

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
2012 Summary and Initiatives
(Dollars in Thousands)**

GUARANTEES OF MORTGAGE-BACKED SECURITIES	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2010 Appropriation	\$500,000,000	\$95,056,871	...	\$595,056,871	\$397,915,400	...
2011 CR	500,000,000	197,141,471	...	697,141,471	697,141,471	...
2012 Request	<u>500,000,000</u>	...	...	<u>500,000,000</u>	<u>500,000,000</u>	...
Program Improvements/Offsets .....	...	-197,141,471	...	-197,141,471	-197,141,471	...

NOTE: Enacted figures above represent loan limitation levels.

GUARANTEES OF MORTGAGE-BACKED SECURITIES PROGRAM ACCOUNT

Administrative Expenses and Commitment and Multiclass Fees

2010 Appropriation .....	...	...	...	...	...	...
2011 CR .....	...	...	...	...	...	...
2012 Request	<u>-70,000</u>	...	...	<u>-70,000</u>	<u>30,000</u>	<u>-73,000</u>
Program Improvements/Offsets	-70,000	...	...	-70,000	30,000	-73,000

Summary Statement

The Government National Mortgage Association (Ginnie Mae) Budget proposes \$500 billion in limitation on new commitments of single class mortgage-backed securities (MBS) and a new proposal to provide expanded appropriations of no less than \$30 million to cover personnel compensation and benefits and other administrative expenses for fiscal year 2012, as discussed in more detail on page 15. Personnel expenses were previously funded in the "Office of Government National Mortgage Association" appropriation under the Management and Administration section of the HUD budget. This request would allow GNMA to increase its staff level to serve two purposes: to strengthen risk management and oversight, and to move in-house some functions performed by contractors. GNMA contractor expenses are funded in its liquidating account and this account will realize lower spending as a result of the movement to in-house services. Offsetting this appropriation are estimated offsetting collections from Commitment and Multiclass Fees of \$100 million.

This request is based on estimates of mortgage insurance and guarantee activity of the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the U.S. Department of Agriculture (USDA) Rural Housing Service, or the Secretary of Housing and Urban Development under the Native American Housing Loan Guarantee Program (Section 184) of the Housing and Community Development Act of 1992 and administered by the Office of Public and Indian Housing (PIH). In fiscal year 2012, Ginnie Mae is estimating \$278 billion in new guarantees in its single class mortgage-backed securities, \$14.6 billion in Home Equity Conversion Mortgages (HECM) securities, and \$187.2 billion in Multiclass securities. Since all the Ginnie Mae guaranteed Multiclass and HECM securities

Guarantees of Mortgage-Backed Securities

are based on and backed by mortgage-backed securities issued pursuant to commitment authority, separate commitment authority will not be required for Multiclass or HECM securities. Ginnie Mae is also managing defaulted portfolios with remaining principle balances of over \$19 billion.

Ginnie Mae's targeted purpose is reflected in its mission statement, which is to support the expansion of affordable housing in America by linking the global capital markets to the nation's housing markets. In fiscal year 2010, Ginnie Mae reached a new milestone by surpassing \$1 trillion in outstanding guarantees for the first time in its history. Ginnie Mae guaranteed \$413 billion in securities, which represents the Association's efforts to finance nearly 1.9 million homes for families across the country. Included in this volume are multifamily projects that provide affordable rental homes. The Budget request reflects the important contribution that Ginnie Mae makes in expanding homeownership and affordable rental housing opportunities and has had a notable positive impact on housing and our nation's communities. Since 1970, Ginnie Mae has guaranteed \$3.0 trillion in MBS, enabling it to play a direct role in providing homeownership and housing opportunities for millions of households. Ginnie Mae is also helping to stabilize the housing market during the current crisis by supporting a number of Federal Government efforts to assist struggling homeowners and by facilitating a secondary market for the loans that result from these initiatives.

Ginnie Mae is responsible for the administration of activities associated with the Mortgage-Backed Securities (MBS), the Multiclass Securities programs, the Home Equity Conversion Mortgages (HECM), and supports the Department in the Targeted Lending Initiatives, making loans in the nation's urban and rural Empowerment Zones or Enterprise Communities.

