Ginnie Mae
Our Guaranty Matters

GLOBAL MARKETS ANALYSIS REPORT

A Monthly Publication of Ginnie Mae's Office of Capital Markets

February 2025

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Inside this Month's Global Markets Analysis Report...

The February 2025 *Highlights* discuss the impact of policy rate divergence and how it ties into declining hedging costs on US fixed-income securities for Japanese investors. Additionally, the *Highlights* showcases the rising returns on hedged Ginnie Mae mortgage-backed-securities (MBS), and how that may lure increased demand from foreign investors.

Notable insights in this month's Global Markets Analysis Report include the following:

- The Fixed Income Product Performance Comparisons section shows that Ginnie Mae's MBS continue to offer attractive yields relative to sovereign debt with comparable durations globally.
- The Single-Family MBS Pass-Through Issuance section captures the leading role government lending/mortgage insurance programs play in the post-pandemic mortgage market. Gross and net issuance of Single-Family (SF) Ginnie Mae pass-throughs exceed that of both Fannie Mae and Freddie Mac.
- The SOMA Holdings section captures the Federal Reserve's (Fed) Chairman Jerome Powell's comments regarding the Fed's decision to keep the policy rate unchanged in January as well as recent activity in the Systems Open Market Account (SOMA) portfolio.
- The Housing Affordability - Affordability Index section shows how homebuyer affordability has decreased for families purchasing median priced homes. Accordingly, the homebuyer monthly payment figure shows how monthly payments have increased for first-time homebuyers.

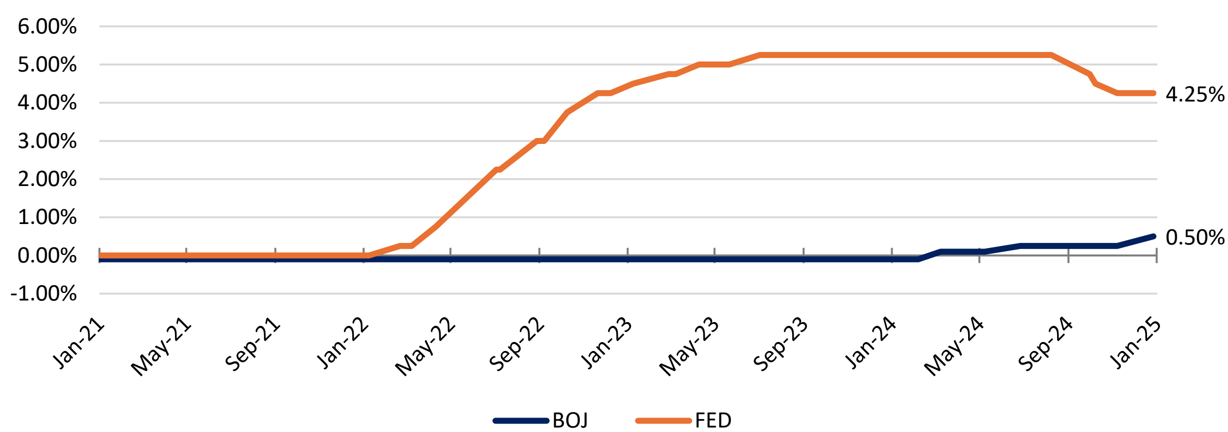
Highlights

Beginning in March 2021, the Bank of Japan (BOJ) maintained an ultra-loose monetary policy, keeping its short-term interest rate at -0.1% under its Negative Interest Rate Policy (NIRP) while controlling the yield curve through its Yield Curve Control (YCC) framework. In March 2024, the BOJ ended NIRP and abandoned YCC, raising its policy rate for the first time in 17 years. By January 2025, Japan's policy rate increased to 0.50%, with the BOJ stating, "…economic activity and prices have been developing generally in line with the Bank's outlook, and the likelihood of realizing the outlook has been rising." In its summary of opinions from the January 2025 meeting, the BOJ also noted its outlook on future policy adjustments, stating, "If economic activity and prices remain on track, it will be necessary for the Bank to continue to raise the policy interest rate accordingly."[1]

During the same period, the United States (U.S.) Federal Reserve took a more aggressive approach, hiking its policy rate from the zero-lower bound in March 2022 to a peak of 5.25–5.50% by mid-2023 in an effort to combat high inflation. Since then, the Fed has loosened its target range moderately, while closely monitoring continued elevated inflation. At its January 2025 meeting, the Federal Open Market Committee (FOMC) decided to hold the target rate steady at 4.25–4.50%. Commenting on the Fed's policy stance, Chair Jerome Powell stated, "With our policy stance significantly less restrictive than it had been, and the economy remaining strong, we do not need to be in a hurry to adjust our policy stance."[2]

Figure 1 illustrates the divergence in monetary policy adjustments between the Fed and the BOJ over the past four years. While the Fed began cutting rates in late 2024, the prolonged policy divergence had already contributed to significant yen depreciation, increased hedging costs, and shifts in global investment trends.

Figure 1. Central Bank Policy Rate Targets



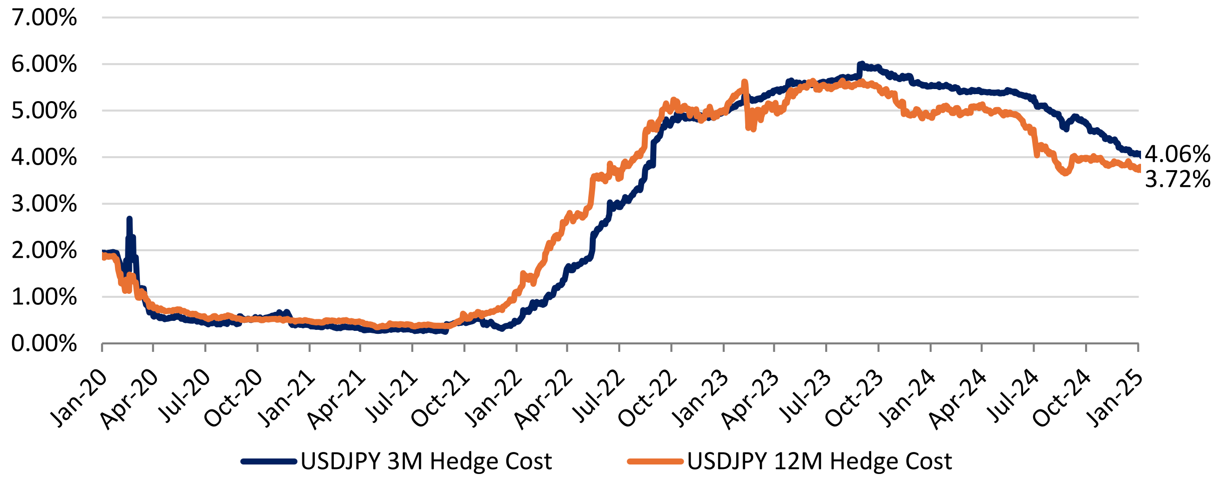
Source: Bloomberg. Note Federal Funds lower bound target range is shown.

Figure 2 shows the three-month and twelve-month currency hedge costs for yen-based investors. The rapid rise in hedging costs was primarily driven by the widening gap in short-term interest rates between the U.S. and Japan. Hedge costs peaked in 2023 and have since declined due to recent policy

[1] *Summary of Opinions at the Monetary Policy Meeting on January 23 and 24, 2025*
[2] *Transcript of Chair Powell's Press Conference -- January 29, 2025*

adjustments in both economies and evolving expectations regarding the future path of monetary policy. As of January 2025 month-end, USD/JPY hedge costs are at their lowest levels since late September 2022.

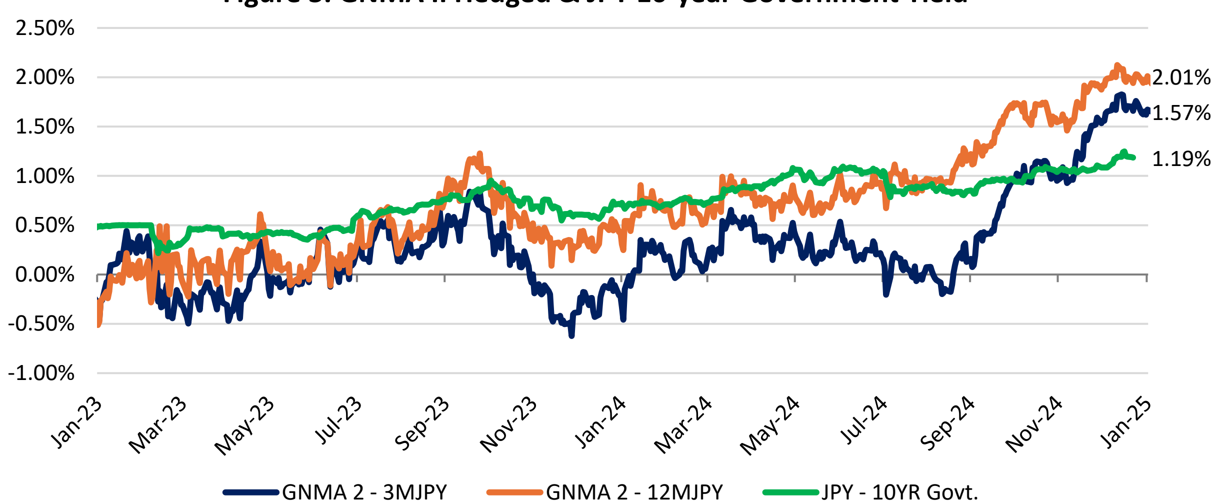
Figure 2. USD/JPY Hedge Cost



Source: Bloomberg[3]

As hedging costs decline, U.S. fixed-income investments have become more attractive to Japanese investors, indicating the potential for increased demand for Agency mortgage-backed securities (MBS). Japan is already the largest foreign holder of Agency debt, with over $268 billion in holdings. **Figure 3** shows the hedged returns on Ginnie Mae II securities for Japanese investors as of January 2025 month-end. Over the past two years, hedged yields in this sector have risen notably. Furthermore, hedged returns on Ginnie Mae products have now surpassed the yield on Japanese 10-year government bonds. With hedge costs decreasing and hedged yields exceeding domestic sovereign bond yields, Japanese demand for Ginnie Mae securities may increase.

Figure 3. GNMA II Hedged & JPY 10-year Government Yield



Source: Bloomberg

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[3] *Three-month currency hedge cost is on an annualized basis*

Hedging is a crucial consideration for foreign investors, particularly in volatile market conditions. In recent years, several banks reported significant losses on their investment portfolios due to foreign-currency funding costs outweighing the returns on their invested fixed income securities.[4] As global markets remain uncertain, foreign investors should carefully assess currency risk and hedging strategies to ensure sustainable returns on their fixed-income investments.

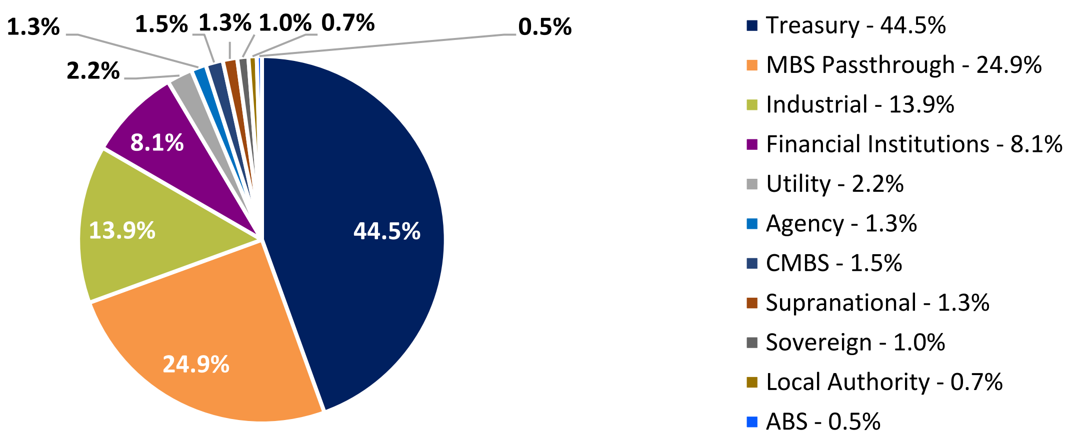
[4] Norinchukin Warns Loss May Exceed $9.7 Billion as Rates Rise - Bloomberg

1 US AGGREGATE AND GLOBAL INDICES

1.1 Bloomberg US Aggregate and Global Indices

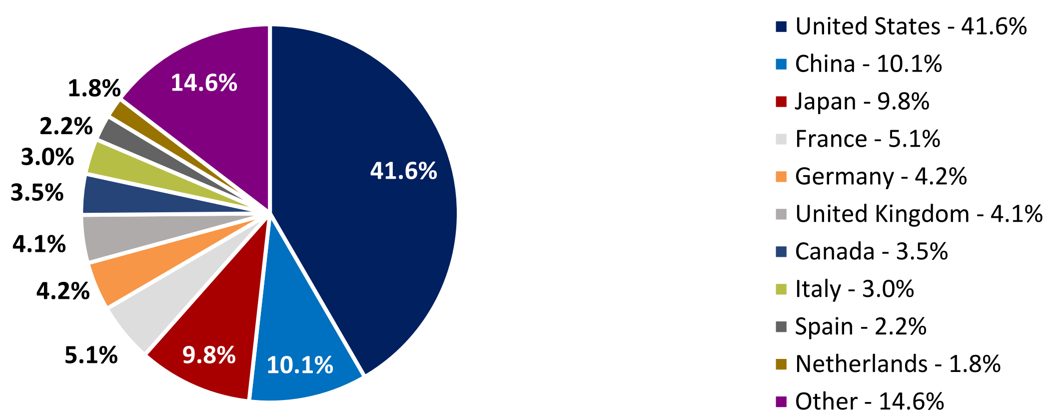
At month-end January 2025, U.S. Treasuries contributed 44.5% to the Bloomberg U.S. Aggregate Index, increasing approximately 0.3% from the prior month. U.S. Agency MBS Passthrough (Ginnie Mae, Fannie Mae, and Freddie Mac) contributed 24.9%, decreasing approximately 0.1% from the prior month. Industrials decreased 0.1% from the prior month. All other changes in the U.S. Aggregate Index were no larger than 0.1%.

Figure 4. Bloomberg U.S. Aggregate Index



In the Bloomberg Global Aggregate Index by Country, the U.S. share of fixed income remained the largest share of total outstanding issuance, representing 41.6% of the total index, increasing approximately 0.2% from the prior month. China's share of fixed income was the second largest with 10.1% at month end of January 2025. Japan's share was the third largest at 9.8% as of month end January 2025. Japan's share of fixed income decreased from the prior month by 0.1% and China's share of fixed income decreased by 0.1% from the prior month. All other countries listed remained stable compared to the prior month with no changes larger than 0.1%.

Figure 5. Bloomberg Global Aggregate Index by Country



Source: Bloomberg [both charts]. Note: Data as of January 2025. Figures in charts may not add to 100% due to rounding

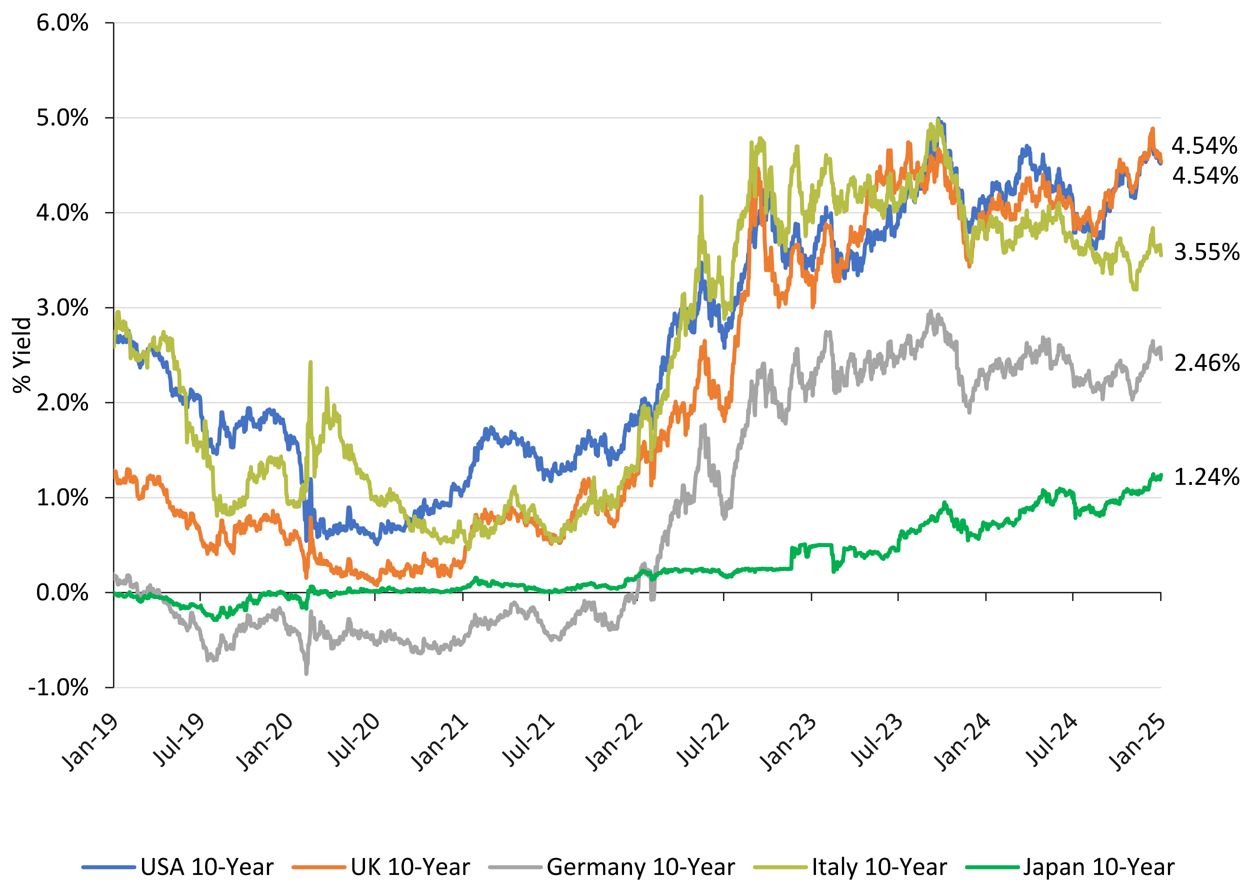
2 SOVEREIGN DEBT PRODUCT PERFORMANCE COMPARISONS

2.1 Global 10-Year Treasury Yields (Unhedged)

The U.S. 10-year Treasury yield moved to 4.54% at month-end January 2025, a month to month (MtM) decrease of 3 bps. In August 2024, U.S. 10-year Treasury note rates dropped below UK 10-year note rates, marking the first time since October of 2023 that U.S. 10-year was not the highest government yield amongst the countries listed below. The German, Italian, and Japanese yields all increased while the United Kingdom (UK) month-end yield decreased from the previous month.

- The yield on the UK 10-year note decreased to 4.54% at month-end January, a MtM decrease of 2 bps.
- The yield on the German 10-year note increased to 2.46% at month-end January, a MtM increase of 10 bps.
- The yield on the Italian 10-year note increased to 3.55% at month-end January, a MtM increase of 3 bps.
- The yield on the Japanese 10-year note increased to 1.24% at month-end January, a MtM increase of 15 bps.

Figure 6. Global 10-Year Treasury Yields



Source: Bloomberg. Note: Data as of January 2025.

2.2 U.S. Treasury Hedged Yields

- The yield for the 10-year Treasury, hedged in Japanese Yen (JPY), stood at 0.82% at month-end January 2025, an 8 bp increase from month-end December 2024.
- The yield for the 10-year Treasury, hedged in Euros (EUR), stood at 2.57% at month-end January 2025, a 3 bp decrease from month-end December 2024.

Figure 7. U.S. 10 yr Total Return Hedged, 1 yr JPY

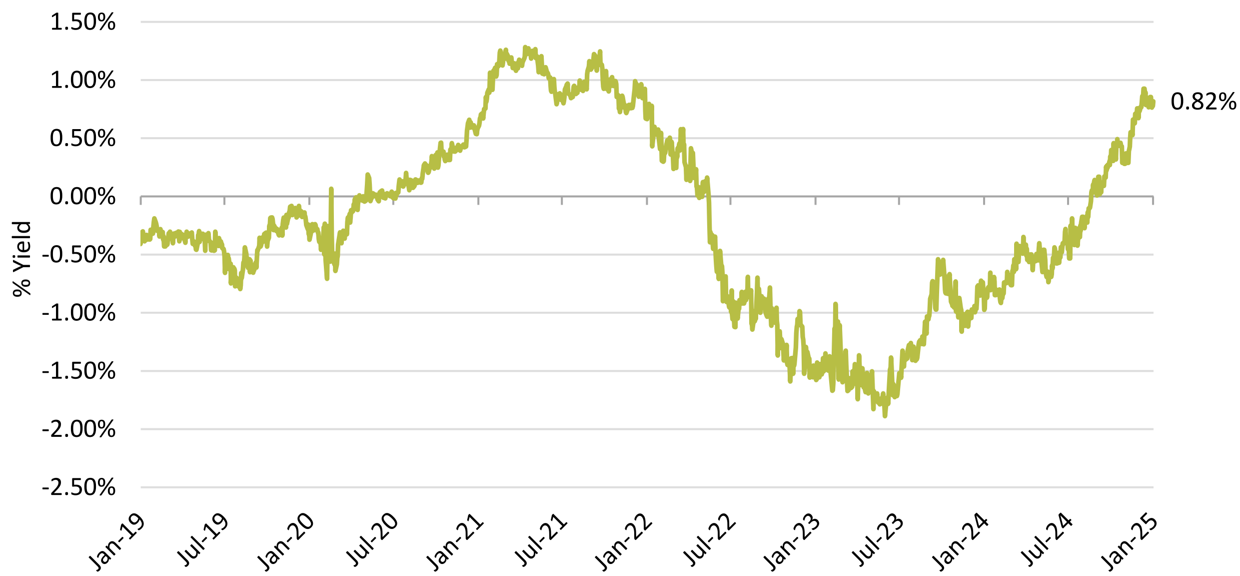
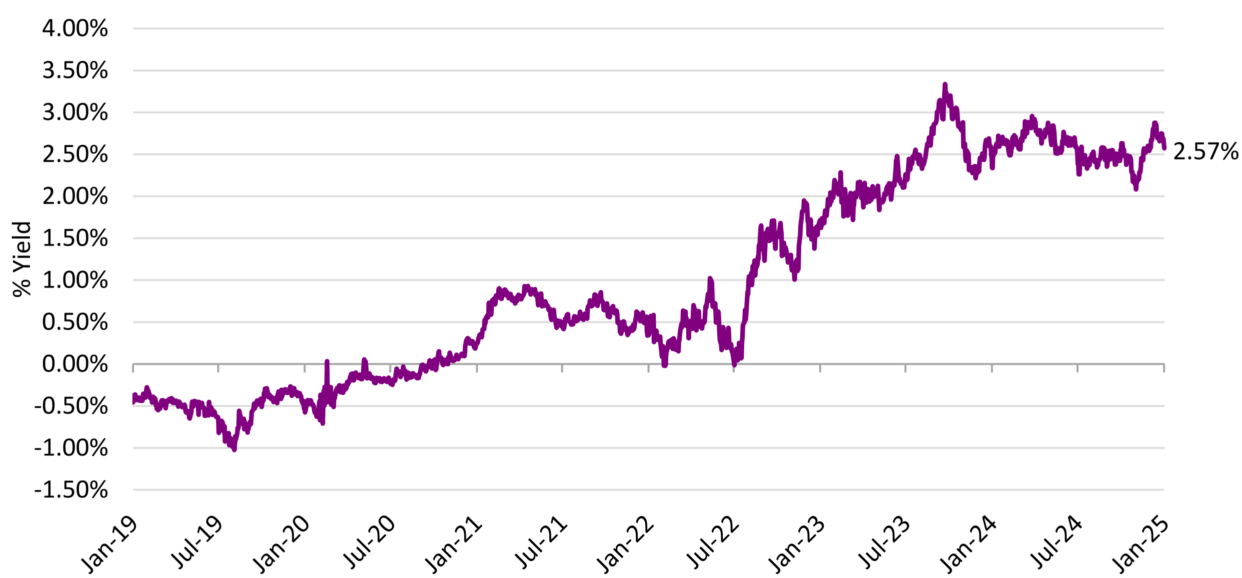


Figure 8. U.S. 10 yr Total Return Hedged, 1 yr EUR



Source: Bloomberg. Notes: Data as of January 2025. The 10 yr Total Return Hedged Yields are calculated by taking the 10 yr treasury yield and subtracting the 1 yr hedge cost for JPY and EUR.

SECONDARY MORTGAGE MARKET

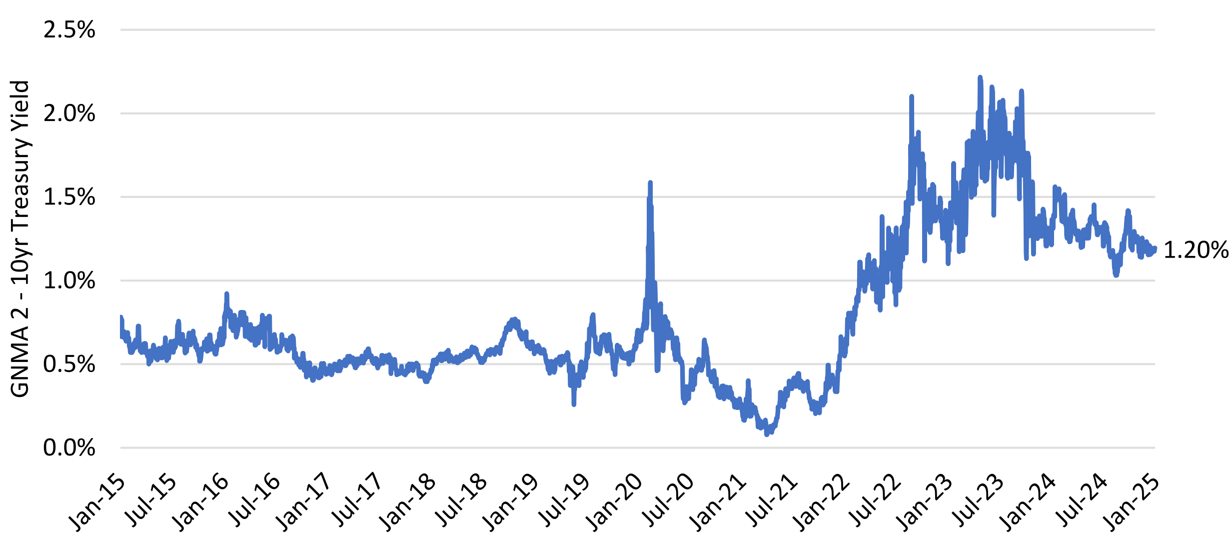
3 FIXED INCOME PRODUCT PERFORMANCE COMPARISONS

3.1 Ginnie Mae Yields – USD

Ginnie Mae II yields were 5.43% at month end November 2024, then increased 32 bps to 5.75% at month end December 2024, then decreased 1 bps to 5.74% at month end January 2025. The Ginnie Mae II spread over the U.S. 10-year Treasury yield decreased 8 bps from 1.28% in January 2024 to 1.20% over the U.S. 10-year Treasury yield as of month-end January 2025.

Figure 9. Ginnie Mae II SF Yield, USD

Figure 10. Ginnie Mae II SF Yield – U.S. 10yr Treasury Yield



Source: Bloomberg. Note: Data as of January 2025.

3.2 Ginnie Mae Hedged Yields

The yield for Ginnie Mae IIs hedged in Japanese Yen stood at 2.01% at month-end January 2025, a 9 bp increase from month-end December 2024. The hedged yield is approximately 77 bps higher than the Japanese 10-year yield as of month-end January 2025.

The yield for Ginnie Mae IIs hedged in Euros stood at 3.77% at month-end January 2025, a 2 bp decrease from month-end December 2024. The hedged yield is approximately 131 bps higher than the German 10-year yield, and 22 bps higher than the Italian 10-year yield as of month-end January 2025.

Figure 11. Ginnie Mae II Hedged, 1 yr. JPY

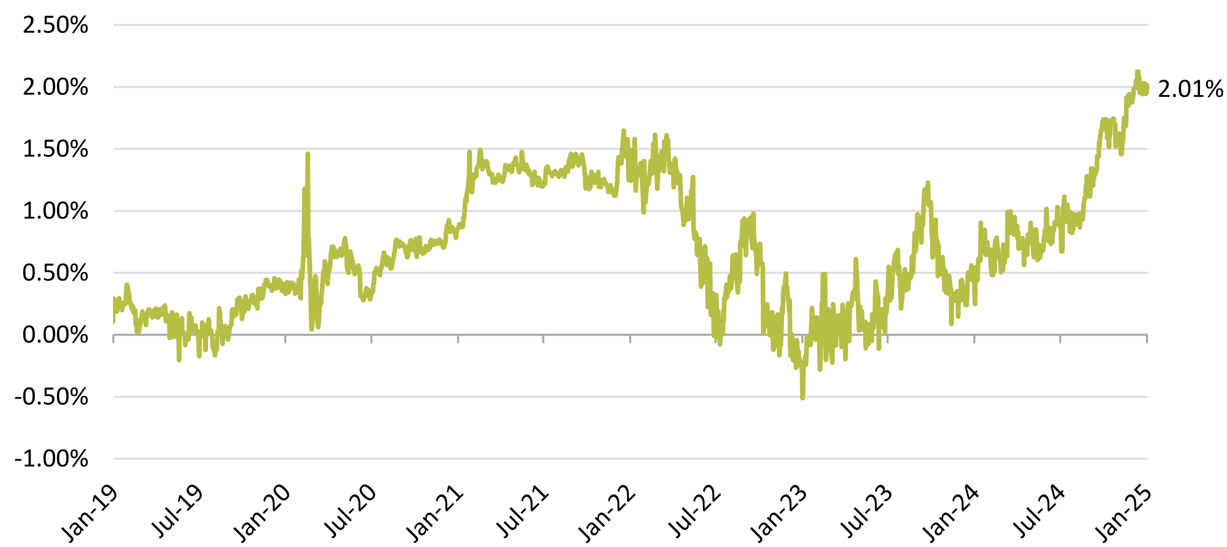
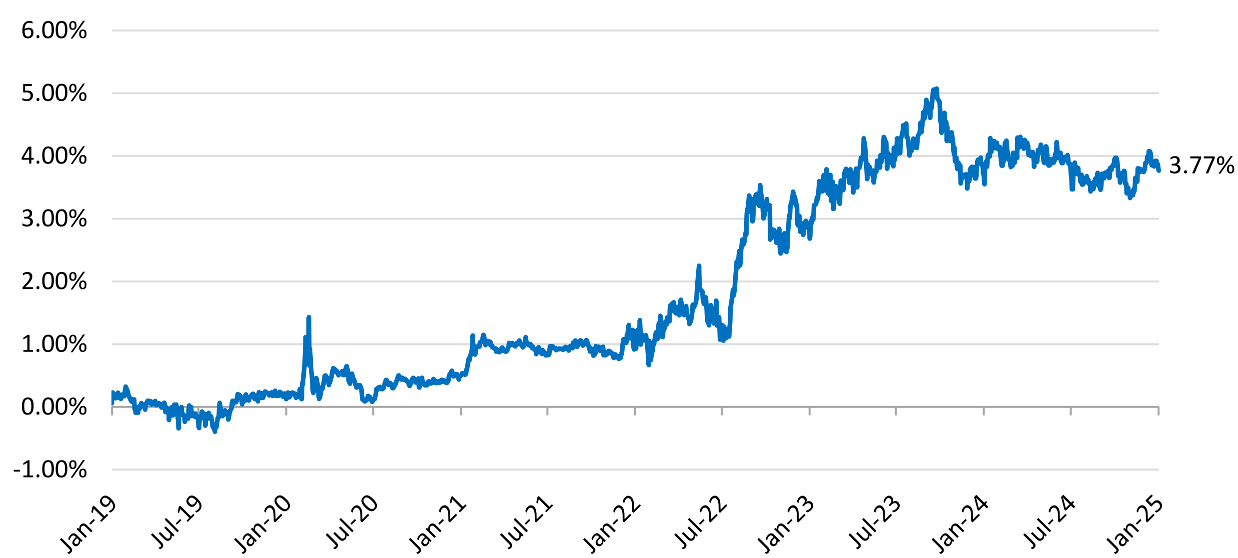


Figure 12. Ginnie Mae II Hedged, 1 yr. EUR



Source: Bloomberg. Notes: Data as of January 2025. The Ginnie Mae II Hedged Yields are calculated by taking the Ginnie Mae II Yield and subtracting the 1yr hedge cost for JPY and EUR.

