

# MPF<sup>®</sup> Program Overview

## FHLB Des Moines MPF User Conference



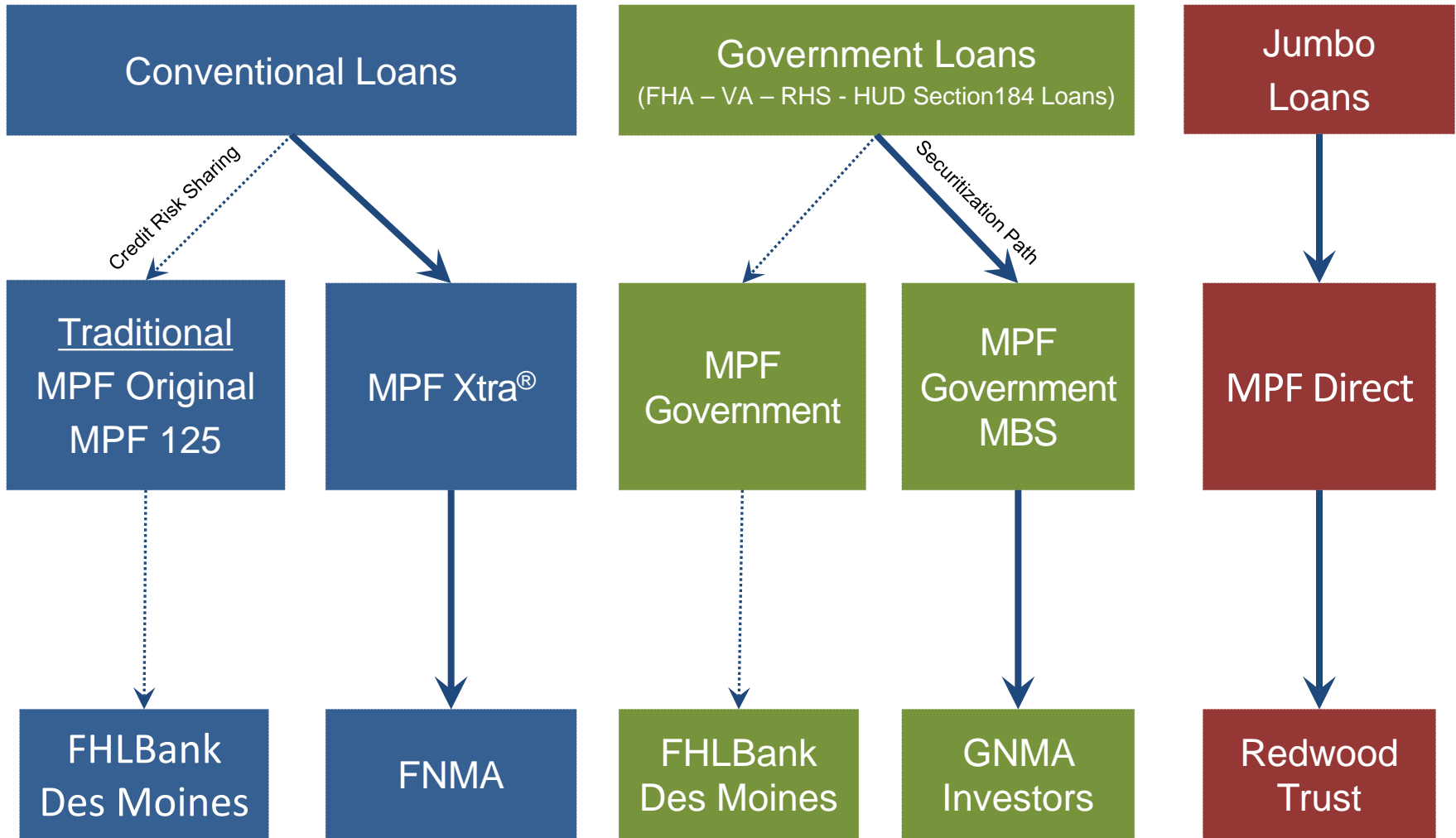
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April 7, 2017

