

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Government National Mortgage Association

SALARIES AND EXPENSES

(Dollars in Thousands)

	2024*	2025			2026		
	Actuals	Carryover	Enacted	Total	Carryover	Request	Total
Personnel Services	46,844	7,408	51,726	59,134	2,274	49,459	51,733
Non-Personnel Services	-	-	-	-	-	-	-
Working Capital Fund	-	1,744	-	1,744	-	850	850
Carryover	9,152	-	2,274	2,274	-	5,691	5,691
Grand Total	55,996	9,152	54,000	63,152	2,274	56,000	58,274
FTEs	210	33	230	263	10	219	229
Onboard End of Year	258			260			235

* Includes 2023 carryover

PROGRAM PURPOSE

Ginnie Mae is a self-sustaining, Government-owned corporation that plays a vital role in the U.S. housing finance system. Its mission is to attract both domestic and global capital into the housing market by guaranteeing mortgage-backed securities (MBS) comprised of loans insured or guaranteed by Federal housing programs, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Rural Housing Service (RHS), and the Office of Public and Indian Housing (PIH). Ginnie Mae's full faith and credit guaranty – an explicit commitment by the U.S. government to ensure investors receive timely payment of principal and interest, even if a borrower or lender defaults – eliminates credit risk. This assurance makes the Ginnie Mae MBS a trusted and sought-after asset worldwide, enabling steady liquidity for lenders and uninterrupted access to mortgage credit for millions of Americans.

Through its mission and unique function, Ginnie Mae directly supports National Essential Function (NEF) 7 – protecting and stabilizing the U.S. economy and preserving confidence in the financial system. Its continued ability to meet this critical role depends on timely, efficient MBS operations, robust oversight of complex financial transactions, and proactive management of risk (issuer, cyber).

BUDGET OVERVIEW

The 2026 Budget requests \$56 million for Ginnie Mae, a \$2 million increase above the 2025 Enacted level. The Budget reflects total funding (carryover and new authority) of \$58.3 million, \$4.9 million below 2025 total funding.

The Budget is a targeted investment to preserve operational continuity and sustain the core functions that allow Ginnie Mae to fulfill its statutory mandate. It is a necessary step to maintain Ginnie Mae's role as a reliable bridge between federally backed mortgages and global capital markets. Ginnie Mae has realized substantial staffing changes through workforce efficiency initiatives such as the Deferred Resignation Program (DRP). These changes have presented an opportunity for the prioritization of mission-essential areas, such as issuer risk oversight, management of defaulted MBS portfolios, cybersecurity, and active issuer portfolio management. The Budget reflects a commitment to Ginnie Mae's core business functions while also minimizing

long-term costs to taxpayers. Ginnie Mae's business model differs from those of the Government-Sponsored Enterprises (GSEs), but there are notable operational similarities, such as managing large MBS portfolios and supporting liquidity in the housing market. While acknowledging differences in scope and function, it is worth noting that Ginnie Mae manages a comparable MBS portfolio with a leaner staff, reflecting its unique, streamlined approach to fulfilling its statutory mission.

The Budget provides essential funding for Ginnie Mae to meet the evolving demands of the housing finance system.

The requested funding will support the strategic backfilling of 25 essential positions as compared with approximately 68 positions reduced through attrition in 2025 (18 employees) and 2026 (50 employees). This Budget reflects a disciplined approach focused on the most critical operational needs, while remaining in full support of the Administration's workforce efficiency goals. Ginnie Mae has realized workforce efficiencies and will remain in a net staff reduction posture in 2026, with projected staffing of approximately 229 full-time equivalents (FTEs), a reduction from the 263 FTEs projected for 2025. All hiring actions will be conducted in full compliance with applicable Executive Orders and Administration guidance, consistent with the priorities of the HUD Secretary, and with the Department of Government Efficiency (DOGE), Office of Personnel Management (OPM), and other relevant oversight bodies.

Personnel Services (PS)

The Budget assumes total funding of \$51.7 million for PS to support 229 FTEs, which is \$7.4 million below the total 2025 PS funding level. The Budget will support the following:

	FTE	Cost (Millions)
Maintain Essential Operations	216	\$48.80
<i>Build Operations:</i>		
Core Business Functions	2.6	\$0.60
MBS Program Management	3.1	\$0.70
Risk Management	1.6	\$0.30
External Affairs	0.5	\$0.10
<i>Strategic Initiatives:</i>		
MBS Platform & Operations	5.2	\$1.20
Backfill Mission-Critical Positions	13	\$2.90
Total	229	\$51.70

In compliance with the Federal hiring freeze and Executive Order (EO) 14210, *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative*, the Agency implemented workforce initiatives beginning in 2025 that, combined with natural attrition, will result in total attrition of 68 employees (a 26% reduction) by the end of 2026. These initiatives are fully aligned with the Administration's Government-wide efficiency goals and demonstrate Ginnie Mae's commitment to operating in the most efficient and effective manner possible.

