

**Announcement SEL-2010-17****December 23, 2010****Updated Flow Business Pricing Requirements****Introduction**

Fannie Mae routinely reviews all factors that affect its pricing and this assessment results in decisions to periodically make changes. These reviews and the resulting price changes ensure that Fannie Mae is positioned to provide a stable source of liquidity to its lender partners. As a result of recent review and analysis, Fannie Mae is announcing updates to the standard pricing requirements for mortgage loans with certain risk characteristics.

This Announcement summarizes the updated and new loan-level price adjustments (LLPAs).

**Effective Date**

The updated grids are effective for whole loans purchased on or after April 1, 2011, and for mortgage loans delivered into MBS with issue dates on or after April 1, 2011.

Fannie Mae has updated the *Loan-Level Price Adjustment (LLPA) Matrix and Adverse Market Delivery Charge Information (LLPA Matrix)*, which is available on [eFannieMae.com](http://eFannieMae.com). Lenders are reminded that all LLPAs are cumulative, unless otherwise noted. LLPAs and the Adverse Market Delivery Charge are incorporated by reference into the *Selling Guide* and are binding on lenders as provided by the Mortgage Selling and Servicing Contract.

Lenders should rely on the LLPA Matrix for complete information about how the LLPAs are applied. Changes have been made to:

- **Table 2: All Eligible Mortgages: LLPA by Credit Score/LTV.** The LLPAs have been changed for most mortgage loans with LTV ratios at or above 70.01%.
- **Table 4: Mortgages with Subordinate Financing (Excluding MCM).** An LLPA will now be charged for mortgage loans with LTV ratios at or below 65% and CLTV ratios between 80.01 to 95%. The CLTV ratio range for loans that have LTV ratios greater than 65% and less than or equal to 75% and CLTV ratios less than 95% has been adjusted. In addition, the LLPAs have changed for the remaining LTV and CLTV ranges (with the exception of CLTV ratios above 95%).

LLPAs will remain unchanged for DU Refi Plus™ and Refi Plus™ mortgage loans.

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Lenders who have questions about this Announcement should contact their Customer Account Team.

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