Anti-Predatory Loan Policy)	•	•	•
Major Mortgage Functions Organizational Chart Resumes or Bios	•	•	•
Government Agency Approval FHA, VA, RHS Section 184 (MPF Government only)		•	
Policy and Procedures Receipt and review of recorded documents		MPF Government MBS only	
Government Agency Audit Results (or last three quarters internal QC audits)		MPF Government MBS only	
Procedures Origination, Underwriting, QC Servicing Retained (if applicable) Third Party Origination (if applicable)	•	•	•
Quality Control Results Pre- and Post-Closing	•	•	•
Appraisal Policy	•	•	•

Legal Name: _____ **MPF Bank:** FHLBank Topeka

Origination:

1. Provide your loan origination information for the current and previous years.
NOTE: Loan origination information can be limited to the product(s) identified in the MPF Product Interest table on page 1.

Current Year	Originations			Servicing	
	Loans	Amount	Sold	Retained	Released
Conforming					
Fixed					
ARM					
Government					
Fixed					
ARM					
Jumbo					
Fixed					
ARM					

Previous Year	Originations			Servicing	
	Loans	Amount	Sold	Retained	Released
Conforming					
Fixed					
ARM					
Government					
Fixed					
ARM					
Jumbo					
Fixed					
ARM					

2. MPF Direct Only. Provide information on projected jumbo mortgage originations for the current and next year. Include number of loans, dollar amounts, and states in which you project jumbo mortgage originations.

3. In what year did your institution's mortgage operations commence?

4. In what states does your institution originate mortgage loans?

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Origination:

5. Does your institution use a commercial software package or an in-house computer system for loan origination? Please identify the software package or in-house computer system used.

6. In order to comply with the Federal Housing Finance Agency's valid business purpose requirement of 12 C.F.R. 1268.4(a)(1)(ii) for assets being acquired by approved Participating Financial Institutions (PFIs) and sold under the MPF Program, FHLBank Topeka is requiring the following documentation be submitted by your institution.

☐ If your institution is not planning on selling Third Party Originated (TPO) loans under the MPF Program, mark this box, sign and date here and provide with your other application documents.

☐ If your institution is planning on selling Third Party Originated (TPO) loans under the MPF Program, mark this box, and complete the TPO Questionnaire.

Signature: _____ Date: _____

Underwriting:

7. Does your institution use Desktop Underwriter (DU), Loan Product Advisor (LPA) or Manual underwriting for your mortgage loans?

8. Do you have access to DU? ☐ Yes ☐ No

If not, do you need access to DU? ☐ Yes ☐ No

9. How does your institution ensure data entry into the AUS during pre-closing QC is accurate?

10. Does your institution contract with a mortgage loan fulfillment provider? If so, which loan fulfillment provider is used and what services are provided?

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Servicing:

Provide information on your institution's current servicing volume and performance for the products identified under the MPF Product Interest table on page 1.

11. Provide your institution's current servicing information.

Current Year	Servicing		Delinquency (# of loans)		
	# of Loans	Outstanding Unpaid Principal Balance (UPB)	>30 days	>60 days	>90 days
Conforming					
Fixed					
ARM					
Government					
Fixed					
ARM					
Jumbo					
Fixed					
ARM					

12. Provide the dollar amount for all of the remittance types by product currently being serviced.

Current Year	Remittance Type			
	Actual/Actual (A/A) Multiple Remittance	A/A Single Remittance (S/R)	Scheduled/Scheduled (S/S)	Scheduled/Actual (S/A)
Conforming				
Fixed				
ARM				
Government				
Fixed				
ARM				
Jumbo				
Fixed				
ARM				

13. List your major investors and indicate whether you retain servicing for those loans.

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14. MPF Government MBS and MPF Xtra®, Servicing Released Only. Participation in Mortgage Electronic Registration System (MERS®) is a requirement of the servicing released option. Provide your MERS Organizational ID.

15. Identify the software package or custom computer system used for servicing.

16. What experience does your institution have submitting investor reporting electronically?

17. Does your institution send funds using Automated Clearing House (ACH), via wire, or both?

18. If an affiliate of your institution will be the owner of the mortgage servicing rights and/or the servicer, please provide the name of the affiliate and explain its role. An affiliate is an entity that controls, is controlled by, or is under common control of either your institution or your institution's parent organization.

