

# Ginnie Mae: Program Overview and Insights

***Puerto Rico 2017 MBA Conference***



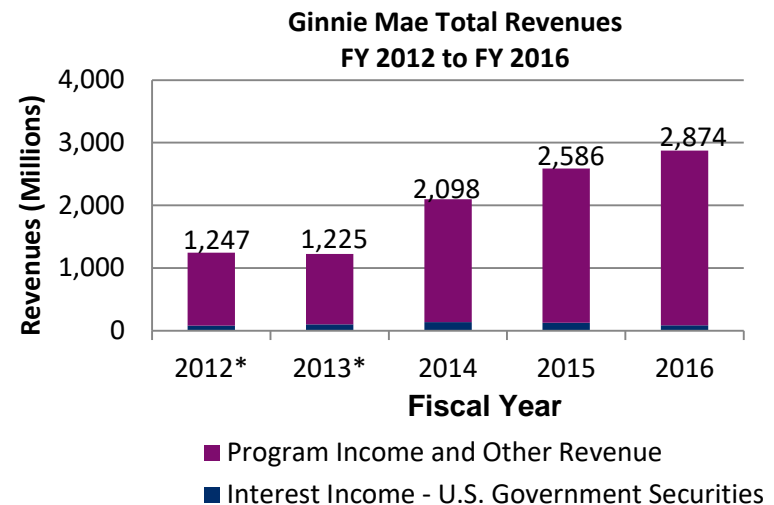
## About Ginnie Mae

- In 1968, Congress established the Government National Mortgage Association, known as “Ginnie Mae.”
- Ginnie Mae is a government-owned corporation organized within HUD. Its President is nominated by the President of the United States and confirmed by the United States Senate.
- Ginnie Mae’s mission is to expand affordable housing in America by linking global capital markets to the nation's housing markets.
- Ginnie Mae securities are the only mortgage-backed securities that offer the full faith and credit guaranty of the United States Government.
- Ginnie Mae’s role is to guarantee timely principal and interest payments to investors, and it charges guaranty fees for this commitment.
- Ginnie Mae realized \$305.8 million of net profit for the U.S. Government in FY 2016.



## ***Key Achievements in Fiscal Year 2016 (Oct. 2015 to Sept. 2016)***

- **Ginnie Mae has guaranteed over \$3.3 trillion in MBS since the onset of the credit crisis.**
- **Ginnie Mae has continued in this role during the past year by providing guarantees on \$490 billion in securities, representing nearly 2.1 million households across the country.**
- **Ginnie Mae implemented key program operational and management initiatives to strengthen product offerings, improve reporting and disclosure for customers and the market.**



## ***Single Family Program Highlights***

- **Since March 2010, Ginnie Mae MBS grew 90% to over \$1.7 trillion, in contrast to Fannie Mae and Freddie Mac whose growth was largely steady, helping to finance affordable and community-stabilizing single family housing across the nation.**
- **The Ginnie Mae single family portfolio is diverse and has provided stability to the MBS markets with:**
  - **the securitization of loans for first time home buyers and borrowers with lower credit scores that qualify for agency loans.**
  - **the refinancing of existing FHA, VA, RD, PIH, or conventionally financed properties.**
- **In CY 2016, Ginnie Mae's single family MBS portfolio increased to \$1.61 trillion, compared to \$1.53 trillion in December 2015, and helped finance nearly 2.1 million new households.**

## ***Ginnie Mae Provides a Single Security and a Reliable Platform that Levels the Playing Field***

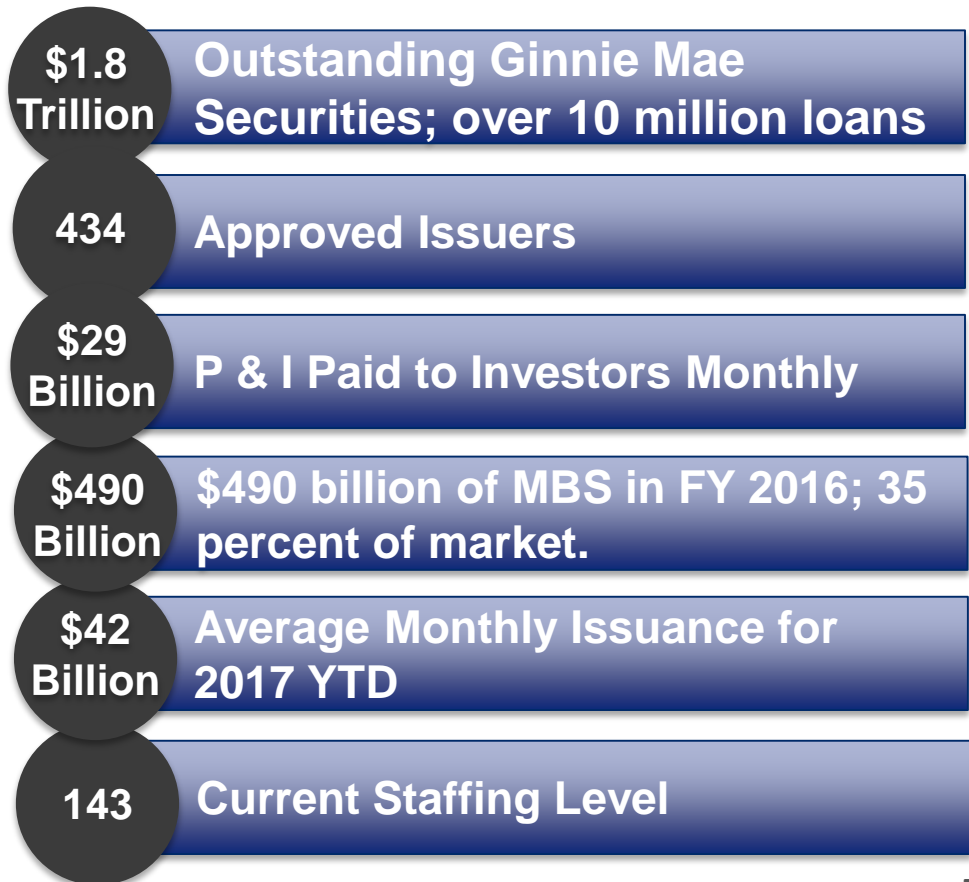
Ginnie Mae's relevance is evidenced in its steady, increased growth and its share of the secondary mortgage market.

