Ginnie Mae
Our Guaranty Matters

GLOBAL MARKETS ANALYSIS REPORT

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

June 2024

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

The June 2024 *Highlights* discusses the impact that increasing homeowners insurance has on homeowners in the aggregate, specifically a subset of geographic regions that are more likely to be impacted by natural disasters. Substantially higher insurance premiums are impacting mortgage borrower's discretionary spending and, in some cases, impacting their ability to own their home. Home turnover caused by elevated insurance premiums is impacting prepayment speeds, specifically MBS pools heavily collateralized by mortgages in high-risk areas.

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

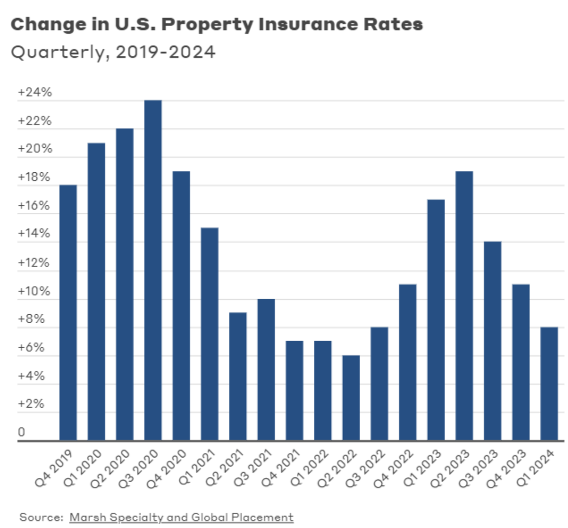
- The Fixed Income Product Performance Comparisons section shows that Ginnie Mae MBS continue to offer attractive yields relative to sovereigns with comparable durations globally.
- The Single-Family MBS Pass-Through Issuance section captures the leading role government lending/mortgage insurance programs are playing in the post-pandemic mortgage market. Gross and net issuance of Single-Family Ginnie Mae pass-throughs exceeds that of both Fannie Mae and Freddie Mac.
- The SOMA Holdings section captures FED Chair Jerome Powell's comments regarding the FED's decision to keep the policy rate unchanged and the Fed's future path of interest rates.
- The Housing Affordability - Affordability Index section shows how homebuyer affordability has decreased for families purchasing median priced homes. Accordingly, the new homebuyer monthly payment figure shows how monthly payments have been increasing for first-time homebuyers.

Highlights

Homeowners insurance is a form of property insurance that covers certain losses and damages to a borrower's residence, along with belongings and other assets inside the home. Homeowners insurance typically covers four kinds of incidents including interior damage, exterior damage, loss or damage of personal belongings, and injury that occurs while on the property. Each policy has a limit on the amount that may be paid out depending on specific coverages, premiums, deductibles, and other terms.

According to data from Quadrant Information Services, the national average cost of home insurance coverage as of June 2024 is $2,511 per year for a standard homeowner in the United States. However, the variance of premiums is quite large as states such as Texas, Oklahoma, and subsets of California pay on average roughly $5,000 per year or more for homeowners' insurance, while states such as Utah and Nevada pay on average $1,200 per year. According to Insurify, overall home insurance costs have risen about 20% in the past two years and have the potential to rise another 6% in 2024. A product of this rapid increase has been a similar increase in uninsured homeowners. An estimated 7.4% of all homeowners are uninsured throughout the country, leaving $1.6 trillion in assets unprotected.

Figure 1. Quarterly Increases in Property Insurance Rates



Homeowners insurance coverage can vary by geography. Standard homeowners insurance in some geographic regions will offer homeowners the ability to pay for additional coverage for natural disasters such as hurricanes, earthquakes, floods, and wildfires. In some regions this coverage either comes with exorbitant premiums or is not offered altogether. As the impact of climate change continues to affect many states such as California, Florida, Texas, and many more, the cost to insure against these disasters has increased at a rapid pace. In some states, insurance companies are either limiting coverage and/or leaving the state altogether. The property insurance industry lost nearly $26 billion in 2022, according to the most recent American Property Casualty Insurance Association data.

In California, seven of the twelve largest home insurance companies have either paused or placed heavy restrictions on new policies including: Allstate, State Farm, Farmers, USAA, Travelers, Nationwide, and Chubb. This leaves homeowners with limited options to insure their homes and at a higher cost. Additionally, as home prices have substantially increased since 2020 and continue to tick higher in the current macroeconomic backdrop, the insurance coverage borrowers need to cover at least 80% of the replacement value has also significantly increased.

In June 2024, over 20 housing organizations including the National Association of Home Builders and the National Multifamily Housing Council wrote a letter urging Congress to address the causes of rising insurance premiums. In this letter the housing organizations pointed out that property insurance rates have increased for 25 consecutive quarters and casualty insurance rates have increased for 17 consecutive quarters.

This trend has forced many homeowners to adjust personal spending to mitigate the impact higher premiums and, in some cases, have forced homeowners to rethink their living situation. Some homeowners in states experiencing highest increases in insurance premiums have decided to sell their homes and relocate to areas with lower home prices or lower insurance premiums. These types of sales contribute to prepayment activity, although aggregate prepayments have remained muted in the current rate environment. MBS pools that are collateralized by mortgages in geographic regions that are experiencing higher turnover motivated by rising insurance costs can experience prepayment impact.

Agency MBS investors, historically, have preferred slower prepayments in their MBS pools as prepayments shorten the expected life of the security and therefore investors receive fewer coupon payments than originally expected. If insurance premiums continue to rise or if insurance continues to become expensive to purchase, the ripple effects could potentially lead to more homeowners selling their homes in the affected geographies.

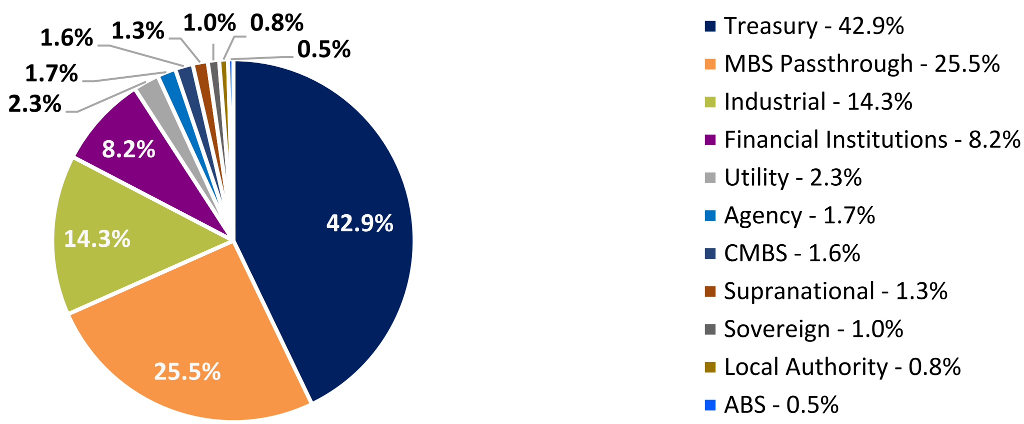
Sources: CBS News: Homeowners insurance costs are going through the roof. Here's why, and what you can do about it, Fox Business: Millions of homeowners don't have homeowners insurance due to high costs, Bankrate: Home insurance 'crisis': First Florida, now California—is my state next?, MarketWatch: The Average Cost of Homeowners Insurance in June 2024, Business Insider: The growing reason people can't afford to own a home, and NMHC: Letter to Congress

1 US AGGREGATE AND GLOBAL INDICES

1.1 Bloomberg US Aggregate and Global Indices

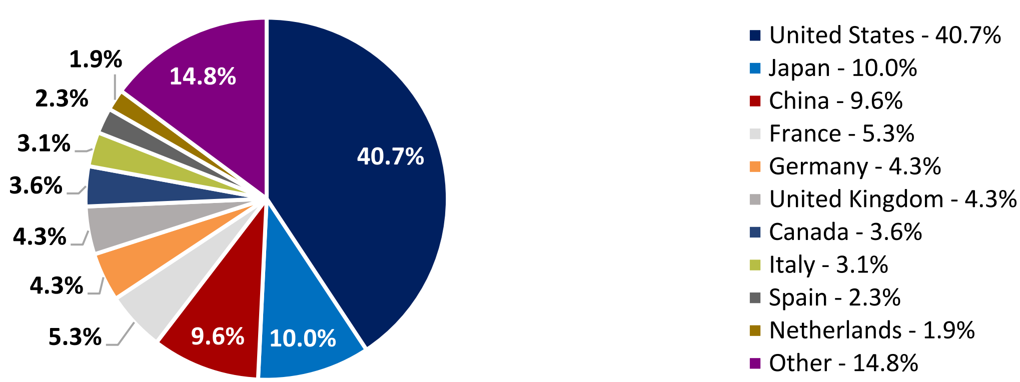
At month-end May, U.S. Treasuries contributed 42.9% to the Bloomberg U.S. Aggregate Index, up approximately 0.2% from the prior month. U.S. Agency MBS Passthrough (Ginnie Mae, Fannie Mae, and Freddie Mac) contributed 25.5%, showing no change from the prior month. Utilities represented 2.3% of the index as of month-end May, increasing approximately 0.1% from the month prior. Supranational securities also saw a change in its contribution to the index, decreasing 0.1% from the previous month to 1.3%. All other changes in the U.S. Aggregate Index were no larger than 0.1%.

Figure 2. 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 40.7% of the total index, up approximately 0.1% from the prior month. Japan's share of fixed income was the second largest at 10.0%, decreasing 0.3% from the prior month. China's share of fixed income represented the third largest share of the index at 9.6%, decreasing 0.1% from the prior month. Canada, along with the countries grouped into "Other", saw the largest change in weight from the prior month. Canada's share increased approximately 0.6% while "Others" decreased 0.5% as of month end May 2024. All other countries listed remained stable compared to the prior month with no changes larger than 0.1%.

Figure 3. Bloomberg Global Aggregate Index by Country



Source: Bloomberg [both charts]. Note: Data as of May 2024. Figures in charts may not add to 100% due to rounding.

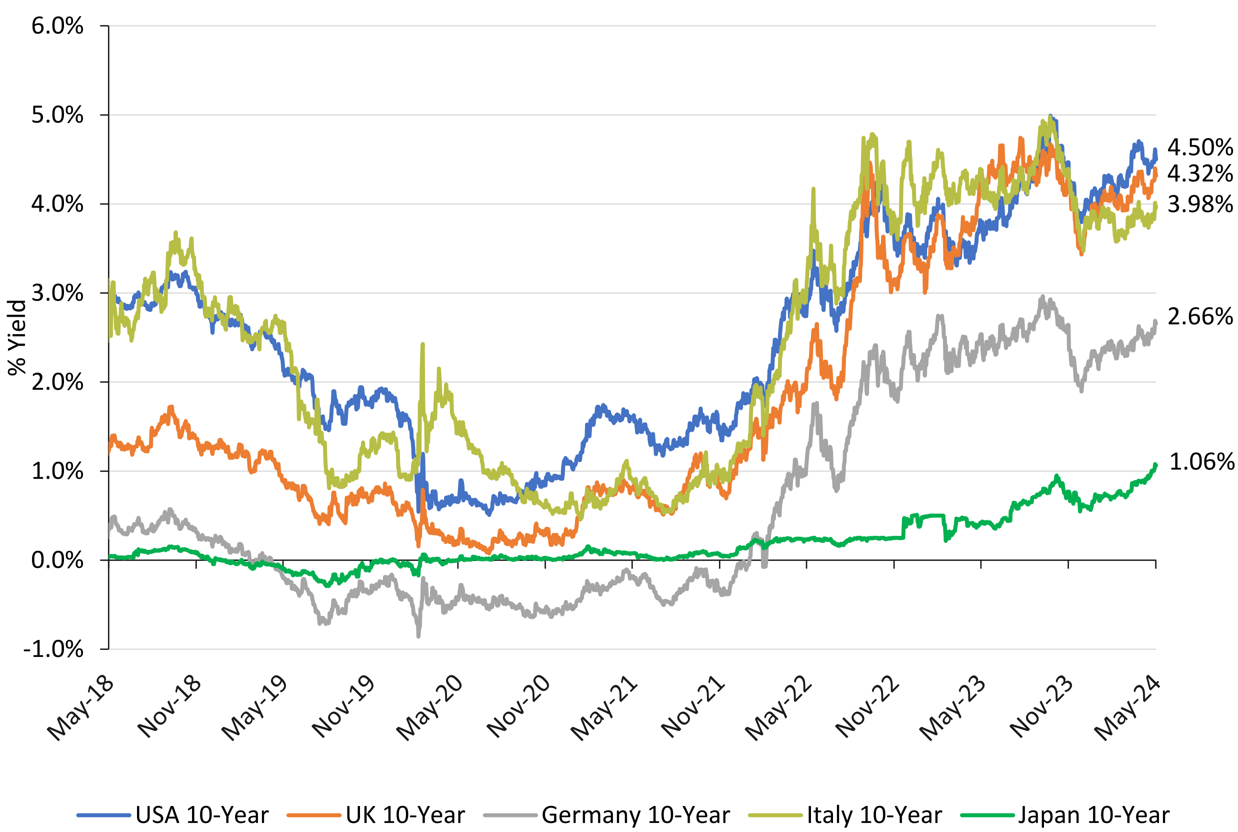
2 SOVEREIGN DEBT PRODUCT PERFORMANCE COMPARISONS

2.1 Global 10-Year Treasury Yields (Unhedged)

The U.S. 10-year Treasury yield moved to 4.50% at month-end May 2024, a month to month (MtM) decrease of 18 bps. Since October 2023, U.S. 10-year Treasury note rates have marked the highest government yield amongst the countries listed below. All month-end yields excluding the United States and United Kingdom increased from the previous month.

- The yield on the UK 10-year note decreased to 4.32% at month-end May, a MtM decrease of 3 bps.
- The yield on the German 10-year note increased to 2.66% at month-end May, a MtM increase of 8 bps.
- The yield on the Italian 10-year note increased to 3.98% at month-end May, a MtM increase of 7 bps.
- The yield on the Japanese 10-year note increased to 1.06% at month-end May, a MtM increase of 19 bps. This marks the first time in 11 years since the Japanese 10-year yield has been over 1.0%.

Figure 4. Global 10-Year Treasury Yields



Source: Bloomberg. Note: Data as of May 2024.

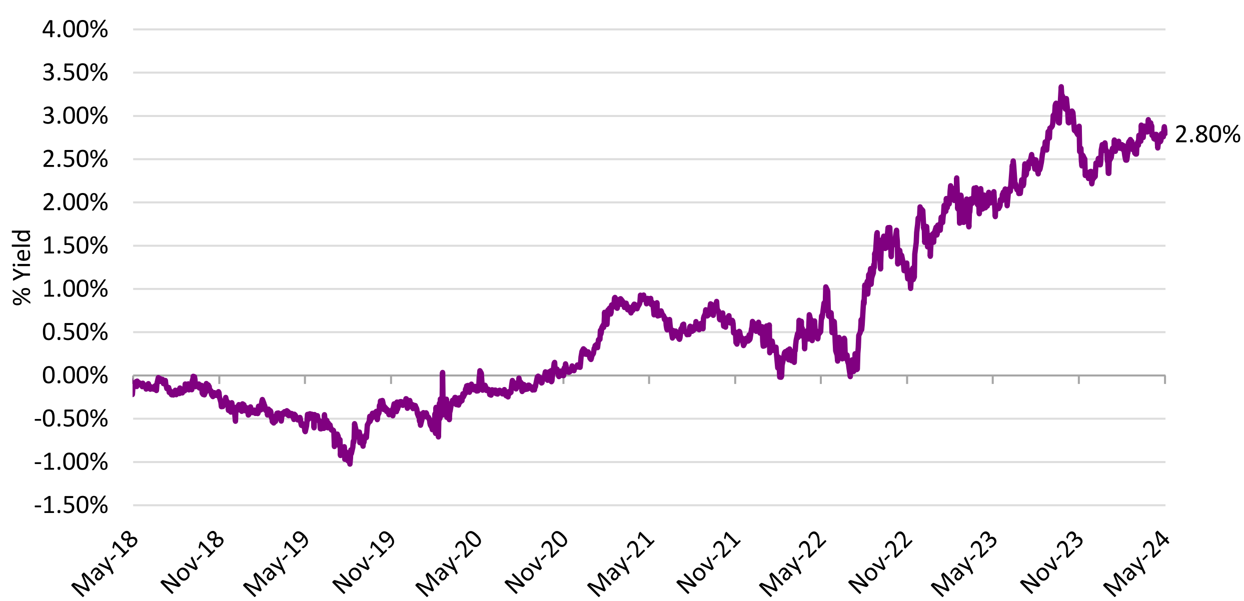
2.2 U.S. Treasury Hedged Yields

The yield for the 10-year Treasury, hedged in Japanese Yen (JPY) stood at -0.48% at month-end May, a 6 bp decrease from month-end April.

The yield for the 10-year Treasury, hedged in Euros (EUR) stood at 2.80% at month-end May, a 12 bp decrease from month-end April.

