

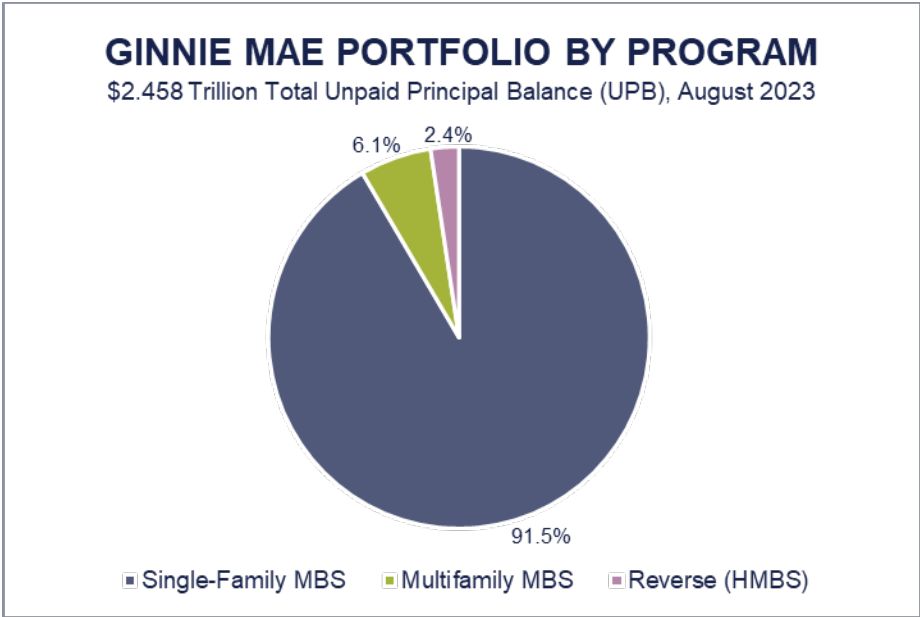
# Ginnie Mae Social Impact and Sustainability Framework

## About Ginnie Mae

Ginnie Mae was chartered in 1968 as a government corporation within the U.S. Department of Housing and Urban Development (HUD). Ginnie Mae connects global capital markets to America’s housing finance system through its administration and oversight of the explicit full faith and credit of the United States government guaranty on Mortgage-Backed Securities (MBS), the only such guaranty in the secondary mortgage market. Ginnie Mae has been a leading social enterprise since its founding more than 55 years ago. The liquidity Ginnie Mae provides in the housing finance ecosystem enables first time homebuyers, veterans, seniors, and members of urban, rural, and tribal communities access to affordable housing. Ginnie Mae’s securitization allows the agency-guaranteed mortgage market to scale and support millions of households.

## Key Points

- Ginnie Mae connects the global capital markets to America’s housing finance system.
- Ginnie Mae has been providing liquidity to support access to affordable housing and lending for first first-time homebuyers, low-to-moderate income households, veterans, seniors, and members of urban, rural, and tribal communities from inception.
- Ginnie Mae MBS disclosure continues to expand, with a special emphasis on social impact and sustainability, while meeting investor demand for transparency.
- Ginnie Mae is one of the largest and most successful social enterprises operating today.



## Ginnie Mae Social Impact and Sustainability Framework

Ginnie Mae delivers capital via securitization in direct support of U.S. Government Agency Affordable Housing Programs. These programs have established guidelines to serve their respective target populations and serve as a public good.

Ginnie Mae securitization collateral selection is restricted by law to agency insured or guaranteed mortgages from the following United States Government Agencies: Federal Housing Administration (FHA), United States Department of Veterans Affairs (VA), United States Department of Agriculture Rural Development (USDA-RD), and HUD’s Office of Public and Indian Housing (PIH).

Ginnie Mae is wholly owned by the United States Government and resides under the Department of Housing and Urban Development (HUD). Ginnie Mae’s explicit full faith and credit guaranty of the U.S. Government of timely payment of principal and interest to its MBS holders is the only such guaranty in the secondary mortgage market.