Pumping new money into economy.

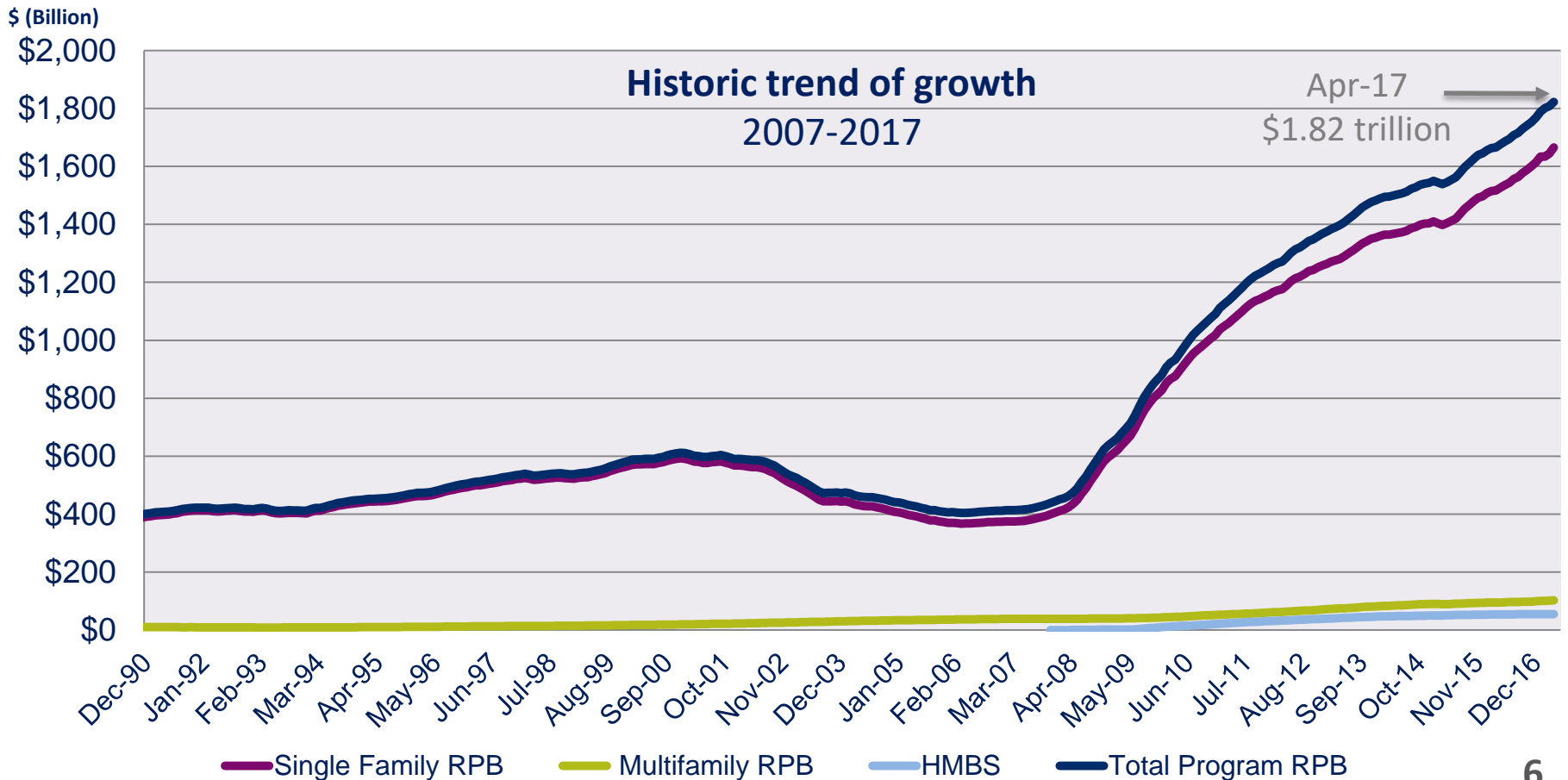
0.06% guaranty fee – unchanged

2.1 million people have benefitted in FY 2016 alone

2017 YTD issuance is comprised of 60% purchase, 34% refinance, and 6% modification volume



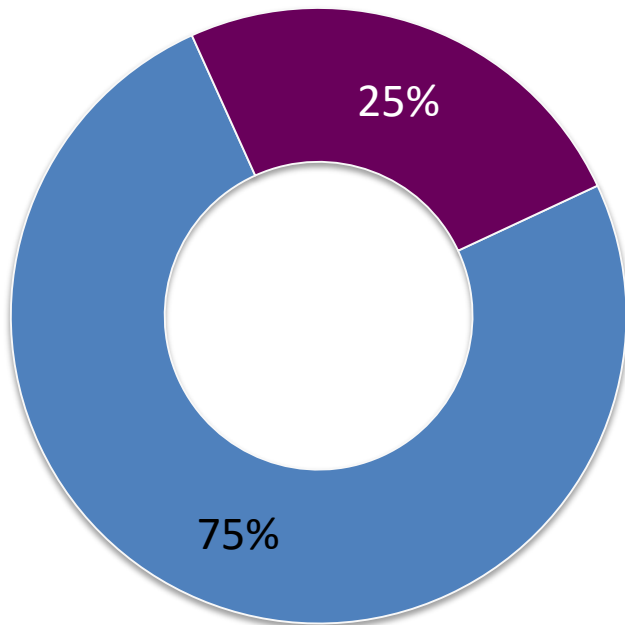
## Ginnie Mae MBS Outstanding Surges, Post Financial Crisis 42 Years to Reach \$1 Trillion then to \$1.8 Trillion in Seven Years



