Government National Mortgage Association (GNMA)

2017 VA Lenders Conference
April 2017
Ginnie Mae Impact – FY 2016

Ginnie Mae has experienced steady, increased growth in its share of the secondary mortgage market.

FY 2016 volume has Ginnie Mae at about 36% of total new MBS issue market.

Ginnie Mae guaranteed securities are the single largest funding source for home purchases.

Purchase borrowers have ~690 credit score and ~97% LTV profile.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Outstanding</td>
<td>$1.7 Trillion</td>
<td>corresponding to over 10 million loans</td>
</tr>
<tr>
<td>Record Gross MBS Issuance</td>
<td>$490 Billion</td>
<td></td>
</tr>
<tr>
<td>Securities funded single-family home purchases</td>
<td>$278 Billion</td>
<td>1.4 Million</td>
</tr>
<tr>
<td>Securities funded 1st Time Buyers</td>
<td>$200 Billion</td>
<td>1.1 Million</td>
</tr>
</tbody>
</table>

As of September 2016; all figures are in USD
Ginnie Mae MBS Outstanding Volume Continues to Grow

Agency MBS Outstanding in Billions*

Sources: Fannie Mae and Freddie Mac monthly reports; Ginnie Mae data includes HECMs
Ginnie Mae Annual MBS Gross Issuance by Agency

Differences between Ginnie Mae and Other Industry Participants

**Insuring Agencies**
- Ginnie Mae does not insure lenders against borrower credit risk
- Ginnie Mae does not set credit or underwriting standards

**GSE’s**
- Ginnie Mae does not purchase loans or MBS*
- Ginnie Mae does not issue or sell MBS*

**Lenders/Servicers**
- Does not originate loans or provide financing for other lenders
- Does not service loans, with the exception of seized portfolios

*Under the Multiclass program, Ginnie Mae does momentarily acquire and subsequently issue MBS comprised of other Ginnie Mae MBS (i.e. Platinum securities)*
Ginnie Mae Annual MBS Net Issuance by Agency

- FHA
- VA
- Other

$ in Billions

Comparing Purchase and Refinance Issuance Dollars

Ginnie Mae

- **Purchase**
- **Refinance**

Fannie Mae

Freddie Mac

Source: embs.com
### Coupon Volume of Ginnie Mae Securities

**GINNIE MAE FIXED RATE COUPON VOLUME**  
*September 2016 to March 2017*

<table>
<thead>
<tr>
<th>Date</th>
<th>2.5</th>
<th>3</th>
<th>3.5</th>
<th>4</th>
<th>4.5</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-Sep</td>
<td>$2,869,190,000</td>
<td>$30,224,860,000</td>
<td>$12,117,900,000</td>
<td>$2,335,690,000</td>
<td>$420,450,000</td>
<td>$172,530,000</td>
</tr>
<tr>
<td>16-Oct</td>
<td>$3,316,580,000</td>
<td>$28,157,780,000</td>
<td>$9,747,530,000</td>
<td>$1,790,850,000</td>
<td>$243,840,000</td>
<td>$89,760,000</td>
</tr>
<tr>
<td>16-Nov</td>
<td>$3,230,530,000</td>
<td>$28,294,620,000</td>
<td>$9,739,700,000</td>
<td>$1,778,860,000</td>
<td>$262,930,000</td>
<td>$87,730,000</td>
</tr>
<tr>
<td>16-Dec</td>
<td>$2,774,050,000</td>
<td>$27,559,750,000</td>
<td>$10,554,530,000</td>
<td>$1,909,580,000</td>
<td>$270,960,000</td>
<td>$82,660,000</td>
</tr>
<tr>
<td>17-Jan</td>
<td>$1,671,110,000</td>
<td>$18,906,280,000</td>
<td>$13,718,310,000</td>
<td>$4,362,430,000</td>
<td>$511,100,000</td>
<td>$78,840,000</td>
</tr>
<tr>
<td>17-Feb</td>
<td>$603,980,000</td>
<td>$7,733,650,000</td>
<td>$14,210,220,000</td>
<td>$6,764,830,000</td>
<td>$1,032,720,000</td>
<td>$107,870,000</td>
</tr>
<tr>
<td>17-Mar</td>
<td>$181,850,000</td>
<td>$4,013,590,000</td>
<td>$14,666,630,000</td>
<td>$8,427,190,000</td>
<td>$1,526,700,000</td>
<td>$159,180,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,647,290,000</strong></td>
<td><strong>$144,890,530,000</strong></td>
<td><strong>$84,754,820,000</strong></td>
<td><strong>$27,369,430,000</strong></td>
<td><strong>$4,268,700,000</strong></td>
<td><strong>$778,570,000</strong></td>
</tr>
</tbody>
</table>
### Ginnie Mae MBS Price & Price Spread Analysis

#### G2SF Price - Over the past 12 months

<table>
<thead>
<tr>
<th>Coupon</th>
<th>High</th>
<th>Low</th>
<th>Average</th>
<th>4/5/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0%</td>
<td>105-04+</td>
<td>99-09+</td>
<td>102-30(1/8)</td>
<td>101-05</td>
</tr>
<tr>
<td>3.5%</td>
<td>106-10+</td>
<td>102-05+</td>
<td>105-01(5/8)</td>
<td>103-28</td>
</tr>
<tr>
<td>4.0%</td>
<td>107-08+</td>
<td>104-13+</td>
<td>106-13(3/8)</td>
<td>105-28</td>
</tr>
</tbody>
</table>

*Data from Bloomberg*

#### G2SF vs. FNCL Spread of Price - Over the past 12 months

<table>
<thead>
<tr>
<th>Coupon</th>
<th>High</th>
<th>Low</th>
<th>Average</th>
<th>4/5/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0%</td>
<td>2-11</td>
<td>0-19</td>
<td>1-11(3/4)</td>
<td>1-22</td>
</tr>
<tr>
<td>3.5%</td>
<td>2-02</td>
<td>0-15</td>
<td>1-01(3/4)</td>
<td>1-10</td>
</tr>
<tr>
<td>4.0%</td>
<td>1-21</td>
<td>-0-14</td>
<td>0-06(5/8)</td>
<td>0-25</td>
</tr>
</tbody>
</table>

*Data from Bloomberg*
Poolig Eligibility for Streamlined Refinance Loans

Scenario 1: Refi date occurs after the due date for the 6th monthly payment on the original loan. Refi loan may be pooled into ANY Ginnie Mae pool, including a Ginnie Mae II MIP (TBA eligible).

Scenario 2: Refi date occurs before the due date for the 6th monthly payment on the original loan. Refi loan may be pooled ONLY into a Ginnie Mae II Custom Pool (Not TBA eligible).
CONTACT INFORMATION

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