

# ***Government National Mortgage Association***

*Our Story*

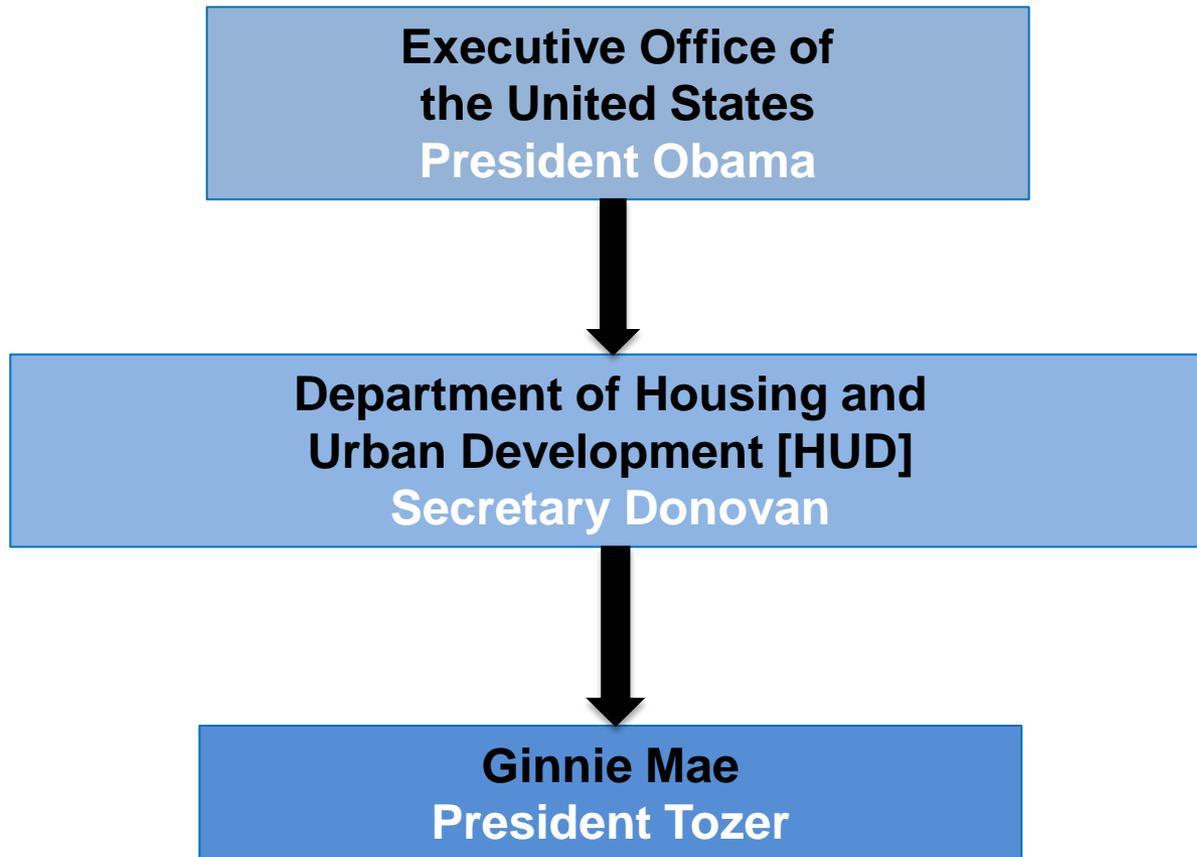


July 2013

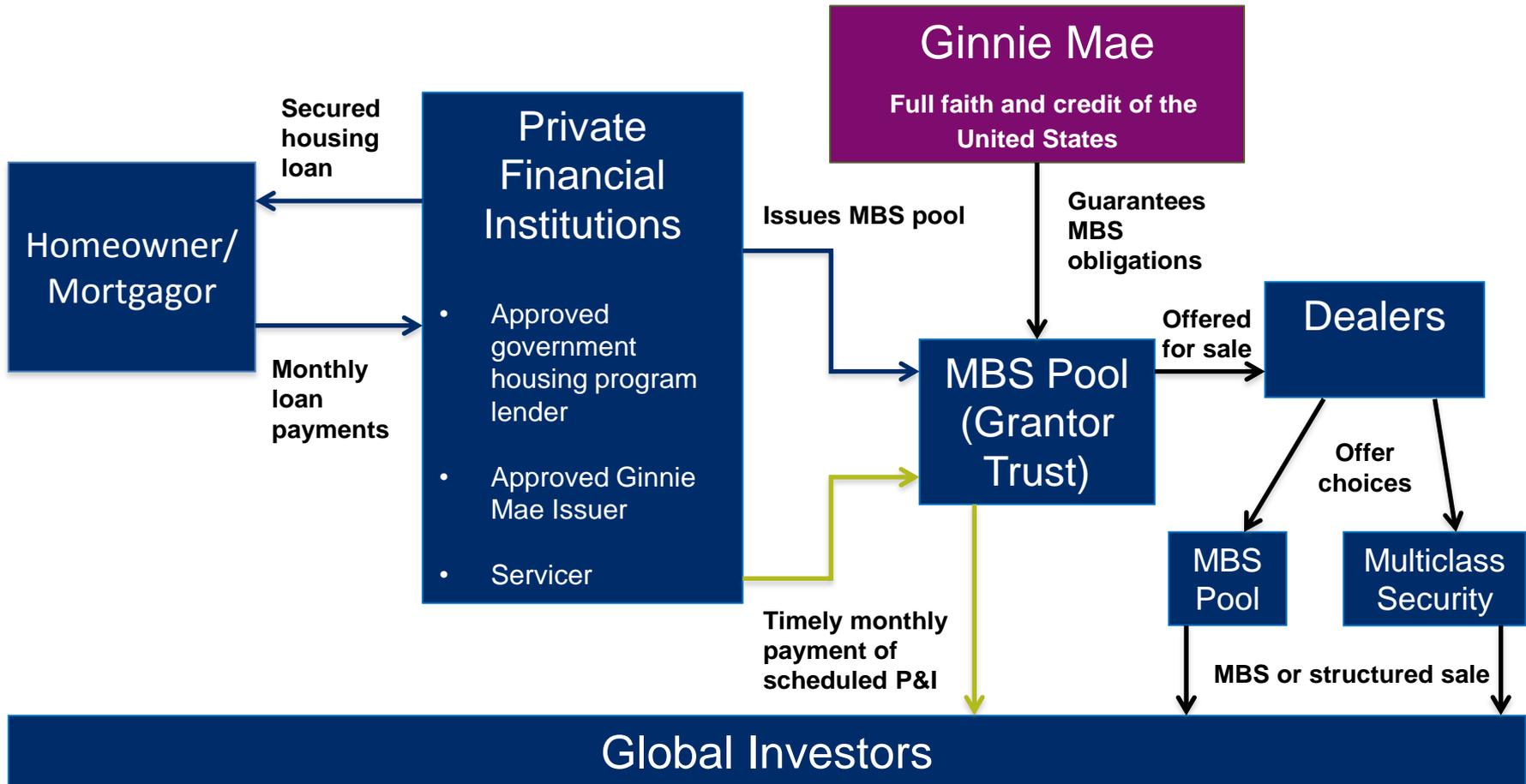


<b>Name</b>	Government National Mortgage Association (“Ginnie Mae”)	
<b>History</b>	Established as a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development (HUD) by the Housing & Urban Development Act of 1968 [12 USC § 1716b]	
	<b>Created &amp; issued first-ever Mortgage-Backed Security (MBS) in 1970</b>	
<b>Purpose</b>	Ginnie Mae seeks to expand affordable housing by linking global capital markets to the U.S. housing markets	
<b>Business Model</b>	<p>Guarantees MBS of loans insured or guaranteed by U.S. government agencies: Federal Housing Administration (<b>FHA</b>), Veteran Affairs (<b>VA</b>), Rural Housing Service (<b>RH</b>) and Public and Indian Housing (<b>PIH</b>)</p> <p>The Ginnie Mae guaranty is applied to MBS consisting of loans on single-family residential property, multifamily properties and reverse mortgage loans to senior citizens</p> <p>Private lending institutions originate all loans and issue all MBS</p> <p>Enhance capital market demand by conducting the Multiclass Security Programs</p> <p><b>Ginnie Mae is operationally and financially self-sustaining</b></p>	
<b>Fiscal Year 2012 Summary</b>	<p><b>Outstanding portfolio balance of \$1.34 trillion</b></p> <p>[8 million loans; 355,000 MBS pools]</p> <p>\$609.6 million surplus</p>	<p><b>Guaranteed \$388 billion in MBS</b></p> <p>[~25% share of Ginnie and GSE totals]</p> <p>Accumulated capital is \$16 billion</p>
<b>Guaranty</b>	<p>Investors receive timely payment of monthly principal and interest (P&amp;I)</p> <p>Explicit guaranty of the <b>“full faith &amp; credit of the United States”</b></p>	

