

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
2015 Summary Statement and Initiatives
(Dollars in Thousands)**

GUARANTEES OF MORTGAGE-BACKED SECURITIES	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2013 Appropriation	\$500,000,000	\$414,767,870	...	\$914,767,870	\$464,719,956	...
2014 Appropriation/Request	500,000,000	450,047,915	...	950,047,915	950,047,915	...
2015 Request	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	...
Program Improvements/Offsets	-450,047,915	...	-450,047,915	-450,047,915	...

GUARANTEES OF MORTGAGE-BACKED SECURITIES PROGRAM ACCOUNT	<u>Carryover</u>	<u>Spending Authority from Offsetting Collections</u>	<u>Precluded From Obligation</u>	<u>Gross Budget Authority</u>	<u>Obligations</u>	<u>Outlays¹</u>
Administrative Expenses and Commitment and MultiClass Fees						
2013 Appropriation	101,597	136,887	-217,004	21,480	18,841	-119,772
2014 Appropriation/Request.....	217,004	77,000	-274,504	19,500	19,500	-55,085
2015 Request.....	274,504	94,000	-340,504	28,000	28,000	-66,840
Program Improvements/Offsets.....	+57,500	17,000	-66,000	8,500	+8,500	-11,755

1. What is this request?

The fiscal year 2015 Budget request for the Government National Mortgage Association (Ginnie Mae) consists of two parts: (1) Ginnie Mae proposes \$500 billion in limitation on new commitments of single class mortgage-backed securities (MBS); and (2) proposes \$28.0 million to cover personnel compensation and benefits and non-personnel services expenses for fiscal year 2015 (the appropriations request also includes a contingent amount should guarantee volume exceed the threshold during execution). Ginnie Mae is requesting an increase of \$8.5 million compared to the fiscal year 2014 enacted level of \$19.5 million. The fiscal year

¹ To calculate the outlays listed above, the salaries and expenses outlays are used rather than obligations when possible. For fiscal years 2013 and 2015, the outlays are \$17.115 million and \$27.16 million respectively.

Guarantees of Mortgage-Backed Securities

2015 increase would be budget neutral since it will be funded by a one-time increase in Commitment fees that would generate \$6 million in additional fee revenue over and above the baseline estimate of Commitment fee revenue.

Without Ginnie Mae, the prevalence of the 30-year mortgage would be significantly diminished. If lenders were unable to access the global capital market through the sale of Ginnie Mae securities, they would not have the capital necessary for providing adequate access to Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the U.S. Department of Agriculture (USDA) Rural Housing Service, and HUD's Native American Housing Loan Guarantee Program (which is administered by the Office of Public and Indian Housing (PIH)) insured loans. In response, lenders would originate fewer loans and be forced to raise mortgage rates for the loans they do make to individual borrowers, weakening a recovering but still somewhat fragile housing market.

Ginnie Mae earns income by approving commitment authority, that is, for providing approved mortgage servicers known as "issuers" (such as small community banks) the authority to pool mortgages into Ginnie Mae MBS. Additionally, Ginnie Mae earns guarantee fee income; it collects revenue from mortgage servicers for the guarantee of the full faith and credit of the U.S. Government to investors in Ginnie Mae MBS. It is Ginnie Mae's business model that enables it to maintain a negative subsidy rate, earn money for the U.S. Treasury, and significantly mitigate taxpayer exposure to the risk associated with secondary market transactions. Ginnie Mae's negative credit subsidy receipts increased from \$888 million in fiscal year 2009 to \$1.1 billion in fiscal year 2013. Negative credit subsidy receipts are estimated at \$542 million for fiscal year 2014 and \$832 million for fiscal year 2015.

Commitment Authority

The fiscal year 2015 Budget requests \$500 billion in limitation on new commitments of single-class MBS to remain available until September 30, 2016. This request provides ample authority given estimates of mortgage insurance and guaranty activity of FHA, VA, PIH and USDA.

In recent years, private markets have played a diminished role in fulfilling the nation's residential housing funding needs. Ginnie Mae has helped fill the gap and provided stability in the secondary market. Therefore, Ginnie Mae is requesting \$500 billion in commitment authority, for fiscal year 2015, to issue guarantees of securities in order to meet the housing needs of Americans.

In fiscal year 2015, Ginnie Mae is estimating \$297 billion in new guarantees in its single class mortgage-backed securities. Since all the Ginnie Mae guaranteed multiclass securities are backed by Ginnie Mae MBS, separate commitment authority is not required for multiclass securities.

Salaries and Expenses (S&E) Summary

Ginnie Mae's S&E budget authority and outlays are offset by collections from non-federal sources (Table: "Guarantees of Mortgage-Backed Securities Program Account"). Ginnie Mae's request of \$28.0 million for S&E is offset by an estimated \$94 million in collections from Multiclass and Commitment fees. This results in negative net budget authority and outlays ("surplus") of \$66 million. This surplus is precluded from obligation and therefore contributes \$66 million toward the federal government's bottom line.

