



# Mortgage Partnership Finance® (MPF®) Program

## Servicing Retained

Under the MPF Program, you have the ability to retain or release the mortgage loan servicing rights for both conventional and government loans offered under the Traditional MPF Program suite of products. There are three payment remittance options for retaining the servicing and currently two servicing aggregator relationships for servicing released. We provide easy access to all the servicing options and guidelines as you consider how to best serve your customer.

### Servicing Retained

**MPF Servicing Guide** - The entire MPF Program servicing retained process (including several specific topics not discussed here) is outlined in the MPF Servicing Guide. MPF Guides for origination and servicing are available to you on AllRegs®; from the MPF Program website at [www.fhlbmpf.com](http://www.fhlbmpf.com), click on AllRegs Guides. From servicer eligibility standards to reporting requirements, this online access to the rules and requirements is well documented for your convenience.

**MPF Master Servicer** - The MPF Program's Master Servicer is Computer Share, located in Columbia, Maryland. Computer Share's loan accounting system performs a parallel process to the servicer's loan amortization. Mailing and contact information for the Master Servicer is located in Exhibit T - MPF Directory under Exhibits in the online guides. As a servicing-retained Participating Financial Institution (PFI), you will have an investor reporting submission with Computer Share and a default management decision making relationship with the MPF Provider.

**Servicing Fee** – In consideration for the servicing of the mortgage loans, the servicer is entitled to retain the servicing fee that is established in the master commitment. The servicer also retains any late charges, penalty interest and assumption fees paid by the borrower.

### Remittance Types and Custodial

**Accounts** – The servicer will maintain separate custodial accounts for scheduled/scheduled and actual/actual remittance option for principal and interest collection prior to transferring or remitting to FHLB DDA.

mpf Mortgage Partnership Finance		MPF® ORIGINAL	
MORTGAGE PARTNERSHIP FINANCE® - MASTER COMMITMENT FORM			
Master Commitment No.: 5	Selling PFI:	PFI Number:	This Master Commitment made and accepted on:
Master Commitment Amount:	Servicing PFI:	PFI Number:	Estimated Completion Date:
First Loss Account: <input type="checkbox"/> Uprate <input type="checkbox"/> Actual/Actual SR <input type="checkbox"/> Scheduled/Scheduled	<input type="checkbox"/> Actual/Actual <input type="checkbox"/> Actual/Actual	<input type="checkbox"/> Closed Mortgages	
Credit Enhancement Fee: bps	Maximum PFI Credit Enhancement Amount:	Estimated PFI Credit Enhancement %:	

This agreement sets forth the terms and conditions of the MORTGAGE PARTNERSHIP FINANCE® Master Commitment made by the undersigned Participating Financial Institution ("PFI") to the Federal Home Loan Bank pursuant to the Participating Financial Institution Agreement ("PFI Agreement") and the Guides that form a contract between the parties hereto. The terms of this Master Commitment, including those identified above, are binding on the parties hereto. The definitions and provisions contained in the PFI Agreement and the Guides are incorporated into this Master Commitment. In the event of any inconsistencies between those definitions and provisions and this Master Commitment, this Master Commitment will govern. The amount of the PFI's Credit Enhancement obligation will be re-evaluated in ten years, or as otherwise agreed by the parties. The parties hereto agree that the Bank may sell, transfer or assign the Mortgages in this Commitment together with the Bank's rights with respect to the Credit Enhancement and its obligations with respect to the Credit Enhancement Fee associated with such Mortgages without the consent of the PFI. Further, the Bank shall not sell, transfer or assign the Mortgages in this Commitment separately from the Credit Enhancement and the Credit Enhancement Fee associated with such Mortgages unless such sale, transfer or assignment would not result in the Credit Enhancement being treated as a credit derivative by the Bank under generally accepted accounting principles. This is a best efforts Master Commitment for any amounts not subject to outstanding Delivery Commitments. Only loans meeting characteristics of above selections are eligible for this commitment. The Servicing Fee is 25 basis points (0.25%) annually, determined each month based on the aggregate unpaid principal balances of the Mortgages on the last day of the preceding month. This document may be executed by the PFI and the Bank in separate counterparts, each of which shall be deemed an original and both of which taken together are deemed to be one and the same document. The parties understand and agree that this document may be transmitted between them by electronic mail (email) and that image or scanned copies of original signatures will be accepted and may be relied upon as original signatures by all parties.