Guarantees of Mortgage-Backed Securities

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 Budget Authority</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2010 obligations</u>	<u>2011 CR</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2012 Request</u>
Commitment Limitation .	\$500,000,000	\$95,056,871	\$595,056,871	\$397,915,400	\$500,000,000	\$197,141,471	\$697,141,471	\$500,000,000
Total	500,000,000	95,056,871	595,056,871	397,915,400	500,000,000	197,141,471	697,141,471	500,000,000

2012 Budget Authority. The fiscal year 2012 Budget proposes \$215 million in administrative contract obligations.

<u>FTE</u>	<u>2010 Actual</u>	<u>2011 Estimate</u>	<u>2012 Estimate</u>
Headquarters	67	105	249
Field	---	---	---
Total	67	105	249

Proposed Action

Ginnie Mae is responsible for the administration of its single class and multiclass Mortgage-Backed Securities (MBS), the Multiclass Securities programs, the Home Equity Conversion Mortgages (HECM), and supports the Department in the Targeted Lending Initiatives; making loans in the Nation's urban and rural Empowerment Zones or Enterprise Communities. Also, Ginnie Mae responded to the HOPE for Homeowners (H4H) government initiatives which became effective October 1, 2009 and will continue through September 30, 2011. A brief description of Ginnie Mae's programs is provided below.

1. Single Class Mortgage-Backed Securities Program (MBS). Section 306(g) of the National Housing Act authorizes Ginnie Mae to guarantee the timely payment of principal and interest on securities, which are issued by approved entities and are backed by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the U.S. Department of Agriculture (USDA) Rural Development Housing & Community Facilities Programs, and the Office of Public and Indian Housing (PIH) loans.

Ginnie Mae currently guarantees modified "pass-through" type securities. Modified pass-through securities provide payment to registered holders of interest plus the monthly installments of principal due on the pooled mortgages, whether or not collected, plus any additional principal collections.

Separate pass-through programs have been developed to finance single family homes, multifamily projects and manufactured housing. Ginnie Mae first issues a "commitment" to the prospective securities issuer (mortgagee) indicating that the firm meets Ginnie Mae's eligibility requirements. After Ginnie Mae issues the commitment, the issuer can begin to assemble mortgage pools and issue securities. Generally, individuals can invest in Ginnie Mae's securities with face amounts of as little as \$1,000. The securities have the same aggregate face amount as the aggregate unpaid balance of the pooled mortgages and bear interest at the rate borne by the mortgages--less the amount of issuer servicing fees and Ginnie Mae guarantee fees. Ginnie Mae's credit risk in this program is limited by mortgage insurance provided by Government agencies with respect to all pooled loans.

Guarantees of Mortgage-Backed Securities

Ginnie Mae provides opportunities for both affordable homeownership and rental housing. By securitizing pools of mortgages as MBS, Ginnie Mae enables qualified mortgage lenders to access international capital markets. Lenders can then sell the securities at prices that allow them to offer loans to qualified homebuyers and developers at lower interest rates, thus lowering costs for homeowners and renters. Ginnie Mae does not make or purchase mortgage loans as a regular practice, nor does it buy, sell, or issue securities. Instead, private lending institutions approved by Ginnie Mae originate eligible government loans, pool them into securities, and issue MBS.

The Ginnie Mae guarantee is backed by the full-faith and credit of the United States Government. This backing, combined with the flexibility and performance of its securities, make Ginnie Mae securities a very attractive investment for domestic and international investors alike. The Budget request reflects the important contribution that Ginnie Mae makes in expanding and strengthening homeownership and affordable housing opportunities for a great number of Americans.

Status of Program: In fiscal year 2010, Ginnie Mae's MBS program approved \$397.9 billion in commitment authority and issued \$412.9 billion in its single class guarantees. Issuance of guaranteed mortgage-backed securities is estimated at \$278 billion in fiscal year 2012. To sustain the critical role of providing market stability and liquidity and to help America's housing finance system recover from challenging and prolonged economic turmoil, the focus for Ginnie Mae in fiscal year 2010 was to ensure that the entire organization executes its core strategies and goals of promoting market liquidity, efficient MBA market execution, and prudent and conservative risk management practices.

MBS guarantee fees grew 29.6 percent to \$567.8 million in fiscal year 2010, up from \$438.3 million in fiscal year 2009. This higher guarantee fee income reflects the increase in the MBS portfolio. The outstanding MBS balance at the end of fiscal year 2010 was \$1,046.2 trillion compared to \$826 billion in fiscal year 2009 resulted from new issuances exceeding repayments. In addition, there are \$8.8 million in Ginnie Mae-guaranteed State of Arkansas bonds.