Guarantees of Mortgage-Backed Securities

Between fiscal years 2012 – 2015 (estimated) Ginnie Mae has contributed \$341 million toward reducing the federal government's deficit.

During the period beginning in 2007 through today, we have witnessed the most dramatic evolution of the United States housing and housing finance system since the Great Depression. Ginnie Mae has seen its program expand in ways never previously imagined. Ginnie Mae's issuer base has grown by 30 percent since 2008 from 355 to 461 (as of September 30, 2013). In fact, application volumes (80-100 per year) are not forecasted to decrease in the near term. Ginnie Mae is projecting an issuer base of 570 by the end of fiscal year 2015.

The growth of issuers impacts Ginnie Mae in two important ways. First, the demand on Ginnie Mae's resources is closely tied to the number of issuers participating in the MBS program, as opposed to the number or dollar value of new MBS issuance. Second, new issuers require much more support and oversight than do experienced issuers. The rapid growth in the number of those issuers who are newly active, or approved but not yet active, requires a substantial increase in account management personnel to provide adequate service and oversight. One subcategory of the new issuer universe is composed of sizable non-depository entities that have grown rapidly and have intensive requirements for ongoing financing. This financing often requires Ginnie Mae approval. Initial due diligence and ongoing monitoring of issuer financing, particularly in connection with these large non-depository issuers who now have a substantial presence in the MBS program has become a significant part of the issuer management function.

Ginnie Mae is requesting \$28.0 million for S&E, an increase of \$8.5 million compared to the fiscal year 2014 enacted level of \$19.5 million. Of this amount, \$26.0 million is for personnel compensation and benefits and \$2.0 million is to cover non-personnel services. The fiscal year 2015 increase would be budget neutral since it will be funded by a one-time increase in Commitment fees that would generate \$6 million in additional fee revenue over and above the baseline estimate of Commitment fee revenue. The increase will support an additional 43 FTE; a majority of the FTE will be deployed to the Office of Issuer & Portfolio Management and the Office of Enterprise Data & Technology.

The request of \$28.0 million for personnel compensation and benefits and non-personnel services will allow Ginnie Mae to mitigate the complex and increasing risks associated with the Ginnie Mae MBS in excess of \$1.4 trillion. Additionally, the request will allow Ginnie Mae to increase productivity and efficiencies, build capacity, and invest in upgrading the MBS pooling and accounting operations and technology platforms.

2. What is this program?

Ginnie Mae is a unique program in that it utilizes the explicit full faith and credit guarantee of the U.S. Government to back its mortgage-backed securities (MBS). Ginnie Mae is authorized by Title III of the National Housing Act, as amended (P.L. 73-479; codified at 12 U.S.C. 1716 et seq.). Section 306(g) of the National Housing Act authorizes Ginnie Mae to guarantee the timely payment of principal and interest on securities that are issued by approved entities, and which are backed by FHA, VA, USDA Rural Development or PIH mortgages.

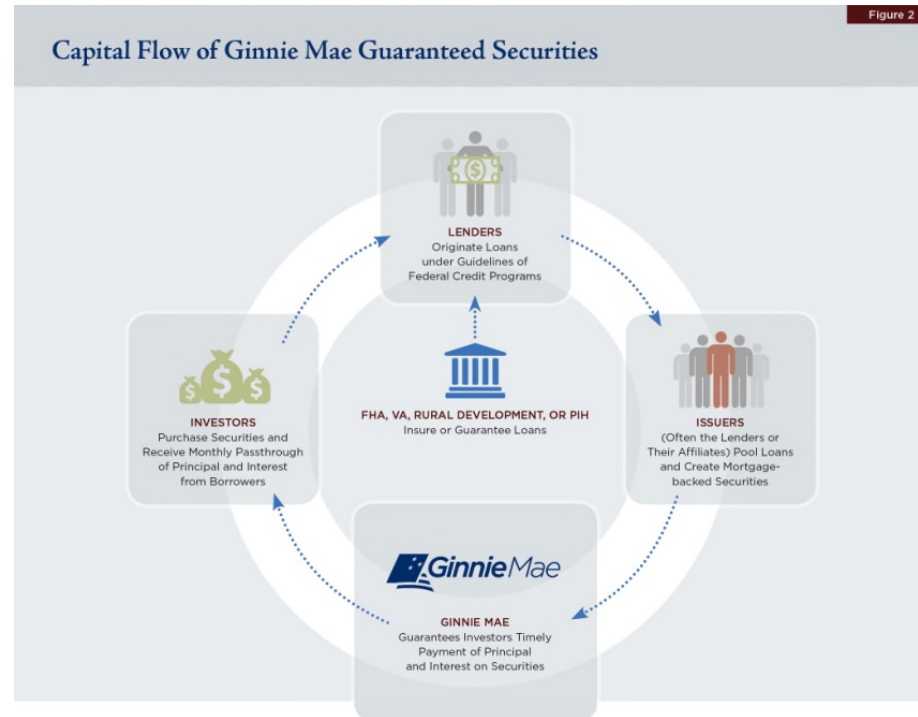
Guarantees of Mortgage-Backed Securities