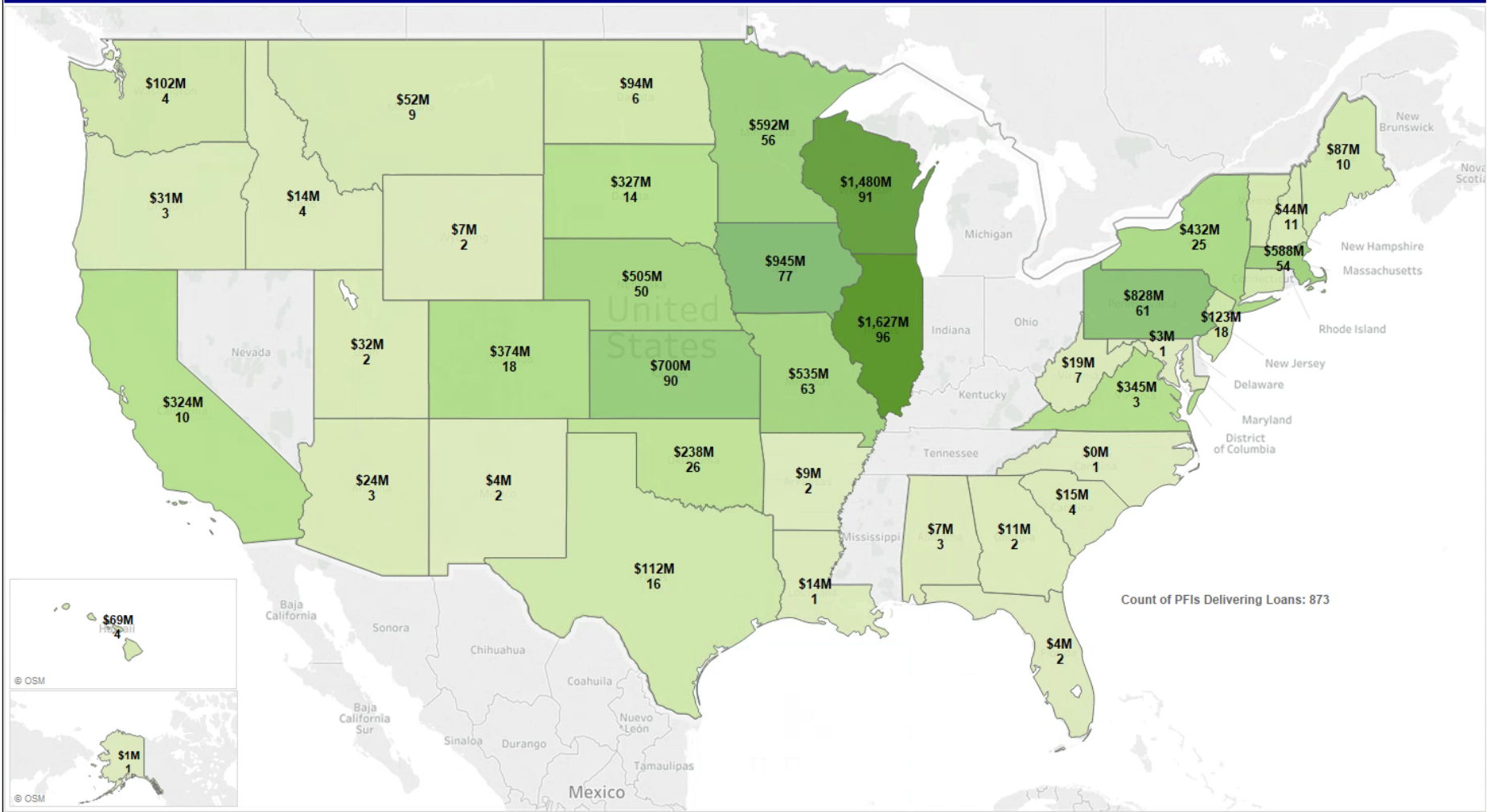
# Legal Disclaimer

This presentation may contain forward-looking statements that are based upon our current expectations and speak only as of the date hereof. These statements may use forward-looking terms, such as “anticipates,” “believes,” “expects,” “could,” “plans,” “estimates,” “may,” “should,” “will,” or their negatives or other variations on these terms. We caution that, by their nature, forward-looking statements involve risk or uncertainty, that actual results could differ materially from those expressed or implied in these forward- looking statements, and that actual events could affect the extent to which a particular objective, projection, estimate, or prediction is realized. These forward-looking statements involve risks and uncertainties including, but not limited to, instability in the credit and debt markets, economic conditions (including effects on, among other things, mortgage-backed securities), changes in mortgage interest rates and prepayment speeds on mortgage assets, our ability to successfully transition to a new business model and to pay future dividends, our ability to meet required conditions to repurchase or redeem excess capital stock from our members, including maintaining compliance with our minimum capital requirements and determining that our financial condition is sound enough to support such repurchases and redemptions, and the risk factors set forth in our periodic filings with the Securities and Exchange Commission ,which are available on our website at [www.fhlbc.com](http://www.fhlbc.com). In addition, certain information included here speaks only as of the particular date or dates included in this presentation, and the information in the presentation may have become out of date. We do not undertake an obligation, and disclaim any duty, to update any of the information in this presentation. The data and valuations provided in this presentation are for information purposes only and are provided as an accommodation and without charge. This presentation is not intended to constitute legal, investment, or financial advice or the rendering of legal, consulting, or other professional services of any kind. Mortgage Partnership Finance®, MPF®, and MPF Xtra® are registered trademarks of the Federal Home Loan Bank of Chicago. The MPF Mortgage Partnership logo is a trademark of the Federal Home Loan Bank of Chicago.