The actual outstanding principal balance of MBS for fiscal year 2010 and the estimated outstanding MBS for fiscal year 2011, and fiscal year 2012 are shown in the following table:

	ACTUAL <u>2010</u>	ESTIMATE <u>2011</u>	ESTIMATE <u>2012</u>
	(Dollars in Thousands)		
Securities Outstanding, start of year.....	\$826,016,583	\$1,046,179,139	\$1,236,749,808
Issued During Year.....	412,952,657	290,000,000	278,000,000
Principal Payments to Securities Holders.....	<u>-192,790,101</u>	<u>-99,429,331</u>	<u>-191,848,911</u>
Securities Outstanding, end of year.....	1,046,179,139	1,236,749,808	1,322,900,897

Targeted Lending Initiative (TLI). Ginnie Mae started and developed the TLI in fiscal year 1996. The Initiative is consistent with Ginnie Mae's statutory purpose to promote access to mortgage credit in the central cities by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. Through the TLI, Ginnie Mae reduces the guarantee fees it charges lenders by up to 50 percent for making

Guarantees of Mortgage-Backed Securities

mortgage loans in any of the Nation's urban and rural Empowerment Zones or Enterprise Communities, adjacent eligible central city areas, and areas with a majority population of Native Americans. It is estimated that in fiscal year 2012, 21 percent of all Ginnie Mae single family pools issued will be TLI pools.

Furthermore, in fiscal year 2010 Ginnie Mae met and exceeded its goal of 20 percent to 24.7 percent, reflecting Ginnie Mae's commitment of improving economic conditions in our nation's traditionally underserved areas. Ginnie Mae is estimating it will meet or exceed its goals of 20.5 percent and 21 percent in fiscal years 2011 and 2012 respectively.

The following table shows estimated TLI cumulative activities as of September 30, 2010:

	<u>Pools</u>	<u>Loans</u>	<u>Mortgage Amount</u>
10/01/96 through 9/30/10.....	45,865	1,574,434	\$171.2 billion

Home Equity Conversion Mortgages (HECM). In fiscal year 2007, Ginnie Mae developed its HECM program. America's aging population makes HECM an increasingly attractive product for lenders, and Ginnie Mae has a capital markets solution to support this population (and prospective Ginnie Mae qualified lenders). HECM allows homeowners aged 62 and older to tap into their home equity without repaying the money as long as they live in their homes. These "reverse mortgages" help more senior homeowners enjoy a better quality of life by allowing them to retain their homes and use their home's accumulated wealth to help with health care costs and other expenses.

Currently, FHA insures approximately 95 percent of all reverse mortgages. This allows Ginnie Mae-qualified lenders to help underserved and elderly borrowers while tapping into a safe, secure, and guaranteed capital markets solution. By focusing on senior housing, Ginnie Mae is well positioned to serve the needs of a major demographic subgroup that is predicted to explode in the coming years.

In fiscal year 2008, Ginnie Mae launched its first issuance of HECM securitization and guaranteed \$1 billion. Ginnie Mae issued \$12.8 billion in new HECM securities in fiscal year 2010. It is estimated that issuance will be approximately \$15.2 billion in fiscal year 2011 and \$14.6 billion in fiscal year 2012, as shown in the following table:

	<u>ACTUAL</u> <u>2010</u>	<u>ESTIMATE</u> <u>2011</u>	<u>ESTIMATE</u> <u>2012</u>
	(Dollars in Thousands)		
<u>HECM</u>			
Beginning Balance.....	\$15,579,827	\$28,350,765	\$42,331,604
Issued During Year.....	12,793,023	15,249,131	14,614,483
Liquidation.....	<u>-22,085</u>	<u>-1,268,292</u>	<u>-2,106,338</u>
Ending Balance.....	28,350,765	42,331,604	54,839,749

Guarantees of Mortgage-Backed Securities

HOPE for Homeowners (H4H). When the H4H program became effective October 1, 2009, Ginnie Mae responded quickly by setting up a product under the Ginnie Mae II MBS program's multiple-issuer pool type, accepting H4H loan packages starting with November 1, 2008, pool dates. The H4H program was designed to assist homeowners facing foreclosure. It enables lenders to refinance conventional mortgages and existing government-insured or government-guaranteed mortgages into FHA-insured loans. The program ends September 30, 2011.