Ginnie Mae partners with qualified mortgage lenders that pool their government-insured or government-guaranteed mortgage loans to issue MBS. Ginnie Mae, in turn, guarantees the performance of the lender who issues the MBS and who continues to service and manage the underlying loans. The Ginnie Mae guaranty, coupled with an expected return higher than U.S. Treasury securities, makes Ginnie Mae securities highly liquid and attractive to domestic and foreign investors of all types. This liquidity is passed on to lenders who can then use the proceeds from issuances to make new mortgage loans available. The ongoing cycle (as depicted in Figure 1) helps to lower financing costs and thus supports accessible and affordable homes for Americans; and because the securities are backed by the full faith and credit of the U.S. Government, capital continues to flow even during recessionary periods when liquidity stalls in the private market.

Separate pass-through programs have been developed to finance single family homes, multifamily projects, and manufactured housing. Ginnie Mae is not in the business of making or purchasing mortgage loans, nor does it buy, sell, or issue securities. Instead, private lending institutions approved by Ginnie Mae originate eligible government loans, pool them into securities, and issue MBS. It is through this model that Ginnie Mae brings capital and stability to the Nation's housing finance system.

Guarantees of Mortgage-Backed Securities

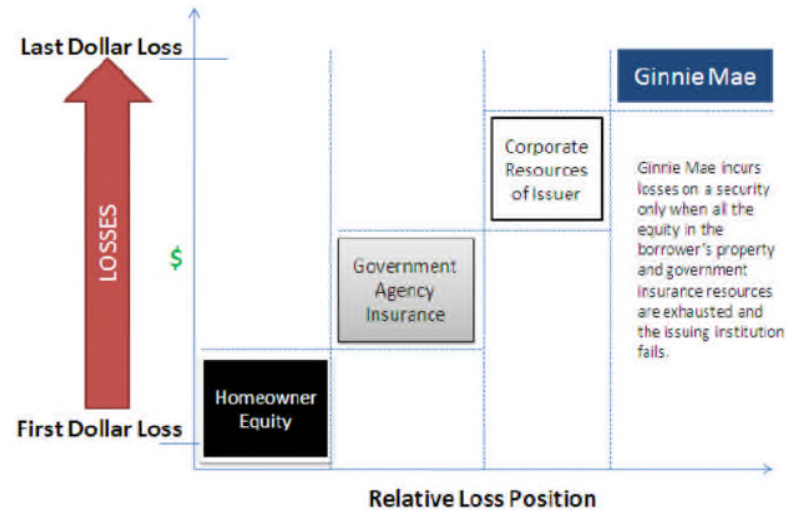
Figure 1: Capital Flow of Ginnie Mae Guaranteed Securities



Ginnie Mae is a mono-line business which insures only servicer performance. There are three levels of protection that must be exhausted before the Ginnie Mae guarantee is at risk: homeowner equity, the insurance provided by the government agency that insured the loans, and the corporate resources of the lenders who issued the security. Ginnie Mae is in the fourth and last loss position (Figure 2). Ginnie Mae issuers must exhaust their corporate resources—usually through bankruptcy—before Ginnie Mae will pay on its guarantee to investors. Insuring only the performance of the servicer and requiring that servicers make principal and interest payments to investors until they can no longer do so significantly reduces taxpayer exposure to risk. By actively managing and monitoring issuers, Ginnie Mae manages its risk of potential issuer default and can better protect the guarantee from loss.