# MPF<sup>®</sup> Products and Investors



### PFI Count and Volume by State (2016)



# 2016 Accomplishments

## MPF Product Updates:

- **MPF Government MBS** – Servicing Released Option rolled out in January
- **MPF Xtra** – Additional Servicing Released Option rolled out in September
- **MPF Direct** – Rolled out expanded underwriting guidelines including higher loan limits, Hybrid ARMs and more flexible underwriting parameters

## MPF Marketing and Product Support Services:

- **2016 MPF Webinars/Education** – 3,800 participants attended a MPF Webinars; 2,500 participants are registered for MPF University classes
- **Mortgage Industry Conferences** – Participation at 8 major trade association conferences annually including ICBA, ABA, CUNA, ACUMA and MBA
- **Advertisements** – Advertise monthly in 3 major industry publications – SME, CU Today and ICBA

# MPF Product Development & Product Support

- **MPF Traditional**
  - Preparing for new servicing released alternative scheduled to be launched in the second quarter of 2017
  - Researching an expansion to the guidelines to allow for non-owner occupied loans
- **MPF Direct**
  - On March 1, announced the availability of the Select 90 QM eligibility option under the MPF Direct product
  - Researching allowing for PFIs to designate Redwood Trust as the servicer after the closing of the mortgage loan using a Notice of Transfer of Servicing

# MPF Product Development & Product Support

- **MPF Xtra®**
  - Preparing for new servicing released alternative scheduled to be launched in the second quarter of 2017
  - Researching an expansion to the guidelines to allow for non-owner occupied loans
  - Researching a limited rollout for a new fair lending alternative which would allow for 3% down payment assistance for loans less than \$150,000 and with borrower income below 100% AMI
- **MPF Government MBS**
  - Researching improved PFI ease of use under the servicing released alternative

## MPF National Education

- **MPF National Education supports the training efforts of each participating Federal Home Loan Bank**
  - Provide train the trainer sessions for new and existing products
  - Offer on-site or virtual training to introduce new products
  - Create and maintain national training materials