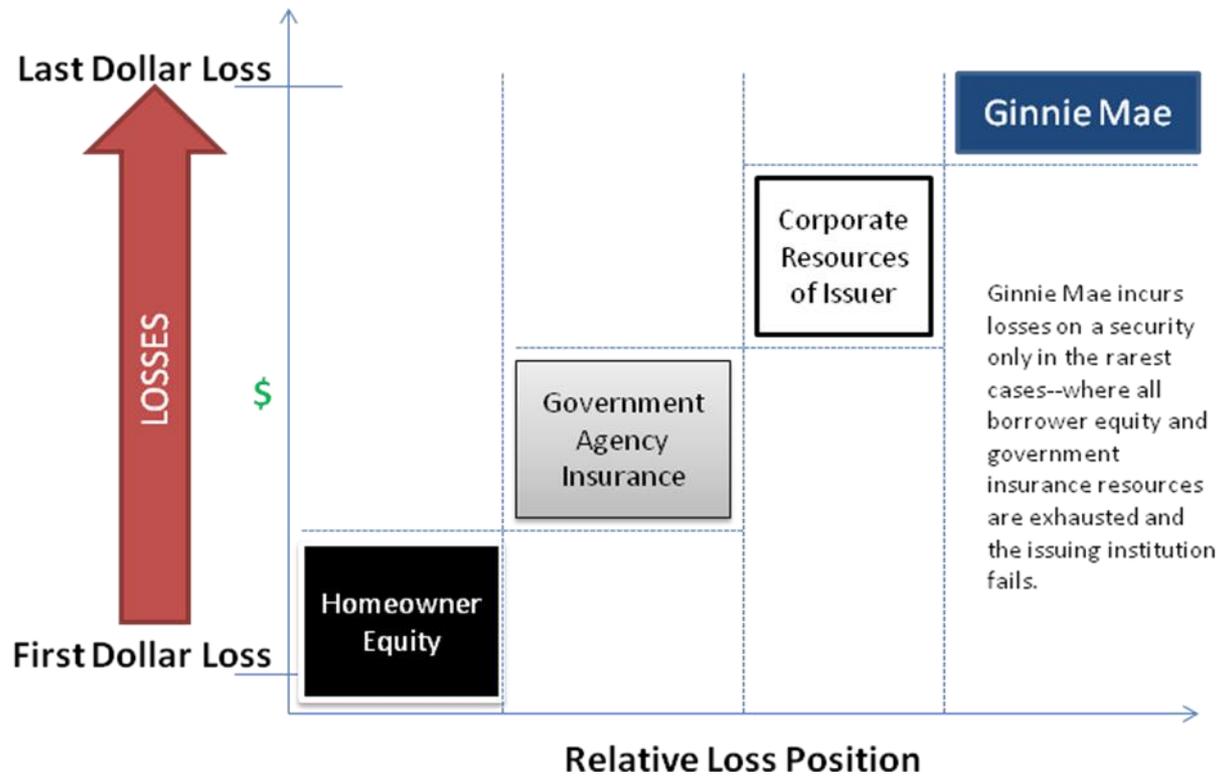
***Ginnie Mae Is a Wholly-Owned Instrumentality of the United States***



