

# Bulletin

TO: Freddie Mac Sellers

August 12, 2020 | 2020-32

## SUBJECT: ADVERSE MARKET REFINANCE FEE

This Guide Bulletin announces a new Market Condition Credit Fee in Price effective for refinance Mortgages with Settlement Dates on or after September 1, 2020.

### FREDDIE MAC MARKET CONDITION CREDIT FEE IN PRICE

As a result of risk management and loss forecasting precipitated by COVID-19 related economic and market uncertainty, we are introducing a new Market Condition Credit Fee in Price.

#### Credit Fees in Price

##### Effective for Mortgages with Settlement Dates on or after September 1, 2020

A 50 basis point Market Condition Credit Fee in Price will be assessed for cash-out and no cash-out refinance Mortgages except for Construction Conversion Mortgages that qualify for single-closing Interim Construction Financing and Permanent Financing as described in Guide Sections 4602.3 and 4602.5. For cash-out refinance Mortgages, this Credit Fee in Price will be assessed in addition to the existing Cash-out Refinance Indicator Score / Loan-to-Value Credit Fee in Price.

For refinance Home Possible® Mortgages or Enhanced Relief Refinance® 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 (i) the total of all other applicable Credit Fees in Price or (ii) the Cap, and is not included in calculating whether the Cap has been reached.

We have updated Guide Exhibit 19, *Credit Fees in Price*. Seller must refer to Exhibit 19 for information on the Market Condition Credit Fee in Price and other Credit Fees in Price. Credit Fees in Price are paid in accordance with the provisions outlined in Chapter 6303.

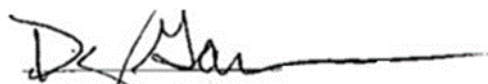
## GUIDE UPDATES

We will update the applicable Guide sections in a future Bulletin. In the meantime, Sellers must follow the requirements as described herein in accordance with the effective date provided.

## CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,



Danny Gardner  
Senior Vice President, Client and Community Engagement