

Application

PLEASE COMPLETE AND SIGN BELOW

MEMBER LEGAL NAME _____ DATE _____

RESIDENTIAL 1-4 FAMILY MORTGAGE INFORMATION

Provide originations for the current year and the previous year. Indicate \$0 or N/A as applicable.

CURRENT YEAR AS OF _____ <i>(must be within 90 days)</i>	# OF LOANS	ORIGINATION VOLUME	LOANS SOLD	SERVICING RETAINED	SERVICING RELEASED
Conventional					
Government					
PREVIOUS YEAR	# OF LOANS	ORIGINATION VOLUME	LOANS SOLD	SERVICING RETAINED	SERVICING RELEASED
Conventional					
Government					

	CURRENT YEAR AS OF _____ <i>(must be within 90 days)</i>		PREVIOUS YEAR	
	# OF LOANS	ORIGINATION VOLUME	# OF LOANS	ORIGINATION VOLUME
Total Purchases of TPO Loans				
Loans from Correspondents				
Loans from Brokers				

If requesting a Servicing Released option, complete the below chart.

Provide information for any loans repurchased, or denied coverage if a government loan, in the past 12 months.

PREVIOUS 12 MONTHS	# OF LOANS	UPB	CLOSING DATE	REASON
Conventional				
FHA				
VA				
USDA				

ELIGIBILITY

Please consult the MPF Guides for the full list of eligibility requirements, located at www.fhlbdm.com.

By signing the Application Statement Certification at the end of this application, as a representative of your institution, you are attesting that the eligibility requirements have been read and are understood, any information supplied by your institution is complete, true and correct, and your institution is in compliance with the statements made below.

GENERAL

A Participating Financial Institution (PFI) must meet the following requirements:

- Notify your MPF Bank if your institution is the subject of any regulatory enforcement action.
 - Notify your MPF Bank if any owners, principals, or officers have been subject to any government disbarment or HUD program exclusion within the past ten (10) years.
 - Notify your MPF Bank of any materially adverse changes in your institution's financial condition.
 - Hiring procedure includes verification for all employees involved in mortgage loans (from origination through closing) includes checks against the U.S. General Services Administration (GSA) Excluded Parties List, the U.S. Department of Housing and Urban Development (HUD) Limited Denial of Participation (LDP) List, and the Federal Housing Finance Agency (FHFA) Suspended Counterparty Program (SCP) List.
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- All government loans, originated by the PFI and/or purchased under a Third-Party Origination (TPO) relationship, must have received the appropriate insurance or guaranty within 12 months from the date of closing.

SERVICING RELEASED ONLY

- PFIs are liable for the interim servicing and origination representations and warranties.
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- Participation in Mortgage Electronic Registration System (MERS) may be required based on your selected servicing released option.

ANTI-PREDATORY LENDING

Please consult the MPF Guides for a full list of Anti-Predatory Lending (APL) requirements, located at www.fhlbdm.com.

By signing the Application Statement Certification at the end of this application, as a representative of your institution, you are attesting that the APL requirements have been read and are understood, any information supplied by your institution is complete, true and correct, and your institution is in compliance with the statements made below.

GENERAL

- A PFI will adopt procedures to screen loans for the MPF program to ensure ineligible loans are not delivered to MPF.
- A PFI will avoid any abusive practices that fall under predatory lending including:
 - Very high interest rates
 - Very high fees
 - "Steering" a borrower toward a mortgage with higher interest rates and/or fees when the borrower could qualify under a less costly financing alternative
 - Approving a mortgage based solely on the value of the property
 - Lending without regard for a borrower's ability to repay the mortgage
 - Loan flipping, which consists of refinancing a mortgage without any real economic benefits to the borrower
 - Equity stripping, which is charging excessive fees and points
 - Failing to disclose prepayment penalties to the borrower or using them as a method to prevent the victim of "steering" from being able to refinance to a lower-rate mortgage
 - Charging a higher rate of interest after the mortgage goes into default
- PFIs and Servicers must be aware of and be in compliance with anti-predatory lending laws, rules, and regulations as they apply to any origination or servicing practices.
- Compliance with these anti-predatory lending laws must be accomplished without regard to the application of federal preemption rules, statements or other related announcements issued from time to time by banking regulators or other regulatory authorities.
- A PFI which purchases loans to be delivered under the MPF Program is required to take steps to ensure that loans originated by third parties are in compliance with all Applicable Laws, including without limitation, applicable predatory lending laws.
- Loans classified as high cost, high rate, 'not ratable', high risk, subject to HOEPA, or loans in similar categories as defined by applicable predatory abusive lending laws are ineligible for delivery under the MPF Program. In addition, any loans listed as ineligible on the Anti-Predatory Lending Category (Exhibit A of the MPF Program Guide) may not be delivered under the MPF Program.

QUALITY CONTROL

Please consult the MPF Guides for the full list of Quality Control (QC) requirements, located at www.fhlbmdm.com.

By signing the Application Statement Certification at the end of this application, as a representative of your institution, you are attesting that the QC requirements have been read and are understood, any information supplied by your institution is complete, true and correct, and your institution is in compliance with the statements made below.

