



Advantage MPP

Guide Update Bulletin

FHLBank Indianapolis releases updated MPP Guide

MPP Bulletin 02-23

Effective Aug. 8, 2023

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

The revised Mortgage Purchase Program Guide (MPP Guide) from the Federal Home Loan Bank of Indianapolis (FHLBank Indianapolis) is now available on our website.

[Click here to view the new MPP Guide](#). The revised MPP Guide is effective for Mandatory Delivery Contracts issued on or after Aug. 8, 2023.

The new MPP Guide updates also incorporate all outstanding bulletin updates through Guide Update Bulletin 01-23 (which includes 03-22 and 04-22).

Following is an overview of the substantive MPP Guide changes not previously communicated through an Informational Bulletin. **Changes are indicated in red**. Please refer to the MPP Guide for all applicable requirements.

1. INTRODUCTION

Section 1.2 has been updated to include FHA loans including manufactured homes. Manufactured homes are for FHA ONLY.

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)**

4.4.1 CUSTODY FILE

Section 4.4.1 has been renamed Custody file.

Section 4.4.1 #2 has been updated to include documents and endorsements to be reviewed in custody file prior to the deliver to document custodian.

The Document Custodian is responsible for the **reviewing, certifying, and storing the Custody file:**

The Document Custodian is responsible for the reviewing, certifying, and storing the Custody file:

1. The Seller must have a Document Custodian that has entered into a custodial agreement with FHLBI and is qualified.
2. The Seller shall deliver each Custody File to the Document Custodian. **The Custody File must include:**

- a. **Note**

- i. **Physical Form** – the original Note bearing the complete chain of endorsements from the originator to Seller and further endorsed “pay to the order of _____, without recourse” and the blank line in the endorsement should remain blank (no name filled in). The endorsement should be signed below on behalf of the Seller by an authorized representative (authorized by the Seller’s corporate resolution).

- ii. **eNote** – an electronic copy of the eNote and designations in the eRegistry reflecting:

1. The document custodian as ‘Location’ (signifying the location of the Authoritative Copy)

2. The Federal Home Loan Bank of Indianapolis (Org ID 1001347) as ‘Controller’.

3. The document custodian as the ‘Delegatee for Transfer.’

- b. **Security Instrument** – copy of the Security Instrument, signed by the mortgagor, that was recorded or sent for recording.

- c. **Assignment** – an original Assignment of the Security Instrument to Federal Home Loan Bank of Indianapolis in recordable form but unrecorded (not required for mortgages on MERS). Copies of any interim Assignments of the Security Instrument that were recorded or sent for recording, as applicable, such as when the Seller did not originate the Mortgage or if the Mortgage has been assigned to MERS.

d. The originals of any assumption, modifications, consolidation, subordination, or extension agreements, with evidence of recording thereon, or copies thereof certified by Seller, if any.

e. Power of Attorney (POA) if applicable – copy that was sent for recording.

f. Title Insurance Policy

i. Original or copy of the mortgage insurance title policy showing the policy number, or

ii. The attorney's opinion of title.

3. The Document Custodian shall review the custody files against the Schedule of Mortgages prepared and delivered by the Seller as part of an MDC as more particularly described in the Document Custodian Manual.

4. The Document Custodian shall certify to FHLBank Indianapolis that the Custody Files accurately represent the mortgages described in the applicable Schedule of Mortgages and are in the Document Custodian's control. An Initial Certification will be performed by the Document Custodian on or before the applicable Settlement Date.

5. The Document Custodian shall maintain control of the Custody File at all times while the mortgage is owned by FHLBank Indianapolis.

6. The Seller or an affiliate of the Seller may function as the Document Custodian provided it meets the eligibility requirements and provided that it is approved as such by FHLBank Indianapolis.

4.4.2 CERTIFICATION

Section 4.4.2 has been renamed Certification.

6.2.2.1 CONDOMINIUM PROJECTS

Section 6.2.2.1 has been updated to 95% LTV for condominiums.

Condominium units in completed, established projects will be acceptable collateral for this program. The maximum LTV is 95%. The Seller is responsible for determining that the project is agency (FHA, Fannie Mae, or Freddie Mac) approved.

APPENDIX A: SECTION 1.3 CERTIFICATION PROCESS

INITIAL CERTIFICATION

Appendix A: Section 1.3 Certification Process, Initial Certification has been updated to include endorsement review guidelines for the document custodian.

The Custody File must contain the following documents, all of which must be delivered to the Document Custodian at least one business day prior to the applicable Settlement Date for a particular MDC:

1. Note. With respect to a Note in Physical Form, the original Note bearing a complete chain of endorsements from the originator to Seller and further endorsed “pay to the order of _____, without recourse” and the blank line in the endorsement should remain blank (no name filled in). The endorsement should be signed below on behalf of the Seller by an authorized representative (authorized by the Seller’s corporate resolution) signed by an individual authorized by corporate resolution in the name of Seller.

With respect to an eNote, an electronic copy of the eNote and designations in the eRegistry reflecting:

- a. The document custodian as ‘Location’ (signifying the location of the Authoritative Copy)
- b. The Federal Home Loan Bank of Indianapolis (Org ID 1001347) as ‘Controller’
- c. The document custodian as the ‘Delegatee for Transfers’

The eNote shall contain a tamper evident seal, a physical representation of an electronic signature present and the borrower’s name shall be typed below the electronic signature.

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.