



## ***New Market Demands:***

*New Issuers Complexity Requires Determined Oversight*

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## New Entrants Reducing Concentration, Systemic Risk for Ginnie Mae

Top 5 Issuers of SF MBS in FY 2011		
Rank	Issuer Name	% of Total
1	WELLS FARGO BANK, NA	34%
2	BANK OF AMERICA	26%
3	JP MORGAN CHASE BANK	8%
4	PHH MORTGAGE CORP	4%
5	U.S. BANK	4%
Total Top 5 Issuers		76%
Total Issuance FY2011		\$322.3 billion

Top 5 Issuers of SF MBS in FY 2015 YTD		
Rank	Issuer Name	% of Total
1	WELLS FARGO BANK, NA	16%
2	FREEDOM MORTGAGE CORP	7%
3	PENNYMAC LOAN SERVICES	6%
4	QUICKEN LOANS INC	6%
5	U.S. BANK	4%
Total Top 5 Issuers		39%
Total Issuance FY2015 YTD		\$130.9 billion

Red = Issuers that have fallen out of Top 5 since 2011

Blue = Issuers that have risen into Top 5 since 2011

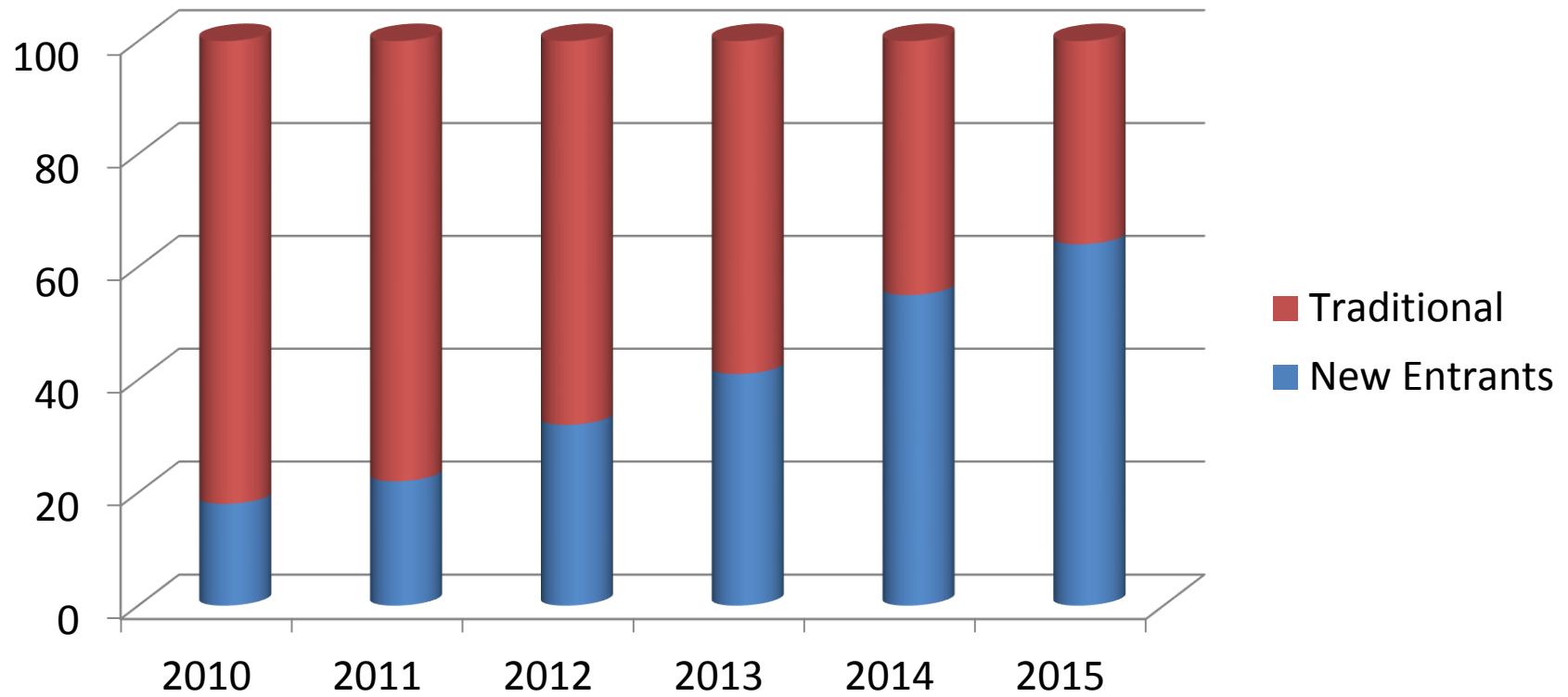
## ***Benefits of New Entrants to Mortgage Market***

- Improves credit access for borrowers at lower costs.
- Increases competition in the marketplace.
- Encourages innovation.
- Helps reduce “Too Big To Fail” risk.
- Provides more outlets to transfer servicing rights in the case of Issuer default.