Figure 5. U.S. 10yr Total Return Hedged, 1 yr. JPY

Figure 6. U.S. 10yr Total Return Hedged, 1 yr. EUR



Source: Bloomberg. Notes: Data as of May 2024. The 10yr Total Return Hedged Yields are calculated by taking the 10yr treasury yield and subtracting the 1yr 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 5.49% at month-end March, increased 49 bp to 5.98% at month-end April, then decreased 22 bps to 5.76% at month-end May. The Ginnie Mae II spread over the U.S. 10-year Treasury yield decreased 36 bps from 162 bps in May 2023 to 126 bps over the U.S. 10-year Treasury yield as of month-end May 2024.

Figure 7. Ginnie Mae II SF Yield, USD

Figure 8. Ginnie Mae II SF Yield – U.S. 10yr Treasury Yield

Source: Bloomberg. Note: Data as of May 2024.

3.2 Ginnie Mae Hedged Yields

The yield for Ginnie Mae II's, hedged in Japanese Yen stood at 0.78% at month-end May, a 10 bp decrease from month-end April. The hedged yield is approximately 28 bps lower than the Japanese 10-year yield as of month-end May 2024.

The yield for Ginnie Mae II's, hedged in Euros stood at 4.06% at month-end May, a 15 bp decrease from month-end April. The hedged yield is approximately 140 bps higher than the German 10-year yield, and 8 bps lower than the Italian 10-year yield as of month-end May.

Figure 9. Ginnie Mae II Hedged, 1 yr. JPY

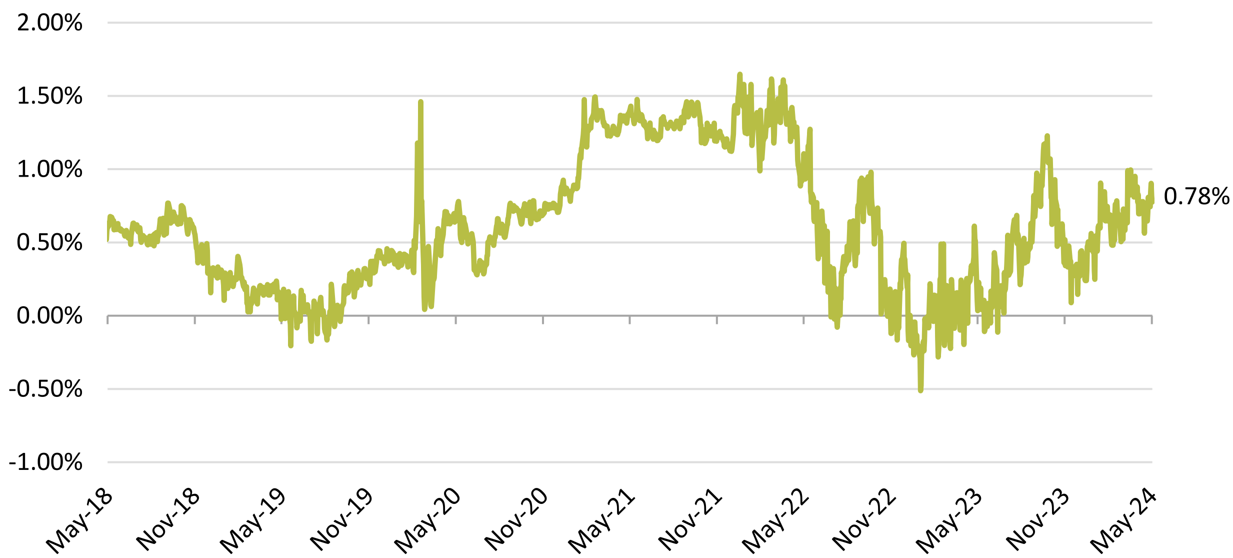


Figure 10. Ginnie Mae II Hedged, 1 yr. EUR

Source: Bloomberg. Notes: Data as of May 2024. 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 2 bps MtM to 0.43%, as of month-end May. The U.S. Intermediate Credit OAS decreased 3 bps to 0.67% from month-end April to month-end May. The yield differential between U.S. Intermediate Credit and GNMA II 30-year OAS decreased 1 bps to 0.24% at month-end May.

Figure 11. U.S. GNMA II 30yr MBS OAS versus U.S. Intermediate Credit OAS

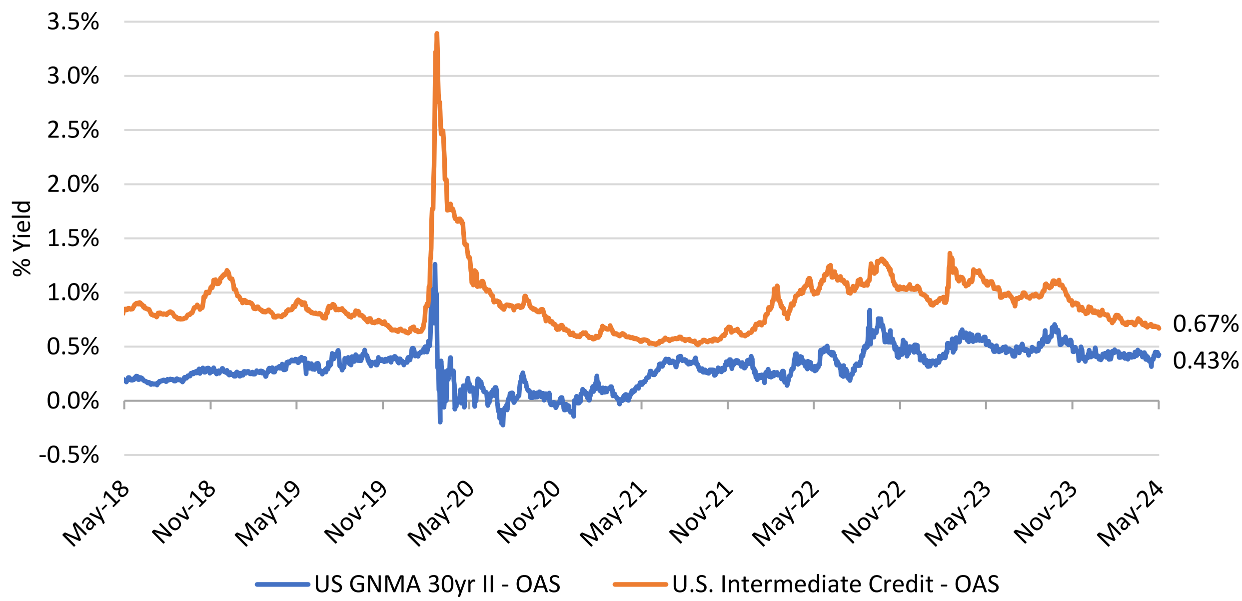


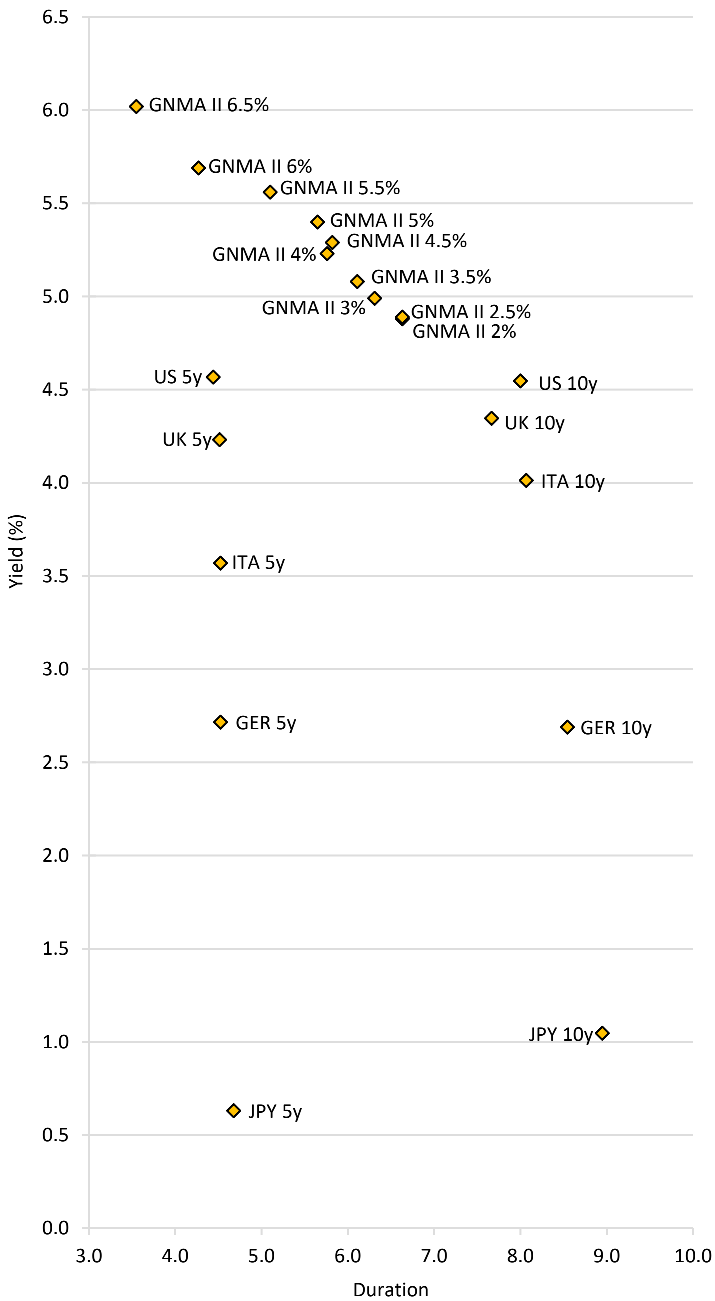
Figure 12. Spread between U.S. Intermediate Credit and U.S. GNMA II 30yr MBS OAS

Source: Bloomberg. Note: Data as of May 2024.

3.4 Global Treasury Yield Per Duration

GNMA MBS continues to offer a higher yield in comparison to other government fixed income securities of various tenors with similar or longer duration. Prepayment risk is a feature of MBS.

Figure 13. Yield vs. Duration



Security	Duration	Yield (%)
U.S. 5y	4.44	4.57
U.S. 10y	8.00	4.55
JPY 5y	4.68	0.63
JPY 10y	8.95	1.05
GER 5y	4.53	2.72
GER 10y	8.54	2.69
ITA 5y	4.52	3.57
ITA 10y	8.07	4.01
UK 5y	4.51	4.23
UK 10y	7.67	4.35
GNMA II 2%	6.63	4.88
GNMA II 2.5%	6.63	4.89
GNMA II 3%	6.31	4.99
GNMA II 3.5%	6.11	5.08
GNMA II 4%	5.76	5.23
GNMA II 4.5%	5.82	5.29
GNMA II 5%	5.65	5.40
GNMA II 5.5%	5.10	5.56
GNMA II 6%	4.27	5.69
GNMA II 6.5%	3.55	6.02

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 May 2024. 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 increased by 0.5% MtM from April 2024 to May 2024. Similarly, Fannie Mae CPRs increased by 0.5% MtM and Ginnie Mae's CPRs increased by 0.6% MtM. ARM prepayments saw increases of 2.5% MtM for Freddie Mac, 0.6% MtM for Fannie Mae, and 0.4% MtM for Ginnie Mae.

Figure 14. Fixed Rate Aggregate 1-Month CPR

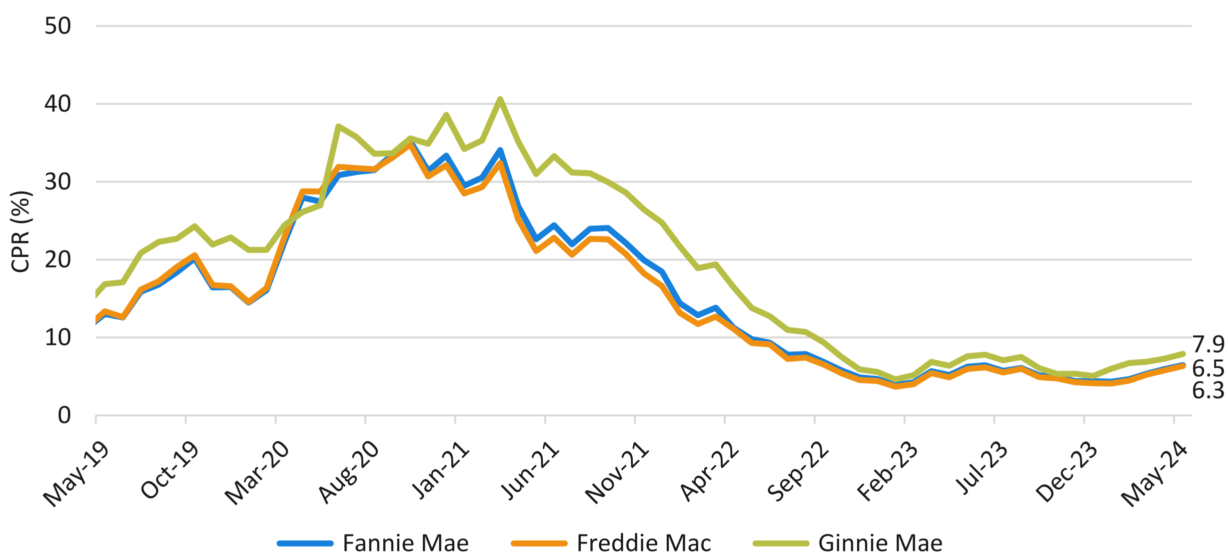
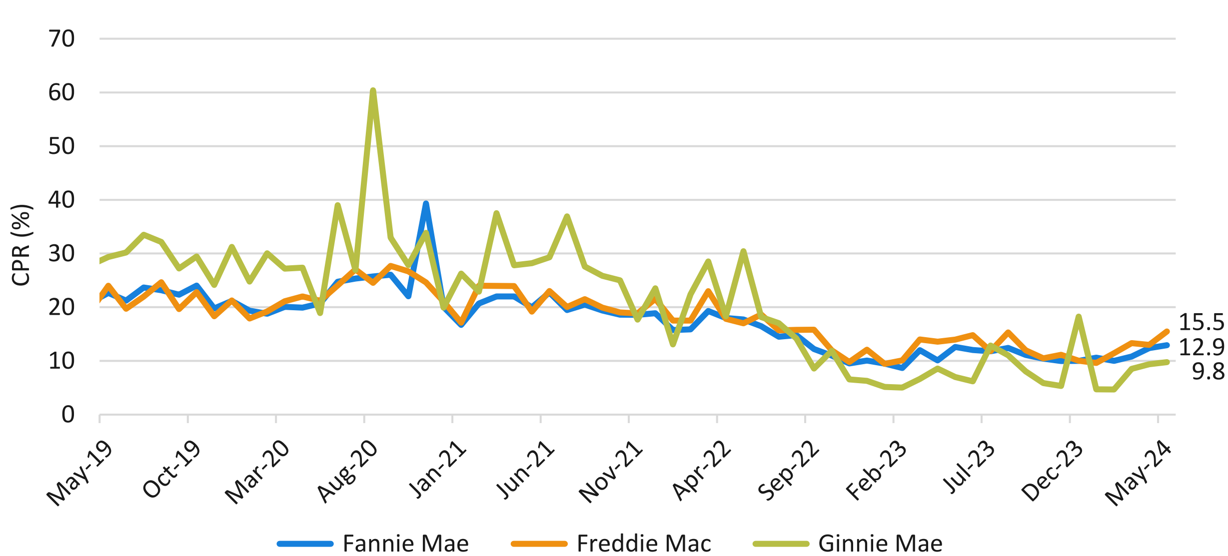


Figure 15. ARM Aggregate 1-Month CPR



Source: Recursion. Note: Data as of May 2024.

4.2 Involuntary Prepayments (CDR)

Fixed rate involuntary prepayments (CDR) remained higher for Ginnie Mae than for the 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 May 2024 after slightly overtaking Ginnie Mae in September 2022.