QC PLAN REQUIREMENTS

- An in-house QC plan is maintained in accordance with the requirements of the MPF Guides, including the following:
 - Loan selection process for pre- and post-closing QC reviews
 - Verification of data and documents
 - Timing of the pre- and post-closing QC reviews

STAFF REQUIREMENTS

- Your institution has controls in place to ensure the post-closing QC department operates independently from the production department.
- Staff performing the pre- and post-closing QC reviews are sufficiently experienced pursuant to established skill sets and expertise levels.
- Staff training and minimum job qualifications to perform pre- and post-closing QC reviews are documented.
- Provide primary contact information for:
 - Quality Control _____
 - Annual Eligibility Certification Process _____

LOAN FILE DOCUMENTATION REQUIREMENTS

- All mortgage loan file documents are reviewed to ascertain the mortgage loan was underwritten properly and based upon prudent underwriting practices.
- Closing documents are reviewed for accuracy, consistency, and compliance with all regulatory requirements pursuant to your QC plan.

QC SAMPLING

- The pre-closing QC loan selection methodology is regularly re-evaluated to ensure its effectiveness.
- If your institution employs a statistical sampling method to determine random post-closing QC sample size, the QC plan must contain the following:
 - Method for making the statistical selection
 - Variables used in the selection model and how they are defined
 - The results of periodic evaluations of the process and the variables
 - The establishment of time periods for the evaluations
- In addition to a random selection, a targeted sample size must be considered. Targeted selection criteria must take into account your institution's assessment of the risks inherent in its origination processes, business sources, volume, and product mix, and must be reviewed regularly to ensure criteria is appropriate.
- If your institution does not employ a statistical sampling method, your institution is required to employ a 10% sampling method to determine post-closing QC sample size. The QC plan must indicate how the 10% sample is selected:
 - Total annual MPF Program originations
 - Total annual home mortgage production
 - Total annual secondary market home mortgage production
- Every mortgage is allowed a chance of being included for post-closing QC sample selection within the month following its closing date.

QC RESULTS AND REPORTING

- Complete records for each mortgage file selected for pre- and post-closing QC review are maintained, including details of inconsistencies found in the mortgage file that may impact the investment quality or eligibility of the loan. Documentation of post-closing QC review should include:
 - Re-verification of income and employment documentation used in the original underwriting process.
 - Re-verification of the source of funds used in the original underwriting process.
 - All verbal re-verifications are documented in writing.
 - A tri-merge credit report is obtained for all loans selected through the random and targeted QC sampling process.
 - A field review appraisal is performed for one out of 10 loans selected for the post-closing QC random sample.
- Discrepancies identified during a mortgage loan file document review must be reassessed and, if outside of tolerances, the loan must be re-underwritten.
- Your institution has a written QC plan that:
 - Establishes a mortgage target defect rate (evaluated annually) for post-closing QC reviews.
 - Categorizes defects based on severity. The highest defect severity level is assigned to mortgages determined "not eligible for sale" under the MPF Program.
 - Documents how pre- and post-closing QC findings are reported to senior management on a monthly basis.
- All records of all pre- and post-closing findings must be retained for a minimum of three years from the date of the completion of the QC review and must include substantiation of any remedial action.
- Post-closing QC findings that adversely affect the investment quality or eligibility for a loan sold under the MPF Program must be communicated in writing to the MPF Program within 30 days.

**Note: The MPF Program must be informed immediately of any incident of fraud or false representation.*

OTHER

- If your institution utilizes a third party QC service provider for all or a portion of your QC program, please attest to the following:
 - The services performed by the third party QC provider have been determined to comply with the MPF Program's requirements.
 - The performance of the third party QC provider is overseen and evaluated by your institution on a regular basis.
 - Corrective actions are applied equally regardless of whether findings are discovered by internal staff or by the third party QC service provider.
- If servicing is transferred, the originating PFI must furnish records of completed QC reviews to the new servicer, or ask that QC is performed by the new servicer. This requirement must be included in your institution's QC plan.

**Note: The MPF Program must be informed immediately of any incident of fraud or false representation.*

APPLICANT STATEMENT CERTIFICATION

Is your institution and/or any of its principal officers, directors, partners or owners of five percent or more interest the subject of any actions, claims, inquiries, investigations, suits or proceedings pending at law or in equity or before any government agency, or is your institution the subject of any litigation, assessments or contingent liabilities not disclosed in your financial statements?

YES ☐ NO ☐

If so, please provide a complete description of the situation below.

The applicant hereby represents and warrants that all information contained in this form and any supporting documentation is complete and accurate. The applicant understands that (1) your MPF Bank will be relying upon the information contained in this form and any supporting documentation, (2) any misrepresentation or omission may constitute a civil or criminal violation and may be cause for suspension or termination as an Originator or Servicer by your MPF Bank, (3) your MPF Bank will be notified of any material changes in the information provided in this application during the time after submission of this application and prior to approval, and (4) your institution is in compliance with the applicable requirements of the MPF Guides.

The MPF Resolution Dictates the officers authorized and required to execute this form.

SIGNATURE: _____

SIGNATURE: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____