



Advantage MPP

INFORMATIONAL BULLETIN



MPP BULLETIN 05-19
December 9, 2019

Please contact Advantage MPP at 1-800-274-4636 with questions concerning MPP Guide changes.

FHLBank Indianapolis Updates to MPP Guide

The changes to the MPP Guide described in this bulletin are effective January 1, 2020.

This bulletin includes:

- Maximum Original Loan Limits
- Appraisal condition rating C5 or C6 not eligible for purchase

MAXIMUM ORIGINAL LOAN AMOUNTS (SECTION 6.3)

Section 6.2.1.5 has been updated to read as follows:

FHLBank Indianapolis has updated the maximum loan limits for conventional loans in accordance with recently issued guidance from the Federal Housing Finance Agency.

The maximum loan amounts eligible for purchase by FHLBank Indianapolis are based on the conforming loan limits listed below, subject to periodic review.

Number of Units	Maximum Original Loan Amount	Properties in Alaska and Hawaii
1	\$510,400	\$765,600
2	\$653,550	\$980,325
3	\$789,950	\$1,184,925
4	\$981,700	\$1,472,550

UNDERWRITING PROPERTY (SECTION 6.4)

Section 6.4.2 has been updated as follows:

The Seller represents and warrants that any appraisal conducted in connection with a mortgage loan conforms to the Appraiser Independence Requirements. The Seller is responsible for the accuracy and reasonableness of the appraisal report. The Appraisal should be in

the Seller's name. Appraisal transfers are acceptable subject to the following:

- Seller underwriting review and approval;
- Seller represents and warrants the appraisal;
- Seller obtains a color PDF copy of the appraisal report;
- Seller obtains a letter from the original lender that ordered the appraisal report stating compliance with the Appraisal Independence Requirements; and
- Seller obtains copies of both the submission summary report (SSR) for both Fannie MAE AND Freddie Mac or XML copy of the appraisal.

A thorough review of the report should be conducted to verify that the appraiser has appropriately validated the market value and made comments and adjustments as needed. FHLB INDIANAPOLIS has adopted the Uniform Appraisal Dataset (UAD). The UAD is intended to establish a standardized response or, in some cases, more data points. Sellers are responsible for using appraisers and appraisal vendors that utilize the UAD appraisal report forms and ensure all applicable appraisals have been completed in compliance with Appendix D of the UAD Specification.

A condition rating of C5 or C6 are not acceptable collateral for FHLBank Indianapolis.

FHLBank Indianapolis periodically issues Informational Bulletins to provide program updates and information to approved Advantage MPP sellers, including: MPP Guide revisions and changes; operational guidance or clarifications; and notices/reminders of industry issues that may affect sellers.

The Informational Bulletins are coded so that users can easily identify the issue and year of bulletin publication. For example, "Bulletin 04-19" indicates the fourth Informational Bulletin issued in 2019.

Please retain these bulletins in the back of your MPP Guide for easy reference. Bulletins can also be found posted on the MPP Materials page online.