	ACTUAL <u>2010</u>	ESTIMATE <u>2011</u>	ESTIMATE <u>2012</u>
	(Dollars in Thousands)		
<u>HOPE for Homeowners</u>			
Beginning Balance.....	\$4,239	\$23,822	\$42,691
Issued During Year.....	19,752	19,752	N/A
Liquidation.....	<u>-169</u>	<u>-883</u>	<u>-4,218</u>
Ending Balance.....	23,822	42,691	38,473

2. Multiclass Mortgage-Backed Securities Program. In fiscal year 1994, Ginnie Mae began guaranteeing Real Estate Mortgage Investment Conduits (REMICs) and, in fiscal year 1995, the Ginnie Mae Platinum securities. A pool or trust composed of mortgages or MBS backed REMIC security. The REMIC issuer issues certificates of interest to investors and elects to be taxed under the REMIC provisions of Federal tax law (Sections 860A through 860G of the Internal Revenue Code of 1986). REMICs are multiple class securities with different maturities, typically between 2 and 20 years, or with payments based on fractions of the MBS income stream. This multiple class characteristic is what largely distinguishes REMICs from single class Mortgage-Backed Securities of the kind that Ginnie Mae has been guaranteeing since 1970.

Ginnie Mae, under its Multiclass Securities program, will guarantee only securities based on and backed by mortgage-backed securities guaranteed by Ginnie Mae. Since all Ginnie Mae-guaranteed Multiclass securities will be based on and backed by MBS issued pursuant to previously issued commitment authority, additional commitment authority will not be required for the Multiclass securities.

Ginnie Mae REMIC products allow the private sector to combine restructured cash flows from Ginnie Mae MBS (including Home Equity Conversion MBS) and other permissible REMIC securities to be tailored to meet investor's preferences. The Ginnie Mae Callable Trust products permit one investor to receive the cash flows from the underlying MBS, while another investor has the right to buy the underlying MBS, under certain circumstances, thereby calling or terminating the Callable Trust. The Ginnie Mae Stripped Mortgage-Backed Securities (SMBS) Trust program complements the REMIC program and involves the allocation of principal and interest from pass-through securities in differing proportions than exist in the underlying mortgage loans. The Ginnie Mae Excess Yield Mortgage-Backed Securities (XMBS) Trust program is a companion program to the SMBS Trust program. The XMBS Trust program seeks to allow its Issuers to securitize a portion of the servicing fees they earn on Ginnie Mae pools.

The Multiclass Program activity, which involves a Ginnie Mae guarantee on the Multiclass securities that are backed by securities already guaranteed, is shown in the following table:

Guarantees of Mortgage-Backed Securities

	ACTUAL <u>2010</u>	ESTIMATE <u>2011</u>	ESTIMATE <u>2012</u>
	(Dollars in Thousands)		
<u>MULTICLASS MBS SECURITIES</u>			
Securities Outstanding, start of year.....	\$341,400,000	\$479,950,000	\$579,720,000
Issued During Year.....	236,200,000	211,750,000	187,160,000
Principal Payments to Securities Holders.....	<u>- 97,650,000</u>	<u>-111,980,000</u>	<u>-68,470,000</u>
Securities Outstanding, end of year.....	479,950,000	579,720,000	698,410,000

Guarantees of Mortgage-Backed Securities

	ACTUAL <u>2010</u>	ESTIMATE <u>2011</u>	ESTIMATE <u>2012</u>	INCREASE + DECREASE – <u>2012 vs. 2011</u>
	(Dollars in Thousands)			
<u>SINGLE CLASS MBS</u>				
Limitation.....	\$500,000,000	\$500,000,000	\$500,000,000	...
Carryover.....	<u>95,056,871</u>	<u>197,141,471</u>	...	\$-197,141,471
Subtotal.....	595,056,871	697,141,471	500,000,000	-197,141,471
Use.....	-397,915,400	-697,141,471	-500,000,000	-197,141,471
Lapsed carry-forward limitation.....				
Subtotal.....	...	...	...	...
Guarantees:				
Issued in Year.....	412,952,657	290,000,000	278,000,000	-12,000,000
Outstanding, end of year...(see page 4).....	1,046,179,139	1,236,749,808	1,322,900,897	+86,151,089
Guarantee Fees.....	567,845	679,042	778,324	+99,282
Advances to Investors.....	2,255,675	1,147,227	1,169,680	+22,453
Default Expenses & Servicing Expenses....	152,693	239,080	216,334	-22,746
<u>MULTICLASS MBS</u>				
Guarantees:				
Issued During Year...(see page 7).....	236,200,000	211,750,000	187,160,000	-24,590,000
Outstanding, end of year.....	479,950,000	579,720,000	698,410,000	+118,690,000
Guarantee Fees.....	63,384	56,710	50,350	-6,360

