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MPF® Program and Ginnie Mae Announce Broader Product Offering

Chicago and Washington, D.C., November 9, 2015 – The Mortgage Partnership Finance® (MPF) Program and the Government National Mortgage Association (Ginnie Mae) today announced a new feature available to program participants under the MPF Government MBS product.

The MPF Government MBS product now offers a servicing released option from Nationstar Mortgage in addition to the already existing servicing retained execution. This option provides greater flexibility for local community lenders that want to originate and sell their government loans into the secondary market. In addition, the product is available to lenders in more communities from coast to coast; the FHLB Atlanta, FHLB Boston, and FHLB Des Moines have been approved to offer the MPF Government MBS product. These three Federal Home Loan Banks join the FHLB Chicago, a Ginnie Mae Issuer offering the MPF Government MBS product.

Through the MPF Government MBS product, the MPF Program purchases 30-year and 15-year fixed-rate mortgage loans originated by participating Federal Home Loan Bank members that are insured or guaranteed by the following government agencies: FHA, VA, and USDA through its RHS Section 502 loan program. The MPF Program issues securities guaranteed by Ginnie Mae backed by these government mortgages.

“The addition of the servicing released option will appeal to community lenders across the country. They can now receive the benefit of securities pricing with whatever size mortgage volumes they generate,” said Matt Feldman, President of the FHLB Chicago, which operates the MPF Program on behalf of nine Federal Home Loan Banks. “These exciting developments mean more FHLBank members can become more competitive as they support homeownership in their communities.”

Ginnie Mae President Ted Tozer said Ginnie Mae welcomes the development because it means that more consumers in more areas will benefit. “This is directly in line with the mission of Ginnie Mae, which is to make sure that as many lenders as possible, regardless of their size, can access the capital markets, which in turn provides the credit access that is the foundation of the American mortgage finance market.”

Ginnie Mae guarantees more than \$1.6 trillion of mortgage-backed securities and the vast majority of government loans are placed in Ginnie Mae MBS. Access to the Ginnie Mae program is critical for government loan originators.

What the Industry is Saying about the MPF Program

American Bankers Association: Robert Davis, Executive Vice President at the American Bankers Association, noted “Community banks are drawn to the MPF program because it gives them liquidity options and attractive pricing to better serve their customers. The original partnership between MPF and Ginnie Mae expanded the options for banks to better meet their customers’ needs, and the further addition of a servicing released option for government guaranteed loans will give banks greater flexibility at a time when new capital rules are making retained servicing more costly and difficult. Both MPF and Ginnie Mae are to be commended for these innovations.”

Credit Union National Association (CUNA): “Credit unions are leaders in FHA, VA, and RHS lending, and access to additional liquidity on affordable terms will allow them to better serve their members,” said Ryan Donovan, chief advocacy officer for the Credit Union National Association (CUNA). “We welcome and applaud the expansion of the MPF program as a positive development that should help facilitate additional credit union mortgage lending, ensuring that even more Americans will have access to affordable mortgage credit.”

Independent Community Bankers of America: “The new servicing released option will provide community bank lenders better price execution on their sale of loans into the MPF Government MBS Program, thus making this program more competitive,” commented Ron Haynie, SVP of Mortgage Finance Policy for the Independent Community Bankers of America. “Most community banks sell their government loans servicing released, making this program a better fit for their business model, and allows them to sell their government loans to an aggregator that does not compete with them in mortgage originations or banking business.”

National Association of Federal Credit Unions: “NAFCU and our members welcome the expanded offering between Ginnie Mae and the MPF Program,” said Carrie Hunt, Senior Vice President of Government Affairs & General Counsel. “Ginnie Mae’s securitization of certain MPF loans will assist in reducing costs across the mortgage finance process. We appreciate the leadership at the Atlanta, Boston, Chicago, and Des Moines FHLBs in finding ways to improve the liquidity access and flexibility for credit unions. Ultimately, this will help credit union members and by extension, the communities they serve.”

About the MPF Program

The MPF Program allows participating members of the Federal Home Loan Bank System to sell fixed-rate loans into the secondary mortgage market. To participate in the MPF Program, a financial institution must be a member of a Federal Home Loan Bank that offers the MPF Program. Currently, the Federal Home Loan Banks of Atlanta, Boston, Chicago, Dallas, Des Moines, New York, Pittsburgh, Topeka, and San Francisco purchase loans from participating members through the MPF Program. To learn more about the MPF Program, visit its website, www.fhlbmpf.com. “Mortgage Partnership Finance” and “MPF” are registered trademarks of the Federal Home Loan Bank of Chicago.

About Ginnie Mae

Ginnie Mae is a wholly-owned government corporation within the U.S. Department of Housing and Urban Development. Ginnie Mae raises capital from investors in the global credit markets to ensure liquidity for affordable rental and homeownership opportunities across the country. Through its MBS, Ginnie Mae finances housing mortgage insurance programs run by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Office of Public and Indian Housing (PIH), and the Department of Agriculture’s Rural Development Housing and Community Facilities Program (RD).