3.3 Ginnie Mae Yield Spreads – Intermediate Credit

The GNMA II 30-year OAS decreased 21 bps to 0.21%, as of month-end January 2025. The U.S. Intermediate Credit OAS decreased 3 bps to 0.63% from month-end December 2024 to month-end January 2025. The yield differential between U.S. Intermediate Credit and GNMA II 30-year OAS increased approximately 18 bps to 0.42% at month-end January 2025.

Figure 13. U.S. GNMA II 30yr MBS OAS versus U.S. Intermediate Credit OAS

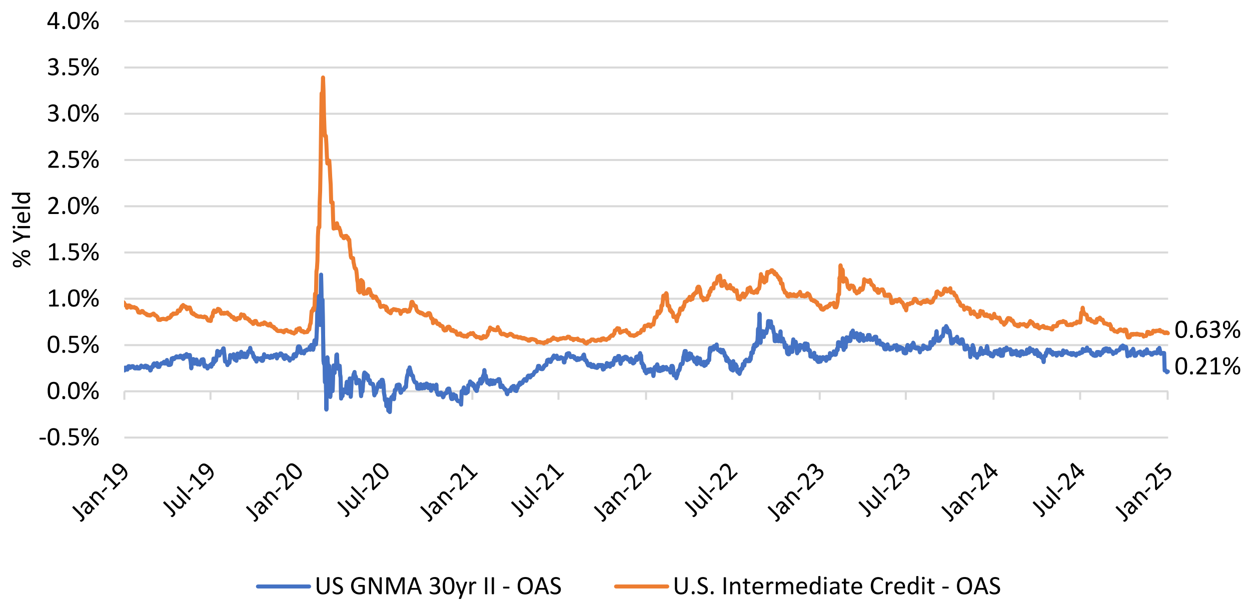


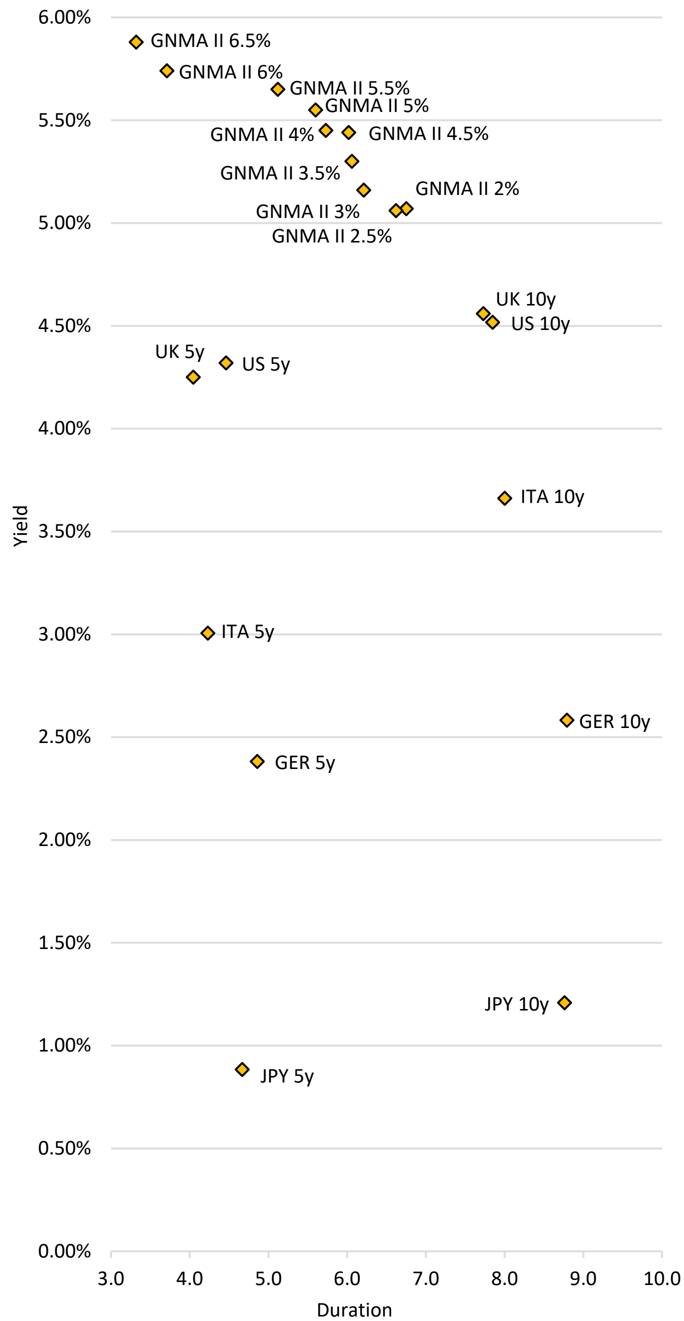
Figure 14. Spread between U.S. Intermediate Credit and U.S. GNMA II 30yr MBS OAS

Source: Bloomberg. Note: Data as of January 2025.

3.4 Global Treasury Yield Per Duration

Ginnie Mae MBS continues to offer a higher yield in comparison to other government fixed income securities of various tenors with similar or longer duration.

Figure 15. Yield vs. Duration



Security	Duration	Yield (%)
U.S. 5y	4.46	4.32
U.S. 10y	7.85	4.52
JPY 5y	4.67	0.88
JPY 10y	8.76	1.21
GER 5y	4.86	2.38
GER 10y	8.79	2.58
ITA 5y	4.23	3.01
ITA 10y	8.00	3.66
UK 5y	4.04	4.25
UK 10y	7.73	4.56
GNMA II 2%	6.75	5.07
GNMA II 2.5%	6.62	5.06
GNMA II 3%	6.21	5.16
GNMA II 3.5%	6.06	5.30
GNMA II 4%	5.73	5.45
GNMA II 4.5%	6.02	5.44
GNMA II 5%	5.60	5.55
GNMA II 5.5%	5.12	5.65
GNMA II 6%	3.71	5.74
GNMA II 6.5%	3.32	5.88

Source: Bloomberg. Note: Yield and modified duration for GNMA II securities is based on median prepayment assumptions from surveyed Bloomberg participants. All data is as of January 2025. Yields are in base currency of security, unhedged and rounded to nearest bp.

4 PREPAYMENTS

4.1 Aggregate Prepayments (CPR)

Freddie Mac's fixed rate aggregate prepayment speeds decreased by 0.7% MtM from December 2024 to January 2025. Fannie Mae CPRs decreased by 0.8% MtM and Ginnie Mae CPRs decreased by 0.7% MtM. ARM prepayments saw a decrease of 2.0% MtM for Freddie Mac and increases of 0.4% MtM for Fannie Mae and 3.2% MtM for Ginnie Mae.

Figure 16. Fixed Rate Aggregate 1-Month CPR

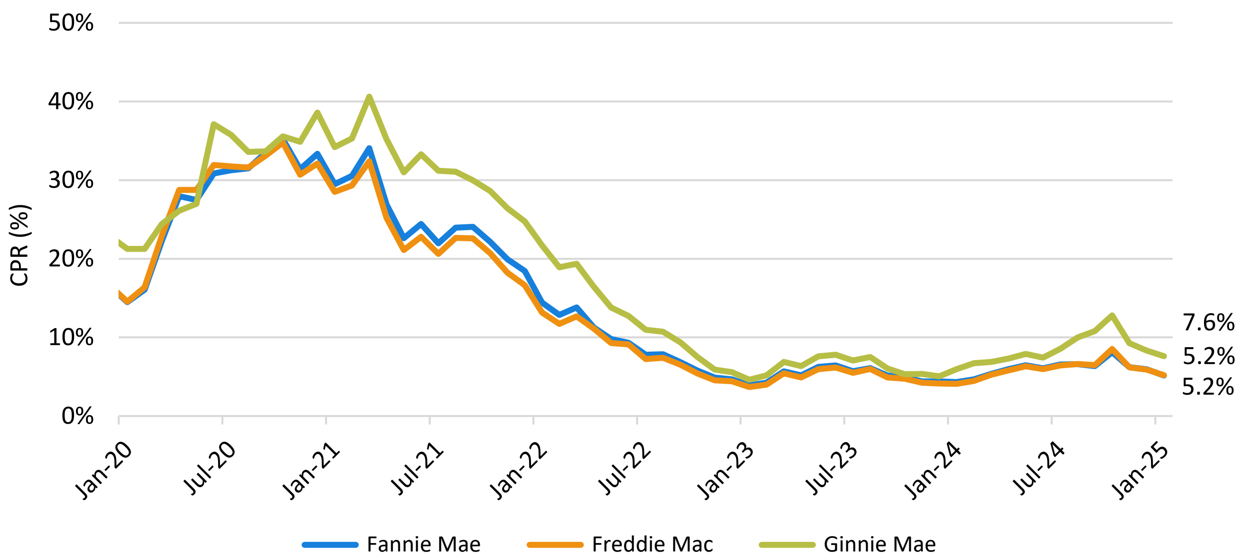
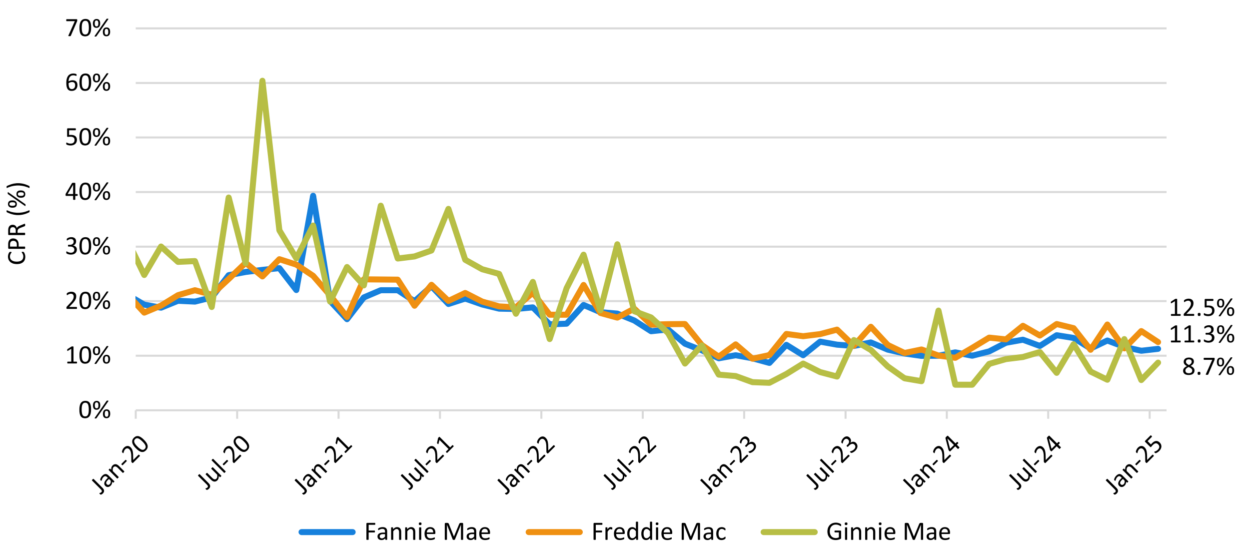


Figure 17. ARM Aggregate 1-Month CPR



Source: Recursion. Note: Data as of January 2025. Figures are rounded to the nearest tenth.

4.2 Involuntary Prepayments (CDR)

Fixed rate involuntary prepayments remained higher for Ginnie Mae than for the government sponsored entities (GSEs). The spread in prepayment speeds between Ginnie Mae and GSE prepayments has converged significantly since Ginnie Mae's peak of 12.4 CDR in June 2020. ARM CDRs for Freddie Mac continued to remain below Ginnie Mae as of month-end January 2025 after slightly overtaking Ginnie Mae in September 2022.

Figure 18. Fixed Rate Aggregate CDR

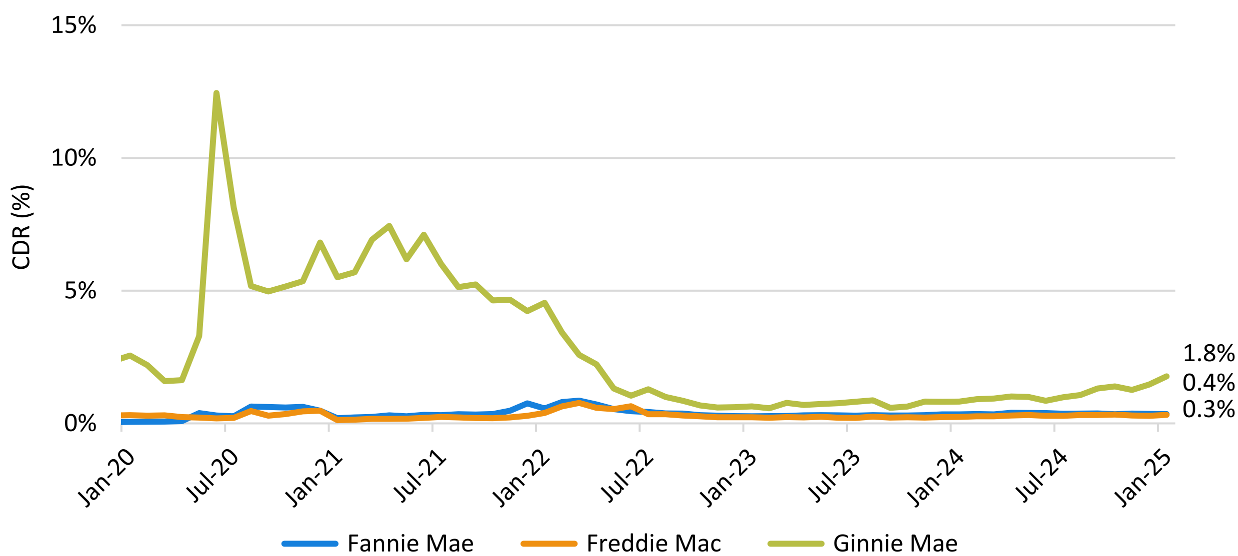
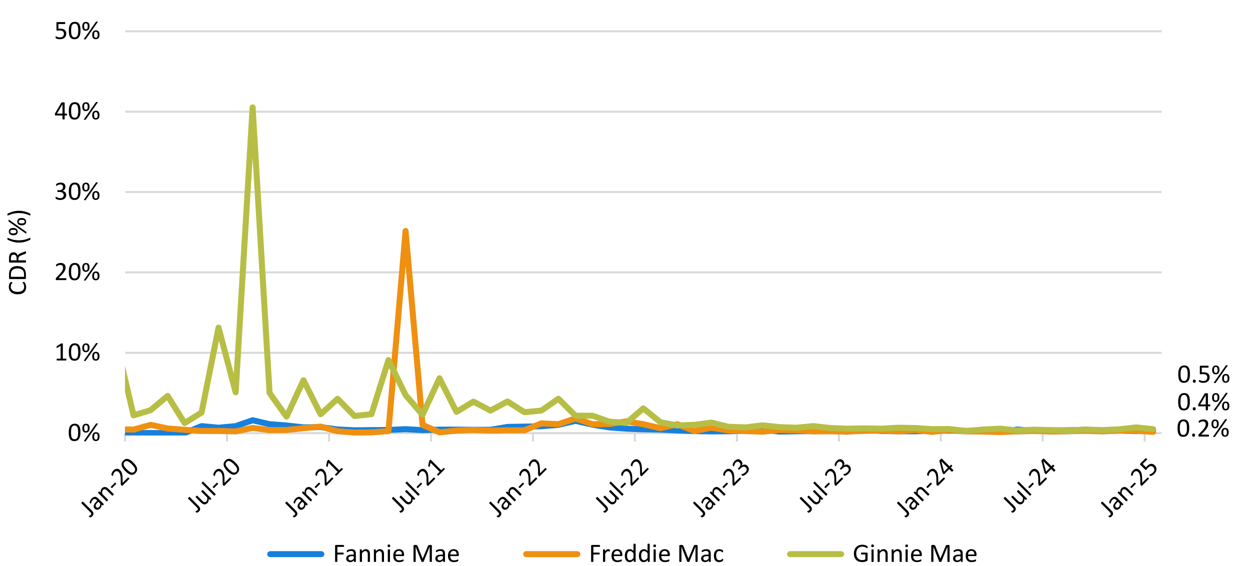


Figure 19. ARM Aggregate CDR



Source: Recursion. Note: Data as of January 2025.

4.3 Voluntary Prepayment Rates (CRR)

Fixed rate voluntary prepayments were higher for Ginnie Mae than Fannie Mae and Freddie Mac. Fannie Mae saw a decrease of 0.8% MtM and Ginnie Mae saw a decrease of 1.0% MtM in fixed rate aggregate CRR. Fannie Mae saw an increase of 0.3% MtM in ARM aggregate CRR, and Ginnie Mae saw a 3.4% increase MtM. Freddie Mac's fixed rate aggregate CRR decreased by 0.8% MtM and ARM aggregate CRR decreased by 1.9% MtM.

Figure 20. Fixed Rate Aggregate CRR

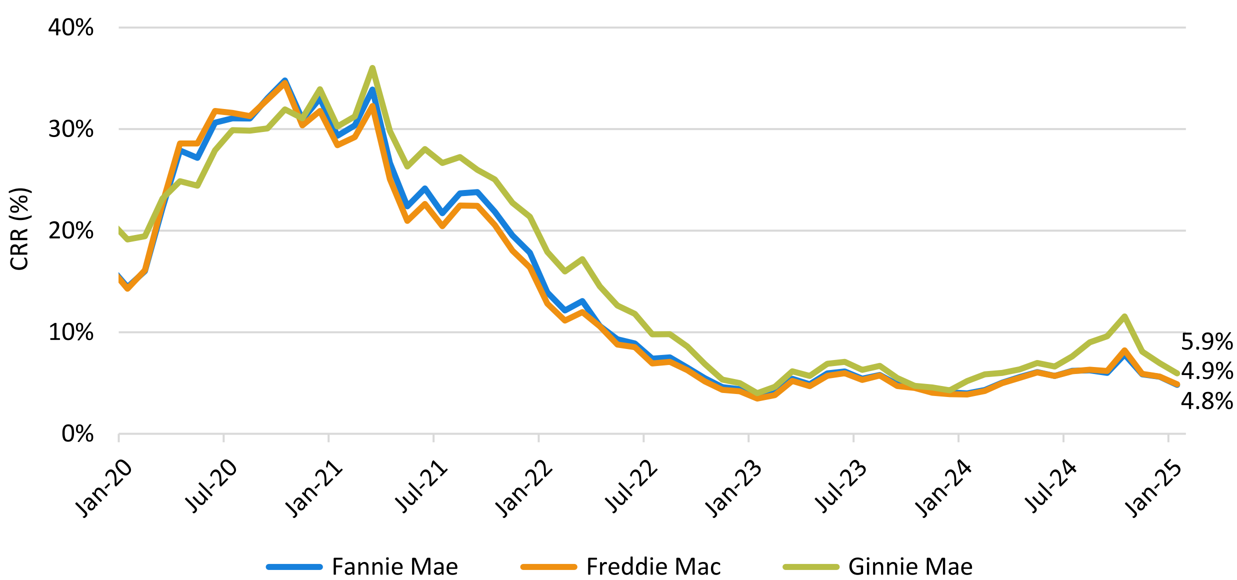
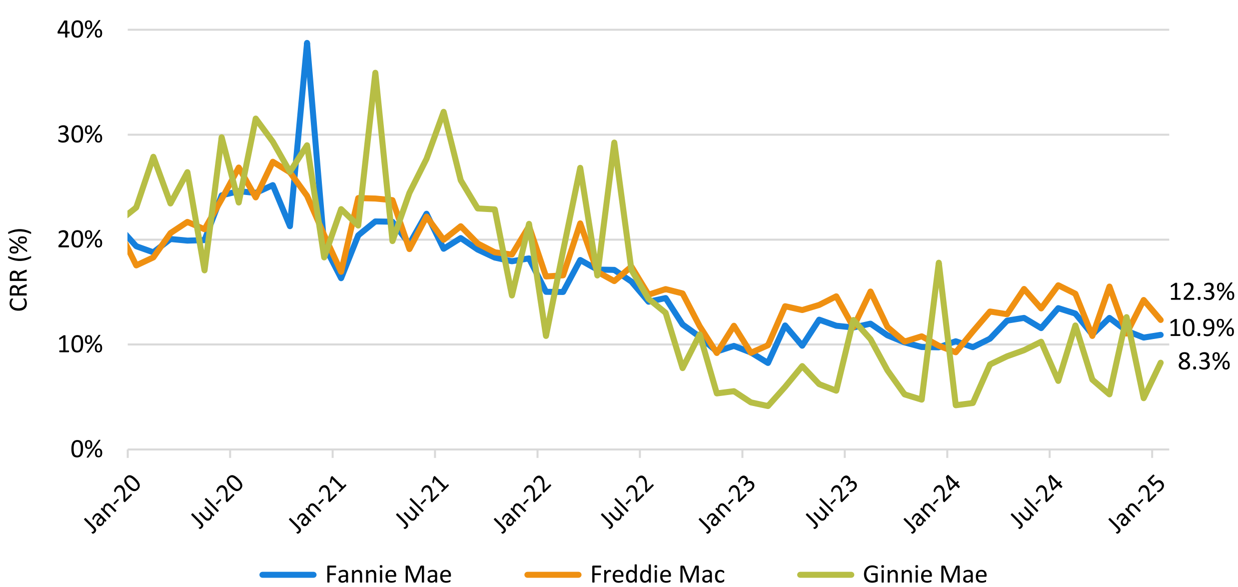


Figure 21. ARM Aggregate CRR



Source: Recursion. Note: Data as of January 2025.

5 SINGLE-FAMILY MBS PASS-THROUGH ISSUANCE

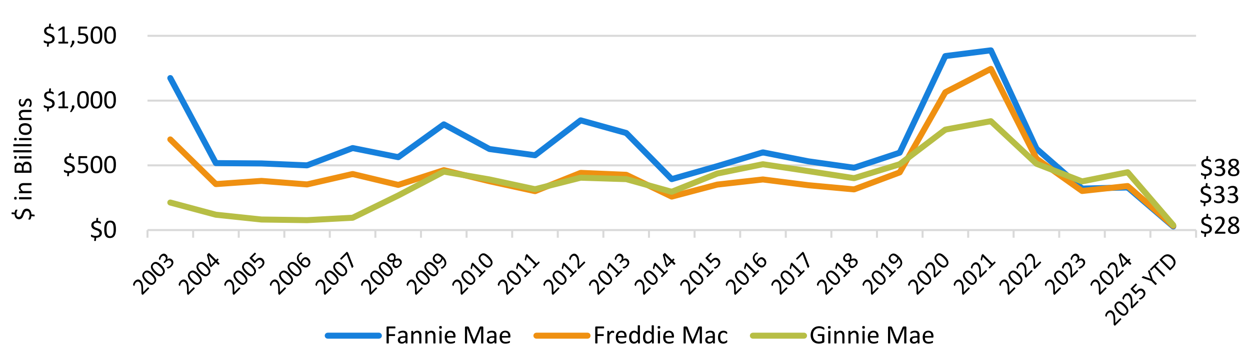
5.1 Gross Issuance of Agency MBS

In January 2025, total gross MBS issuance was approximately $98.7 billion. Of the $98.7 billion total gross issuance in January 2025, Freddie Mac and Fannie Mae issued $32.9 and $27.7 billion, respectively. Ginnie Mae's gross issuance for January was $38.1 billion. Ginnie Mae's January 2025 monthly gross issuance exceeded that of both Fannie and Freddie.

Table 1. Agency Gross Issuance ($ in billions)

Issuance Year	Fannie Mae	Freddie Mac	GSE Total	Ginnie Mae	Total
2003	$1,174.4	$700.5	$1,874.9	$213.1	$2,088.0
2004	$517.5	$355.2	$872.6	$119.2	$991.9
2005	$514.1	$379.9	$894.0	$81.4	$975.3
2006	$500.2	$352.9	$853.0	$76.7	$929.7
2007	$633.0	$433.3	$1,066.2	$94.9	$1,161.1
2008	$562.7	$348.7	$911.4	$267.6	$1,179.0
2009	$817.1	$462.9	$1,280.0	$451.3	$1,731.3
2010	$626.6	$377.0	$1,003.5	$390.7	$1,394.3
2011	$578.2	$301.2	$879.3	$315.3	$1,194.7
2012	$847.6	$441.3	$1,288.8	$405.0	$1,693.8
2013	$749.9	$426.7	$1,176.6	$393.6	$1,570.2
2014	$392.9	$258.0	$650.9	$296.3	$947.2
2015	$493.9	$351.9	$845.7	$436.3	$1,282.0
2016	$600.5	$391.1	$991.6	$508.2	$1,499.8
2017	$531.3	$345.9	$877.3	$455.6	$1,332.9
2018	$480.9	$314.1	$795.0	$400.6	$1,195.6
2019	$597.4	$445.2	$1,042.6	$508.6	$1,551.2
2020	$1,343.4	$1,064.1	$2,407.5	$775.4	$3,182.9
2021	$1,388.0	$1,245.1	$2,633.1	$840.9	$3,474.0
2022	$628.3	$551.6	$1,179.9	$512.3	$1,692.2
2023	$320.3	$301.4	$621.8	$375.5	$997.3
2024	$328.8	$340.8	$669.6	$447.0	$1,116.6
2025 YTD	$27.7	$32.9	$60.6	$38.1	$98.7

Figure 22. Agency Gross Issuance

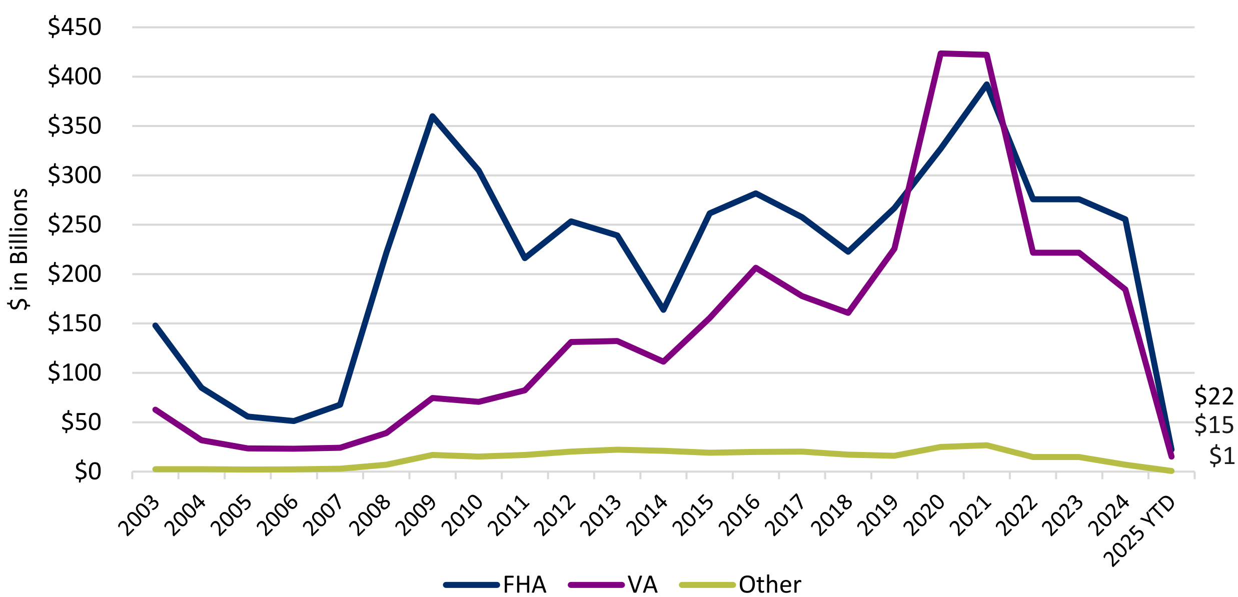


Source: Recursion beginning 2021, data prior was sourced from eMBS and Urban Institute. Note: Numbers are rounded to the nearest hundred million. For sums, like "GSE Total", the values are rounded after the exact underlying values are summed. As a result, some sums may not appear to match the sum of their rounded component values.