19. Provide information on any loans repurchased or, if a government loan, denied coverage, in the past 12 months.
NOTE: Provide the closing date(s) and the reason(s) for any repurchased and/or uninsured loan(s) in a separate document.

Previous 12 months	Repurchased	
	# of Loans	Outstanding UPB
Conventional		
Jumbo		
Previous 12 months	**Repurchased/Uninsured**	
	# of Loans	**Outstanding UPB**
FHA		
VA		
USDA		

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Anti-Predatory Lending:

1. Does the member originate loans that are classified as:	
a. "High Cost" by the Homeownership and Equity Protection Act of 1994 (HOEPA) or by any other applicable predatory or abusive lending (anti-predatory lending or "APL") law?	☐ Yes ☐ No
b. Covered Loans as defined by Exhibit A (Anti-Predatory Lending Category)?	☐ Yes ☐ No
c. If the response to 1.a. or 1.b. is yes, does the member have a method to detect and prevent such loans from delivery under the MPF Program?	☐ Yes ☐ No
2. a. Does the member have APL policies and screening procedures in place with respect to all mortgages delivered or to be delivered under the MPF Program that cover the requirements of MPF Program Guide Chapter 7.6?	☐ Yes ☐ No
b. If yes, do the policies and procedures address the requirements of MPF Program Guide Chapter 7.6?	☐ Yes ☐ No
3. Do the member's APL policies and screening procedures:	
a. Address who is responsible for tracking changes in APL laws?	☐ Yes ☐ No
b. Require the member to either i) screen the loans from or ii) review and monitor the APL policies and screening procedures of each "third party originator" (brokers and correspondents) from which the member purchases mortgages? (Check "not applicable" only if the member originates all loans that it delivers.)	☐ Yes ☐ No ☐ N/A
4. Does the member conduct pre- or post-closing APL audits? (check all that apply)	☐ Pre ☐ Post ☐ Neither
5. Does the member use a commercially available APL compliance/screening software program? If yes, specify program used: _____	☐ Yes ☐ No
6. Will/does the member deliver mortgages under the MPF Program that are secured by property located in a jurisdiction in which Standard & Poor's has determined it cannot rate mortgages defined as "unratable." For more information, see MPF Program Guide Chapter 7.6 and Exhibit A (Anti-Predatory Lending Category).	☐ Yes ☐ No
a. If the response to question 6. is 'Yes', have the member's most current APL screening procedures been provided to the MPF Bank?	☐ Yes ☐ No
b. Have the APL Screening procedures been reviewed by the MPF Bank? If so, attach the signed 'Notice to Provider' form (S – 19) or 'Notice of Intent to Disqualify or Suspend' (S-10) form as applicable.	☐ Yes ☐ No
c. If the response to question 6a. is 'No', or if you have modified your procedures since they were last accepted by the MPF Bank, or if the approval of the screening procedures by the MPF Bank only applied to specific 'unratable' jurisdictions and the member would now like to deliver loans in another 'unratable' jurisdiction (i.e. the member is approved to deliver loans in Massachusetts and New Jersey only, procedures must be reviewed and approved again in order that the member is also able to deliver loans in Rhode Island), please attach a copy of your institution's current APL screening procedures to be reviewed by the MPF Bank. Once the MPF Bank has reviewed the Procedures, please provide the applicable signed form as indicated in 6b.	☐ Yes ☐ No
7. Has the member had to repurchase loans from any investor due to any APL violations or perceived violations in the past five (5) years?	☐ Yes ☐ No
8. Does the individual executing this questionnaire represent that such person is duly authorized to sign the document on behalf of the member, certify that the member is aware of the MPF Program's APL guidelines as stated in Program Guide Chapter 7.6 and certify that the member will comply with MPF Program APL guidelines when delivering mortgages under the MPF Program?	☐ Yes ☐ No

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I hereby represent and warrant that all information contained in this Form OG2 and all supporting documents is complete and accurate.

I understand that the MPF Bank will be relying upon the information contained in this Form OG2 and all supporting documents and that any misrepresentation or omission may constitute a civil or criminal violation and may be cause for suspension or termination as an Originator or Servicer by the MPF Bank.

A copy of the member's current Fidelity Bond and E&O Insurance certificates or declarations pages stating coverages and deductibles as required under the MPF Guides must accompany this form.

This Form OG2 must be submitted and executed on behalf of the member by an individual authorized to do so pursuant to the requirements of the MPF Guides.