Figure 16. Fixed Rate Aggregate CDR

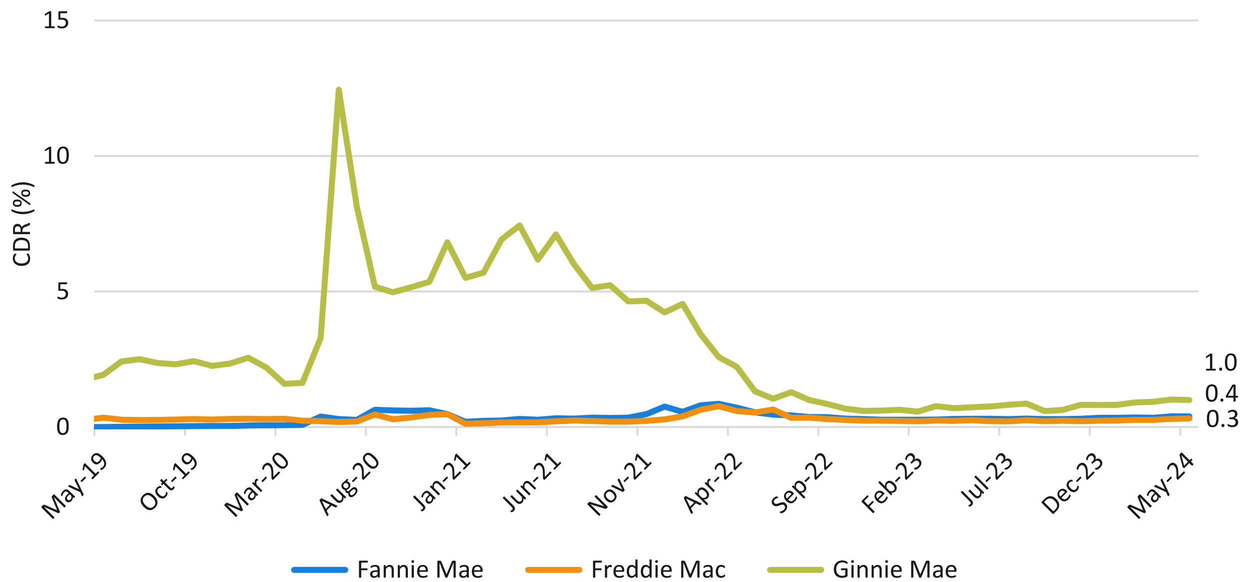
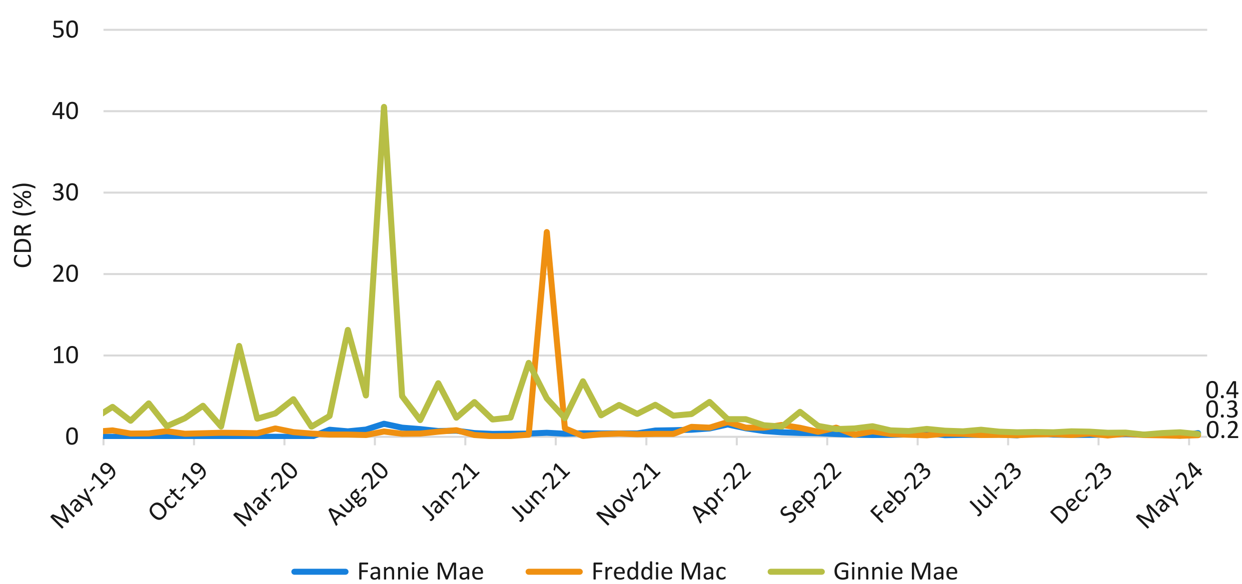


Figure 17. ARM Aggregate CDR



Source: Recursion. Note: Data as of May 2024.

4.3 Voluntary Prepayment Rates (CRR)

Fixed rate voluntary prepayments were higher for Ginnie Mae than Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac both saw increases of 0.5% MtM in fixed rate aggregate CRR. Freddie Mac saw a 2.4% increase MtM in ARM aggregate CRR while Fannie Mae saw a 0.3% increase MtM. Ginnie Mae's fixed rate aggregate CRR increased by 0.6% MtM and ARM aggregate CRR also increased by 0.6% MtM.

Figure 18. Fixed Rate Aggregate CRR

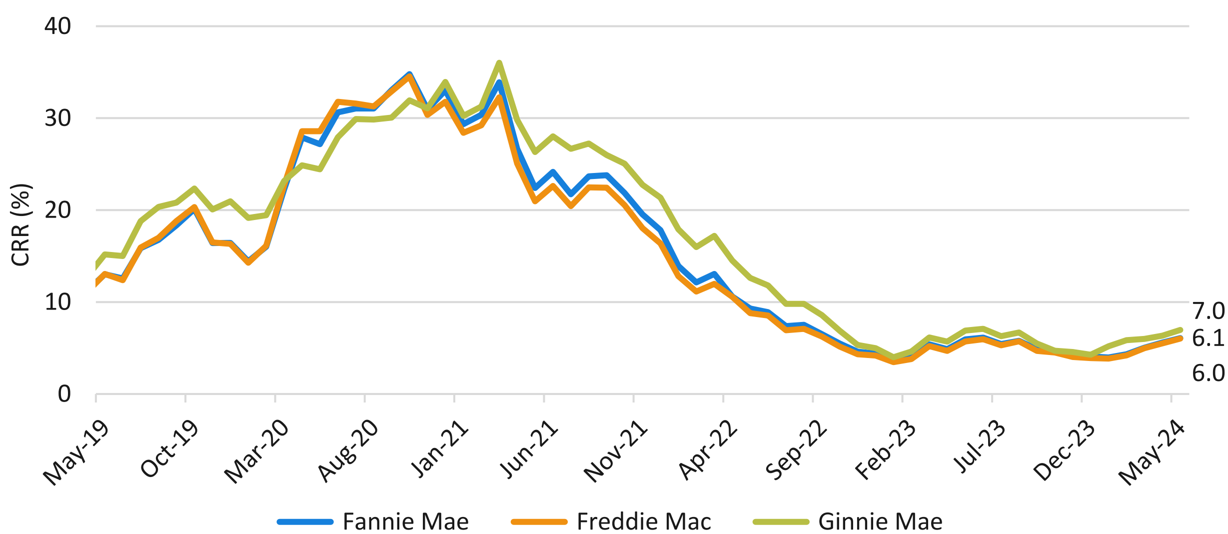
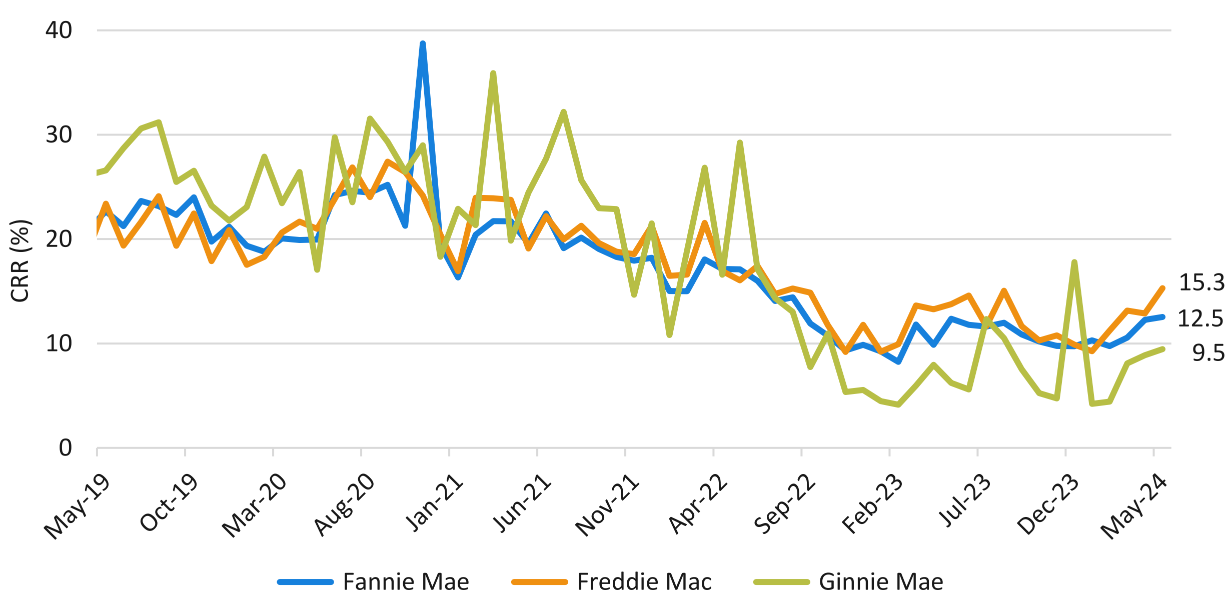


Figure 19. ARM Aggregate CRR



Source: Recursion. Note: Data as of May 2024.

5 SINGLE-FAMILY MBS PASS-THROUGH ISSUANCE

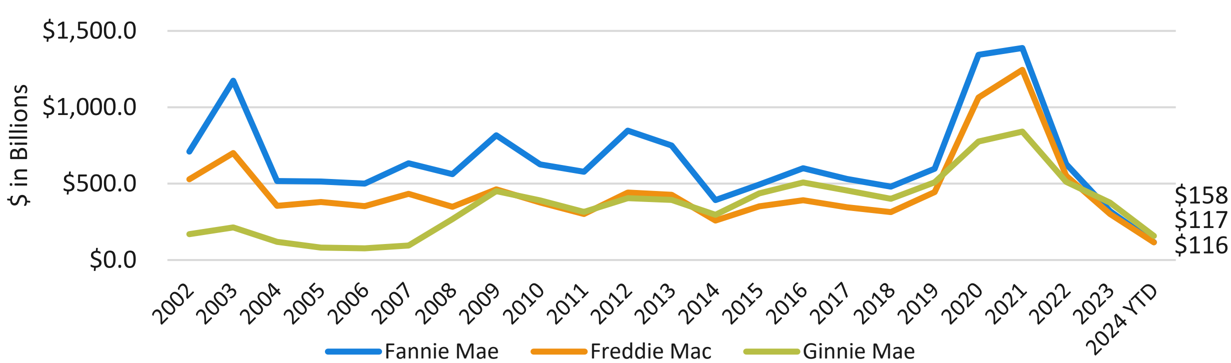
5.1 Gross Issuance of Agency MBS

In May 2024, total gross MBS issuance increased by approximately $6.2 billion MtM. Freddie Mac and Fannie Mae saw MtM increases of $2.7 billion and $1.6 billion, respectively. Ginnie Mae saw a $1.9 billion MtM increase in gross issuance.

Table 1. Agency Gross Issuance ($ in billions)

Issuance Year	Fannie Mae	Freddie Mac	GSE Total	Ginnie Mae	Total
2002	$710.0	$529.0	$1,238.9	$169.0	$1,407.9
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 YTD	$116.8	$116.0	$232.8	$157.5	$390.3

Figure 20. Agency Gross Issuance

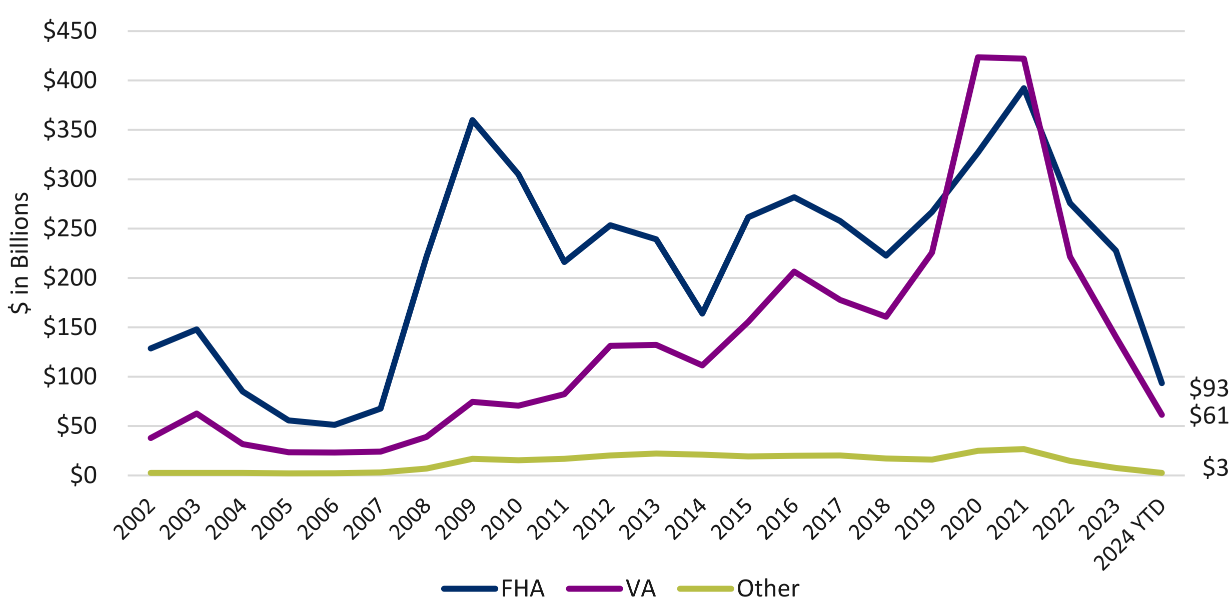


Source: Recursion. Note: Numbers are rounded to the nearest hundred million. For sums, like "GSE Total", the values are rounded after the exact underlying values are summed. As a result, some sums may not appear to match the sum of their rounded component values.

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

Issuance Year	FHA	VA	Other	Total
2002	$128.6	$37.9	$2.5	$169.0
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 YTD	$93.4	$61.4	$2.6	$157.5

Figure 21. Ginnie Mae Gross Issuance



Source: Recursion. 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.

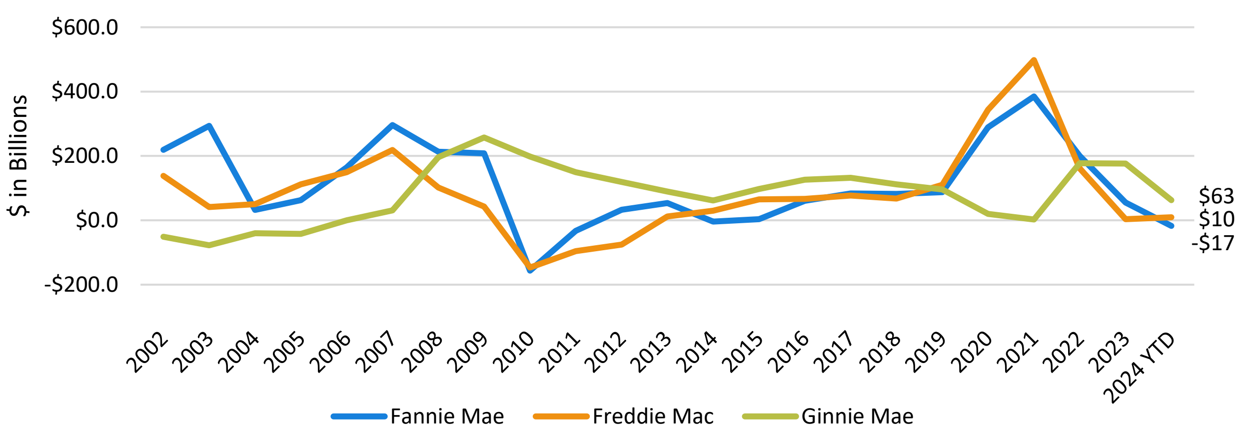
5.2 Net Issuance of Agency MBS

Agency Net Issuance as of month-end May was $54.8 billion for 2024 YTD, shown in **Table 3.** Ginnie Mae has the largest net issuance YTD, totaling $62.8 billion as of month-end May 2024. Since 2022, FHA net issuance has outpaced VA net issuance, as shown in **Table 4 and Figure 23.**

Table 3. Agency Net Issuance ($ in billions)

Issuance Year	Fannie Mae	Freddie Mac	GSE Total	Ginnie Mae	Total
2002	$218.9	$138.3	$357.2	-$51.2	$306.1
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	$53.5	$11.8	$65.3	$89.6	$154.9
2014	$-4.0	$30.0	$26.0	$61.6	$87.7
2015	$3.5	$65.0	$68.4	$97.3	$165.7
2016	$60.5	$66.8	$127.4	$126.1	$253.5
2017	$83.7	$77.0	$160.7	$132.3	$293.0
2018	$81.9	$67.6	$149.4	$112.0	$261.5
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 YTD	-$17.4	$9.5	-$8.0	$62.8	$54.8

Figure 22. Agency Net Issuance

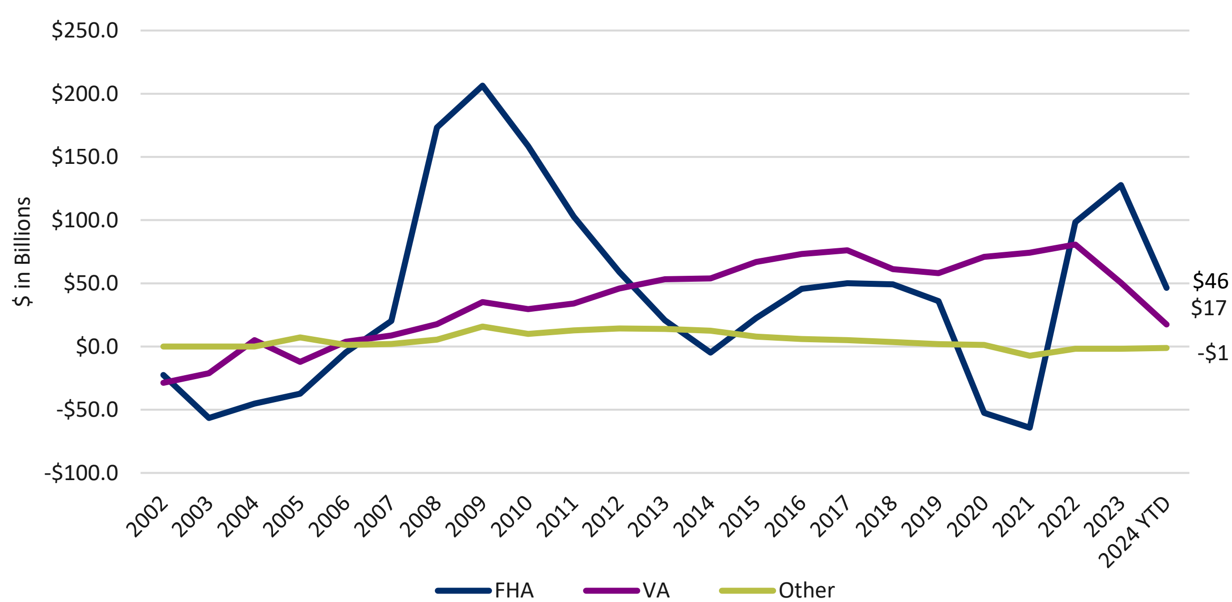


Source: Recursion. Note: Numbers are rounded to the nearest hundred million. For sums, like "GSE Total", the values are rounded after the exact underlying values are summed. As a result, some sums may not appear to match the sum of their rounded component values.