Guarantees of Mortgage-Backed Securities

Figure 2: Protecting the Ginnie Mae Guaranty



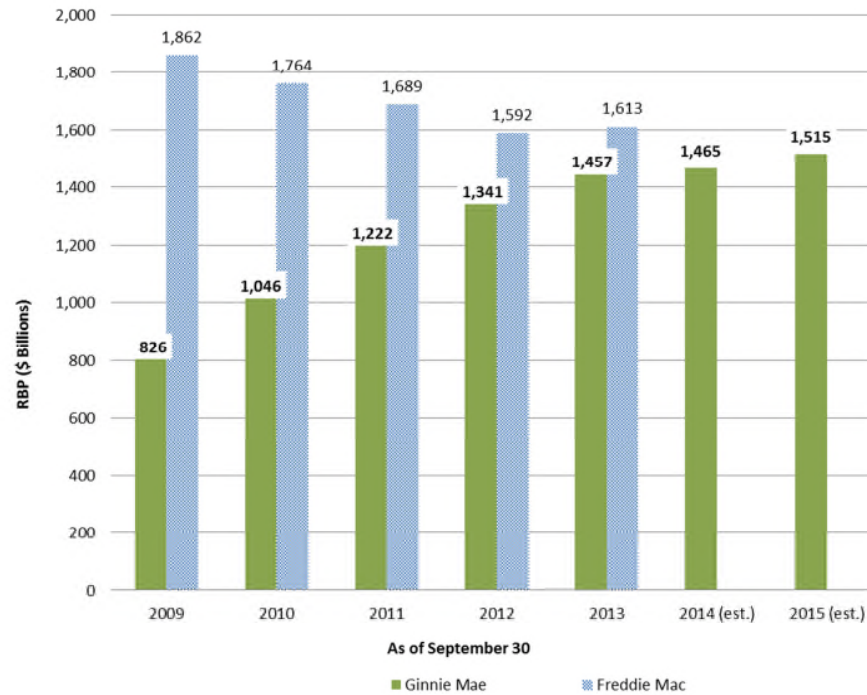
Ginnie Mae plays a critical role in the U.S. housing finance system as it is an excellent conduit for bringing private capital into the U.S. housing markets. Without such a conduit, the prevalence of the 30-year mortgage would be significantly diminished. If lenders were unable to access the global capital market through the sale of Ginnie Mae securities, they would not have the capital necessary for providing adequate access to FHA, VA, PIH and USDA insured loans. In response, lenders would originate fewer loans and be forced to raise mortgage rates for the loans they do make to individual borrowers, weakening a recovering but still somewhat fragile housing market. In addition, the existing global MBS market would experience a major disruption, with negative effects on both the liquidity and value of existing Ginnie Mae securities (which represent an important component of the balance sheets of many of the world's largest financial institutions). Ginnie Mae benefits borrowers, lenders, and investors while helping to stabilize the U.S. housing and capital markets. Ginnie Mae operates with a negative subsidy, meaning guarantee-related cash flows are a net positive; in other words, Ginnie Mae provides positive cash flow to the U.S. Government. It is Ginnie Mae's business model that enables it to maintain a negative subsidy, earn money for the U.S. Treasury, and significantly mitigate taxpayer exposure to the risk associated with secondary market transactions.

Guarantees of Mortgage-Backed Securities

Securities and Products

Ginnie Mae has become a major outlet providing capital and liquidity to the housing market. Ginnie Mae's remaining principal balance (RPB) is rapidly approaching, and is projected to exceed, Freddie Mac's MBS guarantee levels² (Fannie Mae's RPB is the largest). Ginnie Mae RPB of securities outstanding in the market has risen from \$826 billion to an estimated \$1.5 trillion between fiscal year 2009 – 2015 (estimated) (see Figure 3).

Figure 3: Ginnie Mae vs. Freddie Mac--Remaining Principal Balance Outstanding in Mortgage-Backed Securities Portfolio



The outstanding principal balance of MBS for fiscal years 2013 – 2015 are shown in the following table:

² Source: Freddie Mac Monthly Volume Summary Report, <http://www.freddiemac.com/investors/volsum/>

Guarantees of Mortgage-Backed Securities

	<u>ACTUAL</u> <u>2013</u>	<u>ESTIMATE</u> <u>2014</u>	<u>ESTIMATE</u> <u>2015</u>
	(Dollars in Thousands)		
Securities Outstanding, start of Year.....	\$1,341,404,733	\$1,457,108,143	\$1,465,103,003
Issued During Year.....	460,373,200	246,500,000	297,000,000
Principal Payments to Securities Holders.....	<u>-344,669,790</u>	<u>-238,505,140</u>	<u>-247,127,000</u>
Securities Outstanding, end of year.....	1,457,108,143	1,465,103,003	1,514,976,003

The Ginnie Mae MBS Program and Multiclass products provide liquidity for an array of FHA, VA, and USDA Rural Development programs:

Targeted Lending Initiative

Ginnie Mae started the Targeted Lending Initiative (TLI) in fiscal year 1996. The Initiative is consistent with Ginnie Mae's statutory purpose to promote access to mortgage credit in the central cities by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. Through the TLI, Ginnie Mae reduces the guarantee fees it charges lenders by up to 50 percent for making mortgage loans in any of the Nation's urban and rural Empowerment Zones or Enterprise Communities, adjacent eligible central city areas, and areas with a majority population of Native Americans.