To preserve efficiency gains while prioritizing core operations, the 2026 Budget supports two priorities: 1) maintain essential services with a smaller, more agile workforce, and 2) selectively backfill up to 25 high-impact positions (13 FTEs), in full compliance with EO 14210. See **Key Operational Initiatives** section below for more on *Maintaining Essential Operations* and *Backfilling Mission-Critical Positions*.

Non-Personnel Services (NPS)

The Budget assumes total NPS funding of \$0, which is the same as the total 2025 NPS level.

NPS for travel, training, printing, supplies, and other services will primarily be supported through carryover from the no-year account. These resources will be used to strengthen engagement with local and international investors, reinforcing confidence in the Ginnie Mae platform and supporting long-term demand for our securities. We are not requesting any new authorities, as we continue to prioritize cost-effective operations and maximize the impact of existing resources through disciplined spending and operational efficiency.

Working Capital Fund (WCF)

The Budget assumes \$850 thousand for WCF expenses. Please see the WCF Congressional Justification for details on the current WCF business lines.

KEY OPERATIONAL INITIATIVES

Maintain Essential Operations (\$48.8 million / 216.0 FTE)

The 2026 Budget provides funding to support Ginnie Mae's projected Start of Year (SOY) staffing levels – ensuring the Agency can fully fund personnel on board at the start of the fiscal year. This request reflects the necessary operational capacity required to maintain market trust, manage MBS program risk, and support HUD's housing access goals nationwide.

Ginnie Mae remains essential to the stability and accessibility of the U.S. housing finance system. In FY 2024, the Agency expanded its MBS portfolio to \$2.64 trillion – up 6 percent from the previous year – through \$419.4 billion¹ in new issuance that supported 1.2 million households, including veterans and more than 630,000 first-time homebuyers. These results underscore the scale, efficiency, and public value of the work Ginnie Mae staff deliver each day.

Maintaining this level of impact requires a workforce with expertise and capacity to manage risk, sustain market confidence, and meet guaranty obligations. The 2026 Budget supports this need by preserving essential staff and selectively backfilling priority roles. This approach builds on workforce efficiency initiatives implemented in FY 2025 and reflects a leaner, more focused operational model aligned with Federal efficiency goals.

Ginnie Mae staff are directly responsible for:

- *Generating Fiscal Value:* In FY 2024, Ginnie Mae earned \$3.1 billion in net income with fewer than 270 employees – demonstrating high return on investment and efficient operations.
- *Preserving Market Liquidity:* Staff ensure the continuous flow of global capital into U.S. housing markets, supporting affordable mortgage credit for millions of borrowers.
- *Maintaining Investor Confidence:* Consistent and reliable operations signal strength to global investors, reinforcing trust in Ginnie Mae securities and ensuring demand for federally backed housing finance.

¹ Following the close of fiscal year 2024, issuances were adjusted to \$423.4B.

- *Managing Risk:* Staff oversee over 350 issuers – most of which are non-depositories with elevated risk profiles – requiring active monitoring, compliance enforcement, and timely interventions.
- *Advancing Housing and Economic Policy:* Through single-family, multifamily, and specialized housing programs, staff support national goals of homeownership, affordability, and job creation.

Backfill Mission-Critical Positions (\$2.9 million / 13.0 FTE)

The 2026 budget includes \$2.9 million to backfill up to 25 mission-critical vacancies, equivalent to 13 FTEs, to support essential operations. Ginnie Mae has consistently operated under a lean workforce model, and that paired with workforce efficiency efforts occurring in 2025 and 2026 further highlights Ginnie Mae’s continued commitment to keeping operating costs as low as possible while still meeting the mission.

Across the following areas, this reinvestment preserves efficiency gains, while ensuring the Agency can fulfill its obligations, respond to market stress, and maintain trust in the MBS program:

1. Build Operations

Core Business Functions (\$0.6 million / 2.6 FTE)

Ginnie Mae has identified five key backfill positions to maintain financial controls and oversee critical contracts, including those supporting high-volume cash operations such as the master subservicer contract. These roles are essential to ensuring accurate execution, operational efficiency, and accountability across core functions.

- *Contract Management and Oversight:* Strengthening procurement operations is essential to managing Ginnie Mae’s multi-billion-dollar contract portfolio. This function serves as the lead advisor on all procurement-related activities. This role is key to avoiding delays, cost overruns, and service interruptions.
- *Accounting for Complex Programs:* Supporting high-volume accounting operations – particularly for the defaulted reverse mortgage funding (RMF) portfolio – requires specialized expertise to manage claims, reconcile servicing transfers, and process monthly transactions exceeding \$500 million. Capacity gaps in this area increase audit and compliance risks.
- *Financial Reporting and Systems Oversight:* Ginnie Mae is one of the few government corporations required to comply with both Federal and commercial reporting standards—a dual-reporting responsibility that requires specialized expertise not commonly found across the Federal Government. The targeted hiring in this area will ensure accurate disclosures, timely audits, and compliance with executive orders on financial transparency; and maintain system integrity, supporting reliable data, and ensuring the continuity of core financial operations.

