



Advantage MPP



INFORMATIONAL BULLETIN

MPP BULLETIN

08-20

Effective June 15,
2020

COVID-19 Related Updates

Please contact our
MPP Department at
1-800-274-4636 with
questions.

COVID-19 Loan Delivery, Origination and Reporting updates

FHLBank Indianapolis continues to monitor the COVID-19 pandemic and its potential impact on borrowers as well as our members. These MPP Bulletins are intended to provide additional information to keep you informed of related changes.

Loan Delivery

Mortgage loans must be current at the time of sale to FHLBank Indianapolis. Loans that have been placed into forbearance prior to sale are not considered current and are presently ineligible for delivery to Advantage MPP. Loans that were granted forbearance but have been fully reinstated prior to sale are considered current and are eligible for delivery to Advantage MPP.

Extension of effective dates and other updates

As a reminder, Advantage MPP has elected to adhere to the Fannie Mae and Freddie Mac guidance regarding temporary adjustments to certain requirements such as appraisals and income documentation. Fannie Mae and Freddie Mac have continued to update their guidance including an adjustment of the effective date to 07/31/20 and some recent changes regarding self-employed borrowers.

Links to the related sites are listed below:

- Fannie Mae: [Impact on COVID-19 on Originations](#)
[Impact of COVID-19 on Appraisals](#)
- Freddie Mac: [Selling Guidance Related to COVID-19](#)

Forbearance Reporting Update

Many borrowers that have been approved for forbearance continue to make their mortgage payments. We believe this is because they are making the payments they can afford and are only utilizing the approved forbearance if needed. Some servicers are reporting these loans as “reinstated.”

Please understand that if a borrower is approved for forbearance and makes a payment to remain current, the forbearance is not canceled. The borrower may still have the option to use the forbearance for the remaining payments included in the approved forbearance period. Consequently, a forbearance should not be reported as reinstated unless the borrower has brought the loan current at the end of the forbearance period. The forbearance should be reported as completed when the forbearance period has expired and

the loan has been brought current through a full reinstatement or an established resolution plan (repayment plan or modification) or when the borrower has notified the servicer that they are withdrawing or canceling their request for forbearance. If a borrower cancels or withdraws their request, the forbearance may be reported as completed and canceled or withdrawn.

This, as well as other useful information, may be found at our public website at www.fhlbi.com.

This situation is fluid; Advantage MPP staff will continue to monitor and provide updates as this situation evolves. As always, please contact our staff with any questions related to this bulletin.

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

The Informational Bulletins are coded so that users can easily identify the issue and year of bulletin publication. For example, "Bulletin 04-20" indicates the fourth Informational Bulletin issued in 2020.

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.