



Creating A More **Accessible & Inclusive** **Housing Finance System**

Ginnie Mae Strategic Plan 2022-2026

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PREFACE

Ginnie Mae is a government-owned corporation within the U.S. Department of Housing and Urban Development (HUD). As a Chief Financial Officer Act agency, HUD is subject to the Government Performance and Results Act (GPRA), as modified by the GPRA Modernization Act, requiring agencies to set goals, measure performance, and report on progress—including developing a strategic plan.

HUD's Fiscal Year 2022–2026 Strategic Plan includes objectives that pertain to Ginnie Mae, including one for which Ginnie Mae is designated lead.

This Ginnie Mae 2022–2026 Strategic Plan elaborates on the responsibilities in the HUD Strategic Plan, incorporates other Ginnie Mae strategic needs, and serves as an internal planning and accountability tool.



1. GINNIE MAE'S MISSION AND VISION

Ginnie Mae's guaranty links the United States housing market to global capital markets, ensuring sustainability, affordability, and liquidity for government housing programs and creating a more equitable housing finance system for all.

Ginnie Mae's mission is derived from its charter, which states that the basic purpose of establishing facilities so that private capital can finance secondary markets to the maximum extent feasible and authorizes various activities toward that end, including providing stability in the secondary market and promoting access to mortgage credit in underserved areas.

Ginnie Mae pursues this mission via its Mortgage-Backed Securities (MBS) program, through which private sector lenders and servicers issue securities for which the principal and interest payments that are passed to security holders are guaranteed by the United States Government. The program is noteworthy and unique in the primacy and responsibility placed with the private sector "Issuers," who are fully obligated to make pass-through payments—the government guarantee is used only in the case of private-sector failure.

Ginnie Mae continues its critical social mission by driving capital toward underserved demographics and geographies and making sure access to housing is equitable and sustainable.

Ginnie Mae's Vision is to be a model for effective governmental involvement in a sizable, complex, and market-oriented segment of the economy.

Ginnie Mae securities outstanding total \$2.25 trillion, a sizable share of total outstanding U.S. Government securities. The Ginnie Mae MBS program is a linchpin of the dynamic housing finance market and global capital markets. Ginnie Mae's administration of the MBS program must be equal to the evolving circumstances of its environment, notwithstanding that it is a government entity. This commitment is the core challenge of the organization.



2. THE GINNIE MAE BUSINESS MODEL AND PROGRAM

Ginnie Mae is able to fulfill its mission, because its core business model has proven to be an effective method for attracting investment capital into the U.S. housing finance system.

Through this business model, Ginnie Mae-approved entities issue securities that receive the full faith and credit guaranty of the U.S. Government under the terms of the Ginnie Mae MBS program. The guaranty assures Ginnie Mae securities investors that they will receive all payments they are due through the securities. The presence of this guaranty and the transparency of the MBS program render the securities readily marketable and highly desired by myriad sources of investment capital, domestic and foreign, which results in improved access to capital and a lower cost of financing for the homebuyers that the program serves.

The guaranty has been a net source of revenue to the government throughout the MBS program's history, primarily as a result of the security of the government's position. The government's exposure under the guaranty comes only after borrower equity, federal-loan level credit insurance or guarantees, and the financial resources of the issuing institutions is exhausted. This approach limits the need for the government to exercise its guaranty and ensures that it would do so only when private capital (as represented by the issuer) has suffered a total loss.

The Ginnie Mae MBS program indirectly finances almost all loans made under four federal housing programs: The Federal Housing Administration (FHA) and Office of Public and Indian Housing, both under HUD; the U.S. Department of Veteran's Affairs; and the U.S. Department of Agriculture Rural Development.

Loans under these federal programs are pooled and securitized through four Ginnie Mae programs: Single-Family, Multifamily, Manufactured Housing, and Home Equity Conversion Mortgage MBS (reverse mortgage).

In addition to the federal agencies noted previously and the core stakeholder groups, Ginnie Mae also interacts with numerous other federal entities that play a role in housing finance. HUD, the Office of Management and Budget, and the United States Congress oversee Ginnie Mae's activities as a government corporation.

