



Federal Home Loan Bank  
NEW YORK

# Introduction to the Mortgage Asset Program (MAP®)

2024

# MPF<sup>®</sup> Program & Participating Financial Institution (PFI) History

FHLBNY has been participating in the Mortgage Partnership Finance<sup>®</sup> Program

Since 1999

TOTAL LOANS FUNDED

52,825

PRODUCTION

\$7.9 B

CONVENTIONAL LOANS

45,639

\$7.3 B

GOVERNMENT LOANS

7,186

\$601.7 M

OUTSTANDING BALANCE

\$2.86 B

As of December 31, 2020

COMMERCIAL BANKS

\$398.05 M

CREDIT UNIONS

\$1,259.82 M

FEDERAL SAVINGS BANKS

\$363.51 M

STATE SAVINGS BANKS

\$809.61 M

THRIFTS

\$32.73 M

*The Mortgage Partnership Finance<sup>®</sup> (MPF<sup>®</sup>) Program and "Mortgage Partnership Finance" is a registered trademark of the Federal Home Loan Bank of Chicago.*

# MPF<sup>®</sup> Performance History (Conventional Loans)

MPF CONVENTIONAL  
LOANS PURCHASED

**45,639**

Loans with a  
credit loss

**192**

0.42% of conventional  
loans purchased

CONVENTIONAL LOANS  
PURCHASED

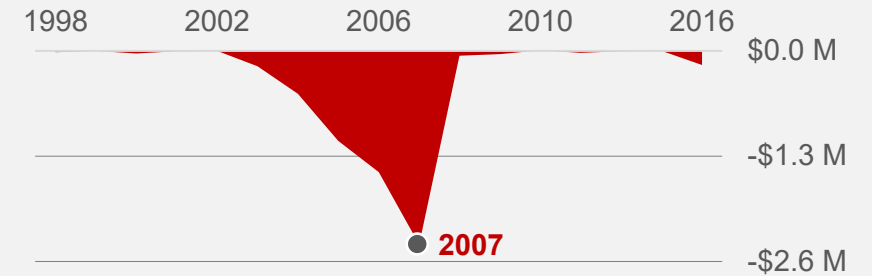
**\$7.3 B**

Total Amount of  
Credit Losses

**\$6.1 M**

0.08% of  
conventional loans  
purchased

## MPF LOSSES BY VINTAGE




Losses absorbed by the FHLBNY or  
recouped from future CE fees

**\$1.6 M**

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# What is MAP<sup>®</sup>?

The Mortgage Asset Program (MAP<sup>®</sup>) is a platform for the FHLBNY to buy mortgages from participating financial institutions and hold them on the FHLBNY's balance sheet.



MAP allows  
Members to sell  
loans to provide  
liquidity at a  
premium.

*Available to Members  
of all asset sizes*

## KEY PROGRAM FEATURES

- A flexible program with competitive pricing catered to our local markets
- No loan level price adjustments
- A pathway to accumulate FHLBNY Stock – members are required to purchase capital stock equal to 4.5% of what they deliver into MAP at time of funding
- Simplified credit risk sharing structure with the added potential to be rewarded with fee income for strong loan performance
- No risk-based capital impact or collateralization requirements on loans sold
- Partnership with the ICE PPE platform and Optimal Blue (OB) Marketplace to provide value-added services, such as real-time MAP rates and guidelines
- **Newly Released:** Tiered pricing based on loan size for fixed 30-year delivery commitments. With this release, MAP pricing for lower balance loans will be more competitive making it more advantageous to sell smaller balance loans through MAP.
- **Now available:** Servicing-Released sale option to maximize your upfront cash revenue received while also reducing operational expense

# MAP<sup>®</sup> Underwriting Guidelines

ELIGIBILITY CRITERIA	Adjustable-Rate Mortgages	✗
	Fixed	15, 20, 30 year
	LTV (Max)	95%
	FICO (Min)	660
	Max DTI (Manual/Automated)	43% / 45%

LOAN PURCHASE	Purchase	✓
	Cashout Refi	✓
	Rate & Term Refi	✓

DOCUMENT TYPE	Full Doc (No Streamline)	✓
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PROPERTY TYPE	1-4 Unit	✓
	Condos	✓
	Planned Unit Development	✗
	Manufactured Housing	✓
	Modular Housing	✗
	Co-ops	✓
	Rural Properties	✓
	Mixed-use Properties	✓
	Multiple Parcel	✓