Table 2. Ginnie Mae Gross Issuance Collateral Composition ($ in billions)

Issuance Year	FHA	VA	Other	Total
2003	$147.9	$62.7	$2.5	$213.1
2004	$85.0	$31.8	$2.5	$119.2
2005	$55.7	$23.5	$2.1	$81.4
2006	$51.2	$23.2	$2.3	$76.7
2007	$67.7	$24.2	$3.0	$94.9
2008	$221.7	$39.0	$6.9	$267.6
2009	$359.9	$74.6	$16.8	$451.3
2010	$304.9	$70.6	$15.3	$390.7
2011	$216.1	$82.3	$16.9	$315.3
2012	$253.4	$131.3	$20.3	$405.0
2013	$239.2	$132.2	$22.2	$393.6
2014	$163.9	$111.4	$21.0	$296.3
2015	$261.5	$155.6	$19.2	$436.3
2016	$281.8	$206.5	$19.9	$508.2
2017	$257.6	$177.8	$20.2	$455.6
2018	$222.6	$160.8	$17.2	$400.6
2019	$266.9	$225.7	$16.0	$508.6
2020	$327.0	$423.5	$24.9	$775.4
2021	$392.2	$422.1	$26.7	$840.9
2022	$275.8	$221.7	$14.8	$512.3
2023	$227.6	$140.3	$7.7	$375.5
2024	$255.6	$184.4	$7.0	$447.0
2025 YTD	$22.2	$15.2	$0.6	$38.1

Figure 23. Ginnie Mae Gross Issuance



Source: Recursion beginning 2021, data prior was sourced from eMBS and Urban Institute. Note: Numbers are rounded to the nearest hundred million. For sums, like "Total", the values are rounded after the exact underlying values are summed. As a result, some sums may not appear to match the sum of their rounded component values.

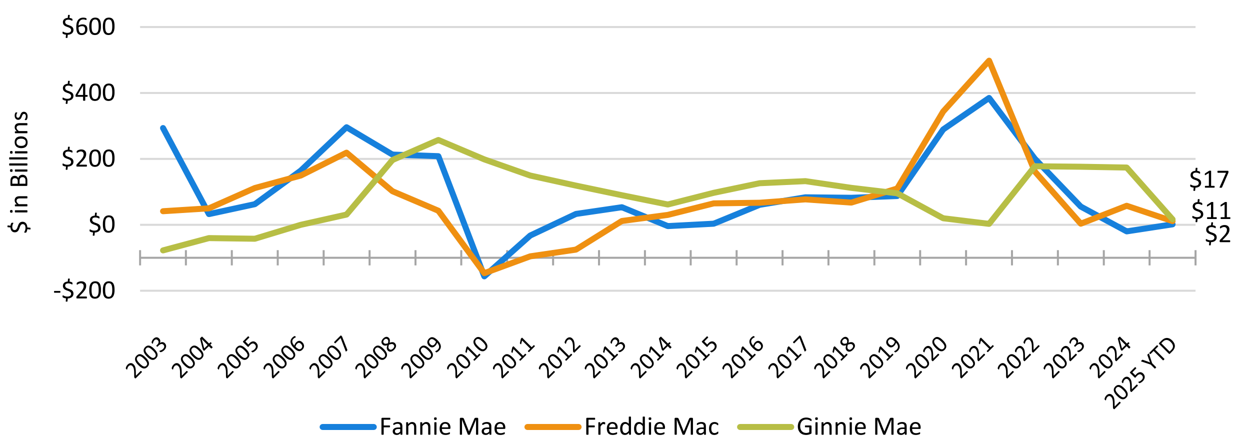
5.2 Net Issuance of Agency MBS

Agency Net Issuance as of month-end January 2025 was $29.3 billion for 2025 YTD, as shown in **Table 3.** Ginnie Mae has the largest net issuance YTD, totaling $16.5 billion as of month-end January 2025. Since 2022, FHA net issuance has outpaced VA net issuance, as shown in **Table 4** and **Figure 25.**

Table 3. Agency Net Issuance ($ in billions)

Issuance Year	Fannie Mae	Freddie Mac	GSE Total	Ginnie Mae	Total
2003	$293.7	$41.1	$334.9	-$77.6	$257.3
2004	$32.3	$50.2	$82.5	-$40.1	$42.4
2005	$62.5	$111.7	$174.2	-$42.2	$132.0
2006	$164.3	$149.3	$313.6	$0.2	$313.8
2007	$296.1	$218.8	$514.9	$30.9	$545.7
2008	$213.0	$101.8	$314.8	$196.4	$511.3
2009	$208.1	$42.5	$250.6	$257.4	$508.0
2010	-$156.4	-$146.8	-$303.2	$198.3	-$105.0
2011	-$32.6	-$95.8	-$128.4	$149.6	$21.2
2012	$32.9	-$75.3	-$42.4	$119.1	$76.8
2013	$57.5	$11.6	$69.1	$87.9	$157.0
2014	$0.5	$30.0	$30.5	$61.6	$92.1
2015	$10.2	$65.0	$75.1	$97.3	$172.5
2016	$68.6	$66.8	$135.5	$124.9	$260.4
2017	$90.2	$78.2	$168.5	$131.2	$299.7
2018	$79.4	$68.4	$147.7	$113.9	$261.6
2019	$87.4	$110.3	$197.7	$95.7	$293.5
2020	$289.3	$343.5	$632.8	$19.9	$652.7
2021	$384.9	$498.0	$882.9	$2.7	$885.6
2022	$200.4	$161.5	$361.9	$177.4	$539.4
2023	$55.3	$3.3	$58.6	$176.3	$235.0
2024	-$19.9	$57.9	$38.0	$173.8	$211.8
2025 YTD	$1.5	$11.3	$12.8	$16.5	$29.3

Figure 24. Agency Net Issuance

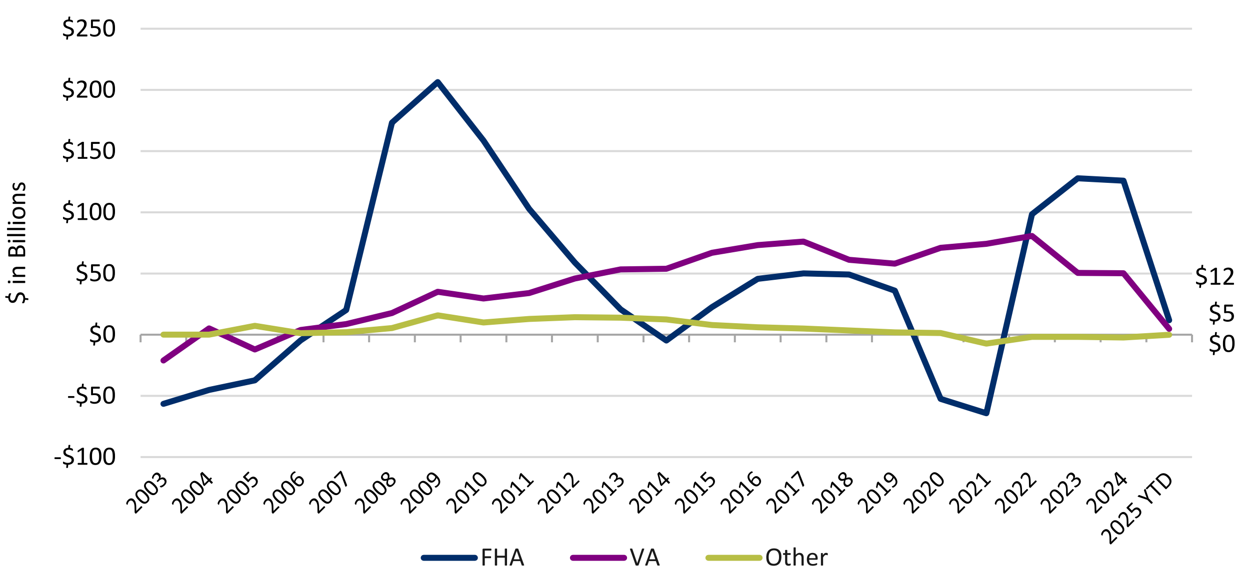


Source: Recursion beginning 2021, data prior was sourced from eMBS and Urban Institute. Note: Numbers are rounded to the nearest hundred million. For sums, like "GSE Total", the values are rounded after the exact underlying values are summed. As a result, some sums may not appear to match the sum of their rounded component values.

Table 4. Ginnie Mae Net Issuance Collateral Composition ($ in billions)

Issuance Year	FHA	VA	Other	Total
2003	-$56.5	-$21.1	$0.0	-$77.6
2004	-$45.2	$5.1	$0.0	-$40.1
2005	-$37.3	-$12.1	$7.2	-$42.2
2006	-$4.7	$3.8	$1.2	$0.2
2007	$20.2	$8.7	$2.0	$30.9
2008	$173.3	$17.7	$5.4	$196.4
2009	$206.4	$35.1	$15.8	$257.4
2010	$158.6	$29.6	$10.0	$198.3
2011	$102.8	$34.0	$12.8	$149.6
2012	$58.9	$45.9	$14.3	$119.1
2013	$20.7	$53.3	$13.9	$87.9
2014	-$4.8	$53.9	$12.5	$61.6
2015	$22.5	$66.9	$7.9	$97.3
2016	$45.6	$73.2	$6.0	$124.9
2017	$50.1	$76.1	$5.0	$131.2
2018	$49.2	$61.2	$3.5	$113.9
2019	$35.9	$58.0	$1.9	$95.7
2020	-$52.5	$71.0	$1.3	$19.9
2021	-$64.2	$74.2	-$7.3	$2.7
2022	$98.5	$80.7	-$1.7	$177.4
2023	$127.7	$50.4	-$1.8	$176.3
2024	$125.8	$50.2	-$2.3	$173.8
2025 YTD	$11.7	$4.8	-$0.1	$16.5

Figure 25. Ginnie Mae Net Issuance



Source: Recursion beginning 2021, data prior was sourced from eMBS and Urban Institute. Note: "Other refers to loans insured by HUD's Office of Public and Indian Housing and the Department of Agriculture's Rural Development. Numbers are rounded to the nearest hundred million. For sums, like "Total", the values are rounded after the exact underlying values are summed. As a result, some sums may not appear to match the sum of their rounded component values.

5.3 Monthly Issuance Breakdown

Agency net issuance for the month of January 2025 was approximately $29.3 billion, which represents an approximate $9.0 billion increase MtM. Ginnie Mae net issuance was $16.5 billion in January, a $1.8 billion decrease from December. Ginnie Mae's $38.1 billion gross issuance in January 2025, seen in **Table 5**, was approximately $0.8 billion above the average monthly issuance in 2024.

Table 5. Agency Issuance ($ in billions)

	Agency Gross Issuance Amount (in $ Billions)					Agency Net Issuance Amount (in $ Billions)				
Month	Fannie Mae	Freddie Mac	GSEs	Ginnie Mae	Total	Fannie Mae	Freddie Mac	GSEs	Ginnie Mae	Total
Jan-22	$93.1	$85.9	$179.0	$59.00	$238.0	$45.6	$37.6	$83.2	$14.0	$97.3
Feb-22	$73.3	$64.6	$137.9	$49.00	$186.9	$27.8	$22.7	$50.5	$9.7	$60.2
Mar-22	$76.8	$62.9	$139.7	$47.40	$187.1	$22.6	$23.1	$45.7	$6.9	$52.6
Apr-22	$65.3	$53.5	$118.8	$47.80	$166.6	$19.5	$17.7	$37.2	$13.2	$50.4
May-22	$54.7	$43.7	$98.4	$45.00	$143.4	$13.6	$12.5	$26.1	$15.5	$41.6
Jun-22	$54.5	$42.0	$96.5	$43.60	$140.1	$14.8	$10.7	$25.5	$16.0	$41.5
Jul-22	$46.8	$40.3	$87.1	$42.40	$129.5	$12.1	$14.4	$26.5	$18.0	$44.5
Aug-22	$39.8	$46.3	$86.1	$40.30	$126.4	$4.8	$19.8	$24.6	$16.2	$40.8
Sep-22	$39.3	$38.2	$77.5	$39.90	$117.4	$7.6	$13.9	$21.5	$18.3	$39.8
Oct-22	$34.1	$26.1	$60.2	$35.50	$95.7	$5.8	$4.7	$10.5	$17.3	$27.8
Nov-22	$25.7	$22.7	$48.4	$33.60	$82.0	$0.3	$3.5	$3.8	$18.3	$22.1
Dec-22	$24.9	$25.5	$50.4	$28.80	$79.2	$0.2	$6.6	$6.8	$14.0	$20.8
Jan-23	$25.7	$22.4	$48.1	$27.10	$75.2	$3.4	$5.3	$8.7	$14.1	$22.8
Feb-23	$18.9	$16.5	$35.4	$22.70	$58.1	-$4.4	-$1.4	-$5.8	$8.6	$2.8
Mar-23	$23.6	$19.2	$42.8	$26.20	$69.0	-$4.4	-$2.4	-$6.8	$8.7	$1.9
Apr-23	$27.7	$21.0	$48.7	$31.60	$80.3	$1.4	$0.6	$2.0	$15.0	$17.0
May-23	$30.4	$29.0	$59.4	$32.60	$92.0	$0.6	$6.0	$6.6	$13.5	$20.1
Jun-23	$33.5	$32.9	$66.4	$37.50	$103.9	$3.1	$9.3	$12.4	$17.8	$30.2
Jul-23	$31.7	$27.9	$59.6	$36.30	$95.9	$3.6	$5.9	$9.5	$18.0	$27.5
Aug-23	$27.8	$27.9	$55.7	$36.50	$92.2	-$1.5	$4.8	$3.3	$17.2	$20.5
Sep-23	$28.1	$31.1	$59.2	$35.10	$94.3	$1.9	$10.7	$12.6	$18.6	$31.2
Oct-23	$28.2	$24.5	$52.7	$32.10	$84.8	$2.6	$4.5	$7.1	$17.0	$24.1
Nov-23	$23.8	$25.3	$49.1	$30.50	$79.5	-$0.1	$6.5	$6.4	$15.2	$21.6
Dec-23	$20.9	$23.9	$44.8	$27.30	$72.1	-$2.9	$5.4	$2.5	$12.6	$15.0
Jan-24	$23.3	$17.7	$41.1	$27.10	$68.2	-$0.3	-$0.6	-$0.9	$10.4	$9.5
Feb-24	$20.5	$17.7	$38.1	$29.60	$67.7	-$4.2	-$1.7	-$5.9	$11.3	$5.5
Mar-24	$21.3	$25.3	$46.6	$31.20	$77.8	-$5.5	$3.9	-$1.7	$12.4	$10.7
Apr-24	$25.0	$26.3	$51.4	$33.80	$85.2	-$3.8	$3.4	-$0.3	$14.1	$13.8
May-24	$26.6	$29.0	$55.6	$35.70	$91.4	-$3.7	$4.5	$0.7	$14.5	$15.3
Jun-24	$33.3	$27.3	$60.6	$35.30	$95.9	$4.2	$3.9	$8.1	$15.0	$23.1
Jul-24	$32.6	$26.6	$59.2	$38.20	$97.4	$1.9	$2.0	$3.9	$15.4	$19.3
Aug-24	$34.4	$35.7	$70.0	$39.80	$109.8	$3.5	$10.5	$14.0	$13.6	$27.6
Sep-24	$25.4	$31.9	$57.3	$43.30	$100.6	-$4.6	$7.1	$2.5	$15.1	$17.6
Oct-24	$29.9	$36.1	$66.0	$43.70	$109.7	-$5.7	$5.6	-$0.1	$10.7	$10.5
Nov-24	$29.6	$39.7	$69.3	$48.10	$117.4	$0.1	$15.5	$15.6	$23.1	$38.7
Dec-24	$26.8	$27.5	$54.3	$41.30	$95.6	-$1.9	$3.9	$2.0	$18.3	$20.3
Jan-25	$27.7	$32.9	$60.6	$38.1	$98.7	$1.5	$11.3	$12.8	$16.5	$29.3

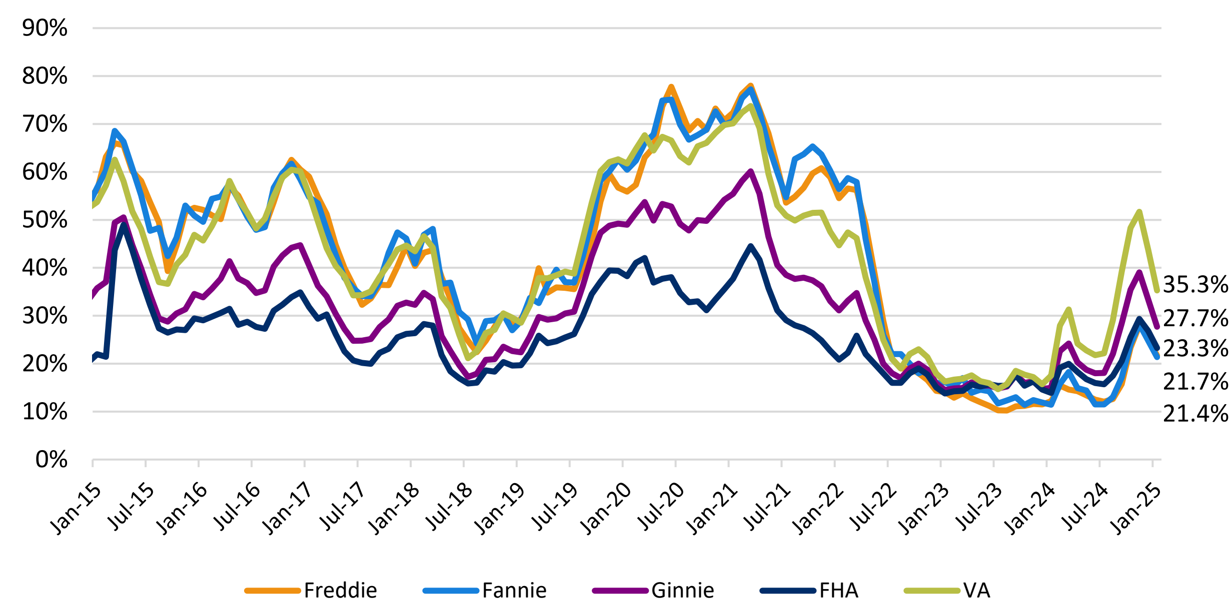
Sources: Data for Gross and Net Issuance was sourced from Fannie Mae, Freddie Mac, and Ginnie Mae loan level disclosure files. Net issuance is defined here as the difference between prior period UPB and current period UPB. Data as of January 2025. Beginning with the October 2021 GMAR, the Fannie Mae and Freddie Mac net issuance data is updated to reflect the current UPB of the portfolios. January 2022 through January 2025 GMAR net issuance data reflect the UPB at security issuance for Fannie Mae and Freddie Mac. Note: Numbers are rounded to the nearest hundred million.

5.4 Percent Refi at Issuance – Single-Family

Refinance activity decreased by approximately 16.9% MoM for Ginnie Mae as of month-end January 2025.

- Freddie Mac's refinance percentage decreased to 21.7% in January 2025, down from 25.4% in December 2024.
- Fannie Mae's refinance percentage decreased to 21.4% in January 2025, down from 24.8% in December 2024.
- Ginnie Mae's refinance percentage decreased to 27.7% in January 2025, down from 33.3% in December 2024.
- FHA's refinance percentage decreased to 23.3% in January 2025, down from 26.8% in December 2024.
- VA's refinance percentage decreased to 35.3% in January 2025, down from 43.7% in December 2024.

Figure 26. Percent Refinance – Single-Family



Source: Recursion. Note: Data as of January 2025.

6 AGENCY SINGLE-FAMILY MBS OUTSTANDING

6.1 Outstanding Single-Family Agency MBS

As of month-end January 2025, outstanding Single-Family MBS in the Agency market totaled $9.08 trillion: 39.2% Fannie Mae, 33.3% Freddie Mac, and 27.5% Ginnie Mae MBS. Over the past twelve months, Freddie Mac's total outstanding MBS increased by approximately 2.4%, and Ginnie Mae's increased by 7.8%. Fannie Mae's total outstanding MBS decreased by 0.5% in the same span. Fannie Mae's outstanding MBS remains larger than Freddie Mac's and Ginnie Mae's outstanding MBS by approximately $539 billion and $1.1 trillion, respectively.

Ginnie Mae's MBS collateral composition has changed over time as shown in **Figure 28.** In January 2020, 58.6% of Ginnie Mae's outstanding collateral was FHA and 35.6% was VA. As of month-end January 2025, FHA collateral comprised 55.7% of Ginnie Mae MBS outstanding, and VA collateral comprised 40.2% of Ginnie Mae MBS outstanding.

Figure 27. Outstanding Single-Family Agency Mortgage-Backed Securities

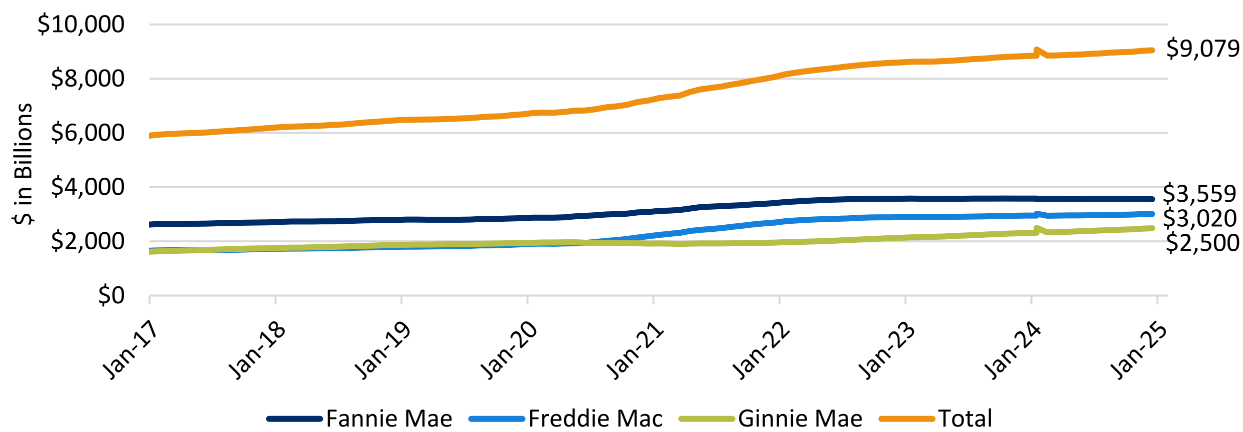
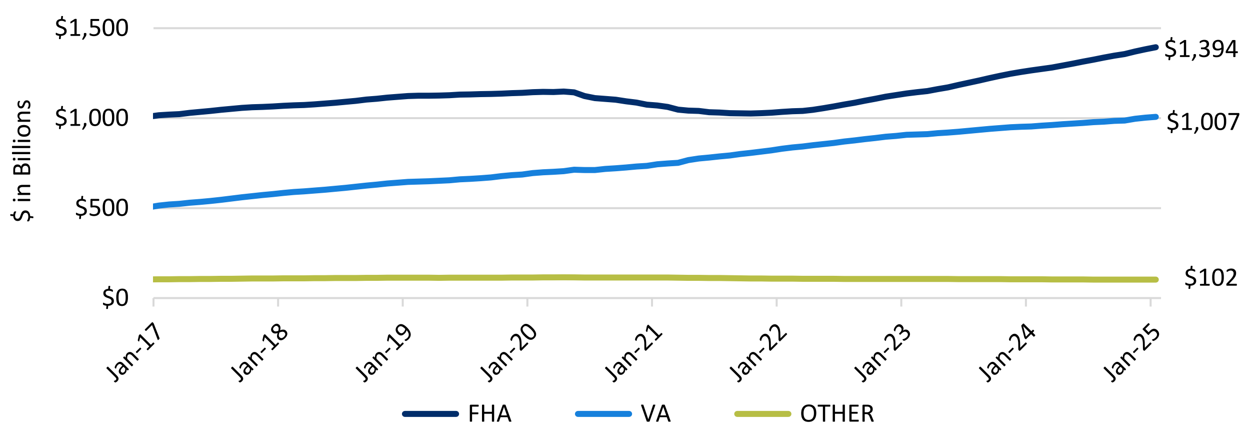


Figure 28. Composition of Outstanding Single-Family Ginnie Mae Mortgage-Backed Securities



Source: Recursion. Note: Data as of January 2025. Note: Data rounded to nearest billion; GNMA composition may not add up to total outstanding amount due to rounding.

6.2 Origination Volume and Share Over Time

First lien origination volume decreased in Q4 2024, with approximately $460 billion in originations, which represents a decrease in issuance of 1.1% from Q3 2024. Ginnie Mae's share of total originations increased from 24.1% to 27.4% in Q4 2024, while portfolio origination decreased from 31.8% to 27.1%.

Figure 29. First Lien Origination Volume

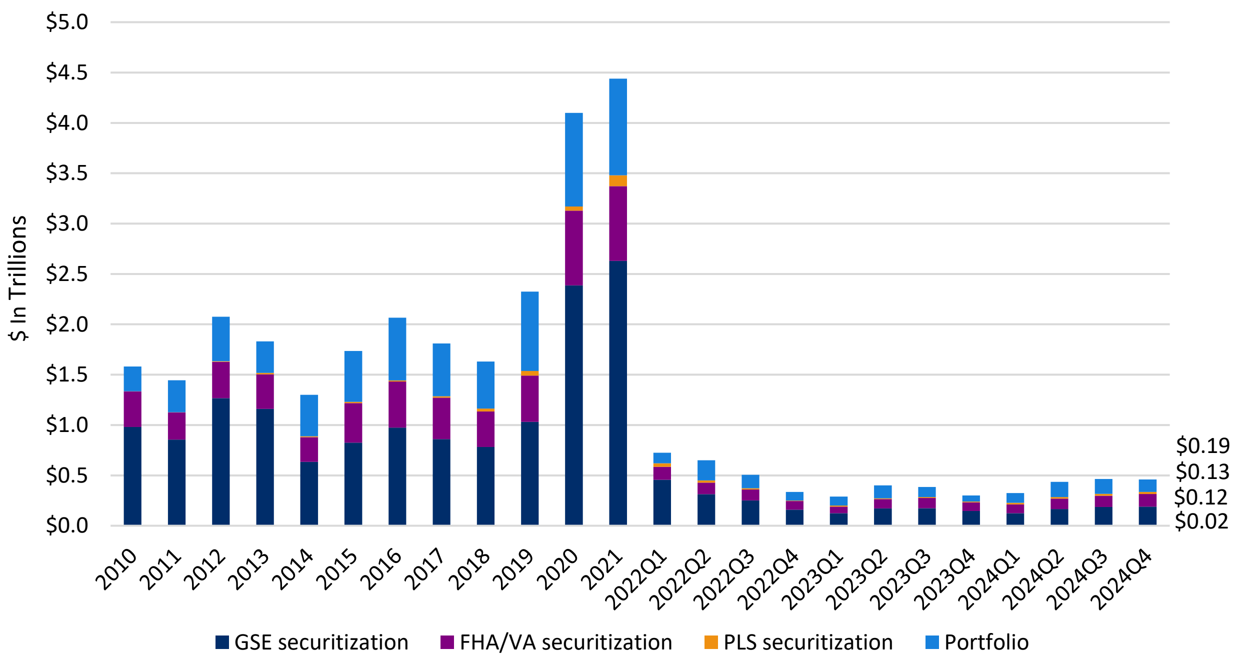
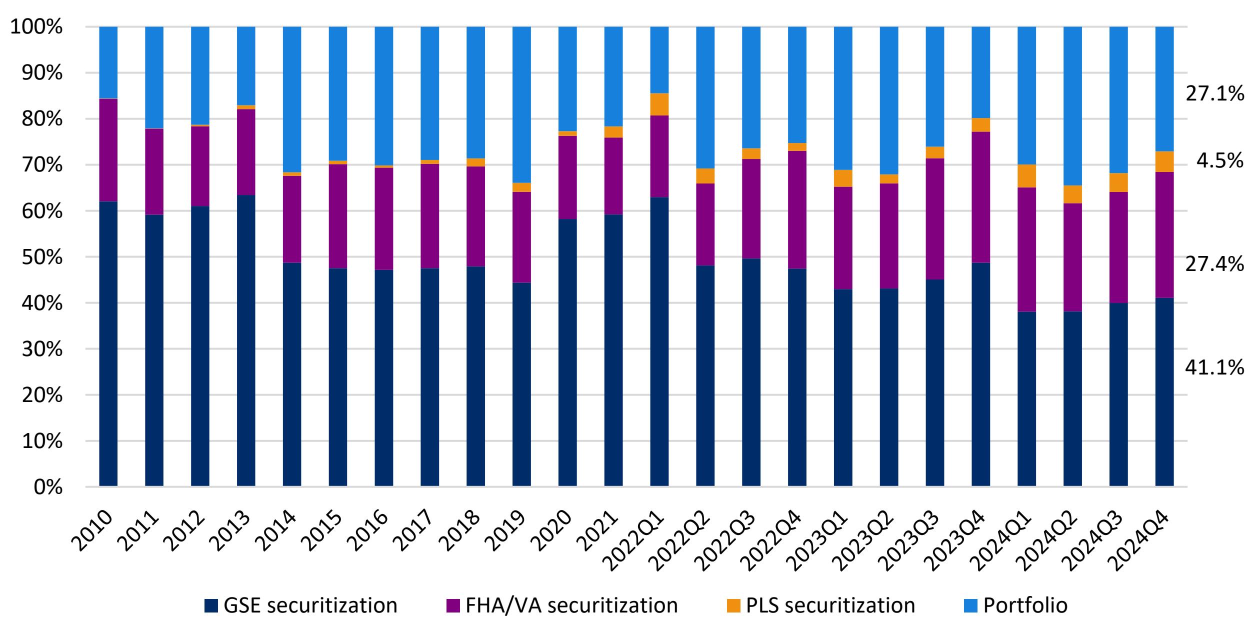


Figure 30. First Lien Origination Share



Source: Inside Mortgage Finance Publications, Copyright 2024 Used with permission

6.3 Agency Issuance and Agency Outstanding by State

Ginnie Mae MBS represents approximately 40% of new Agency issuance over the past year, roughly 12% higher than Ginnie Mae's 28% share of Agency outstanding by UPB. The share of Ginnie Mae's new Agency issuance varies across states, with the largest share by UPB being in Mississippi (62%) and the smallest in the District of Columbia and Vermont (23%). The highest Ginnie Mae outstanding share is in Mississippi (51%) and the lowest in the District of Columbia (15%).

