



MPF[®] 100

Product Description

Participating Federal Home Loan Banks (FHLB) are accepting Master Commitments for the MPF 100 product which allows depository institution members to receive Direct Credit Substitute Risked Based Capital treatment for the member's credit enhancement obligation. The FHLB's loan product, MPF 100, allows members to effectively compete on price with other mortgage lenders based upon the credit quality of the loans they originate.

Under MPF 100, the first layer of losses (following any MI coverage) is applied to a First Loss Account in the amount of 100 basis points provided by the Federal Home Loan Bank. The member then provides a second loss credit enhancement for each Master Commitment. Loan losses beyond the first and second layers are absorbed by the FHLB. Under MPF 100, for depository institution members there is no leverage capital requirement. The member's Credit Enhancement obligation with respect to typical mortgage pools will receive, for risk based capital purposes, direct credit substitute treatment resulting in a capital requirement equal to 8.0% of that Credit Enhancement obligation.

MPF 100 offers members an alternative option when deciding on their "best execution" for the loans they originate. Under MPF 100, members originate loans as agent for the FHLB and the FHLB provides the funds to close the loans ("flow delivery").

Features

Term	Up to 30 years fully amortizing
Maximum LTV	95%
Loan limits	Agency conforming
Occupancy	Owner occupied (1-4 units) and second homes
Property type	All types except co-ops and investment
Underwriting	Follow MPF Origination Guide guidelines (LP/DU decisions considered)
Remittance	Actual/Actual (Single Remittance) or Scheduled/Scheduled
Commitment delivery	3, 10, 20, 30 and 45 business days
Credit enhancement obligation	Reset periodically
Credit enhancement fee	Up to 10 basis points, paid on outstanding Master Commitment balance; adjusted for loan losses after guaranty period specified in Master Commitment
Agent fee	An agent fee (similar to a premium or discount) may be paid
Master Commitment size	\$5 Million minimum

Benefits

- Superior execution
- Same day funding
- Ongoing credit fee income
- Economic value for quality loans
- Pricing execution is not volume dependent
- Open ended automated processing
- Electronic access through the eMPF website

Who should take advantage of this program?

An institution that is actively engaged in mortgage lending, values the income derived from originating and servicing loans, is currently a member of the Federal Home Loan Bank System and values the Risk Based Capital treatment of MPF 100. The member interested in MPF 100 would value the economic advantages of originating loans for the FHLB and retain the customer relationship. The member who should be interested in MPF 100 would value the operational ease of our delivery and servicing systems.

Who do I call for more information about MPF?

For general information about the MPF Program or to locate a contact name from your participating Federal Home Loan Bank call our toll free assistance number at **1-877-463-6673 (Info-MPF)**.