STATE	Fifty (50) United States, plus DC	✓
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# CREDIT RISK SHARING

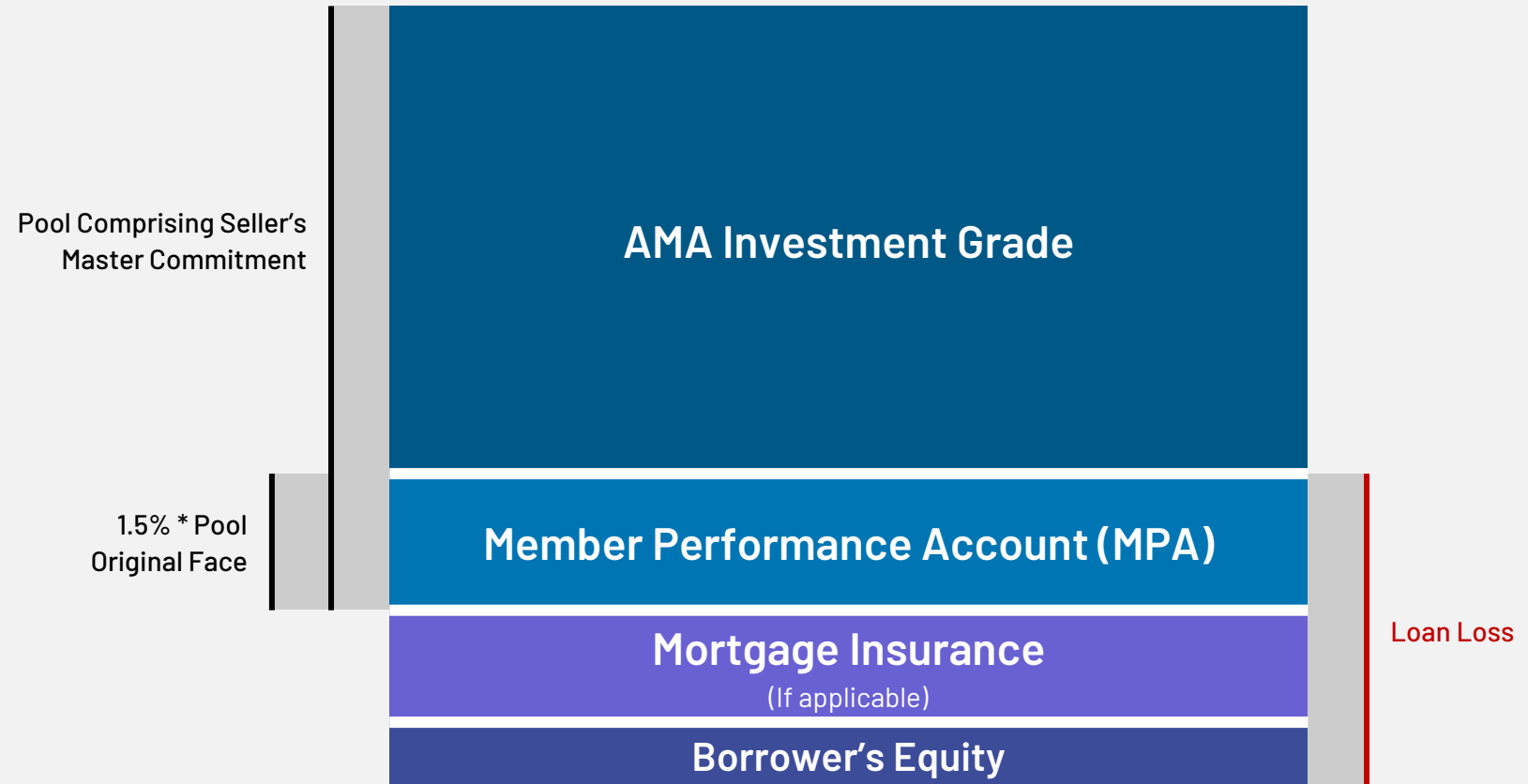


# MAP Credit Risk Sharing Structure

Credit Risk Sharing is a requirement of the AMA regulation under which MAP is governed; pools must be Credit Enhanced to “AMA Investment Grade”

