



## **MFM Bulletin: 006-2023**

**Date:** February 16, 2023

**Subject:** Fannie Mae and Freddie Mac LLPA changes

Fannie Mae and Freddie Mac, under direction of the FHFA, have implemented changes to their Loan Level Price Adjustment (LLPA) framework. These changes are in line with their efforts to increase support for borrowers historically underserved by the housing finance market.

Many of the LLPAs themselves are changing. Some other notable changes include the creation of new credit score and LTV ratio buckets, and the inclusion of an additional LLPA related to DTI ratio.

We realize that managing the frequent changes in DTI will be complicated and challenging. We are currently working with Blue Sage to trigger alerts and tasks for repricing when the loan is initially locked at a DTI  $\leq$  40% and changes later to over 40%. We will provide information as soon as it is available.

In the meantime, most of our investors, including AmeriHome, have already implemented the new LLPA grids in their pricing for locks greater than 45 days. **Updates for AmeriHome are available immediately through Optimal Blue, and pricing will reflect the applicable adjustments. Optimal Blue will ensure that all adjustments are effective according to the guidance issued. We will provide further guidance when we receive notice from additional investors.**

**Fannie Mae and Freddie Mac servicing retained and loans with servicing sold to SLS/CMC locked on or after March 1, 2023 will be subject to the new LLPA adjustment grids.**

All loans locked prior to March 1, 2023 (under the current LLPA grid) must close and fund on or before April 15, 2023. Any loans not closed by April 15, 2023 will be relocked subject re-pricing under the new LLPA grids. **There will be no exceptions to this policy.**

**Please contact the MFM Secondary Marketing team if you have any questions on potential pricing impacts.** See below for links to the new LLPA matrices, as well as the current versions for reference:

### **Fannie Mae**

- Current LLPA Matrix: <https://singlefamily.fanniemae.com/media/33201/display>
- New LLPA Matrix (Eff. 3/1/2023): <https://singlefamily.fanniemae.com/media/9391/display>

### **Freddie Mac**

- Current Credit Fees: [https://guide.freddiemac.com//euf/assets/pdfs/Exhibit\\_19.pdf](https://guide.freddiemac.com//euf/assets/pdfs/Exhibit_19.pdf)
- New Credit Fees (Eff. 3/1/2023): [https://guide.freddiemac.com/ci/okcsFattach/get/1008784\\_6](https://guide.freddiemac.com/ci/okcsFattach/get/1008784_6)