The MPF Program's Fidelity and E&O Insurance requirements can be found in the MPF Guides. The MPF Guides are located at www.fhlbmpf.com (click on the 'Online Guides' link on the top right-hand corner) or through the member's AllRegs subscription at www.AllRegs.com.

Section 1

1. Base Determination – compute using definition below:

The Base is defined as the total portfolio of all first-lien 1-4 family and multi-family residential mortgages serviced by the member for itself and others. This includes mortgages serviced on the member's behalf by a Subservicer or a designated Affiliate Servicer.

(BASE) Servicing Portfolio $ _____ As of (MM/DD/YY) _____

a. Does the Base consist of residential 1-4 family properties only? ☐ Yes ☐ No
(If Yes, the minimum limit of E&O Insurance coverage may be capped at $10 million.)

2. Fidelity Insurance Coverage

Minimum Required Fidelity Insurance

a. Minimum Fidelity Insurance $ _____ **b.** Actual Fidelity Insurance $ _____

3. E&O Insurance Coverage

The E&O Insurance policy provides for coverage per: ☐ Aggregate Loss ☐ Mortgage

a. If coverage per mortgage, what is the highest unpaid principal balance for a residential mortgage that the member or Servicer has in its portfolio? $ _____

b. Minimum E&O Insurance $ _____ **c.** Actual E&O Insurance $ _____

4. a. Maximum Fidelity Deductible $ _____ **b.** Actual Fidelity Deductible $ _____

5. a. Maximum E&O Deductible $ _____ **b.** Actual E&O Deductible $ _____

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Section 1 (continued)

6. Reconciliation

All reconciliation answers should be "Yes." If the answer to any of the reconciliation questions is "No," please explain on an attachment the reason the coverage does not comply with the requirements of the MPF Guides.

If the Actual Fidelity Insurance or the Actual E&O Insurance is insufficient, the Maximum Fidelity Deductible and/or Maximum E&O Deductible must be re-calculated using the new Actual Fidelity Insurance or Actual E&O Insurance amount obtained by the member to bring it into compliance with the MPF Program's Fidelity and E&O Insurance requirements.

Is the Fidelity Insurance sufficient?	☐ Yes ☐ No
Is the E&O Insurance sufficient?	☐ Yes ☐ No
Is the Fidelity Deductible acceptable?	☐ Yes ☐ No
Is the E&O Deductible acceptable?	☐ Yes ☐ No

Section 2

For questions 1a, 2a, 3a, 3b, and 4, if the answer is "No" please explain on an attachment the reason the coverage is not in compliance with the requirements of the MPF Guides.

1. Is the member covered under its parent's Fidelity Insurance or E&O Insurance policy?	☐ Yes ☐ No
a. If, Yes, I certify that the coverage provided by the parent's policy meets the requirements of the MPF Guides.	☐ Yes ☐ No
2. I certify that no officer or director (including its principal owner) of the member has been removed from the fidelity bond coverage.	☐ Yes ☐ No
a. If No, I certify that a direct surety bond has been obtained for such officer or director.	☐ Yes ☐ No
3. Does the member's E&O Insurance policy place sublimits on the insurer's liability for the different types of losses?	☐ Yes ☐ No
a. If Yes, I certify that the policy provides for full liability on property insurance losses.	☐ Yes ☐ No
b. If Yes, I certify that the sublimits of liability equal at least fifteen percent (15%) of the liability that applies for property insurance.	☐ Yes ☐ No
4. I certify that our Fidelity Insurance and E&O Insurance policies comply with all requirements of the MPF Guides not specifically addressed in this Form OG2.	☐ Yes ☐ No

5. (Optional) It is helpful if the member provides the MPF Bank with the insurance agency's name and contact information in order to obtain clarification and information regarding the member's Fidelity and E&O Insurance coverage. Providing this insurance agent information does not relieve the member of its obligation to provide the requested information and documentation to its MPF Bank.

Name: _____

Address: _____

City: _____ State: _____

Contact Name: _____

Telephone Number: _____

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Eligibility:

For the full list of eligibility requirements please consult the MPF Guides. The Guides are located at: www.fhlbmpf.com.

By signing the Application Statement Certification at the end of this application, as a representative officer of your institution, you are attesting to the fact that the eligibility requirements have been read and are understood, any information supplied by your institution is complete, true and correct, and your institution is in compliance with the statements made below.

