

Initial Certification Review Checklist

Use this procedure to review for Initial Certification of all Conventional and Government Collateral Files delivered under the Mortgage Partnership Finance® Program.

Note: Do not use correction fluid or write on Mortgage documents at any time.

SECTION I:

FILE FOLDER

1. Verify that the following items on the file label match the Loan Funding Report ('A' File):
 - _____ a. PFI name
 - _____ b. Master Commitment number
 - _____ c. Borrower name
 - _____ d. MPF loan number (MPF Program Custodian only)
 - _____ e. PFI loan number

2. For documents sent to the MPF Program Custodian, verify that Collateral Files were shipped in Master Commitment number order and then within each Master Commitment, by MPF loan number order.

SECTION II:

NOTE

1. Verify that the following items on the Note match the Assignment:
 - _____ a. Borrower name (over and under signing is acceptable)
 - Names on Note and Assignment must match exactly (no misspelling between these two documents).
 - If name does not match Loan Funding Report, do not cite Exception. Notify MPF Provider with correction to Loan Funding Report via 'E' File.
 - _____ b. Street address (the unit number must be included in the address, if applicable), city, state, zip code (verify zip, if available)
 - Address on Note and Assignment must match exactly, if provided on the Assignment.
 - If address does not match Loan Funding Report, do not cite Exception. Notify MPF Provider with correction to schedule via 'E' File.

2. Verify that the following items on the Note match the Loan Funding Report ('A' File):
 - _____ a. Original principal amount – alpha, numeric
 - _____ b. Interest Rate – alpha, numeric
 - _____ c. First payment date
 - _____ d. Last payment date (maturity date)
 - _____ e. Monthly principal and interest (P & I) (can be over or under \$0.01 cent) – alpha, numeric

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Initial Certification Review Checklist

- _____ f. Use of FNMA/FHLMC Uniform Instrument
- The following Fannie Mae/Freddie Mac form numbers are acceptable: 3200, 3202, 3210, 3220, 3230, 3233, 3244, 3246, 3247, 3249, 3250 and 3253.
 - **All forms must have a revision date of 1/01 or later.**
3. Verify the following items for the Note:
- _____ a. Note is present
- _____ b. Note is original (lost note affidavit or lost instrument bond is acceptable, except for loans delivered under the MPF Xtra® product)
- _____ c. If a lost note affidavit is received, a copy of the Note is required
- _____ d. All pages of the Note are present (verify by page numbers; 1 of 4, 2 of 4, etc.)
- _____ e. Any sections of the Note with notarization, acknowledgment, or witness are complete and have original signatures
- _____ f. Original signature(s) consistent with Borrower name(s), (over and under signing is acceptable)
- _____ g. The lender name is present on first page of Note
- _____ h. All blanks are filled or crossed out
- _____ i. All whiteouts are initialed by Borrower(s)
- _____ j. If a lost instrument bond is received (not eligible in lieu of the original Note under the MPF Xtra® product), verify the following:
1. Name of PFI
 2. MPF Master Commitment number
 3. Current PFI loan number
 4. FHA/VA case number
 5. Name of original Mortgagor(s)
 6. Address of property
 7. Recording information of Mortgage
 8. Name of obligor (surety or insurance company)
 9. Date the bond was executed by surety or insurance company
 10. Signature of representative for surety or insurance company
 11. Appropriate Power of Attorney and certification, as required
4. Verify that the endorsement is from PFI to _____ [blank] and is typed or stamped directly on the Note (stickers or any other type of removable attachments are not acceptable). For intervening endorsements, the chain of endorsements must be complete from the Originator to the PFI. The endorsement should not include a date. If the endorsement includes a date, it must be on or after the Note date. The endorsement must include:
- _____ a. Endorser (PFI) name with original signature of Designated Officer (who must be an employee of the PFI), along with the typed name **OR** title. The PFI cannot delegate the execution of the endorsement to an attorney-in-fact. If a facsimile signature is used, the Custodian must contact the MPF Provider to ensure that the PFI is in compliance with Chapter 24.4.5 of the Origination Guide.

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Initial Certification Review Checklist

- _____ b. In the form “Pay to the order of _____, without recourse”.
- _____ c. Custodian, if directed by the PFI and approved by the MPF Provider, may add Note endorsements. The PFI will provide a legal opinion (with a copy to MPF Provider) granting the Custodian the ability to endorse Mortgage Notes on behalf of the PFI. The PFI shall provide the appropriate endorsement stamps to the Custodian.
5. Verify the following items for any rider, addendum, modification, or Assumption that modifies the Note:
- _____ a. Document is present and original
- _____ b. If it is a copy, the document must be certified by the PFI
- _____ c. All pages are present (verify by page numbers; 1 of 4, 2 of 4, etc.)
- _____ d. Signature is present

