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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **Joint Initiative Seeks Public Comment on Alternative Mortgage Servicing Compensation; Releases Discussion Paper**

**Washington, DC** – The Federal Housing Finance Agency (FHFA) today announced that the Joint Initiative on Mortgage Servicing Compensation is seeking public comment on two alternative mortgage servicing compensation structures detailed in a discussion paper.

In January, FHFA directed Fannie Mae and Freddie Mac, in coordination with FHFA and the Department of Housing and Urban Development (HUD), to consider alternatives for future mortgage servicing structures and servicing compensation for single-family loans. The goals of the initiative are to improve service for borrowers, reduce financial risk to servicers, and provide flexibility for guarantors to better manage non-performing loans, while promoting continued liquidity in the To Be Announced (TBA) mortgage securities market.

In addition to those specific goals, the Joint Initiative is seeking to consider more broadly, options for mortgage servicing compensation that lead to enhanced competition in mortgage servicing and origination, and that can be replicated across multiple future states of housing finance. One proposal would establish a reserve account within the current servicing compensation structure. The other proposal would create a new Fee for Service compensation structure. The proposals contained in the discussion paper resulted from meetings with various stakeholders.

Public input on the proposals and various component parts will be accepted for 90 days and should be e-mailed to [Servicing\\_Comp\\_Public\\_Comments@fhfa.gov](mailto:Servicing_Comp_Public_Comments@fhfa.gov). Submissions will be posted on the FHFA website and, following evaluation by the Joint Initiative, further details will be provided on potential courses of action.

[Link to Discussion Paper](#)

[Link to Joint Mortgage Servicing Compensation Initiative Information](#)

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.*