## Composition of Ginnie Mae MBS Issuance Volume

**FY 2012**

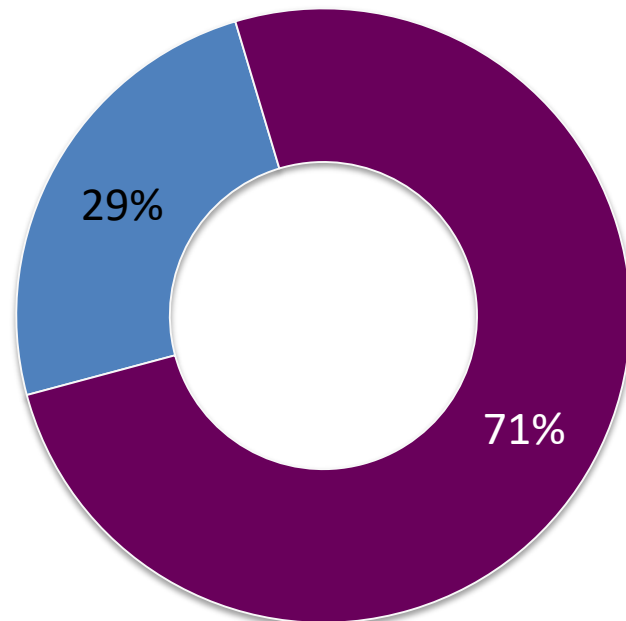
■ Depositories   ■ Non-Depositories



**FY2012 SF Issuance Volume: \$360B**

**FY 2017 YTD\***

■ Depositories   ■ Non-Depositories



**FY2017 YTD\* SF Issuance Volume: \$278B**

\*YTD through April

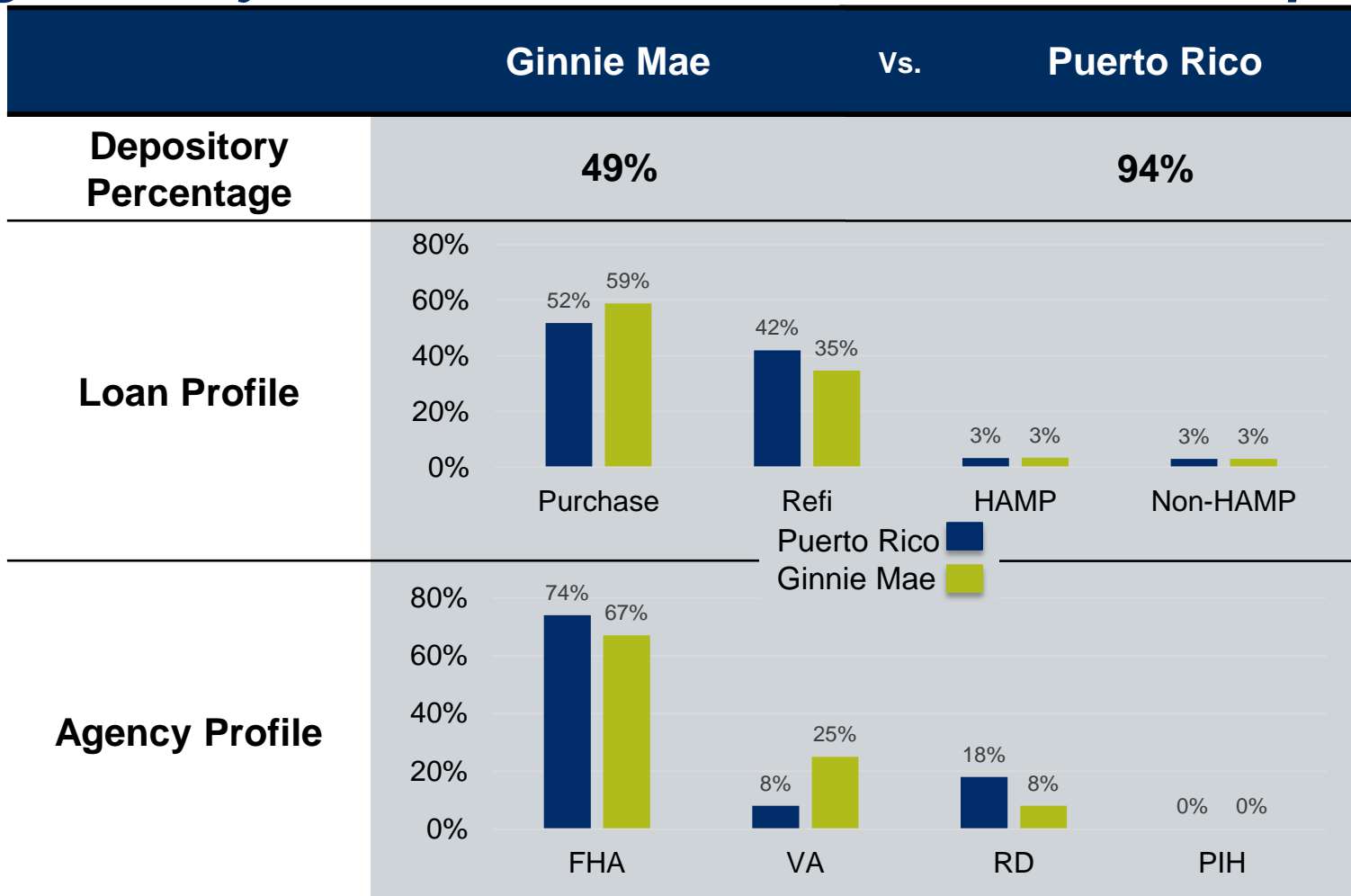


## *Single Family Ginnie Mae to Puerto Rico Comparison*

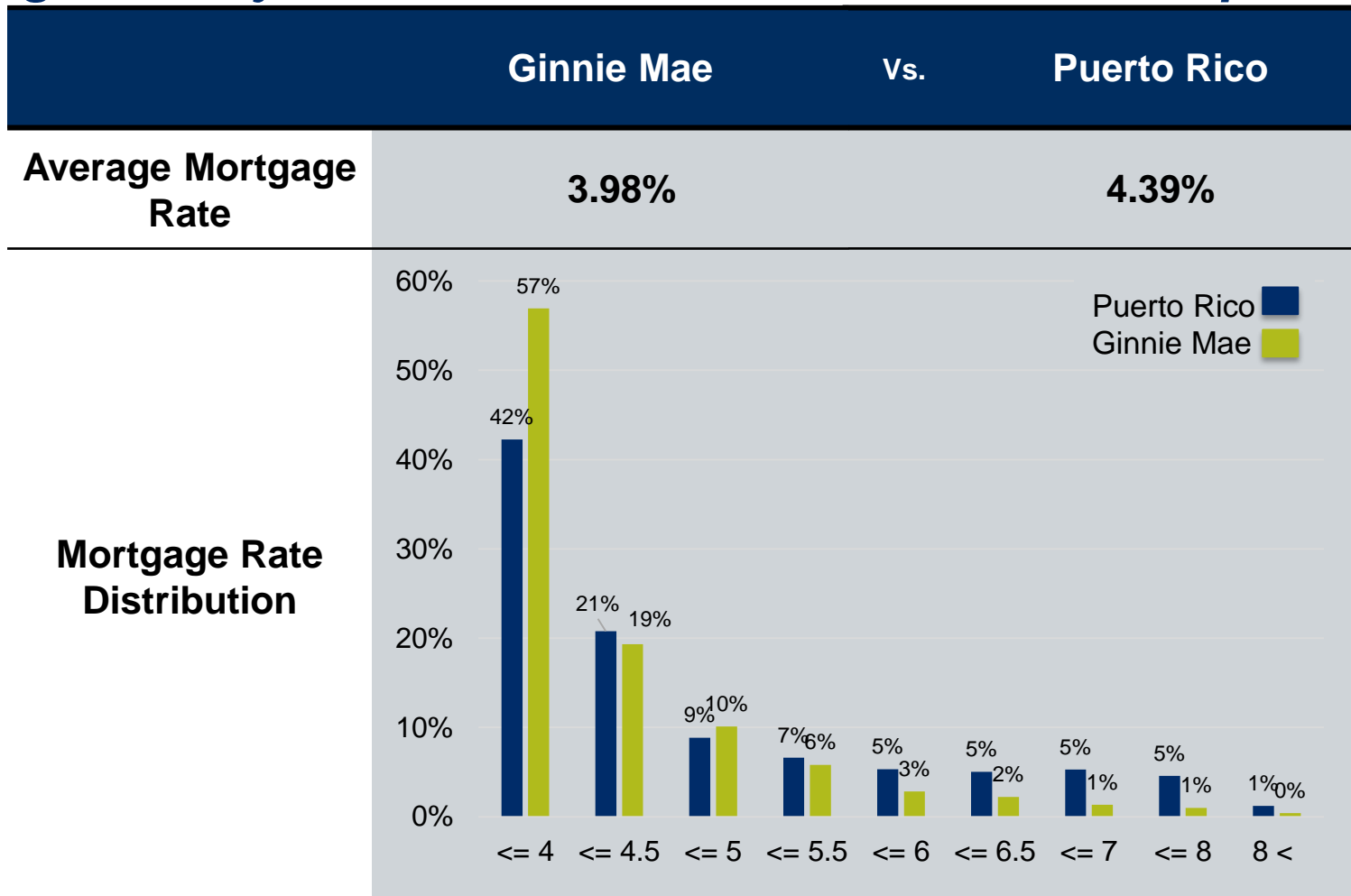
	<b>Ginnie Mae</b>	<b>Vs.</b>	<b>Puerto Rico</b>
<b>Active Issuers</b>	<b>317</b>		<b>21</b>
<b>Pooled Mortgages</b>	<b>10,419,128</b>		<b>128,886</b>
<b>Portfolio RPB (\$B)</b>	<b>\$1,664.8</b>		<b>\$12.7</b>
<b>CYTD Issuance (\$B)</b>	<b>\$133</b>		<b>\$0.44</b>
<b>Average Loan Size</b>	<b>\$159,785</b>		<b>\$98,164</b>
<b>Ginnie I Concentration</b>	<b>12%</b>		<b>74%</b>
<b>Average Loan Age</b>	<b>3.5 Years</b>		<b>5.5 Years</b>