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# Servicing Retained

**Servicer File Requirements** – The servicer must maintain a servicer file for each mortgage loan, which includes the following:

1. True and correct copies of each of the documents that are held by the custodian
2. Evidence of hazard insurance policy or a certificate of insurance
3. Evidence of a flood insurance policy or a certificate of insurance
4. The primary mortgage insurance certificate
5. For government loans, the applicable insurance or guaranty
6. Originals or copies of all documents used during the origination process
7. Evidence of all RESPA and Regulation Z disclosure statements
8. The appraisal report
9. Final HUD-1 Settlement Statement or closing disclosure
10. Evidence of any tax service contract
11. Copies of other documentation
12. Collection letters or notices sent to the borrower
13. Any and all Foreclosure correspondence, bankruptcy correspondence and legal notifications
14. All other related mortgage loan documents which are customarily maintained

Remittance options include scheduled/scheduled (S/S), actual/actual (A/A) and actual/actual single remittance (A/A SR).

MPF Traditional Products   Conventional and/or Government				
Type of Account	P&I (Separate accounts for S/S & A/A)	Taxes & Insurance (T&I)	Interest Bearing DDA	Non Interest Bearing DDA (A/A only)
Account Location	PFI	PFI	FHLBank Topeka	FHLBank Topeka

Prepare monthly reconciliations for each of the Custodial Accounts maintained and, upon request, forward copies to MPF Loan Accounting.

(See Forms for Custodial P&I Account Reconciliation (*Form SG320* or *SG320A*) and

Custodial T&I Account Reconciliation (*Form SG321* or *SG321A*))

**A/A (multiple remittance option) Mandatory Transfers** - On any business day that the balance of the actual/actual P&I custodial account (excluding servicing fees) exceeds \$2,500 (including liquidation and curtailment funds), the servicer must transfer all transferable collections in the actual/actual P&I custodial account and deposit them into the A/A account with FHLBank Topeka. In addition, on the first business day of the following month, the servicer must transfer all remaining transferable collections from the custodial account to the A/A account.

**Remittance of Funds** - On the 18th calendar day of each month, or the preceding business day if the 18th is not a business day, FHLBank Topeka will initiate a draft withdrawing funds from the servicer's DDA (or for the actual/actual remittance type, from the servicer's A/A account) in an amount representing the monthly remittance amount due. *Exhibit A: MPF Portfolio Product Investor Reporting Calendar* is available on AllRegs.

**Principal and Interest** - All mortgage loans must fully amortize with interest calculated and paid in arrears (based on a 30-day month and a year with 360 days). Factors and dollar amounts used for calculations of any interest payments should be carried to the tenth decimal place.

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The interest due from the borrower is calculated based on:

- The unpaid principal balance of the mortgage loan prior to application of the principal portion of the current monthly payment;
- 30 days' interest at the note rate; and
- Adjusted for the effects of curtailments, prepayments in full and liquidations.

**Payment Application Procedure** - All payments are due on the first of each month.

Payments from borrowers must be applied in the following order:

1. Required monthly interest;
2. Required monthly principal;
3. Deposits for taxes and insurance;
4. Prepayment, if applicable; and
5. Any fees which may be retained by the servicer (e.g., late charges, penalty interest, assumption fees).

**Reporting Loss/Gain** – The servicer must report in writing to the master servicer any realized loss (gain) upon the disposition of REO or liquidation of any defaulted conventional loan. The servicer is required to calculate a realized loss (gain) by completing and submitting to the master servicer a Calculation of Realized Loss (*Form SG332*) or equivalent, not later than the fifth business day of the month following the month of the disposition or liquidation.

