FANNIE MAE AND FREDDIE MAC SINGLE-FAMILY GUARANTEE FEES IN 2023

January 2025

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Executive Summary

Fannie Mae and Freddie Mac (the Enterprises) were chartered by Congress to provide stability and liquidity to the nation's secondary mortgage market, as well as to promote broad access to mortgage credit. They do so, in large part, by acquiring mortgage loans from lenders (often referred to as "sellers"), issuing securities backed by these mortgage loans, and guaranteeing to investors the timely payment of principal and interest on these securities. Through these functions, the Enterprises enable funds from the global capital markets to be channeled more effectively into the domestic mortgage market, making mortgage credit more accessible and affordable for American homebuyers.

The Enterprises charge guarantee fees to cover the expected credit losses, administrative costs, and cost of capital associated with their guarantees. These guarantee fees serve as the primary source of revenue for the Enterprises. The revenue collected by the Enterprises in excess of their costs in recent years has allowed them to build capital, thereby better protecting taxpayers and increasing the Enterprises' safety and soundness.

The Enterprises charge two types of guarantee fees: ongoing and upfront. Ongoing guarantee fees are monthly payments collected by the Enterprises over the life of a loan. These fees are passed on to borrowers as a component of each loan's interest rate and typically vary by product type (e.g., 30-year or 15-year fixed-rate loans). Upfront guarantee fees, on the other hand, are one-time payments made by sellers when a loan is delivered to an Enterprise. These fees are also typically passed on to borrowers as sellers factor the upfront fees into the interest rate paid by the borrower. Upfront guarantee fees are the Enterprises' primary form of risk-based pricing and vary based on the risk characteristics of a loan. Risk factors influencing a loan's upfront fee include the loan-to-value (LTV) ratio, the borrower's credit score, the property type, and the occupancy type. Loans with higher risk characteristics are generally charged higher upfront fees than loans with lower risk characteristics. The Enterprises began implementing risk-based pricing through upfront fees in 2008.

For most borrowers, guarantee fees represent a small portion of their total monthly mortgage payment. In 2023, the average guarantee fee across the Enterprises' single-family loan acquisitions was 66 basis points – or 0.66 percent of the loan amount. Average interest rates for 30-year fixed-rate mortgages ranged from 6.1 percent to 7.8 percent during 2023.

In 2022 and 2023, FHFA updated the Enterprises' single-family pricing framework following a comprehensive review of this framework that began after the Enterprise Regulatory Capital Framework (ERCF) was finalized in December 2020. The objectives of this review included increasing pricing support for many creditworthy homebuyers limited by wealth or income, ensuring a level playing field for small and large sellers, fostering capital accumulation by the Enterprises, and achieving viable returns on capital at the Enterprises.

FHFA announced updates to the Enterprises' single-family pricing framework in three stages. In January 2022, FHFA announced targeted upfront fee increases for certain high balance loans and second home loans. In October 2022, FHFA announced the elimination of upfront fees for mortgage loans for many creditworthy low- and moderate-income first-time homebuyers, loans originated through the Enterprises' flagship affordable housing programs (HomeReady and Home Possible), loans originated through the Enterprises' affordable housing programs for housing finance agencies (HFA Preferred and HFA Advantage), and loans supporting purchases of homes in rural communities or manufactured housing and preservation of affordable housing through the Duty to Serve program. At that time, FHFA also announced increases to upfront fees for certain cash-out refinances.

In January 2023, FHFA announced a recalibration of the upfront fees for most purchase and rate-term refinance loans to align the fee structure more closely with the risk factors utilized in the ERCF and the level of capital required by the ERCF. The recalibrated fees included separate base grids across three loan purposes (i.e., purchase loans, rate-term refinance loans, and cash-out refinance loans) and more granular categories across the spectrum of borrower credit scores. The new upfront fee grids maintain risk-based pricing and continue to reflect other relevant factors impacting pricing, such as the required credit enhancement (typically private mortgage insurance) on loans with LTV ratios above 80 percent.