Table 6. Agency Issuance Breakdown by State

	Agency Issuance (past 1 year)				Agency Outstanding (January 2025)			
	GNMA Share by UPB	GNMA Loan Count	GNMA Avg. Loan Size (000)	GSE Avg. Loan Size (000)	GNMA Share by UPB	GNMA Loan Count	GNMA Avg. Loan Size (000)	GSE Avg. Loan Size (000)
National	**40%**	**1,584,648**	**325.93**	**321.32**	**28%**	**11,604,985**	**217.94**	**212.83**
AK	60%	3,984	379.94	325.20	49%	38,009	267.60	218.91
AL	57%	39,560	256.33	254.04	44%	259,338	171.17	179.64
AR	49%	20,437	222.81	248.29	41%	146,127	143.62	165.39
AZ	44%	52,112	362.12	358.40	28%	311,559	243.47	230.14
CA	35%	96,428	511.21	500.55	19%	748,087	345.27	316.93
CO	39%	34,910	445.11	424.27	26%	232,162	312.75	280.98
CT	30%	10,735	317.97	320.44	26%	109,691	209.22	210.12
DC	23%	1,000	573.39	480.22	15%	9,630	399.39	343.96
DE	40%	6,831	314.68	324.58	33%	55,737	213.65	214.10
FL	48%	153,600	342.69	331.74	35%	960,468	234.29	218.79
GA	48%	81,861	302.93	327.30	36%	540,401	198.49	212.62
HI	47%	3,730	665.90	555.55	33%	35,453	476.72	355.83
IA	32%	11,512	217.51	216.05	24%	87,912	143.52	148.82
ID	40%	11,148	371.78	342.91	26%	70,749	243.11	227.41
IL	27%	43,358	242.60	272.94	23%	386,639	166.41	180.39
IN	40%	42,118	228.96	231.52	32%	297,580	146.68	154.93
KS	40%	13,890	227.48	243.37	31%	100,743	150.13	165.89
KY	48%	25,805	231.50	235.15	37%	177,658	154.48	157.93
LA	56%	26,547	227.15	243.08	43%	218,192	163.52	175.51
MA	26%	14,460	438.63	432.90	17%	121,357	298.88	268.60
MD	46%	36,178	392.69	367.96	35%	309,934	273.82	248.90
ME	35%	5,238	292.74	308.89	27%	39,810	189.42	195.98
MI	28%	35,199	221.79	238.19	22%	288,644	142.04	157.75
MN	24%	17,687	287.59	295.29	19%	164,912	190.85	199.51
MO	39%	35,185	234.41	245.04	31%	257,343	152.58	164.50
MS	62%	17,916	229.99	230.18	51%	132,744	154.10	161.87
MT	38%	4,343	366.93	338.04	25%	33,641	226.13	219.49
NC	43%	72,941	298.14	317.95	31%	451,545	194.50	207.83
ND	39%	2,367	281.20	267.08	26%	17,739	200.35	182.00
NE	37%	8,761	258.16	246.58	28%	67,626	162.36	163.40
NH	28%	4,743	376.12	356.70	23%	39,559	239.36	220.07
NJ	29%	27,252	384.66	397.94	23%	242,762	253.59	256.34
NM	52%	12,958	288.57	285.91	41%	101,267	180.50	181.72
NV	47%	22,354	392.50	364.22	33%	148,386	268.17	239.76
NY	25%	27,312	349.03	359.79	21%	317,118	221.40	249.83
OH	37%	56,248	223.89	227.70	30%	446,246	140.30	152.38
OK	53%	26,414	234.65	234.45	44%	200,383	152.30	165.31
OR	33%	15,997	390.47	391.46	21%	119,849	269.45	255.47
PA	30%	41,573	238.69	273.92	26%	403,309	155.06	183.99
RI	42%	4,549	397.38	358.50	32%	38,275	251.71	215.59
SC	49%	44,152	291.76	286.17	37%	263,407	200.06	196.13
SD	44%	4,394	280.74	261.16	32%	31,186	186.73	178.23
TN	45%	48,040	305.30	311.58	34%	292,005	196.75	210.89
TX	44%	181,175	309.79	331.11	35%	1,233,449	202.68	220.05
UT	37%	18,109	424.04	415.27	22%	108,253	288.88	267.78
VA	49%	57,256	383.32	367.91	38%	467,842	267.02	250.21
VI	24%	62	400.84	459.88	24%	809	265.39	307.68
VT	23%	1,290	289.96	295.72	19%	12,502	187.20	183.49
WA	35%	32,096	447.76	449.10	23%	246,888	301.99	292.13
WI	26%	16,664	254.73	256.82	18%	129,198	165.73	164.26
WV	55%	8,398	230.57	208.40	46%	64,664	152.83	145.87
WY	50%	3,771	314.46	291.30	37%	26,198	217.06	201.92

Source: Recursion. Note: Outstanding balance based on loan balance as of January 2025. Values above are based on loan level disclosure data, thus excluding loan balances for first 6 months that loans are in a pool. This accounts for the difference in share of outstanding MBS represented above & in Outstanding Single-Family Agency MBS.

6.4 Outstanding Ginnie Mae MBS Volume by Coupon and Vintage Over Time

As of month-end January 2025, the weighted average coupon (WAC) on outstanding Ginnie Mae MBS increased from 3.82% in December 2024 to 3.85% as seen in **Figure 31**. **Figure 32** illustrates that loans originated since 2019 account for approximately 85% of Ginnie Mae MBS collateral outstanding.

Figure 31. Outstanding Ginnie Mae MBS Balance, by Coupon

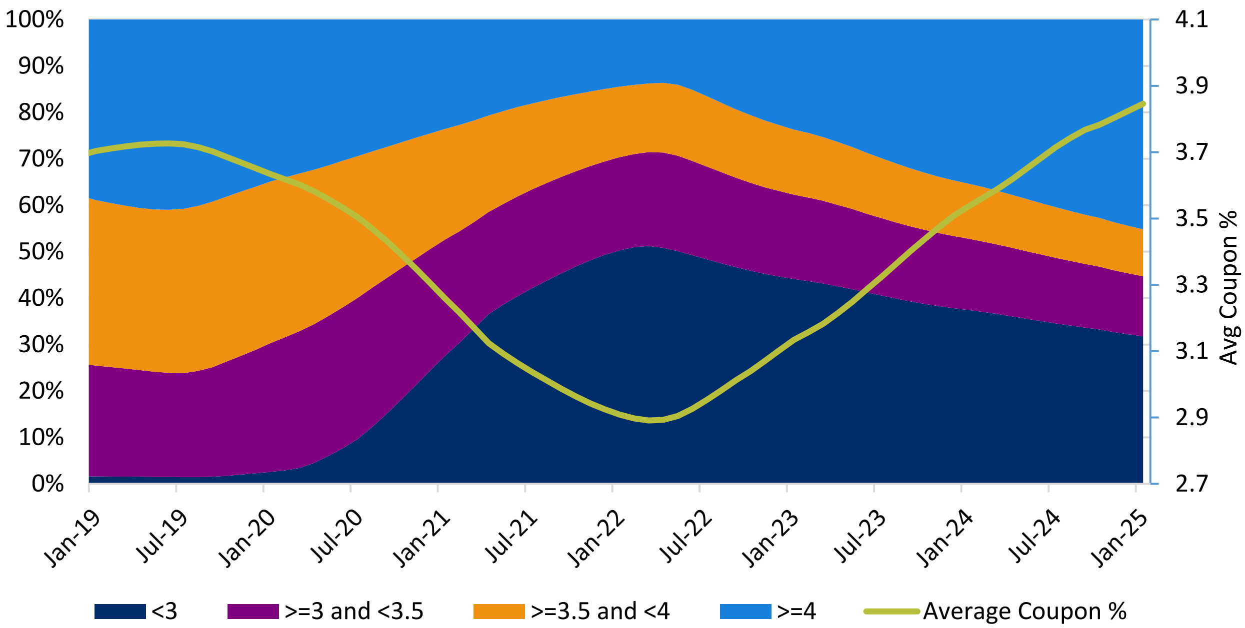
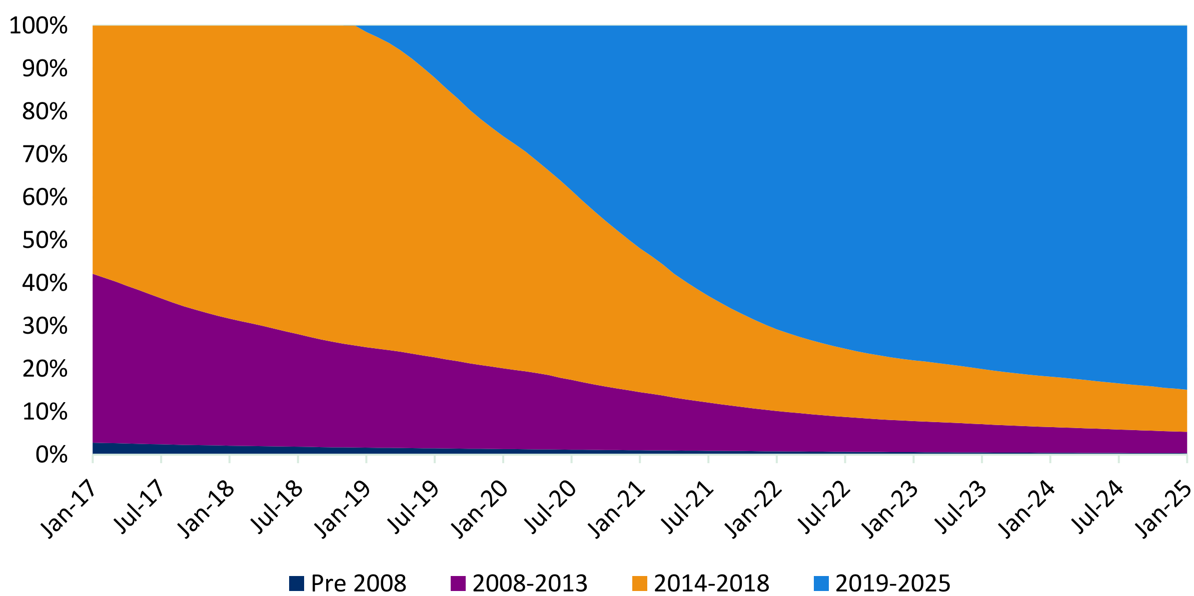


Figure 32. Outstanding Ginnie Mae MBS Balance, by Vintage



Source: Recursion. Note: January 2025 data points reflect the current composition of balances by coupon and vintage; factor data is not applied to prior date balance compositions. Average coupon is weighted by remaining principal balance.

7 AGENCY REMIC SECURITIES

7.1 Monthly REMIC Demand for Ginnie Mae MBS

Ginnie Mae Single-Family and Multifamily Real Estate Mortgage Investment Conduit (REMIC) issuance volume for the month of January 2025 was approximately $16.9 billion. This represents a 48.32% MoM increase from $11.4 billion in December 2024, and a 62.9% increase YoY from $10.3 billion in January 2024. Approximately $1.4 billion of the January 2025 issuance volume were Multifamily MBS having coupons between 5.0% and 6.0%, and approximately $13.8 billion were Single-Family MBS having coupons over 5.0%. Roughly $197.8 million of previously securitized REMICs were re-securitized into new REMIC deals in January 2025.

Figure 33. Ginnie Mae Single-Family and Multifamily REMIC Issuance ($B)

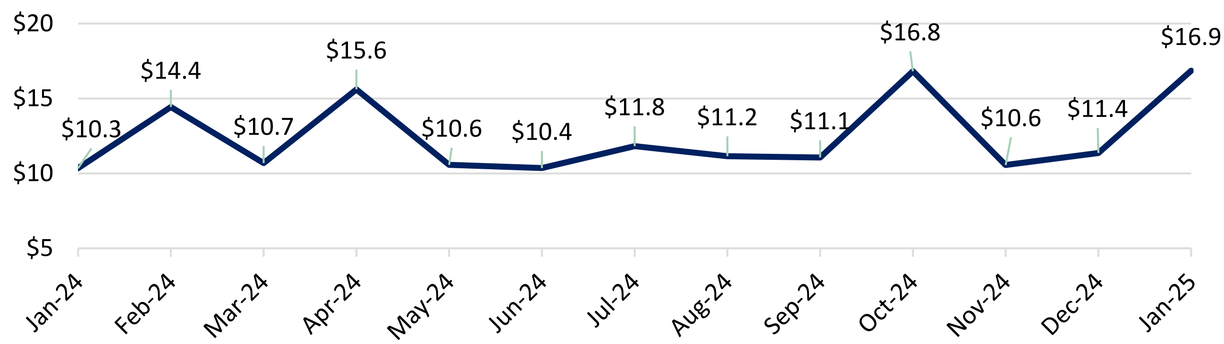


Table 7. January 2025 REMIC Issuance Breakdown

Net Coupon (%)	*Principal ($MM) for MBS Deals*	*Principal ($MM) for Re-REMIC Deals*	*Principal % for MBS Deals*	*Principal % for Re-REMIC Deals*
Multifamily				
5.01-6.01	$1,383.8	-	100.0%	-
Subtotal	**$1,383.8**	**-**	**100.0%**	**-**
Single-Family				
<2.01	$109.7	$95.5	0.7%	0.6%
2.01-2.51	$46.1	-	0.3%	-
2.51-3.01	$123.5	-	0.8%	-
3.01-3.51	$727.0	$14.2	4.7%	0.1%
4.01-4.51	$317.0	-	2.0%	-
4.51-5.01	$192.5	-	1.2%	-
5.01-5.51	$1,931.7	-	12.5%	-
5.51-6.01	$5,807.2	-	37.5%	-
6.01-6.51	$4,603.5	-	29.8%	-
6.51-7.01	$1,156.8	-	7.5%	-
>7.01	$346.0	-	2.2%	-
Subtotal	**$15,361.1**	**$109.7**	**99.3%**	**0.7%**
Grand Total [5]	**$16,744.8**	**$109.7**	**99.3%**	**0.7%**

Source: Ginnie Mae Disclosure Files. Note: Data excludes principal amount for notional deals

[5] *Totals may not sum due to rounding. Percents calculated using weighted average.*

7.2 REMIC Market Snapshot

- In January 2025, Ginnie Mae's total Single-Family, Multifamily, and HMBS REMIC issuance totaled $17.9 billion, a 52.3% or $6.1 billion increase MoM.
- In January 2025, total Single-Family and Multifamily issuance across the three Agencies increased 46.9% or $12.7 billion MoM.
- In January 2025, Ginnie Mae saw no change in their Single-Family REMIC issuance collateral coupon of 2 bps, while Fannie Mae and Freddie Mac saw an increase of 12 and 13 bps, respectively.
- In January 2025, Freddie Mac saw a decrease in their Multifamily REMIC issuance collateral coupon of 38 bps, while Ginnie Mae saw an increase of 165 bps. Fannie Mae did not issue a Multifamily deal in December.

Figure 34. January 2025 REMIC Issuance by Agency ($B)

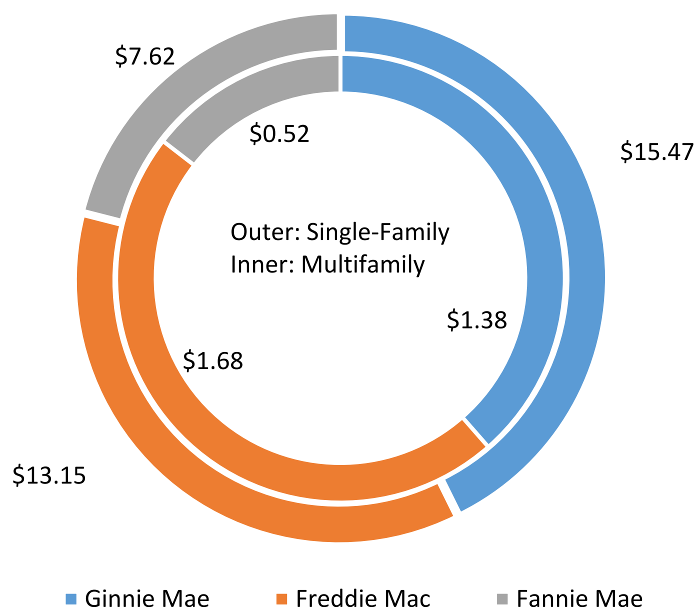


Table 8. January 2025 REMIC Issuance by Agency

	SF REMIC Issuance Volume ($B)	% of SF REMIC Issuance Volume	Number of SF REMIC Transactions	MF REMIC Issuance Volume ($B)	% of MF REMIC Issuance Volume	Number of MF REMIC Transactions
Ginnie Mae	$15.47	43%	11	$1.38	39%	9
Freddie Mac	$13.15	36%	12	$1.68	47%	3
Fannie Mae	$7.62	21%	9	$0.52	15%	1
Total [6]	**$36.24**	**100%**	**32**	**$3.58**	**100%**	**13**

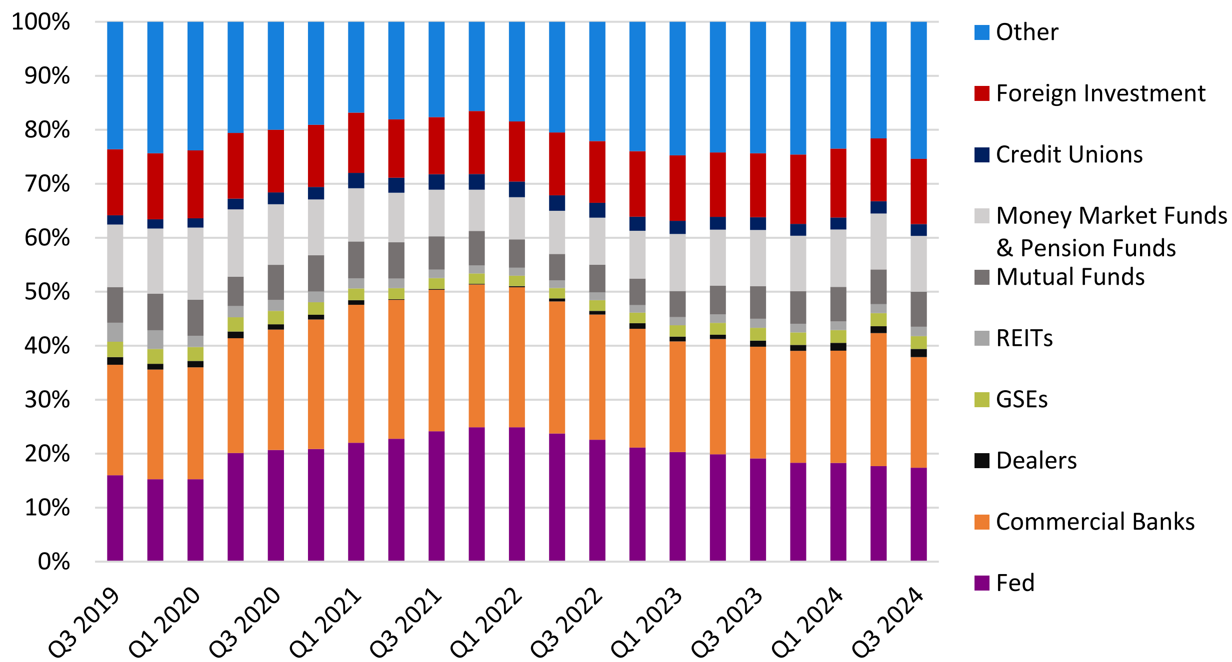
Source: Relay & FDS files posted to Ginnie Mae, Fannie Mae, and Freddie Mac

[6] *Totals may not sum due to rounding.*

8 MBS OWNERSHIP

In Q3 2024, the largest holders of Agency debt (Agency MBS plus Agency notes and bonds) included commercial banks (21%), the Fed (17%), and foreign investors (12%). The Fed's share roughly held even quarter over quarter (QoQ). Out of the approximately $2.65 trillion in holdings as of the end of January 2025, roughly $1.99 trillion was held by the top 25 domestic banks per **Table 9** below.

Figure 35. Who Owns Total Agency Debt?



Source: Federal Reserve Flow of Funds. Note: The "other" category includes primarily life insurance companies, state and local governments, households, and nonprofits. Data as of Q3 2024.

8.1 Commercial Bank Holdings of Agency MBS

Table 9. Commercial Bank Holdings of Agency MBS

	Commercial Bank Holdings ($Billions)								
	May-24	**Jun-24**	**Jul-24**	**Aug-24**	**Sep-24**	**Oct-24**	**Nov-24**	**Dec-24**	**Jan-25**
Largest 25 Domestic Banks	$1,913.1	$1,946.1	$1,957.4	$1,975.1	$1,549.5	$1,994.3	$1,992.1	$1,989.6	$1,992.3
Small Domestic Banks	$586.6	$591.0	$596.1	$601.1	$612.9	$621.1	$615.4	$612.6	$611.6
Foreign Related Banks	$30.4	$31.2	$30.6	$33.9	$36.3	$37.3	$40.5	$40.0	$41.1
Total, Seasonally Adjusted	**$2,530.1**	**$2,568.3**	**$2,584.1**	**$2,610.1**	**$2,198.7**	**$2,652.7**	**$2,648.0**	**$2,642.2**	**$2,645.0**

Source: Federal Reserve Bank. Note: Small domestic banks include all domestically chartered commercial banks not included in the top 25. Data as of January 2025.

8.2 Bank and Thrift Residential MBS Holdings

Total MBS holdings at banks and thrifts decreased approximately 2.7% from Q3 2024 to Q4 2024. As of Q4 2024, banks and thrifts held $2.28 trillion in MBS, $1.28 trillion GSE pass-throughs (PT), and $475.5 billion Ginnie Mae PT. Ginnie Mae PT holdings marked the largest increase over the past year, increasing 14.8% from Q4 2023. Private MBS holdings at banks and thrifts marked the largest change from QoQ as well as YoY, decreasing approximately 7.2% and 18.8%, respectively. All holding categories showed a decrease QoQ.

Figure 36. All Banks and Thrifts MBS Holdings

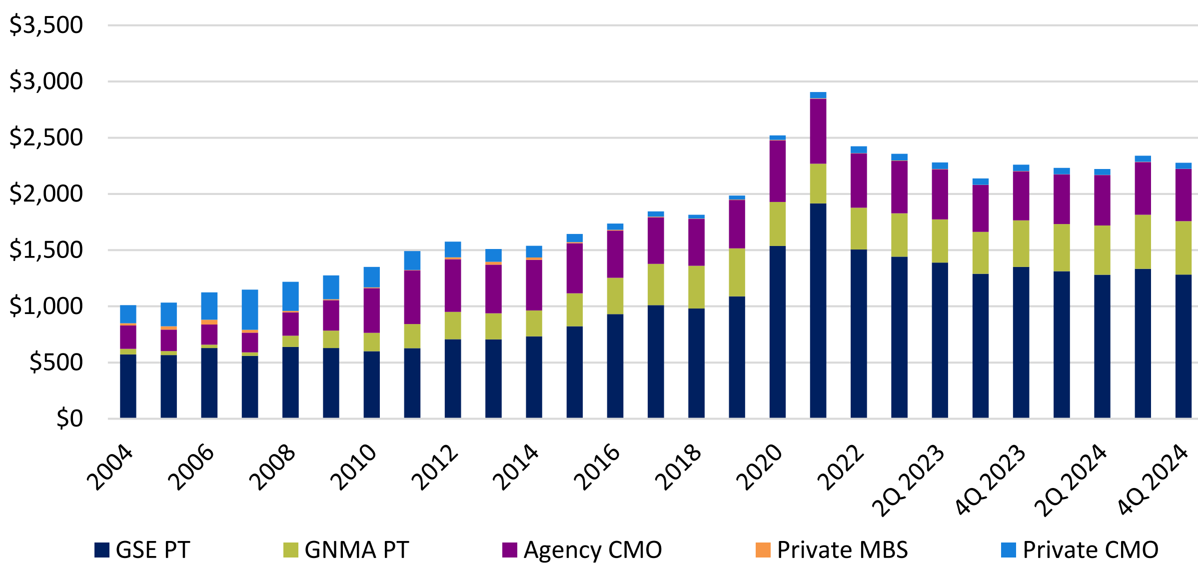


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Figure 37. All MBS Holdings Banks versus Thrifts

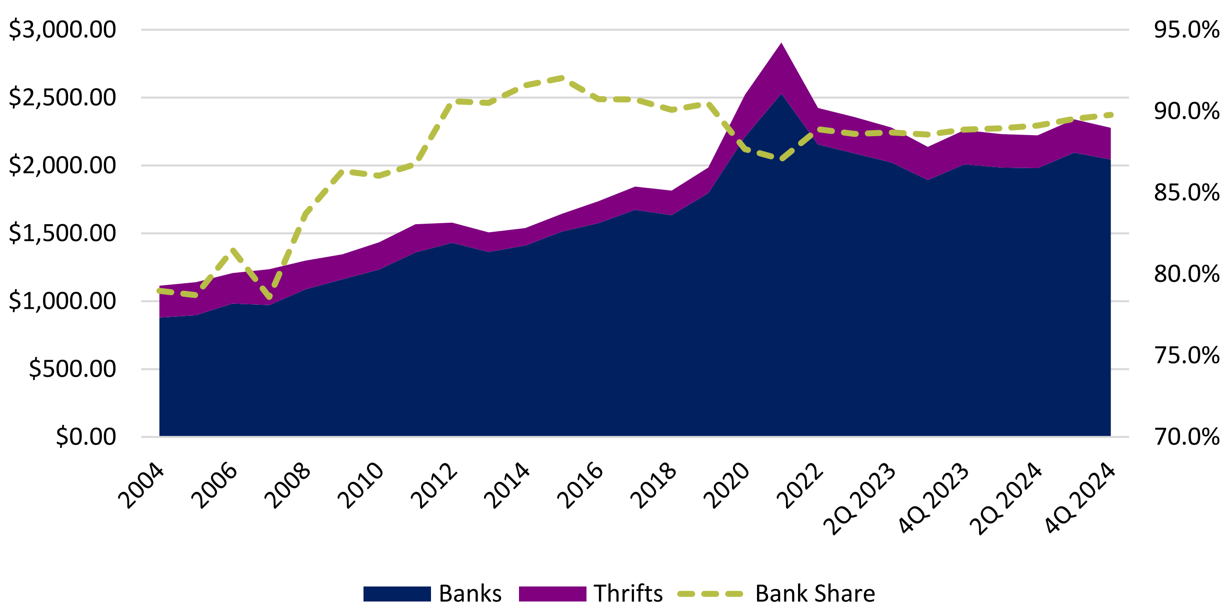

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Table 10. Snapshot of Bank and Thrift MBS Holdings by Quarter

	All Banks & Thrifts ($ in billions)						All MBS ($ in billions)	
Year	*Total*	*GNMA PT*	*GSE PT*	*Private MBS*	*Agency CMO*	*Private CMO*	*Banks*	*Thrifts*
4Q 2023	$2,260.47	$414.23	$1,351.08	$2.93	$434.92	$57.31	$2,008.88	$251.58
1Q 2024	$2,231.79	$420.02	$1,312.08	$2.15	$440.85	$56.69	$1,985.09	$246.71
2Q 2024	$2,222.29	$438.18	$1,281.26	$2.15	$448.02	$52.68	$1,980.34	$241.95
3Q 2024	$2,339.96	$481.37	$1,333.33	$2.56	$467.97	$54.72	$2,094.96	$245.00
4Q 2024	$2,277.21	$475.51	$1,282.70	$2.38	$462.97	$53.65	$2,044.41	$232.80
Change:								
3Q24-4Q24	-2.7%	-1.2%	-3.8%	-7.2%	-1.1%	-1.9%	-2.4%	-5.0%
4Q23-4Q24	0.7%	14.8%	-5.1%	-18.8%	6.4%	-6.4%	1.8%	-7.5%

Note: Data represent fair value of assets in held-to-maturity and available-for-sale account. Thrift MBS holdings prior to June 2009 include commercial MBS. Totals may not sum due to rounding. Source: Inside Mortgage Finance Publications, Copyright 2025 Used with permission

Table 11. Top 20 Bank and Thrift Residential MBS Investors ($ in millions)

Rank	*Institution*	*Total*	*GSE PT*	*GNMA PT*	*Agency CMO*	*Non-Agency*	*Share*	*4Q23-4Q24*
1	Bank of America Corp.	$394,777.0	$312,712.0	$58,361.0	$22,916.0	$788.0	17.3%	-8.0%
2	Wells Fargo & Company	$278,236.0	$169,150.0	$104,697.0	$4,332.0	$57.0	12.2%	18.4%
3	JPMorgan Chase & Co.	$156,008.0	$79,486.0	$63,559.0	$448.0	$12,515.0	6.9%	-3.3%
4	Charles Schwab	$126,656.3	$70,717.3	$4,585.1	$51,353.9	$0.0	5.6%	-14.3%
5	U.S. Bancorp	$96,331.1	$52,792.9	$34,878.2	$8,660.0	$0.0	4.2%	-0.8%
6	Truist Bank	$90,242.0	$37,999.0	$25,291.0	$26,952.0	$0.0	4.0%	-8.7%
7	Citigroup Inc.	$85,928.0	$57,956.0	$25,550.0	$1,815.0	$607.0	3.8%	-9.2%
8	PNC Bank, National Association	$67,913.0	$51,851.2	$3,969.1	$11,269.9	$822.7	3.0%	-1.3%
9	Capital One Financial	$64,992.6	$31,021.6	$13,272.9	$20,412.5	$285.5	2.9%	2.7%
10	Morgan Stanley	$46,569.0	$27,137.0	$8,179.0	$11,131.0	$122.0	2.0%	-5.5%
11	Bank of New York Mellon	$43,675.0	$29,094.0	$4,190.0	$8,899.0	$1,492.0	1.9%	6.2%
12	State Street Bank and Trust Company	$34,564.2	$11,916.0	$9,215.0	$11,000.2	$2,433.0	1.5%	-6.0%
13	USAA Federal Savings Bank	$32,660.0	$27,425.0	$1,562.0	$3,673.0	$0.0	1.4%	-11.3%
14	Citizens Bank	$31,181.5	$13,532.2	$7,729.1	$9,920.3	$0.0	1.4%	14.1%
15	KeyBank National Association	$28,774.1	$4,703.2	$10,599.6	$13,471.4	$0.0	1.3%	19.3%
16	BMO Harris Bank National Association	$25,088.8	$3,428.5	$5,206.8	$16,453.5	$0.0	1.1%	-13.8%
17	Huntington National Bank	$24,288.1	$9,488.0	$7,725.9	$6,965.4	$108.8	1.1%	-10.1%
18	HSBC Bank USA	$23,865.7	$2,834.7	$16,605.6	$4,424.8	$0.5	1.0%	-1.7%
19	Regions Bank	$22,680.0	$16,494.0	$4,018.0	$2,168.0	$0.0	1.0%	28.9%
20	TD Bank USA/TD Bank NA	$22,506.2	$1,255.8	$64.0	$21,186.2	$0.2	1.0%	-11.5%
Total	**Top 20**	**$1,696,936.4**	**$1,010,994.3**	**$409,258.2**	**$257,452.1**	**$19,231.8**	**74.5%**	**-2.3%**

Source: Inside Mortgage Finance Publications, Copyright 2025 Used with permission. *Totals may not sum due to rounding.*

8.3 SOMA Holdings

FOMC and Economic Highlights:

- Federal Open Market Committee January 29, 2025, Press Release:
  - *"In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 4-1/4 to 4-1/2 percent."*
  - *"Recent indicators suggest that economic activity has continued to expand at a solid pace. The unemployment rate has stabilized at a low level in recent months, and labor market conditions remain solid. Inflation remains somewhat elevated."*
  - *"The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities."*
- During his Postmeeting Press Conference on January 29, Fed Chair Powell discussed the rate decision, the approach to considering further rate cuts, and outlook for the economy/inflation.
  - *"The economy is strong overall and has made significant progress toward our goals over the past two years. Labor market conditions have cooled from their formerly overheated state and remain solid. Inflation has moved much closer to our 2 percent longer-run goal, though it remains somewhat elevated."*
  - *"Payroll job gains averaged 170 thousand per month over the past three months. "*
  - *"Following earlier increases, the unemployment rate has stabilized since the middle of last year, and was at 4.1 percent in December, remains low.."*
  - *"The labor market is not a source of significant inflationary pressures."*
  - *"At today's meeting the Committee decided to maintain the target range for the federal funds rate at 4-1/4 to 4-1/2 percent."*
  - *"Inflation has eased significantly over the past two years but remains somewhat elevated relative to our 2 percent longer-run goal."*
  - *"Estimates based on the Consumer Price Index and other data indicate that total PCE prices rose 2.6 percent over the 12 months ending in December and that, excluding the volatile food and energy categories, core PCE prices rose 2.8 percent."*
  - *"Longer term inflation expectations appear to remain well anchored…"*
  - *"With our policy stance significantly less restrictive than it had been, and the economy remaining strong, we do not need to be in a hurry to adjust our policy stance."*
  - *"Policy is well positioned to deal with the risks and uncertainties that we face in pursuing both sides of our dual mandate."*
  - In response to a question regarding upside risks to inflation from new administration policies, Chair Powell said, *"…the Committee is very much in the mode of waiting to see what policies are enacted. We don't know what will happen with tariffs, with immigration, with fiscal policy, with regulatory policy. We need to let those policies be articulated before we can even make a plausible assessment of what their implications for the economy will be."*
- The next FOMC meeting is scheduled for March 18th and 19th, 2025.
  - On January 29, 2025, the UST 10YR yield closed at 4.54%, while the Ginnie Mae II 30-year 5.5% coupon yield closed at 5.63% and the 6.0% coupon yield closed at 5.78%, a spread of 109 bps and 124 bps, respectively.
  - PCE inflation increased to +2.6% and core PCE inflation, which is the Fed benchmark,

remained unchanged at 2.8% in Decmeber 2024, per the January 31, 2025 Core PCE report.