## Ginnie Mae's Securitization Model Is Efficient

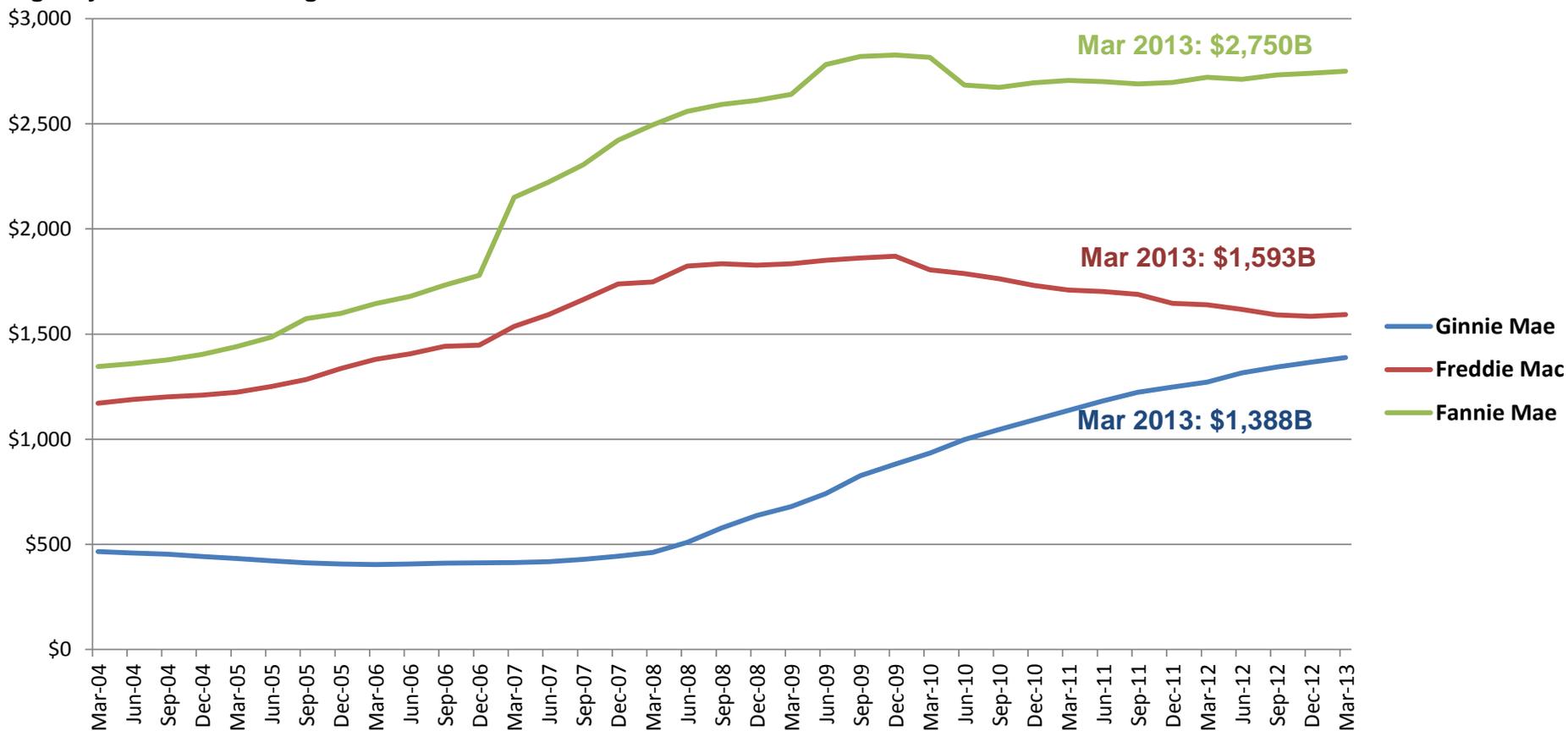


## Ginnie Mae Risk Structure



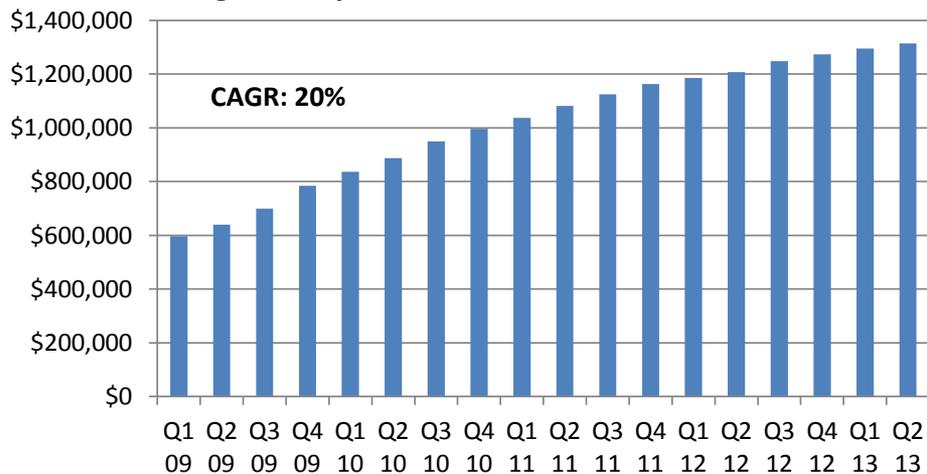
## Ginnie Mae MBS Outstanding Volume Continues to Grow