The targeted increases to upfront fees for certain high balance and second home loans took effect for acquisitions beginning April 1, 2022. The elimination of upfront fees for certain borrowers limited by wealth or income and certain affordable mortgage products took effect for acquisitions beginning December 1, 2022. The recalibrated pricing grids took effect for acquisitions beginning May 1, 2023.[1]

FHFA continues to ensure that the Enterprises' single-family pricing framework does not differentiate guarantee fees based on a seller's size, charter type, or volume of business. This condition was added to the Senior Preferred Stock Purchase Agreements by letter agreements executed in January 2021. The prohibition on differential guarantee fees based on these seller

[1] Following extensive engagement with a variety of stakeholders, in May 2023, FHFA rescinded an upfront fee, scheduled to take effect later in the year, that was based on borrowers' debt-to-income (DTI) ratios. In May 2023, FHFA also published a request for input (RFI) on the Enterprises' single-family pricing framework to gather further feedback regarding the goals and policy priorities FHFA should pursue in its oversight of this framework.

characteristics promotes a level playing field across sellers operating in the primary market, which encourages robust competition and benefits borrowers.

The average guarantee fee on the Enterprises' 2023 single-family loan acquisitions was 66 basis points, up from 61 basis points in 2022. Despite the increase, guarantee fees remain a small portion of a borrower's total monthly mortgage payment. The increase in guarantee fees was largely due to an increase in the ongoing fees. This increase is attributable to a combination of changes in the product mix, pricing changes for all product categories, the continuing effects of a purchase-money market, and return on capital requirements.

The continued shift to a predominantly purchase market in 2023, along with elevated interest rates and rising home prices, led to a modest increase in the aggregate risk profile of the Enterprises' loan acquisitions relative to the prior year – largely due to higher average LTV ratios. Purchase mortgages generally have higher LTV ratios than refinance mortgages because borrowers refinancing their mortgages have typically accrued additional equity in the home after purchase.

The following sections provide an analysis of the guarantee fees charged by the Enterprises in 2023, as well as a comparison to guarantee fees charged in 2022, as required by the Housing and Economic Recovery Act of 2008 (HERA).[2]

[2] See Section 1601 of the Housing and Economic Recovery Act of 2008, Public Law 110-289, 122 Stat 2824 at https://www.congress.gov/110/plaws/publ289/PLAW-110publ289.pdf.

Guarantee Fees: Background

Guarantee fees are intended to cover the expected credit losses, administrative costs, and the cost of capital associated with guaranteeing single-family loans. The Enterprises acquire loans through two channels. A seller[3] may exchange or swap a group of loans for a Fannie Mae- or Freddie Mac-guaranteed mortgage-backed security (MBS), which the seller may then sell into the secondary market. This is known as the MBS swap acquisition channel. Alternatively, a seller may deliver loans to an Enterprise in return for a cash payment. The Enterprises bundle these loans into MBS and sell the MBS into the secondary market. This is known as the cash window acquisition or whole loan conduit channel. Larger sellers tend to exchange loans for MBS, while smaller sellers tend to sell loans for cash.

The Enterprises acquire loans through two channels, MBS swap and cash window.

While the private holders of MBS assume market risk (the risk that the price of the security may fall due to changes in market interest rates), the Enterprises assume the credit risk on the loans, guaranteeing that investors receive scheduled principal and interest payments.[4] The Enterprises charge a guarantee fee in exchange for providing this guarantee. Investors are generally willing to pay a higher price for Enterprise MBS than for private-label MBS because of the guarantee of principal and interest, and because of the liquidity of the Enterprise MBS market.