3. STRATEGIC GOALS, OBJECTIVES, AND STRATEGIES

The HUD Strategic Plan defines the mission, long-term goals, strategies, and approaches it will use to monitor its progress in addressing specific national problems, needs, challenges, and opportunities related to the department’s mission.

Strategic Goals provide the overarching framework within the Strategic Plan.

Strategic Objectives highlight specific strategies and metrics of success for specific, related elements underneath a Strategic Goal. **Strategies** will list steps on how we will achieve this objective.

In HUD’s Fiscal Year 2022–2026 Strategic Plan, Ginnie Mae leads Strategic Goal 3B, which includes specific high-level strategies to achieve this goal. Ginnie Mae also supports Strategic Goal 5.

HUD STRATEGIC GOAL 3: PROMOTE HOMEOWNERSHIP

HUD Strategic Object 3B:

Create a More Accessible and Inclusive Housing Finance System

Strategies



- ▶ Broaden housing finance availability for underserved participants and expand access to Ginnie Mae programs.



- ▶ Pursue further methods of enhancing the value of Ginnie Mae securities.



- ▶ Develop the operational capacity to advance the digitalization and optimization of the Ginnie Mae MBS platform.



- ▶ Provide a leading voice in the housing finance system.

HUD STRATEGIC GOAL 5: STRENGTHEN INTERNAL CAPACITY

Strategies



- ▶ Strengthen HUD’s internal capacity and efficiency to better ensure delivery of HUD’s mission.

Ginnie Mae’s goals, objectives, and strategies follow HUD’s same framework but elaborate on its responsibilities, incorporating other Ginnie Mae-specific strategic needs and serving as an internal planning and accountability tool.



The following are Ginnie Mae’s three core goals, supplemented by a management goal that is a prerequisite for achieving the core goals.

The alignment of Ginnie Mae’s goals with the respective HUD strategies are denoted by the accompanying icons.

GINNIE MAE STRATEGIC GOAL 1: STRENGTHENING THE MBS PROGRAM

The MBS program must be relevant and useful to industry stakeholders so that it can convey the intended benefits to those that the federal mortgage programs are intended to serve. The technology platform—through which pools are issued, payments remitted, and information transmitted—must be reliable and technologically up to date. The program and platform must continually improve.



Strategic Objective 1.A: Broaden Housing Finance Availability for Underserved Participants and Expand Access to Ginnie Mae Programs

Strategies

- ▶ 1.A.1. Develop initiatives to increase liquidity via new or expanded programs and products.
- ▶ 1.A.2. Develop new methods to increase access to financing for community-based organizations that would not otherwise be Ginnie Mae Issuers (e.g., through the mission channel¹).
- ▶ 2.A.3. Develop programs and practices to reduce disruption and exposure to governmental losses when Issuer failure does occur.



Strategic Objective 1.B: Advance the Digitalization and Optimization of the Ginnie Mae MBS Securities Platform

Strategies

- ▶ 1.B.1. Increase the digital interoperability of the MBS program on a year-over-year basis.
- ▶ 1.B.2. Strengthen internal data analytics capabilities to support evidence-based policymaking and decisioning.
- ▶ 1.B.3. Increase the extent to which activity under the program is denominated at the loan level, instead of the pool level.
- ▶ 1.B.4. Establish standards and technology essential to growing Ginnie Mae's capacity to support and promote digital collateral in ways commensurate with market demands and trends.

¹ The mission channel is the collective set of special program arrangements developed to facilitate access to capital markets through the MBS program for community-oriented, mission-driven institutions that would likely not otherwise participate (for example, because our requirements, or FHA's requirements, are too steep or constraining).

GINNIE MAE STRATEGIC GOAL 2: MANAGING PROGRAM RISK

Administration of the MBS program must be of financial benefit to the government and seek to promote market stability.



Strategic Objective 2.A: Advance Counterparty and Issuer Risk Management

Strategies

- ▶ 2.A.1. Re-engineer the administration of the MBS program to increase the extent to which data is used for Issuer monitoring and counterparty risk management.
- ▶ 2.A.2. Identify and implement additional methods of increasing the supply of liquidity that supports the activities of Ginnie Mae Issuers.
- ▶ 2.A.3. Develop programs and practices to reduce disruption and exposure to governmental losses when Issuer failure does occur.



