

**MBA'S NATIONAL MORTGAGE  
SERVICING  
CONFERENCE & EXPO 2009 / TAMPA**

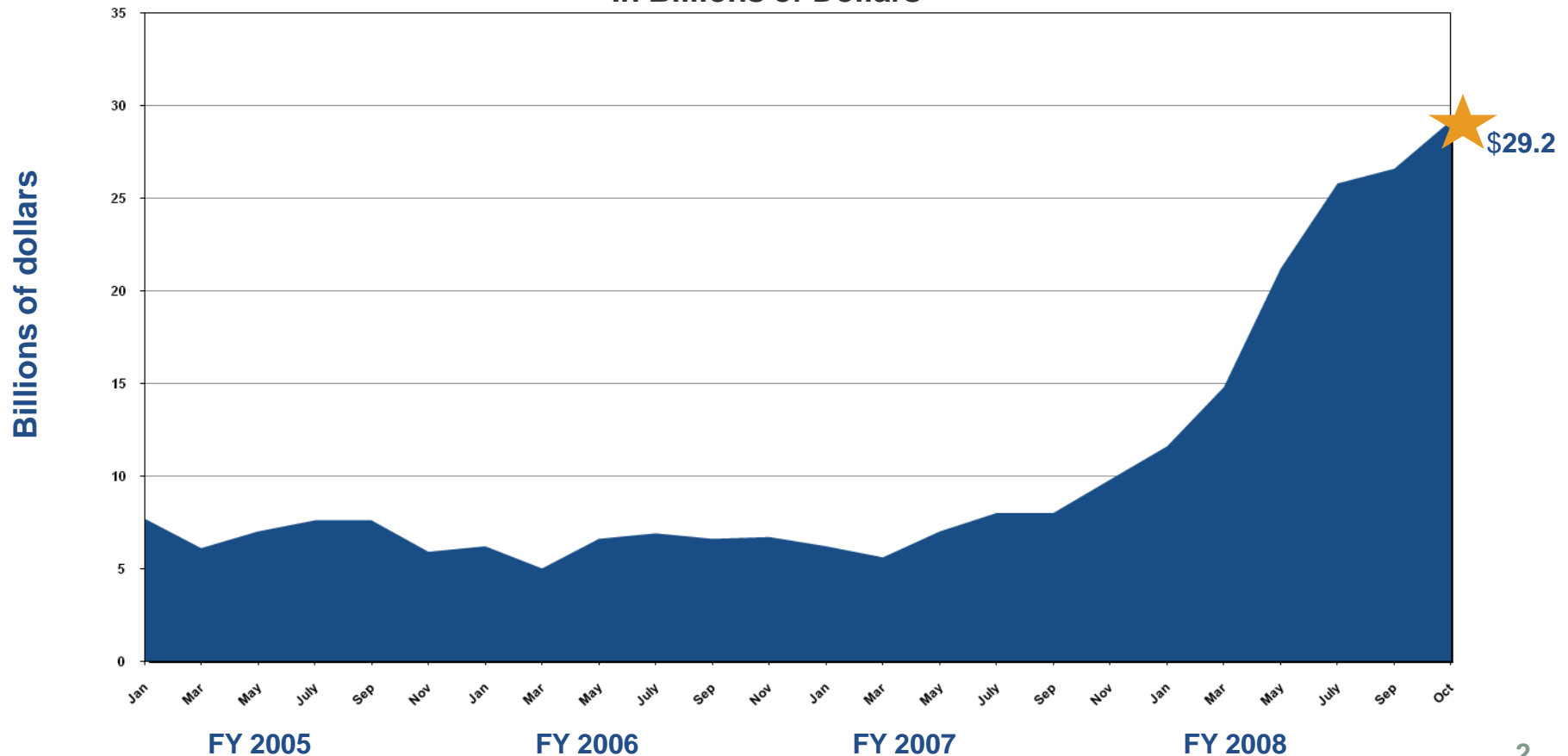
**GINNIE MAE 2009 UPDATE**

**Kathy Gibbons  
Director, Single Family Division  
Office of MBS**



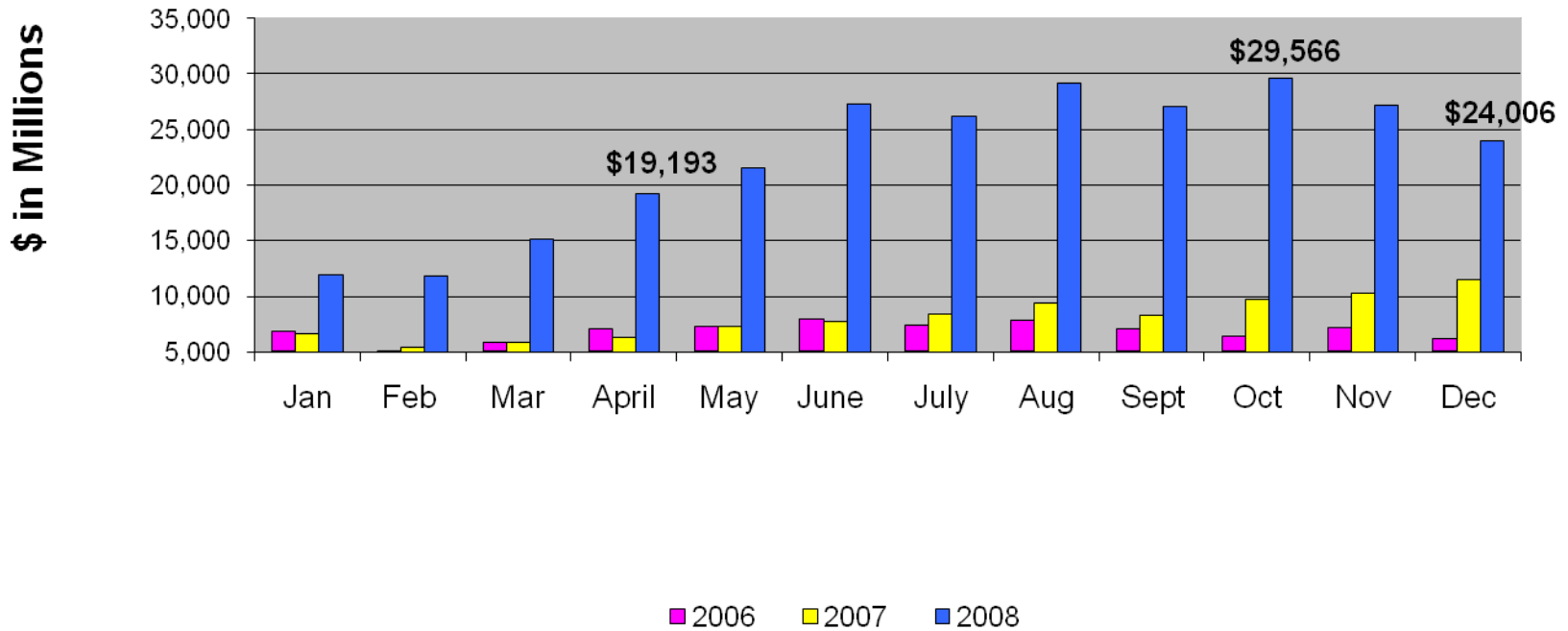