Guarantees of Mortgage-Backed Securities

	ACTUAL <u>2010</u>	ESTIMATE <u>2011</u>	ESTIMATE <u>2012</u>	INCREASE + DECREASE – <u>2012 vs. 2011</u>
(Dollars in Thousands)				
<u>Program Account:</u>				
Appropriation for Administrative Expenses.....	\$11,095	\$11,095	\$30,000	\$+18,905
Collections.....	...	...	-100,000	-100,000
Budget Authority (net).....	11,095	11,095	-70,000	-81,095
Outlays (net).....	11,095	11,095	-73,000	-61,905
<u>Liquidating Account:</u>				
Budget Authority (net).....	...	...	...	...
Outlays (net).....	-334,254	123,590	92,079	-31,511
<u>Financing Account:</u>				
Budget Authority (net).....	...	...	...	...
Net Disbursements.....	5,597,754	1,567	136,454	+134,887
<u>Reserve Receipt Account:</u>				
Payment to Reserve Receipt Account.....	991,087	696,000	528,000	-168,000

3. Financing. Application fees, guarantee fees, and other charges are paid by issuers of guaranteed securities to cover Ginnie Mae's issuing and claims costs under the guarantees and to provide additional amounts to reduce the deficit. The Association may borrow from the Treasury or use permanent indefinite budget authority in order to meet obligations. However, it has not had to use that authority.

Guarantees of Mortgage-Backed Securities

The following table reflects the composition of program net income.

	ACTUAL <u>2010</u>	ESTIMATE <u>2011</u>	ESTIMATE <u>2012</u>
	(Dollars in Thousands)		
<u>Revenue:</u>			
Investment Interest.....	\$475,252	\$125,000	\$170,000
Interest Uninvested Funds.....	44,893	62,850	74,792
Guarantee Fees.....	567,845	679,042	778,324
Multiclass Fees.....	63,384	56,710	50,350
Commitment and Other Fees.....	78,473	79,495	76,463
Servicing Fee Income.....	94,467	96,429	98,354
Finance Source Transfer.....	...	720,936	...
Other Income.....	<u>19,286</u>	<u>41,453</u>	<u>42,282</u>
Subtotal.....	1,343,600	1,861,915	1,290,565
Contingency.....	-331,700	-438,495	-73,110
Total Revenue.....	1,011,900	1,423,420	1,217,455

Guarantees of Mortgage-Backed Securities

	ACTUAL <u>2010</u>	ESTIMATE <u>2011</u>	ESTIMATE <u>2012</u>
	(Dollars in Thousands)		
Expenses:			
Operating Expenses:			
Administrative Expenses.....	\$11,095	\$11,095	\$30,000
Pool Processing.....	10,398	15,501	26,293
Issuer Reviews.....	19,173	51,387	14,825
Other Contractor Expenses.....	17,522	19,825	23,346
Soldiers & Sailors Act.....	2,457	2,531	2,607
Mortgage Insurance Claims.....	7,704	7,858	8,015
Default Expenses & Servicing Expenses.....	152,693	239,080	216,746
Multiclass Expenses.....	<u>17,545</u>	<u>30,718</u>	<u>14,001</u>
Total Operating Expenses.....	238,587	377,995	335,833
Non-Operating Expenses:			
Write-Down of Assets to Lower of Cost			
Or Market.....	<u>158,486</u>	<u>228,224</u>	<u>68,523</u>
Subtotal.....	397,073	606,219	404,356
Contingency.....	73,327	121,175	61,064
Total Expenses.....	<u>470,400</u>	<u>727,394</u>	<u>465,420</u>
Net Income.....	541,500	696,026	752,035

Guarantees of Mortgage-Backed Securities

Soldiers and Sailors

Under the Servicemembers Civil Relief Act of 2003 (SCRA), Ginnie Mae's issuers may be forbidden from collecting interest in excess of 6 percent per annum on certain mortgages while the borrowers are on active military duty. Ginnie Mae reimbursement of issuers for interest shortfalls on loans eligible for interest rate reduction under the SCRA has been decreasing since fiscal year 2006. Currently, Ginnie Mae absorbs the costs of the interest reduction in all cases where a qualified (under SCRA) Reservist or member of the National Guard is called to active duty, regardless of the military effort.