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

Issuance Year	FHA	VA	Other	Total
2002	-$22.5	-$28.7	$0.0	-$51.2
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 YTD	$46.4	$17.4	-$1.1	$62.8

Figure 23. Ginnie Mae Net Issuance



Source: Recursion. 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.

5.3 Monthly Issuance Breakdown

Agency net issuance for the month of May was approximately $15.3 billion, which represents an approximate $1.5 billion increase MtM. Ginnie Mae net issuance was $14.5 billion in May, a $0.4 billion increase from April. Ginnie Mae's $35.7 billion of gross issuance in May, seen in **Table 5**, was approximately $4.4 billion above the average monthly issuance in 2023.

Table 5. Agency Issuance ($ in billions)

	Agency Gross Issuance Amount (in $ Billions)					Agency Net Issuance Amount (in $ Billions)				
Month	Fannie Mae	Freddie Mac	Ginnie Mae	GSEs	Total	Fannie Mae	Freddie Mac	Ginnie Mae	GSEs	Total
May-21	$132.3	$91.4	$71.7	$223.7	$295.4	$64.9	$38.8	-$3.1	$103.7	$100.6
Jun-21	$108.5	$91.2	$67.7	$199.7	$267.4	$34.0	$33.7	$2.6	$67.8	$70.4
Jul-21	$95.4	$84.6	$69.0	$180.0	$249.0	$27.6	$31.9	-$1.4	$59.5	$58.0
Aug-21	$104.8	$109.3	$66.6	$214.1	$280.8	$27.5	$48.5	$1.4	$76.1	$77.4
Sep-21	$102.9	$105.3	$68.0	$208.3	$276.3	$26.4	$45.6	$3.1	$72.0	$75.1
Oct-21	$105.1	$102.7	$62.5	$207.8	$270.3	$34.6	$46.9	$1.9	$81.5	$83.4
Nov-21	$93.6	$81.1	$60.8	$174.7	$235.5	$29.5	$34.9	$3.1	$64.4	$67.6
Dec-21	$93.7	$85.4	$58.9	$179.1	$238.0	$33.8	$34.4	$5.7	$68.3	$73.9
Jan-22	$93.1	$85.9	$59.0	$179.0	$238.0	$45.6	$37.6	$14.0	$83.2	$97.3
Feb-22	$73.3	$64.6	$49.0	$137.9	$186.9	$27.8	$22.7	$9.7	$50.5	$60.2
Mar-22	$76.8	$62.9	$47.4	$139.7	$187.1	$22.6	$23.1	$6.9	$45.7	$52.6
Apr-22	$65.3	$53.5	$47.8	$118.8	$166.6	$19.5	$17.7	$13.2	$37.2	$50.4
May-22	$54.7	$43.7	$45.0	$98.4	$143.4	$13.6	$12.5	$15.5	$26.1	$41.6
Jun-22	$54.5	$42.0	$43.6	$96.5	$140.1	$14.8	$10.7	$16.0	$25.5	$41.5
Jul-22	$46.8	$40.3	$42.4	$87.1	$129.5	$12.1	$14.4	$18.0	$26.5	$44.5
Aug-22	$39.8	$46.3	$40.3	$86.1	$126.4	$4.8	$19.8	$16.2	$24.6	$40.8
Sep-22	$39.3	$38.2	$39.9	$77.5	$117.4	$7.6	$13.9	$18.3	$21.5	$39.8
Oct-22	$34.1	$26.1	$35.5	$60.2	$95.7	$5.8	$4.7	$17.3	$10.5	$27.8
Nov-22	$25.7	$22.7	$33.6	$48.4	$82.0	$0.3	$3.5	$18.3	$3.8	$22.1
Dec-22	$24.9	$25.5	$28.8	$50.4	$79.2	$0.2	$6.6	$14.0	$6.8	$20.8
Jan-23	$25.7	$22.4	$27.1	$48.1	$75.2	$3.4	$5.3	$14.1	$8.7	$22.8
Feb-23	$18.9	$16.5	$22.7	$35.4	$58.1	-$4.4	-$1.4	$8.6	-$5.8	$2.8
Mar-23	$23.6	$19.2	$26.2	$42.8	$69.0	-$4.4	-$2.4	$8.7	-$6.8	$1.9
Apr-23	$27.7	$21.0	$31.6	$48.7	$80.3	$1.4	$0.6	$15.0	$2.0	$17.0
May-23	$30.4	$29.0	$32.6	$59.4	$92.0	$0.6	$6.0	$13.5	$6.6	$20.1
Jun-23	$33.5	$32.9	$37.5	$66.4	$103.9	$3.1	$9.3	$17.8	$12.4	$30.2
Jul-23	$31.7	$27.9	$36.3	$59.6	$95.9	$3.6	$5.9	$18.0	$9.5	$27.5
Aug-23	$27.8	$27.9	$36.5	$55.7	$92.2	-$1.5	$4.8	$17.2	$3.3	$20.5
Sep-23	$28.1	$31.1	$35.1	$59.2	$94.3	$1.9	$10.7	$18.6	$12.6	$31.2
Oct-23	$28.2	$24.5	$32.1	$52.7	$84.8	$2.6	$4.5	$17.0	$7.1	$24.1
Nov-23	$23.8	$25.3	$30.5	$49.1	$79.5	-$0.1	$6.5	$15.2	$6.4	$21.6
Dec-23	$20.9	$23.9	$27.3	$44.8	$72.1	-$2.9	$5.4	$12.6	$2.5	$15.0
Jan-24	$23.3	$17.7	$27.1	$41.1	$68.2	-$0.3	-$0.6	$10.4	-$0.9	$9.5
Feb-24	$20.5	$17.7	$29.6	$38.1	$67.7	-$4.2	-$1.7	$11.3	-$5.9	$5.5
Mar-24	$21.3	$25.3	$31.2	$46.6	$77.8	-$5.5	$3.9	$12.4	-$1.7	$10.7
Apr-24	$25.0	$26.3	$33.8	$51.4	$85.2	-$3.8	$3.4	$14.1	-$0.3	$13.8
May-24	$26.6	$29.0	$35.7	$55.6	$91.4	-$3.7	$4.5	$14.5	$0.7	$15.3

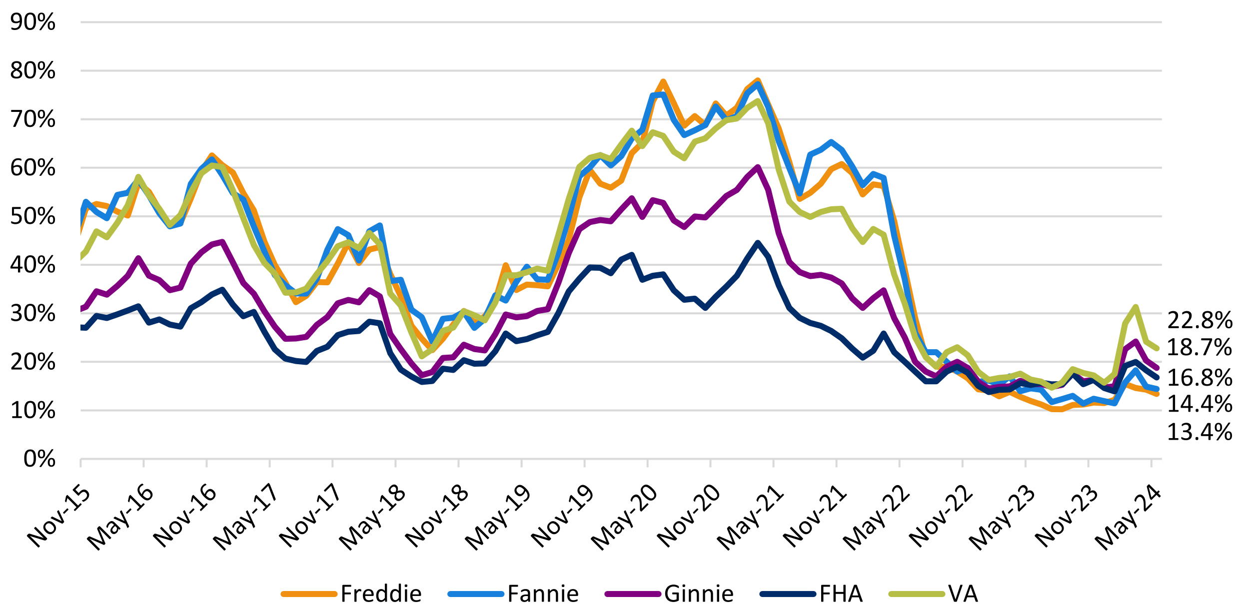
Sources: Beginning May 2021, data for Gross and Net Issuance was sourced from Fannie Mae, Freddie Mac, and Ginnie Mae loan level disclosure files. Net issuance is defined here as the difference between prior period UPB and current period UPB. Data as of May 2024. Beginning with the October 2021 GMAR, the Fannie Mae and Freddie Mac net issuance data is updated to reflect the current UPB of the portfolios. July 2021 through May 2024 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 7.5% MoM for Ginnie Mae as of month-end May 2024.

- Freddie Mac's refinance percentage decreased to 13.4% in May, down from 14.3% in April.
- Fannie Mae's refinance percentage decreased to 14.4% in May, down from 14.9% in April.
- Ginnie Mae's refinance percentage decreased to 18.7% in May, down from 20.3% in April.
- FHA's refinance percentage decreased to 16.8% in May, down from 18.3% in April.
- VA's refinance percentage decreased to 22.8% in May, down from 24.2% in April.

Figure 24. Percent Refinance at Issuance – Single-Family



Source: Recursion. Note: Data as of May 2024.

6 AGENCY SINGLE-FAMILY MBS OUTSTANDING

6.1 Outstanding Single-Family Agency MBS

As of month-end May 2024, outstanding Single-Family MBS in the Agency market totaled $8.893 trillion: 40.0% Fannie Mae, 33.3% Freddie Mac, and 26.7% Ginnie Mae MBS. Over the past twelve months, Freddie Mac's and Ginnie Mae's total outstanding MBS increased by approximately 2.0% and 8.2%, respectively, while Fannie Mae's total outstanding MBS decreased by 0.3%. Fannie Mae outstanding MBS remains larger than Freddie Mac's and Ginnie Mae's outstanding MBS by approximately $600 billion and $1.2 trillion, respectively.

Ginnie Mae's MBS collateral composition has changed over time as shown in **Figure 26.** In May 2019, 59.5% of Ginnie Mae's outstanding collateral was FHA and 34.5% was VA. As of month-end May 2024, FHA collateral comprised 54.8% of Ginnie Mae MBS outstanding, and VA collateral comprised 40.8% of Ginnie Mae MBS outstanding.

Figure 25. Outstanding Agency Mortgage-Backed Securities

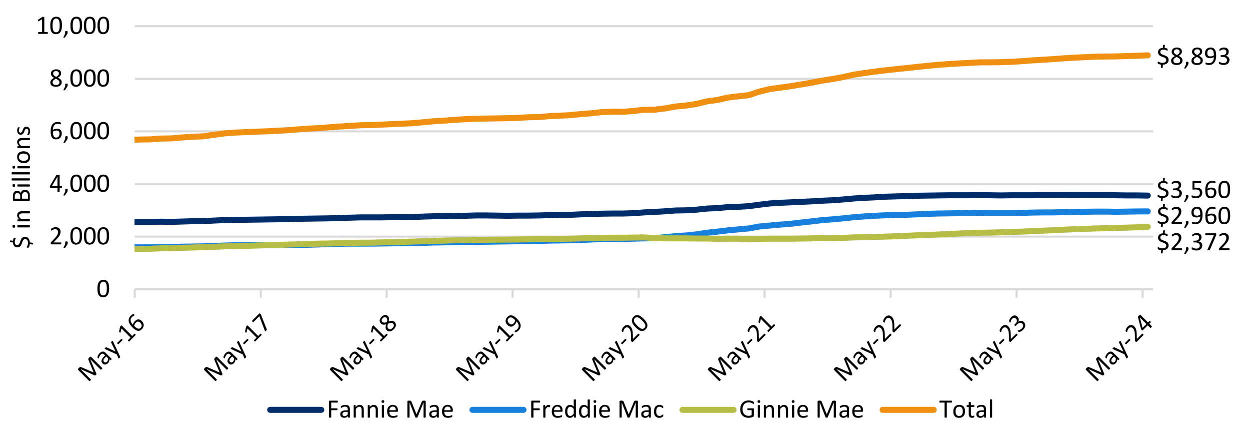
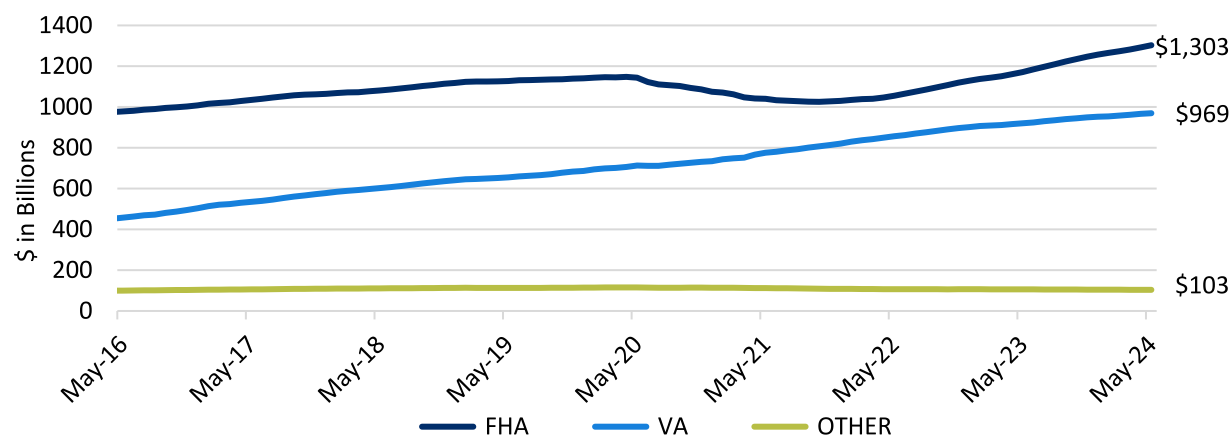


Figure 26. Composition of Outstanding Ginnie Mae Mortgage-Backed Securities



Source: Recursion. Note: Data as of May 2024. 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 increased in Q1 2024, with approximately $325 billion in originations, which represents an increase in issuance of 8.3% from Q4 2023. Ginnie Mae's share of total origination decreased from 28.5% to 27.0% in Q1 2024, while portfolio origination increased from 19.8% to 29.9%.