General
PFIs must meet the following: • Notify your MPF Bank if your institution is the subject of any regulatory enforcement action. • Notify your MPF Bank if any owners, principals, or officers have been subject to any government disbarment or HUD program exclusion within the past ten (10) years. • Must have a composite CAMELS rating from its regulator of "3" or better. **Applies to MPF Xtra, MPF Direct, and MPF Government MBS Only.** • Capable of scanning and uploading loan file documents electronically.
All government loans, originated by the PFI and/or purchased under a third party origination (TPO) relationship, must have received the appropriate insurance or guaranty within 12 months from the date of closing.
Servicing Retained Only
Reporting to the four major credit bureaus (Innovis Data Solutions, Equifax, Experian, and TransUnion) is required.
Investor reporting is submitted electronically and meets MPF Program file format and field requirements.
Servicing Released Only
PFIs are liable for the interim servicing and origination representations and warranties.
MPF Government MBS Only
An approved mortgagee/lender, or the designated affiliate, must meet the following requirements: • Has a satisfactory or equivalent rating on its most recent government agency audit. • Is in good standing with each applicable government agency. • If applicable, your MPF Bank must be informed of any pending FHA Mortgagee Review Board Actions.
MPF Government MBS, Servicing Retained Only
A PFI, or its designated affiliate, is required to have the following: • The system and staff capable of servicing loans on a scheduled/scheduled basis. • A loan servicing system (LSS) that supports multiple loan-level servicing fees simultaneously. • Systems and processes in place to complete required monthly investor reporting on the first business day of the month. • The capability of providing Principal, Interest, Taxes, and Insurance (PITI) account balances with monthly investor reporting at a loan level.
MPF Direct Only
PFIs must demonstrate experience manually underwriting full documentation loans.
This product is not available for third party originated loans.

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Quality Control (QC):

For the full list of QC requirements please consult the MPF Guides. The Guides are located at: www.fhlbmpf.com.

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QC Plan Requirements
1. An in-house QC plan is maintained in accordance with the requirements of the MPF Guides, including the following: **a.** Loan selection process for pre- and post-closing QC reviews **b.** Verification of data and documents **c.** Timing of the pre- and post-closing QC reviews
Staff Requirements
2. Your institution has controls in place to ensure the post-closing QC department operates independently from the production department.
3. Staff performing the pre- and post-closing QC reviews are sufficiently experienced pursuant to established skill sets and expertise levels.
4. Staff training and minimum job qualifications to perform pre- and post-closing QC reviews are documented.
Loan File Documentation Requirements
5. All mortgage loan file documents are reviewed to ascertain the mortgage loan was underwritten properly and based upon prudent underwriting practices.
6. Closing documents are reviewed for accuracy, consistency, and compliance with all regulatory requirements pursuant to your QC plan.
QC Sampling
7. The pre-closing QC loan selection methodology is regularly re-evaluated to ensure its effectiveness.
8. If your institution employs a statistical sampling method to determine random post-closing QC sample size, the QC plan must contain the following: **a.** Method for making the statistical selection **b.** Variables used in the selection model and how they are defined **c.** The results of periodic evaluations of the process and the variables **d.** The establishment of time periods for the evaluations **e.** In addition to a random selection, a targeted sample size must be considered. Targeted selection criteria must take into account your institution's assessment of the risks inherent in its origination processes, business sources, volume, and product mix, and must be reviewed regularly to ensure criteria is appropriate.
9. If your institution does not employ a statistical sampling method, your institution is required to employ a 10% sampling method to determine post-closing QC sample size. The QC plan must indicate how the 10% sample is selected: **a.** Total annual MPF Program originations **b.** Total annual home mortgage production **c.** Total annual secondary market home mortgage production
10. Every mortgage is allowed a chance of being included for post-closing QC sample selection within the month following its closing date.

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QC Results and Reporting

11. Complete records for each mortgage file selected for pre- and post-closing QC review are maintained, including details of inconsistencies found in the mortgage file that may impact the investment quality or eligibility of the loan. Documentation of post-closing QC review should include:

- **a.** Re-verification of income and employment documentation used in the original underwriting process.
- **b.** Re-verification of the source of funds used in the original underwriting process.
- **c.** All verbal re-verifications are documented in writing.
- **d.** A tri-merge credit report is obtained for all loans selected through the random and targeted QC sampling process.
- **e.** A field review appraisal is performed for one out of 10 loans selected for the post-closing QC random sample.