INTERVENING ASSIGNMENTS

6. Verify a complete Assignment chain from original Mortgagee to the current PFI. Each required Assignment may be a recorded original, a copy of a recorded Assignment, or a copy of the Assignment sent for recording. (Assignments from an Affiliate Servicer to the PFI can be unrecorded if original is delivered.) If MERS is designated in the Security Instrument as the original Mortgagee (MOM), no Intervening Assignments are needed as long as the Mortgage remains registered with MERS. If registered with MERS but MERS is not the original Mortgagee, a complete chain of title from the original Mortgagee to MERS is required. For the Intervening Assignment, verify the following:
- _____ a. If a copy, the Intervening Assignment must be a certified copy
- _____ b. All pages are present
- _____ c. Borrower name(s) is consistent with the Note
- _____ d. Evidence of recording on original. (Review of this item is not required if the MPF Provider provides a waiver stating that an unrecorded original Assignment is acceptable.)
- _____ e. If witness name is typed, the signature must be present
- _____ f. The Borrower name(s) on the Assignment must exactly match the Borrower name(s) on the Mortgage.

PFI ASSIGNMENT

7. Verify the following items for the PFI Assignment:
- _____ a. Assignment is present and **must not be** “without recourse”
- _____ b. Assignment is original (verify by original signatures)
- _____ c. Borrower name(s) matches the Note (If all information on the Note is correct, the Custodian may add missing Jr., Sr., III, etc. to the Assignment; the Custodian shall not be responsible for the recordability of such Assignment.)

Initial Certification Review Checklist

- _____ d. Assignor is the same as the PFI, and assignee is left blank
- _____ e. Any sections with notarization, acknowledgment, or witness are complete and have an original signature
- _____ f. Original signature of Mortgagee or beneficiary (Designated Officer)
- _____ g. If the Mortgage is registered with MERS as assignee or original Mortgagee (MOM), no PFI Assignment to blank is required. If MERS is designated in the Security Instrument as the original Mortgagee (MOM), a copy of the first page of the Security Instrument is required.
- _____ h. Date of Assignment is on or after the Note date.
- _____ i. Assignment contains the property address or legal description.
- _____ j. Assignment contains the date of the Mortgage.
- _____ k. The Borrower name(s) on the Assignment must exactly match the Borrower name(s) on the Mortgage.

POWER OF ATTORNEY (POA)

8. Verify the following items if the Mortgage documents are signed by an individual representing a Borrower under a Power of Attorney (POA):

- _____ a. POA is present.
- _____ b. If the POA is not present, cite Exception and enter the names of the Borrower and signer (Attorney-In-Fact) in the explanation field
- _____ c. POA is original or is a certified copy by the PFI or the Originator of the Mortgage
- _____ d. POA is notarized. The date of the POA must be on or before the Note date.

ALLONGE

9. If an allonge is present, verify that the following item is present:

- _____ a. References to Note must be accurate (at least 2 references needed)
(For example: Borrower names, loan number, and address)
- _____ b. If dated, the date is not prior to the Note date.

MERS

10. If the Assignment chain ends at MERS, verify the following:

- _____ a. MIN is present in the data
- _____ b. If the MIN is not present in data, cite an Exception

TRUST AGREEMENT

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Initial Certification Review Checklist

11. If the title to a property is held in trust, verify the following (see Underwriting Guide Chapter 4.1 for additional information and examples below for acceptable signature format):

- _____ a. Land Trust
- Trust certified copy of Trust Agreement
 - Trust must execute the Note
 - The title of the Trust including the Trust number and date (if applicable) must appear below the Trust signature line.
 - All Borrowers, each Trustee, and if applicable, each co-signer must execute the Note.
- _____ b. Living (“Inter Vivos”) Trust
- All Borrowers must execute the Note individually (if there are any co-signers, each co-signer must also execute the Note as an individual – see Underwriting Guide Chapter 4.1).
 - All Borrowers who are named as Trustee must execute the Note as Trustee
 - The full title of the Trust including the Trust date must appear below the signature line for every Trustee

EXAMPLES: An individual whose income and assets are used to qualify for a loan and who is named as a Trustee must execute the Note as trustee AND individually. This may be accomplished by either one or two separate signatures (see below).

Example 1: One signature presented – acceptable format

Signature: William Smith
 Typed Name: William Smith, individually and as Trustee for the Smith Family Trust under trust instrument dated xxxx

Example 2: Two signatures presented – acceptable format

Signature: William Smith
 Typed Name: William Smith

AND:

Signature:	<u>William Smith</u>	-OR-	<u>William Smith, Trustee</u>
Typed Name:	William Smith, as Trustee for the Smith Family Trust under trust instrument dated xxxx		William Smith, as Trustee for the Smith Family Trust under trust instrument dated xxxx