



Advantage MPP

Guide Update Bulletin

FHLBank Indianapolis releases updates for loan eligibility, including the Note date for construction-permanent loans and Private Transfer Fee Covenants.

MPP Bulletin 02-24

Effective May 13, 2024

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

1.2 Eligible Mortgages

Section 1.2 has been updated to clarify the use of the “Note Date” on construction-permanent loans.

FHLBank Indianapolis will purchase Conventional or FHA 15-, 20-, or 30-year fixed rate, first lien, fee simple and fully amortizing, up to conforming loan limits, level-payment mortgages limited to points and fees less than 3% of the total loan amount, or such other limits for low balance loans as set forth in the Consumer Financial Protection Bureau (CFPB) Qualified Mortgage (QM) rule and are QM compliant including:

- Primary, owner-occupied, detached residences.
- Single-family properties
- 2-, 3- and 4-unit properties
- Modular housing
- Primary, owner-occupied, attached residences, including condominiums and Planned Unit Developments (PUDs)
- Second/vacation homes
- Manufactured Homes (FHA only)

FHLBank Indianapolis will purchase the following mortgages as described above at the following pricing structure:

Loan Term	MDC Price
5 to 15-year loans	15-year price
Greater than 15 years up to 20 years	20-year price
Greater than 20 years up to 30 years	30-year price

Mortgages more than 180 days from Note Date to the Settlement Date require FHLBank Indianapolis approval prior to ~~entering into the Mandatory Delivery Contract (MDC).~~ the delivery of the Mandatory Delivery Contract (MDC). For this application, in the case of construction to permanent loans, the Note Date shall be the date on which the initial construction Note was modified/converted to the permanent Note terms, including interest rate, maturity date and monthly principal and interest payment amount.

All mortgages must meet Master Commitment Contract (MCC) parameters, the guidelines specified in this MPP Guide, and the property securing the loan must also be located in the continental United States, Alaska or Hawaii unless otherwise indicated in seller's MCC.

6.6.2 Property Title Requirements

Section 6.6.2 Private Transfer Fee Covenants has been updated to follow Fannie Mae and/or Freddie Mac Guidelines.

Private Transfer Fee Covenants

~~Private Transfer Fee Covenants The Seller shall review title to all property securing the mortgage loans to be sold to FHLBank Indianapolis in MPP to identify each covenant that purports to run with the land or to bind current owners of and successors in title to the property, that obligates a Transferee or Transferor to pay upon transfer of an interest in all or part of the property, a transfer fee upon a transfer of title to the property each time the property is transferred (a Private Transfer Fee Covenant).~~

~~No mortgage loans on properties encumbered by Private Transfer Fee Covenants are eligible for purchase/sale into MPP program if the Private Transfer Fee Covenant became effective on or after February 8, 2011, unless the Private Transfer Fee Covenant meets each of the following conditions:-~~

- ~~a. Requires payment of a private transfer fee to a nonprofit mandatory membership organization comprising owners of homes, condominiums, cooperatives, manufactured homes, or any interest in real property created pursuant to a declaration, covenant or other applicable law; or an organization described in section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code (each, an Association”); and~~
- ~~b. Limits the use of such fees to support maintenance and improvements to the subject property, and acquisition, improvement, administration, and maintenance of property owned by the Association, including cultural, educational, charitable, recreational, environmental, conservation or other similar activities that:-~~
 - ~~i. Are conducted in or protect the burdened community or adjacent or contiguous property, or~~
 - ~~ii. Are conducted on other property that is used primarily by residents of the burdened community.~~

Follow Fannie Mae or Freddie Mac guidelines.

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 02-24” indicates the second Informational Bulletin issued in 2024.

*Please retain these bulletins with your MPP Guide for easy reference. Bulletins can also be found posted on the **MPP Guide and Other Resources** page on www.fhlbi.com.*