



Advantage MPP

INFORMATIONAL BULLETIN



MPP BULLETIN 01-18

March 1, 2018

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 March 15, 2018. This update includes changes to assignment requirements in Appendix A as well as changes for PMI eligibility requirements, default balance liquidation timing requirements and servicer responsibilities for defaulted loans.

INITIAL CERTIFICATION PROCEDURES (APPENDIX A SECTION 1.3.1.1.2)

FHLBank Indianapolis has updated Appendix A: Document Custodian Role & Responsibilities to require an unrecorded Assignment of Mortgage to the Federal Home Loan Bank of Indianapolis and no longer assigned in blank (not required for mortgages on MERS). In addition, all subsequent references in Appendix A to assignment(s) of mortgage in blank have been updated to require assignment(s) of mortgage to the Federal Home Loan Bank of Indianapolis.

If a jurisdiction requires that the assignee's address be shown in the assignment of mortgage, this address should be used:

Federal Home Loan Bank of Indianapolis
8250 Woodfield Crossing Blvd.
Indianapolis, IN 46240

PRIVATE MORTGAGE INSURANCE (PMI) REQUIREMENTS (SECTION 6.3.7(1))

The PMI requirements have been updated from requiring a credit rating score or being an approved or acceptable insurer for Fannie Mae and/or Freddie Mac to being approved by FHLBank Indianapolis as a qualified insurer. The paragraph has been revised to read:

All mortgages with an LTV greater than 80% are required to have PMI issued by a private mortgage insurer that, as of the delivery date, is approved by FHLBI as a 'qualified insurer'. FHLBI will manage the approved list by making the qualified insurers available options within LAS.

DEFAULT PRINCIPAL BALANCE LIQUIDATION (SECTION 16.8)

Section 16.8 has been added to read:

Upon completion of a short sale, deed in lieu of foreclosure, foreclosure sale or post-sale confirmation or ratification, as applicable, the servicer must remit to the FHLBank Indianapolis the full unpaid principal balance and remaining interest. The full payoff of the unpaid principal and interest must be included in the next possible month-end cutoff for remittance.

SERVICER RESPONSIBILITIES (SECTION 16.2.4)

Section 16.2.4 has been added to read:

Servicers should follow GSE guidelines for applicable attorney fee schedules when processing defaulted loans.

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 04-15" indicates the fourth Informational Bulletin issued in 2015.

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.