



Advantage MPP

Guide Update Bulletin

FHLBank Indianapolis releases updates for delayed financing, gift of equity and involuntary repurchases.

MPP Bulletin 01-24

Effective Feb. 21, 2024

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

6.1 Limitations and Restrictions

Section 6.1 has been updated to remove the requirement to submit Gift of Equity as an exception.

Gift of Equity – ~~Exception approval required.~~

- Follow Fannie Mae or Freddie Mac Guidelines

6.2.1.3 Loan Purpose

Section 6.2.1.3 has been updated to remove the overlay for second home delayed financing.

Cash Out Refinances

- Follow Fannie Mae or Freddie Mac Guidelines

A Cash Out Refinance is a loan with proceeds that exceed the outstanding principal balance of the existing liens plus reasonable and customary closing costs. Each Cash Out Refinance must be underwritten to meet the following requirements and will be assessed the appropriate fees as outlined in Appendix B, which will be deducted from the purchase price.

Delayed Financing

- Follow Fannie Mae or Freddie Mac Guidelines
- ~~Second Homes are not eligible.~~

18.1 Involuntary Repurchase

Section 18.1, item 6 has been updated to ensure availability of safe harbor protections.

~~6. With respect to any Mortgage Loan, if the related Mortgagor fails to make the first, second, third or fourth Monthly Payments due to FHLBank Indianapolis (the Bank) after the related Settlement Date by the last day of the calendar month in which such Monthly Payment is due, the Seller shall, at the Bank's option, repurchase such Mortgage Loan as set forth in the Guide.~~

6. If the borrower defaults on the loan payment within 120 days after loan purchase/transfer.

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 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.*