

## FNMA & FHLMC ADVERSE MARKET FEE

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**Purpose** This announcement includes the following topic:  
✓ Adverse Market Fee

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**Adverse Market Fee** *EFFECTIVE IMMEDIATELY* FSM will be charging 50 bps on all refinance new locks and relocks.

Fannie Mae and Freddie Mac have announced that due to economic uncertainty resulting in higher risk and costs incurred by the GES's, they are implementing a new loan-level price adjustment (LLPS) of 50 basis points (0.500%) for **ALL** refinance transactions.

**Note:**

Per Fannie Mae: "This LLPA applies to HomeReady and high LTV refinances without regard to the cap that otherwise applies to those transactions";

Per Freddie Mac: "For refinance Home Possible Mortgages that are subject to a Credit Fee in Price Cap (the Cap), the Market Condition Credit Fee in Price must be added to the lower of (a) the total of all other applicable Credit Fees in Price or (b) the Cap, and is not included in calculating whether the Cap has been reached."

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**Effective Date** Immediately

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**Questions** Retail – Please contact your Manager  
Mod Corr – Please contact your Account Executive

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