There are two types of guarantee fees: ongoing and upfront. Ongoing fees are factored into each loan's interest rate and are collected each month over the life of a loan. Upfront fees are one-time payments made by sellers upon loan delivery to an Enterprise that can be similarly factored into the interest rate paid by the borrower and thus recouped by the seller. In this report, FHFA presents the upfront fees in an annualized form.[5]

[3] The term "seller" refers to an entity that is the ultimate seller of a loan to the Enterprises, which may include mortgage originators that sell directly to the Enterprises or mortgage aggregators that purchase mortgages from other financial institutions and resell the loans to the Enterprises.
[4] Although the Enterprises are always the ultimate guarantors of their MBS, they may choose to retain the full credit risk or, through their credit risk transfer (CRT) programs, pay private entities to bear some of the credit risk.
[5] For the purposes of reporting to FHFA, the Enterprises annualize upfront fees by dividing the upfront fee for a given loan by that loan's specific present value multiplier (PVM). For example, a loan with an upfront fee of 72 basis points and a PVM of 6 would have an annualized upfront fee of 72/6 = 12 basis points. PVMs are modeled by the Enterprises, based on interest rates and loan characteristics.

Ongoing fees are based primarily on the product type, such as whether the loan is a 30-year fixed-rate or a 15-year fixed-rate loan. Ongoing fees presented in this report include the net gain or loss generated from buy-up/buy-down transactions, in which the Enterprise buys from or sells to the seller a portion of the loan's ongoing interest to allow for loans to be pooled more flexibly during the creation of MBS.

Ongoing fees are based primarily on the product type, such as whether the loan is a 30-year fixed-rate or a 15-year fixed-rate loan.

Upfront fees are based primarily on specific risk attributes.

Upfront fees are aligned fees (across the Enterprises) charged on loans with specific attributes.[6] Specific risk attributes include but are not limited to the following:

- High-LTV ratio adjustable-rate mortgages
- LTV ratio
- Borrower credit score
- Certain occupancy types (investment properties or second homes)
- Cash-out refinances
- Certain property types (condominiums, multi-unit properties, manufactured homes)
- Level of mortgage insurance coverage relative to requirements
- Whether the loan exceeds the baseline conforming loan limit
- Whether and how much subordinate financing (second liens) was used

The level of the Enterprises' total upfront fees reflects the risk characteristics of loan acquisitions. Acquisition years that reflect significant refinance activity tend to have lower upfront fees because refinance loans tend to have lower LTV ratios.

[6] See Enterprise upfront fees at https://www.fanniemae.com/content/pricing/llpa-matrix.pdf and https://guide.freddiemac.com//euf/assets/pdfs/Exhibit_19.pdf.

Profitability of Providing the Guarantee

FHFA's economic analysis of the Enterprises' guarantees centers on estimates of the Enterprises' profitability gaps, or the differences between an Enterprise's revenue received and its estimated total costs of providing their guarantee. The Enterprises' revenues include their upfront and ongoing guarantee fees. The Enterprises' total costs include: (1) the expected default costs that result from the failure of some borrowers to make their payments during expected economic conditions; (2) the cost of holding capital to protect against unexpected losses that result from the failure of some borrowers to make their payments in a severe stress environment; (3) general and administrative expenses; and (4) 10 basis points allocated to the U.S. Department of the Treasury as required by the Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA). The TCCA fee was extended to 2032 by the Infrastructure Investment and Jobs Act in November 2021.

Using regulatory capital requirements and the Enterprise's estimated expected default costs, each Enterprise estimates a profitability gap on its newly acquired loans. The profitability gap serves as the measure of estimated profitability given a minimum return on capital. If the profitability gap on a loan is positive or zero, the Enterprise expects to achieve at least its minimum return on capital. A negative profitability gap does not imply a product is unprofitable. If the profitability gap is negative, the Enterprise expects to earn a return on capital on the loan that is below its overall required minimum return on capital.

FHFA defines profitability gap as the difference between the revenue (guarantee fees) received and the estimated total cost. The profitability gap serves as the measure of estimated profitability relative to the minimum rate of return on capital.