The following table shows estimated TLI cumulative activities as of September 30, 2013:

	<u>Pools</u>	<u>Loans</u>	<u>Mortgage Amount</u> <u>(Dollars in Billions)</u>
10/01/96 through 9/30/13.....	64,407	2,190,102	\$338.2

Home Equity Conversion Mortgages

Home Equity Conversion Mortgages (HECMs) allow homeowners ages 62 and older to tap into their home equity without repaying the money as long as they live in their homes. These "reverse mortgages" help more senior homeowners enjoy a better quality of

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life by allowing them to retain their homes and use their home's accumulated wealth to help with health care costs and other expenses. America's aging population makes HECMs an increasingly attractive product for lenders, and Ginnie Mae provides a capital markets solution to support this population.

Currently, FHA's HECM program allows Ginnie Mae-qualified lenders to help underserved and elderly borrowers while tapping into a safe, secure, and guaranteed capital markets solution. Ginnie Mae's securitization of HECMs reduces costs to seniors by allowing lenders to offer loans at lower-than-market interest rates. By focusing on senior housing, Ginnie Mae is well positioned to serve the needs of a major demographic subgroup that is predicted to increase rapidly in the coming years.

Multiclass Mortgage-Backed Securities Products

In fiscal year 1994, Ginnie Mae began guaranteeing Real Estate Mortgage Investment Conduits (REMIC). A pool or trust composed of mortgages or MBS back a REMIC security. The REMIC issuer issues certificates of interest to investors and elects to be taxed under the REMIC provisions of federal tax law (Sections 860A through 860G of the Internal Revenue Code of 1986). REMICs are multiple class securities with different maturities, typically between 2 and 20 years, or with payments based on fractions of the MBS income stream. This multiple class characteristic is what largely distinguishes REMICs from single class Mortgage-Backed Securities.

Ginnie Mae REMIC products allow the private sector to combine restructured cash flows from Ginnie Mae MBS (including Home Equity Conversion MBS) and other permissible REMIC securities to be tailored to meet investor's preferences. The Ginnie Mae Callable Trust products permit one investor to receive the cash flows from the underlying MBS, while another investor has the right to buy the underlying MBS, under certain circumstances, thereby calling or terminating the Callable Trust. The Ginnie Mae Stripped Mortgage-Backed Securities (SMBS) Trust program complements the REMIC program and involves the allocation of principal and interest from pass-through securities in differing proportions than exist in the underlying mortgage loans. The Ginnie Mae Platinum security consolidates Ginnie Mae MBS pools with the same interest rate into larger pools that are sold to investors by securities dealers. Ginnie Mae, under its multiclass securities program, will guarantee only securities based on and backed by mortgage-backed securities guaranteed by Ginnie Mae. Since all Ginnie Mae guaranteed multiclass securities are based on and backed by MBS issued securities pursuant to previously issued commitment authority, additional commitment authority is not required for the multiclass securities.

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<u>REMICs</u>	<u>Callable Trusts</u>	<u>Platinum Securities</u>	<u>SMBS</u>
Investment vehicles that reallocate pass-through cash flows from underlying mortgage obligations into a series of different bond classes, known as tranches, which vary based on term and prepayment risk.	Allow investors the flexibility to redeem or call a security prior to its maturity date under certain conditions to hedge against fluctuating interest rate environments.	Allow investors who hold multiple pools of MBS to combine them into a single Ginnie Mae Platinum Certificate.	Custom-designed securities that redirect MBS principal and/or interest cash flows to meet investors' specific objectives. Ginnie Mae guarantees the timely payment of principal and interest on each class of SMBS.

The Multiclass Program activity, which involves a Ginnie Mae guarantee on the multiclass securities that are backed by Ginnie Mae MBS, is shown in the following table:

	<u>ACTUAL</u> <u>2013³</u>	<u>ESTIMATE</u> <u>2014</u>	<u>ESTIMATE</u> <u>2015</u>
	(Dollars in Thousands)		
<u>MULTICLASS MBS SECURITIES</u>			
Securities Outstanding, start of year.....	\$453,042,569	\$421,609,481	\$365,850,734
Issued During Year.....	100,576,191	89,451,252	89,516,303
Principal Payments to Securities Holders.....	<u>-132,009,279</u>	<u>-145,210,000</u>	<u>-152,470,000</u>
Securities Outstanding, end of year.....	\$421,609,481	\$365,850,734	\$302,897,037

³ The fiscal year 2013 start of year Securities Outstanding balance has been adjusted down to \$453.02 billion from \$453.6 billion (FY 2012 ending balance in FY 2014 Congressional Justification), a decrease of \$566.498 million due to HECM issuance being inadvertently double counted for fiscal years 2010 and adjustments to principal payments made in fiscal years 2010-2012.