Strategic Objective 2.B: Manage Cybersecurity and Other Risks to Business Continuity

Strategies

- ▶ 2.B.1. Enhance cybersecurity awareness and preventative measures across Ginnie Mae and our 3rd parties. Devise a formal plan to commence pushing cybersecurity decision-making out to the business units to improve their security posture. Address organization risk assessment recommendations and incorporate and devise measurements.
- ▶ 2.B.2. Develop programs and practices to reduce the possibility of disruption of core business operations from operational incidents, including through devolution of capabilities to decentralized locations.
- ▶ 2.B.3. Continue the development of financial administration infrastructure that can support all accounting standard requirements and transactions, emergency actions or program/product expansions that might occur within this strategic plan, as well as improved management financial reporting to support internal planning and decision-making.
- ▶ 2.B.4. Integrate risks emanating from climate change and Executive Orders into policy development, Issuer management, and enterprise funding strategies.

GINNIE MAE STRATEGIC GOAL 3: ENHANCE THE VALUE OF GINNIE MAE SECURITIES

Ensure that capital market participants and investors value and desire the security products issued under the MBS program and that they can be adapted to meet changing needs.



Management Objective 3.A: Expand Environmental, Social, and Governance (ESG) Products and Disclosure Information

Strategies

- ▶ 3.A.1. Develop increased ESG data disclosure and internal reporting, with a goal of generating greater investor demand for securities supporting ESG objectives.
- ▶ 3.A.2. Integrate new data sources, deploy innovative data solutions, and develop in-house capabilities to optimize ESG analytics.



Strategic Objective 3.B: Build Investor Support for Ginnie Mae Securities as an Investment Product and Asset Class

Strategies

- ▶ 3.B.1. Increase resources devoted to providing valuable information to an international base of current and potential investors in coordination with the Secretary of Housing and Urban Development.
- ▶ 3.B.2. Upgrade Ginnie Mae's capability for market development to support new products, especially to benefit underserved markets.



GINNIE MAE MANAGEMENT GOAL 4: STRENGTHEN GINNIE MAE'S INTERNAL CAPACITY

Create conditions in which government and business can intersect productively and human capital can flourish and lead the organization to the achievement of its mission, vision, and goals.



Management Objective 4.A: Strengthen the Capability of the Ginnie Mae Workforce

Strategies

- ▶ 4.A.1. Augment internal skills and capabilities to bring targeted functions under the direct oversight of federal staff (insourcing).
- ▶ 4.A.2. Implement succession and knowledge management solutions designed to address findings from the Ginnie Mae Skills Assessment, Ginnie Mae Matters Café, and Federal Employee Viewpoint Survey (FEVS) related to retirement risks, identified skills and competency gaps, and insourcing needs.
- ▶ 4.A.3. Implement a robust Leadership Development Initiative that prepares GS 13-15 level employees for leadership roles in the organization.
- ▶ 4.A.4. Collaborate with internal business partners to create opportunities for applicants to be recruited into the Ginnie Mae workforce at lower grades, with avenues for career development over time.
- ▶ 4.A.5. Develop strategies to position Ginnie Mae to be competitive in recruiting and retaining the talent required to manage the evolving business model.



Management Objective 4.B: Improve Acquisition Management

Strategies

- ▶ 4.B.1. Design and implement new acquisition operations and management framework to support recommended business process improvements, including alternate solutions for current shared acquisition services.
- ▶ 4.B.2. Implement best-in-class technology solutions to manage the flow and visibility of Ginnie Mae acquisitions.

4. ACHIEVING THE GOALS AND OBJECTIVES

The goals and objectives outlined previously represent an extensive agenda that, in the view of Ginnie Mae's leadership, is essential to preserving the organization's ability to achieve its mission—but they are also well beyond the historical scope of Ginnie Mae's capability. Successful performance against these goals and objectives will require that Ginnie Mae continue its transformation from its historical identity as an entity designed and constructed simply to manage a single government program to an entity that plays a prominent role in the sizable and complex U.S. housing finance system, with the commensurate need to react and adapt to the evolution of that system.