## ***Ginnie Model is Most Similar to FDIC***

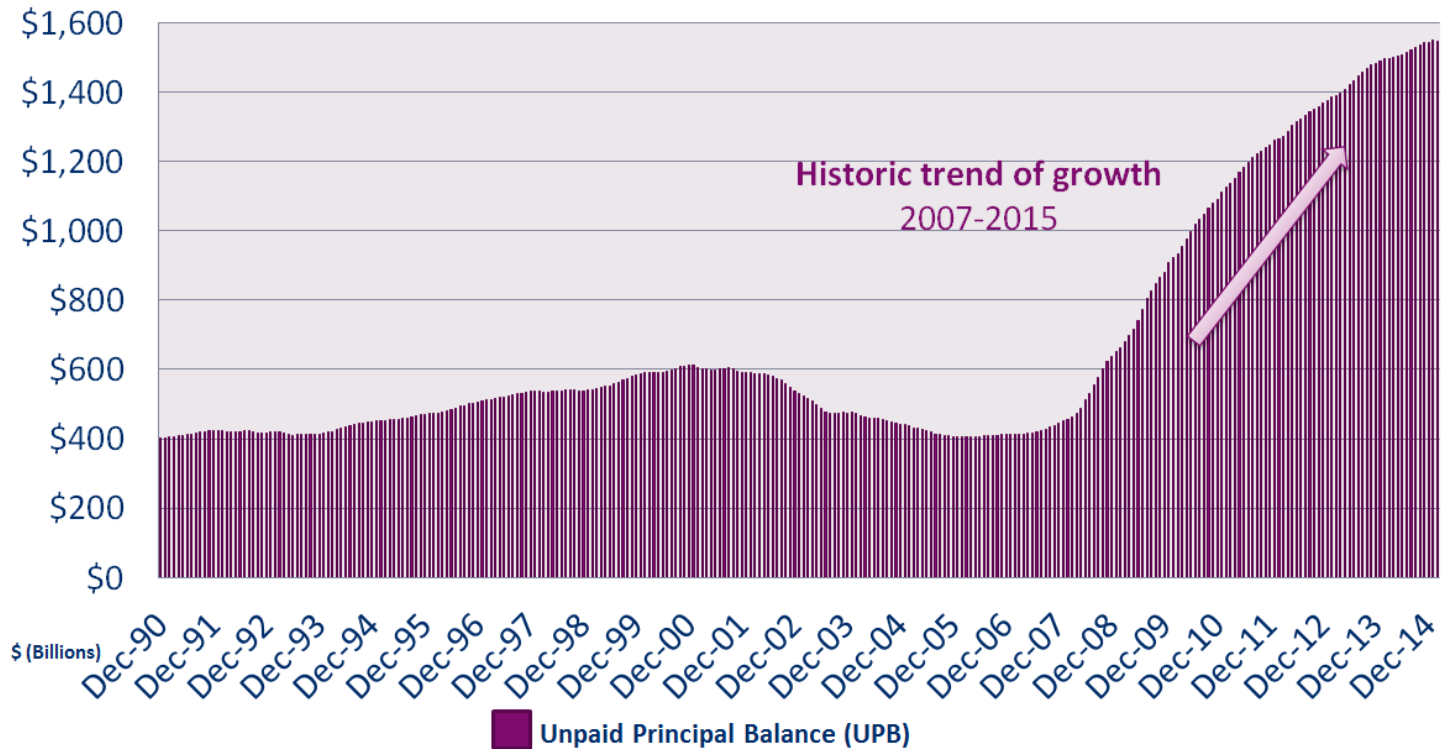
- ❑ The Federal Deposit Insurance Corporate (FDIC) insures about \$6 trillion of deposits in 600 million accounts in 6,800 institutions.
- ❑ Ginnie Mae guarantees about \$1.5 trillion in MBS issued by more than 400 Issuers.
- ❑ When an institution fails, the FDIC transfers assets and liabilities to another insured institution, usually at little or no loss to the system.
- ❑ When a Ginnie Mae Issuer fails, we transfer servicing to another Ginnie Mae Issuer, usually at little or no loss to the taxpayer.

## *New Entrants Increasing Share of Ginnie Mae's MBS Production to 64 Percent*



# Ginnie Mae MBS Guaranteed Has Soared Since Crisis

It Took 40 Years to Reach \$1 Trillion, Just 4 More to Reach \$1.5 Trillion



## ***Revised Net Worth & Liquidity Requirements for Single-Family Issuers***

### **Single-Family Issuer Minimum Net Worth:**

- ❑ Minimum adjusted net worth requirement of \$2,500,000 plus 0.20% (20 basis points) of the Issuer's total effective outstanding single-family obligations has been increased to **\$2,500,000 plus 0.35% (35 basis points)** of the Issuer's total effective outstanding single-family obligations.

### **Single-Family Issuer Minimum Liquidity:**

- ❑ Minimum liquid assets requirement of 20% of required net worth has been changed to the greater of **\$1,000,000 or 0.10% (10 basis points)** of the Issuer's outstanding single-family securities.

## ***Issuer Operational Performance Profile-IOPP***

- **Objective**-To enable Ginnie Mae Issuers to better understand what metrics are important to Ginnie Mae
- IOPP provides a framework and methodology to allow Issuers to gauge their effectiveness against Ginnie Mae standards and their peers
- Overall Weighted Average Operational Score comprised of the following:
  - Reporting
  - Certification and Compliance
  - Pooling and Insurance
  - Overall Default Score