Two main factors contribute to the change in profitability gaps over time. The first is yearly changes to the assumptions underlying the Enterprises' estimations of costs and returns. For example, an Enterprise makes assumptions on economic variables such as house prices, interest rates, and unemployment when modeling its expected default costs and on variables including costs of capital and discount rates when estimating returns on capital. Higher costs generally serve to narrow the profitability gap for a given level of revenue while lower costs do the opposite. The second is changes in the mix of risk characteristics reflected in an Enterprise's acquisitions each year. As shown in FHFA's analysis, profitability gaps vary significantly by product type, loan purpose, and risk class, among other determinants. As the Enterprises' annual acquisition mix varies across these and other product characteristics and risk factors, the profitability gaps will change accordingly.

In addition, the Enterprises limit guarantee fees on certain loans to fulfill their housing mission. Such pricing is consistent with the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 and the Enterprises' charter acts, which provide that Enterprise activities include purchases of mortgages on housing for low- and moderate-income families that may feature lower returns than the returns earned on other activities. However, FHFA expects each Enterprise to earn a minimum quarterly return on capital on its overall single-family acquisitions.

Guarantee Fee and Profitability Gap Results for 2023

This report compares average guarantee fees and average profitability gaps on Enterprise loan acquisitions from 2022 to 2023. The report includes details by year, product type, and loan purpose; risk class (LTV ratio and credit score); and seller delivery volume. The details allow for attribution of changes in the average guarantee fee and the average profitability gap to changes over time in the acquisition composition. Because this report uses economic concepts rather than accounting data to analyze guarantee fees, certain metrics in this report differ from similar metrics reported in the published financial statements of the Enterprises, which are prepared in accordance with Generally Accepted Accounting Principles.

I. Study Population

Table 1: Total Study Population – Dollar and Loan Volume

	2022	2023	Change 2022 to 2023
Dollars (in Billions)	$1,145	$609	($535)
Loans (in Millions)	3.8	1.9	(1.9)

The study population consists of single-family mortgages acquired by the Enterprises under their standard underwriting and delivery guidelines from January 1, 2022, through December 31, 2023. Loan counts and acquisition dollar volumes fell sharply in 2023 compared to 2022, largely due to sustained higher mortgage interest rates in 2023. Rising mortgage interest rates also contributed to a shift in loan purpose and product mix across the two years. The Enterprises' 2023 acquisitions featured a greater proportion of home purchase loans and a lower proportion of refinance loans compared to 2022 acquisitions.

II. Average Guarantee Fees by Year, Product, and Purpose

Table 2: Average Guarantee Fees by Year

	2022	2023
Total G-Fee (bps)	61	66
Ongoing Fee (bps)	44	48
Upfront Fee (bps)	17	18
Total Gap (bps)	3	2

The average total guarantee fee was 66 basis points in 2023, up from 61 basis points in 2022. Most of this increase was reflected in average ongoing fees, which increased to 48 basis points in 2023 from 44 basis points in 2022. The increase can be attributed to a combination of changes in the product mix, pricing changes for all product categories, the continuing effects of a purchase-money market, and return on capital requirements.

The average profitability gap in 2023 was 1 basis point lower than the average profitability gap in 2022. However, the positive profitability gap indicates that the expected profitability on new loans remained above the Enterprises' minimum return on capital thresholds.

As discussed above, two main factors contribute to the change in profitability gaps over time. First, yearly changes to the assumptions underlying the Enterprises' estimations of costs and returns. Second, changes in the mix of risk characteristics reflected in each Enterprise's acquisitions each year.