- Per the January 10, 2025 jobs report, 256,000 new jobs were created and the unemployment rate changed little at 4.1% in December 2024. Jobs added in October were revised up to 43,000 from 36,000 and November's were revised down to 212,000 from 227,000. The relatively low unemployment rate, along with the increase in new jobs, is an indication that the economy is maintaining its course towards a soft landing.

SOMA Portfolio Highlights (December 31, 2024 versus January 29, 2025)

- SOMA holdings of domestic securities totaled $6.4 trillion on January 29 (a decrease of $20.5 billion or -0.32% from Dec 31). $4.8 billion (23% of the total decrease) was in U.S. Treasury holdings and $15.7 billion (77% of the total decrease) was in Agency MBS.
- Since the institution of redemption caps in June 2022, SOMA holdings decreased by $2.004 trillion. The total reduction of holdings of U.S. Treasuries was $1.514 trillion and $0.489 trillion for Agency MBS. This represents 95.5% and 45.81% of the total redemption cap over the period for U.S. Treasuries and Agency MBS, respectively. Beginning in June 2024, the Fed reduced its redemption cap for U.S. Treasuries from $60 billion to $25 billion per month. The cap remained unchanged at for Agency MBS.
- Agency MBS comprise about 35% of the total SOMA portfolio. The $15.7 billion monthly decrease was primarily due to MBS principal repayments rather than outright sales and was comprised of a $6.5 billion decrease in Fannie Mae holdings, a $5.7 billion decrease in Freddie Mac holdings, and a $3.5 billion decrease in Ginnie Mae holdings. Since the Fed's QT program began in June 2022, there have only been 31 outright sales of Agency MBS specified pools, totaling $1.035 billion
- Over 99% of SOMA Agency MBS holdings have coupons of 4.5% or lower with an average WAC of 2.503%.
- The redemption cap for SOMA's Agency MBS holdings is set at $35 billion per month. The reduction of $15.7 billion in Agency MBS represents 45% of the monthly liquidation cap.

Table 12. SOMA Holdings as of December 31,2024 and January 29, 2025 ($ Billions)

Holdings by Security Type	December 31, 2024		January 29, 2025		Month-Over-Month	
	SOMA Holdings	% Share	SOMA Holdings	% Share	$ Change	% Change[7]
U.S. Treasuries	$4,172.7	65.11%	$4,167.9	65.25%	-$4.8	-0.12%
Federal Agency Debt	$2.3	0.04%	$2.3	0.04%	$0.0	0.00%
Agency MBS	$2,225.2	34.72%	$2,209.5	34.59%	-$15.7	-0.70%
Agency Commercial MBS	$8.0	0.13%	$8.0	0.13%	$0.0	-0.26%
Total SOMA Holdings	**$6,408.3**	**100.0%**	**$6,387.8**	**100.0%**	**-$20.5**	**-0.32%**

Table 13. SOMA Agency MBS Holdings Distribution ($ Billions)

Agency	January 1, 2025		December 31, 2024		January 29, 2025	
	Singly-Family AMBS Outstanding	% AMBS Outstanding	SOMA AMBS Holdings	% SOMA Holdings	SOMA AMBS Holdings	% SOMA Holdings
Fannie Mae	$3,557.6	39.3%	$914.8	41.1%	$908.3	41.1%
Freddie Mac	$3,008.7	33.2%	$853.8	38.4%	$848.1	38.4%
Ginnie Mae	$2,483.3	27.4%	$456.6	20.5%	$453.1	20.5%
Total	**$9,049.5**	**100.0%**	**$2,225.2**	**100.0%**	**$2,209.5**	**100.0%**

Table 14. SOMA Agency MBS Liquidations from December 31, 2024 to January 29, 2025 ($ Billions)

	MBS Holdings December 31, 2024	MBS Holdings January 29, 2025	Liquidated Amount	Liquidation Cap[8]	% of Liquidation Cap
Total	$2,225.2	$2,209.5	$15.7	$35.0	45%

Source: New York FED SOMA Holdings https://www.newyorkfed.org/markets/soma-holdings as of January 29, 2025.

[7] *Figures in $ billions, any change less than $50 million will be expressed as a "$0.0" change in the "$ Change" column.*
[8] *The Liquidation cap is per calendar month. This analysis covers a four-week period to maintain consistency with other analyses in this report.*

8.4 Foreign Ownership of MBS

As of month-end December 2024, foreign ownership of MBS represented approximately $1.32 trillion in Agency MBS, up approximately $27 billion from December 2023. Total foreign ownership of Agency MBS represents roughly 15% of total Agency MBS outstanding. Total foreign ownership excluding Fed Holdings and CMOs represents roughly 23% of total Agency MBS available.

Figure 38. Agency MBS Owned by Foreign Entities Ex-Fed Holdings and CMOs (USD Billions)

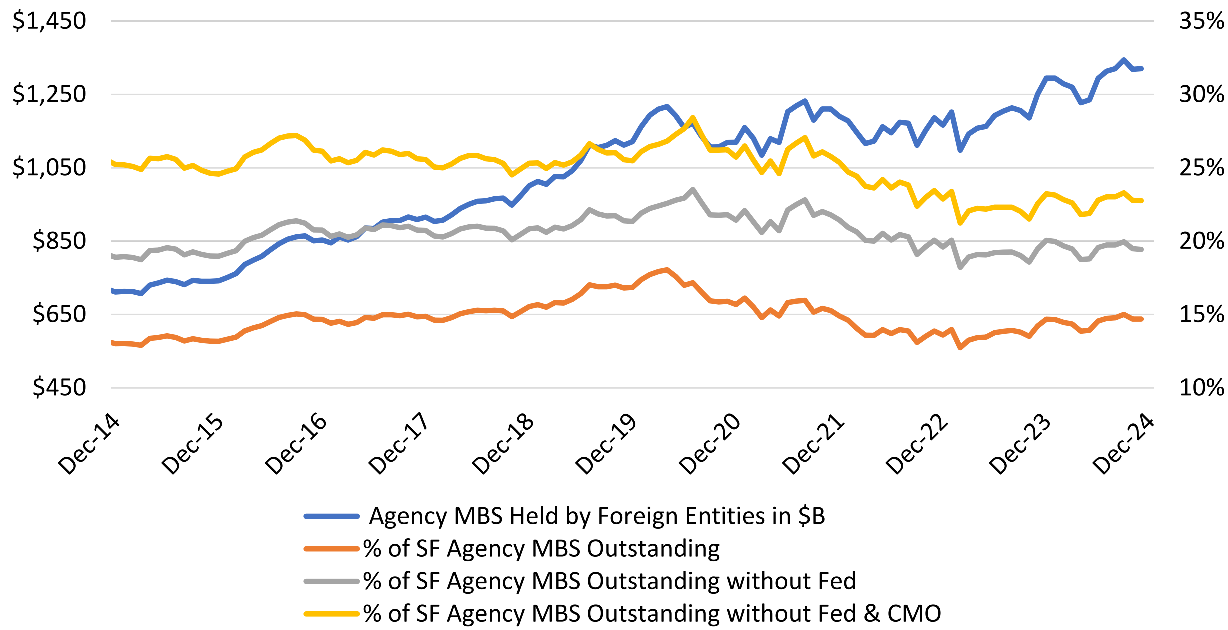
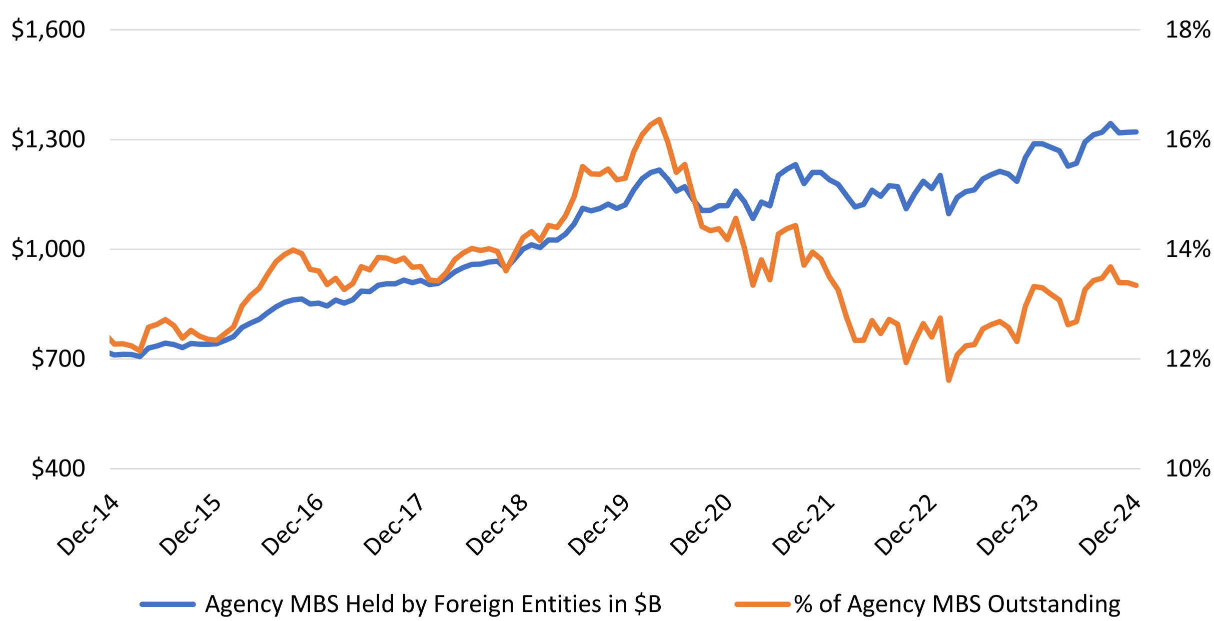


Figure 39. Agency MBS Owned by Foreign Entities (USD Billions)



Sources: TIC and Recursion, as of December 2024.

8.5 Foreign Ownership of Agency Debt

The largest holders of Agency Debt were Japan, China, and Taiwan. As of September 2024, these three owned roughly 51% of all foreign owned Agency Debt. Between September 2023 and September 2024, China and Taiwan decreased their Agency Debt holdings while Japan increased their Agency Debt holdings. Japan's holdings increased by $16.5 billion. China's holdings decreased by $22.2 billion, and Taiwan's holdings decreased by $0.8 billion.

Table 15. All Agency Debt (QoQ)

Country	*Level of Holdings ($ Millions)*				*Change in Holdings ($ Millions)*			
	12/1/2023	**3/1/2024**	**6/1/2024**	**9/1/2024**	**Q4 2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**
Japan	$259,059	$248,603	$244,007	$268,959	$6,596	($10,456)	($4,596)	$24,952
China	$271,478	$255,977	$233,934	$232,895	$16,368	($15,501)	($22,043)	($1,039)
Taiwan	$211,610	$199,560	$194,253	$200,234	$10,600	($12,050)	($5,307)	$5,981
Canada	$133,725	$129,900	$157,880	$155,819	$17,083	($3,825)	$27,980	($2,061)
Luxembourg	$46,054	$48,677	$52,756	$57,063	$3,398	$2,623	$4,079	$4,307
United Kingdom	$120,148	$39,768	$47,710	$48,793	$30,131	($80,380)	$7,942	$1,083
Cayman Islands	$42,342	$41,961	$40,740	$47,252	$5,253	($381)	($1,221)	$6,512
Ireland	$39,543	$41,497	$37,289	$39,848	($154)	$1,954	($4,208)	$2,559
South Korea	$38,381	$36,519	$36,129	$37,001	$1,873	($1,862)	($390)	$872
Bermuda	$25,492	$24,885	$26,737	$28,523	$2,727	($607)	$1,852	$1,786
Other	$235,413	$243,350	$255,239	$212,070	$15,714	$7,937	$11,889	($43,169)
Total	**$1,423,245**	**$1,310,697**	**$1,326,674**	**$1,372,872**	**$109,589**	**($112,548)**	**$15,977**	**$46,198**

Table 16. All Agency Debt (YoY)

Country	*Level of Holdings ($ Millions)*		
	9/1/2023	**9/1/2024**	***YoY Change in Holdings ($ Millions)***
Japan	$252,463	$268,959	$16,496
China	$255,110	$232,895	($22,215)
Taiwan	$201,010	$200,234	($776)
Canada	$116,642	$200,234	$39,177
Luxembourg	$42,656	$57,063	$14,407
United Kingdom	$90,017	$48,793	($41,224)
Cayman Islands	$37,089	$47,252	$10,163
Ireland	$39,697	$39,848	$151
South Korea	$36,508	$37,001	$493
Bermuda	$22,765	$28,523	$5,758
Other	$219,699	$212,070	($7,629)
Total	**$1,313,656**	**$1,372,872**	**$59,216**

Source: Treasury International Capital (TIC). Note: Level of agency debt Holdings by month data as of Q3 2024. Table 16 & 17 include the top 10 holders of Agency Debt listed as of September 2024.

9 FIXED INCOME LIQUIDITY INDICATORS

YTD average daily trading volume for Agency MBS was $390 billion as of month-end January 2025, which indicates an increase from the daily average of $305 billion for calendar year 2024. On a monthly basis, Agency MBS average daily trading volume increased from $303 billion in December 2024 to $390 billion in January 2025. *See footnote below for update on "Average Daily Turnover by Sector" data.*

Figure 40. Average Daily Trading Volume by Sector

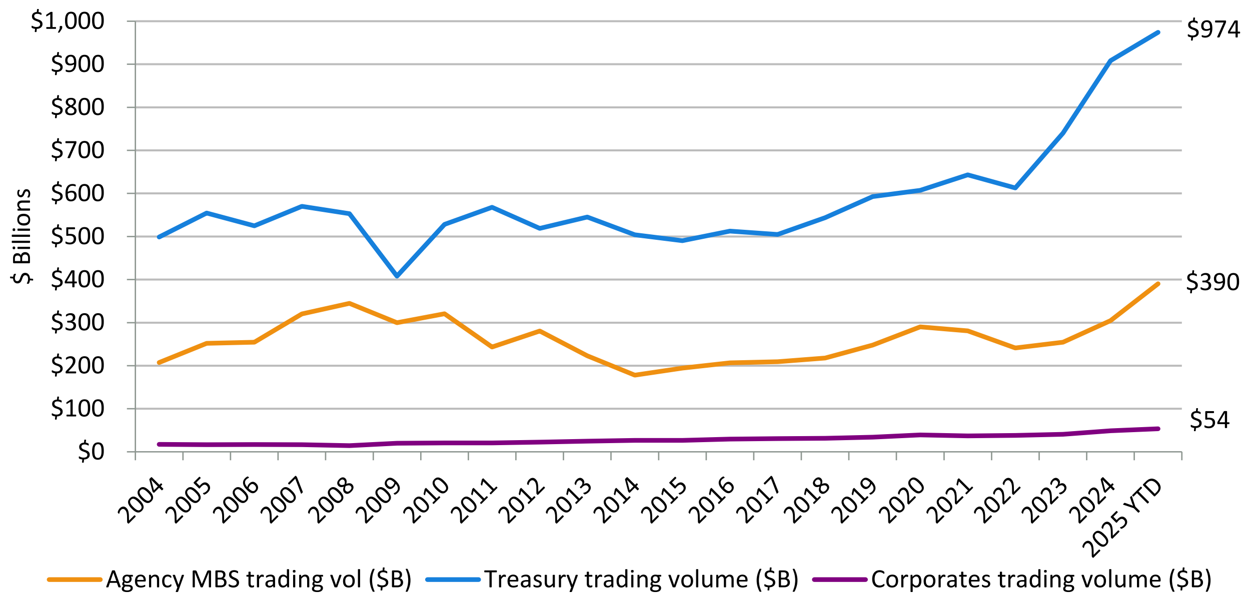
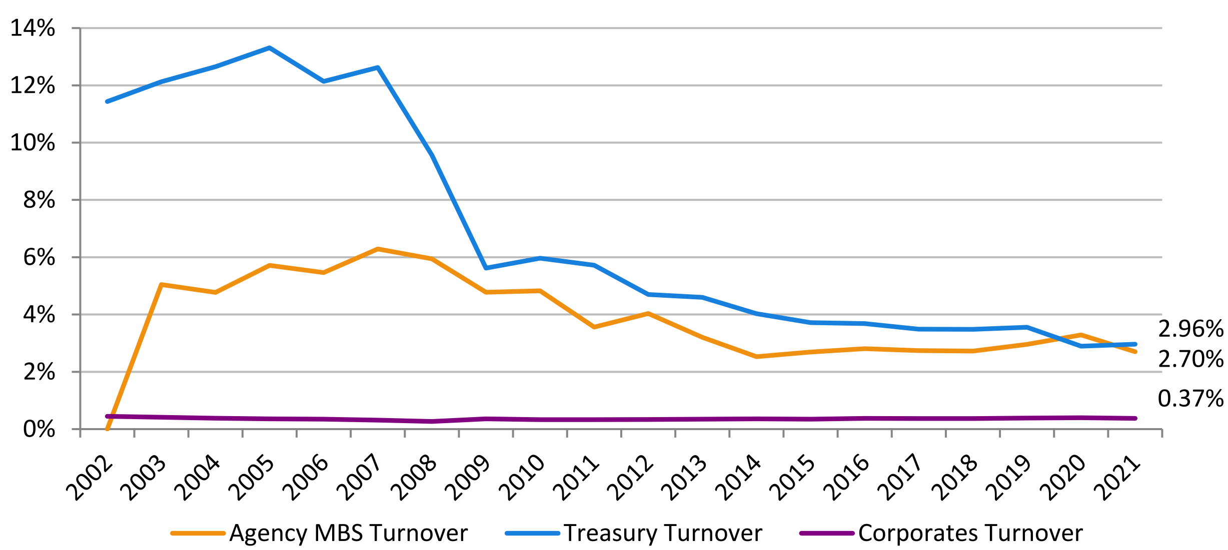


Figure 41. Average Daily Turnover by Sector



Source: SIFMA. Note: Data as of January 2025 for Average Daily Trading Volume by Sector and as of December 2021 for Agency MBS in Average Daily Turnover by Sector. The MBS outstanding database for Turnover by Sector is under maintenance and is not updated in this report.

PRIMARY MORTGAGE MARKET

10 AGENCY CREDIT BREAKDOWN

Tables 17, 18, and 19 below outline the population distributions of FICOs, DTIs, and LTVs between the Agencies and between FHA, VA, and other Ginnie Mae loan sources as of month-end January 2025. The distribution statistics capture some key differences in the populations served by the agencies.

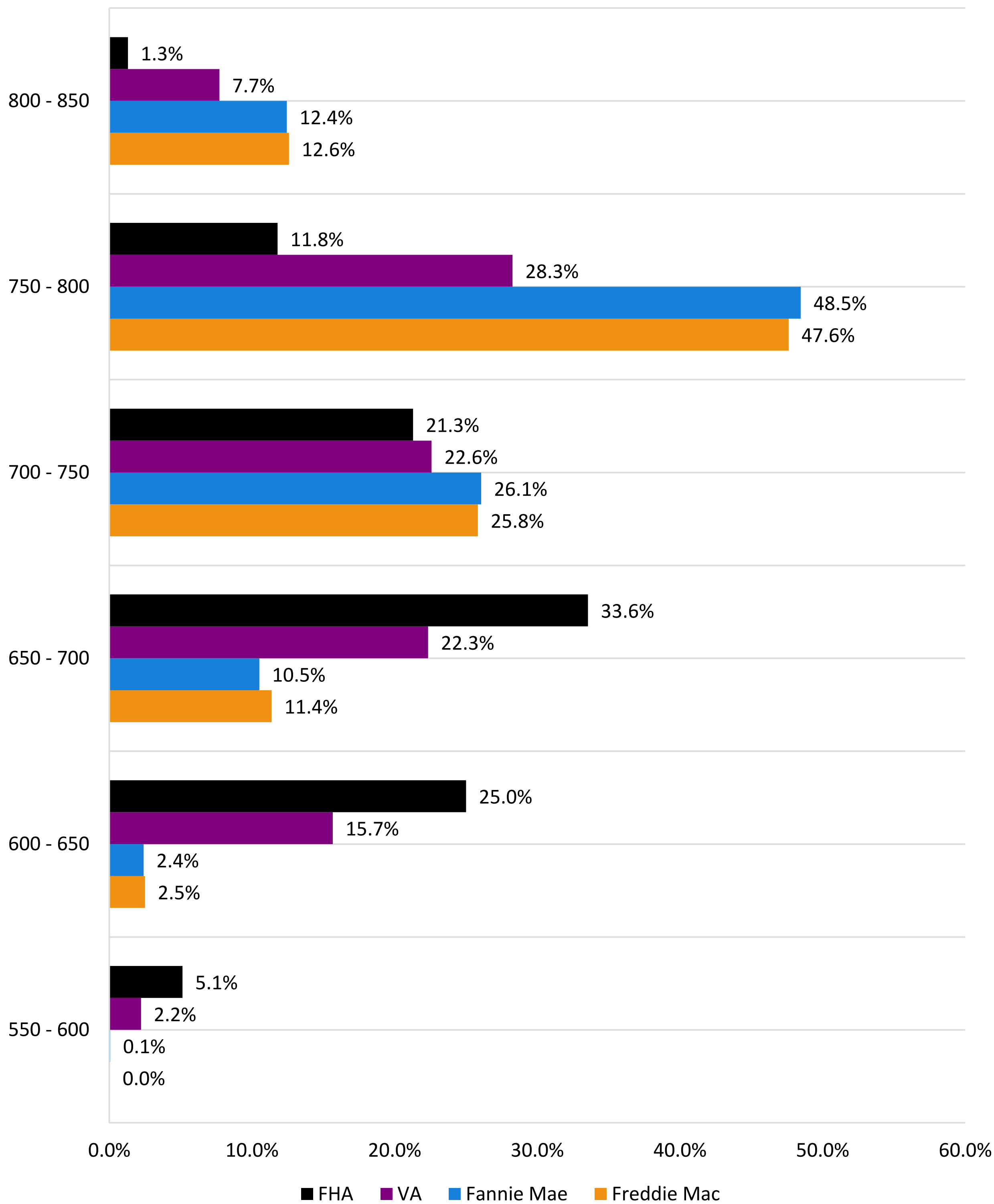
10.1 Credit Scores

Table 17. Share of Loans by FICO Score

			Purchase FICO				
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	207,744	654	700	750	784	801	738
Fannie	59,121	701	735	768	791	803	759
Freddie	72,763	696	732	767	791	804	758
Ginnie	75,860	627	656	699	751	786	703
			Refi FICO				
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	71,864	630	669	722	769	794	715
Fannie	19,870	668	706	750	782	800	741
Freddie	23,785	670	708	751	782	800	742
Ginnie	28,209	599	633	671	715	761	674
			All FICO				
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	284,936	644	687	742	781	799	730
Fannie	78,991	691	728	764	789	802	755
Freddie	96,548	689	726	764	790	803	754
Ginnie	109,397	617	647	687	740	780	692
			Purchase FICO: Ginnie Mae Breakdown by Source				
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	75,860	627	656	699	751	786	703
FHA	49,187	624	650	686	731	768	691
VA	23,813	638	680	738	780	800	727
Other	2,860	630	660	703	742	772	701
			Refi FICO: Ginnie Mae Breakdown by Source				
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	28,209	599	633	671	715	761	674
FHA	16,767	589	625	659	695	734	660
VA	11,385	617	650	693	745	783	695
Other	57	656	682	733	759	770	720
			All FICO: Ginnie Mae Breakdown by Source				
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	109,397	617	647	687	740	780	692
FHA	70,126	611	641	676	720	760	679
VA	36,085	628	664	720	771	797	715
Other	3,186	628	655	698	739	770	698

Data as of January 2025. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files. Note: All averages are rounded to the nearest whole number.

Figure 42. FICO Distributions by Agency



Data as of January 2025. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files.

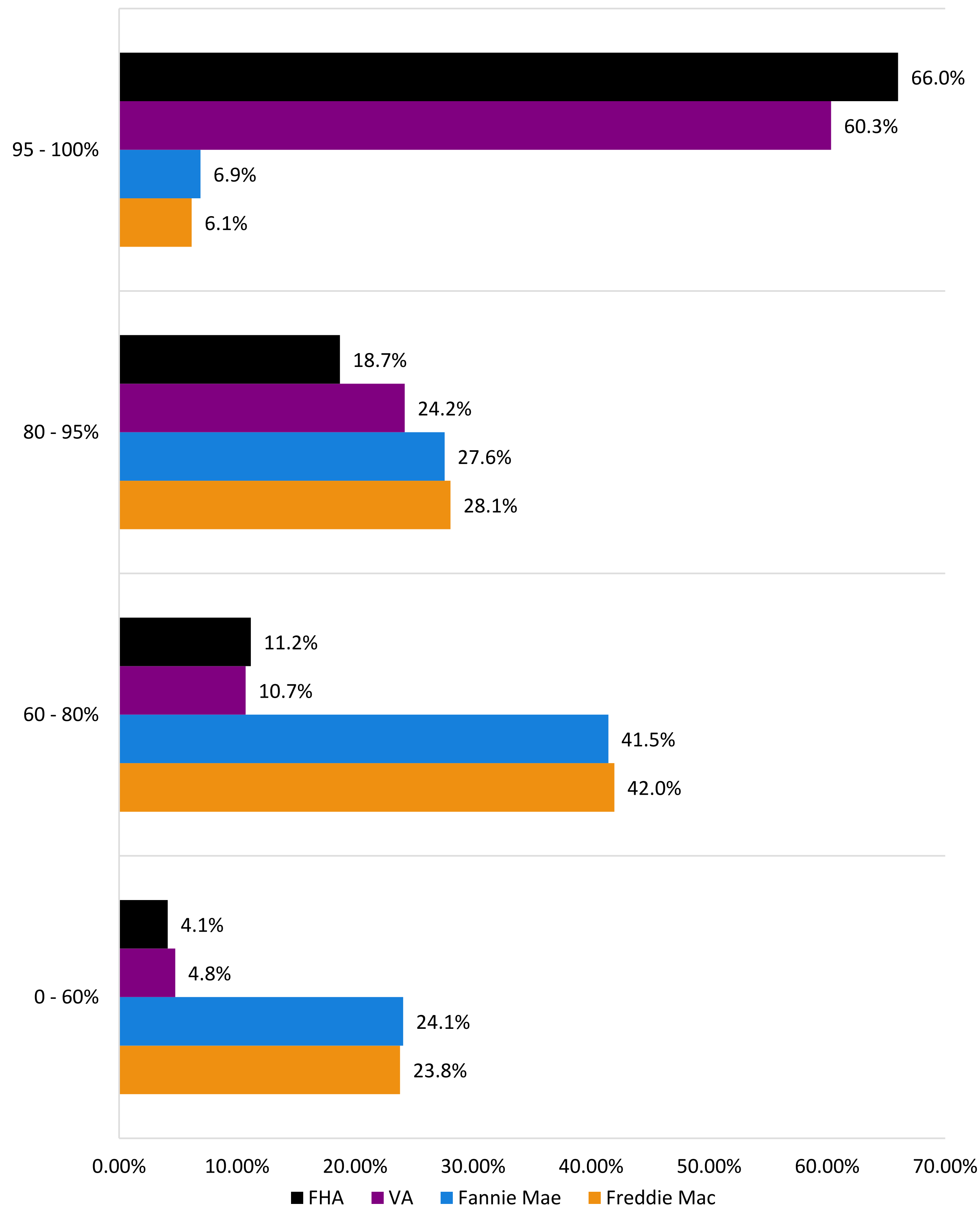
10.2 Loan-to-Value (LTV)

Table 18. Share of Loans by LTV

Names	Number of Loans	P10	P25	Median	P75	P90	Mean
Purchase LTV							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	208,063	61	80	91	98	99	85
Fannie	59,211	55	75	80	94	95	80
Freddie	72,796	52	73	80	95	95	78
Ginnie	76,056	90	97	98	100	100	96
Refi LTV							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	75,946	37	55	71	81	97	68
Fannie	19,872	29	44	60	72	80	57
Freddie	23,786	30	46	61	75	80	59
Ginnie	32,288	59	74	81	97	100	82
All LTV							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	290,281	51	72	85	97	99	81
Fannie	79,083	44	62	80	90	95	74
Freddie	96,582	43	63	80	90	95	74
Ginnie	114,616	75	90	98	99	100	92
Purchase LTV: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	76,056	90	97	98	100	100	96
FHA	49,305	92	97	98	98	98	96
VA	23,849	83	100	100	100	102	96
Other	2,902	93	98	101	101	101	98
Refi LTV: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	32,288	59	74	81	97	100	82
FHA	17,974	55	70	80	81	98	76
VA	14,253	69	83	93	100	102	89
Other	61	78	92	99	101	103	94
All LTV: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	114,616	75	90	98	99	100	92
FHA	72,244	74	86	98	98	98	91
VA	39,134	77	90	100	100	102	94
Other	3,238	93	98	101	101	101	98

Data as of January 2025. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files. Note: All averages are rounded to the nearest whole number.

Figure 43. Loan-to Value by Agency



Data as of January 2025. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files.

