

## ICBA Concerned with Freddie Mac Low-Volume Fees for Small Lenders

Washington, D.C. — The Independent Community Bankers of America® (ICBA) are expressing serious concerns with Freddie Mac's recent policy change that would limit the ability of community banks to provide mortgages to their customers. Freddie Mac recently announced that financial institutions that do not meet certain volume requirements will be charged a \$7,500 annual fee for low activity, which would be unaffordable for many community banks.

"Most community bank loans are of superior credit quality, resulting in few, if any, losses for Freddie Mac," ICBA Senior Vice President of Mortgage Finance Policy Ron Haynie said today. "Nevertheless, while recent announcements indicate high to record earnings for Freddie Mac, it is choosing to impose an unaffordable fee on small lenders, most of which have sold loans exclusively to Freddie Mac for many years. ICBA understands the need for Freddie Mac to charge the appropriate level of fees to support their business expenses, but this goes too far."

Beginning Jan. 1, 2014, seller/servicers that do not meet certain activity thresholds for the prior calendar year will be assessed a \$7,500 fee for low activity. To avoid the fee, sellers/servicers must sell mortgages to Freddie Mac with an aggregate unpaid principal balance greater than \$5 million during the previous year, or service Freddie Mac mortgages with an aggregate unpaid principal balance greater than \$25 million over the previous year.

In a letter sent to Freddie Mac and the Federal Housing Finance Agency today, ICBA wrote that assessing a \$7,500 fee will place an unfair burden on community banks, forcing many of them to sell their servicing portfolios and terminate their relationship with Freddie Mac. This would limit credit availability and create a credit market failure in their areas, which is inconsistent with the statutory purpose of Freddie Mac to promote access to mortgage credit throughout the nation.

For more information, visit [www.icba.org](http://www.icba.org).

### About ICBA

The Independent Community Bankers of America®, the nation's voice for nearly 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services. For more information, visit [www.icba.org](http://www.icba.org).