Table 3: Average Guarantee Fees by Year, Product, and Purpose

	2022 UPB Share	2022 G-Fee (bps)	2022 Gap (bps)	2023 UPB Share	2023 G-Fee (bps)	2023 Gap (bps)
By Product Type						
30-year Fixed	87%	63	2.6	95%	66	1.8
15-year Fixed	8%	42	-0.7	3%	47	2.7
Other Fixed Terms	4%	54	7.9	1%	65	14.5
ARM Loans	1%	59	5.9	1%	64	7.1
By Loan Purpose						
Purchase	62%	59	0.2	87%	64	-0.4
Rate-Term Refinance	13%	50	-1.5	4%	64	3.8
Cash-Out Refinance	25%	69	10.2	9%	84	26.0

From 2022 to 2023, the share of the study population accounted for by 30-year fixed-rate loans increased by 8 percentage points. This increased demand for 30-year mortgages was driven largely by the higher mortgage interest rates in 2023, which challenged affordability for many consumers.

From 2022 to 2023, the average guarantee fee on 30-year fixed-rate loans increased from 63 to 66 basis points. The average fee on 15-year fixed-rate loans increased from 42 to 47 basis points. The average fee on adjustable-rate mortgages (ARMs) increased by 5 basis points from 59 to 64 basis points. The average fee on loans with other fixed terms increased from 54 to 65 basis points, as a large percentage of these loans are cash-out refinances, and the Enterprises increased fees on cash-out refinances on February 1, 2023.

Profitability gaps declined from 2.6 basis points to 1.8 basis points for 30-year fixed-rate loans in 2023, while profitability gaps improved for all other products.

Mortgage interest rates remained elevated in 2023, as average 30-year fixed-rate mortgage interest rates stayed above 6 percent throughout the year. These elevated interest rates led to a sustained low volume of refinance loans, and a corresponding increase in the percentage of home purchase loans acquired by the Enterprises.

The average fee on home purchase loans increased by 5 basis points in 2023 to 64 basis points. The average fee on rate-term refinances increased by 14 basis points to 64 basis points. The average fee on cash-out refinances increased by 15 basis points to 84 basis points.

The profitability gap on home purchase loans decreased by 0.6 basis points to -0.4 basis points. The profitability gap on rate-term refinances increased by 5.3 basis points to 3.8 basis points. The profitability gap on cash-out refinances increased by 15.8 basis points to 26.0 basis points, due primarily to the fee increase effective in February for these loans.

III. Average Guarantee Fees by Risk Class

Table 4: Average Guarantee Fees by Risk Class

	2022			2023		
	UPB Share	G-Fee (bps)	Gap (bps)	UPB Share	G-Fee (bps)	Gap (bps)
By LTV Ratio						
<=80	68%	62	6.7	59%	68	9.5
>80-90*	12%	59	-5.0	16%	66	-4.0
>90*	20%	56	-7.5	26%	59	-11.2
By Credit Score						
<660	4%	85	7.8	2%	87	-3.6
660-719	21%	71	0.1	16%	76	-5.5
>=720	76%	57	2.9	81%	63	3.8

*Loans with LTV ratios greater than 80 percent require credit enhancement, which often takes the form of private mortgage insurance. The required coverage increases with an increase in LTV ratios.

Average guarantee fees increased for all LTV ratio categories in 2023. The average fees increased by 6 basis points to 68 basis points for loans with an LTV ratio less than or equal to 80 percent. The average fees increased by 7 basis points to 66 basis points for loans with an LTV ratio greater than 80 percent but less than or equal to 90 percent. The average fees increased by 3 basis points to 59 basis points on loans with an LTV ratio greater than 90 percent.

The Enterprises' charters require credit enhancement on single-family acquisitions when a loan's original LTV ratio exceeds 80 percent. In practice, the Enterprises typically fulfill this requirement by acquiring loans with mortgage insurance provided by approved private mortgage insurers. The private mortgage insurers absorb losses before the Enterprises, reducing the credit risk taken on by the Enterprises. As a result, the Enterprises' guarantee fees on loans with original LTV ratios exceeding 80 percent are lower than they would be absent this credit enhancement, because credit losses are first borne by the private mortgage insurers.