Ginnie Mae securitization provides a sustainable and unique service in making homeownership more affordable, accessible, and equitable for our nation’s low-to-moderate income (LMI) borrowers, veterans, senior citizens, and rural and tribal communities. The proceeds from the sale of Ginnie Mae Primary Issuance MBS are a source of capital to finance the specific residential mortgage loans collateralizing the Ginnie Mae MBS.

The explicit government guaranty removes borrower credit risk, resulting in a lower risk adjusted mortgage rate for the borrower. The respective U.S. Government Agency home loan insurance enables the borrower to enter home ownership earlier by alleviating the financial hurdle of a typical home mortgage borrower’s equity down payment requirement.

Ginnie Mae provides reporting for all its guaranteed securities through its disclosure process monthly. Additionally, Ginnie Mae releases the [Global Markets Analysis Report](#) monthly to inform Ginnie Mae investors and stakeholders of trends and new developments.

## GINNIE MAE SOCIAL IMPACT AND SUSTAINABILITY FOCUS



### Targeted Populations

Ginnie Mae’s social impact and sustainability commitment is defined by households and communities served by the underlying United States government agencies which insure or guaranty the loans that collateralize Ginnie Mae MBS, or their “Targeted Populations.” These agencies are the U.S. Department of Housing and Urban (HUD)’s Federal Housing Administration (FHA) and Office of Public and Indian Housing (PIH), the United States Department of Veteran Affairs (VA), and the U.S. Department of Agriculture’s Rural Development (USDA-RD). Ginnie Mae and its guaranty act as a multiplying force for these programs, leveraging global capital to provide additional liquidity, enabling lenders to serve even

more households. The Targeted Populations for Ginnie Mae's programs include first-time homebuyers, low-to-moderate income households, veterans, seniors, and members of urban, rural, and tribal communities.

- **Federal Housing Administration (FHA)**

Created in 1934, the Federal Housing Administration (FHA) is part of the U.S. Department of Housing and Urban Development. FHA provides mortgage insurance on loans made by FHA-approved lenders. FHA insures mortgages on single-family homes, multifamily properties, residential care facilities, and hospitals throughout the United States and its territories. Over 99 percent of FHA single-family and multifamily mortgages are packaged into Ginnie Mae MBS. FHA's Single-Family mortgage programs help prospective homebuyers and current homeowners finance or refinance a home for purchase, renovations or repairs, energy-efficiency improvements, new construction, and Home Equity Conversion Mortgage (HECM) for aging populations. FHA's multifamily programs include rental housing, green or energy efficient properties, hospitals, and assisted living facilities. For investors in Ginnie Mae MBS, green building disclosure provides additional transparency of loan collateral quality. Further, such disclosure—along with HUD's underwriting policies—provides investors with the facts needed to assess social impact and sustainability factors. Impact investing has grown in popularity in recent years, and this disclosure supports investment selection for buildings that are certified to be energy efficient during HUD's loan underwriting process. To explore more about FHA's programs, please visit [FHA Programs](#).

- **Public and Indian Housing (PIH)**

HUD's Office of Public and Indian Housing (PIH) ensures safe, decent, and affordable housing, creates opportunities for residents' self-sufficiency and economic independence, and assures the fiscal integrity of all program participants. PIH mortgage lending supports public housing and homeownership. Ginnie Mae's MBS program creates liquidity for the financing of PIH's Section 184 and 184A mortgage loan programs. These programs are crucial tools to foster economic development and financial independence for individuals and families living in American Indian, Alaska Native, and Native Hawaiian communities. To explore these mortgage loan programs, please visit [Public and Indian Housing](#).