Ginnie Mae will continue to align with HUD's 2022-2026 Strategic Plan and the responsibilities outlined therein. Specific aspects of Ginnie Mae goals and objectives align with HUD's Strategic Plan as follows and will be tracked internally in our accountability report.



HUD FY2022-2026 - Strategic Objective 3B - Create a More Accessible and Inclusive Housing Finance System

Advance new policy, programs, and modernization initiatives that support a more equitable housing finance system. Promote the preservation and creation of affordable housing stock.

OBJECTIVE KEY POINTS

Develop **new methods** of supporting affordable housing for homeowners and renters.

Reach individuals and families who have not been afforded the opportunity to access Federal housing credit programs.

Create **new methods** of attracting and deploying capital in support of government sponsored housing finance programs.

Program expansion and **modernization** of Ginnie Mae's IT platforms.

Remove unnecessary barriers between government programs and those they are intended to serve.

Collaborate with Federal partners, to play an active role in shaping the future of the housing finance system (cohesive and effective for both market participants and citizens).

GINNE MAE MISSION

Ginnie Mae's guaranty links the United States housing market to the global capital markets, ensuring sustainability, affordability, and liquidity for government housing programs and creating a more equitable housing finance system for all.

GINNE MAE VISION

To be a model for effective governmental involvement in a sizeable, complex, market-oriented segment of the economy





