

# LENDERS UPDATE™

## ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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## **FHFA SETS INTEREST RATE SPREAD AND SERVICING FEES FOR MBS**

Yesterday in Lender Letter LL-20119-3 Fannie Mae announced that the FHFA, in preparation for the implementation of the Uniform Mortgage-Backed Securities, instructed Fannie Mae and Freddie Mac to set the allowable interest rate spread and the maximum servicing fee permitted for fixed-rate loans.

These are:

- The maximum allowable interest rate is 250 basis points above the pool's pass-through rate, effective for loans delivered on or after June 1, 2019.
- The servicing fee will be limited to 50 basis point for all fixed rate loans delivered on or after June 1, 2019.

For more detail, please find the Letter at:

<https://www.fanniemae.com/content/announcement/ll1903.pdf>

## ABOUT ALT & ASSOCIATES

Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

- ✚ Regulatory assistance, both state and federal
- ✚ Compliance work
- ✚ Operational advice
- ✚ Transactional work Agreements such as Loan Officer
- ✚ Compensation Agreements etc.
- ✚ Various forms of employee, officer, and/or manager contracts
- ✚ Litigation representation

You may direct any questions or comments directly to:

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