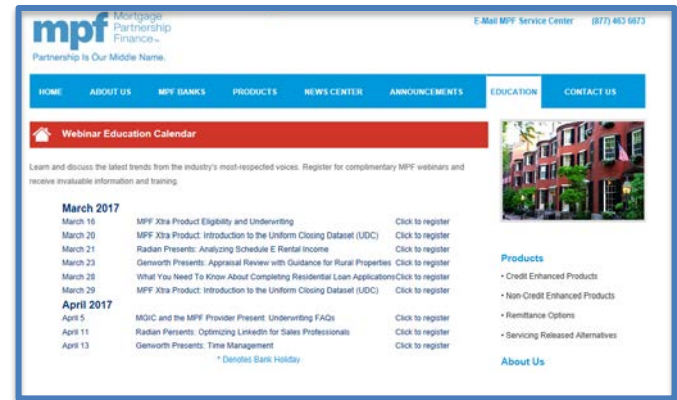




# MPF National Education

## ■ MPF National Webinars

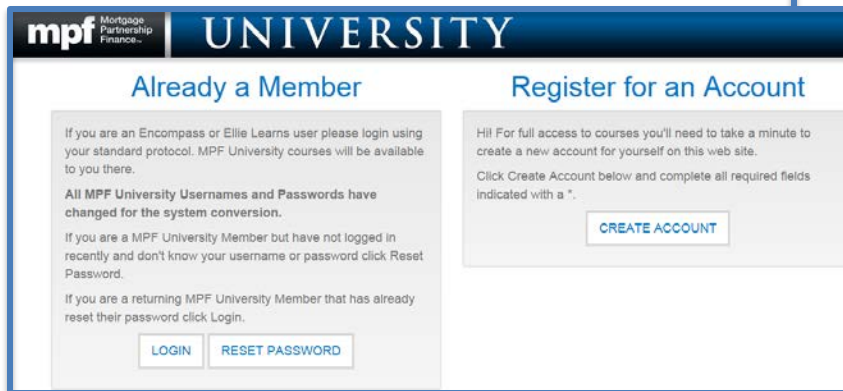
- The webinar calendar and registration links are found at [www.fhlbmpf.com](http://www.fhlbmpf.com) under the **EDUCATION** tab
- Recorded, on-demand webinars will soon be available
- Do you have suggestions for a webinar topic?
  - ❖ Let us know! [mpftraining@fhlbc.com](mailto:mpftraining@fhlbc.com)



# MPF National Education

## ■ MPF University

- MPF University is a free, on-demand learning tool
- Courses are offered through Ellie Learns™ (AllRegs®)
- Approximately 40 courses are available



**mpf** Mortgage Partnership Finance... **UNIVERSITY**

**Already a Member**

If you are an Encompass or Ellie Learns user please login using your standard protocol. MPF University courses will be available to you there.

All MPF University Usernames and Passwords have changed for the system conversion.

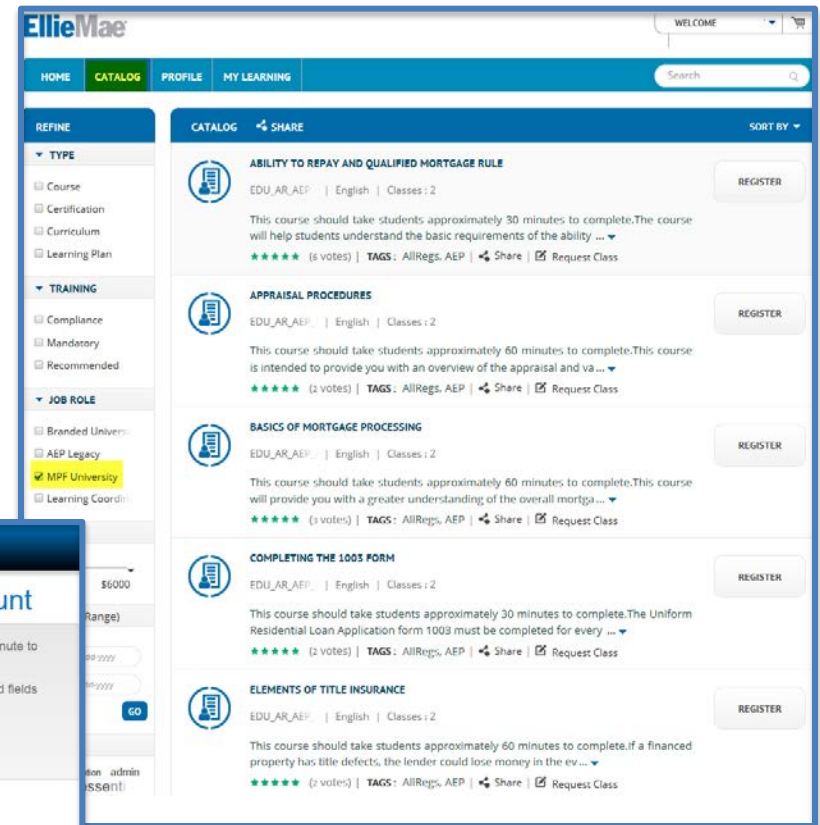
If you are a MPF University Member but have not logged in recently and don't know your username or password click Reset Password.