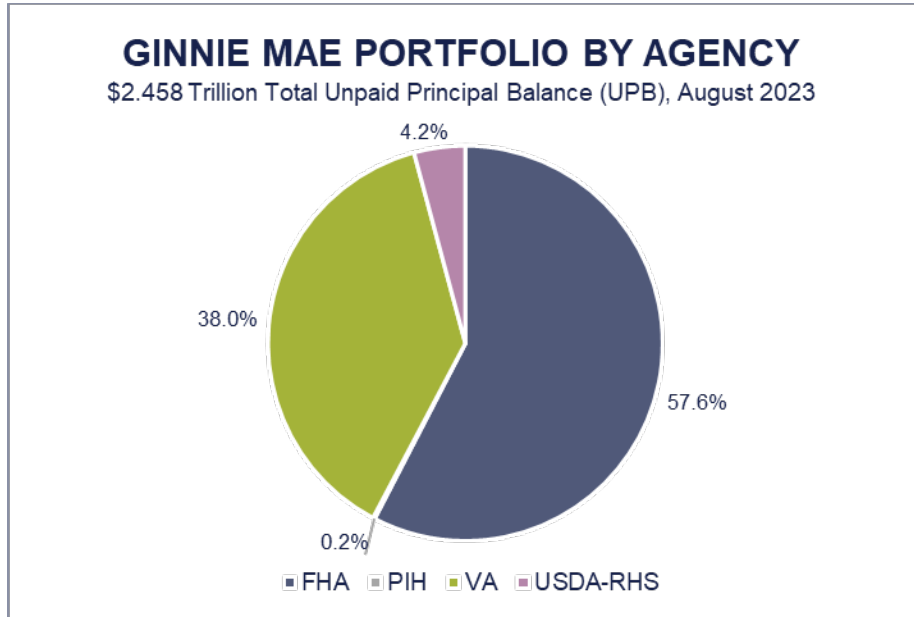
- **U.S. Department of Veterans Affairs (VA)**

VA helps servicemembers, veterans, and eligible surviving spouses become homeowners. As part of VA mission to serve, VA provides a home loan guaranty benefit and other housing-related programs to help you buy, build, repair, retain, or adapt a home for your own personal occupancy. Ginnie Mae's MBS program is the conduit for VA-insured mortgage lending, creating liquidity to finance single-family housing for active-duty service members, veterans, and their surviving spouses. To explore more VA housing benefits, please visit [VA Housing Assistance](#).

- **U.S. Department of Agriculture Rural Development (USDA-RD)**

USDA Rural Development offers a variety of programs to build or improve housing and essential community facilities in rural areas. USDA-RD offers loans, grants, and loan guarantees for single and multifamily housing, childcare centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, housing for farm laborers and much more. USDA-RD invests in rural America with loan, grant, and loan guarantee programs because they understand a strong community is

rooted in its people. The commitment and resources USDA-RD brings to rural communities help drive economic security and prosperity. Ginnie Mae's MBS program creates liquidity to finance USDA Rural Development-insured or guaranteed mortgage lending. This supports single-family and multifamily housing, rental housing, and community-based real estate assets, including hospitals, nursing homes, and childcare centers in rural parts of the United States. Rural Housing loans are integral to the economy and quality of life in rural communities, often being the most affordable and efficient available mortgage. To explore more USDA-RD housing programs, please visit [USDA Rural Housing Service](#).



## Ginnie Mae Social Impact and Sustainability Reporting

- Disclosure [Bulletin 2021-068](#): Ginnie Mae made an enhancement to its Combined Multifamily Pool and Loan Disclosure Files for both daily/monthly new issuance and monthly portfolio data. This enhancement added one field, Green Status (field L43), to the Loan section of the disclosure record.
  - The Green Status field is now populated as follows for FHA Multifamily loan types in the Multifamily Pool and Loan Monthly Portfolio Disclosure:
    - GRA (Green/Affordable)
    - GRB (Green/Broadly Affordable)
    - GRM (Green/Market)
    - NGR (Not Green)
    - blank (Unknown)
- Disclosure [Bulletin 2022-023](#): Ginnie Mae made an enhancement to its Combined Multifamily Pool and Loan Disclosure Files for both daily/monthly new issuance and monthly portfolio data. This enhancement added one field, Affordable Status (field L44), to the Loan section of the disclosure record.
  - The Affordable Status field is now populated as follows for FHA Multifamily loan types in the Multifamily Pool and Loan Monthly Portfolio Disclosure:
    - AFF (Affordable)