- The Member Performance Account (MPA) is a fixed subordinated interest in the pool representing the PFI’s Credit Enhancement
- Loans are pooled into Master Commitments
- The fixed MPA amount represents the maximal loss the PFI can experience regardless of pool performance
- Net of losses, MPA is released to the PFI over the life of the pool

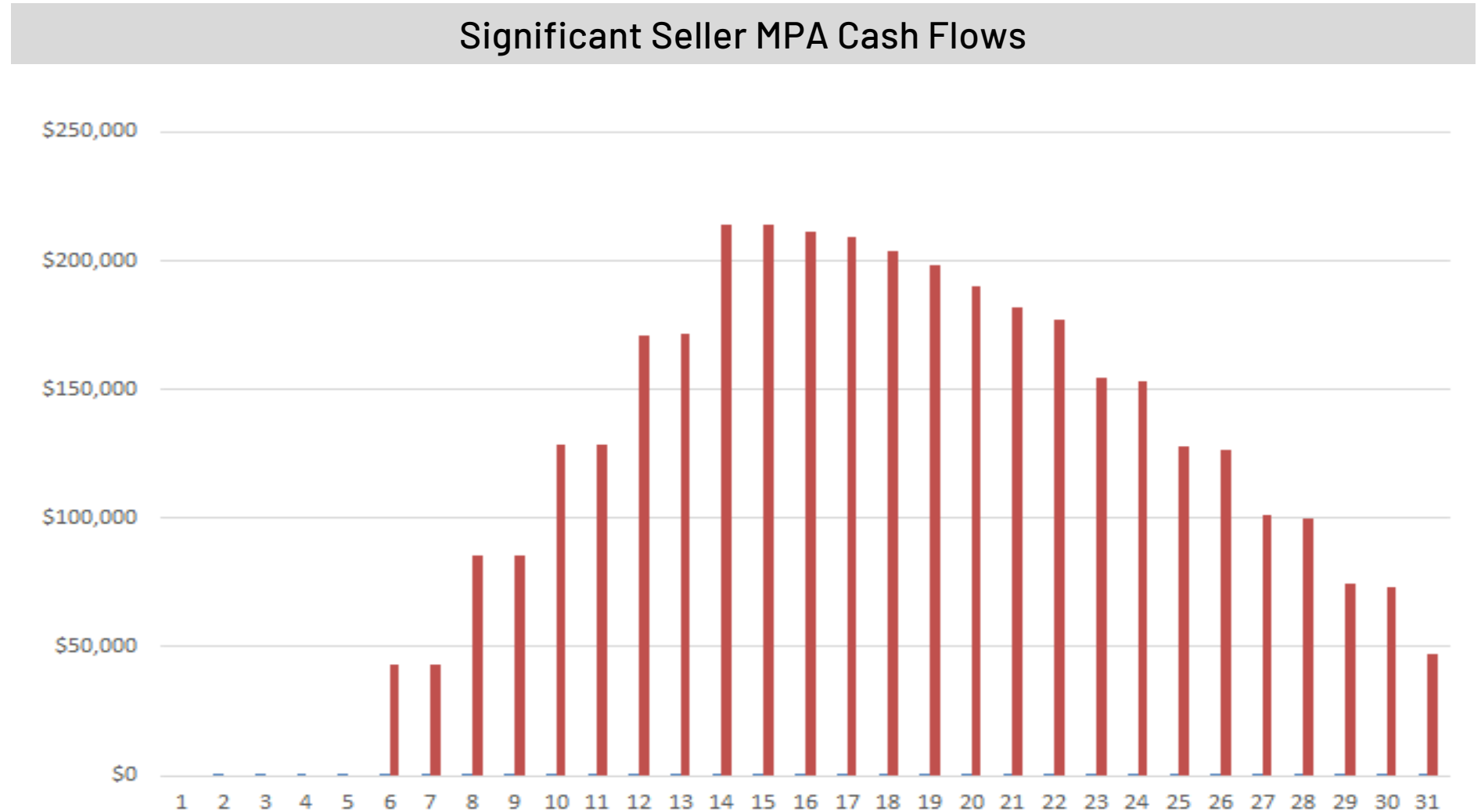
Loan losses over the life of the pool are absorbed in order by Borrower’s Equity, Mortgage Insurance (if applicable), then MPA and finally by FHLBNY



*\*Specific program parameters shown are subject to change.*

# Potential MPA Cash Flows of a Significant Seller

If a Member continuously fills \$50 million Master Commitments over a 10-year period, Cash flows will grow to significant levels.