12. Discrepancies identified during a mortgage loan file document review must be reassessed and, if outside of tolerances, the loan must be re-underwritten.

13. Your institution has a written QC plan that:

- **a.** Establishes a mortgage target defect rate (evaluated annually) for post-closing QC reviews
- **b.** Categorizes defects based on severity. The highest defect severity level is assigned to mortgages determined "not eligible for sale" under the MPF Program.
- **c.** Documents how pre- and post-closing QC findings are reported to senior management on a monthly basis.

14. All records of all pre-closing and post-closing findings must be retained for a minimum of three years from the date of the completion of the QC review and must include substantiation of any remedial action.

15. Post-closing QC findings that adversely affect the investment quality or eligibility for a loan sold under the MPF Program must be communicated in writing to the MPF Program within 30 days.

Note: The MPF Program must be informed immediately of any incident of fraud or false representation.

Other

16. If your institution utilizes a third party QC service provider for all or a portion of your QC program, please attest to the following:

- **a.** The services performed by the third party QC provider have been determined to comply with the MPF Program's requirements.
- **b.** The performance of the third party QC provider is overseen and evaluated by your institution on a regular basis.
- **c.** Corrective actions are applied equally regardless of whether findings are discovered by internal staff or by the third party QC service provider.
- **d.** The MPF provider must be informed immediately of any incident of fraud or false representation.

Note: The MPF Program must be informed immediately of any incident of fraud or false representation.

17. If servicing is transferred, the originating PFI must furnish records of completed QC reviews to the new servicer, or ask that QC is performed by the new servicer. This requirement must be included in your institution's QC plan.

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MPF Government MBS Mortgage Audit Disclosure:

For Servicing Retained Only

Ginnie Mae conducts audits relating to MPF Government MBS mortgages sold under the MPF Program, in addition to independent audits performed by the MPF Provider, as outlined in MPF Program Guide Chapter 4. PFIs that service, sub-service, or have hired a sub-servicer to service MPF Government MBS mortgages may be in possession of certain documentation needed for the audit and will be asked to provide such documentation to the MPF Provider **within a few business days** as indicated in the request. The activities listed below are some of the frequently focused areas of Ginnie Mae audits for which PFIs should have the required government agency processes in place and be prepared to provide all relevant records:

- Cash Management
- Collections
- Liquidations
- Claims
- Delinquencies
- Investor Reporting

In addition, the PFI's written procedures as required by the government agency, and any applicable supporting documentation, should be readily available upon request. The list below contains some examples of commonly requested documentation:

- Bank Account Activity
- Collection Notes
- Loan Histories
- Property Inspection and Preservation Evidence
- Evidence of Loss Mitigation (Foreclosure, Bankruptcy Filings, or Forbearance)
- Proof of Claims for Bankruptcy Loans and Motions for Relief (if applicable)
- Letter Logs
- State Foreclosure Requirements
- Payment History
- VALERI Event Reporting (VA Loans)
- Neighborhood Watch
- Escrow Analysis
- Evidence of MIP or Guaranty Insurance Payments
- Evidence of current Hazard Insurance Coverage or Master Insurance Policy for condominium or PUD loans as applicable
- Bank Overdrafts
- File Documentation
- Government Agency Audit or Review and any necessary corrective action

In addition to the MPF Program's requirements for MPF Government MBS mortgages in the MPF Program Guide, PFIs should also refer to the most recent versions of the applicable government agency guides to ensure their compliance with the agency's mortgage documentation and procedural requirements.

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Application Statement Certification:

Is your institution and/or any of its principal officers, directors, partners or owners of five percent or more interest the subject of any actions, claims, inquiries, investigations, suits or proceedings pending at law or in equity or before any government agency or is your institution the subject of any litigation, assessments or contingent liabilities not disclosed in your financial statements? If so, explain the situation below.

The applicant hereby represents and warrants that all information contained in this form and any supporting documentation is complete and accurate. The applicant understands that (1) your MPF Bank will be relying upon the information contained in this form and any supporting documentation, (2) any misrepresentation or omission may constitute a civil or criminal violation and may be cause for suspension or termination as an Originator or Servicer by your MPF Bank, (3) your MPF Bank will be notified of any material changes in the information provided in this application during the time after submission of this application and prior to approval, and (4) your institution is in compliance with the applicable requirements of the MPF Guides.

The MPF Resolution dictates the officers authorized and required to execute this form.

Signature: _____ Signature: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

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March 2023