



MORTGAGE PARTNERSHIP FINANCE® (MPF®)

SUMMARY OF PARTICIPATING FINANCIAL INSTITUTION (PFI) APPLICATION & IMPLEMENTATION PROCESS

Phase 1 – APPLICATION FOR RECOMMENDATION FOR APPROVAL:

Once a member has decided to proceed with the MPF Program, an application will be distributed and the following implementation process will take place prior to your institution selling a loan into the MPF Program. If you would like further information on the MPF Program or the following forms below, please contact Michael Schoffelen, MPF Business Manager at (212) 441-6752.

MPF PFI Application

The MPF PFI application is a brief two page form requesting some general and mortgage business information regarding your institution.

If your institution wants to sell third party originated (“TPO”) loans into the MPF Program, your institution will need to apply and be approved to deliver these TPO loans into the program. Make sure to complete section IV item # 6 and #7 of the MPF PFI Application. Please note that if a PFI delivers a TPO loan into MPF and is not approved to do so, the FHLBNY will require repurchase of the loan.

MPF PFI Resolution

The MPF PFI Resolution is a one page form that requires your institution's board approval for your participation in the MPF Program. The form will list all the authorized officers that your board approves to transact all MPF business. Those officers must sign the form along with your institution's secretary or assistant secretary.

MPF In-House Quality Control Questionnaire

PFI's are required to have an In-House Quality Control program, see Chapter 8.2 of the MPF Program Guide, which you may obtain from the following link http://www.allregs.com/tpl/public/mpf_til.aspx.

You may contract with a third party QC vendor to meet the MPF programs In-House PFI's QC requirements.

Anti-Predatory Lending (APL) Questionnaire

PFI's are required to adhere to APL laws, see Chapter 7.6 of the MPF Program Guide, which you may obtain from the following link http://www.allregs.com/tpl/public/mpf_til.aspx.

Provide your institution's APL policy Representations & Warranties statement along with your procedures. If your institution originates, purchases, services and/or sells loans in the states of IN, NJ, MA, ME and/or RI, provide your specific state testing method for the APR, Points and fees thresholds in these jurisdictions. Also provide your screening method for your institution's federal HOEPA Section 32 APR, points and fees threshold tests along with the HOEPA Section 35 - Higher Priced Mortgage Loan and HMDA rate spread tests. Note: If your front end or origination system performs these tests or if an audit software is utilized, please mention this on the form.

We ask you to provide the following documentation with the aforementioned forms:

Organizational Chart for the entire Mortgage area

Provide your institution's Mortgage department organizational chart that encompasses – e.g. Origination, Underwriting, Servicing, Post Closing, Secondary Marketing and Investor Reporting. Please ensure it specifies, if applicable, the QC officer is separate from the origination and underwriting department.

Bios or Resumes for Key Mortgage Officers

Provide bios or resumes for at least three key individuals, most importantly in the Mortgage Originations, Servicing, Secondary Market and Investor Reporting areas.

Evidence of Mortgage Holders Errors & Omissions Insurance Coverage

Provide a copy of your current insurance declaration for Fidelity insurance and Errors and Omissions coverage along with a completed Form OG2 worksheet that stipulates the MPF insurance requirements.

Delinquency Data for first lien Mortgage loans (1-4 Family residential loans) Serviced for own portfolio and other investors portfolios

If you service your own portfolio and for other investors (e.g. FNMA, FHLMC, etc...), submit the delinquency info on your own institution and if applicable the top two or three investor portfolio(s), for the past four recent quarters.

Phase 2 – LEGAL DOCUMENTS:

The below documents are to be completed after a member is approved to participate in the MPF Program.

Resolution Agreement for MPF Participating Financial Institution

(If already completed during the above Phase I application process please disregard)

Participating Financial Institution Agreement

Spells out the contractual terms under which the PFI will originate and service loans that are sold into the MPF Program.

Delegation of Authority

Lists all the authorizations for individuals involved in the process of selling a loan into the MPF Program.

Delegation of Authority- Request for Files from Custodian

This permits certain people to contact the Custodian to request release of files.

Collateral Release Information Form

This permits certain people to contact the Custodian to request return of collateral files.

Agreement for Servicer's Custodial Account P&I

You will need to open a principal & interest custodial account. If you choose the multiple remittance option you will be required to open a non-interest bearing demand account here at the New York Bank as well.

Agreement for Servicer's Custodial Account T&I

Account must be established and named as follows, "Trustee of the Taxes and Insurance Custodial Account for the benefit of the Federal Home Loan Bank of New York"

Servicer Information Form

Establishes authorizations for those who will be servicing and reporting to the Master Servicer.

Post Closing Information Form

Establishes who and where collateral files are to be returned.

Master Commitment Form

Form for the MPF product of your choosing that establishes the maximum dollar amount, maximum credit enhancement amount, and the first loss position.

Phase 3 – ON-SITE MPF OPERATIONAL TRAINING:

In order to participate in the MPF Program, mortgage staff must attend operational training on-site at the member's institution. Training will cover the following: Credit Enhancement, Delivery Commitments, Loan Funding, Post Closing, Custody, Quality Control, Investor Reporting and Custodial Accounting. Attending an underwriting webinar or similar training is required prior to selling a loan into the MPF Program.

NOTE: Should you have any questions you may contact Michael Schoffelen at (212) 441-6752.

The MPF Program, Selling and Servicing Guides are available electronically free of charge via AllRegs® Online MPF Guides. All MPF requirements are listed in these guides and the Bank requests that all PFI applicants become familiar and conform to those requirements when participating in MPF. You should register for E-Mail alerts to receive important updates such as PFI Notices, PFI Advisories and MPF Marketing Bulletins by clicking on E-Mail subscription tab.