



Advantage Mortgage Purchase Program

GUIDE UPDATE BULLETIN

MPP Bulletin 01-26 (effective January 12, 2026)

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

This Guide Update Bulletin is issued to highlight the addition of United States Department of Agriculture (USDA) loans to the Mortgage Purchase Program (MPP). Guide changes are identified below in red.

Section 1.2 is adjusted in part as follows:

Section 1.2 Eligible Mortgages

FHLBank Indianapolis will purchase Conventional, FHA and **USDA** 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:

Section 1.5 was added to read as follows:

Section 1.5 Glossary

Remittance Date

A Remittance Date is the day the monthly principal and interest are due. **FHA and USDA loans are the 15th calendar day and conventional loans the 18th calendar day** each month or the next business day if the 15th or the 18th calendar day is not a business day.

Tri-Merged Credit Report (TRMCR)

A tri-merged credit report is a single, consolidated credit report that combines information from the three major credit bureaus to provide lenders with a comprehensive view of a borrower's creditworthiness.

United States Department of Agriculture (USDA) Mortgage

A USDA mortgage loan is a zero-down-payment home loan, backed by the United States Department of Agriculture (USDA), designed to help moderate- and low-income families purchase homes in eligible rural and suburban areas by providing access to affordable homeownership opportunities.

Section 2.3 was added to read as follows:

Section 2.3 Documentation Requirements

3. QA procedures for Federal Housing Administration (FHA) and **United States Department of Agriculture (USDA)** mortgages (if the member is applying to sell FHA or **USDA** loans to FHLBank Indianapolis).

Section 7.2.1 was added to read as follows:

Section 7.2.1 QA Plan Requirements

2. The QA Plan may be drafted to meet the following requirements set forth in this section (Section 7) or may comply with the QA Guidelines of any one of the following agencies: Fannie Mae, Freddie Mac, FHA or **USDA**.

Section 7.7 was added to read as follows:

Section 7.7 Legal Document Review

5. Mortgage Insurance Certificate (Private, FHA or **USDA**)

Section 7.8.4 was added to read as follows:

Section 7.8.4 Credit Reports

4. FHA **and USDA** loans require a ~~three~~**tri**-merged credit report (**TRMCR**) ~~from another source other than the original reporting agency.~~ **for each applicant from an independent consumer reporting agency.**

Section 7.8.6 was added to read as follows:

Section 7.8.6 Appraisals

Appraisal reviews must be completed on 10% of the Conventional loans in the selection and 10% of the FHA **and USDA** loans in the selection. The appraisal reviews must be completed by an independent fee appraiser who will complete an exterior inspection of the property and comparables and a thorough analysis of the original report.

Section 8.4.7 was added to read as follows:

Section 8.4.7 Transfer of Mortgage and REO files

No later than 30 days after the effective Date of Transfer, the Transferor must deliver to the Transferee the following records for each mortgage and REO for which Servicing is transferred.

3. **Correspondence and Reports:**

Copies of all correspondence with, and reports to, the borrowers and, as applicable, FHA, **USDA**, MI, FHLBank Indianapolis, and any government authority.

Section 8.4.15 was added to read as follows:

Section 8.4.15 Notices to Third Parties

3. Provide the required notices to FHA **or USDA**, if applicable.

Section 9.1 was added to read as follows:

Section 9.1 Scheduled/Scheduled

1. The Servicer must make all required payments to FHLBank Indianapolis by the 18th calendar day of each month or the next business day if the 18th is not a business day, as specifically provided in [Section 14](#) of this Guide.
 - a. FHA and USDA remittance is the 15th calendar day of each month.

Section 14.1.1 was added to read as follows:

Section 14.1.1 Method and Timing

3. For FHA and USDA MCCs, FHLBank Indianapolis will debit Seller's CMS Account or accept wired funds by the applicable Servicer by 1 p.m. Eastern (EST) time on the 15th calendar day of the month if the 15th is a business day.

