



# MPF® Government MBS

MPF Government MBS is an MPF Program government loan product whereby the Federal Home Loan Bank of Chicago purchases government loans from eligible Participating Financial Institutions (PFIs). The purchased loans will be aggregated and pooled into securities guaranteed by the Government National Mortgage Association (Ginnie Mae). Loans that qualify under this product are fixed-rate mortgage loans insured or guaranteed by the following government agencies:

<b>FHA</b>	Low down payment options
<b>VA</b>	Financing and down payment flexibility for military veterans
<b>RHS Section 502</b>	Flexible financing for borrowers in rural and agricultural areas

## How It Works

The Mortgage Partnership Finance® Program offers PFIs competitive government mortgage products and pricing as a benefit to membership in their FHLBank. You can choose to retain servicing or sell the servicing and receive a servicing released premium. PFIs retaining servicing continue to report and remit payments as they currently do under the MPF Program – the Federal Home Loan Bank of Chicago is responsible for monthly reporting to Ginnie Mae.

PFIs are required to obtain a master commitment specifically for the MPF Government MBS in order to participate in this product. You would underwrite loans in accordance with applicable government agency guidelines. Our competitive pricing and your servicing expertise (or the servicing released option), allows you to offer your customers access to the best mortgage products in the marketplace today.

If choosing the servicing released option, you would sell the servicing to an approved MPF servicing aggregator and receive a competitive servicing released premium. Competitive pricing and servicing options distinguishes the MPF Government MBS product as a viable alternative to other secondary market outlets.

## The MPF Government MBS Product Benefits PFIs That:

- Are looking for a competitively priced government loan investor
- Are approved by the applicable government agency to originate and service loans
- Want a variety of mortgage loan options to meet the needs of their customers
- Have experience servicing with scheduled/scheduled remittance or sells servicing to an approved MPF servicer

## Additional Benefits

- Cash execution – securities pricing
- Competitive servicing retained execution
- Excellent servicing released execution
  - All-in execution = Asset Price + SRP
- Same-day loan delivery and funding
- Depository institutions have no leverage capital or risk-based capital requirements for loans sold under the MPF Government MBS product\*

\* The MPF Program does 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.