# Ginnie Mae MBS Issuance Levels

Ginnie Mae Monthly Single Family MBS Issuance  
In Billions of Dollars



# Ginnie Mae 2008 Issuance Dwarfed Prior Years

Ginnie Mae MBS Issuance by Month



## State of the Ginnie Mae Portfolio

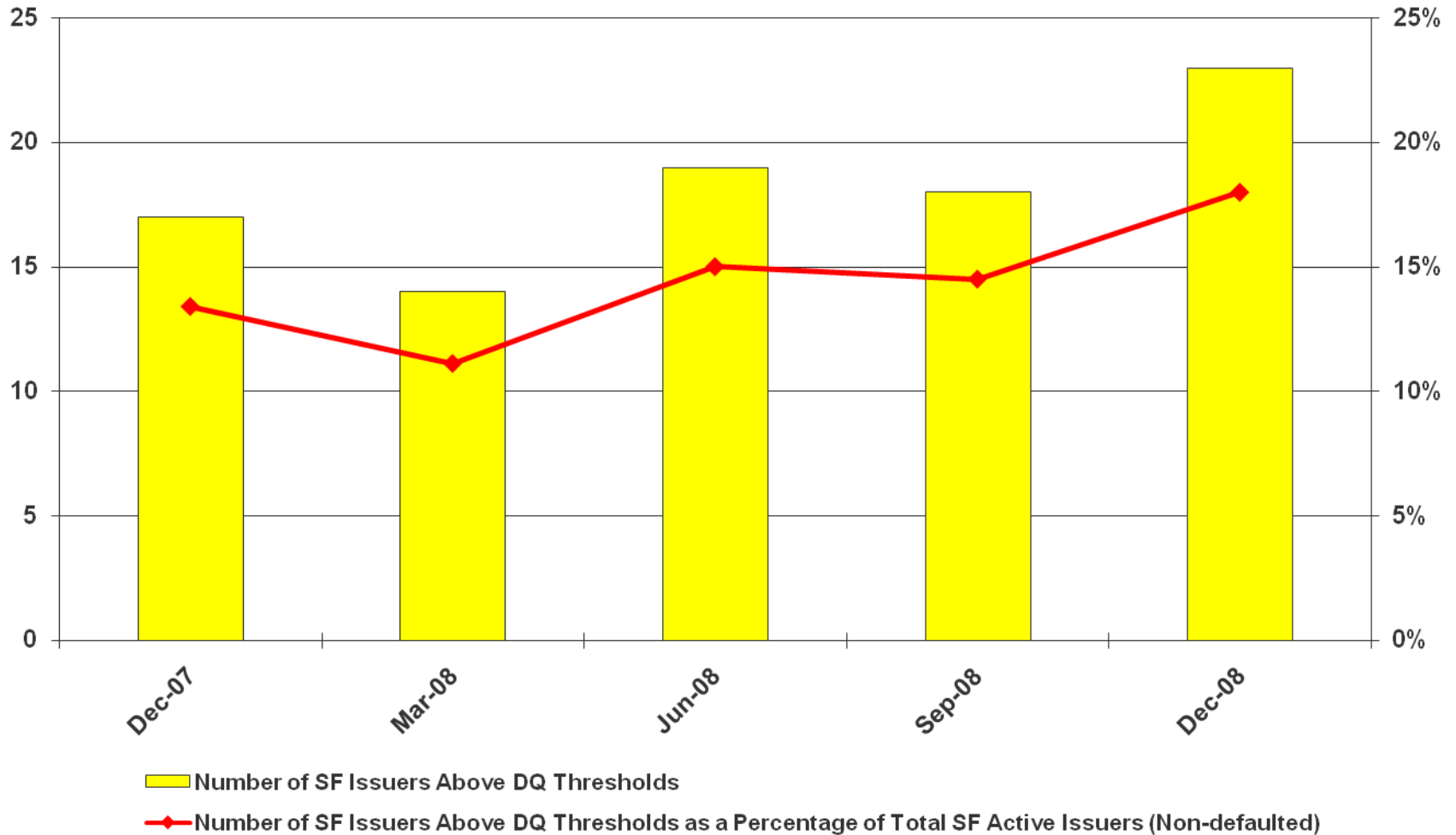
- In December 2007, 15% Young Loans (0-12 Months)
- In December 2008, 31% Young Loans (0-12 Months)
- 98.6% of FHA Loans Going Into Ginnie Mae Pools
- 96.1% of VA Loans Going Into Ginnie Mae Pools
- 65% of RD Loans Going Into Ginnie Mae Pools
- Delinquencies Up December 2007 to December 2008
- FHA 90 Day+ from 2.6% to 3.8%
- VA 90 Day+ from 1.3% to 2.1%