# MAP ECONOMICS SUMMARY



# Economic Summary of MAP<sup>®</sup>

## Competitive Pricing

- The MAP Program offers strong up-front pricing for its members.
- Members find that MAP pricing is competitive and is often best execution especially considering that the program does not have Loan Level Price Adjustments.

## Capital Stock Dividend

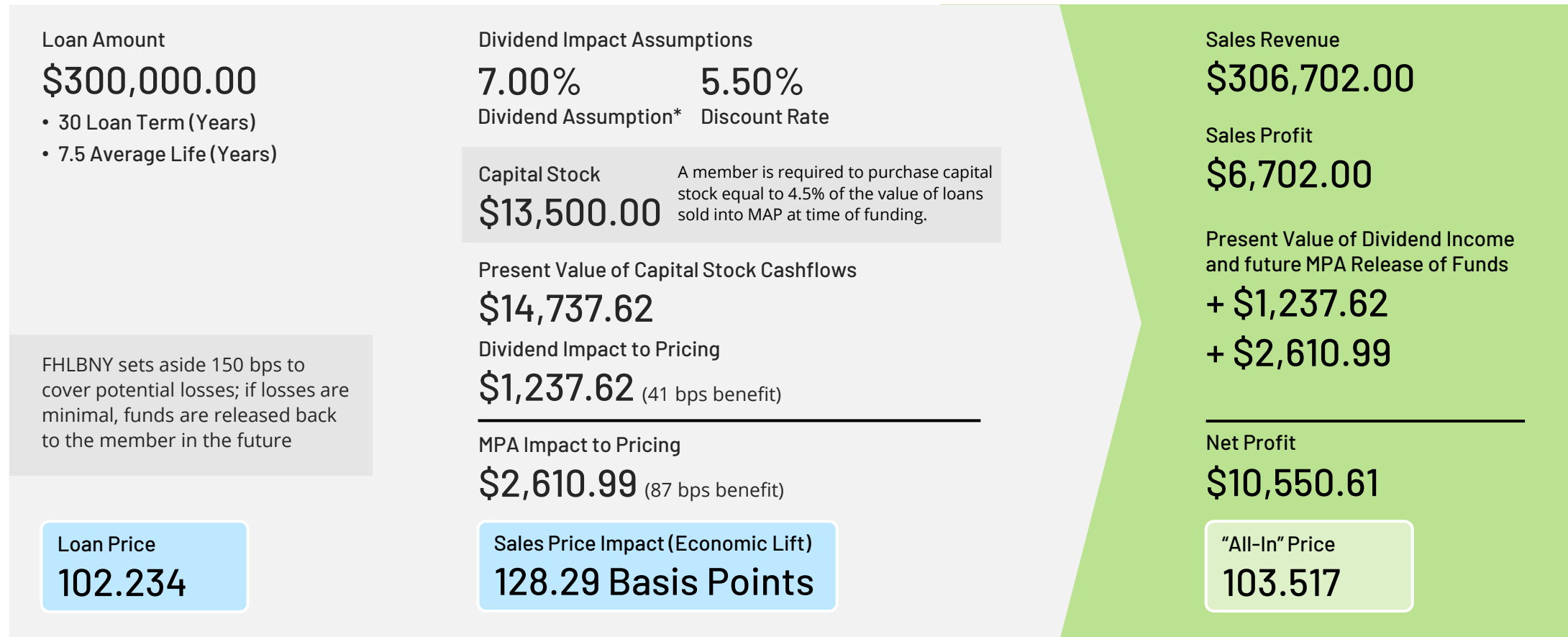
- MAP provides members a pathway to accumulate FHLBNY capital stock, an historically high-yielding asset.
- A member is required to purchase capital stock equal to 4.5% of the value of loans sold into MAP at time of funding.
- When present valuing the capital stock dividend over the average life of a loan, the income stream currently adds approximately 41 basis points of economic lift to MAP.

