

Industry Letter

TO: Freddie Mac Sellers

April 15, 2024

SUBJECT: COMMISSIONS PAID TO REAL ESTATE AGENTS

There have been recent inquiries concerning a proposed settlement agreement, subject to court approval, entered into by the National Association of Realtors® (NAR) in the *Burnett et al* and *Moehrl et al* cases. This Industry Letter addresses the current treatment of property seller-paid buyer agent fees under our interested party contribution requirements.

Interested party contributions

In Guide Section 5501.5, property sellers are permitted to make financing concessions toward the Borrower's Closing Costs in maximum amounts between 2% and 9% of the property value. Fees or costs customarily paid by the property seller according to local convention are not subject to these financing concessions limits. 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.

It is our standard practice to continuously evaluate our requirements to determine whether updates are appropriate based on changes to the market and industry. We will continue to monitor and assess the impact of the proposed NAR settlement and other real estate agent commission lawsuits to determine if any updates to our requirements are necessary.

CONCLUSION

If you have any questions about the content of this Industry Letter, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,



Kevin Kauffman

Senior Vice President, Single-Family Seller Engagement