3. Why is this program necessary and what will we get for the funds?

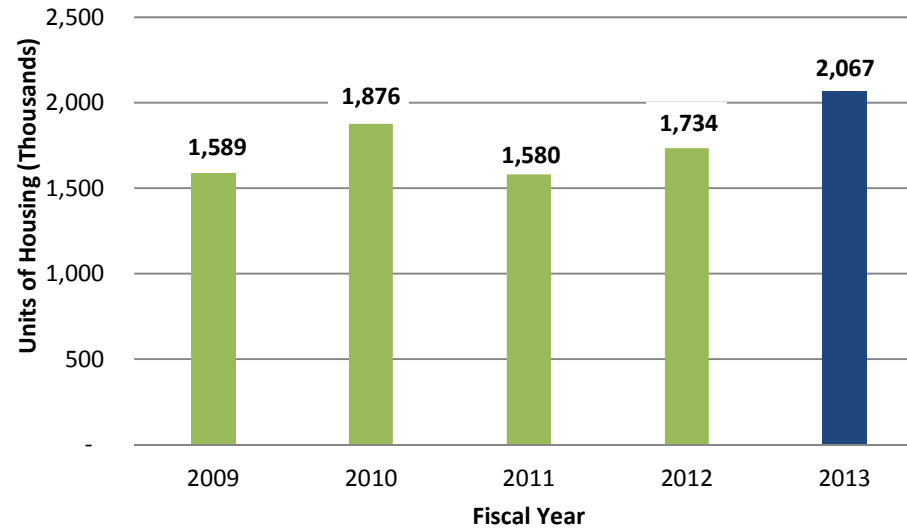
Ginnie Mae guaranteed the first MBS in 1970. Since then, Ginnie Mae's securitization program has allowed lenders to pool loans issued to individual borrowers and sell them (along with the rights to their future cash flows) for cash in the global securities market. This innovation has increased the ease with which capital flows into the U.S. housing market. By guaranteeing timely payment of principal and interest to investors, individual mortgages are transformed from relatively illiquid, individual assets into liquid, tradable, and homogeneous capital market instruments. Prior to MBS, borrowers across the United States had limited access to fixed interest rate home mortgages and some regions experienced localized credit crises. Worse yet, borrowers faced strikingly uneven mortgage rates across different regions. Without Ginnie Mae's support of the mortgage market, such problems could resurface. The steep decline of the housing market in recent years placed tremendous stress on lenders, including Ginnie Mae's issuers, and has led to the retreat of investors from the market. As it has done before in troubled times, Ginnie Mae has stepped into the market space previously dominated by others to ensure that core customers—issuers and investors—are well served. Ginnie Mae has guaranteed over \$2 trillion in new mortgage backed securities during fiscal years 2009 – 2013. The increased interest in the program reflects the fact that Ginnie Mae represents an excellent method of accessing the capital markets. Among the new issuers are numerous housing finance agencies (HFAs), which have turned to the Ginnie Mae program to replace the capital they have traditionally raised in bond markets.

Ginnie Mae's guarantee to the investment community is that every month servicers will deliver to them their monthly payment of principal and interest that is stated in the Ginnie Mae securities documentation. If an issuer defaults on their obligation to make the required payments to an investor, Ginnie Mae will transfer the servicing to another Ginnie Mae servicer or will hire a servicer to service the defaulted portfolio. Furthermore, it should be noted that Ginnie Mae has financial and management responsibility for MBS servicing obtained when issuers default on their Ginnie Mae obligations. There are significant resources associated with servicing these pooled and non-pooled loans.

As shown in Figure 4, Ginnie Mae supported approximately 2.1 million units of housing for individuals and families in fiscal year 2013. Ginnie Mae has made a significant impact on the availability of homeownership and rental opportunities. Ginnie Mae expects this participation rate to continue and with the requested commitment authority will be able to provide financing for single family homes, apartment units, hospitals, and nursing homes. Ginnie Mae provides a steady source of funding for the vast majority of government-insured or guaranteed loans offered by FHA, VA, and USDA. As of September 30, 2013, 96.7 percent of FHA fixed-rate single family loans, 99.5 percent of FHA multifamily eligible loans, and 98.0 percent of VA fixed-rate single family loans were placed into Ginnie Mae pools.