**Monthly Reporting** - The servicer must complete and forward the monthly accounting reports to the master servicer in an electronic format and must be received no later than the fifth business day of the month following the reporting month (by noon EST). The monthly accounting report forms include but are not limited to the following:

- Mortgage Loan Transaction Journal
  - Transmitted via ASCII file format, *Exhibit C* (or) Excel file format, *Exhibit D*
- Monthly Summary Report and Certification (*Form SG300*);
- *Exhibit B - Delinquent Mortgage Report*
- Calculation of Realized Loss or Gain (*Form SG332*), if applicable;
- Property Inspection Report (*Form SG331*);
- Notice of Acquired Property (*Form SG334*) (eMAQCS Plus);

- Request for Release of Documents (*Form SG340*) (MPFfreaseteam@wellsfargo.com);
- Property Insurance Loss Draft Notification (*Form SG342*) (MPFservicing@fhlbc.com);
- MI Cancellation Notice (*Form SG343*) (MPFservicing@fhlbc.com); and
- Workout Worksheet (*Form SG354*) (eMAQCS Plus)

**Turnaround Report Process** – As a means to providing timely, consistent feedback on loan level exceptions, a turnaround report process is used and includes the following reports:

- Unprocessed Loans Report – from the master servicer generates only if there are loans funded that the servicer did not report to the master servicer.
- Initial Turnaround Report (TAR) – from the master servicer loan discrepancies between master servicer records and the servicer's records.
- Exception Clearing Report (ECR) – from the servicer reports actions to be taken to clear reported exceptions to the master servicer
- Final TAR – from the master servicer summarizes the remittance due the investor

## Default Servicing

**Mortgage Loan Delinquency** – For mortgages where no payment is made during the month it is due or in bankruptcy as of the last day of the preceding month, the servicer must submit a Delinquent Mortgage Report to the MPF Provider through eMAQCS Plus.

*Exhibit B – Delinquent Mortgage Report – Standard File Layout* (pictured at right)

Delinquent Mortgage Report – Standard File Layout (Exhibit B)			
Standard File Layout			
COLUMN HEADER / FIELD NAME	DESCRIPTION AND DATA GUIDANCE	FIELD RULE	
ACTION_CODE	Provide Action Code that is reflective of loan's current status. Applicable Action Codes include: • 0 (No Action) • 12 (Retail Provision) • 15 (Bankruptcy) • 20 (Loss Mitigation) • 30 (Refer to Foreclosure) • 70 (REC) • 71 (Third Party Sale) • 72 (REC with Government Claim) Use numeric code.	Required, cannot be left blank	N C A C E
SERVICER_LOAN_NBR	A unique number assigned to a loan by the Servicer. This may be different than the LOAN_NBR field.	Required, cannot be left blank	C A M C

**Early Payment Default (EPD) Mortgages** - Under the MPF Program an EPD mortgage only

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includes conventional mortgages that become 90 days past due within the first 14 months from the first payment due date. A quality control review by the servicing PFI is required for each mortgage that becomes an EPD.

**Forbearance Plan and Repayment Plan Options** – These are available to the servicer to help provide relief to the borrower. Where relief is appropriate, the servicer should arrange a forbearance plan giving the borrower a definite period, commencing immediately, during which the borrower may reinstate the mortgage loan by making payments in excess of the regular monthly payments. A repayment plan is an agreement between the servicer and a cooperative borrower to make payments in excess of the regular monthly payments for a period not to exceed 12 months.

**Temporary Loan Payment Modification Plan for Loss Mitigation** - Under certain circumstances, where a borrower is in default or faces imminent default, a temporary loan payment modification plan may be an appropriate loss mitigation option. Servicers should consider a modification plan only after all other loss mitigation options have been exhausted or determined to be ineffective given the borrower's circumstances. Borrowers are eligible for a modification plan if the Loan Workout Plan (*Form SG400*), Borrower Hardship Certification (*Form SG402*), Temporary Loan Payment Modification Agreement (*Form SG401*) and all required disclosures are issued to the borrowers on or before the established deadline. Servicers must submit their recommendations and applicable forms to the master servicer for review and approval.

**Webinars** – For information and registration opportunities on servicing-related webinars, visit the *FHLBank Topeka website* and choose Events.

## MPF SERVICE CENTER

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## Learn More

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If you have any questions about this process, please contact us. For a full list of other helpful guides about the MPF Program, visit our website at [www.fhlbtopeka.com/mpf](http://www.fhlbtopeka.com/mpf), select Operational Guides tab.

LAST UPDATED AUG. 24, 2022

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