



For Immediate Release

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Federal Home Loan Bank of Chicago to Issue Ginnie Mae Securities

Chicago and Washington, DC, September 9, 2013 – The Federal Home Loan Bank of Chicago (Bank) and the Government National Mortgage Association (Ginnie Mae) today announced that the Bank plans to issue securities guaranteed by Ginnie Mae and backed by mortgages originated by member financial institutions. The new conduit product, called “MPF Government Mortgage-Backed Securities (MBS),” will provide mortgage lenders, particularly smaller institutions that currently lack direct access to the secondary mortgage market, a new option when creating mortgage products for their home-buying customers. Lenders will be able to choose whether to retain or release servicing on the government loans they originate, and they will have a reliable channel for selling their loans that removes hurdles low-volume originators face in today’s competitive market.

MPF Government MBS will initially be made available to eligible participating members of the Federal Home Loan Bank of Chicago in Illinois and Wisconsin before being rolled out more broadly next year.

The Federal Home Loan Bank of Chicago provides the administrative and operational support for the Mortgage Partnership Finance[®] (MPF[®]) Program, which allows participating members of the Federal Home Loan Bank System to sell fixed-rate, conventional conforming loans into the secondary mortgage market. With the new authority granted by its regulator, the Federal Housing Finance Agency, the Federal Home Loan Bank of Chicago will now be able to purchase government-insured loans, hold these loans on-balance sheet, and then pool them into securities guaranteed by Ginnie Mae which may then be sold to investors. Ginnie Mae guarantees more than \$1.4 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.

“We are committed to supporting the mortgage activities of community lenders across the country that are members of the Federal Home Loan Banks,” said Matt Feldman, President of the Federal Home Loan Bank of Chicago. “This product will allow participating members to be more competitive in their communities and to provide them better pricing to enhance access to affordable mortgage financing in the communities they serve.”

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“This effort is an important move toward satisfying a critical strategic initiative of Ginnie Mae to find a way to expand access to our program to small lenders,” said Ted Tozer, President of Ginnie Mae. “The Ginnie Mae and FHLB Chicago partnership leverages the strengths of each of the institutions and will facilitate FHA, VA, and RD lending by small banks, some of whom are operating in areas where borrowers have had limited access to government loan programs.”

About the Federal Home Loan Bank of Chicago

The Federal Home Loan Bank of Chicago is a \$63.5 billion wholesale bank serving the needs of member housing finance institutions located in Illinois and Wisconsin. Our mission is to partner with our member shareholders to provide them competitively priced funding, a reasonable return on their investment, and support for community investment activities. The U.S. Congress created the Federal Home Loan Bank System, which includes 12 Federal Home Loan Banks, in 1932 to promote housing finance. Each of the FHLBanks are wholly-owned by their member institutions. To learn more, visit www.fhlbc.com.

About the MPF Program

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, new loan purchases are available through the following Federal Home Loan Banks: Boston, Chicago, Dallas, Des Moines, New York, Pittsburgh, Seattle, and Topeka. 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).