



MPF® Government

The MPF Government products allows you, a Participating Financial Institution (PFI), to sell fixed-rate mortgage loans that are insured or guaranteed by government agencies to their local Federal Home Loan Bank (FHLBank). The loan programs that can be sold under the MPF Government product include:

- FHA - Low down payment options
- VA - Financing and down payment flexibility for military veterans
- RHS Section 502 - Flexible financing for rural and agricultural areas
- HUD 184 - Affordable and flexible financing on Indian/Native American land

The MPF Government product offers you the flexibility to retain the servicing of loans sold to your FHLBank or take advantage of our servicing released option. When choosing the servicing-released option, the servicer must be an approved MPF servicing aggregator and you would receive a competitive servicing released premium.

The MPF Government Product Benefits PFIs that:

- Are looking for a competitively priced government loan investor
- Are looking to fund loans quickly and easily
- 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
- Appreciate having maximum flexibility in choosing their servicing and remittance options

How It Works

The FHLBanks are able to offer you competitive mortgage products and pricing through the MPF Program as a benefit to membership. When you sell government loans to your FHLBank, the FHLBank manages the liquidity, interest rate, and prepayment risks of the loans. Whether you retain or sell the servicing, as the originating PFI, you retain the responsibility for the risk of unreimbursed servicing expenses, a loan servicing component in government loans.

The combined effects of our competitive pricing, your servicing expertise, or utilizing the servicing-released option, distinguishes the MPF Government product as a viable alternative to other secondary market outlets in the marketplace today.

Additional Benefits

- Competitive servicing retained execution
 - Choice of remittance options
- Excellent servicing released execution
 - All-in execution = Asset Price + SRP
- Similar custodial processing to GNMA
- Same-day loan delivery and funding

Depository institutions have no leverage capital or risk-based capital requirements for loans sold under the MPF Government product.*

*The FHLBank does not provide accounting or legal advice with respect to the accounting treatment of MPF Programs assets and liabilities. The PFI is expected to consult with its own accountants and attorneys for advice on this matter.