Profitability gaps increased by 2.8 basis points on loans with an LTV ratio less than or equal to 80 percent. Profitability gaps remained negative for all loans with LTV ratios greater than 80 percent.

Average guarantee fees increased for all credit score categories. Average fees increased by 2 basis points to 87 basis points for loans with credit scores under 660. Average fees increased by 5 basis points to 76 basis points for loans with credit scores greater than or equal to 660 and below 720. Average fees increased by 6 basis points to 63 basis points for loans with credit scores greater than or equal to 720.

Profitability gaps decreased by 11.4 basis points to -3.6 basis points for loans with credit scores below 660. Profitability gaps decreased by 5.6 basis points to -5.5 basis points for loans with credit scores greater than or equal to 660 and below 720. Profitability gaps increased by 0.9 basis points to 3.8 basis points for loans with credit scores greater than or equal to 720.

IV. Average Guarantee Fees by Seller Volume

Table 5: Average Guarantee Fees by Seller Volume

		UPB Share (2022)	G-Fee (bps) (2022)	Gap (bps) (2022)	UPB Share (2023)	G-Fee (bps) (2023)	Gap (bps) (2023)
By Seller Volume							
MBS Swap	Small	1%	51	-6.8	1%	51	-20.3
	Medium	17%	61	2.2	28%	65	0.8
	Large	82%	62	3.3	71%	67	3.4
Cash Window	Small	39%	58	1.9	37%	64	1.4
	Medium	60%	60	1.4	62%	64	1.2
	Large	1%	56	-4.8	1%	54	-9.9

Together, the Enterprises acquired loans from 1,697 sellers in the study population in 2023, with each Enterprise individually acquiring loans from about 1,000 sellers. FHFA divided these sellers into three groups based on their share of total Enterprise acquisition volume. The seller volume groups are comprised of those sellers with a share of total Enterprise acquisition volume at or above 2 percent (Large), greater than or equal to 0.1 percent and less than 2 percent (Medium), and below 0.1 percent (Small), within each year studied. Generally, smaller sellers tend to sell loans for cash, and larger sellers exchange loans for MBS. The cash window provides a service for small sellers, as it allows for smaller transaction sizes. Large sellers tend to prefer MBS swaps, as this provides them with liquid, marketable securities.

Across both MBS swap and cash window channels combined, the average guarantee fee by seller size was 63 basis points for the small seller group, 64 basis points for the medium seller group, and 67 basis points for the large seller group.

In the cash window channel, the Enterprises hold the acquired loans in portfolio until they can be securitized. In the process, the Enterprises take on additional risk and costs, including but not limited to liquidity risk and hedging costs. The Enterprises also receive additional non-guarantee fee compensation for these risks and costs. Therefore, guarantee fees through the cash window channel are not directly comparable to guarantee fees through the MBS swap channel.

Average fees increased across most channels and seller sizes in 2023. Profitability gaps also decreased for most channels and seller sizes. For the MBS swap channel, average guarantee fees increased by 5 basis points to 67 basis points for large sellers, by 4 basis points to 65 basis points for medium sellers, and remained flat at 51 basis points for small sellers.

For the MBS swap channel, profitability gaps increased by 0.1 basis points to 3.4 basis points, for large sellers. Profitability gaps decreased by 1.4 basis points to 0.8 basis points for medium sellers. Profitability gaps decreased by 13.5 basis points to -20.3 basis points for small sellers. Small sellers do not typically deliver loans through MBS swaps, so these loans represent atypical deliveries.

For the cash window channel, average fees increased by 6 basis points to 64 basis points for small sellers. Average fees increased by 4 basis points to 64 basis points for medium sellers. Average fees decreased by 2 basis points to 54 basis points for large sellers. Because large sellers deliver the vast majority of their loans through MBS swaps, the loans delivered through the cash window tend to be outliers in terms of pricing.

