



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

May 13, 2024

Robert D. Broeksmit
President and CEO
Mortgage Bankers Association
1919 M St, NW, 5th Floor
Washington, DC 20036

Nykia Wright
Interim CEO
National Association of REALTORS®
430 N. Michigan Ave
Chicago, IL 60611

Dear Mr. Broeksmit and Ms. Wright:

Thank you for your letter dated March 27, 2024, referencing the National Association of REALTORS® settlement and requesting confirmation of Fannie Mae and Freddie Mac's (the Enterprises) Interested Party Contribution (IPC) guidelines.

On April 15, 2024, each Enterprise issued a clarification about the treatment of seller-paid real estate agent fees under their respective IPC policies. Fannie Mae's clarification stated "If a seller or seller's real estate agent continues to pay the buyer's real estate agent commission in accordance with local common and customary practices, these amounts are not required to be counted towards the IPC limits for the transaction."¹ Freddie Mac's clarification stated "Buyer agent fees have historically been fees customarily paid by the property seller or property seller's real estate agent, and, as such, they are currently excluded from these financing concession limits. If these fees continue to be customarily paid by the property seller according to local convention, they will not be subject to financing concessions limits."²

These clarifications confirmed that typical fees and/or closing costs paid by a seller in accordance with local customs (i.e., common and customary) are not subject to the IPC limits. The Federal Housing Finance Agency (FHFA) continues to monitor developments in cases pertaining to broker commissions.

If you have other questions or comments, please contact Maria Fernandez, Senior Associate Director, Office of Housing and Regulatory Policy, at Maria.Fernandez@fhfa.gov.

Sincerely,

A handwritten signature in blue ink that reads "S. Thompson".

Sandra L. Thompson

¹ Fannie Mae, "Selling Notice: Real Estate Commissions and Interested Party Contributions," April 15, 2024. Available at: <https://singlefamily.fanniemae.com/media/38706/display>.

² Freddie Mac, "Industry Letter 04-15-2024: Commissions Paid to Real Estate Agents," April 15, 2024. Available at: https://guide.freddiemac.com/app/guide/industry_letter/04-15-2024.