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.

As of September 2016; all figures are in USD

- Current Outstanding - corresponding to over 10 million loans: $1.7 Trillion
- Record Gross MBS Issuance: $490 Billion
- Securities funded 1.4 Million single-family home purchases: $278 Billion
- Securities funded 1.1 Million 1st Time Buyers: $200 Billion
Ginnie Mae MBS Outstanding Volume Continues to Grow

Agency MBS Outstanding in Billions*

Jan 2017 $2,930B
Jan 2017 $1,861B
Feb 2017: $1,798B

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

$ in Billions


FHA VA Other
Comparing Purchase and Refinance Issuance Dollars

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

### Ginnie Mae Fixed Rate Coupon Volume

**September 2016 to March 2017**

<table>
<thead>
<tr>
<th>Month</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>
</tbody>
</table>

**Total**  
$14,647,290,000 $144,890,530,000 $84,754,820,000 $27,369,430,000 $4,268,700,000 $778,570,000
## 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
Pooling 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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