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Figure 4: Ginnie Mae Supported Units of Housing



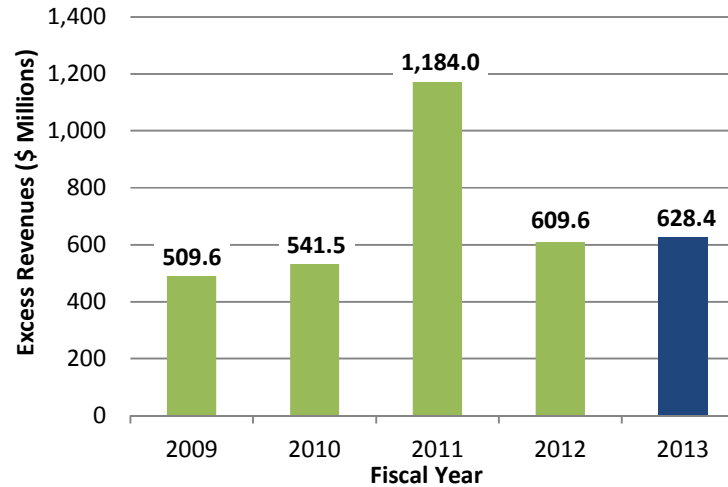
In addition, Ginnie Mae's program serves special populations:

- Ginnie Mae makes affordable mortgages available in underserved areas. The capital provided by Ginnie MBS helps ensure rural lenders have sufficient capital to make loans. In fiscal year 2013, 19 percent of single family Ginnie Mae pools received TLI credit.
- The Multifamily Program makes safe and affordable rental housing available for millions of individuals and families. Ginnie Mae's mission of supporting affordable housing and promoting stable communities extends to ensuring that decent rental units remain accessible. By guaranteeing pools of multifamily loans that are sold to investors in the global capital markets, Ginnie Mae enables lenders to reduce mortgage interest rates paid by property owners and developers of apartment buildings and other housing options. Ginnie Mae also provides funding for hospitals, nursing homes, and assisted-living facilities. As of September 30, 2013, Ginnie Mae's Multifamily MBS portfolio increased to \$79.8 billion, compared to \$67.4 billion in fiscal year 2012, helping to finance 1,854 apartment building loans, 46 hospital loans, and 690 nursing home loans.

More so, Ginnie Mae's MBS guarantee activities described above historically have operated at no cost to the U.S. Government. Ginnie Mae's actual excess GAAP revenues over expenses from fiscal years 2009 to 2013 are depicted in Figure 5 below.

Guarantees of Mortgage-Backed Securities

Figure 5: Excess of Revenues over Expenses



4. How do we know this program works?

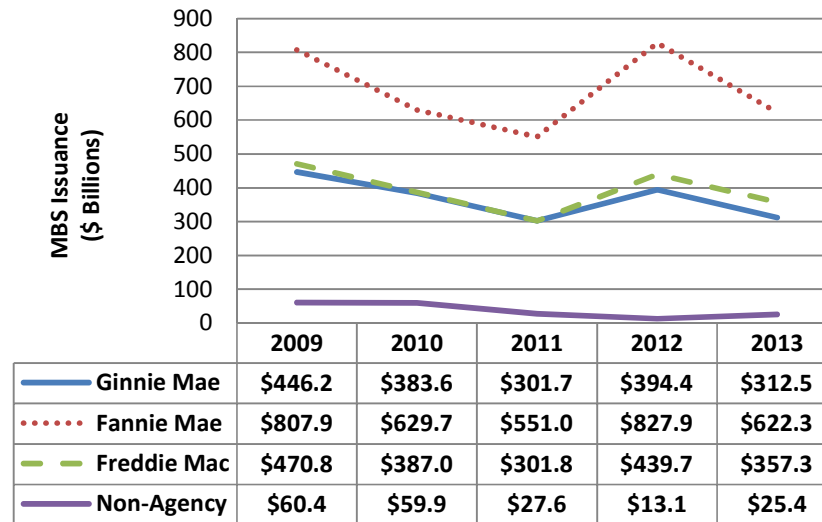
During the recent market crisis, Ginnie Mae has provided market stability and liquidity to America's housing finance system. Ginnie Mae securities remain in high demand as the remaining principal balance (RPB) of Ginnie Mae securities outstanding in the market has risen from \$826.0 billion in 2009 to an estimated \$1.5 trillion by fiscal year end 2015. Ginnie Mae has become the major outlet providing capital and liquidity to the housing market. Over 96 percent of FHA and 98 percent of VA loans are packaged into Ginnie Mae pools, making Ginnie securities the primary source of capital for new home purchases. Ginnie Mae provides a steady source of funding for the vast majority of government-insured or guaranteed loans offered by FHA, VA, and USDA. As of September 30, 2013, 96.7 percent of FHA fixed-rate single family loans, 99.5 percent of multifamily eligible loans, and 98.0 percent of VA fixed-rate single family loans were placed into Ginnie Mae pools.

Figure 6 shows the variances and periods of decline in the private-label market over the past several years and the consistent issuance of agency MBS—those backed by Ginnie Mae and the Government-Sponsored Enterprises (GSEs). The total issuance of agency MBS during the first three quarters of calendar year 2013 remained at an elevated level of \$1.29 trillion compared to the limited issuance of private-label MBS.