For the cash window channel, profitability gaps decreased by 0.5 basis points to 1.4 basis points for small sellers. Profitability gaps decreased by 0.2 basis points to 1.2 basis points for medium sellers. Profitability gaps decreased by 5.1 basis points to -9.9 basis points for large sellers.

Appendix: Timeline of Changes in Guarantee Fees from 2008 to 2023

Date	Change
March 2008	The Enterprises increased ongoing fees and added two new upfront fees: a fee based on the borrower's LTV ratio and credit score, and a 25-basis point adverse market fee.
Late 2008 through 2011	The Enterprises gradually raised fees and refined their upfront fee schedules.
December 2011	Pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, FHFA directed the Enterprises to increase the ongoing fee for all loans by 10 basis points. The Enterprises pay this fee to the U.S. Department of the Treasury. This fee increase was effective with April 2012 deliveries and was set to expire after 10 years.
August 2012	FHFA directed the Enterprises to raise fees by an additional 10 basis points on average to better compensate for credit risk exposure. FHFA directed the Enterprises to raise fees more on loans with terms longer than 15 years than on shorter-term loans to better align the profitability gaps and to make fees more uniform across sellers with varying loan delivery volumes. These changes were effective with December 2012 MBS deliveries.
December 2013	FHFA directed the Enterprises to increase ongoing fees by 10 basis points, change upfront fees to better align pricing with credit risk characteristics and remove the 25-basis point adverse market fee for loans in all but four states. However, in January 2014, FHFA suspended the implementation of these changes pending review.
April 2015	FHFA completed its fee review and directed the Enterprises to eliminate the adverse market fee in all markets and add targeted increases for specific loan groups effective with September 2015 deliveries. These changes were approximately revenue-neutral with little or no impact for most borrowers.
July 2016	Based on findings from FHFA's quarterly guarantee fee reviews, the Agency directed the Enterprises to set minimum ongoing guarantee fees by product type, effective in November 2016, consistent with FHFA's responsibility to ensure the safety and soundness of the Enterprises.
September 2018 & March 2019	The Enterprises implemented a 25-basis point upfront fee for loans on second homes where the LTV ratio exceeds 85 percent.
April 2020	FHFA allowed the Enterprises to purchase loans in forbearance, with an upfront fee add-on of 500 basis points for first-time homebuyers and 700 basis points for all others, effective for loans closed through December 31, 2020, following multiple extensions.

August 2020	FHFA directed the Enterprises to introduce a 50-basis point upfront adverse market refinance fee, effective December 1, 2020, for cash-out and rate-term refinances. The Enterprises excluded loans with a principal balance less than or equal to $125,000, those associated with HomeReady/Home Possible, and construction-to-permanent loans meeting certain criteria.
July 2021	FHFA announced that the Enterprises would eliminate the adverse market refinance fee for loan deliveries effective August 1, 2021.
November 2021	The Infrastructure Investment and Jobs Act extended to 2032 the existing 10-basis point ongoing fee arising from the Temporary Payroll Tax Cut Continuation Act of 2011, which was due to expire in 2022. The Enterprises remit the proceeds from this fee to the U.S. Department of the Treasury.
January 2022	FHFA announced targeted increases to upfront fees for certain high balance loans and second home loans, effective April 1, 2022.
October 2022	FHFA announced the elimination of upfront fees for certain homebuyers and affordable products. Upfront fees were eliminated for first-time homebuyers at or below 100 percent of area median income, and below 120 percent in high-cost areas; HomeReady and Home Possible loans; HFA Advantage and HFA Preferred loans; and single-family loans supporting the Duty to Serve program. Targeted increases to upfront fees for cash-out refinances were announced, effective February 1, 2023.
January 2023	FHFA announced recalibrated upfront fee grids for purchase, rate-term refinance, and cash-out refinance loans, effective May 1, 2023.