

MPF Xtra[®] PFI Advisory

September 19, 2014

Special Attention: PFI MPF[®] Program Management and Quality Control Management

Subject: Required Information for the Quality Control Reviews Related to the Home Ownership and Equity Protection Act (HOEPA)

MPF Origination Guide Chapter 2.6.4 (Allowable Points, Fees, and Rates) states that a mortgage that is subject to the requirements in the Home Ownership and Equity Protection Act of 1994 (HOEPA), that apply to high-cost mortgages as defined in HOEPA, are not eligible for purchase under the MPF Program. Therefore, a mortgage secured by a borrower's principal residence that has either an annual percentage rate or total points and fees payable by the borrower that exceeds the applicable thresholds under HOEPA is not eligible. As part of the quality control process for mortgages delivered under the MPF Xtra product, the HOEPA status of certain mortgage loans selected for review is verified.

If a mortgage delivered under the MPF Xtra product is selected for an anti-predatory lending and HOEPA compliance review, the PFI must provide the requested points and fees and other information for that mortgage. The PFI may provide this information with the loan file sent to MPF Program Quality Control as follows:

1. By completing the HOEPA Worksheet (included with this Advisory); or
2. By providing any alternative mortgage file documentation that contains the same information required on the worksheet.

For information on the MPF Program's requirements regarding HOEPA see the following in the MPF Guides:

- Origination Guide Chapter 2.6.4 (Allowable Points, Fees, and Rates);
- Loan Presentment Request Form (Form OG3); and
- MPF Program Detailed Reference List of Required or Conditionally Required ULDD Fields (MPF Xtra Manual Origination Guide Exhibit S-X).

If you have any questions, please contact your MPF Bank Representative or call the MPF Customer Support Desk at 877-INFO-MPF (877-463-6673).