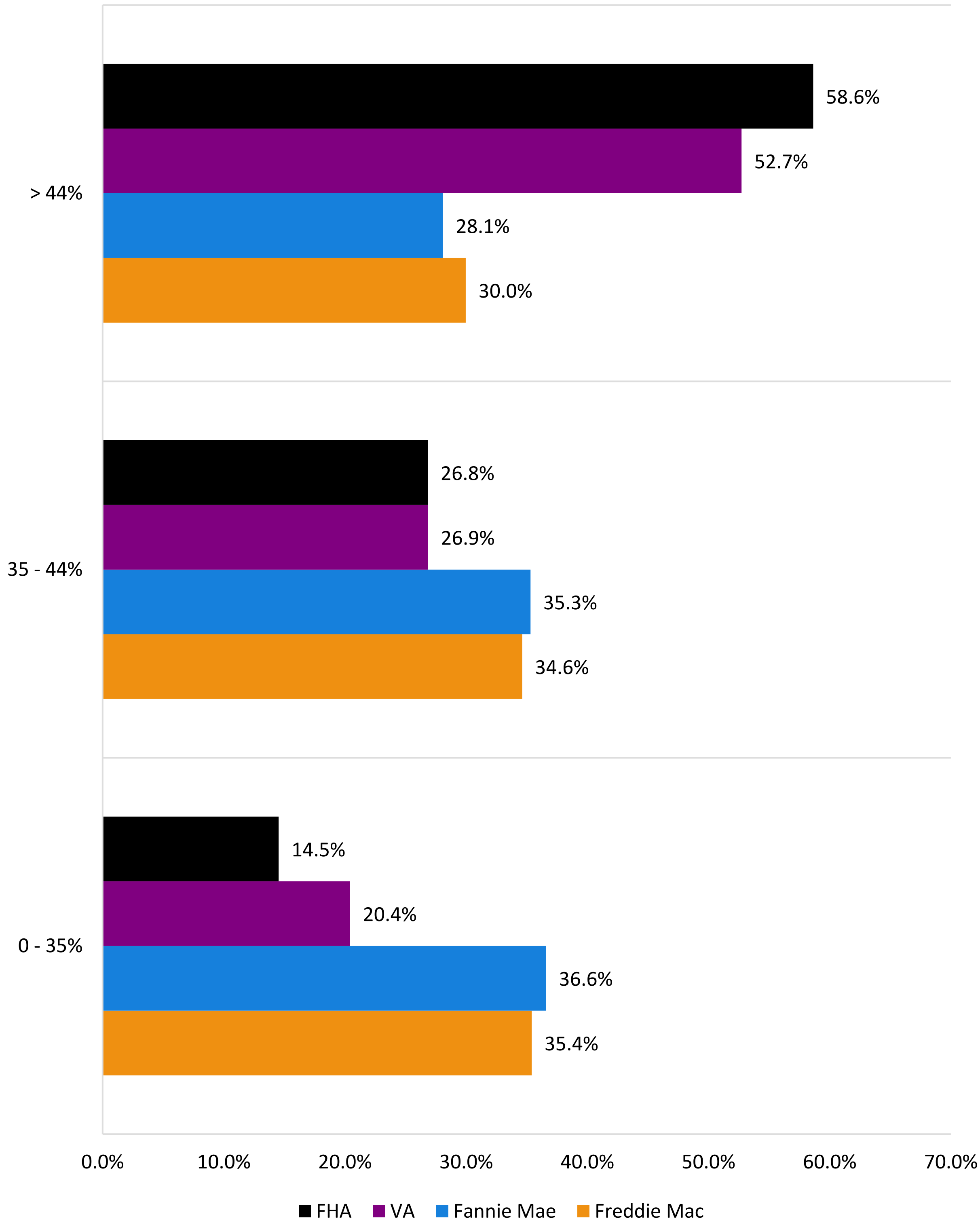
10.3 Debt-to-Income (DTI)

Table 19. Share of Loans by DTI

Names	Number of Loans	P10	P25	Median	P75	P90	Mean
Purchase DTI							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	207,717	27	34	42	48	51	41
Fannie	59,211	25	32	40	46	49	38
Freddie	72,796	25	32	40	46	49	38
Ginnie	75,710	32	39	46	52	56	45
Refi DTI							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	66,205	25	32	40	46	50	39
Fannie	19,872	23	31	38	44	48	37
Freddie	23,786	23	31	39	44	48	37
Ginnie	22,547	28	36	44	50	55	43
All DTI							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	279,062	26	34	42	48	51	40
Fannie	79,083	24	32	39	45	49	38
Freddie	96,582	24	32	40	45	49	38
Ginnie	103,397	31	38	45	51	55	44
Purchase DTI: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	75,710	32	39	46	52	56	45
FHA	49,301	33	40	47	52	56	45
VA	23,513	30	37	45	52	57	44
Other	2,896	28	32	37	40	42	36
Refi DTI: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	22,547	28	36	44	50	55	43
FHA	15,112	29	37	44	50	55	43
VA	7,393	27	35	43	50	55	42
Other	42	16	19	35	38	40	31
All DTI: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	103,397	31	38	45	51	55	44
FHA	68,618	32	39	46	52	55	45
VA	31,611	30	37	45	51	56	44
Other	3,168	28	32	37	40	42	36

Data as of January 2025. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files. Note: All averages are rounded to the nearest whole number.

Figure 44. Debt-to Income by Agency



Data as of January 2025. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files.

10.4 High LTV Loans: Ginnie Mae vs. GSEs

Comparing the three-month range of November 2023 – January 2024 to the three-month range of November 2024 – January 2025, the share of high-LTV agency loans with:

- FICO scores above 750 increased by approximately 2.63%.
- DTIs below 35% increased by approximately 2.85%.

Ginnie Mae maintains its key role of expanding credit access to low-to-moderate income borrowers as it continues to dominate high-LTV lending, with 68.06% of its issuances between November 2024 and January 2025 having LTVs of 95 or above, compared to 20.28% for the GSEs.

Table 20. Share of Loans with LTV > 95

	Ginnie Mae	*GSE*	*All*
Nov 2023 – Jan 2024	71.34%	21.56%	40.79%
Nov 2024 – Jan 2025	68.06%	20.28%	39.82%

Table 21. Agency Market Share by DTI and FICO for Loans with LTV > 95 (Nov 2023 – Jan 2024)

	FICO					
DTI	**<650**	**650-700**	**700-750**	**≥750**	**NA**	**All**
<35	1.58%	2.46%	3.52%	6.00%	0.07%	13.62%
35-45	4.94%	7.57%	9.72%	11.97%	0.06%	34.26%
≥45	7.68%	14.05%	15.03%	14.04%	0.10%	50.89%
NA	0.26%	0.21%	0.16%	0.20%	0.39%	1.22%
All	**14.47%**	**24.28%**	**28.43%**	**32.21%**	**0.61%**	**100.00%**

Table 22. Agency Market Share by DTI and FICO for Loans with LTV > 95 (Nov 2024 – Jan 2025)

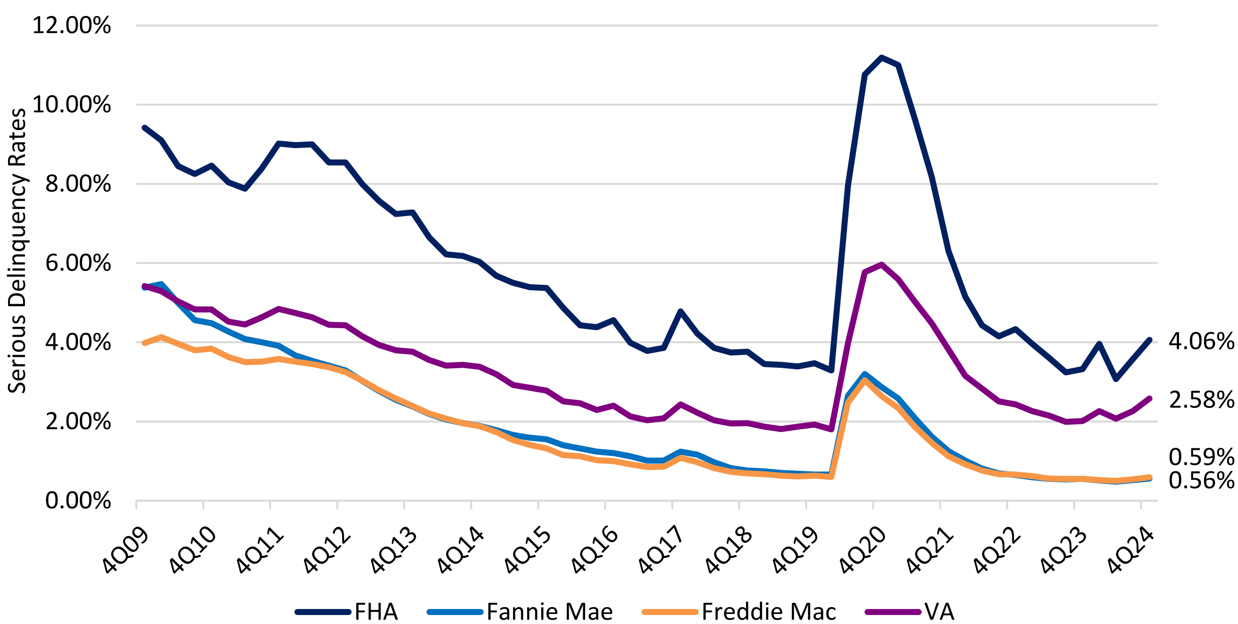
	FICO					
DTI	**<650**	**650-700**	**700-750**	**≥750**	**NA**	**All**
<35	1.46%	2.23%	3.54%	6.72%	0.06%	14.01%
35-45	4.37%	6.55%	8.62%	11.71%	0.05%	31.29%
≥45	6.59%	11.27%	12.61%	12.81%	0.09%	43.38%
NA	1.31%	1.59%	1.56%	1.81%	5.06%	11.33%
All	**13.72%**	**21.63%**	**26.33%**	**33.06%**	**5.27%**	**100.00%**

Sources: Recursion and Ginnie Mae. Data as of January 2025.

10.5 Serious Delinquency Rates

From Q3 2024 to Q4 2024, FHA's serious delinquencies rose 49 bps to 4.06% and VA's delinquency rates saw a 32 bp increase to 2.58%. Fannie and Freddie's serious delinquencies saw less movement than FHA and VA in Q4 2024. Fannie Mae and Freddie Mac serious delinquency rates increased 4 and 5 bps from Q3 2024 to Q4 2024, sitting at 0.56% and 0.59%, respectively.

Figure 45. Serious Delinquency Rates: Single-Family Loans



Sources: Fannie Mae and Freddie Mac Monthly Summary Reports. MBA Delinquency Survey

Note: Serious delinquency is defined as 90 days or more past due or in the foreclosure process. Data as of Q4 2024.

10.6 Credit Box

The first-time homebuyer shares for agency purchase loans was 56.9% as of month-end January 2025, a decrease from 57.7% in December 2024 and up from 56.1% in January 2024. Ginnie Mae's first-time homebuyer share, 72.0% as of month-end January 2025, increased 1.5% YoY. Freddie Mac and Fannie Mae's first-time homebuyer shares were 46.6% and 50.0%, respectively, as of month-end January 2025. Freddie Mac's share of first-time borrowers decreased 0.8% and Fannie Mae's increased 3.4% YoY.

Table 23 shows that based on mortgages originated as of month-end January 2025 the average GSE first-time homebuyer was more likely to have a higher credit score, lower LTV, and higher interest rate compared to an average Ginnie Mae first-time homebuyer. Ginnie Mae's first-time homebuyers were more likely to have lower loan amounts and lower credit scores, while having slightly higher mortgage rates than Ginnie Mae repeat buyers.

Figure 46. First-Time Homebuyer Share: Purchase Only Loans

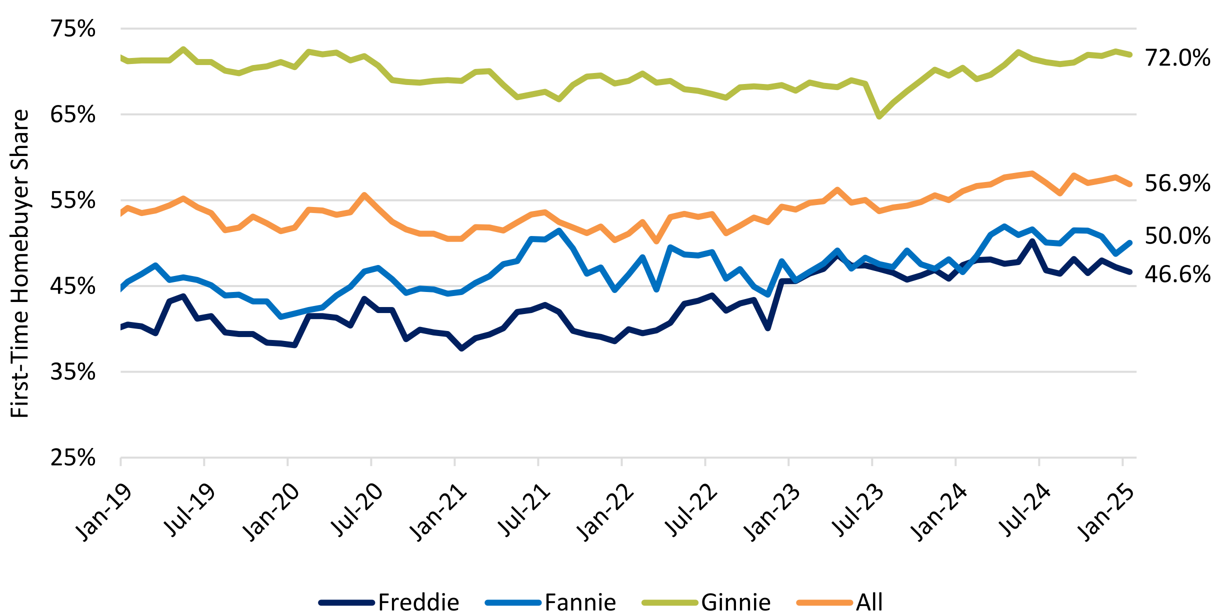


Table 23. Agency First-Time Homebuyer Share Summary

	Fannie Mae		Freddie Mac		Ginnie Mae		All	
	First-Time	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*
Loan Amount $	$344,193	$363,547	$344,503	$361,258	$326,852	$387,924	$336,257	$368,348
Credit Score	753	765	751	764	696	720	726	754
LTV	84.8%	74.5%	83.9%	73.7%	97.1%	93.7%	90.3%	78.7%
DTI	37.9%	38.2%	38.2%	38.4%	44.3%	45.6%	40.9%	40.0%
Loan Rate	6.4%	6.5%	6.6%	6.7%	6.1%	6.1%	6.3%	6.5%

Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files as of January 2025

In the Ginnie Mae purchase market, 80.0% of FHA loans, 53.4% of VA loans, and 88.2% of "Other" loans provided financing for first-time home buyers as of month-end January 2025. The share of first-time home buyers in the Ginnie Mae purchase market decreased MtM for FHA and "Other" loan types and increased for VA loans.

Table 24 shows that, based on mortgages originated as of month-end January 2025, the credit profile of the average VA first-time homebuyer differed from the average VA repeat buyer. The average VA first-time homebuyer took out 16.2% smaller loans, had a 27.9-point lower credit score, and a 5.3% higher LTV than VA repeat buyers. VA repeat buyers faced a slightly lower interest rate than VA first-time homebuyers. FHA's first-time homebuyers are similar to repeat buyers, with only 4.9% smaller loans and 2.6% higher LTVs. Because FHA provides one of few credit options for borrowers with lower credit scores, repeat borrowers with weaker credit profiles are often limited to FHA financing; FHA's repeat buyers have similar credit scores compared to their first-time home buyers.

Figure 47. First-time Homebuyer Share: Ginnie Mae Breakdown

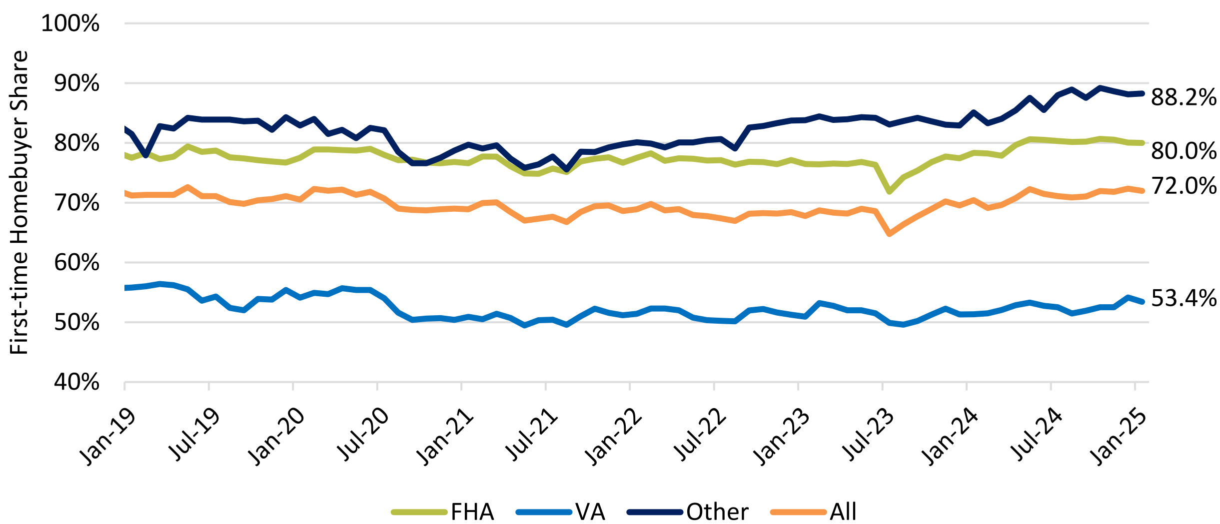


Table 24. Ginnie Mae First-Time Homebuyer Share Breakdown Summary

	FHA		VA		Other		Total	
	First-Time	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*
Loan Amount $	$322,455	$339,094	$365,762	$436,484	$200,991	$218,716	$326,852	$387,924
Credit Score	690	694	714	742	700	713	696	720
LTV	96.6%	94.1%	98.5%	93.3%	98.2%	98.1%	97.1%	93.7%
DTI	45.0%	46.5%	43.6%	45.1%	35.8%	36.3%	44.3%	45.6%
Loan Rate	6.1%	6.1%	6.2%	6.1%	6.2%	6.2%	6.1%	6.1%

Sources: Ginnie Mae disclosure files as of January 2025. Note: LTV, DTI, and Loan Rate are rounded to nearest tenth.

10.7 Credit Box: Historical

The median FICO score for all Agency loans originated as of month-end January 2025 was 742, which represents a 6-point increase from January 2024. Ginnie Mae median FICO scores increased 3 points from 684 in January 2024 to 687 as of month-end January 2025. As of month-end January 2025, median FICO scores for refinances increased for Ginnie Mae, Freddie Mac, and Fannie Mae borrowers by 14, 15, and 10 points YoY, respectively.

Figure 48. FICO Scores for All Loans

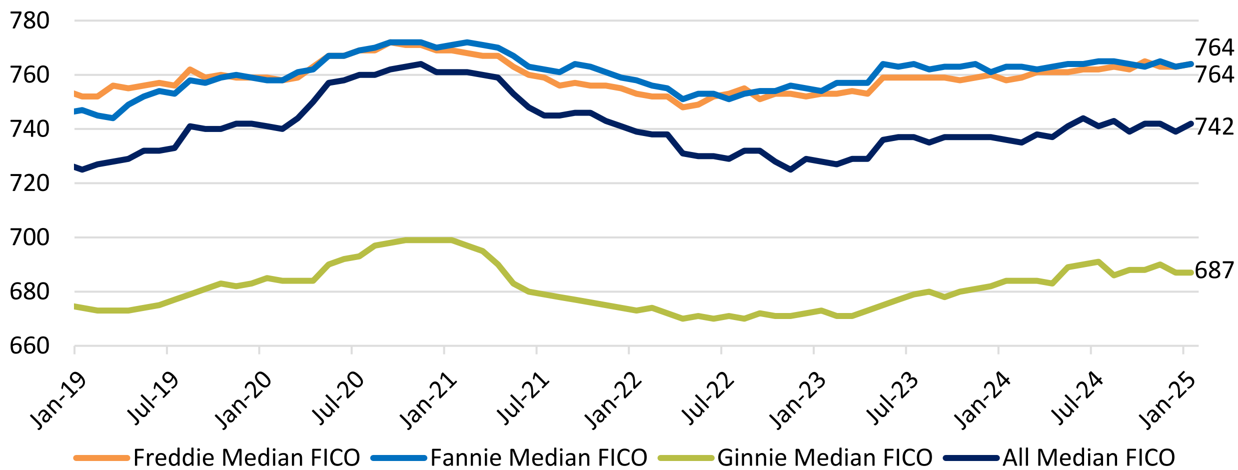


Figure 49. FICO Scores for Purchase Loans

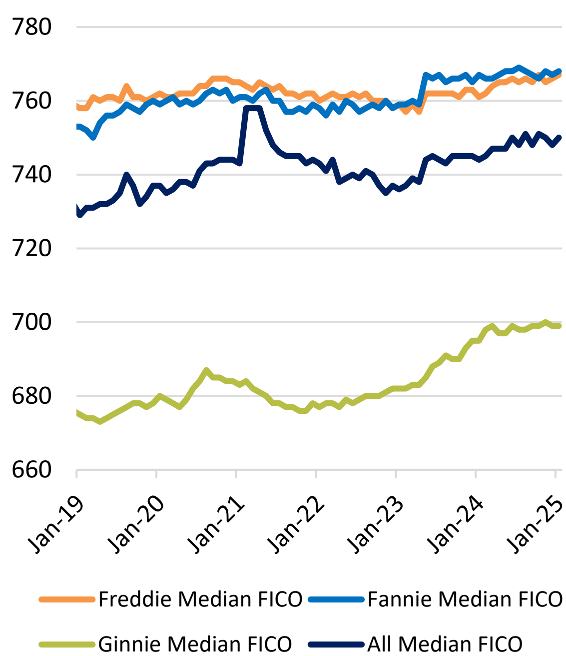
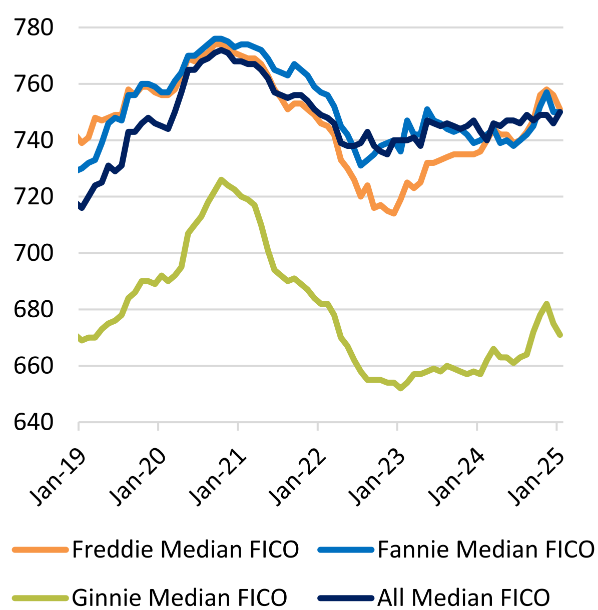


Figure 50. FICO Scores for Refinance Loans



Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files as of January 2025.

In January 2025, the median LTV for Ginnie Mae loans was 98.2% compared to 80.0% for Fannie Mae and Freddie Mac, owing primarily to the lower down-payment requirements for government loan programs. Fannie Mae and Freddie Mac noted their LTV ratios remain flat YoY from January 2024 to January 2025 while Ginnie Mae's LTV ratio increased from the year prior. In January 2025, median DTIs for Ginnie Mae, Freddie Mac, and Fannie Mae were 45.3%, 40.0%, and 39.0%, respectively. In January 2024, median DTIs for Ginnie Mae, Freddie Mac, and Fannie Mae were 45.5%, 40.0%, and 39.0%, respectively.

Figure 51. LTV Ratio for All Loans

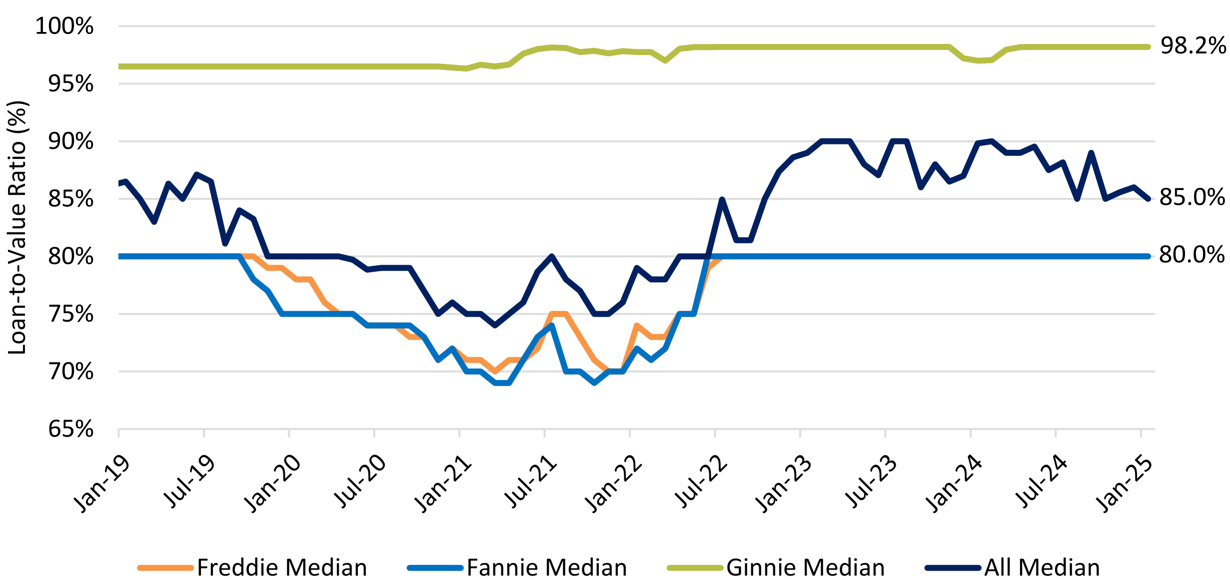
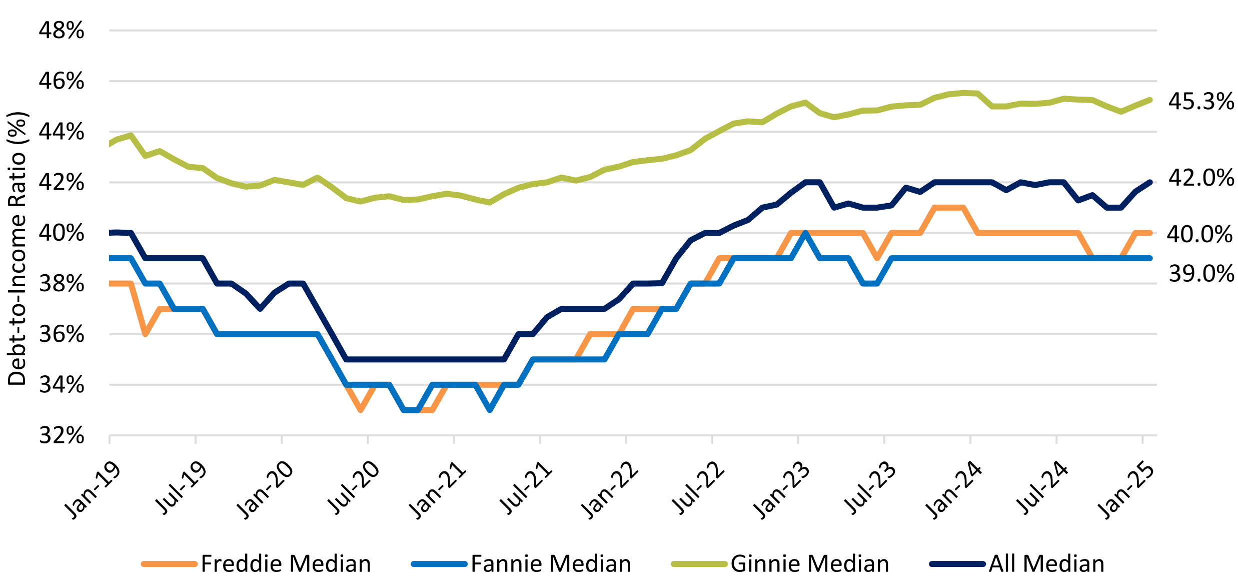


Figure 52. DTI Ratio for All Loans



Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files as of January 2025.

11 FORBEARANCE TRENDS

At the end of January 2025, 66,662 Ginnie Mae loans were in forbearance. The number of loans in forbearance removed from MBS pools in January 2025 was 280 while 66,382 loans in forbearance remained in pools. The number of loans in forbearance, both the number of loans that remained in pools, and the number of loans removed from MBS pools, decreased MoM for Ginnie Mae. The median current principal balance for Ginnie Mae, FHA, and VA was higher for loans in forbearance originated by nonbanks than banks in all subsets.

Tables 25-27. Forbearance Snapshot

All Loans in Forbearance – January 2025						
	FICO Score*	Note Rate (%) *	Current Principal Balance Median	First Time Homebuyer Share (%)	Purchase Share (%)	Loan Count
Ginnie	656	4.6%	$219,255	72.9%	72.5%	66,662
Bank	673	4.6%	$159,075	82.1%	88.8%	7,505
Nonbank	654	4.6%	$227,112	71.8%	71.0%	59,123
FHA	652	4.7%	$206,618	77.5%	77.4%	50,138
Bank	672	4.6%	$156,069	85.7%	89.4%	6,651
Nonbank	650	4.7%	$215,000	76.4%	76.0%	43,460
VA	665	4.5%	$274,352	57.4%	59.5%	15,107
Bank	682	4.5%	$232,396	59.4%	84.8%	671
Nonbank	664	4.5%	$275,966	57.3%	58.4%	14,430

Loans in Forbearance and Removed from Pools – January 2025						
	FICO Score*	Note Rate (%) *	Current Principal Balance Median	First Time Homebuyer Share (%)	Purchase Share (%)	Loan Count
Ginnie	653	5.1%	$207,337	67.3%	60.8%	280
Bank	668	4.6%	$104,683	66.0%	80.2%	47
Nonbank	650	5.1%	$220,879	68.2%	58.7%	232
FHA	646	5.6%	$201,167	73.6%	66.9%	205
Bank	664	4.5%	$104,683	69.8%	79.1%	39
Nonbank	643	5.8%	$216,705	75.2%	65.1%	165
VA	667	3.9%	$242,746	47.4%	45.4%	68
Bank	660	4.8%	$139,035	100.0%	75.1%	4
Nonbank	667	3.8%	$255,811	45.3%	44.7%	64

Loans in Forbearance that Remain in Pools – January 2025						
	FICO Score*	Note Rate (%) *	Current Principal Balance Median	First Time Homebuyer Share (%)	Purchase Share (%)	Loan Count
Ginnie	656	4.6%	$219,304	72.9%	72.6%	66,382
Bank	673	4.6%	$159,147	82.1%	88.9%	7,458
Nonbank	654	4.6%	$227,155	71.8%	71.1%	58,891
FHA	652	4.7%	$206,641	77.5%	77.4%	49,933
Bank	672	4.6%	$156,115	85.7%	89.4%	6,612
Nonbank	650	4.7%	$215,000	76.4%	76.1%	43,295
VA	665	4.5%	$274,411	57.4%	59.5%	15,039
Bank	682	4.5%	$232,437	59.4%	84.8%	667
Nonbank	664	4.5%	$275,984	57.3%	58.4%	14,366

*Sources: Ginnie Mae loan level MBS disclosure and forbearance file and Ginnie Mae Issuer Operational Performance Profile (IOPP) -Peer Group Listings. Notes: Data as of January 2025; *Averages weighted by remaining principal balance of the loans.*

12 HOLDERS OF GINNIE MAE MORTGAGE SERVICING RIGHTS

The 30 largest owners of mortgage servicing rights (MSR) by UPB for loans collateralizing Ginnie Mae MBS are shown in **Table 28.** The top 30 firms collectively own 89.5% of Ginnie Mae MSRs (see Cumulative Share). Twenty-three of these top 30 are non-depository institutions, the remaining seven are depository institutions. As of January 2025, over half (52.5%) of the Ginnie Mae MSRs are owned by the top five firms.