Figure 27. First Lien Origination Volume

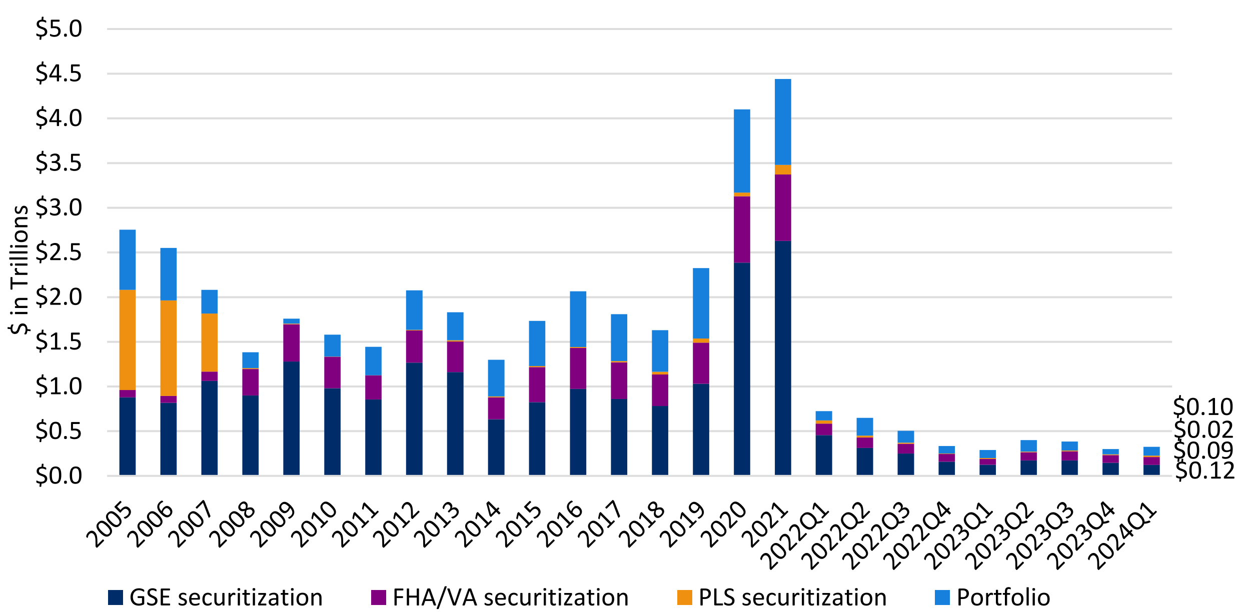
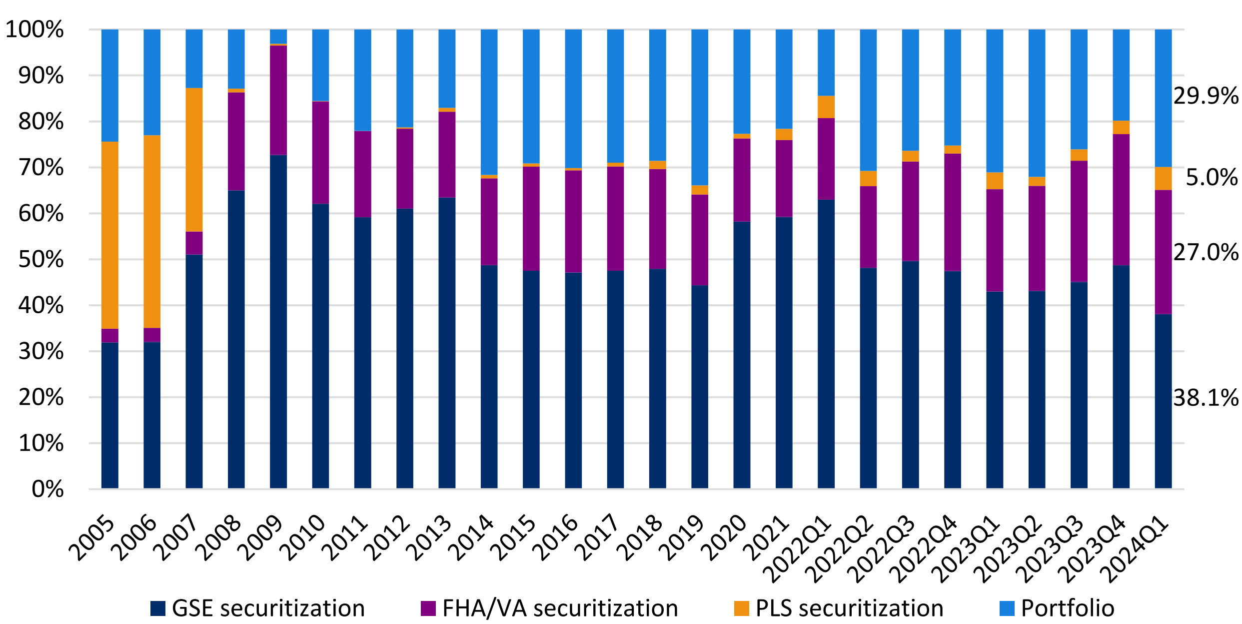


Figure 28. First Lien Origination Share



Source: Inside Mortgage Finance. Note: Data as of Q1 2024.

6.3 Agency Issuance and Agency Outstanding by State

Ginnie Mae MBS represents approximately 39% of new agency issuance over the past year, roughly 12% higher than Ginnie Mae's 27% share of agency outstanding. The share of Ginnie Mae's new agency issuance varies across states, with the largest share by UPB being in both Mississippi and Alaska (60%) and the smallest in the District of Columbia (21%). The highest Ginnie Mae outstanding share is in Mississippi (50%) and the lowest in the District of Columbia (14%).

Table 6. Agency Issuance Breakdown by State

	Agency Issuance (past 1 year)				Agency Outstanding (past 1 year)			
National	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)
	39%	**1,500,716**	**309.14**	**309.64**	**27%**	**11,308,997**	**212.74**	**211.46**
AK	60%	3,775	363.61	311.14	49%	37,873	264.36	218.70
AL	54%	37,185	242.57	249.25	43%	251,028	165.67	178.58
AR	47%	19,194	209.54	241.27	40%	142,682	139.18	163.18
AZ	41%	47,251	349.56	347.69	27%	297,679	235.08	228.69
CA	34%	86,822	488.22	481.01	18%	726,039	338.75	317.77
CO	37%	31,922	430.26	415.86	25%	225,674	305.00	279.48
CT	32%	10,791	293.48	300.77	26%	109,301	206.07	208.46
DC	21%	1,012	535.57	448.50	14%	9,426	392.96	345.45
DE	39%	6,424	296.60	312.55	32%	54,554	209.63	212.53
FL	44%	148,765	330.26	324.09	34%	920,151	226.85	216.76
GA	46%	80,129	287.88	316.38	35%	526,478	192.24	210.60
HI	46%	3,438	650.59	534.31	33%	34,766	474.33	356.30
IA	32%	11,302	203.35	208.85	24%	86,237	139.60	148.02
ID	37%	9,557	355.46	336.56	25%	67,799	233.29	225.51
IL	28%	43,654	227.66	259.38	23%	382,301	163.83	179.08
IN	39%	39,657	212.77	223.84	31%	291,682	141.64	152.96
KS	39%	12,981	213.93	233.43	30%	99,153	146.04	164.37
KY	48%	24,638	217.20	227.01	36%	173,560	150.30	156.46
LA	54%	26,487	216.71	238.99	42%	212,677	161.24	176.10
MA	28%	13,499	411.96	408.47	17%	119,145	292.72	266.88
MD	45%	33,821	368.13	352.73	35%	304,548	270.09	248.32
ME	35%	4,625	275.27	293.69	27%	39,199	184.35	192.97
MI	28%	33,858	205.85	227.59	21%	285,406	138.62	156.79
MN	24%	16,950	274.53	288.38	18%	163,323	187.39	198.40
MO	38%	32,674	219.13	234.49	30%	252,924	148.27	162.94
MS	60%	17,379	218.74	226.93	50%	128,849	150.26	161.40
MT	35%	3,856	346.60	331.79	25%	33,081	218.80	217.67
NC	41%	66,950	282.85	308.76	30%	438,198	187.81	205.65
ND	37%	2,031	262.25	254.19	25%	17,407	196.19	181.90
NE	36%	8,127	242.87	239.94	28%	66,589	156.92	161.79
NH	29%	4,261	348.93	337.41	23%	39,249	233.47	216.60
NJ	30%	26,781	358.68	373.83	22%	240,666	248.30	254.36
NM	50%	12,586	268.28	279.80	40%	99,481	175.15	180.22
NV	45%	20,845	374.71	351.77	32%	142,912	260.92	238.08
NY	27%	29,585	326.84	349.48	21%	315,700	216.93	248.34
OH	37%	54,077	206.96	215.85	30%	439,789	136.14	150.30
OK	50%	25,463	221.82	232.03	43%	196,218	148.02	164.10
OR	31%	14,103	377.59	382.25	20%	116,128	263.02	254.19
PA	30%	41,520	221.07	262.76	26%	399,846	152.38	182.44
RI	44%	4,248	367.70	332.78	32%	37,473	243.78	213.09
SC	46%	41,091	279.08	278.88	36%	253,325	194.31	194.68
SD	43%	4,022	265.63	252.46	31%	30,399	180.55	177.07
TN	43%	43,621	290.14	303.67	33%	283,071	188.78	208.32
TX	41%	173,392	297.52	324.99	33%	1,180,995	195.86	217.75
UT	36%	16,106	410.51	404.74	20%	103,316	278.63	266.13
VA	48%	53,562	359.33	352.19	37%	461,352	262.81	249.35
VI	24%	69	423.41	441.69	24%	802	263.38	306.44
VT	24%	1,225	269.42	281.90	19%	12,429	184.44	181.37
WA	33%	28,674	430.54	437.57	22%	241,518	295.41	290.62
WI	27%	15,381	233.67	244.37	18%	127,853	161.58	162.76
WV	55%	8,014	213.30	199.37	45%	63,010	148.90	144.90
WY	48%	3,336	296.60	283.41	36%	25,736	212.01	201.18

Source: Recursion. Note: Outstanding balance based on loan balance as of May 2024. 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 May 2024, the weighted average coupon (WAC) on outstanding Ginnie Mae MBS increased slightly from 3.62% in April 2024 to 3.65% as seen in **Figure 29**. **Figure 30** illustrates that loans originated since 2019 account for approximately 83% of Ginnie Mae MBS collateral outstanding.

Figure 29. Outstanding Ginnie Mae MBS Balance, by Coupon

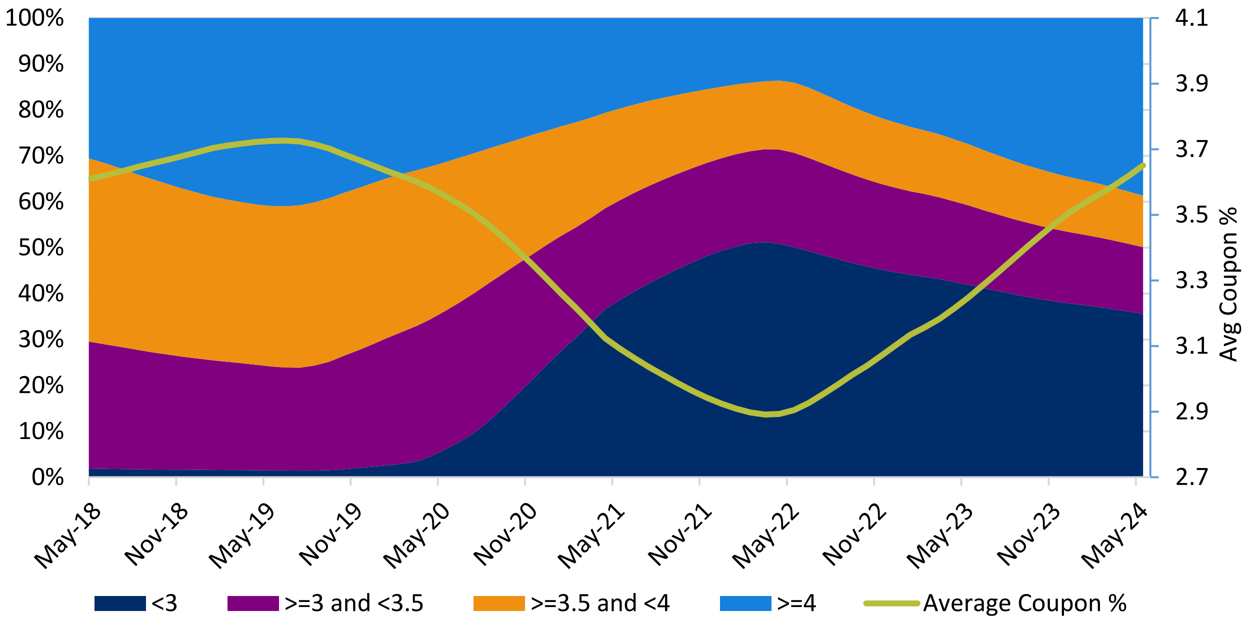
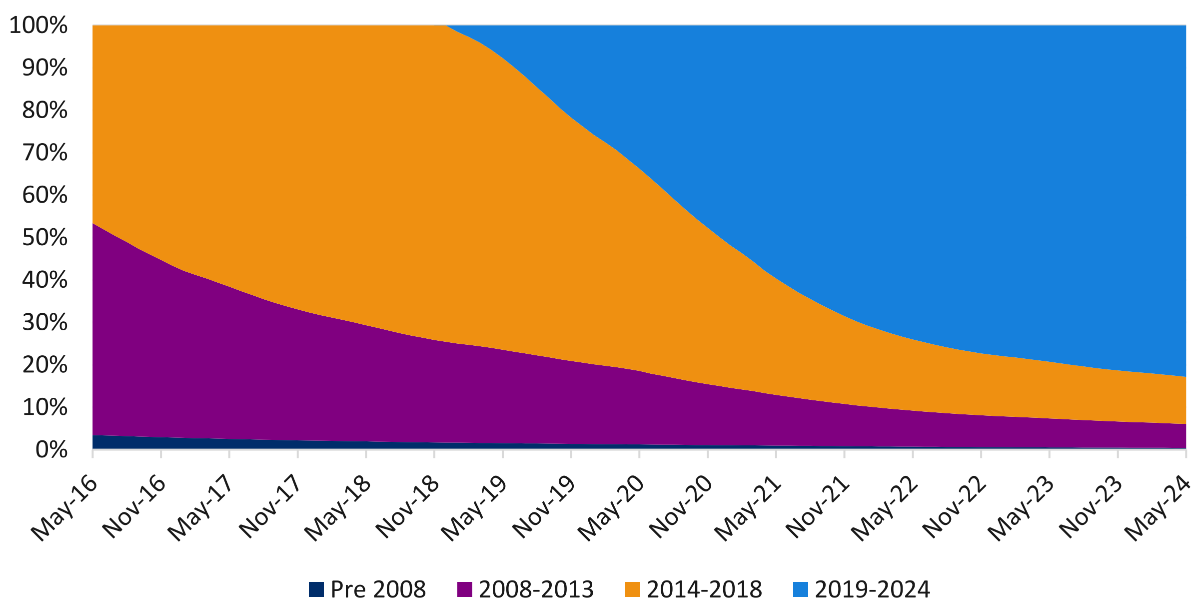


Figure 30. Outstanding Ginnie Mae MBS Balance, by Vintage



Source: Recursion. Note: May 2024 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 Real Estate Mortgage Investment Conduit (REMIC) issuance volume for the month of May was approximately $10.6 billion. This represents a 32.29% MoM decrease from $15.6 billion in April 2024, and a 2.34% increase YoY from $10.3 billion in May 2023.

Figure 31. Ginnie Mae Single-Family and Multifamily REMIC Issuance ($B)

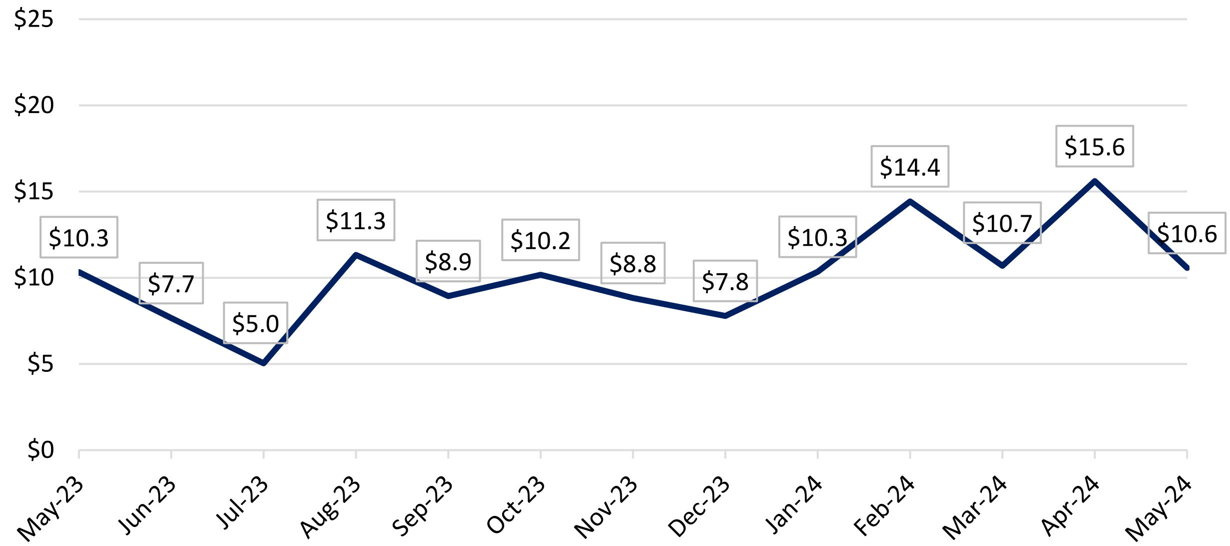


Table 7 shows May 2024 REMIC issuance broken down by deal type, number of deals, and issuance amounts. Single-Family's issuance amount accounted for the majority of May 2024 REMIC issuance, representing approximately 88.6% of Ginnie Mae's REMIC issuance. Meanwhile, Multifamily and Reverse REMICs made up 8.2% and 3.3%, respectively.