- BAF (Broadly Affordable)
  - MKT (Market)
  - blank (Unknown)
- Disclosure [Bulletin 2021-015](#): Ginnie Mae's Low-to-Moderate Income (LMI) geographic area stratification record (Loan Type/Low Moderate Income Record), was updated to provide pool level aggregate information about the extent of loans and UPB dollars where the borrower income is below 80% of the Median Family Income (MFI)
  - Disclosure [Bulletin 2022-059](#): Ginnie Mae's announced its new Low-to-Moderate Borrower Income Record (Stratification Record 28) in the MBS Single-Family Pool Supplemental File on 12/12/2022. The new record provides pool level aggregate information about the extent of loans and UPB dollars where the borrower income is below 80% of the Median Family Income (MFI). [Bulletin 2023-010](#) announced the implementation schedule for the new stratification record.
  - APM 23-10: Effective October 1, 2023, Ginnie Mae is revising its prospectuses for Single-Family Forward MBS, contained in the Ginnie Mae MBS Guide, HUD Handbook 5500.3, REV-1 Appendices, to include a Social Bond Label section.

Learn more about Ginnie Mae's social impact and sustainability work [here](#).

<b>Ginnie Mae's ESG Metrics – MBS Portfolio as of July 2023</b>			
	<b>Targeted Population</b>	<b>Positive Outcomes</b>	<b>Our Commitment</b>
<b>Social - Affordable</b>	FHA Borrowers - 6,713,882 VA Borrowers – 3,543,077 RHS Borrowers – 788,496 PIH Borrowers - 23,783	<u>Loans under \$200K</u> 6,513,966 Loans  <u>First-Time Home Buyers</u> 4,011,629 Loans  <u>Down Payment Assistance</u> 685,205 Loans	Ginnie Mae was established by Congress in 1968 to offer broad access to credit nationwide with a special emphasis on low- and moderate-income borrowers, and rural, inner-city, and underserved communities.  Ginnie Mae securitization provides a unique and sustainable service in making home ownership more affordable, accessible, and equitable for our nation. The proceeds from the sale of Ginnie Mae Primary Issuance MBS are a source of capital to finance the specific residential mortgage loans collateralizing the Ginnie Mae MBS.
	Low-to-Moderate Income Borrowers (LMI)	3,170,002 Loans	Ginnie Mae securitization collateral selection is restricted to agency insured mortgages from the following United States Government Agencies. These agencies are the: Federal Housing Administration (FHA), Department of Veterans Affairs (VA), United States Department of Agriculture's Rural Housing Service (USDA-RHS), and HUD Public and Indian Housing (PIH). The combination of these insuring agency programs and Ginnie Mae's guaranty enable housing outcomes for households who might otherwise not be able to obtain mortgage access.
	LMI Majority Census Tract Loans	1,706,310 Loans	
	Borrowers Facing Difficulties	790,634 modifications with over 595,467 in partial claims	Ginnie Mae has been integral to the federal actions to prevent foreclosure for homeowners experiencing financial hardship.
	Senior Citizens Aging in Place	289,420 Home Equity Convertible Mortgages (HECM) or Reverse	Ginnie Mae has developed the securities market for the FHA HECM (Reverse Mortgage) program which provides senior citizens a vehicle for accessing the equity in their homes.
	Multifamily Housing (MF)	1.31 million apartment homes 499,164 healthcare living units	Affordable rental housing is in critically short supply. Government lending and subsidy programs support preservation and creation of new affordable housing units nationwide.
<b>Green</b>	MF Affordable	4,816 MF loans are either Green, Affordable, or both	Ginnie Mae provides information to investors via its monthly bond disclosure on multifamily investments that meet FHA's MF Green Mortgage Insurance Premium (MIP) Discount Qualified Mortgages and those loans meeting FHA's MF Broadly Affordable and Affordable requirements.
	MF Green		

The above composite is updated on a monthly basis. View the latest [here](#).