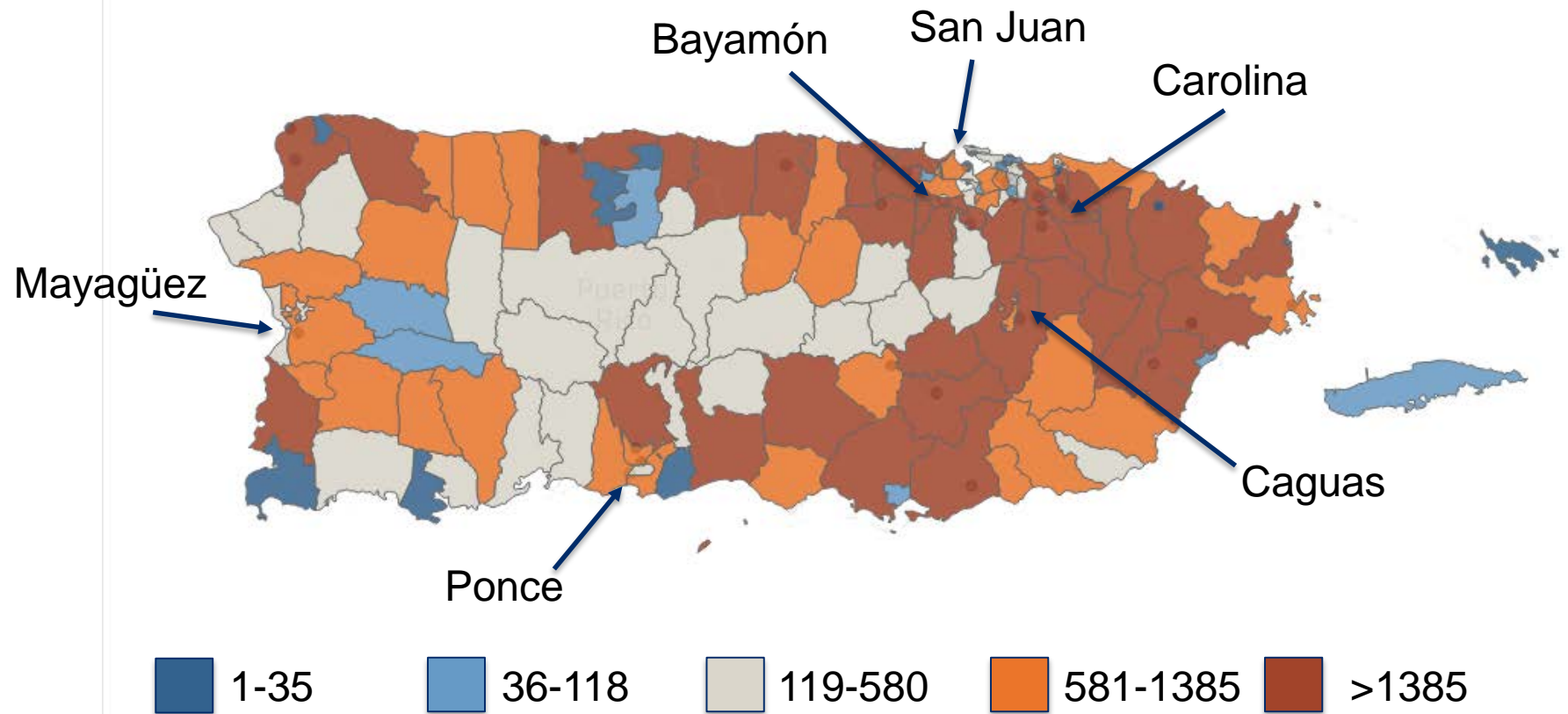
## Single Family Ginnie Mae to Puerto Rico MBS Comparison



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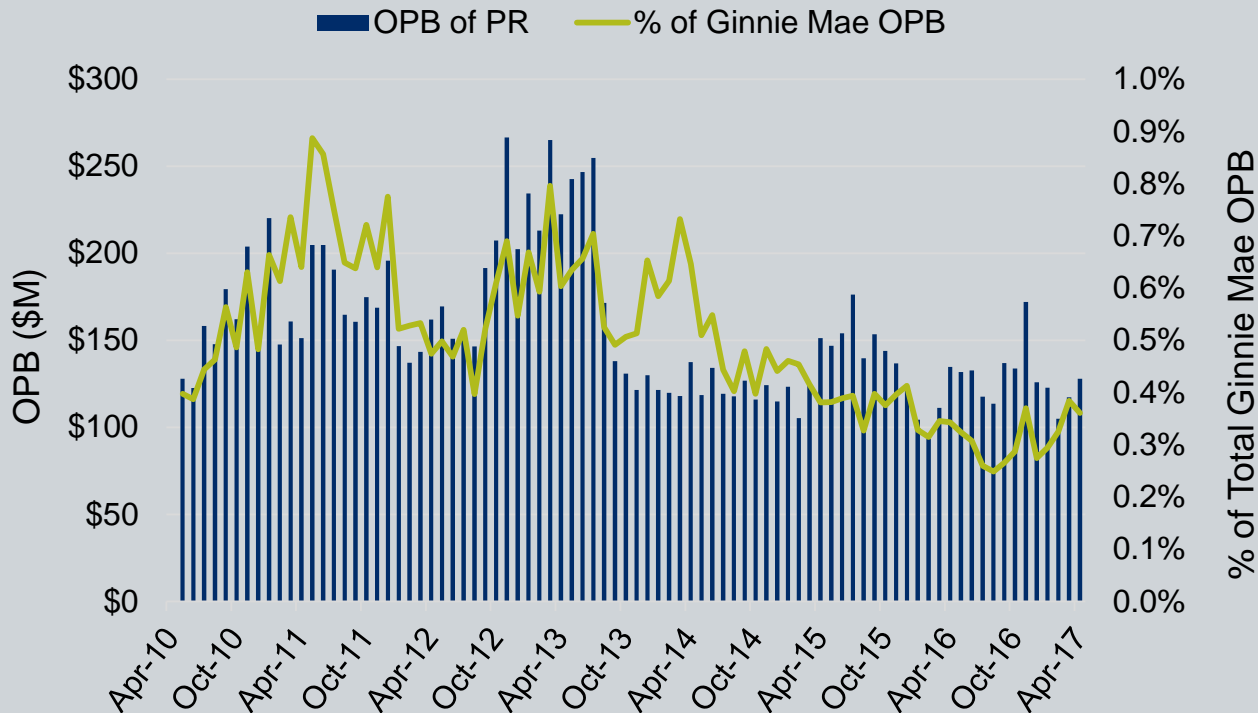
## ***Puerto Rico Single Family Loan Count By Zip Code***