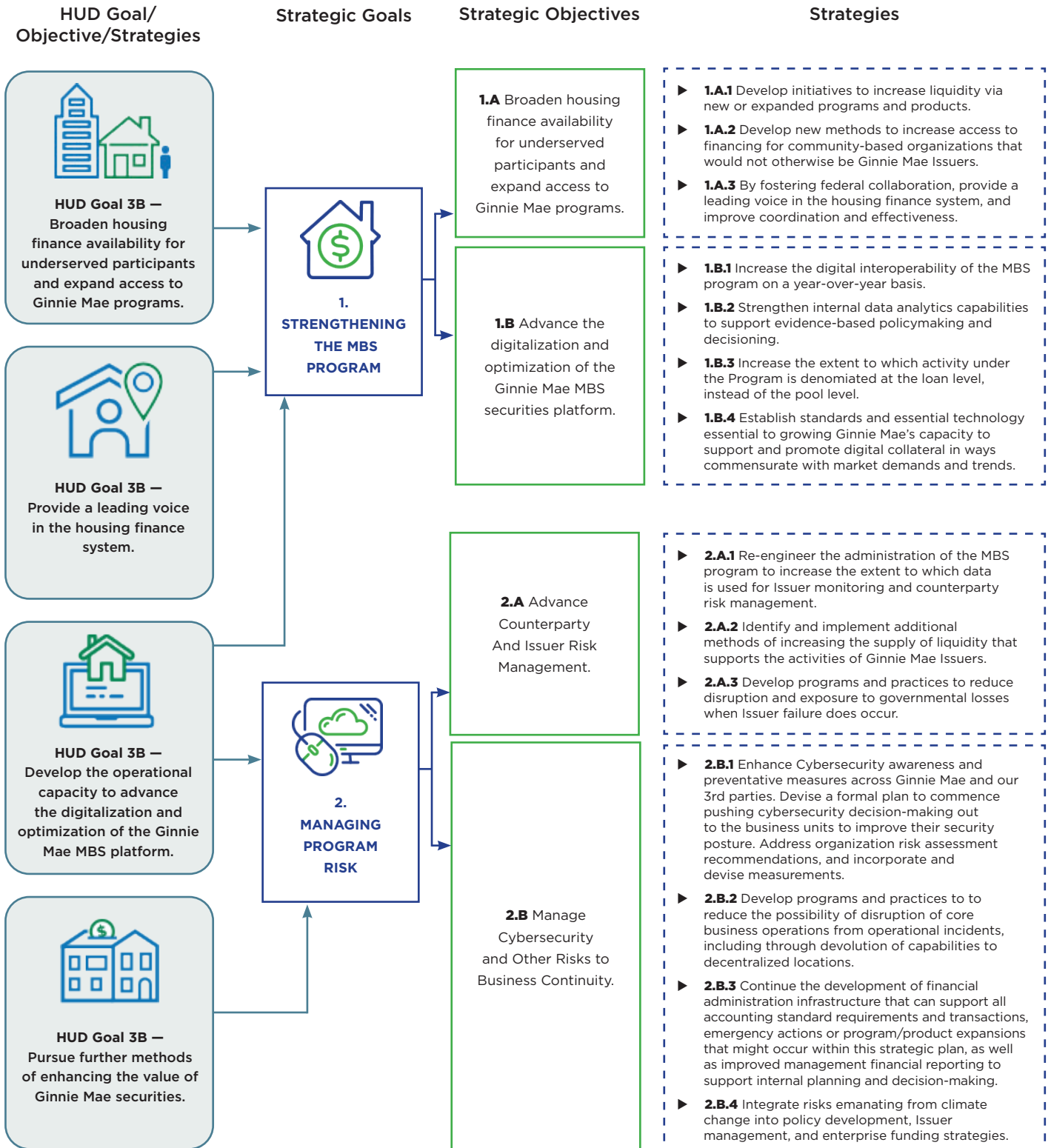
5. EVALUATING AND REPORTING ON PROGRESS

Because the goals and strategies expressed in this Strategic Plan are long-term and high-level, the initiatives and projects through which the goals and objectives are pursued will be detailed in the Ginnie Mae Annual Report.

