



MFM Bulletin: 017-2023

Date: May 10, 2023

Subject: FHFA rescinds Proposed LPA for DTI Ratios

We are pleased to announce the **FHFA has rescinded the Proposed LPA for DTI Ratios**. Please see below for the Advocacy Update Announcement from the Mortgage Bankers Association, or click here to read online: [Breaking Advocacy Update: FHFA Rescinds Proposed LPA for DTI Ratios \(en25.com\)](#)

Thank you

If you are having trouble reading this email, [read the online version](#).

ONE VOICE. ONE VISION. ONE RESOURCE.



FHFA Rescinds Proposed LLPA for DTI Ratios

Earlier today, the Federal Housing Finance Agency (FHFA) announced that it is rescinding the debt-to-income (DTI) based loan-level pricing adjustment (LLPA) that was part of the updates to Fannie Mae's and Freddie Mac's (the GSEs) pricing grids announced in January. MBA led industry efforts calling for its removal and worked tirelessly to highlight the adverse impacts of the fee to consumers and lenders through dozens of media interviews, a [comment letter](#) to FHFA, a [press statement](#) after the three-month implementation delay in March, and an April [blog post](#) from President and CEO Bob Broeksmit, CMB. In a [press statement](#) immediately after today's announcement, Broeksmit said, "The proposed fee was unworkable for lenders and would have confused borrowers and undermined the customer experience. We are pleased that FHFA engaged with industry stakeholders, recognized the negative impacts of the fee, and decided to rescind its implementation."

- **Why it matters:** The implementation of a DTI-based LLPA would have led to several problems, including multiple changes to a borrower's pricing throughout the loan application process, operational and system issues, compliance implications related to TILA-RESPA Integrated Disclosures (TRID), compromised borrower trust, and post-closing quality control (QC) issues.
- **What's next:** MBA urges FHFA to continue its engagement to improve clarity and transparency regarding the GSEs' pricing framework and thanks members for their teamwork and engagement on this issue.

For more information, please contact [Pete Mills](#) at (202) 557-2878 or [Bill Killmer](#) at (202) 557-2736.



the **HOME for ALL PLEDGE**

AN ACTION PLEDGE TO PROMOTE INCLUSION IN HOUSING.

[learn more](#)

MBA.



MBA.

MORTGAGE BANKERS ASSOCIATION

Mortgage Bankers Association 1919 M Street, NW, 5th Floor Washington, DC 20036 (800) 793-6222

To manage your MBA email preferences on MyMBA, [click here](#).

This advertisement was sent by the Mortgage Bankers Association.

Copyright © 2023 Mortgage Bankers Association. All rights reserved. [Terms of Use](#) | [Privacy Statement](#)
To unsubscribe from all MBA communications, [click here](#).