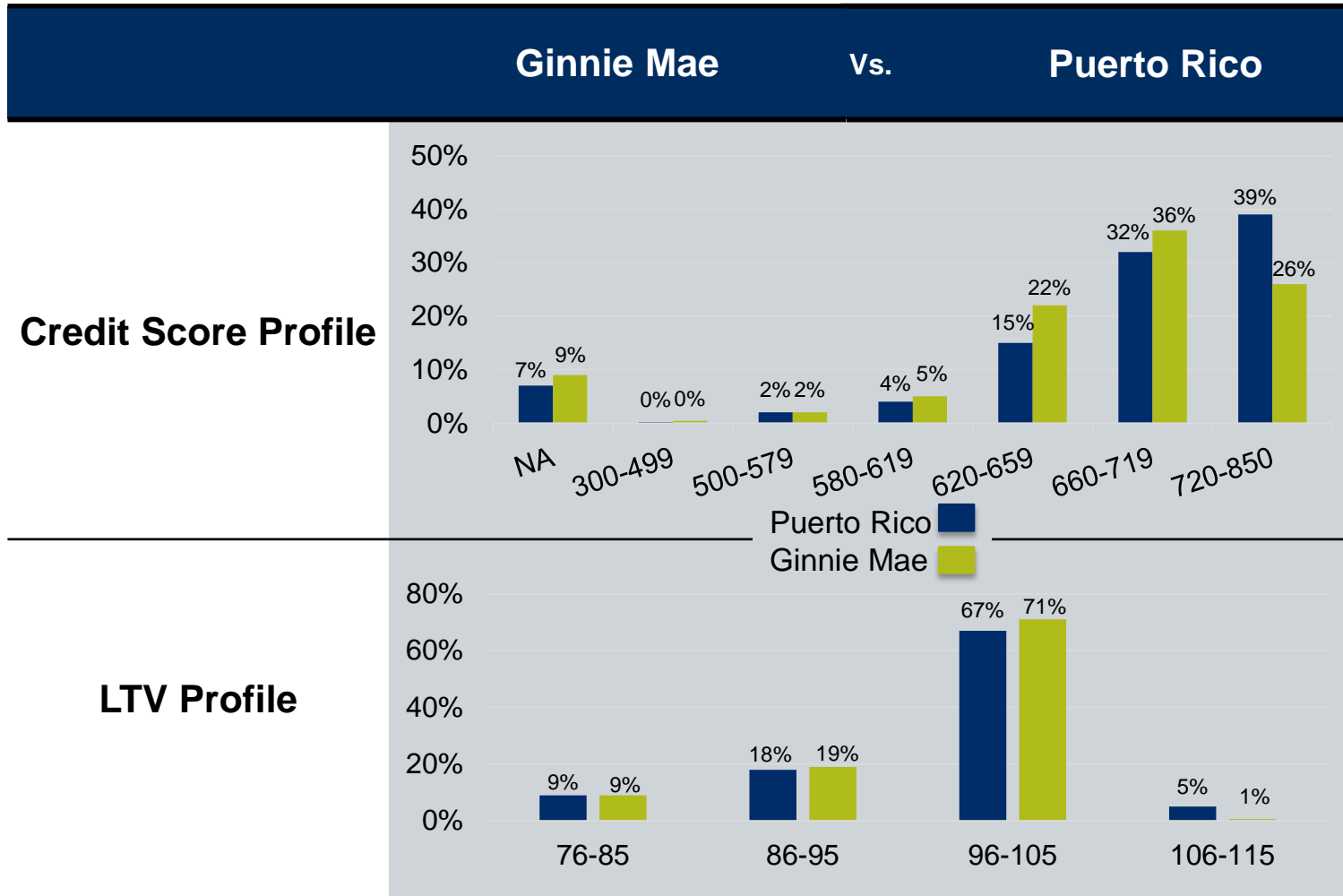
## *Single Family Ginnie Mae Issuers with Loans in Puerto Rico As of April 2017*