Together, these positions invest in foundational business functions and support Ginnie Mae’s responsibility as a high-performing, self-financed Government corporation.

MBS Program Management (\$0.7 million / 3.1 FTE)

Stability and oversight in the MBS program – spanning single-family, multifamily, reverse mortgage, and manufactured housing – depends on sufficient capacity to oversee issuers, enforce compliance, and manage program policy. Six key positions have been identified for backfill:

- *Issuer Oversight and Support:* Investing in oversight capacity will ensure program integrity and minimizing exposure to non-compliance.
- *In-House Compliance Reviews:* Reduce reliance on contractors through prioritizing targeted reviews in-house, enables Ginnie Mae to improve quality, accountability, and alignment with GAO recommendations to insource critical issuer oversight functions.
- *MBS Program Development and Execution:* Critical to supporting the release and execution of programmatic updates, managing stakeholder inquiries, and maintaining leadership briefings and transaction documentation.

These functions are central to maintaining a well-governed, risk-aware MBS platform that meets evolving market and programmatic needs.

Risk Management (\$0.3 million / 1.6 FTE)

Preserving trust in the Ginnie Mae guaranty requires the ability to monitor and manage issuer financial and operational risk across a growing and complex issuer base. Ginnie Mae identified three critical staff within the Office of Enterprise Risk (OER) to rebuild core risk management capacity:

- *Counterparty Risk Monitoring:* Ginnie Mae must continuously assess the financial health of its over 350 issuers, especially non-depositories facing liquidity challenges. Investing in Ginnie Mae's ability to monitor issuer health, detect early warning signs and proactively manage exposure is critically important – especially among independent mortgage bankers under financial stress.
- *Financial Modeling and Forecasting:* The Agency's risk posture – its ability to evaluate factors such as interest rates, housing market conditions, issuer performance – depends on timely updates to economic models used to inform capital planning, financial reporting, and audit support. Investing in this area equips Ginnie Mae to adapt to market shifts or stress scenarios.
- *Enterprise Risk Integration:* Embedding risk analysis into internal audit and strategic planning processes is essential for compliance with OMB A-123 guidance and strengthening internal controls. This capacity helps connect risk oversight to broader corporate decision-making.

External Affairs (\$0.1 million / 0.5 FTE)

Strategic engagement and communications are vital to maintaining public trust and supporting transparency with the Congress, issuers, investors, the public (borrowers), and other key stakeholders:

- *External Communication and Coordination:* One position will support executive non-career leadership in preparing public remarks, coordinating events, responding to inquiries, and developing messaging for public-facing reports and content. Restoring capacity in this area ensures Ginnie Mae can effectively communicate its mission and role in supporting the housing finance system.

2. Strategic Initiatives

MBS Platform & Operations (\$1.2 million / 5.2 FTE)

The evolving demands of the housing finance system – particularly around cybersecurity, resiliency, and modernization – require Ginnie Mae to strengthen its foundational technology and program execution infrastructure. The 2026 Budget includes targeted funding to support business continuity, secure technology operations, and stabilize key systems and business processes across the Office of Enterprise Data and Technology Solutions (OEDTS) and Office of Securities Operations (OSO). In 2025, workforce optimization resulted in a 31 percent reduction to IT staffing in OEDTS. These savings present an opportunity to align staffing resources to the most critical elements of cybersecurity readiness, incident response, and business continuity.

- *Cybersecurity and Incident Response:* With increasing threats targeting the financial sector – including Ginnie Mae counterparties – investment is needed to strengthen cyber defense posture. Restored staffing will support integrated incident response, disaster recovery planning, and continuity of operations simulations to reduce risk and enhance resilience.
- *Business Process Continuity and Resiliency:* Maintaining uninterrupted services in the face of growing complexity requires support for data integrity, secure cloud operations, and real-time risk monitoring. These activities are foundational to sustaining Ginnie Mae’s role as a stable, reliable guarantor in the secondary mortgage market.
- *Technology and Infrastructure Oversight:* Targeted hires will support continued oversight of Ginnie Mae’s securitization platform – including loan pooling, security issuance, investor reporting, and monthly remittance operations. These systems must be consistently managed to ensure timely payments to security holders and the integrity of MBS disclosures to the public.

As part of these initiatives, Ginnie Mae is aligning resources to right-size operational leadership within OSO to manage securitization functions, portfolio administration, and internal system enhancements. These leadership functions are essential to ensuring MBS program execution and operational stability during every cycle of MBS issuance and reporting.

These investments will allow Ginnie Mae to continue delivering uninterrupted, secure, and scalable mission-driven services, while adapting to growing technology demands and emerging operational risks.