
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA Reports Fannie Mae and Freddie Mac Guarantee Fees Increased in 2009-2010

Washington, DC – The Federal Housing Finance Agency (FHFA) today released its third annual report on guarantee fees (g-fees) charged by Fannie Mae and Freddie Mac (the Enterprises), concluding that the average “g-fee” on single-family mortgages increased in 2010 relative to 2009, from 22 basis points to 26 basis points.

The report finds that the Enterprises’ g-fees continued to convey cross-subsidies from mortgages that posed lower credit risk, on average, to loans that posed higher credit risk, but overall that cross-subsidization was substantially less in 2009 and 2010 than in 2007 or 2008. Lenders that delivered smaller volumes of mortgages to the Enterprises, on average, paid higher guarantee fees on loans of similar credit quality than did larger-volume lenders.

The Housing and Economic Recovery Act of 2008 requires FHFA to study the fees charged by the Enterprises for guaranteeing securities backed by single-family mortgages that are not insured or guaranteed by the federal government and that finance properties with four or fewer residential units. Those fees cover projected credit losses from borrower defaults over the life of the loans, administrative costs, and a return on capital.

[Link to Report](#)

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.