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## Strong Community Banker Advocacy is Rewarded! Fannie and Freddie to Delay Fee Increase Until December 1st

The Federal Housing Finance Agency (FHFA) announced a delay in implementing a harmful 0.5% fee increase on refinanced loans that was to go into effect on September 1<sup>st</sup>, by 90 days until December 1<sup>st</sup>. This welcome move by Fannie Mae and Freddie Mac followed a strong advocacy effort by community bankers, CBAI, and the ICBA.

CBAI members responded to last week's Action Alert asking their Members of Congress to challenge this adverse fee increase with the FHFA. The problem community bankers faced was they would incur losses on refinanced loans that were already rate-locked but would not close after September 1<sup>st</sup>. For many CBAI members this would have resulted in a meaningful loss of income at a time when they are striving to help their customers and communities deal with and recover from the COVID-19 crisis.

CBAI reached out to the FHFA, FDIC, OCC, the Federal Reserve, and select members of the Illinois Congressional Delegation to highlight the negative impact of this fee increase on community banks and to urge a change to the fee directive.

In response to this advocacy effort, Illinois' U.S. Senators Richard Durbin and Tammy Duckworth signed an August 19<sup>th</sup> Senate letter to the FHFA questioning the justification for the fee increase and to not proceed with the new fee.

In the August 25<sup>th</sup> News Release, the FHFA announced the implementation delay and also exempted refinanced loans with an original balance of under \$125,000 from the fee increase.

[Read the FHFA News Release»](#)

CBAI thanks the many Illinois community bankers for their advocacy effort on this important issue.

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