



**TO: Freddie Mac Sellers**

December 16, 2013 | 2013-26

## **SUBJECT: CHANGES TO POSTSETTLEMENT DELIVERY FEES**

On December 9, 2013, the Federal Housing Finance Agency (FHFA) directed Freddie Mac to:

- Raise its guarantee fees by 10 basis points for all single-family Mortgages
- Increase certain risk-based postsettlement delivery fees (“delivery fees”) on single-family Mortgages
- Eliminate the 25 basis point Market Condition delivery fee, except in four States

Sellers can review the press release issued by FHFA announcing these changes at:

<http://www.fhfa.gov/webfiles/25871/Gfeeincreaserelease120913final.pdf>

As a result, this *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin announces:

- The elimination of the Market Condition delivery fee, except for Mortgages secured by Mortgaged Premises located in the States of Connecticut, Florida, New Jersey and New York
- An increase in Indicator Score/Loan-to-Value (IS/LTV) delivery fee rates

The 10 basis point guarantee fee adjustment will be handled through individual contract amendments with our Sellers. We will implement a commensurate change in our Cash program pricing.

Additionally, we are making several changes to our buyup and buydown terms.

## **EFFECTIVE DATES**

The changes announced in this Bulletin are effective for Mortgages with Settlement Dates on or after **April 1, 2014**, except for the guarantee fee changes.

The guarantee fee changes are effective for Guarantor and Multilender settlements on or after **April 1, 2014** and the commensurate price change for Mortgages delivered under the Cash program is effective for commitments entered into on or after **March 1, 2014**.

## **MARKET CONDITION DELIVERY FEE**

We are eliminating the Market Condition delivery fee for Mortgages we purchase, except for Mortgages secured by Mortgaged Premises located in Connecticut, Florida, New Jersey and New York.

Guide Section 23.4, *Maximum LTV, TLTV and HLTV Ratios*, and Guide Exhibit 19, *Postsettlement Delivery Fees*, have been updated as a result of this change.

## **INDICATOR SCORE/LOAN-TO-VALUE DELIVERY FEE**

We are increasing IS/LTV delivery fee rates by varying amounts, ranging from no change to 150 basis points. These delivery fee rate changes will apply to all Mortgages subject to IS/LTV delivery fees, including Freddie Mac Relief Refinance Mortgages<sup>SM</sup>, which continue to be subject to the Relief Refinance Mortgage Delivery Fee Cap specified in Exhibit 19.

We are also modifying the IS/LTV grids to add specific cells covering the following ranges:

- LTV ratios that are:
  - Greater than 85% and less than or equal to 90%
  - Greater than 90% and less than or equal to 95%
  - Greater than 95% (Relief Refinance Mortgages only)
- Credit scores that are:
  - Equal to or greater than 740 and less than 760
  - Equal to or greater than 760 and less than 780
  - Equal to or greater than 780 and less than 800
  - Equal to or greater than or 800

The grid below reflects the revised delivery fee rates for specific credit score and LTV ratio combinations for Mortgages other than Relief Refinance Mortgages. The added cell ranges are highlighted.