If you are a returning MPF University Member that has already reset their password click Login.

**Register for an Account**

Hi! For full access to courses you'll need to take a minute to create a new account for yourself on this web site.

Click Create Account below and complete all required fields indicated with a \*.



**EllieMae** WELCOME

HOME CATALOG PROFILE MY LEARNING Search

**REFINE**

**TYPE**

- Course
- Certification
- Curriculum
- Learning Plan

**TRAINING**

- Compliance
- Mandatory
- Recommended

**JOB ROLE**

- Branded University
- AEP Legacy
- MPF University
- Learning Coordinator

**CATALOG** SHARE SORT BY

**ABILITY TO REPAY AND QUALIFIED MORTGAGE RULE**

EDU\_AR\_AEP | English | Classes : 2 REGISTER

This course should take students approximately 30 minutes to complete. The course will help students understand the basic requirements of the ability ...

★★★★★ (6 votes) TAGS: AllRegs, AEP | Share | Request Class

**APPRAISAL PROCEDURES**

EDU\_AR\_AEP | English | Classes : 2 REGISTER

This course should take students approximately 60 minutes to complete. This course is intended to provide you with an overview of the appraisal and va ...

★★★★★ (2 votes) TAGS: AllRegs, AEP | Share | Request Class

**BASICS OF MORTGAGE PROCESSING**

EDU\_AR\_AEP | English | Classes : 2 REGISTER

This course should take students approximately 60 minutes to complete. This course will provide you with a greater understanding of the overall mortga ...

★★★★★ (1 votes) TAGS: AllRegs, AEP | Share | Request Class

**COMPLETING THE 1003 FORM**

EDU\_AR\_AEP | English | Classes : 2 REGISTER

This course should take students approximately 30 minutes to complete. The Uniform Residential Loan Application form 1003 must be completed for every ...

★★★★★ (2 votes) TAGS: AllRegs, AEP | Share | Request Class

**ELEMENTS OF TITLE INSURANCE**

EDU\_AR\_AEP | English | Classes : 2 REGISTER

This course should take students approximately 60 minutes to complete. If a financed property has title defects, the lender could lose money in the ev ...

★★★★★ (2 votes) TAGS: AllRegs, AEP | Share | Request Class

# The eMPF® Website

The screenshot displays the eMPF website interface. At the top, the logo for Mortgage Partnership Finance (mpf) is visible, along with navigation links for PROFILE, MESSAGES, CONTACT US, 4001-1, and a LOG OUT button. Below the header is a secondary navigation bar with links for HOME (highlighted with a red box), PRICING, TRANSACTIONS, EXHIBITS, REPORTS, RESOURCES, and UPLOAD. The main content area begins with a 'Welcome' message and a 'TIP OF THE DAY' icon. There are four main sections: 'MOST RECENT LOAN PRESENTMENTS' (a table with columns for DATE, MC NUMBER, BORROWER'S LAST NAME, and PFI LOAN NUMBER), 'RECENTLY VIEWED REPORTS' (a list of reports like Pool Detail Report, New Loans Booked, and Active Master Commitment Summary), 'EXTERNAL LINKS' (a list of links to eMAQCS, MPF Direct Portal, MPF Xtra UCDP, and MPF Webinar Calendar), and 'QUICK LINKS' (a list of links to Annual Eligibility Certification (OG1), MPF Fidelity/ E&O Worksheet (OG2), and eMPF Tutorial).