#	Issuer ID	Name	Loans Located in PR	RPB in State	% of Issuer RPB
1	3842	BANCO POPULAR DE PUERTO RICO	58,957	\$5,536,785,715	100.0%
2	4344	BANCO POPULAR DE PUERTO RICO - (ACQUIRED FROM DORAL)	27,891	\$2,205,328,319	100.0%
3	3982	SCOTIABANK DE PUERTO RICO	15,667	\$1,820,049,763	100.0%
4	2217	FIRSTBANK PUERTO RICO	13,250	\$1,511,874,458	98.1%
5	3963	ORIENTAL BANK	3,039	\$373,721,513	100.0%
6	3940	EMI EQUITY MORTGAGE, INC.	2,625	\$300,848,122	100.0%
7	3365	BANCO SANTANDER PUERTO RICO	2,268	\$275,964,831	100.0%
8	4324	THE MONEY HOUSE, INC.	2,278	\$248,826,425	100.0%
9		All Other Issuers	2,911	\$378,528,993	0.3%
<b>Single Family Loans and RPB Located in PR</b>			<b>128,886</b>	<b>\$12,651,928,139</b>	

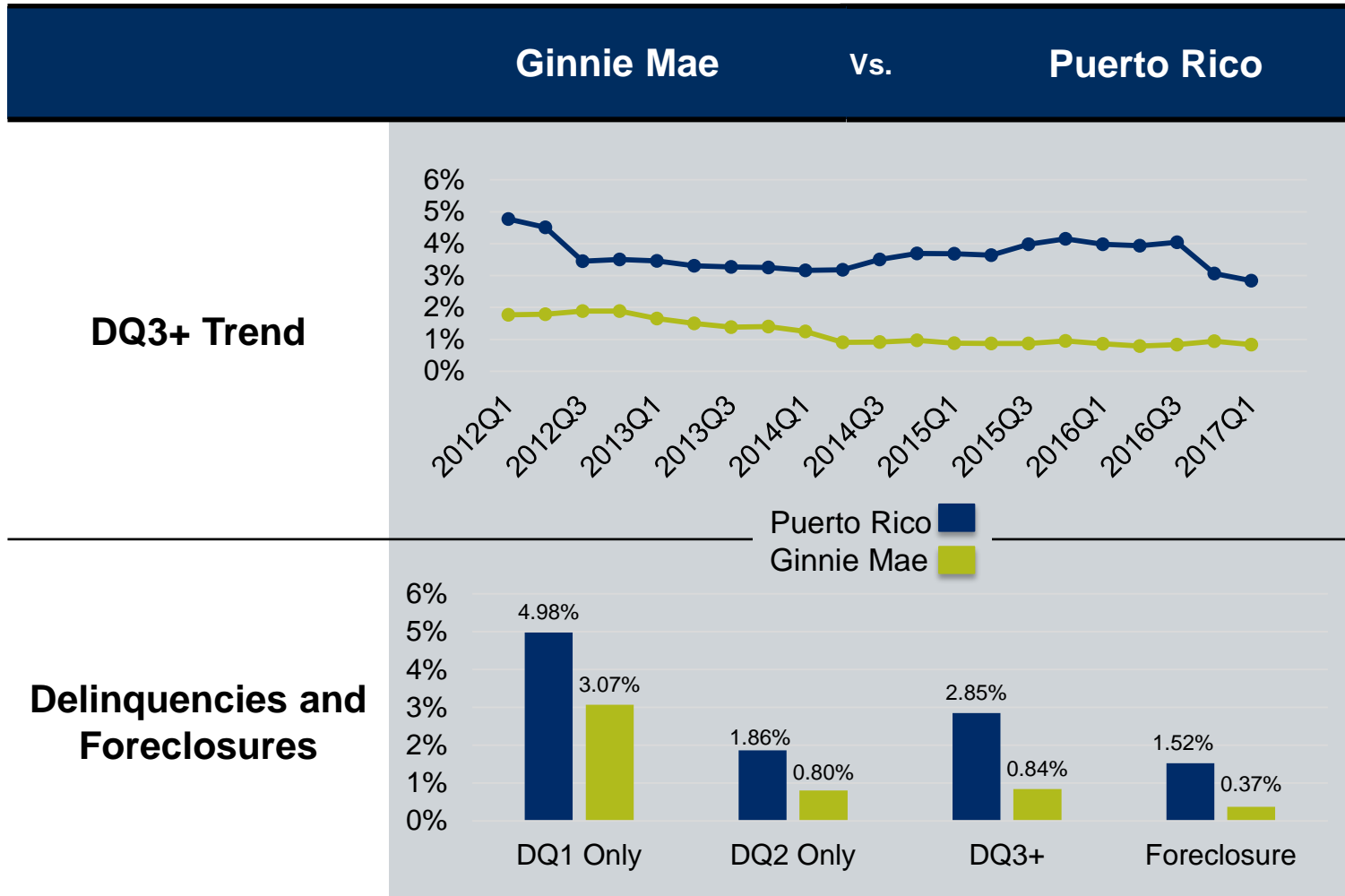
## Puerto Rico OPB and % of Ginnie Mae Issues



