



**Mortgage  
Partnership  
Finance.**

## *Press Release*

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### **MPF<sup>®</sup> Program Partners with USDA Rural Development**

Chicago, Ill. – The Federal Home Loan Banks’ Mortgage Partnership Finance<sup>®</sup> Program announced today a new partnership with the USDA Rural Development program. Under this new arrangement, approved Home Loan Banks participating in the MPF<sup>®</sup> Program can now purchase RHS Section 502 government-guaranteed loans from qualified members. These members include commercial banks, thrifts, credit unions, and insurance companies.

USDA Rural Development Guaranteed Loans are offered to qualifying low- and moderate-income families to purchase or refinance homes in rural areas with a population of less than 10,000 and “non-metro” communities with populations between 10,000 and 25,000. Guaranteed loans offer many benefits to buyers such as zero down payment, no monthly insurance, and flexible credit guidelines.

With this announcement, two Home Loan Banks that participate in the MPF Program have the ability to purchase these types of government loans from their members as a competitive alternative to the secondary mortgage market: the Federal Home Loan Bank of Chicago, serving members in Illinois and Wisconsin, and the Federal Home Loan Bank of Pittsburgh, serving members in Pennsylvania, Delaware, and West Virginia. Members of Federal Home Loan Banks that participate in the MPF Program retain the relationship with their borrowers and manage the credit risk of the loans they originate. The Federal Home Loan Banks manage the liquidity, interest rate, and prepayment risks associated with the loans.

“The MPF Program has been innovative since its inception 10 years ago. This partnership with USDA Rural Development continues the program’s tradition of offering products that help members meet the specific needs of the borrowers in their local communities,” says Eric S. Schambow, Senior Vice President, Mortgage Partnership Finance Program.

For more information about the MPF Program, visit the website [www.fhlbmpf.com](http://www.fhlbmpf.com).

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*The mission of the Federal Home Loan Banks is to provide cost-effective funding to members for use in housing, community, and economic development; to provide regional affordable housing programs, which create housing opportunities for low- and moderate-income families; to support housing finance through advances and mortgage programs; and to serve as a reliable source of liquidity for its membership.*

*USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life for rural residents. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's website at [www.rurdev.usda.gov](http://www.rurdev.usda.gov). USDA is an equal opportunity provider, employer, and lender.*

*"Mortgage Partnership Finance," "MPF," and the "Mortgage Partnership Finance" logo are registered trademarks of the Federal Home Loan Bank of Chicago.*

*The Federal Home Loan Bank System, which includes 12 Federal Home Loan Banks, is celebrating its 75th anniversary in 2007. The U.S. Congress created the System in 1932 to promote housing finance, but the Banks are wholly owned by their member institutions.*

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