## Member Performance Account (MPA)

- To protect against credit losses the FHLBNY places 150 bps of the loan amount aside into a Member Performance Account (MPA). The MPA contribution does not come out of the loan sale proceeds.
- If there are minimal loan losses, the MPA will get released back to the member over a pre-determined schedule starting in year 5 after the end of a master commitment.
- Assuming no loan losses, the MPA fund release to the member adds approximately 87 basis points of additional economic lift to the program.

# Economic Impacts of Capital Stock & Future MPA Release to MAP<sup>®</sup>

The present value of the dividend\* income from capital stock over the average life of the loan sold plus the present value of the scheduled MPA release over time provides a significant 128.29 basis point 'economic lift' to the loan price.



\*Although the FHLBNY dividend yield has been historically strong, past performance does not guaranty future results. FHLBNY stock dividend history is available on the Investor Relations page of our website.

# Support low-to-moderate income (LMI\*) families with MAP®

THE FHLB NY HAS ALLOCATED \$5 MILLION TO HELP CREDIT ENHANCE LMI MORTGAGES SOLD INTO MAP® IN 2024

- Since LMI mortgages tend to have a higher Loss Coverage Ratio (LC)\*\*, this supplemental funding can be used to credit enhance any qualified LMI mortgages sold into MAP® in 2024\*\*\* with a LC greater than 1.50%.
- The amount needed to “buy down” or credit enhance the LMI mortgage’s LC to 1.50%, up to a maximum of 150 basis points, will be deposited into the PFI’s MPA on a first-come, first-served basis until the \$5 M allocation is exhausted.
- Take advantage of our more competitive MAP® pricing for lower-balance LMI loans – tiered pricing based on loan size for fixed 30-year delivery commitments was implemented in March 2024.

## EXAMPLE:

- \$250,000 LMI mortgage sold into MAP® with an LC of 2.11%
- 61 basis points, or \$1,525, would be credited to your MPA
- If the same mortgage had an LC of 4.0%, then the maximum credit enhancement of 150 basis points would be credited to your MPA.
- The supplemental credit for qualified LMI mortgages will be displayed in your monthly Loss Coverage Summary report.

**Did you know? You can sell loans made through the Homebuyer Dream Program® (HDP®) into MAP®.**

These loans may qualify for the new supplemental credit enhancement for LMI mortgages.

\* “LMI” refers to primary occupancy conventional conforming loans where the qualifying income of the loan is 80% or less than the estimated Area Median Income (AMI).

\*\* Loss Coverage Ratio is currently calculated using the S&P Global Ratings' LEVELS model.

\*\*\* LMI mortgages that were previously sold into the program on or after January 1, 2024, will be retroactively credited.



# MASTER & DELIVERY COMMITMENTS

# Master Commitment & Delivery Structure

## Master Commitment (MC)

### Best Efforts

- Single MC - minimum size: \$50M
- Aggregate Pool MC - minimum size: \$5M
- 2-year term, Single MC can be extended up to 1 year
- Can be increased in size as needed
- Sub-Limits maintained at MC level
- Must maintain Weighted Average Loss Coverage ratio (WALC) of 1.50% or less before MC can be closed

## Delivery Commitment (DC)

### Mandatory

- DC amount can be per loan or in bulk
- Can be extended (extension fee will apply)
- Daily Rate Sheet:
  - Product & State
  - Remittance Type
  - Rate
  - Lock Period in days 5, 15, 30, 45, 60

### Sample Rate Sheet

Product	State	Remit	ConformingType	Rate	Lock Period				
					5	15	30	45	60
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	6.25	98.2325	98.1825	98.1325	98.0825	98.0325
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	6.375	98.9381	98.8881	98.8381	98.7881	98.7381
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	6.5	99.6343	99.5843	99.5343	99.4843	99.4343
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	6.625	100.2685	100.2185	100.1685	100.1185	100.0685
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	6.75	100.8824	100.8324	100.7824	100.7324	100.6824
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	6.875	101.4865	101.4365	101.3865	101.3365	101.2865
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7	102.0301	101.9801	101.9301	101.8801	101.8301
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7.125	102.3967	102.3467	102.2967	102.2467	102.1967
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7.25	102.776	102.726	102.676	102.626	102.576
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7.375	103.168	103.118	103.068	103.018	102.968
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7.5	103.4722	103.4222	103.3722	103.3222	103.2722
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7.625	103.5	103.45	103.4	103.35	103.3
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7.75	103.5	103.45	103.4	103.35	103.3
FIX 30	NY	Actual / Actual Multiple	>250k to 500k	7.875	103.5	103.45	103.4	103.35	103.3