Guarantees of Mortgage-Backed Securities

Although Ginnie Mae has maintained a significant share of the MBS market over the past several years, maintaining a high market share is not its goal. Rather, its goal is simply to support the housing market in a safe and efficient manner.

Figure 6: Relative Market Share of Ginnie Mae and GSE Securities⁴, 2009 through 2013

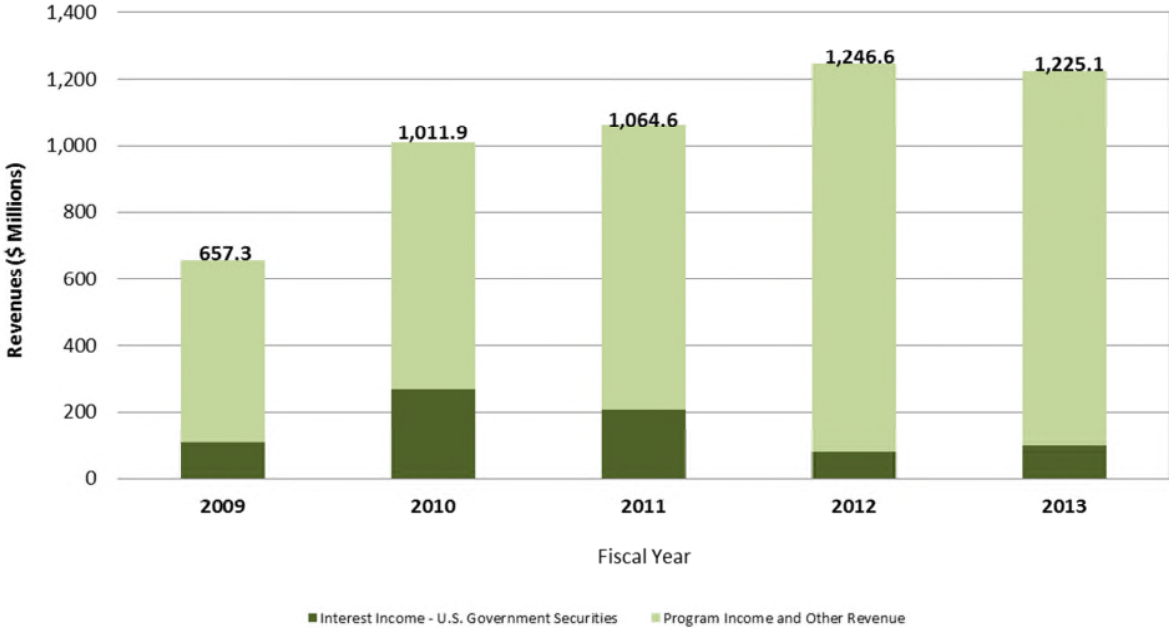


Over the same period, Ginnie Mae’s negative credit subsidy receipts increased from \$888 million in fiscal year 2009 to \$1.1 billion in fiscal year 2013. Negative credit subsidy receipts are estimated at \$542 million for fiscal year 2014 and \$832 million for fiscal year 2015. Figure 7 shows Ginnie Mae’s total annual GAAP-based revenue for the last 5 years.

⁴ Source: *Inside MBS & ABS*, MBS issuance figures based on the 12 months of the calendar year for 2009 through 2012, and for the first 9 months of Calendar Year 2013.

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Figure 7: Ginnie Mae Total Revenues



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**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Summary of Resources by Program**

<u>Budget Activity</u>	<u>2013 Budget Authority</u>	<u>2012 Carryover Into 2013</u>	<u>2013 Total Resources</u>	<u>2013 Obligations</u>	<u>2014 Budget Authority/ Request</u>	<u>2013 Carryover Into 2014</u>	<u>2014 Total Resources</u>	<u>2015 Request</u>
Commitment Limitation .	\$500,000,000	\$414,767,870	\$914,767,870	\$464,719,956	\$500,000,000	\$450,047,915	\$950,047,915	\$500,000,000
Total	500,000,000	414,767,870	914,767,870	464,719,956	500,000,000	450,047,915	950,047,915	500,000,000

Guarantees of Mortgage-Backed Securities

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Appropriations Language**

The Fiscal Year 2015 Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$500,000,000,000, to remain available until September 30, ~~2015~~2016: *Provided*, That ~~[\$19,500,000]~~\$28,000,000 shall be available for necessary salaries and expenses of the Office of Government National Mortgage Association: *Provided further*, That to the extent that guaranteed loan commitments will and do exceed \$155,000,000,000 on or before April 1, ~~2014~~2015, an additional \$100 for necessary salaries and expenses shall be available until expended for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$3,000,000: *Provided further*, That receipts from Commitment and Multiclass fees collected pursuant to title III of the National Housing Act, as amended, shall be credited as offsetting collections to this account. (*Department of Housing and Urban Development Appropriations Act, 2014.*)