**mpf** Mortgage Partnership Finance™

PROFILE MESSAGES CONTACT US 4001-1 LOG OUT

HOME PRICING TRANSACTIONS EXHIBITS REPORTS RESOURCES UPLOAD

Welcome

TIP OF THE DAY

### MOST RECENT LOAN PRESENTMENTS

| DATE       | MC NUMBER | BORROWER'S LAST NAME | PFI LOAN NUMBER                 |
|------------|-----------|----------------------|---------------------------------|
| 12/28/2016 | 7001      | Doe                  | 1                               |
| 12/22/2016 | 14882     | MMK                  | <a href="#">MD14882_1222_01</a> |
| 12/22/2016 | 14877     | Smith                | <a href="#">MD14877_1221_01</a> |

### RECENTLY VIEWED REPORTS

- [Pool Detail Report](#)
- [New Loans Booked](#)
- [Active Master Commitment Summary](#)

### EXTERNAL LINKS

- [eMAQCS](#)
- [MPF Direct Portal](#)
- [MPF Xtra UCDP](#)
- [MPF Webinar Calendar](#)

### QUICK LINKS

- [Annual Eligibility Certification \(OG1\)](#)
- [MPF Fidelity/ E&O Worksheet \(OG2\)](#)
- [eMPF Tutorial](#)

# The eMPF Website

The screenshot displays the eMPF website interface. At the top left is the logo for Mortgage Partnership Finance (mpf). To the right of the logo are navigation links: PROFILE, MESSAGES, CONTACT US, 4001-1, and a LOG OUT button. Below the header is a main navigation bar with categories: HOME, PRICING, TRANSACTIONS, EXHIBITS, REPORTS, RESOURCES, and UPLOAD. Red arrows point from each category to its respective sub-menu. The PRICING sub-menu includes Current Pricing, Archived Pricing, and SRP Pricing. The TRANSACTIONS sub-menu includes Summary, Loan Presentment, Delivery Commitment, Loan Funding, Submit Batch, and Servicing Transfer. The EXHIBITS sub-menu includes Selling, Document Custody, Servicing, Annual Eligibility Certification (OG1), and MPF Fidelity / E&O Worksheet OG2. The REPORTS sub-menu includes Master Commitment, Delivery Commitment, Batch, Custody, Servicing Transfer, and Other PFI Reports. The RESOURCES sub-menu includes Publications, Help and Training, and MPF Guides. The UPLOAD sub-menu is titled 'Select a Document Category' and lists: Annual Eligibility Certification (AEC), Bank Reconciliations, Government MBS Mortgage, High Level Concern (HLC), MPF Servicing Miscellaneous, Servicing Transfer, and Other Documents.

To access the eMPF Beta version visit: <https://www.fhlbmpf.com/Pages/eMPF.aspx>

# MPF National Marketing

- The MPF Program is celebrating its 20<sup>th</sup> Anniversary!
  - The MPF Program bought its first loan on June 26, 1997
  - Creating an MPF 20<sup>th</sup> Anniversary video featuring the history of the Program, an industry prospective, and PFI testimonials
  - Creating an MPF 20<sup>th</sup> Anniversary webpage where the anniversary video will be stored. The webpage will also include PFI testimonials and Program milestones
- The MPF Program has participated in two Lifetime TV segments
  - Designing Spaces and The Balancing Act
  - The focus of these segments are how the FHLBanks support local lending and the advantages of going to your local community bank or credit union
  - MyMortgageLocator.com
  - Air dates:
    - Designing Spaces: March 31
    - The Balancing Act: TBD
- Follow us on social media for MPF Program updates, product enhancements, policy changes, and industry news
  - LinkedIn: Mortgage Partnership Finance Program
  - Twitter: @MPFProgram



# Future MPF Enhancement Opportunities

- Additional MPF Servicing Options and industry practices by product
- MPF Education & Training – Recorded, on-demand webinars and trainings
- Underwriting Guideline Expansion – Investment properties, seasoned loans and enhanced loan limits for government loans
- New AMA Rule – Working with the FHFA on Program Enhancements

**Key MPF Initiatives focus on supporting volume growth and “ease of use”**

# New AMA Rule – Effective January 18, 2017

## Governs FHLB's activities under our Mortgage Programs

- Expands types of mortgage assets that qualify as AMA to include Government loans that exceed the conforming loan limits
- Credit risk sharing component requires portion of the credit risk be borne by a member of an FHLB
- Assets may be credit enhanced to a an FHLB determined “AMA Investment Grade” versus a specific NRSRO rating
- The member can meet it's portion of the credit risk by purchasing loan-level supplemental mortgage insurance (pool insurance)
- FHLBs to establish mortgage insurer standards

QUESTIONS?