**GINNIE MAE MORTGAGE-BACKED SECURITIES
FY 2012 CREDIT ON-BUDGET PRESENTATION
(Dollars in Thousands)**

BUDGET AUTHORITY

On-Budget Accounts

Liquidating Account

Gross Budget Authority.....	\$170,848
Offsetting Collections.....	<u>-170,848</u>
Net Budget Authority (Mandatory).....	...

Receipt Account

Deduction for Offsetting Receipts:

Proprietary Receipts from the Public (Discretionary).....	528,000
---	---------

Off-Budgetary Account

Financing

Gross Financing Authority.....	3,986,992
Offsetting Collections.....	<u>-3,986,992</u>
Net Financing Authority.....	...

OUTLAYS

On-Budget Accounts

Liquidating Account

Gross Outlays.....	270,946
Offsetting Collections.....	<u>-178,867</u>
Net Outlays (Mandatory).....	92,079

Guarantees of Mortgage-Backed Securities

**GINNIE MAE MORTGAGE-BACKED SECURITIES
FY 2012 CREDIT ON-BUDGET PRESENTATION
(Dollars in Thousands)**

<u>Reserve Receipt Account</u>	
Transferred from Liquidating Account.....	...
Transferred from Financing Account.....	\$528,000
<u>Program Account</u>	
Outlays (Discretionary).....	-73,000
<u>Off-Budgetary Account</u>	
<u>Financing</u>	
Gross Outlays.....	4,120,846
Offsetting Collections.....	<u>-3,986,992</u>
	133,854

Guarantees of Mortgage-Backed Securities

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
GUARANTEES OF MORTGAGE-BACKED SECURITIES
Program Offsets
(Dollars in Thousands)**

Commitment Limitation	<u>Amount</u>
2010 Appropriation	\$500,000,000
2011 CR	500,000,000
2012 Request	<u>500,000,000</u>
Program Improvements/Offsets .....	...

Guarantees of Mortgage-Backed Securities

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
GUARANTEES OF MORTGAGE-BACKED SECURITIES
Appropriations Language**

Below is the italicized appropriations language for Guarantees of Mortgage-Backed Securities.

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$500,000,000,000, to remain available until September 30, 2013: Provided, That, \$30,000,000 shall remain available until expended for personnel compensation and benefits, and other administrative expenses of the Government National Mortgage Association: Provided further, That, to the extent that guaranteed loan commitments will and do exceed \$300,000,000,000, an additional \$100 for personnel compensation and benefits, and administrative expenses shall be available until expended for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000): Provided further, That receipts from Commitment and Multiclass fees collected pursuant to Title III of the National Housing Act, as amended, shall be credited as offsetting collections to this account.

Changes from 2010 Appropriations

In 2012, the Budget requests \$30 million for the personnel costs of the Government National Mortgage Association (GNMA), to be funded by Commitment and Multiclass fees. Personnel expenses were previously funded in the "Office of Government National Mortgage Association" appropriation under the Management and Administration section of the HUD budget. This request would allow GNMA to increase its staff level to serve two purposes: to strengthen risk management and oversight, and to move in-house some functions performed by contractors. GNMA contractor expenses are funded in its liquidating account and this account will realize lower spending as a result of the movement to in-house services.

Guarantees of Mortgage-Backed Securities

**Government National Mortgage Association
MORTGAGE-BACKED SECURITIES PROGRAM
Crosswalk of 2010 Availability
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Commitment Limitation	\$500,000,000	...	...	...	\$95,056,871	\$595,056,871
Total	500,000,000	...	...	...	95,056,871	595,056,871

Guarantees of Mortgage-Backed Securities

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Crosswalk of 2011 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2011 President's Budget Request</u>	<u>2011 CR</u>	<u>2011 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2011 Resources</u>
Commitment Limitation	\$500,000,000	\$500,000,000	...	...	\$197,141,471	\$697,141,471
Total	500,000,000	500,000,000	...	...	197,141,471	697,141,471