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Agency Second Home and High Balance LLPA Changes

Fannie Mae and Freddie Mac recently announced increases to Loan Level Price Adjusters (LLPAs) for certain high balance loans and second home loans. High balance loans are mortgages originated above the baseline conforming loan limit. No high-balance LLPAs will be assessed on loans to first-time homebuyers with income less than or equal to 100% of area median income.

Effective 1/18/22, Members Mortgage Services is implementing new Conventional LLPAs for any commitments expiring after 3/7/2022. Upfront fees for high balance loans will increase between 0.25 percent and 0.75 percent, tiered by loan-to-value ratio. For second home loans, upfront fees will increase between 1.125 percent and 3.875 percent, tiered by loan-to-value ratio.

LLPAs by Product Feature									
Product Feature	LTV Range								
	≤60.00%	60.01-70.00%	70.01-75.00%	75.01-80.00%	80.01 – 85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%	>97.00%
Second Home (Current LLPAs)	0.000%	0.000%	0.000%	0.000%	0.000%	0.250%	0.250%	0.250%	4.125%
Second Home (New LLPAs)	1.125%	1.625%	2.125%	3.375%	4.125%	4.125%	4.125%	4.125%	4.125%

High Balance Mortgage Loans - Current LLPAs									
Product Feature	CLTV Range								
	≤60.00%	60.01-70.00%	70.01-75.00%	75.01-80.00%	80.01 – 85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%	>97.00%
High Bal Purch & Rate/Term	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	NA	1.000%
High Balance Cash Out Refi	1.000%	1.000%	1.000%	1.000%	NA	NA	NA	NA	NA
High Balance ARM	0.750%	0.750%	0.750%	1.500%	1.500%	1.500%	1.750%	NA	1.750%

High Balance Mortgage Loans - New LLPAs									
Product Feature	CLTV Range								
	≤60.00%	60.01-70.00%	70.01-75.00%	75.01-80.00%	80.01 – 85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%	>97.00%
High Bal Purch & Rate/Term	0.500%	0.750%	0.750%	1.000%	1.000%	1.000%	1.000%	NA	1.000%
High Balance Cash Out Refi	1.250%	1.500%	1.500%	1.750%	NA	NA	NA	NA	NA
High Balance ARM	0.750%	0.750%	0.750%	1.500%	1.500%	1.500%	1.750%	NA	1.750%

Lock extensions and relocks will be subject to the new LLPAs if the loan is delivered after 3/7/2022 and purchased after 3/31/2022, and the new fee was not included previously. The LLPA may not be reflected in the price until after the lock extension or relock has been completed.

After 2/21/2022, all locks will be subject to the new Conventional LLPAs.

01/14/22

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