Table 28. Top 30 Holders of Ginnie Mae Mortgage Servicing Rights (MSRs), by UPB

MSR Holder	*Current*	*Rank Year prior*	*Change*	*UPB ($)*	*Share*	*Cumulative Share*	*CPR*	*CDR*
DBA Freedom Mortgage	1	2	↑	$375,589,549,075	15.0%	15.0%	8.21%	1.19%
Lakeview Loan Servicing	2	1	↓	$373,127,045,759	14.9%	29.9%	7.68%	2.43%
PennyMac Loan Service	3	3	↔	$295,315,836,232	11.8%	41.7%	8.36%	2.05%
Newrez LLC	4	8	↑	$137,861,844,680	5.5%	47.2%	7.09%	1.11%
Mr. Cooper (Nationstar)	5	5	↔	$131,224,973,544	5.2%	52.5%	7.53%	2.49%
Carrington Mortgage	6	7	↑	$124,341,166,766	5.0%	57.4%	6.87%	1.88%
Rocket Mortgage	7	6	↓	$116,679,680,414	4.7%	62.1%	8.10%	0.63%
Wells Fargo Bank	8	4	↓	$88,153,093,555	3.5%	65.6%	6.20%	0.85%
Planet Home Lending	9	10	↑	$78,680,961,343	3.1%	68.7%	7.34%	1.10%
U.S. Bank	10	9	↓	$57,553,983,576	2.3%	71.0%	4.72%	0.77%
United Wholesale Mortgage	11	11	↔	$52,587,133,752	2.1%	73.1%	8.04%	1.55%
LoanDepot	12	12	↔	$39,917,893,154	1.6%	74.7%	8.66%	2.49%
Mortgage Research Center	13	22	↑	$35,764,584,978	1.4%	76.2%	11.91%	4.03%
Navy Federal Credit Union	14	14	↔	$34,049,002,832	1.4%	77.5%	5.34%	0.41%
Guild Mortgage Company	15	18	↑	$26,179,146,280	1.0%	78.6%	6.26%	1.54%
CrossCountry Mortgage	16	24	↑	$26,012,982,015	1.0%	79.6%	9.67%	4.23%
M&T Bank	17	15	↓	$25,143,366,850	1.0%	80.6%	6.86%	2.80%
Village Capital & Investment	18	NR	↑	$22,675,056,710	0.9%	81.5%	21.67%	4.33%
New American Funding	19	23	↑	$22,240,537,456	0.9%	82.4%	7.42%	1.69%
CMG Mortgage	20	28	↑	$22,208,319,584	0.9%	83.3%	7.87%	3.55%
The Money Source	21	17	↓	$22,200,061,516	0.9%	84.2%	6.48%	0.97%
Idaho Housing and Finance	22	21	↓	$20,341,329,183	0.8%	85.0%	3.95%	1.15%
PHH Mortgage Corporation	23	19	↓	$19,705,603,482	0.8%	85.8%	8.22%	1.47%
Truist Bank	24	13	↓	$19,520,756,442	0.8%	86.6%	6.78%	2.11%
AmeriHome Mortgage	25	27	↑	$15,571,515,766	0.6%	87.2%	16.79%	4.74%
Citizens Bank	26	26	↔	$13,351,549,795	0.5%	87.7%	5.15%	0.34%
Movement Mortgage	27	25	↓	$12,276,477,409	0.5%	88.2%	6.54%	1.42%
Sun West Mortgage	28	NR	↑	$10,933,734,173	0.4%	88.6%	5.89%	1.04%
Data Mortgage, Inc.	29	NR	↑	$10,743,422,015	0.4%	89.1%	8.07%	3.16%
MidFirst Bank	30	16	↓	$10,349,056,478	0.4%	89.5%	6.29%	1.34%

Sources: Ginnie Mae, Recursion. Notes: Data as of January 2025.

13 AGENCY NONBANK ORIGINATORS

Total Agency nonbank origination shares decreased as of month-end January 2025 by approximately 1.0% MoM. The decrease in nonbank origination share was driven by decreases in Fannie Mae, down 0.6% MoM and Freddie Mac down 1.0% MoM, while Ginnie Mae went up 0.5% MoM. The Ginnie Mae nonbank share increased to 95.4% as of January 2025 and has remained consistently higher than the GSEs.

Figure 53. Agency Nonbank Origination Share (All, Purchase, Refi)

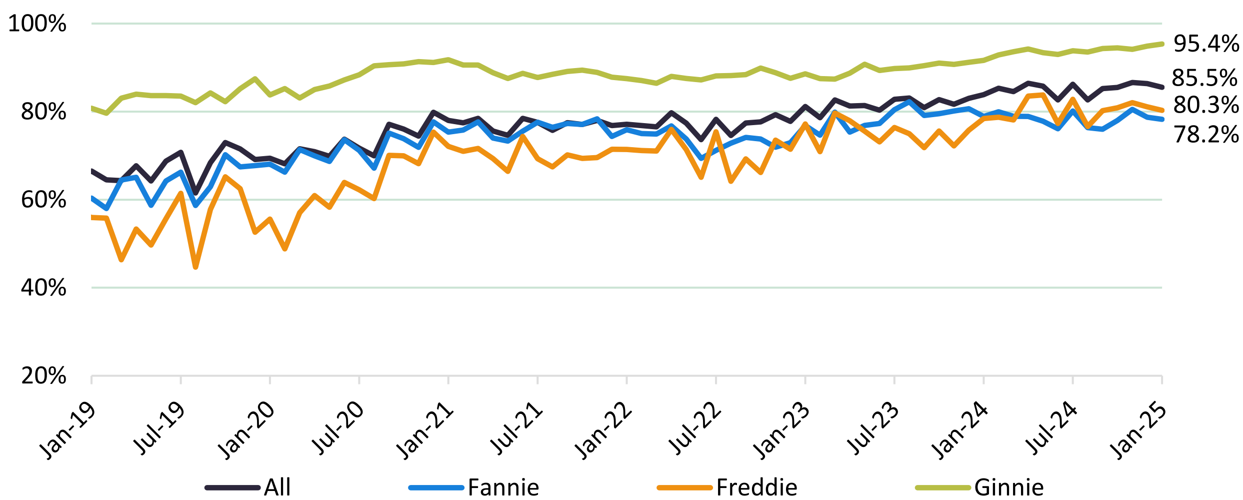


Figure 54. Nonbank Origination Share:

Purchase Loans

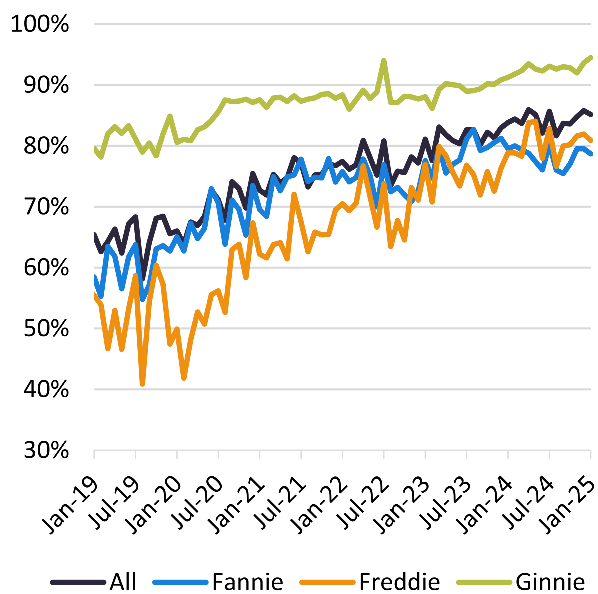
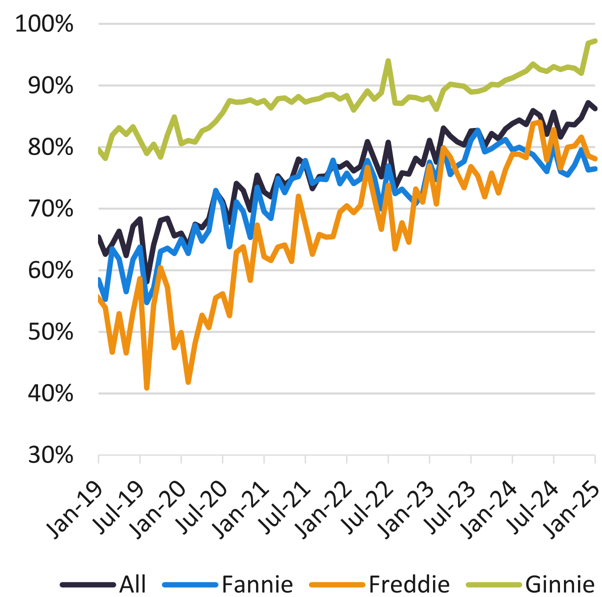


Figure 55. Nonbank Origination Share:

Refi Loans



Source: Recursion. Notes: Data as of January 2025.

Ginnie Mae's total nonbank origination share remained relatively stable as of month-end January 2025. Ginnie Mae continues to have a high proportion of nonbank originations, with a rate of 95.4% in January 2025. The percentage of Ginnie Mae's "Other" nonbank refinanced loans decreased to 96.1% in January 2025.

Figure 56. Ginnie Mae Nonbank Origination Share by Product (All, Purchase, Refi)

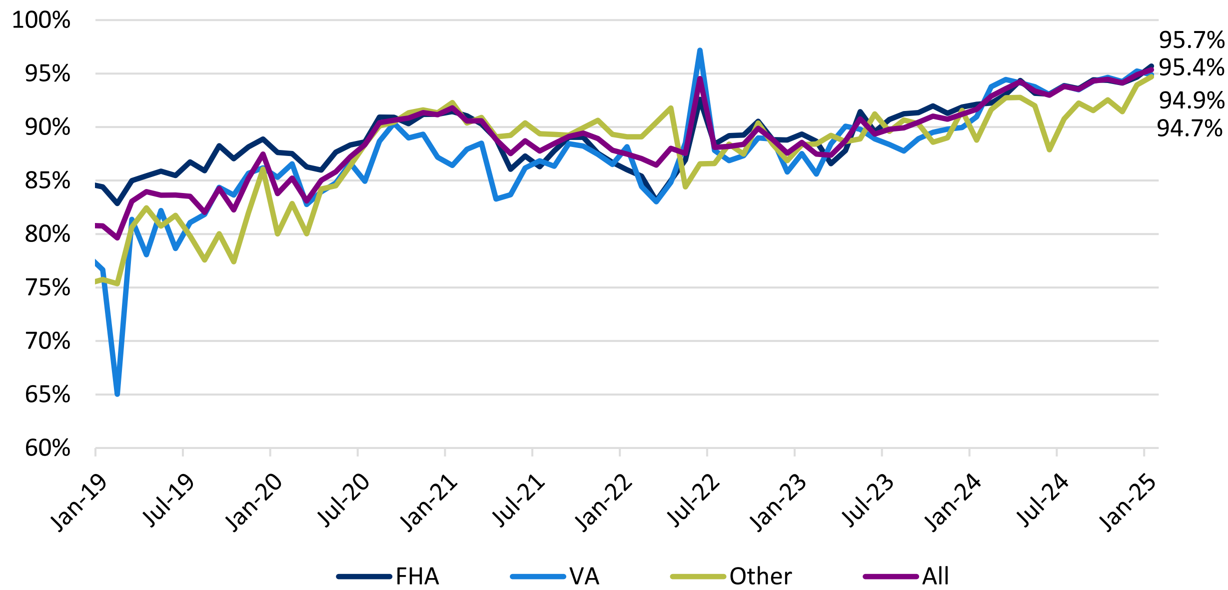


Figure 57. Ginnie Mae Nonbank Share: Purchase Loans

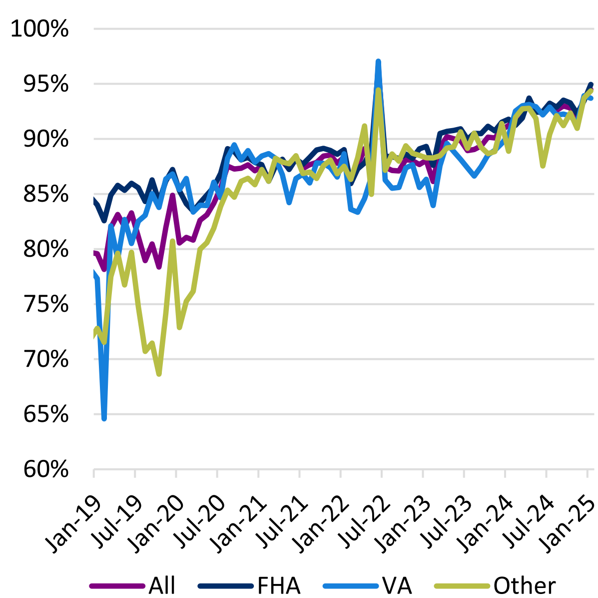
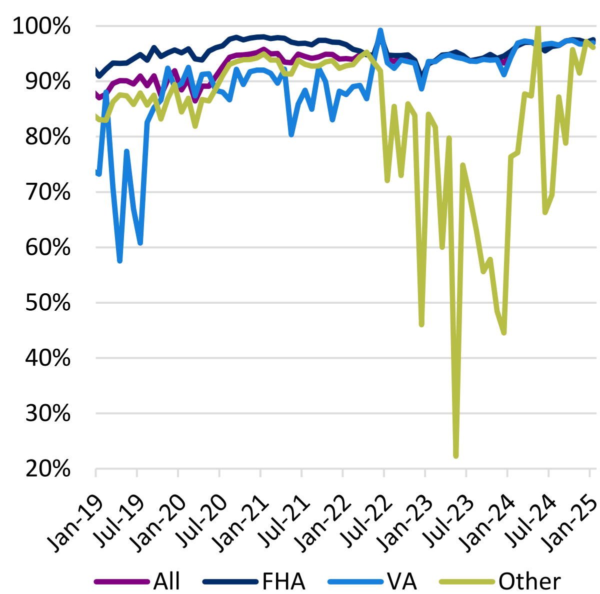


Figure 58. Ginnie Mae Nonbank Share: Refi Loans



Source: Recursion. Notes: Data as of January 2025.

14 BANK VS. NONBANK ORIGINATORS HISTORICAL CREDIT BOX, GINNIE MAE VS. GSE

14.1 (FICO, LTV, DTI)

The mortgage loan originations of nonbanks continue to have a consistently lower median FICO score than their bank counterparts across all Agencies. The spread between nonbank and bank FICO scores decreased 2 points from 25 to 23 points from December 2024 to January 2025. The Agency median FICO score increased from 739 to 742 in January 2025.

Figure 59. Agency FICO: Bank vs. Nonbank

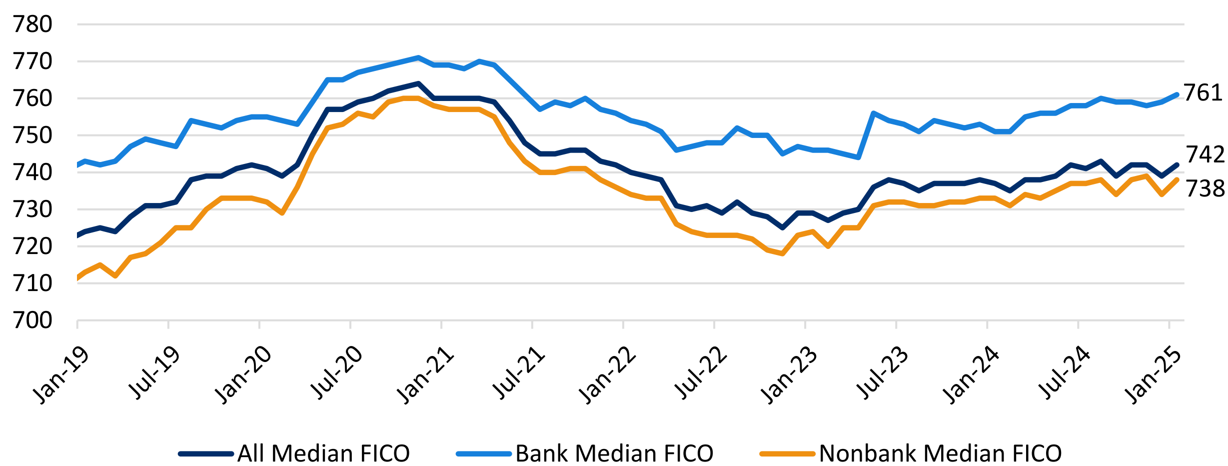


Figure 60. GSE FICO: Bank vs. Nonbank

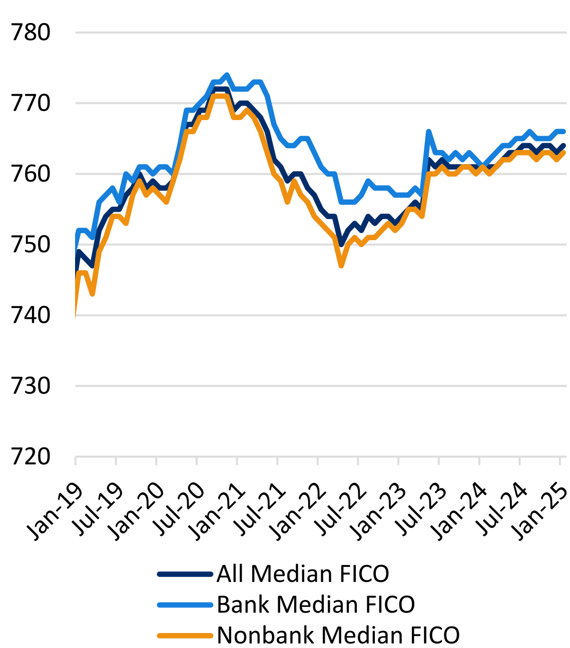
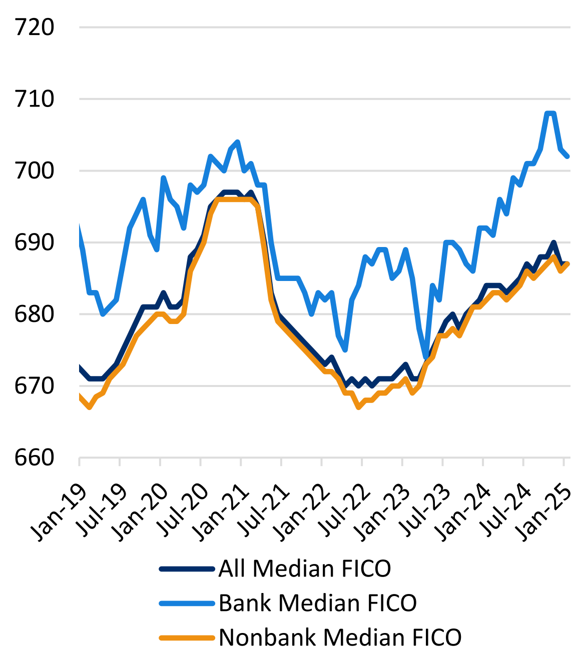


Figure 61. Ginnie Mae FICO: Bank vs. Nonbanks



Source: Recursion: Notes: Data as of January 2025.

The median LTV for all GSE originators remained the same as of month-end January 2025 at 80.0%. Ginnie Mae's median bank and nonbank LTV remained flat at 98.2% as of month-end January 2025. Ginnie Mae's median DTI increased to 45.4% in January 2025 in nonbank originations.

Figure 62. GSE LTV: Bank vs. Nonbank

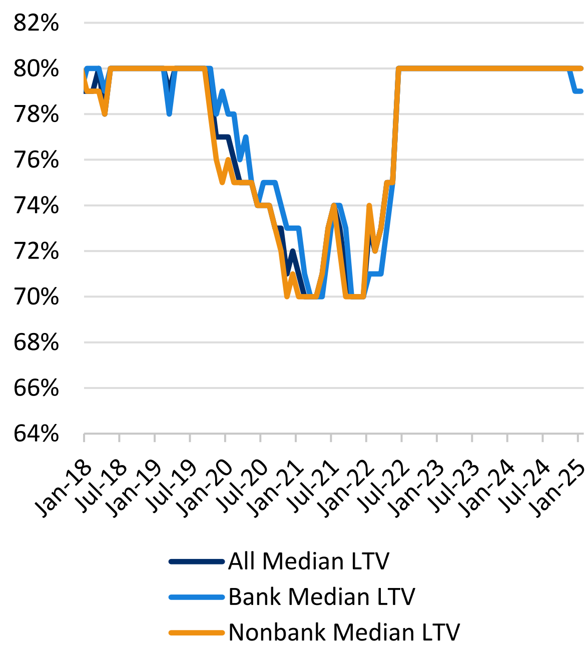


Figure 63. Ginnie Mae LTV: Bank vs. Nonbank

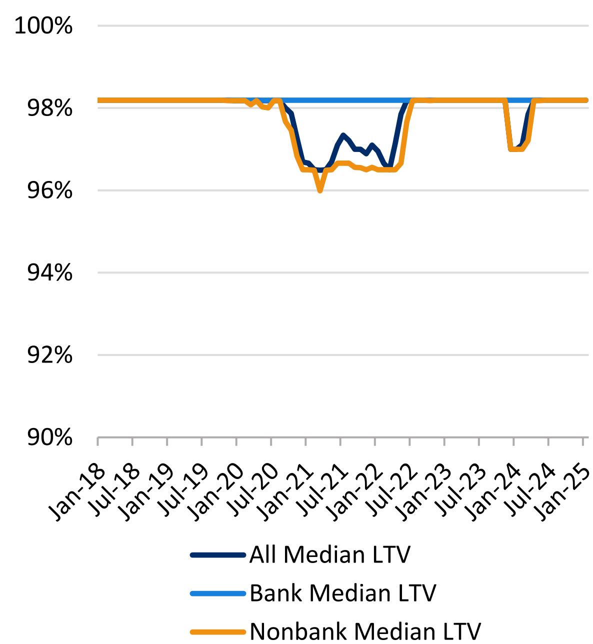


Figure 64. GSE DTI: Bank vs. Nonbank

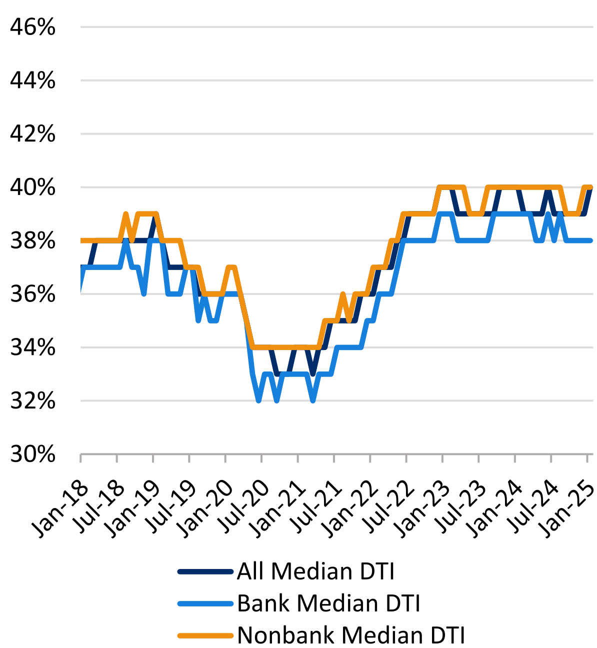
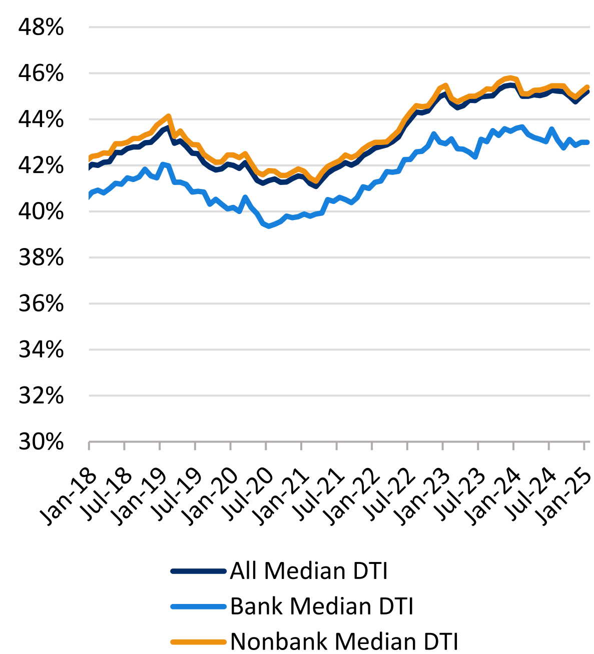


Figure 65. Ginnie Mae DTI: Bank vs. Nonbank



Source: Recursion. Notes: Data as of January 2025.

As of month-end January 2025, the median FICO score for Ginnie Mae bank originations decreased 1 point MtM to 702 points and nonbank increased 1 point MtM to 687 points. The median FICO score for all Ginnie originations remained at 687 points MtM. The gap between banks and nonbanks is most apparent in "VA" lending (34-point spread).

Figure 66. Ginnie Mae FICO Score: Bank vs. Nonbank

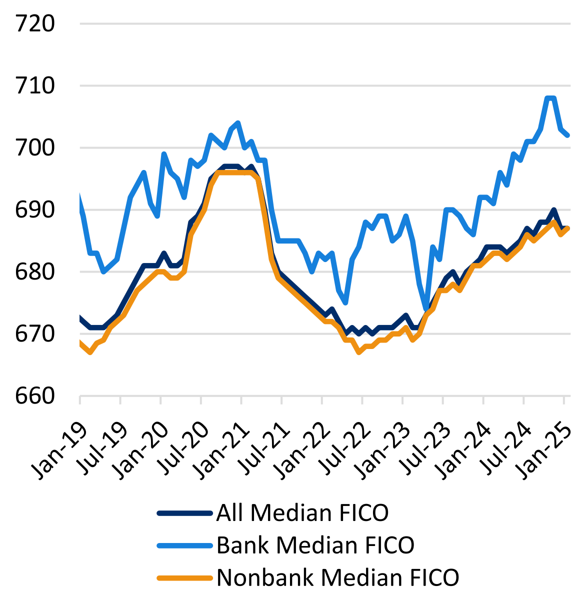


Figure 67. Ginnie Mae FHA FICO Score: Bank vs. Nonbank

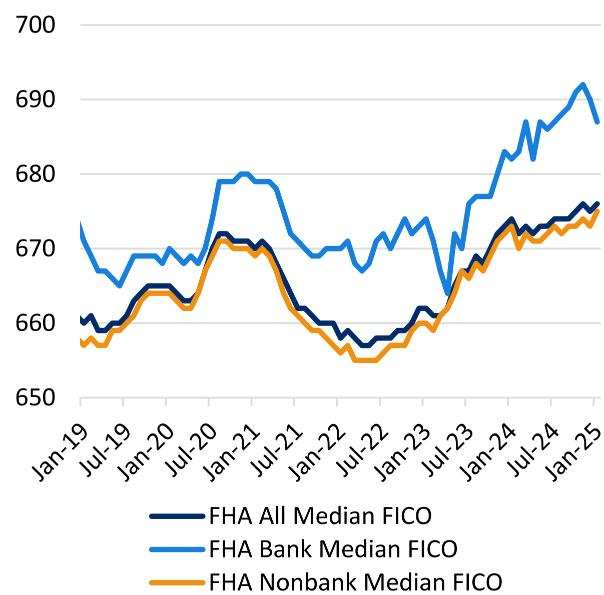


Figure 68. Ginnie Mae VA FICO Score: Bank vs. Nonbank

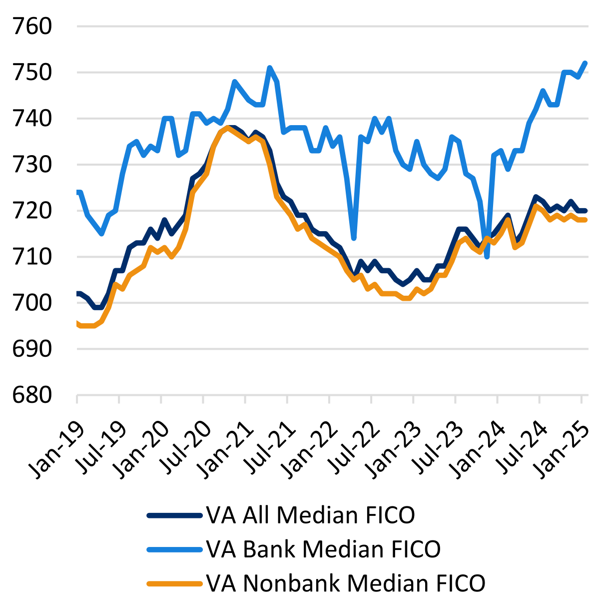
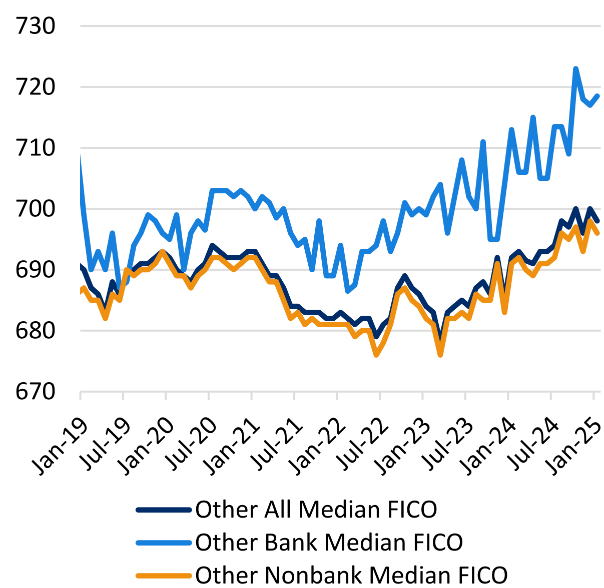


Figure 69. Ginnie Mae Other FICO Score: Bank vs. Nonbank



Source: Recursion. Notes: Data as of January 2025.

Median DTI for Ginnie Mae's nonbank originations has been consistently higher than the median DTI for Ginnie Mae bank originations. This is a trend evident for all Ginnie Mae-eligible loan types except for the "Other" category, where the spread between median bank and nonbank DTI is relatively small.