## Risk Management Measures

- Intensified Review of Financial Filings---Cash Management
- Enforcement of Delinquency Parameters (Guide Chapter 18)
- Delinquency Data by Issuer/Servicer and by State, Correspondent in Contrast to All Competitors and Those of the Same Size
- Correspondent Behavior Contrasted by Issuer/Servicer and Why
- Special Servicer Reviews in addition to Site Visits
- What is a Ginnie Mae Special Servicer Review?
- Matching Requirements
- What Does Ginnie Mae Do if You Have a Performance Problem?

# Ginnie Mae Delinquencies

## Single Family Issuers Above Ginnie Mae DQ Thresholds



# Ginnie Mae Risk Management

## **Established Risk Committee**

- Senior Management Review of Major Risk Policy Matters and Regulatory Waivers

## **Appointed Chief Risk Officer**

- Key element to enhanced risk management strategy
- CRO responsible for establishing risk governance structure
- Provides independent evaluation and oversight of risk management activities

## **Issuer Review Board**

- Responsible for evaluating and overseeing issuer activities and compliance
- New issuer applications, Troubled issuer requests for continued commitment authority, Transfers of servicing, Waivers, Corporate Transfers of Control

# Loan Modifications and Buyouts

- Both a Policy Issue and a Program Interpretation Issue
- Where Are the Rules? Guide Chapter 18 and APM 08-23
- Loss Mitigation Strategies Such as Special Forbearance and Partial Claim Options Do Not Require Buyout
- Changes Affecting the Amount and Duration of Loan Payments Require Buyout and Modification

## Recent Guidance of Interest

### **Ginnie Mae Delinquency Rate Thresholds (H4H Loans): Encouraging Issuers to Participate in Programs to Assist Distressed Borrowers**

- H4H loans can only be pooled in the “M FS” pool type and may experience higher delinquency levels than other FHA loans
- Issuers must not exceed delinquency thresholds on outstanding Ginnie Mae pools and loan package

## More Recent Guidance

### Re-Pooling Policy (APM 08-23)

- Loans that are at least 90 days delinquent may be repurchased from a pool
- Require delinquent loans that are purchased from Ginnie Mae pools and subsequently re-pooled in Ginnie Mae I “X SF”, Ginnie Mae II “M SF”, and “Ginnie Mae II “M JM” pools to be current as of the issue date of the related securities
- For all other pool types, re-pooled loans cannot be delinquent more than 60 days as of the issue date of the related securities

## Even More Recent Guidance

### Loan Matching (APM 08-21)

- Review newly originated pools for FHA loans that do not match on certain data elements
- Electronic notice to Issuers with high percentages of non-matching loans
- Non-matching information on new loans indicates that potentially uninsured loans are being included in Ginnie Mae pools and indicates possible defects in the Issuer's origination and pooling process
- **Recent But Already Outdated: Pooling Parameters for Permanent Higher Loan Amounts (APM 08-23)**
- **Stay Tuned For a New Announcements on Loan Ceilings and Pooling**

## **Policy Issues**

**Cram Downs in Bankruptcy: How to Allocate Losses**

**Loan Modification Enhancements/Assistance to Distressed Borrowers**

**Protections for Servicers**

**Impact on Government Guarantors---But not on Investors!**

**Modification Parameters/Costs**

**Borrower and Loan Scope---Current and Future?**

**Ginnie Mae Role: How Best to Pool?**

**Use of TARP Funds**

- Expand authority to securitize all federally insured products