

FEDERAL HOME LOAN BANK OF INDIANAPOLIS MPP INFORMATIONAL BULLETIN 04-10 (November 29, 2010)

The Federal Home Loan Bank of Indianapolis (FHLBI) announces a new version of the Mortgage Purchase Program Guide (MPP Guide), which is dated November 29, 2010 and is published on FHLBI's website at: <http://www.fhlbi.com/mpp/progmaterials.asp>.

Substantive changes to the MPP Guide are listed below.

The glossary was amended to include terms previously defined in the Supplemental Mortgage Insurance (SMI) policy.

Section 2.12 Lender Risk Account (LRA) section was updated to reflect an enhanced LRA structure, the LRA release schedule and administrative fees for MCCs enhanced with LRA only.

Section 6.7 Private Mortgage Insurance Requirements section was updated to remove the reference to Type 1 classification and now requires the MI provider to be an acceptable or approved insurer by Fannie or Freddie.

Section 10: Servicing Guidelines section was updated to include servicing guidelines on loans with and without SMI.

Section 16.1: This section was added to define defaulted mortgages and to provide guidance on defaulted mortgages that was previously included in the SMI policy.

Please contact the MPP Department directly at 1-800-274-4636 with questions concerning MPP Guide changes.

This bulletin provides information to MPP Sellers detailing various updates to MPP that occur between MPP Guide revisions and/or announcing changes to the MPP Guide, including MPP operational guidance helpful to Sellers, and serves to notify or remind MPP Sellers of industry issues that may affect Sellers. This type of correspondence is titled "MPP Informational Bulletin" and is numbered based first on the number of informational bulletins sent out during the current year and, secondly, on the year. These bulletins should be retained and stored in the back of each MPP Guide copy that is in your office so that they can be referenced easily. Additionally, the bulletins are posted in the online version of the MPP Guide under Appendix D. The MPP Guide can be retrieved online at the following Internet address:

<http://www.fhlbi.com/mpp/progmaterials.asp>