# Aggregate Pool Structure

## (CONVENTIONAL LOANS)

### Credit Enhancement / Credit Risk Sharing

- Each PFI's Sub-MC funding activity under the Aggregate MC will be monitored against the same standards for loan eligibility, portfolio sub-limits and a weighted-average credit enhancement threshold.
- At the time of purchase, the FHLBNY will set-aside a standard credit enhancement of 1.50% for every loan funded. On an ongoing basis, the FHLBNY will use a credit risk model to monitor the weighted average credit enhancement of the aggregate MC and each Sub-MC to ensure it does not exceed the 1.50% threshold.
- The required credit enhancement set-aside will be retained by the FHLBNY in a Member Performance Account (MPA) for each member. Each member's MPA will be available to cover credit losses on all loans sold to the FHLBNY under the Aggregate MC. If loan losses for an individual member exceed their MPA set aside the excess of the losses are then shared on a pro-rata basis across all member MPAs in the Aggregate MC.
- Members are rewarded for originating well-performing loans and may receive a return of their respective MPA balances in accordance with a pre-defined schedule\*. The MPA's first eligible release begins on Month 61 from the date of the last loan funded under the Aggregate MC.

### AGGREGATE MC POOL \$100MM

PFI	Sub-MC	Loans Funded	MPA Set Aside	Loan Losses
PFI 1	\$10mm	\$10mm	\$10mm X 1.50% = \$150,000	(\$175,000)
PFI 2	\$15mm	\$15mm	\$15mm X 1.50% = \$225,000	\$0.00
ALL Other PFIs	\$75mm	\$75mm	\$75mm X 1.50% = \$1,125,000	\$0.00

### LOAN LOSS ALLOCATION

PFI 1 MPA Balance	\$150,000
PFI 1 Loan Losses	(\$175,000)
Pro-rata allocation of loss across remaining PFI MPAs	(\$25,000)

\*The pre-defined schedule to return MPA balances for performing loans can be found in your Master Commitment.