## Single Family Ginnie Mae to Puerto Rico Comparison (2017 FYTD)



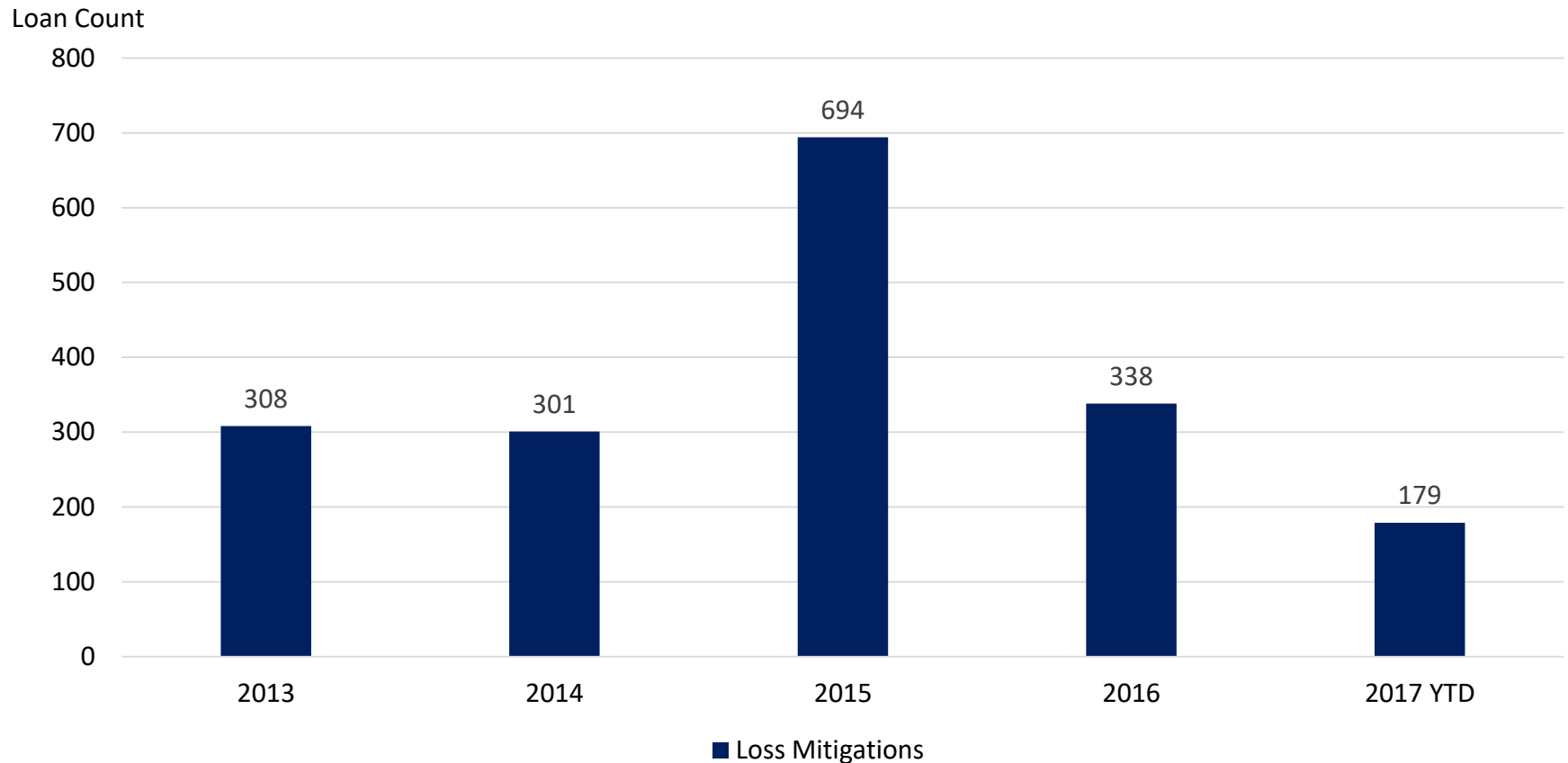
## Single Family Ginnie Mae to Puerto Rico Comparison





## ***Puerto Rico Loss Mitigation Engagement***

- Loss mitigation activity remains low after a temporary spike in 2015.



## Top 10 Most Common Puerto Rico Issuer Findings

Most Common Findings (Reviews Starting between 9/2/2014 and 5/1/2017)		
Finding	Description	Guidance
250001	Loan(s) found where the liquidation code used was not correct on the Form HUD-11710E.	All Participant Memorandum (APM) 02-17
510108	Issuer does not make full and timely MIP payments as required per Agency.	HUD Handbook 4330.1
400721	Loan(s) found which are ineligible for Agency benefits that have not been repurchased from the pool(s).	Ginnie Mae MBS Guide Section 14-8
400606	For delinquent loans that have been referred for foreclosure, the process has exceeded FHA's allotted time requirements for that state and no extensions have been requested or granted.	HUD Handbook 4330.1
400711	Loan(s) found in pool(s) which do not match Agency endorsement database.	All Participant Memorandum (APM) 02-17

## Top 10 Most Common Puerto Rico Issuer Findings (cont.)

Most Common Findings (Reviews Starting between 9/2/2014 and 5/1/2017)		
Finding	Description	Guidance
510230	Issuer cannot provide evidence of timely Suspended item promotion.	Ginnie Mae MBS Guide Appendix VI-19
400709	Loan(s) found in pool(s) which have incorrect case numbers reported to Ginnie Mae.	Ginnie Mae MBS Guide Appendix V-1
510197	Escrow amounts reserved for borrower were not funded into the appropriate custodial account at time of securitization and/or pool transfer date.	Ginnie Mae MBS Guide Section 16-5
400470	Information on the MIC/LGC/LNG does not agree to internal records.	All Participants Memorandum (APM) 02-17
400303	Account title of 203(k) Special Escrow Custodial Account(s) per bank signature card and/or Form HUD-11720 is incorrect.	Ginnie Mae Investor Reporting Manual Chapter 1, Section VII (B)