



## MPF Xtra®

MPF Xtra offers Participating Financial Institutions (PFIs) the ability to leverage their membership in their Federal Home Loan Bank and access its low-cost options to sell fixed-rate, conforming loans through its partnership arrangement with Fannie Mae. PFIs that take advantage of the MPF Xtra product have the flexibility to:

- Offer fixed-rate residential mortgage loans to their borrowers and deliver those loans into the secondary market
- Retain the servicing rights, earn servicing fee income, and preserve the ability to cultivate and maintain relationships with customers
- Sell the servicing rights and receive a servicing-released premium

And, since the PFI does not retain credit risk for loans sold under the MPF Xtra product, there are no collateral or risk-based capital requirements.\*

### Features

- Loan-to-value ratios up to 97%
- Owner-occupied only
- HomeReady™ purchase transactions for first-time home buyers
- Standard purchase transactions for first-time home buyers
- Standard limited cash-out refinances of existing Fannie Mae loans

### Who Should Take Advantage of This Product?

MPF Xtra is for any PFI that is actively engaged in mortgage lending in its community and has a high regard for the value of customer relationships. PFIs gain access to secondary market liquidity, minimize their interest rate and prepayment risk, and transfer the credit risk of the loans to the investor.

### Access to Desktop Underwriter® and Collateral Underwriter®

PFIs can obtain access to Fannie Mae's Desktop Underwriter (DU®) and Collateral Underwriter (CU®) and take advantage of their state-of-the-art technology. The use of DU may result in limited waivers of certain PFI loan origination representations and warrants as to borrowers' credit worthiness and loan documentation. Also, PFIs will not incur the costs of typical DU implementation fees which translates into a significant savings and market advantage.

### Benefits

- Competitive execution
- Economic value for quality loans
- Retention of borrower relationships
- Access to both Collateral and Desktop Underwriter

\*The FHLBanks do not provide accounting or legal advice with respect to the accounting treatment of MPF® Program assets and liabilities. The PFI is expected to consult with its own accountants and attorneys for advice on this matter.