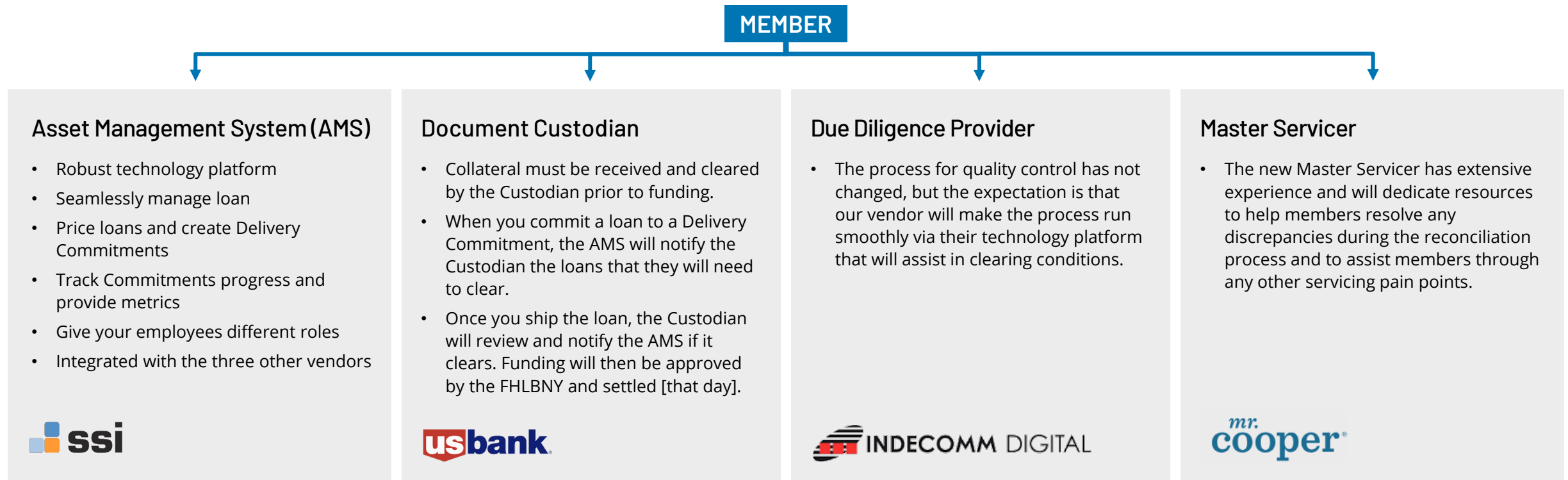
# OPERATIONS SUMMARY





# Third-Party Vendors for MAP®

The FHLB NY conducted an in-depth Request for Proposal (RFP) process that evaluated over 20 third-party vendors across approximately 100 metrics to fill each of the four vendor positions. The vendors selected for each category demonstrated exceptional capabilities to meet the FHLB NY's business, ease of use, customer experience, technology integration, support/training, and project management requirements.



For all of these vendors, the FHLB NY can communicate directly with them to resolve any issues or to make any enhancements to the systems.

# The FHLBNY has a team of highly-trained professionals to serve your team

The MAP program has additional staff dedicated to ensuring that the program runs smoothly and to address the needs of our members.

## OPERATIONS MANAGER

**Lori Schmid**

Supporting our members for any business as usual issues and coordinate with any Specialists on specific issues

## COMPLIANCE SPECIALIST

**Arthur Scorciolla**

Address member queries related to underwriting exceptions, guide updates, and will monitor MAP compliance to FHFA requirements.

## LOSS MITIGATION SPECIALIST

**Christina Thomas**

Assist in default servicing, loss mitigation, REO management

## BUSINESS RELATIONS SPECIALIST

**Zinzi Williams**

Manage the vendor relationships and work to continue to improve MAP

## ACCOUNTANTS

**Khary Miller**

**Zenobia Robinson**

Assist in resolving any issues pertaining to funding and account reconciliation, accruals, amortization, and any other accounting related issues

## SENIOR QUALITY ASSURANCE ANALYST

**Zenaida Quinones**

Review quality control exceptions on loans purchased for loan eligibility requirements. Review and evaluate member quality control and anti-predatory procedures for compliance to program requirements.

## OPERATIONAL ACCOUNTING MANAGER

**Michael Schoffelen**

Management of investor reporting and operational accounting activities and oversight of the master servicer.

## BUSINESS ANALYSTS

**Arthell Brumell**

**Thomas Bowdon**

Monitor master commitment usage and credit risk sharing structure to comply with program requirements. Manage loan purchase surveillance reporting.

# Onboarding for MAP<sup>®</sup>

## APPLY

Member completes MAP Application and provides required documentation.

Note: For ease of use, information on required forms will be pre-populated for existing PFIs using FHLBNI's available data.

## REVIEW

FHLBNI reviews the application package (Management and Credit)

## LEGAL

Upon approval, new PFI completes and executes required legal documents.

Note: All PFIs will be subject to an Annual Seller/Service Certification review

## SET UP

PFI user roles & responsibilities and Master Commitments are set up in Asset Management System

## TRAINING

PFI attends training session (in person or online)

## DONE

PFI can create Delivery Commitments and begin delivering loans



**Average time to completion is 4-6 weeks.**

Assuming all required documents are provided on a timely basis.

# In Summary...

## Ease of Use

The FHLBNY has created a user-friendly member-centric platform designed to provide members with end-to-end quality service on a state-of-the-art platform.

## Economic Value

With no loan-level price adjustments, competitive up-front pricing, ability to accumulate FHLBNY capital stock and be rewarded over time for good loan performance, in many scenarios you may find that MAP® will be best execution.

## True Sale

MAP® provides a true-sale structure with no adverse impact to Risked-Based Capital.

## Flexibility

The FHLBNY will have the ability to adapt MAP® over time to meet the unique needs of our membership.

## Mission

MAP® helps to fulfill our mission to advance housing opportunity and local community development by supporting members in serving their markets.



**QUESTIONS?**





Federal Home Loan Bank  
NEW YORK

# Advancing Housing and Community Growth

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