

Monday, July 19, 2021

Bulletin #2021-AC-029

NOTICE TO ALL CUSTOMERS

Reversal of Adverse Market Fee

Great News!

Effective July 19, 2021, the Adverse Market Fee LLPA that the FHFA directed the agencies to apply to conventional refinance loans last September 2020 has been **removed**. Your FLCBank secondary market team has already applied a 50 bps credit to any conventional refinance you have locked in your pipeline, excluding loans that are docs out or scheduled to close, to offset this fee. This is a welcome move by the new leadership at FHFA and its willingness to listen to the MBA and other industry sources.

Please review you locked pipeline to ensure the credit is in place. The 50 bps in fee equates to about 10 bps in rate so it is unlikely this reduction is impactful enough to lower the rate to the consumer. The good news is the reduction in fee provides more cash for closing costs and should you find that the cash back to the borrower is more than is permitted on your particular loan, FLCBank will apply the excess cash towards a principal reduction. Click [here](#) for instructions on how to submit a rate change request on a locked loan.

Lastly, as a result, the rate sheet will be updated removing this LLPA from future conventional refinance loans. For any questions, please contact your Account Executive.

Thank you for your continued support and partnership.