



MBA Regulatory Compliance Conference Secondary Market Developments

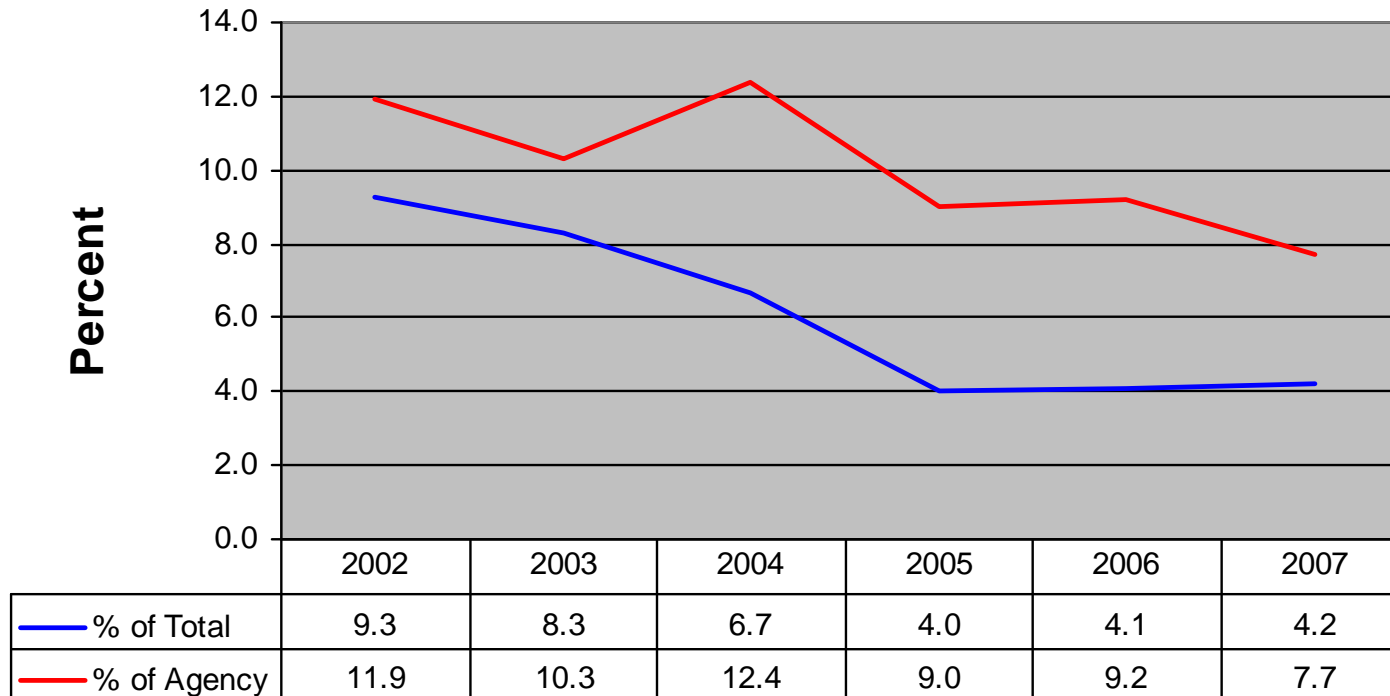
September 25, 2007

Stephen L. Ledbetter, CFA
Ginnie Mae





GNMA Share of Securitization Market: 2002-2007



Source: Inside MBS & ABS

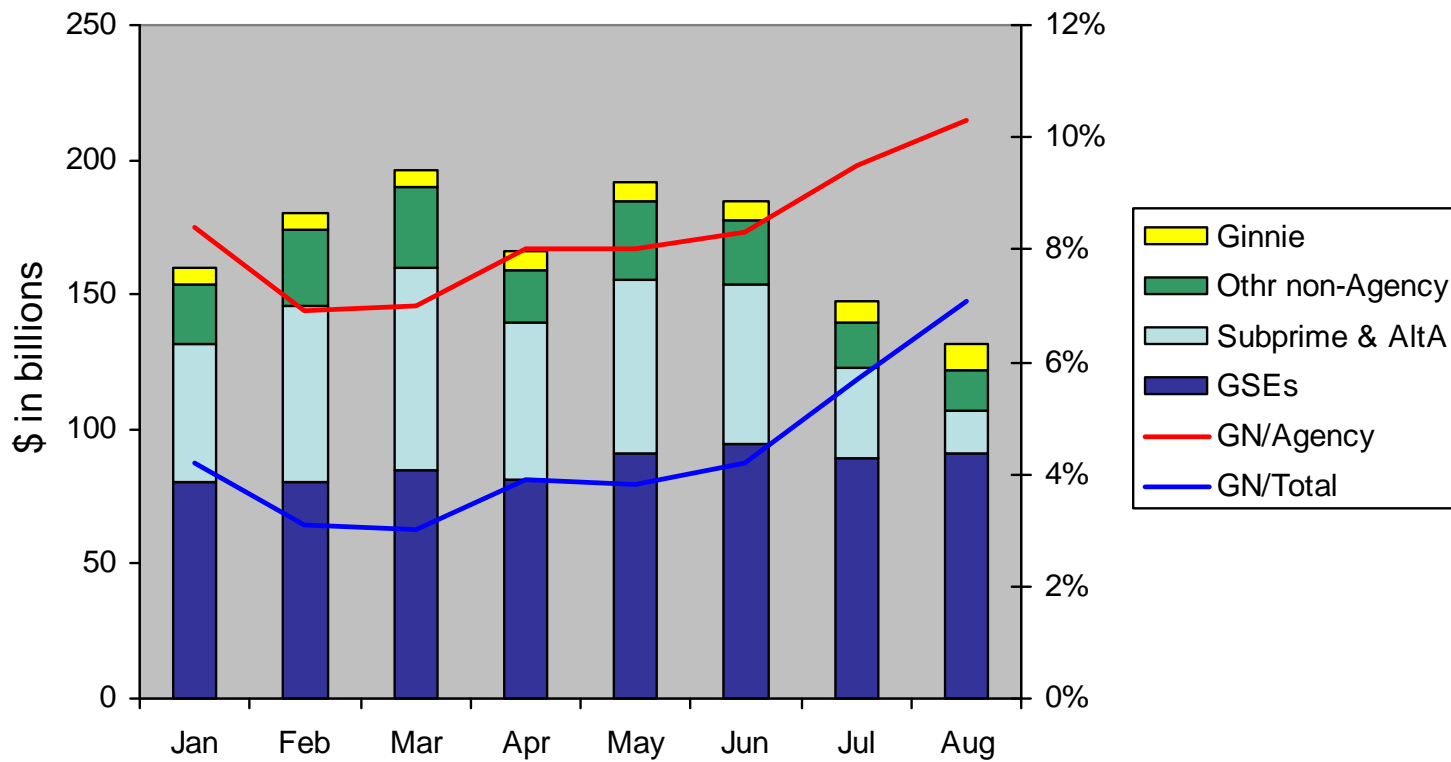


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Total U.S. MBS Issuance: 2007



Source: Inside MBS & ABS



FHASecure

- FHA Initiative enables homeowners who are delinquent due to an ARM reset to refinance into an FHA-insured mortgage.
- Borrower must show 6 months on-time payments prior to reset, and must demonstrate capacity to repay.
- FHA-insured mortgage amount may cover existing first lien, purchase money second, closing costs, prepaid expenses, points, late charges, and arrearages.
 - If maximum FHA loan amount insufficient, lender may execute a second lien to pay difference.
- FHA estimates that 80,000 borrowers will benefit from this program.
- Eligibility for inclusion in Ginnie Mae securities.



VA Loan Limit

- Elimination of limit on size of VA loans that can back Ginnie Mae MBS.
 - Previously, size limited to conforming loan limit (\$417,000).
- Unlike FHA program, no statutory limit on size of loans guaranteed by VA.
 - Statutory limit on amount of guarantee; equal to 25% of conforming loan limit.
- Ginnie Mae continues to require amount of cash down payment, plus amount of available VA guarantee, equal to at least 25 percent of value of home.
 - Assuming maximum VA loan guarantee amount (\$104,250), \$50,000 down payment required for \$617,000 home.



HECM Mortgage-Backed Security (HMBS)

- Home Equity Conversion Mortgage (HECM) is FHA-insured reverse mortgage.
- Ginnie Mae will guarantee a new class of security collateralized by HECMs.
- The HMBS will be an accrual class pass-through security.
 - Interest will accrue on securitized principal until payoffs are received.
 - Current and future HECM draws may be securitized in separate securities.
- HMBS will be eligible collateral for Ginnie Mae REMICs
- Current Ginnie Mae issuers eligible to participate in HMBS program.





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