Table 7. May 2024 REMIC Issuance Breakdown

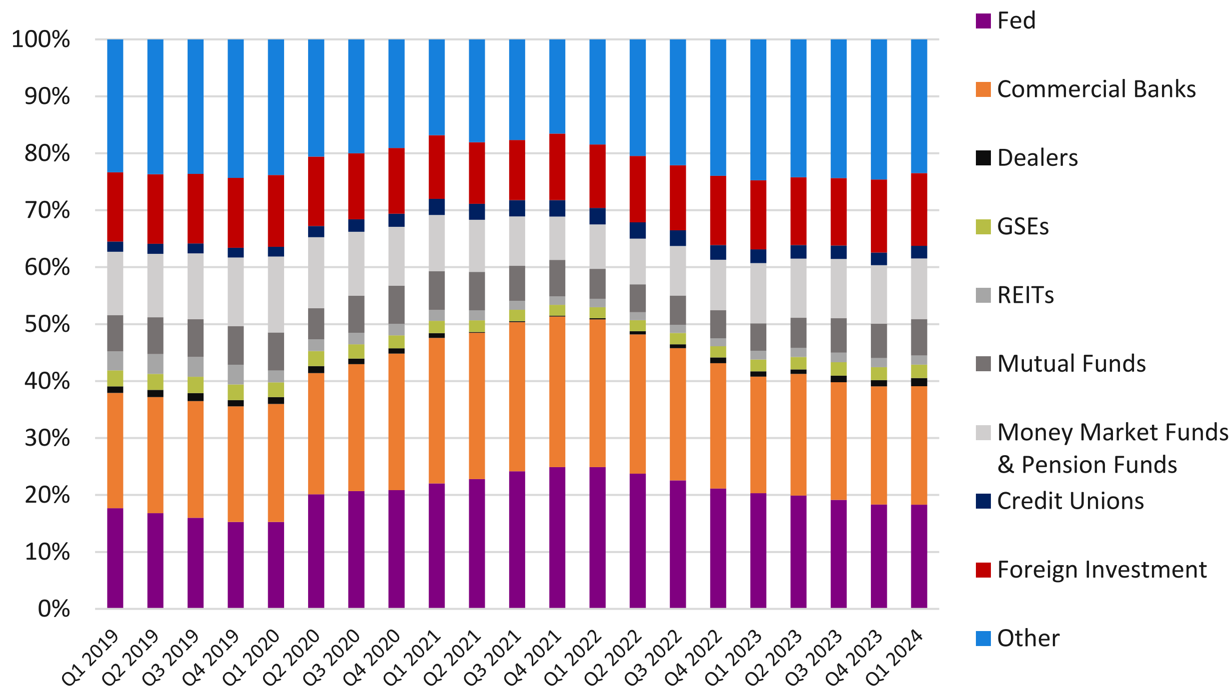
Deal Type	Number of Deals	Issuance Amount ($B)	Issuance Volume (%)
Single-Family	11	$9.68	88.6%
Multifamily	7	$0.89	8.2%
Reverse REMIC	1	$0.36	3.3%
Total	**18**	**$10.92**	**100.0%**

Source: Ginnie Mae Disclosure Files

8 MBS OWNERSHIP

As of Q1 2024, the largest holders of Agency debt (Agency MBS + Agency notes and bonds) included commercial banks (21%), the Federal Reserve (18%), and foreign investors (13%). The Federal Reserve's share roughly held even QoQ. Out of the approximately $2.53 trillion in holdings as of the end of May 2024, roughly $1.91 trillion was held by the top 25 domestic banks per **Table 8** below.

Figure 32. 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 Q1 2024.

8.1 Commercial Bank Holdings of Agency MBS

Table 8. Commercial Bank Holdings of Agency MBS

	Commercial Bank Holdings ($Billions)								
	Sep-23	**Oct-23**	**Nov-23**	**Dec-23**	**Jan-24**	**Feb-24**	**Mar-24**	**Apr-24**	**May-24**
Largest 25 Domestic Banks	1,940.1	1,921.3	1,927.7	1,907.9	1,915.6	1,920.4	1,919.6	1,912.7	1,913.1
Small Domestic Banks	587.2	578.1	572.8	581.8	581.0	579.4	583.4	591.3	586.6
Foreign Related Banks	25.9	26.7	30.1	27.6	29.1	34.1	30.7	29.5	30.4
Total, Seasonally Adjusted	**2,553.2**	**2,526.1**	**2,530.6**	**2,517.3**	**2,525.7**	**2,533.9**	**2,533.7**	**2,533.5**	**2,530.1**

Source: Federal Reserve Bank. Note: Small domestic banks include all domestically chartered commercial banks not included in the top 25. Data as of May 2024.

8.2 Bank and Thrift Residential MBS Holdings

Total MBS holdings at banks and thrifts decreased approximately 1.3% from Q4 2023 to Q1 2024. Although total MBS holdings at banks and thrifts decreased in Q1 2024, GNMA PT and Agency CMO holdings increased 1.4% QoQ. GNMA PT holdings also marked the largest increase over the past year, increasing 8.7% from Q1 of 2023. Out of the $2.23 trillion in MBS holdings at banks and thrifts as of Q1 2024, $1.31 trillion were GSE pass-throughs and $420 billion were Ginnie Mae pass-throughs. Private MBS holdings showed the largest percentage decrease of 26.5% from Q4 2023 to Q1 2024 and 47.7% from Q1 2023 to Q1 2024.

Table 9. Bank and Thrift Residential MBS Holdings

	All Banks & Thrifts ($ in billions)						All MBS ($ in billions)	
Year	Total	GSE PT	GNMA PT	Private MBS	Agency CMO	Private CMO	Banks	Thrifts
2002	$832.5	$376.1	$101.5	$20.1	$245.0	$89.9	$702.4	$209.7
2003	$899.9	$461.7	$75.1	$19.4	$236.8	$106.9	$775.7	$206.5
2004	$1,011.0	$572.4	$49.3	$20.5	$208.2	$160.6	$879.8	$234.3
2005	$1,033.8	$566.8	$35.9	$29.1	$190.7	$211.2	$897.1	$242.7
2006	$1,124.5	$628.5	$31.1	$42.3	$179.2	$243.3	$983.5	$223.4
2007	$1,149.1	$559.8	$31.6	$26.3	$174.3	$357.2	$971.4	$264.6
2008	$1,218.8	$638.8	$100.4	$12.9	$207.7	$259.0	$1,088.0	$211.7
2009	$1,275.5	$629.2	$155.0	$7.5	$271.2	$212.6	$1,161.7	$184.1
2010	$1,433.4	$600.8	$163.1	$7.3	$397.3	$181.6	$1,233.3	$200.1
2011	$1,566.9	$627.4	$214.8	$3.3	$478.8	$167.7	$1,359.2	$207.6
2012	$1,578.9	$707.9	$242.5	$17.2	$469.3	$138.7	$1,430.6	$148.2
2013	$1,506.6	$706.0	$231.9	$26.1	$432.6	$114.2	$1,363.7	$142.9
2014	$1,539.3	$733.7	$230.5	$20.3	$449.9	$104.9	$1,409.8	$129.5
2015	$1,643.6	$823.1	$292.3	$11.1	$445.4	$71.6	$1,512.7	$130.9
2016	$1,736.9	$930.7	$323.5	$7.4	$419.8	$55.6	$1,576.1	$160.9
2017	$1,844.1	$1,010.8	$367.7	$4.6	$414.0	$47.0	$1,672.9	$171.2
2018	$1,815.0	$980.6	$380.4	$2.7	$416.6	$34.7	$1,635.0	$180.0
1Q19	$1,845.0	$1,001.6	$383.5	$3.1	$422.2	$34.7	$1,673.4	$171.6
2Q19	$1,907.1	$1,037.9	$408.0	$2.9	$421.6	$36.8	$1,727.7	$179.5
3Q19	$1,975.8	$1,079.8	$427.1	$4.7	$428.7	$35.4	$1,786.7	$189.0
2019	$1,985.4	$1,089.4	$426.9	$4.6	$429.0	$35.5	$1,796.3	$189.1
1Q20	$2,107.7	$1,173.4	$448.3	$4.7	$443.7	$37.6	$1,907.0	$200.6
2Q20	$2,195.2	$1,228.9	$441.1	$5.0	$478.1	$42.1	$1,946.4	$248.8
3Q20	$2,310.4	$1,349.5	$415.2	$4.4	$499.5	$41.8	$2,040.6	$269.8
4Q20	$2,520.9	$1,537.5	$390.7	$3.9	$548.7	$40.1	$2,210.2	$310.7
1Q21	$2,690.9	$1,713.8	$374.6	$4.9	$555.4	$42.3	$2,350.9	$340.0
2Q21	$2,781.9	$1,825.8	$352.8	$4.8	$555.5	$43.1	$2,431.8	$350.2
3Q21	$2,858.6	$1,886.8	$353.1	$4.2	$565.5	$49.0	$2,487.3	$371.3
4Q21	$2,906.0	$1,915.5	$352.7	$4.4	$578.0	$55.4	$2,529.8	$376.3
1Q22	$2,799.2	$1,817.7	$368.4	$4.0	$548.6	$60.4	$2,476.1	$323.1
2Q22	$2,623.8	$1,665.9	$369.2	$3.8	$523.0	$61.8	$2,321.2	$302.6
3Q22	$2,431.6	$1,520.2	$352.0	$3.3	$496.7	$59.3	$2,156.2	$275.4
4Q22	$2,423.9	$1,505.6	$371.9	$4.0	$481.7	$60.6	$2,154.5	$269.4
1Q23	$2,356.9	$1,441.2	$386.3	$4.1	$465.2	$60.1	$2,088.3	$268.7
2Q23	$2,280.4	$1,389.4	$383.5	$3.0	$446.2	$58.3	$2,022.5	$257.9
3Q23	$2,137.4	$1,289.3	$372.7	$2.6	$416.8	$55.9	$1,892.9	$244.4
4Q23	$2,260.5	$1,351.1	$414.2	$2.9	$434.9	$57.3	$2,008.9	$251.6
1Q24	$2,231.8	$1,312.1	$420.0	$2.2	$440.8	$56.7	$1,985.1	$246.7
Change:								
4Q23-1Q24	-1.3%	-2.9%	1.4%	-26.5%	1.4%	-1.1%	-1.2%	-1.9%
1Q23-1Q24	-5.3%	-9.0%	8.7%	-47.7%	-5.2%	-5.6%	-4.9%	-8.2%

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. Source: Inside Mortgage Finance. Notes: Data as of Q1 2024.

Table 10. Top 20 Bank and Thrift Residential MBS Investors ($ in millions)

Rank	Institution	Total	GSE PT	GNMA PT	Agency CMO	Non-Agency	Share
1	Bank of America Corporation	$410,443	$337,753	$66,098	$6,373	$219	18.39%
2	Wells Fargo & Company	$242,951	$147,399	$93,270	$2,222	$60	10.89%
3	JPMorgan Chase & Co.	$143,559	$67,995	$63,692	$483	$11,389	6.43%
4	Charles Schwab	$142,034	$79,670	$5,091	$57,273	$0	6.36%
5	Truist Bank	$97,070	$47,997	$12,720	$33,469	$2,884	4.35%
6	U.S. Bancorp	$95,518	$58,540	$26,758	$10,221	$0	4.28%
7	Citigroup Inc.	$94,080	$63,385	$27,966	$2,029	$700	4.22%
8	PNC Bank, National Association	$66,248	$56,201	$3,706	$5,438	$903	2.97%
9	Capital One Financial Corporation	$62,033	$29,155	$14,150	$18,415	$312	2.78%
10	Morgan Stanley	$48,290	$29,424	$7,366	$11,422	$78	2.16%
11	Bank Of New York Mellon Corp	$43,360	$27,838	$4,297	$9,497	$1,728	1.94%
12	State Street Bank and Trust Company	$36,287	$12,659	$9,487	$12,158	$1,983	1.63%
13	USAA Federal Savings Bank	$35,354	$29,811	$1,719	$3,824	$0	1.58%
14	Citizens Bank, National Association	$28,292	$12,413	$6,503	$9,375	$0	1.27%
15	BMO Harris Bank National Association	$27,814	$3,806	$5,723	$18,284	$0	1.25%
16	The Huntington National Bank	$25,954	$10,330	$8,473	$7,034	$116	1.16%
17	TD Bank USA/TD Bank NA	$25,099	$1,391	$71	$23,613	$24	1.12%
18	KeyBank National Association	$23,998	$3,439	$156	$20,402	$0	1.08%
19	HSBC Bank USA, National Association	$23,838	$3,709	$15,259	$4,870	$1	1.07%
20	Regions Bank	$18,561	$13,792	$2,588	$2,181	$0	0.83%
Total	**Top 20**	**$1,690,783**	**$1,036,708**	**$375,093**	**$258,584**	**$20,397**	**75.8%**

Source: Inside Mortgage Finance. Notes: Data as of Q1 2024.

8.3 SOMA Holdings

FOMC and Economic Highlights:

- Federal Open Market Committee Meeting 6/12/2024 Press Release:
  - *"The Committee decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent" and is projecting just one rate cut this year.*
  - *"Inflation has eased over the past year but remains elevated. In recent months, there has been modest furtherprogress toward the Committee's 2 percent inflation objective."*
  - *"The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent."*
- Powell indicated in his press conference that:
  - *"Our policy is restrictive and is having the effects we would hope for."*
  - *"Today was a better inflation report than almost anyone expected."*
  - *"We have seen the labor market gradually move back into much better balance between supply and demand."*
  - *"No one on the Committee has rate hikes as a base case."*
  - *"We are doing everything to get to price stability by bringing inflation under control."*
  - *"The housing situation is complicated. We need to get inflation down so rates can come down."*
- Inflation was unchanged in May on a seasonally adjusted basis after rising by 0.3% in April and 3.3% over the past 12 months before seasonal adjustment, per the June 12, 2024 CPI report.

SOMA Portfolio Highlights (May 8, 2024 vs. June 5, 2024)

- SOMA holdings of domestic securities totaled \$6.7 trillion on June 5th (a decrease of \$77.4 billion or -1.14% from May 8th). \$60.0 billion (78% of the total decrease) was in U.S. Treasury holdings and \$17.4 billion (22% of the total decrease) was in Agency MBS.
- Since the institution of redemption caps in June 2022, SOMA holdings have decreased by \$1.691 trillion. The total reduction of holdings of U.S. Treasuries was \$1.410 trillion and \$0.823 trillion for Agency MBS. This represents 94.9% and 42.8% of the total redemption cap over the period for U.S. Treasuries and Agency MBS, respectively. Beginning in June 2024, the Committee will reduce its redemption cap for U.S. Treasuries from \$60 billion to \$25 billion per month. The cap will remain unchanged for Agency MBS.
- Agency MBS comprise about 34% of the total SOMA portfolio. The \$17.4 billion monthly decrease was primarily due to MBS principal repayments rather than outright sales and was comprised of a \$7.2 billion decrease in Fannie Mae holdings, a \$6.4 billion decrease in Freddie Mac holdings, and a \$3.8 billion decrease in Ginnie Mae holdings. Since the Fed's QT program began in June 2022, there have only been 23 outright sales of Agency MBS specified pools, totaling \$692 million (See Table 4).
- Over 99% of SOMA Agency MBS holdings have coupons of 4.5% or lower with an average WAC of 2.505%.
- The redemption cap for SOMA's Agency MBS holdings is set at \$35 billion per month. The reduction of \$17.4 billion in Agency MBS represents 50% of the monthly liquidation cap.

Table 11. SOMA Holdings as of May 8, 2024 and June 5, 2024 ($ Billions)

Holdings by Security Type	May 8, 2024		June 5, 2024		Month-Over-Month	
	SOMA Holdings	% Share	SOMA Holdings	% Share	$ Change	% Change[1]
U.S. Treasuries	$4,404.1	64.97%	$4,344.1	64.83%	-$60.0	-1.36%
Federal Agency Debt	$2.3	0.03%	$2.3	0.04%	$0.0	0.00%
Agency MBS	$2,363.9	34.87%	$2,346.5	35.02%	-$17.4	-0.74%
Agency Commercial MBS	$8.2	0.12%	$8.2	0.12%	$0.0	-0.08%
Total SOMA Holdings	**$6,778.5**	**100.0%**	**$6,701.1**	**100.0%**	**-$77.4**	**-1.14%**

Table 12. SOMA Agency MBS Holdings Distribution ($ Billions)

Agency	June 1, 2024		May 8, 2024		June 5, 2024	
	Singly-Family AMBS Outstanding	% AMBS Outstanding	SOMA AMBS Holdings	% SOMA Holdings	SOMA AMBS Holdings	% SOMA Holdings
Fannie Mae	$3,560.1	40.0%	$972.7	41.1%	$965.5	41.1%
Freddie Mac	$2,960.2	33.3%	$904.5	38.3%	$898.2	38.3%
Ginnie Mae	$2,372.2	26.7%	$486.7	20.6%	$482.9	20.6%
Total	**$8,892.5**	**100.0%**	**$2,363.9**	**100.0%**	**$2,346.5**	**100.0%**

Table 13. SOMA Agency MBS Liquidations from May 8, 2024 to June 5, 2024 ($ Billions)

	MBS Holdings May 8, 2024	MBS Holdings June 5, 2024	Liquidated Amount	Liquidation Cap[2]	% of Liquidation Cap
Total	$2,363.9	$2,346.5	$17.4	$35.0	50%

Source: New York FED SOMA Holdings https://www.newyorkfed.org/markets/soma-holdings as of June 2024.

[1] Figures in $ billions, any change less than $50 million will be expressed as a "$0.0" change in the "$ Change" column.

[2] 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 March 2024, foreign ownership of MBS represented approximately $1.27 trillion in Agency MBS, up approximately $114 billion from March 2023. Total foreign ownership of Agency MBS represents roughly 13% of total Agency MBS outstanding. Total foreign ownership excluding Fed Holdings and CMO's represents roughly 23% of total Agency MBS available.