<b>INDICATOR SCORE / LOAN-TO-VALUE FOR MORTGAGES OTHER THAN RELIEF REFINANCE MORTGAGES</b>								
Effective for Settlements on or after April 1, 2014								
Product	Credit Score	LTV Ratios						
		All Eligible						
		≤ 60%	> 60% & ≤ 70%	> 70% & ≤ 75%	> 75% & ≤ 80%	> 80% & ≤ 85%	> 85% & ≤ 90%	> 90% & ≤ 95%
All Eligible Product	≥ 800	0.00%	0.25%	0.25%	0.50%	0.75%	0.75%	0.75%
	≥ 780 & < 800	0.00%	0.25%	0.25%	0.50%	0.75%	0.75%	0.75%
	≥ 760 & < 780	0.00%	0.25%	0.25%	0.75%	1.00%	1.00%	1.00%
	≥ 740 & < 760	0.00%	0.25%	0.50%	0.75%	1.50%	1.50%	1.50%
	≥ 720 & < 740	0.00%	0.25%	1.00%	1.25%	1.50%	2.00%	2.00%
	≥ 700 & < 720	0.00%	0.75%	1.50%	1.75%	2.00%	2.25%	2.25%
	≥ 680 & < 700	0.25%	0.75%	2.25%	2.50%	2.50%	2.50%	2.50%
	≥ 660 & < 680	0.25%	1.25%	2.25%	2.75%	3.25%	2.75%	2.75%
	≥ 640 & < 660	0.75%	1.50%	2.75%	3.25%	3.50%	3.00%	3.00%
	≥ 620 & < 640	0.75%	1.75%	3.25%	3.25%	3.50%	3.50%	3.50%
< 620	0.75%	1.75%	3.25%	3.25%	3.50%	3.50%	3.50%	

The grid below reflects the revised delivery fee rates for specific credit score and LTV ratio combinations for Relief Refinance Mortgages. The added cell ranges are highlighted.

INDICATOR SCORE / LOAN-TO-VALUE FOR RELIEF REFINANCE MORTGAGES									
Effective for Settlements on or after April 1, 2014									
Product	Credit Score	LTV Ratios							
		All Eligible							
		≤ 60%	> 60% & ≤ 70%	> 70% & ≤ 75%	> 75% & ≤ 80%	> 80% & ≤ 85%	> 85% & ≤ 90%	> 90% & ≤ 95%	> 95%
All Eligible Product	≥ 800	0.00%	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%	0.25%
	≥ 780 & < 800	0.00%	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%	0.25%
	≥ 760 & < 780	0.00%	0.25%	0.25%	0.75%	0.75%	0.75%	0.75%	0.25%
	≥ 740 & < 760	0.00%	0.25%	0.50%	0.75%	1.25%	1.25%	1.25%	0.25%
	≥ 720 & < 740	0.00%	0.25%	1.00%	1.25%	1.00%	1.50%	1.50%	0.25%
	≥ 700 & < 720	0.00%	0.75%	1.50%	1.75%	1.50%	1.75%	1.75%	0.75%
	≥ 680 & < 700	0.25%	0.75%	2.25%	2.50%	2.00%	2.00%	2.00%	1.00%
	≥ 660 & < 680	0.25%	1.25%	2.25%	2.75%	2.75%	2.25%	2.25%	2.00%
	≥ 640 & < 660	0.75%	1.50%	2.75%	3.25%	3.00%	2.50%	2.50%	2.50%
	≥ 620 & < 640	0.75%	1.75%	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%
< 620	0.75%	1.75%	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%	

Exhibit 19 has been updated to reflect these changes.

## BUYUP AND BUYDOWN TERMS

We are making several changes to our buyup and buydown terms and related Guide text, in part to better align with current processes and usage.

We are updating the Guide to:

- Eliminate the buyup and buydown option under the WAC ARM Guarantor Program
- Revise the maximum buydown limit to be subject to Purchase Contract terms
- Remove several outdated links to buyup/buydown grids

Sections 11.11, *Remittance and Buyup/Buydown Options*, 12.8, *Buyup, Buydown Options*, B15.10, C15.10, and D15.10, each titled *Buyup/Buydown Options*, C15.1, *Overview*, and 17.2, *Provisions for the Payment of Fees and Proceeds and Application of Delivery Fee Credits*, have been updated to reflect these changes.

## REVISIONS TO THE GUIDE

The revisions included in this Bulletin impact the following:

- Chapters 11, 12, B15, C15, D15, 17 and 23
- Exhibit 19

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## 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 "Loan Delivery."

Sincerely,

A handwritten signature in black ink that reads "Laurie A. Redmond". The signature is written in a cursive style and is positioned above a light gray rectangular background.

Laurie Redmond  
Vice President  
Offerings Effectiveness