

Ginnie Mae and Independent Mortgage Servicers

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The Trend from Banks to Independents

The need to update the MBS program – and the organization as a whole – to address this transformation is the driving force at Ginnie Mae currently.

- The IMB's have been a valuable source of capacity and innovation
- But the landscape that has resulted is much more fragmented and complex – and there are inherent risks in this.....

Ginnie views its issues through two lenses:

- *Operational capability*
- *Financial strength*



Assessing Operational Capability

Recent years: Supplemented the traditional compliance field review with qualitative operational reviews and deep-dive business plan reviews (for “spotlight” issuers).

2015: Implementation of Issuer Operational Performance Profile (IOPP) reporting – allows for data-driven operational comparisons

Next year: Closer attention to specialized roles increasingly prominent in the Ginnie Mae MBS program but not adequately addressed in the MBS Guide:

- Examples: subservicers, data aggregators, service bureaus, pooling agents, limited scope originator/sellers

Areas of scrutiny regarding subservicers...

- What is Ginnie Mae’s overall exposure?
- Are issuers maintaining necessary capability?
- Are all parties capable of managing connections?



Assessing Financial Strength

Ginnie Mae supports the idea of fostering the maximum appropriate degree of harmony among overseers, but the interest/model of the various overseeing entities is critical....

Our view is that broad-based, one-size-fits-all standards, while necessary, should no longer be seen as the primary device for assessing counterparty financial strength.

→ *The methods used to monitor financial health must evolve to keep pace with the increasing sophistication and complexity of the various industry participants.*

Ginnie Mae's Goals for its Issuer Monitoring Program:

1. Increased attention to sources of liquidity for Ginnie Mae issuers
2. Increased analysis of financial and performance trends, and comparisons
3. More frequent and thorough MSR valuations



The background image shows a vibrant sunset over a dense city skyline, with the city reflected in the calm water in the foreground. The sky is filled with warm orange and yellow hues, transitioning into a darker blue at the top. The city skyline features numerous skyscrapers of various heights and architectural styles, some with lights on. In the foreground, the dark blue water has small, golden reflections from the setting sun.

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