Figure 33. Agency MBS Owned by Foreign Entities Ex-Fed Holdings and CMO's (USD Billions)

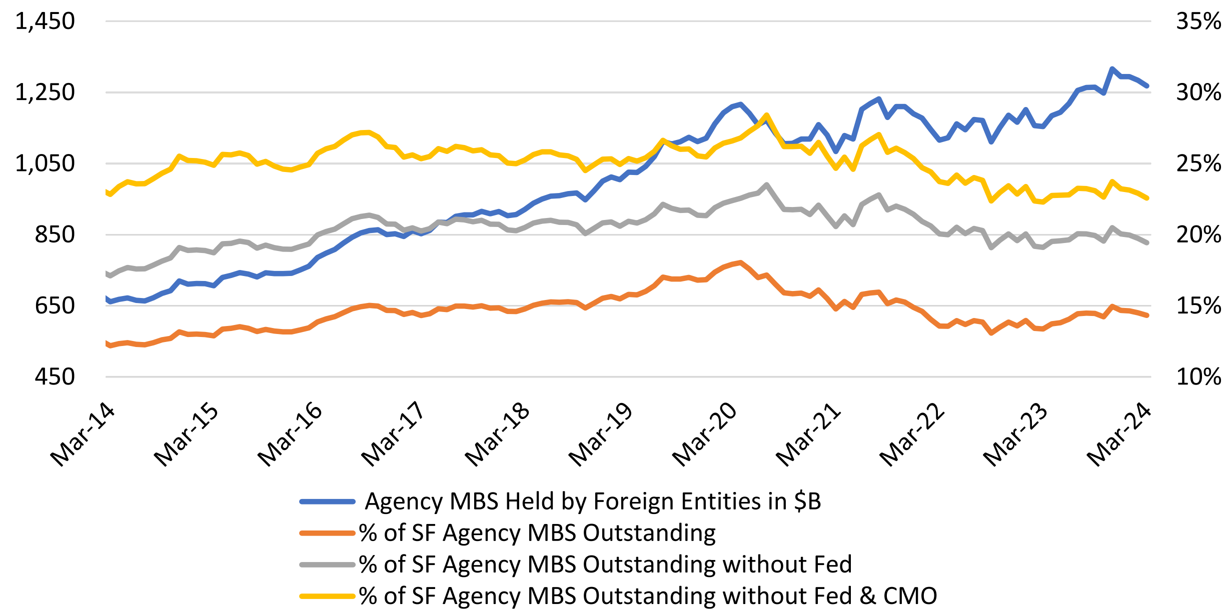
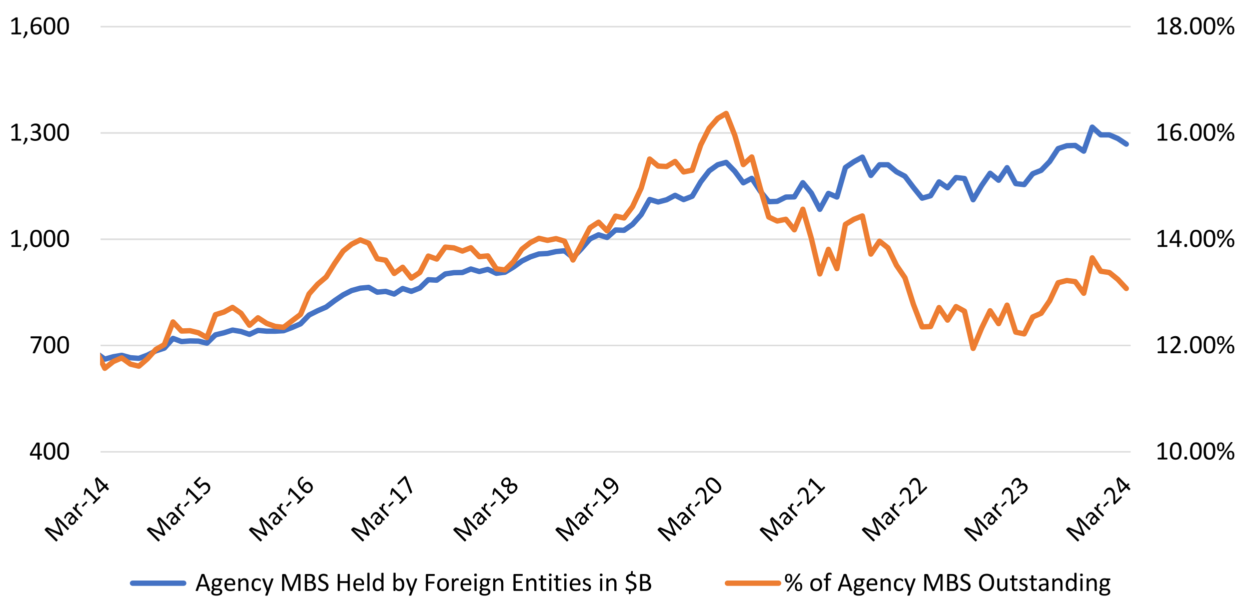


Figure 34. Agency MBS Owned by Foreign Entities (USD Billions)



Sources: TIC and Recursion, as of March 2024.

8.5 Foreign Ownership of Agency Debt

The largest holders of Agency Debt were China, Japan, and Taiwan. As of March 2024, these three owned roughly 54% of all foreign owned Agency Debt. Between March 2023 and March 2024, China, Japan, and Taiwan decreased their Agency Debt holdings. China's holdings decreased by $7.9 billion, Japan's holdings decreased by $38.4 billion, and Taiwan's holdings decreased by $13.0 billion.

Table 14. All Agency Debt (QoQ)

Country	*Level of Holdings ($ Millions)*				*Change in Holdings ($ Millions)*			
	6/1/2023	**9/1/2023**	**12/1/2023**	**3/1/2024**	**Q2 2023**	**Q3 2023**	**Q4 2023**	**Q1 2024**
China	269,980	255,110	271,478	255,977	6,088	-14,870	16,368	-15,501
Japan	253,357	252,463	259,059	248,603	-33,694	-894	6,596	-10,456
Taiwan	208,226	201,010	211,610	199,560	-4,307	-7,216	10,600	-12,050
Canada	105,330	116,642	133,725	129,900	-197	11,312	17,083	-3,825
Luxembourg	55,682	90,017	120,148	48,677	14,581	34,335	30,131	2,623
Cayman Islands	40,971	42,656	46,054	41,961	-10,231	1,685	3,398	-381
Ireland	30,398	37,089	42,342	41,497	913	6,691	5,253	1,954
United Kingdom	36,766	39,697	39,543	39,768	11,667	2,931	-154	-80,380
South Korea	36,737	36,508	38,381	36,519	-1,394	-229	1,873	-1,862
Bahamas	20,411	24,287	25,301	24,925	-2,167	3,876	1,014	1,029
Other	208,190	218,177	235,604	243,310	11,549	9,987	17,427	6,301
Total	**1,266,048**	**1,313,656**	**1,423,245**	**1,310,697**	**-7,192**	**47,608**	**109,589**	**-112,548**

Table 15. All Agency Debt (YoY)

Country	*Level of Holdings ($ Millions)*		
	3/1/2023	**3/1/2024**	***YoY Change in Holdings ($ Millions)***
China	263,892	255,977	-7,915
Japan	287,051	248,603	-38,448
Taiwan	212,533	199,560	-12,973
Canada	105,527	129,900	24,373
Luxembourg	51,202	48,677	-2,525
Cayman Islands	29,485	41,961	12,476
Ireland	25,099	41,497	16,398
United Kingdom	41,101	39,768	-1,333
South Korea	38,131	36,519	-1,612
Bahamas	16,737	24,925	8,188
Other	202,482	243,310	40,828
Total	**1,273,240**	**1,310,697**	**37,457**

Source: Treasury International Capital (TIC). Note: Level of agency debt Holdings by month data as of Q1 2024.Table 15 includes the top 10 holders of Agency Debt listed as of March 2024.

9 FIXED INCOME LIQUIDITY INDICATORS

YTD average daily trading volume for Agency MBS was $293 billion as of month-end May 2024, which indicates an increase from the daily average of $255 billion for calendar year 2023. On a monthly basis, Agency MBS average daily trading volume decreased 4.3%, from $299 billion in April 2024 to $287 billion in May 2024. *See footnote below for update on "Average Daily Turnover by Sector" data.*

Figure 35. Average Daily Trading Volume by Sector

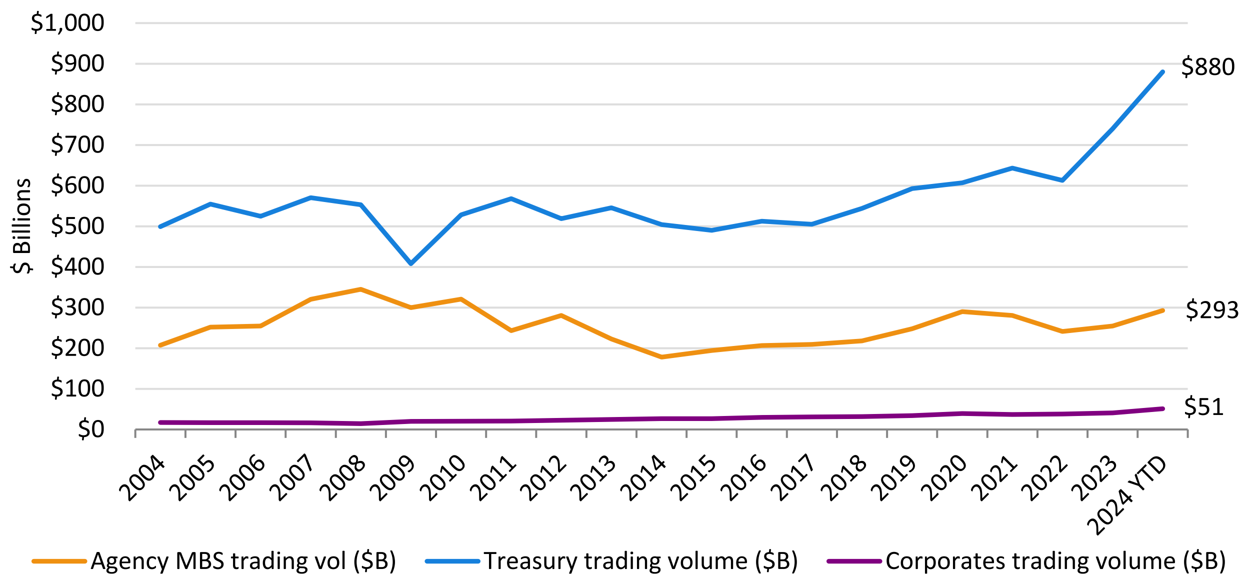
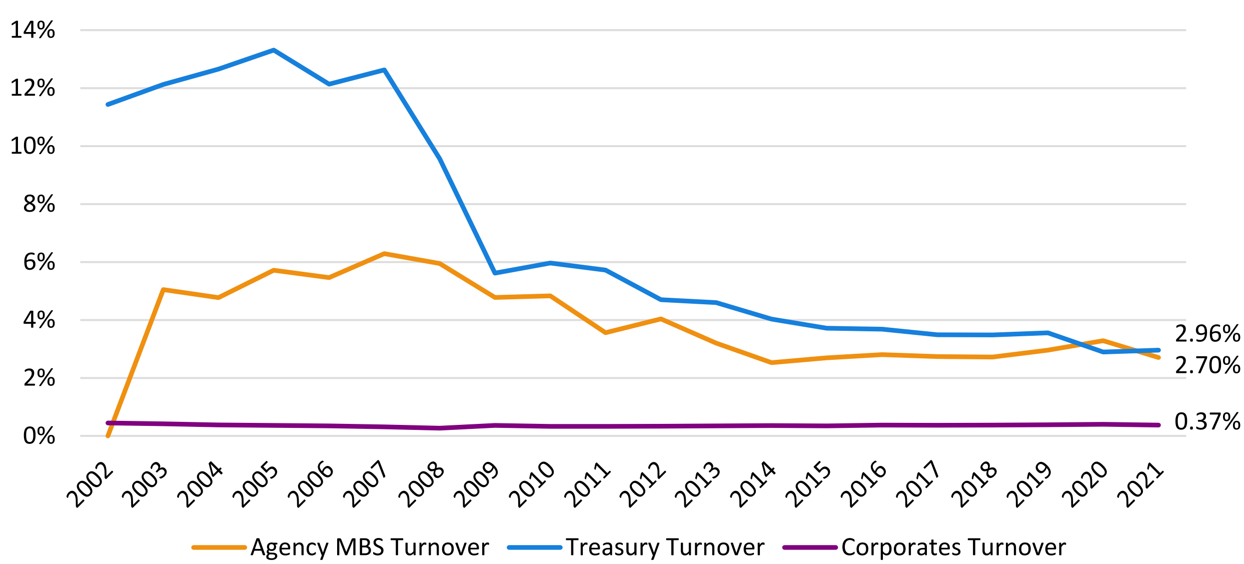


Figure 36. Average Daily Turnover by Sector



Source: SIFMA. Note: Data as of May 2024 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 16, 17, and 18 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 May 2024. The distribution statistics capture some key differences in the populations served by the agencies.

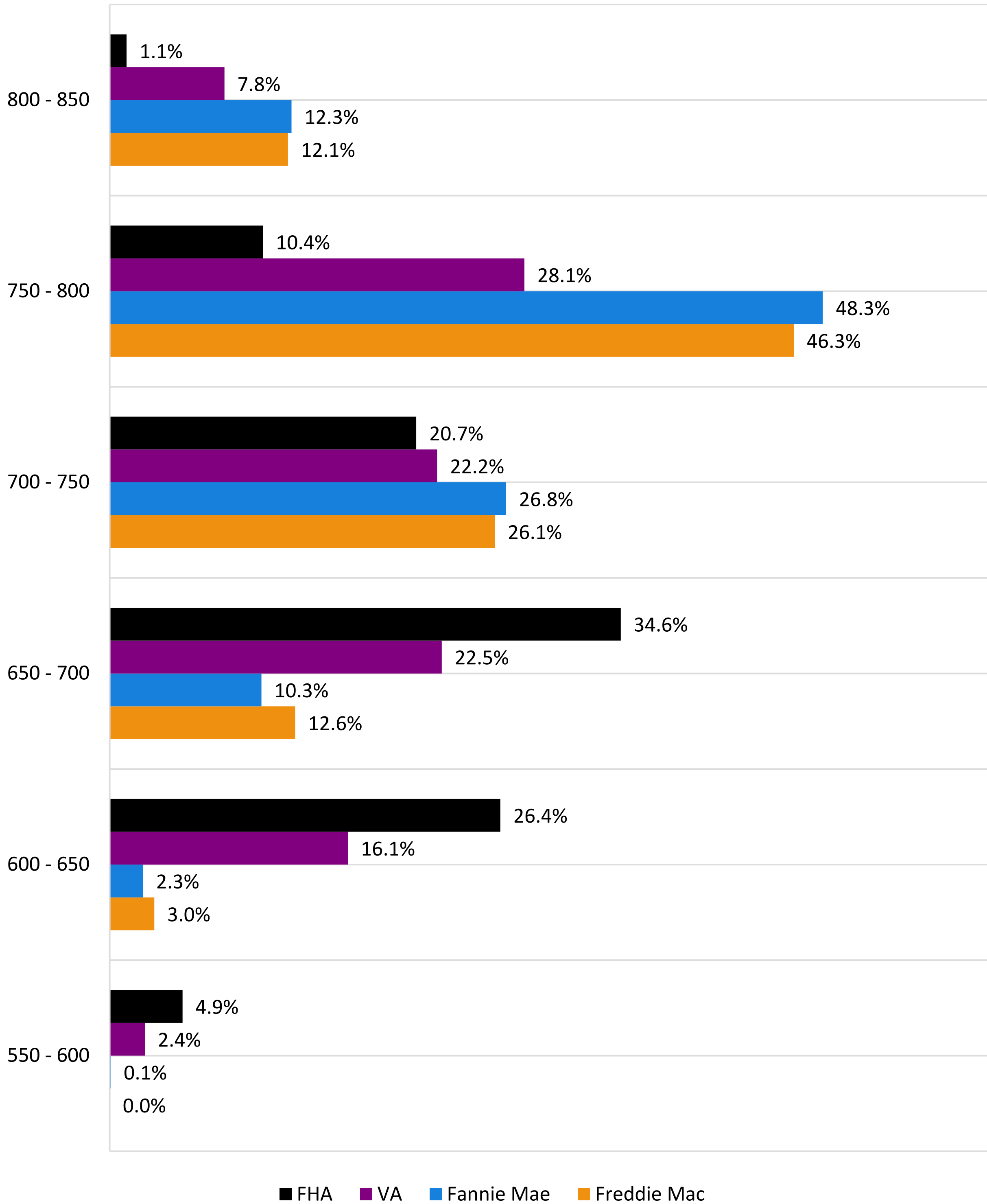
10.1 Credit Scores

Table 16. Share of Loans by FICO Score

Purchase FICO							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	216,815	653	697	748	783	800	736
Fannie	64,839	703	735	768	791	803	759
Freddie	70,908	691	728	765	790	803	755
Ginnie	81,068	628	656	697	748	785	701
Refi FICO							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	51,082	625	659	706	759	790	706
Fannie	14,825	660	696	740	777	798	734
Freddie	15,001	663	697	742	777	798	735
Ginnie	21,256	597	629	663	701	744	666
All FICO							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	267,897	646	688	741	780	799	731
Fannie	79,664	692	728	764	789	802	755
Freddie	85,909	685	722	761	788	802	752
Ginnie	102,324	622	649	689	740	780	694
Purchase FICO: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	81,068	628	656	697	748	785	701
FHA	52,461	625	650	684	727	764	689
VA	25,556	638	680	738	781	800	727
Other	3,051	633	662	700	739	768	700
Refi FICO: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	21,256	597	629	663	701	744	666
FHA	13,550	591	623	654	687	724	655
VA	7,697	612	644	681	729	769	685
Other	9	682	706	716	752	763	725
All FICO: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	102,324	622	649	689	740	780	694
FHA	66,011	618	644	677	720	758	682
VA	33,253	630	667	723	773	798	717
Other	3,060	633	662	700	739	768	701

Data as of May 2024. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files. Note: All averages are rounded to the nearest whole number.