If the 15th calendar day is not a business day, the transfer must be completed by 1 p.m. Eastern (EST) time on the first business day following the 15th calendar day of the month. FHLBank Indianapolis shall debit the amount set forth in a notice of withdrawal from the Master Servicer.

Section 14.3 was added to read as follows:

Section 14.3 FHA Delinquency and Losses

If at any time, the property securing an FHA or USDA mortgage is transferred to the Servicer by the mortgagor or in connection with foreclosure proceedings or otherwise and a UPB exists with respect to such mortgage, the Servicer shall advance FHLBank Indianapolis from its own funds on the 15th day of the calendar month following either such event (or the first business day following such 15th day) an amount equal to the UPB of such mortgage and all other amounts remaining due and unpaid under such mortgage.

Such payment is deemed an advance to or on behalf of the mortgagor or under such FHA or USDA mortgage. In such an event, the Seller or Servicer may exercise the rights of FHLBank Indianapolis against such mortgagor or against the FHA or ~~USDA insurance or guarantee as applicable under the FHA Insurance.~~

FHA/USDA Seller/Servicers may, at their option and without FHLBank Indianapolis' prior approval, repurchase any FHA or USDA loan for an amount equal to 100% of the loan's remaining balance, less the principal payments advanced, when at least one missed payment remains uncured for four consecutive months.

FHA/USDA Servicers must repurchase any FHA or USDA loan for an amount equal to 100% of the loan's remaining balance, less the principal payments advanced, when the loan has been modified under FHA or USDA guidelines as applicable.

Section 14.5 was added to read as follows:

Section 14.5 Other Expenses

- ~~3.~~ In the event of any such advance made with respect to an FHA or USDA mortgage, at such time as FHLBank Indianapolis is paid in full, all amounts that are due or may become due under a mortgage; the Seller or the Servicer may exercise the rights of FHLBank Indianapolis against the mortgagor or the FHA or ~~USDA insurance or guarantee as applicable. under the FHA Insurance.~~

Section 15.3 was added to read as follows:

Section 15.3 Reimbursement of Advances

With respect to conventional mortgages, the Servicer is entitled to reimburse itself for any advance made in accordance with this Guide from any amounts received as Servicer from the related mortgagor in respect of the required payment or expense for which the advance was made; proceeds from liquidation of the mortgage through foreclosure or otherwise; and proceeds from claims made on behalf of FHLBank Indianapolis under any PMI policy and any SMI policy, if applicable.

3. To the extent not reimbursed, **on conventional loans**, FHLBank Indianapolis will reimburse the Servicer for advances made in accordance with the Guide. With respect to an FHA **or USDA** mortgage, the Servicer is entitled to reimburse itself for any advances made by it in accordance with this guide through exercising the rights of FHLBank Indianapolis against the related mortgagor and the proceeds of any insurance claim against the FHA or **USDA insurance or guarantee as applicable under the FHA Insurance.**

Section 17.3 was added to read as follows:

Section 17.3 Monthly Reporting and Withdrawal Summary

3. The withdrawal date will be the 15th of the month for FHA **and USDA** loans or the 18th of the month for Conventional loans (if the 15th or 18th fall on a holiday or a weekend, then the next business day will apply). These debits begin in the month following the month of purchase of a mortgage. The Servicer is responsible for assuring that sufficient funds are available for debit. If funds are wired to FHLBank Indianapolis, the Servicer is responsible for having the funds wired on the applicable withdrawal date.

Section 18.2 was added to read as follows:

Section 18.2 Voluntary Repurchase

The Seller/Servicer may repurchase a delinquent FHA **or USDA** loan as detailed in [Section 14.3](#) of this Guide.

The Seller/Servicer may repurchase any loan if the Seller/Servicer becomes aware that the loan does not meet FHLBank Indianapolis requirements. Such repurchase requires notification to FHLBank Indianapolis and the purchase amount is calculated as described in [Section 18.1](#) above.

The Seller/Servicer may repurchase loan(s) for other reasons only with the prior approval by FHLBank Indianapolis.

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.*