

Bulletin

NUMBER: 2012-6

TO: Freddie Mac Sellers

February 29, 2012

SUBJECT: FREDDIE MAC IMPLEMENTATION OF 10 BASIS POINTS GUARANTEE FEE INCREASE SUPPORTING THE TEMPORARY PAYROLL TAX CUT CONTINUATION ACT OF 2011

In *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin 2011-26, Freddie Mac announced that effective for Mortgages with Settlement Dates on or after **April 1, 2012**, we will implement a 10 basis point increase in Required Spreads for all products and will make a commensurate change in our Cash program pricing.

With this Bulletin, we are implementing the changes announced in Bulletin 2011-26.

BACKGROUND

By directive dated December 29, 2011, the Federal Housing Finance Agency, pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, Section 401, directed Freddie Mac and Fannie Mae (“GSEs”) to increase guarantee fees (“gfees”) charged by each of the GSEs by 10 basis points on all mortgages delivered for inclusion into single-family mortgage-backed securities pools.

GUARANTEE FEE ADD-ON AND NEW EXHIBIT 19RS, *REQUIRED SPREAD ADD-ON*

The 10 basis point increase in Required Spreads applies to all Required Spreads for Mortgages sold under the Guarantor and MultiLender Swap programs, including Required Spreads that are specifically stated in the Seller’s Master Commitments, Required Spreads that are subject to other add-ons or adjustments and Required Spreads that are determined based on a calculation or methodology stated in the Seller’s Master Commitments.

For Mortgages sold through the Freddie Mac Selling System (“Selling System”), the 10 basis point increase is being implemented through the use of the Selling System’s Gfee Add-On functionality. Freddie Mac has created new Guide Exhibit 19RS, *Required Spread Add-On*, identifying the 10 basis point increase as the “Payroll Tax Cut Act Gfee Add-On.”

In addition, we have made a commensurate change in the pricing Sellers receive for Mortgages sold under our Cash program.

For all other delivery paths and executions, the 10 basis point increase will be reflected in the pricing provided to Sellers for Mortgages with Settlement Dates on or after April 1, 2012.

Guide Section 12.3, *Terms of Master Agreements and Master Commitments*, has been updated to refer to new Exhibit 19RS.

MAXIMUM BUYUP AND BUYDOWN PROVISIONS

The Required Spread increase does not have any impact on any maximum buyup amounts stated in Master Commitments. However, if a Master Commitment contains a provision that states a Required Spread (the “Maximum Required Spread”) from which the Seller can calculate the maximum buyup amount, the Maximum Required Spread is increased by 10 basis points. In addition, if the Master Commitment contains a provision stating a maximum buyup value (i.e., the amount to which the Seller can buyup the Required Spread), the maximum buyup value is increased by 10 basis points. At a future date, Freddie Mac will amend Master Commitments to reflect the applicable changes.

There are no changes to the maximum buydown provisions as a result of this Required Spread increase.

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call (800) FREDDIE and select “Delivery.”

Sincerely,

A handwritten signature in cursive script that reads "Laurie A. Redmond". The signature is written in dark ink on a light-colored background.

Laurie A. Redmond
Vice President
Offerings Effectiveness