Figure 70. Ginnie Mae DTI: Bank vs. Nonbank

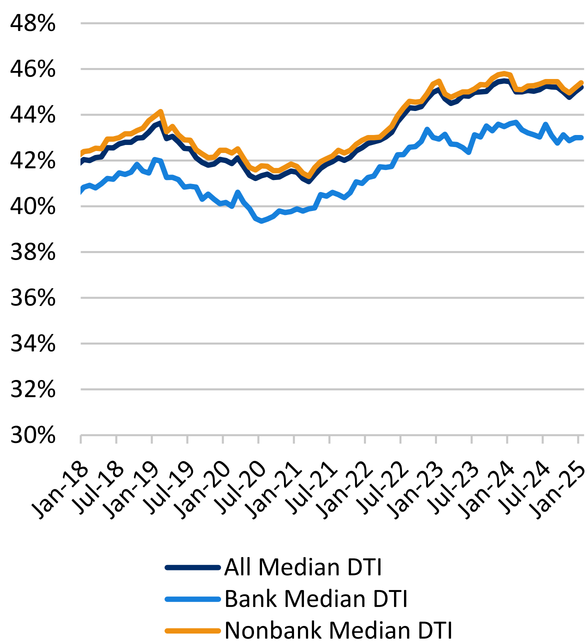


Figure 71. Ginnie Mae FHA DTI: Bank vs. Nonbank

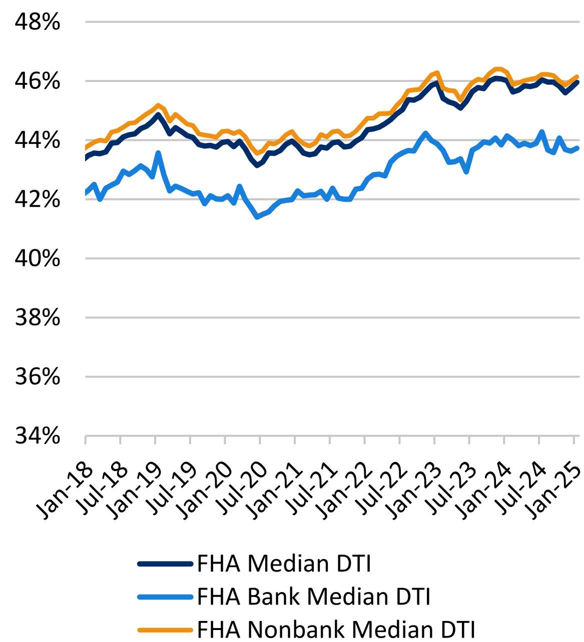


Figure 72. VA DTI: Bank vs. Nonbank

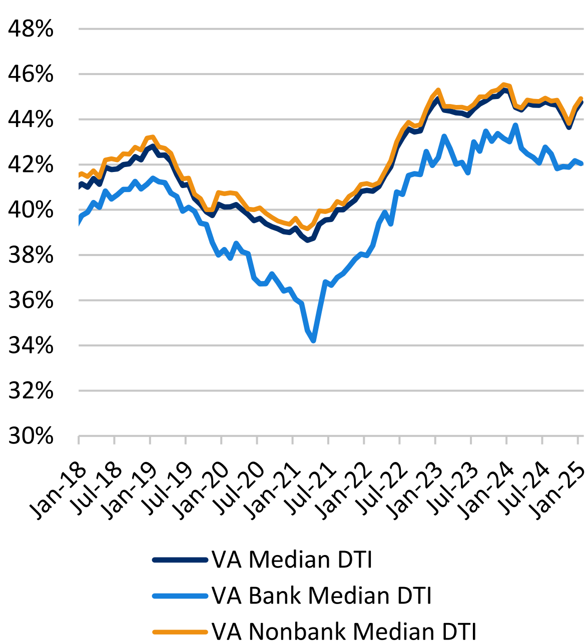
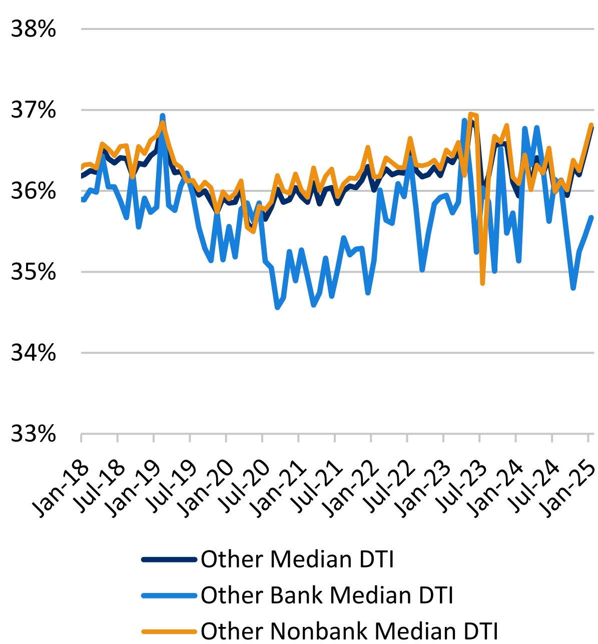


Figure 73. Other DTI: Bank vs. Nonbank



Source: Recursion. Notes: Data as of January 2025.

U.S. HOUSING MARKET

15 HOUSING AFFORDABILITY

15.1 Housing Affordability – Home Price Appreciation

Quarterly home prices increased in all nine regions in Q4 2024. The Middle Atlantic region saw the largest quarterly appreciation in the home price index (HPI) of 2.02% from Q3 to Q4 2024. The Pacific region saw the lowest increase in HPI, increasing 0.55% QoQ. The Middle Atlantic region has appreciated more than any other region over the past year, increasing 7.10% from Q4 2023 to Q4 2024. The United States collectively saw a 4.50% increase of YoY HPI from Q4 2023 to Q4 2024; up from a 3.42% YoY increase in Q3 2023.

Figure 74. Regional HPI Trend Analysis QoQ

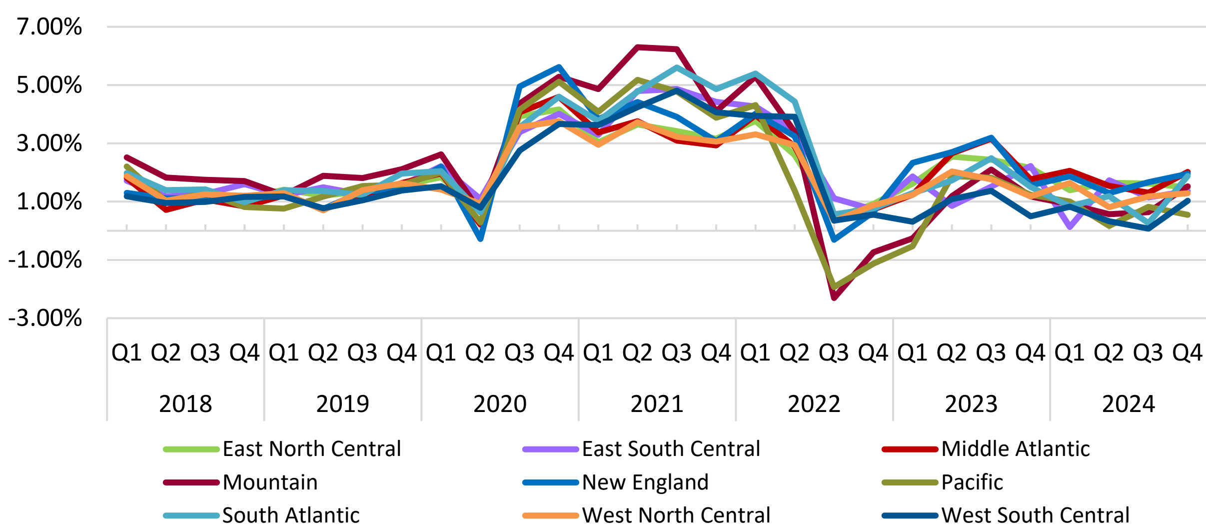
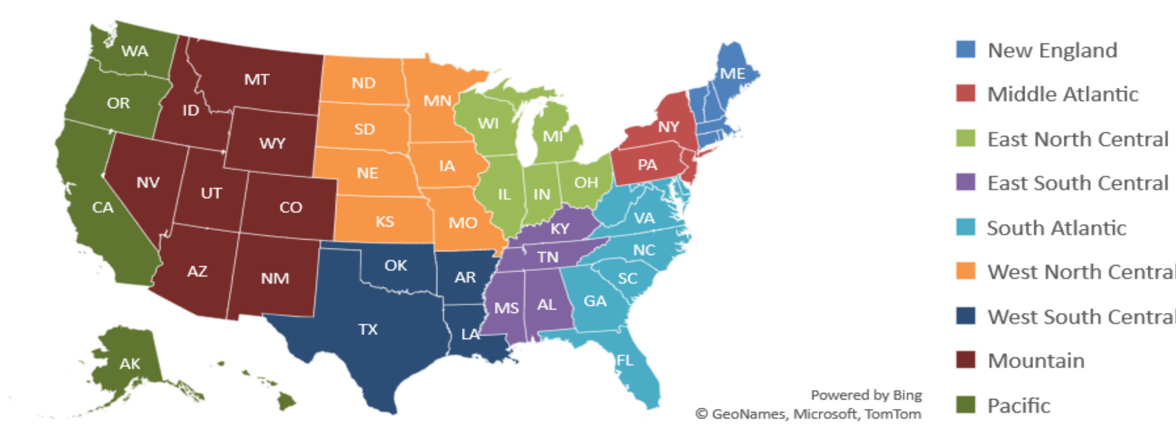


Figure 75. FHFA U.S. Census Subregions as defined by the U.S. Census Bureau



Source: HPI data from FHFA and is seasonally adjusted. U.S. Census Subregions as defined by the U.S. Census Bureau.

15.2 Housing Affordability – Inflation, Wages, and the Price of Real Estate

As of month-end January 2025, YoY CPI inflation was 3.0%, an increase from 2.9% in the month prior. Nationally, rents are down 0.1% YoY as of month-end January 2025, though MoM median rents increased by 0.5%. YoY change in wage growth in January increased 4.3%, following a 4.2% YoY increase in the month prior. Month-end January 2025 adjusted reporting data shows home price appreciation of 3.8% YoY.

Figure 76. Inflation | 12-Month Percent Change in CPI

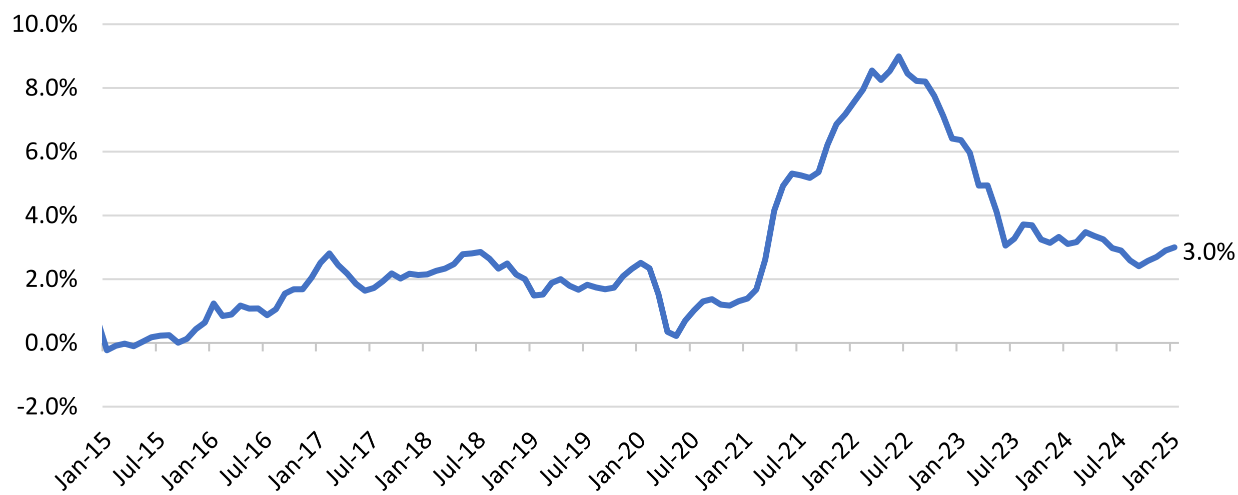
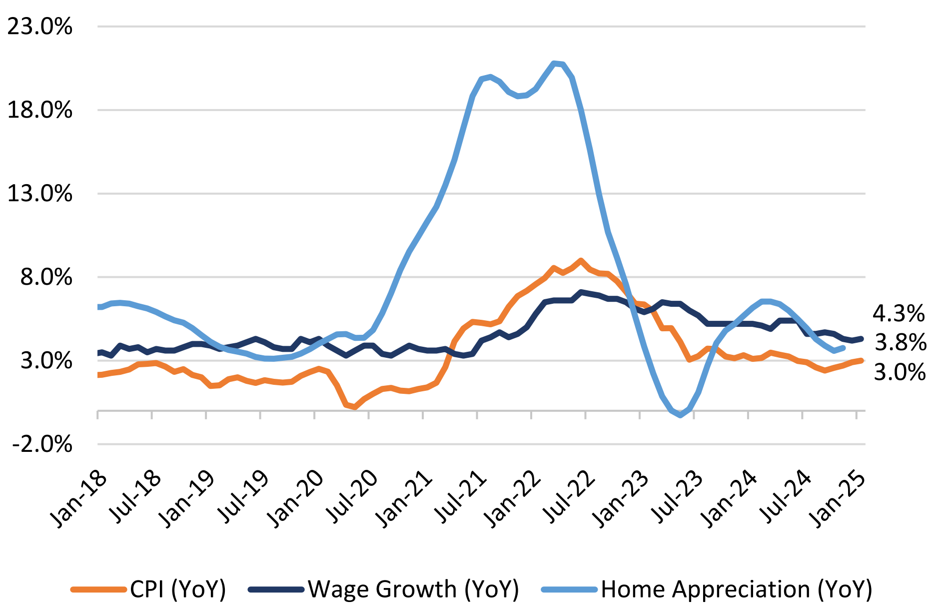


Figure 77. Asset Price Appreciation vs. Wage Increases



Metric	*Statistic*
CPI (YoY)	*3.0%*
Home Price Appreciation *(YoY)*	*3.8%*
Rental Price Appreciation *(Median Rent Change YoY)*	*-0.1%*
Wage Growth (YoY)	*4.3%*

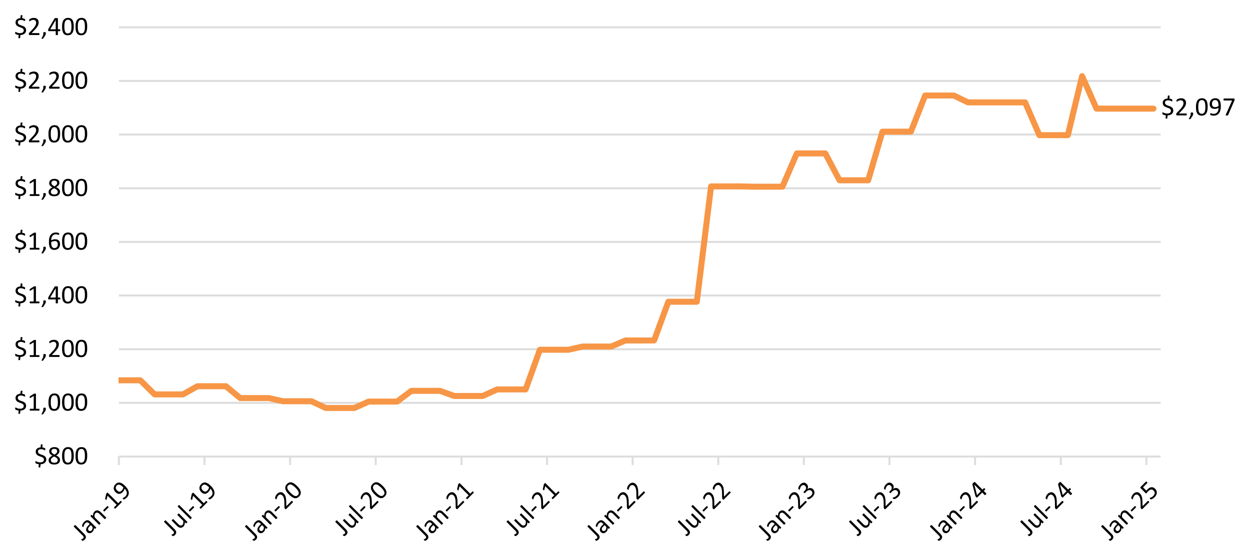
Sources: Bureau of Labor Statistics – Consumer Price Index; Federal Reserve Bank of Atlanta, Research and Data - Wage-Growth Data; Redfin.com - Rental Price Appreciation; S&P/Case-Schiller U.S. National Home Price Index – Home Price Appreciation.

15.2.1 Housing Affordability – Affordability Index

As of month-end January 2025, the Homebuyer Affordability Fixed Mortgage Index (HAFM) was 99.0 and the First-Time Homebuyer Monthly Payment (FTMP), which represents the median payment for first-time homebuyers, was $2,097. The HAFM Index decreased 2.85% YoY and monthly payments for first-time homebuyers decreased approximately 1.08% YoY. HAFM has decreased 47.3% and FTMP has increased 104.4% since January 2021.

Figure 78. Homebuyer Affordability Fixed Mortgage Index

Figure 79. First-Time Homebuyer Monthly Payment



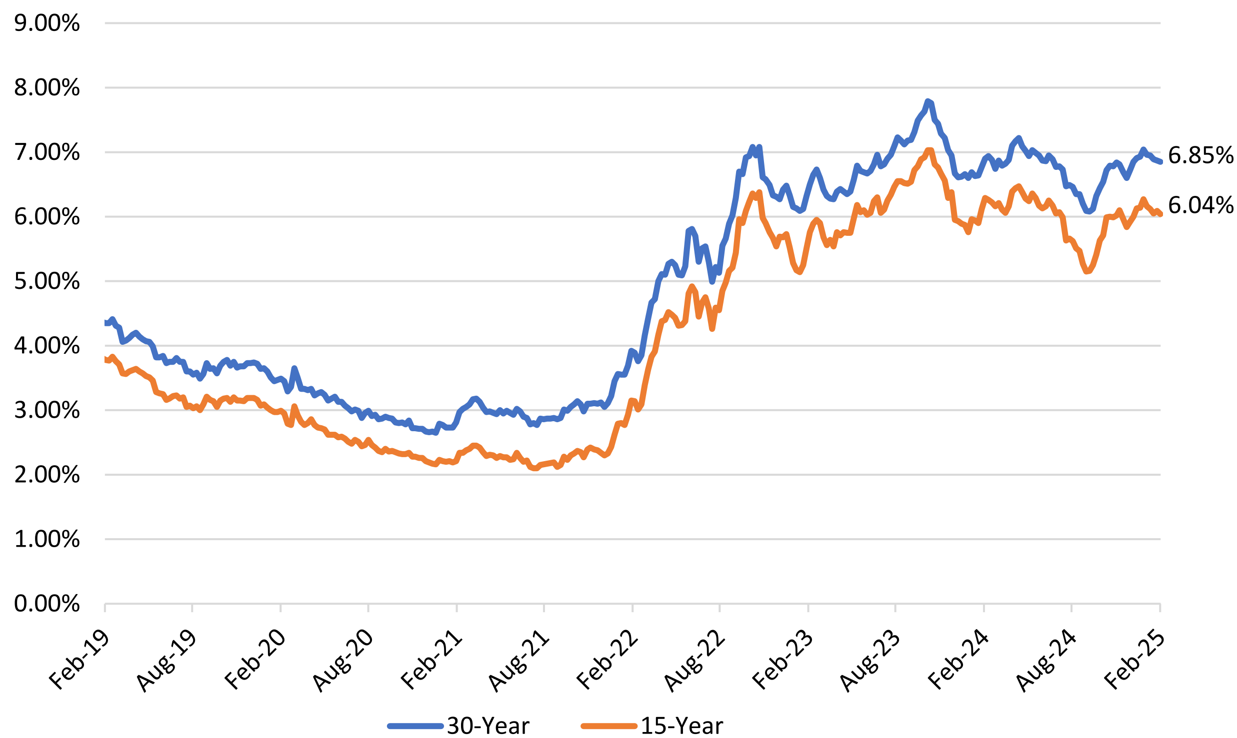
Source: Bloomberg as of January 2025.

Note: Housing Affordability Index: Value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that a family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment. This index is calculated for fixed rate mortgages.

15.2.2 Housing Affordability – Mortgage Rate Trends

The Fed left the Federal Funds target rate unchanged during its January 29, 2025, meeting, maintaining a range of 4.25% and 4.50% per the FOMC.[9] Despite short term rates remaining stable, long-term fixed mortgage rates declined slightly. As of February 20, 2025, the average 30-year and 15-year fixed rate mortgage rates were 6.85% and 6.04%, respectively. The average 30-year fixed rate mortgage rate decreased 11 bps and the average 15-year fixed rate mortgage rate decreased 12 bps from January 23, 2024.

Figure 80. Average Fixed Rate Mortgage Rates



Source: FRED data as of February 2025

[9] FOMC Statement - Jan 2025

15.3 Housing Inventory

As of January 2025, there were 9.0 months of new housing inventory on the market, increasing 12.5% MoM from an adjusted 8.0 months in December 2024. **Figures 82 and 83** show Single-Family and Multifamily annualized housing metrics, including the number of permits, starts, and completions. From January 2024 to January 2025, the number of Single-Family completions declined approximately 2.0%, while the number of starts and permits also declined 4.1% and 2.0%, respectively. Multifamily metrics show that from January 2024 to January 2025, the number of completions rose 31.3%, while the number of starts and permits decreased 13.3% and 7.6%, respectively.

Figure 81. Single-Family Housing Inventory

Figure 82. Single-Family Construction Metrics: Permits, Starts, Completions

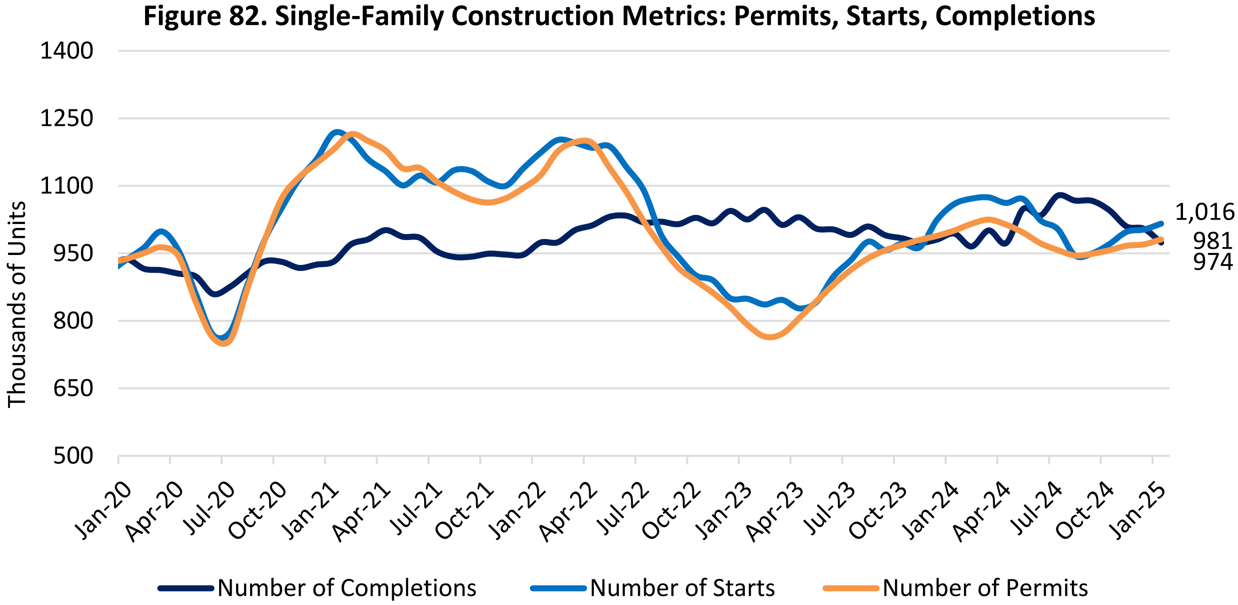
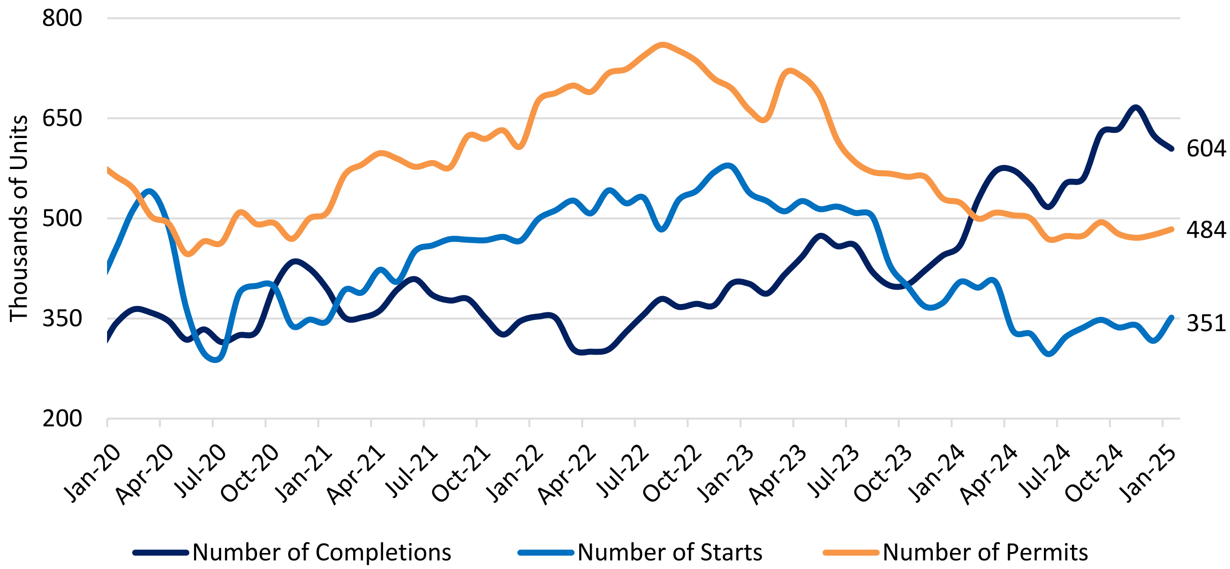


Figure 83. Multifamily Constructions Metrics: Permits, Starts, Completions



Source: Figure 81 FRED as of January 2025. Figures 82 & 83: New Residential Construction, U.S. Census Bureau data as of January 2025.

Note: Figures 82 & 83 are calculated using a 3-month moving average to identify underlying trends in construction metrics, in thousands of units.

15.4 Size and Value of the U.S. Housing Market

The total value of the Single-Family housing market decreased from $48.5 trillion in Q2 2024 to $48.2 trillion in Q3 2024. The total value of the US Single-Family housing market is up approximately 153% from its low in 2011. From Q3 2023 to Q3 2024 mortgage debt outstanding increased from approximately $12.9 trillion to $13.3 trillion and household equity increased from $32.6 trillion to $35.0 trillion. Agency Single-Family MBS continues to account for a growing percentage of the total mortgage debt outstanding, at roughly $9.3 trillion in Q3 2024 it represents more than 65% of total mortgage debt, up from just 52% in 2011.

Figure 84. Value of the U.S. Housing Market

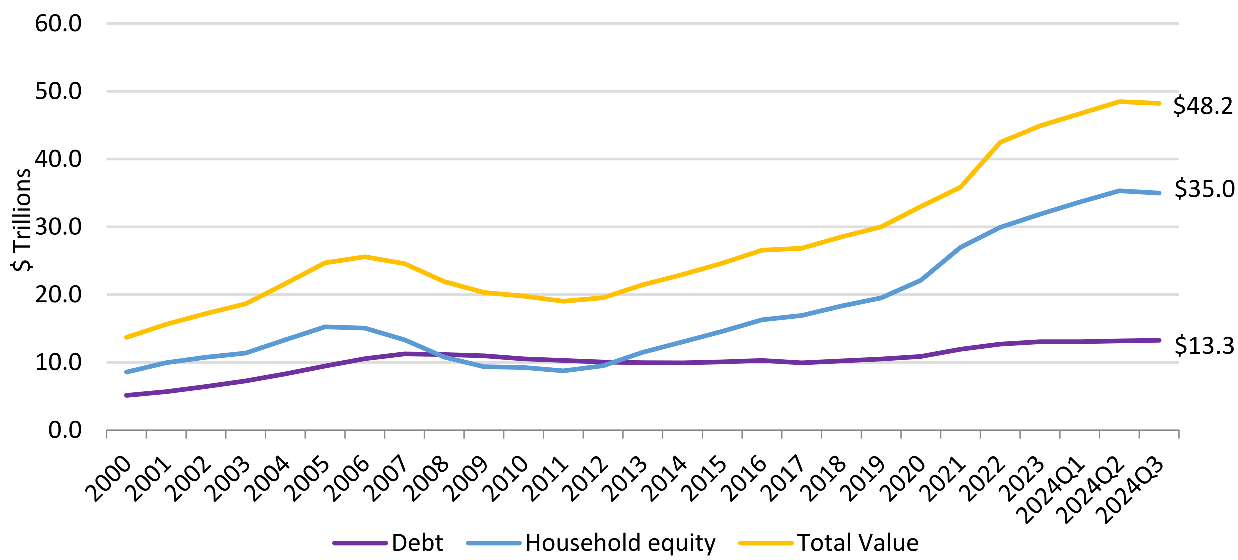
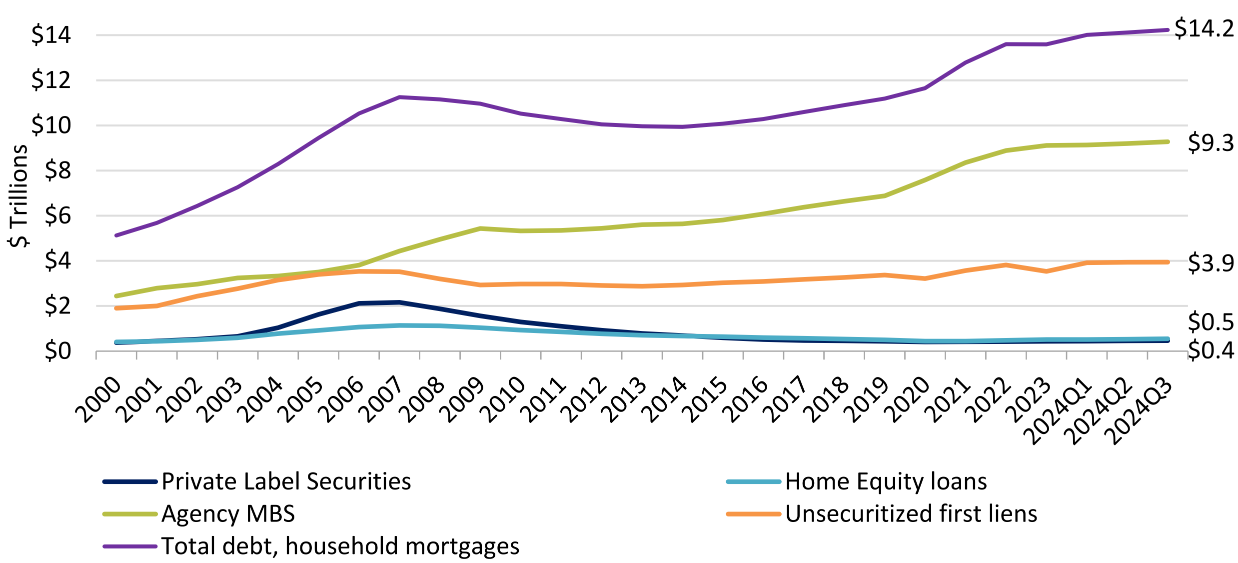


Figure 85. Size of the U.S. Residential Mortgage Market



Source: Federal Reserve Flow of Funds Data as of Q3 2024. Total debt in figure 85 includes additional Nonfinancial corporate/noncorporate business mortgages which is not included in the calculation for "debt" for figure 84. Figures are rounded to nearest hundred billion.

16 DISCLOSURE

"The data provided in the Global Markets Analysis Report (hereinafter, the "report") should be considered as general information only and is current only as of its specified date, unless otherwise noted. No information contained herein is, and should not be construed to be, investment advice. Nor does any information contained herein constitute an offer to sell, or is a solicitation of an offer to buy, securities.

The information contained herein is based upon information generally available to the public from sources believed to be reliable as of the specified date. The accuracy of the information contained herein is based on the corresponding accuracy of the issuer data as reported to the Government National Mortgage Association (hereinafter, "Ginnie Mae").

Therefore, if there is insufficient or inaccurate data to support calculations of any specific disclosure information, Ginnie Mae disclaims any and all liability relating to that information, including, without limitation, any express or implied representations or warranties for statements or errors contained in, or omissions from, the report.

The forward-looking statements, and underlying assumptions, speak only as of the date of January 31, 2024. Ginnie Mae expressly disclaims any obligation or undertaking to update or revise any forward-looking statement or underlying assumption contained in the report to reflect any change in its expectations or any change in circumstances upon which such statement is based.

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