



News Release

FHFA Eliminates Adverse Market Refinance Fee

Allows certain borrowers to save more money when refinancing

FOR IMMEDIATE RELEASE

7/16/2021

Washington, D.C. – Today, to help families reduce their housing costs, the Federal Housing Finance Agency (FHFA) announced that Fannie Mae and Freddie Mac (the Enterprises) will eliminate the Adverse Market Refinance Fee for loan deliveries effective August 1, 2021.

To allow families to save more money, lenders will no longer be required to pay the Enterprises a 50-basis point fee when they deliver refinanced mortgages. The fee was designed to cover losses projected as a result of the COVID-19 pandemic. The success of FHFA and the Enterprises' COVID-19 policies reduced the impact of the pandemic and were effective enough to warrant an early conclusion of the Adverse Market Refinance Fee. FHFA's expectation is that those lenders who were charging borrowers the fee will pass cost savings back to borrowers.

"The COVID-19 pandemic financially exacerbated America's affordable housing crisis. Eliminating the Adverse Market Refinance Fee will help families take advantage of the low-rate environment to save more money," said Acting Director Sandra L. Thompson. "Today's action furthers FHFA's priority of supporting affordable housing while simultaneously protecting the safety and soundness of the Enterprises."

The vast majority of Enterprise borrowers have successfully exited COVID-19 forbearance. In April, approximately 2 percent of single-family mortgages guaranteed by the Enterprises remained in forbearance, down from a high of approximately 5 percent in May 2020. FHFA will continue to monitor the housing finance system, making policy adjustment in coordination with the Enterprises as necessary.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 11 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$7.2 trillion in funding for the U.S. mortgage markets and financial institutions. Additional information is available at www.FHFA.gov, on Twitter, [@FHFA](https://twitter.com/FHFA), [YouTube](https://www.youtube.com/channel/UCvWp1Uy1111111111111111), [Facebook](https://www.facebook.com/FHFA), and [LinkedIn](https://www.linkedin.com/company/fhfa).

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