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## Third Party Origination held for a Valid Business Purpose by the Member

Dear PFI Applicant:

In order to comply with the Federal Housing Finance Agency's valid business purpose requirement of 12 C.F.R. § 955.2(b)(1)(ii) for assets being acquired by approved Participating Financial Institutions (PFIs) and sold under the MPF<sup>®</sup> Program, FHLBank Topeka is requiring the following documentation be submitted and/or certified 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.

Institution Name \_\_\_\_\_ Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

Members selling TPOs under the MPF Program must certify they have meaningful influence over or control of the assets coming into the financial institution. Please provide the following documentation under a separate cover and sign and date below.

- Explain how TPOs represent a core business of your institution's operations.
- How many years has your institution been involved in correspondent operations?
- Indicate your familiarity with the applicable correspondents and experience with the type, quality and volume of assets being acquired from these entities.
- Identify the type of quality control process your institution has in place to address the potential for fraud at the operational level.
- How does your institution approve and contract with participants in the correspondent network?
- Provide a brief description of procedures for approval, contracting and setting asset standards and pricing.

Institution Name \_\_\_\_\_ Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_