Agency MBS Outstanding in Billions

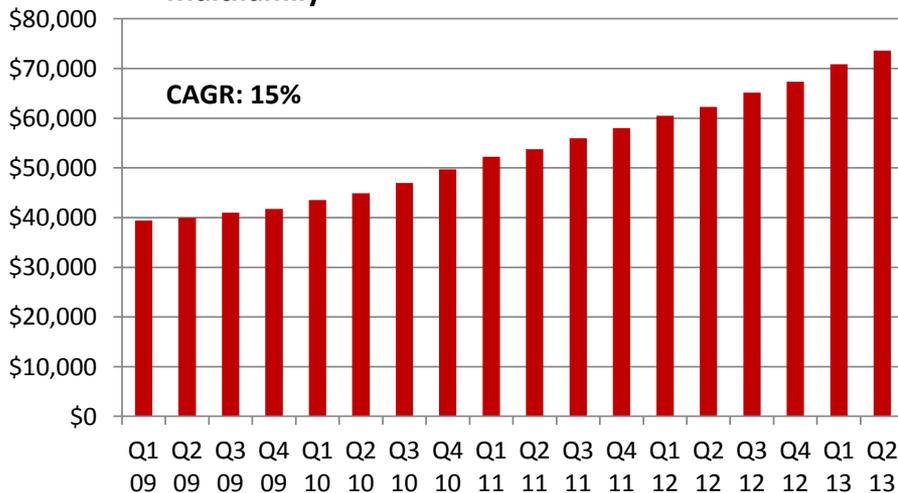


# Unpaid Principal Balance (UPB) of Ginnie Mae Securities

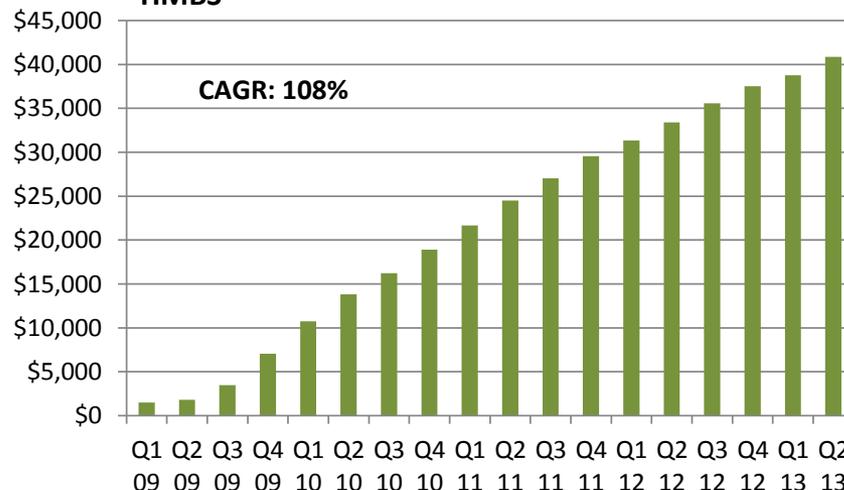
**Single Family**



**Multifamily**



**HMBS**



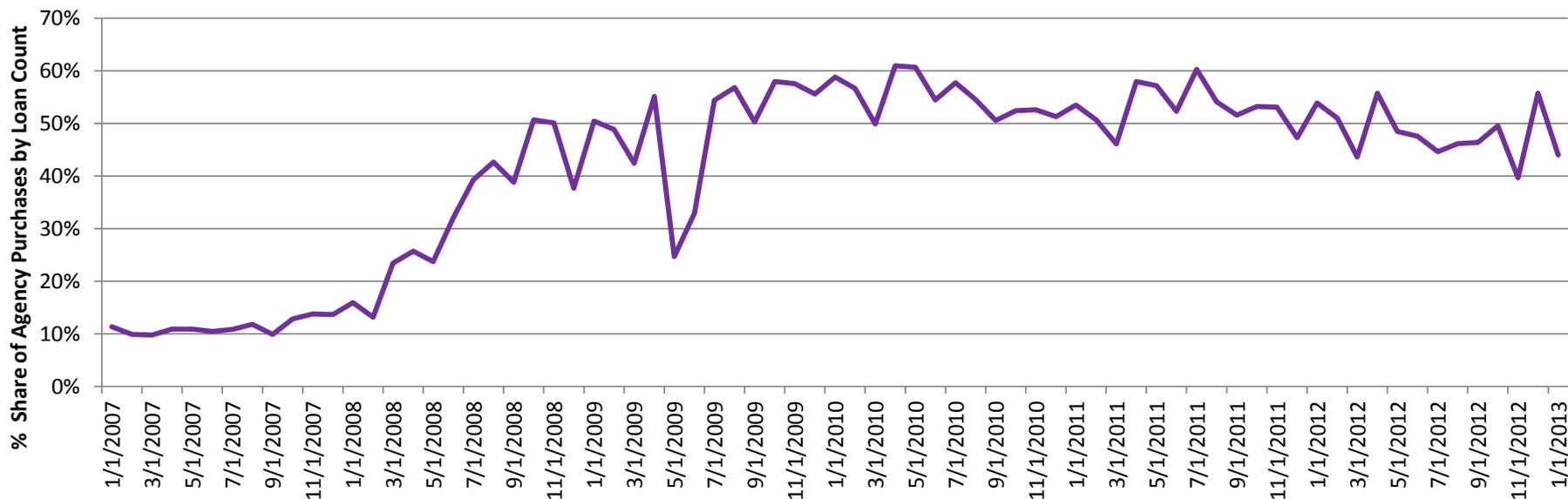
**UPB in millions: Quarterly by fiscal year since 2009**

**CAGR - "Compound Annual Growth Rate"**

## ***Our Market Presence and Activity Are on the Rise***

- We helped finance nearly half of all homes purchased and about 15% of all homes refinanced across the U.S. in FY2012.
- We also helped finance more than 1.7 million housing units in FY2012