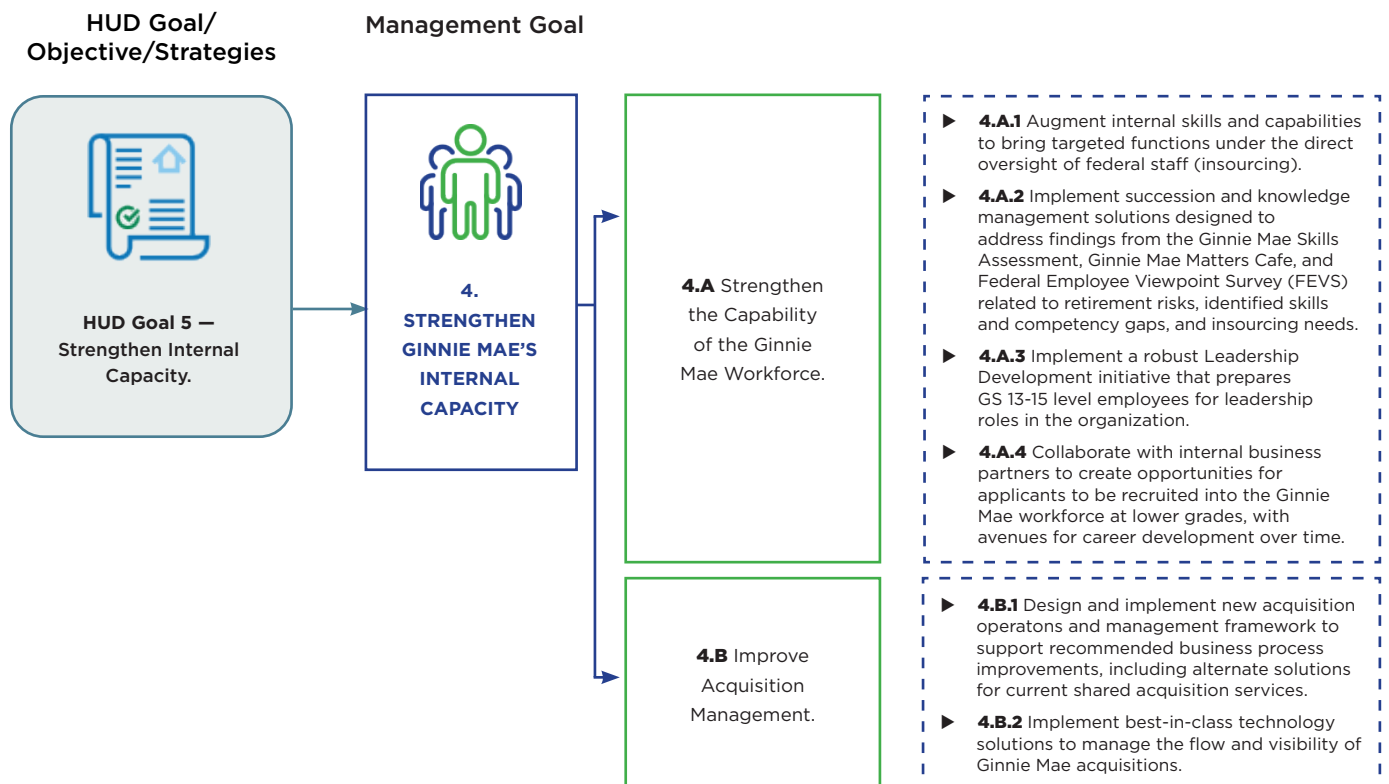
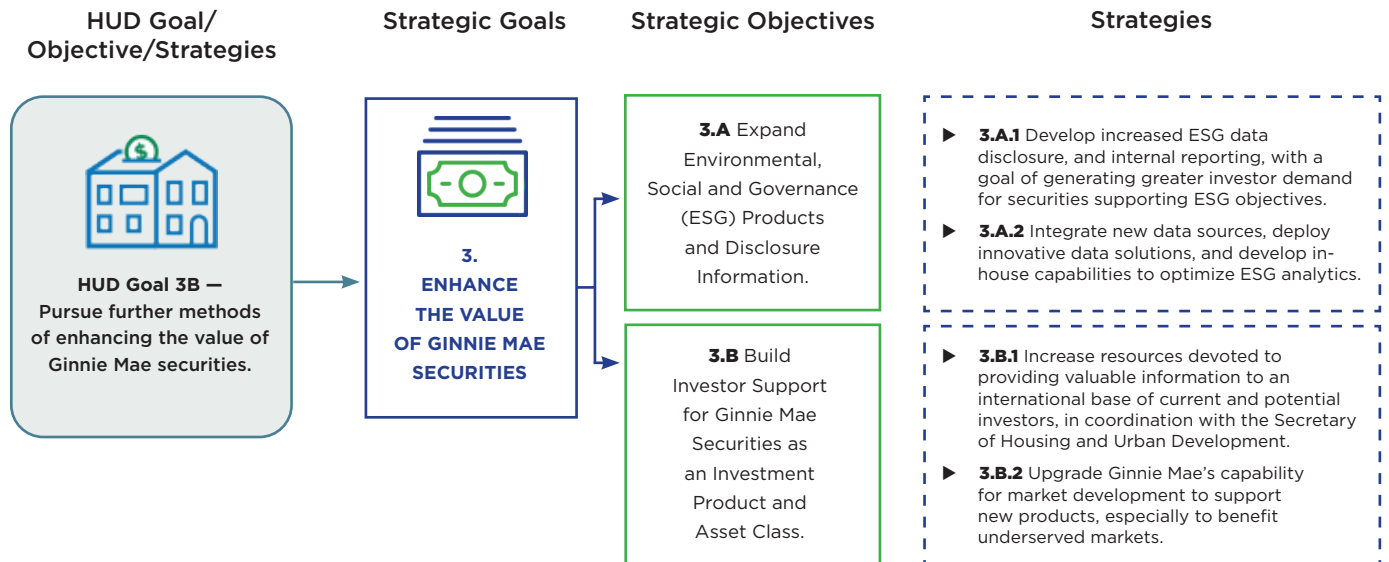
Overall responsibility for the execution of the Ginnie Mae Strategic Plan lies with Ginnie Mae's Executive Vice President/Chief Operating Officer (or equivalent official), as the designated Performance Improvement Officer.

6. APPENDIX A –

Ginnie Mae Strategy Cascade - FY 2022-2026



Ginnie Mae Strategy Cascade - FY 2022-2026 Continued



7. APPENDIX B – GLOSSARY

Glossary	Description
CFO	Chief Financial Officer
ESG	Environmental, social, and governance
FHA	Federal Housing Administration
GPRA	Government Performance and Results Act
GPRAMA	Government Performance and Results Act Modernization Act
HUD	Housing and Urban Development
MBS	Mortgage-Backed Securities
OMB	Office of Management and Budget
PIH	HUD’s Office of Public and Indian Housing
USDA RD	U.S. Department of Agriculture’s Rural Development
VA	Department of Veterans Affairs