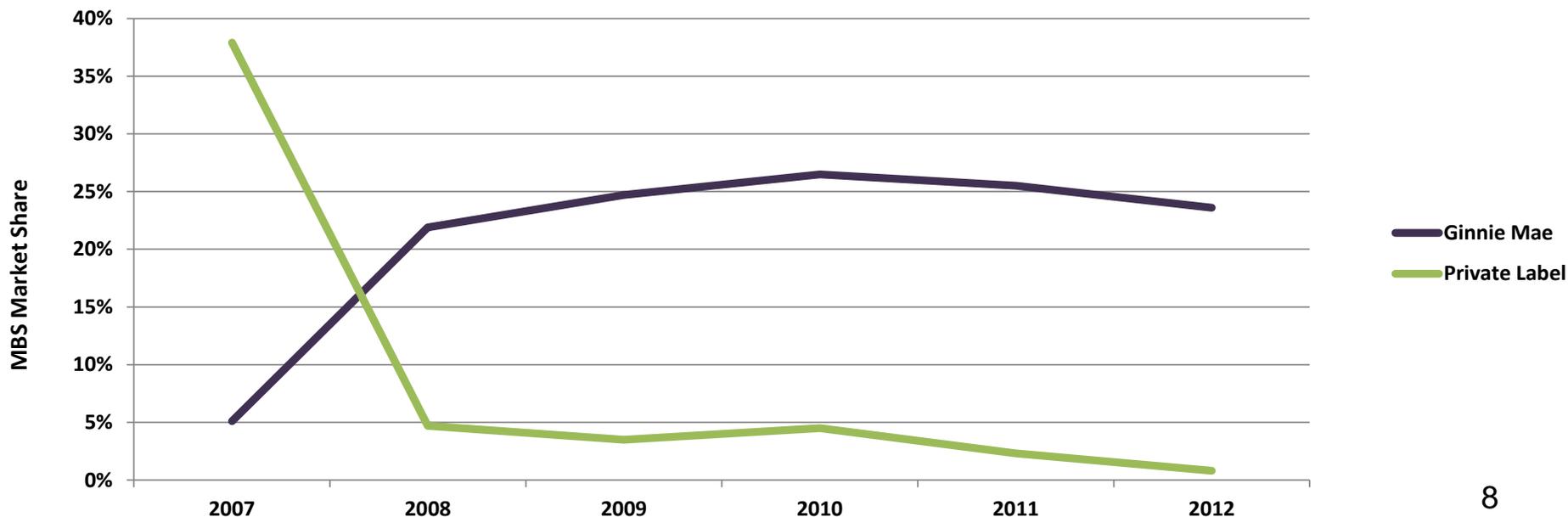
**Ginnie Mae Share of Purchase Volume**



## ***Our Business Model Is Countercyclical***

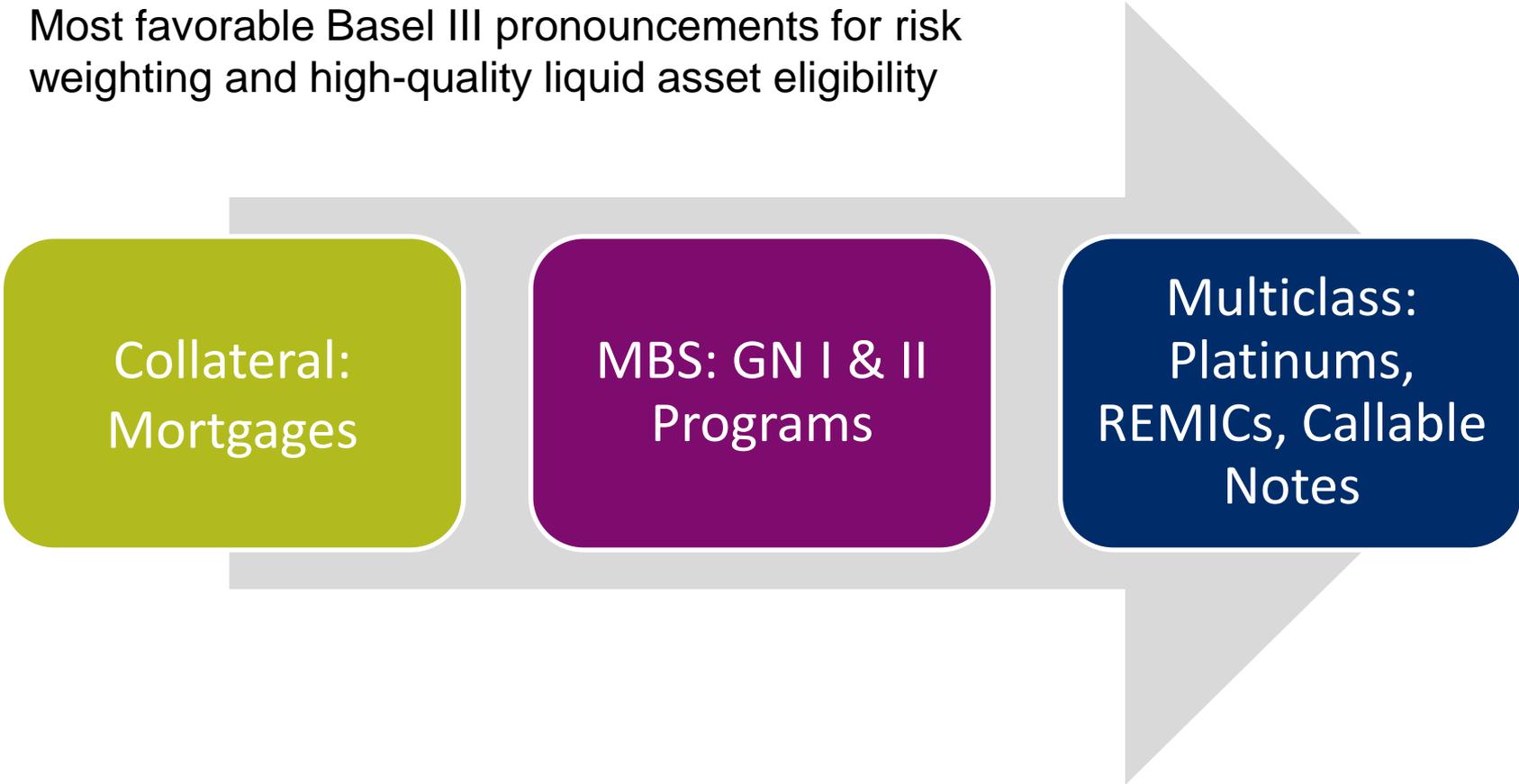
Ginnie Mae MBS provide liquidity so that lending continues during times of economic stress.

- To keep volume of mortgages available, more mortgages are securitized through Ginnie Mae.
- Our simple business model is inherently scalable to changing volumes.



## ***Ginnie Mae's Products Respond to Market Needs***

- Explicit U.S. government guaranteed program
- Most favorable Basel III pronouncements for risk weighting and high-quality liquid asset eligibility



Collateral:  
Mortgages

MBS: GN I & II  
Programs

Multiclass:  
Platinums,  
REMICs, Callable  
Notes

## Our Multiclass Security Programs Provide Flexibility

### Platinum Certificate

#### GN I & IIs

- Aggregates similar MBS pools into one trust/certificate
  - Streamlines administration & accounting
- Issued with a factor of 1.0000000
- Eligible collateral: Fixed-rate MBS
- TBA eligibility: Preserved if aggregated pools have TBA eligibility

### REMIC

#### GN I & IIs, REMICs, Callable Trusts, SMBS

- Restructures cash flows to meet diverse investment needs
- Structured by:
  - Interest rates
  - Payment seniority
  - Price points
  - Durations
- Eligible collateral: Fixed rate & ARMs, REMICs and HMBS

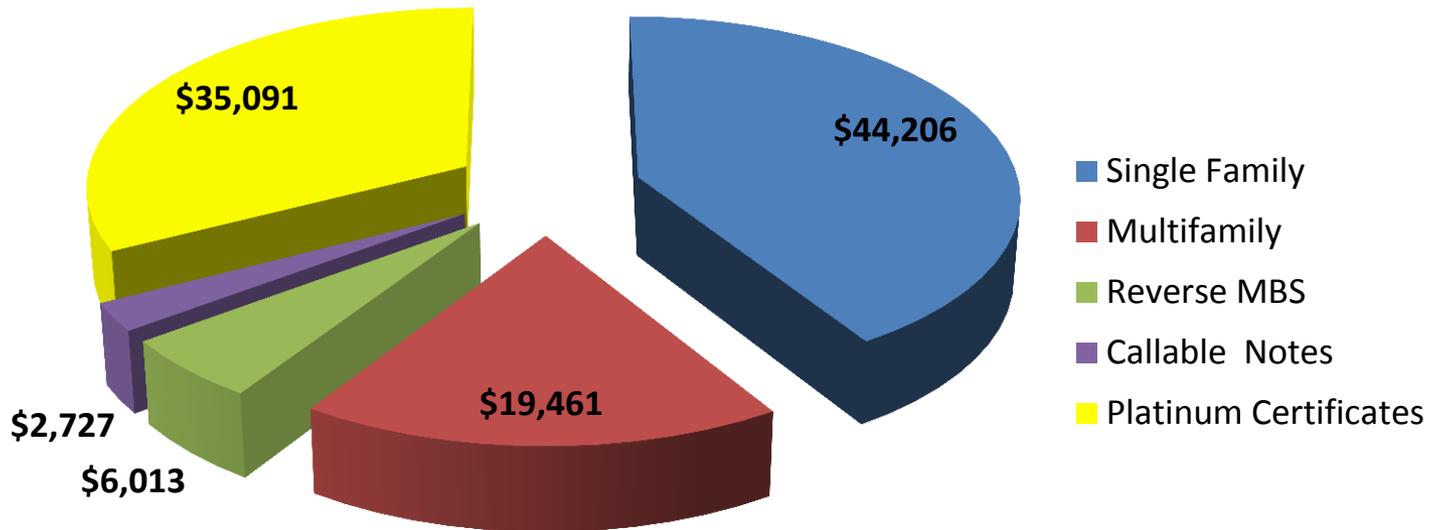
### Callable Notes

#### GN I & GN IIs, Platinum Certificates and REMIC Classes

- Class A: Exchange Coupon Class with fixed redemption price and date
- Class B: Call Class gives holder right to redeem at a strike price
  - Typical redemption period: 3, 6 or 12 months
  - Call price can be set at par or higher

## Multiclass Securities Programs Provide Significant Liquidity

Dollars Stated in Millions



**\$107 Billion of Multiclass Securities in Fiscal Year 2012**

## ***Ginnie Mae Contacts and Links***

**Website:**     **<http://www.ginniemae.gov/>**

Links:

**Monthly MBS Issuance Reports**

[http://ginniemae.gov/media\\_center/Pages/monthly\\_issuance\\_reports.aspx](http://ginniemae.gov/media_center/Pages/monthly_issuance_reports.aspx)

**Monthly Unpaid Principal Balance Reports**

[http://ginniemae.gov/media\\_center/Pages/monthly\\_rpb\\_reports.aspx](http://ginniemae.gov/media_center/Pages/monthly_rpb_reports.aspx)

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