Figure 37. FICO Distributions by Agency



Data as of May 2024. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files.

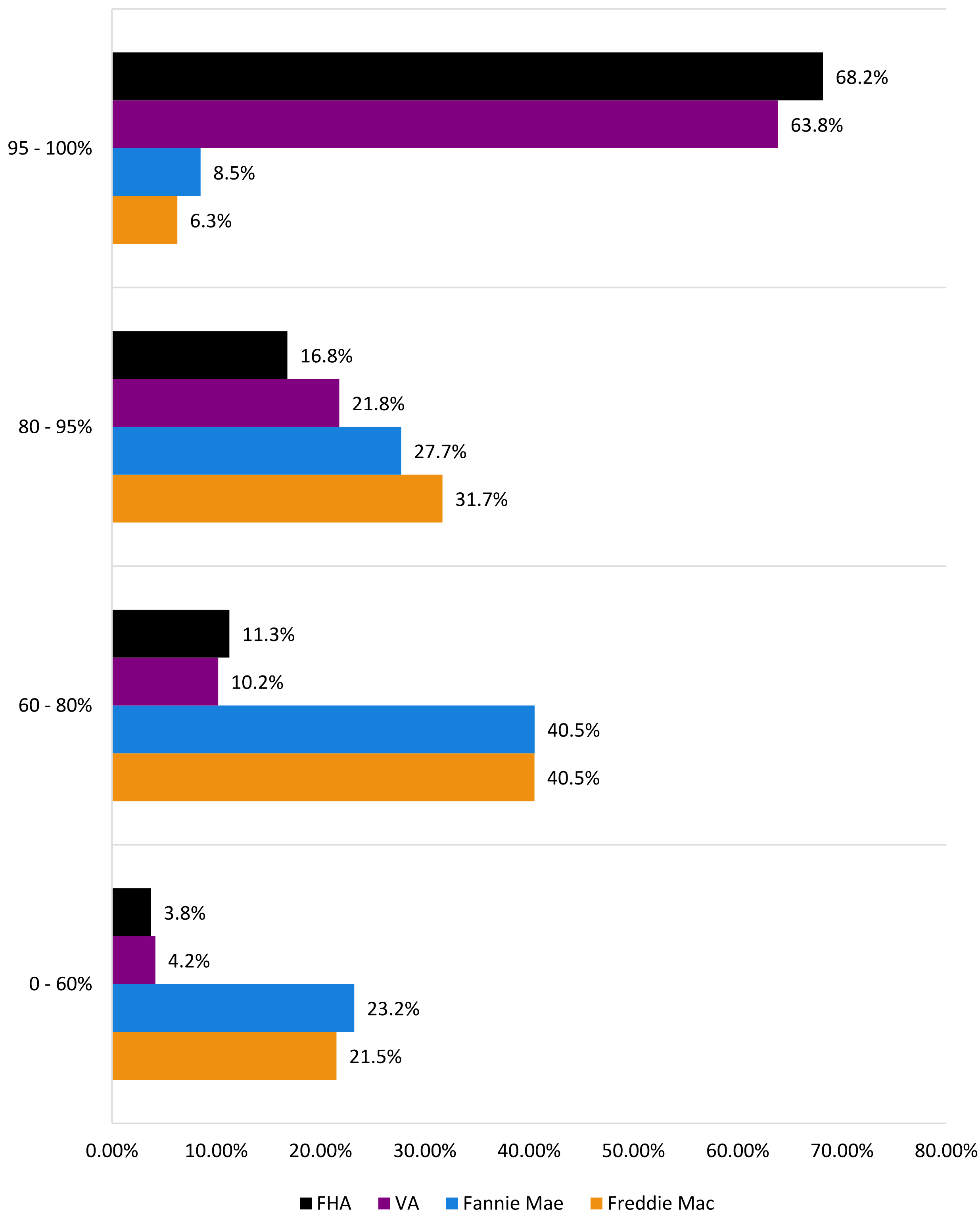
10.2 Loan-to-Value (LTV)

Table 17. Share of Loans by LTV

Purchase LTV							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	217,152	62	80	93	98	99	86
Fannie	64,937	54	74	80	95	97	80
Freddie	70,938	53	75	80	95	95	79
Ginnie	81,277	90	97	98	100	100	96
Refi LTV							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	52,816	34	52	70	80	91	66
Fannie	14,828	27	41	57	69	77	54
Freddie	15,002	27	43	60	72	80	57
Ginnie	22,986	57	72	81	90	100	79
All LTV							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	269,968	52	75	88	97	99	82
Fannie	79,765	44	64	80	90	95	75
Freddie	85,940	45	66	80	90	95	75
Ginnie	104,263	76	90	98	99	100	92
Purchase LTV: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	81,277	90	97	98	100	100	96
FHA	52,573	92	97	98	98	98	96
VA	25,609	83	100	100	100	102	96
Other	3,095	93	98	101	101	101	98
Refi LTV: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	22,986	57	72	81	90	100	79
FHA	14,149	53	68	78	81	82	73
VA	8,827	68	81	90	100	102	88
Other	10	64	79	87	96	99	84
All LTV: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	104,263	76	90	98	99	100	92
FHA	66,722	75	90	98	98	98	91
VA	34,436	78	90	100	100	102	94
Other	3,105	93	98	101	101	101	98

Data as of May 2024. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files. Note: All averages are rounded to the nearest whole number.

Figure 38. Loan-to Value by Agency



Data as of May 2024. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files.

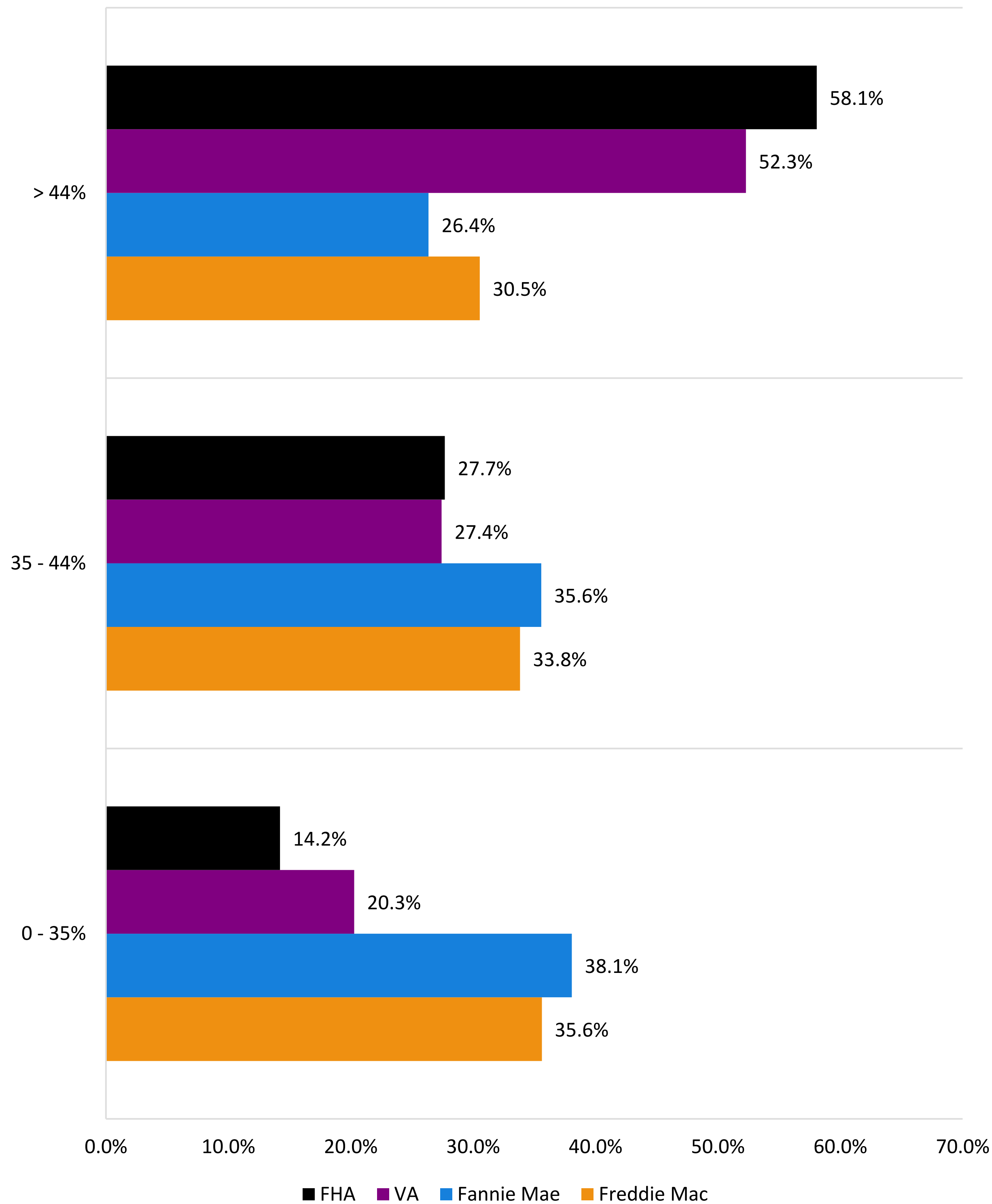
10.3 Debt-to-Income (DTI)

Table 18. Share of Loans by DTI

Purchase DTI							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	216,806	27	34	42	48	51	40
Fannie	64,937	24	31	39	45	49	38
Freddie	70,938	25	32	40	46	49	38
Ginnie	80,931	32	39	46	51	55	44
Refi DTI							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	49,085	25	33	41	47	50	39
Fannie	14,828	23	30	38	43	47	36
Freddie	15,002	24	31	40	46	49	38
Ginnie	19,255	29	36	44	50	55	43
All DTI							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	265,891	26	34	42	47	51	40
Fannie	79,765	24	31	39	45	48	37
Freddie	85,940	24	32	40	46	49	38
Ginnie	100,186	31	38	45	51	55	44
Purchase DTI: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	80,931	32	39	46	51	55	44
FHA	52,567	34	40	46	52	55	45
VA	25,271	30	37	45	51	56	44
Other	3,093	27	31	36	40	42	35
Refi DTI: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	19,255	29	36	44	50	55	43
FHA	13,151	29	36	44	50	55	43
VA	6,096	28	35	43	50	55	42
Other	8	24	30	38	40	41	34
All DTI: Ginnie Mae Breakdown by Source							
Names	**Number of Loans**	**P10**	**P25**	**Median**	**P75**	**P90**	**Mean**
All	100,186	31	38	45	51	55	44
FHA	65,718	33	39	46	52	55	45
VA	31,367	30	37	45	51	56	44
Other	3,101	27	31	36	40	42	35

Data as of May 2024. Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files. Note: All averages are rounded to the nearest whole number.

Figure 39. Debt-to Income by Agency



Data as of May 2024. 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 March 2023 – May 2023 to the three-month range of March 2024 – May 2024, the share of high-LTV agency loans with:

- FICO scores above 750 increased by approximately 8.4%.
- DTIs below 35% decreased by approximately 10.7%.

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 71.56% of its issuances between March 2024 – May 2024 having LTVs of 95 or above, compared to 22.42% for the GSEs.

Table 19. Share of Loans with LTV > 95

	Ginnie Mae	*GSE*	*All*
Mar 2023 - May 2023	71.12%	24.65%	42.06%
Mar 2024 - May 2024	71.56%	22.42%	41.88%

Table 20. Agency Market Share by DTI and FICO for Loans with LTV > 95 (Mar 2023 – May 2023)

	FICO					
DTI	**<650**	**650-700**	**700-750**	**≥750**	**NA**	**All**
<35	2.04%	3.08%	4.44%	7.13%	0.05%	16.74%
35-45	5.80%	8.46%	10.28%	11.96%	0.05%	36.56%
≥45	8.01%	13.09%	12.60%	11.56%	0.07%	45.33%
NA	0.30%	0.21%	0.13%	0.18%	0.56%	1.37%
All	**16.15%**	**24.84%**	**27.46%**	**30.81%**	**0.74%**	**100.00%**

Table 21. Agency Market Share by DTI and FICO for Loans with LTV > 95 (Mar 2024 - May 2024)

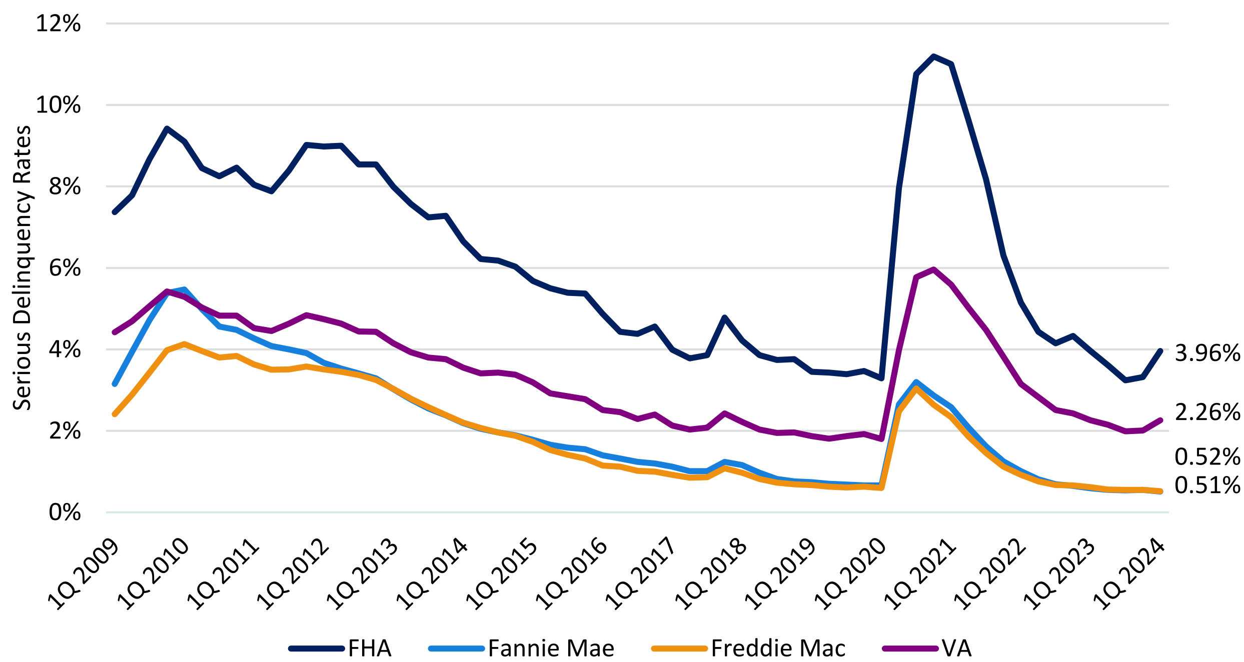
	FICO					
DTI	**<650**	**650-700**	**700-750**	**≥750**	**NA**	**All**
<35	1.61%	2.45%	3.81%	7.01%	0.08%	14.95%
35-45	4.97%	7.17%	9.32%	12.38%	0.06%	33.90%
≥45	7.25%	12.44%	13.57%	13.51%	0.09%	46.88%
NA	0.68%	0.71%	0.53%	0.50%	1.85%	4.27%
All	**14.51%**	**22.77%**	**27.23%**	**33.41%**	**2.09%**	**100.00%**

Sources: Recursion and Ginnie Mae. Data as of May 2024.

10.5 Serious Delinquency Rates

Serious delinquency rates for Single-Family VA and FHA loans rose in Q1 2024. From Q4 2023 to Q1 2024, FHA's serious delinquencies rose 64 bps to 3.96% and VA's delinquency rates saw a 25 bp increase to 2.26%. Fannie and Freddie's serious delinquencies saw less movement than FHA and VA in Q1 2024. Fannie Mae's serious delinquency rate decreased 4 bps and Freddie Mac's rate decreased 3 bps from Q4 2023 to Q1 2024, sitting at 0.51% and 0.52%, respectively. The trend in serious delinquency rates is consistent with the decrease in the number of loans in forbearance since the 2020 pandemic.

Figure 40. 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 Q1 2024.

10.6 Credit Box

The first-time homebuyer share for agency purchase loans was 57.9% as of month-end May 2024, an increase from 57.7% in April 2024 and up from 54.7% in May 2023. Ginnie Mae's first-time homebuyer share, 72.3% as of month-end May 2024, increased 4.8% YoY. Freddie Mac and Fannie Mae's first-time homebuyer shares were 47.8% and 50.9%, respectively, as of month-end May 2024. Freddie Mac's share of first-time borrowers increased 0.9% and Fannie Mae's increased 8.3% YoY.

Table 22 shows that based on mortgages originated as of month-end May 2024 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 41. First-Time Homebuyer Share: Purchase Only Loans

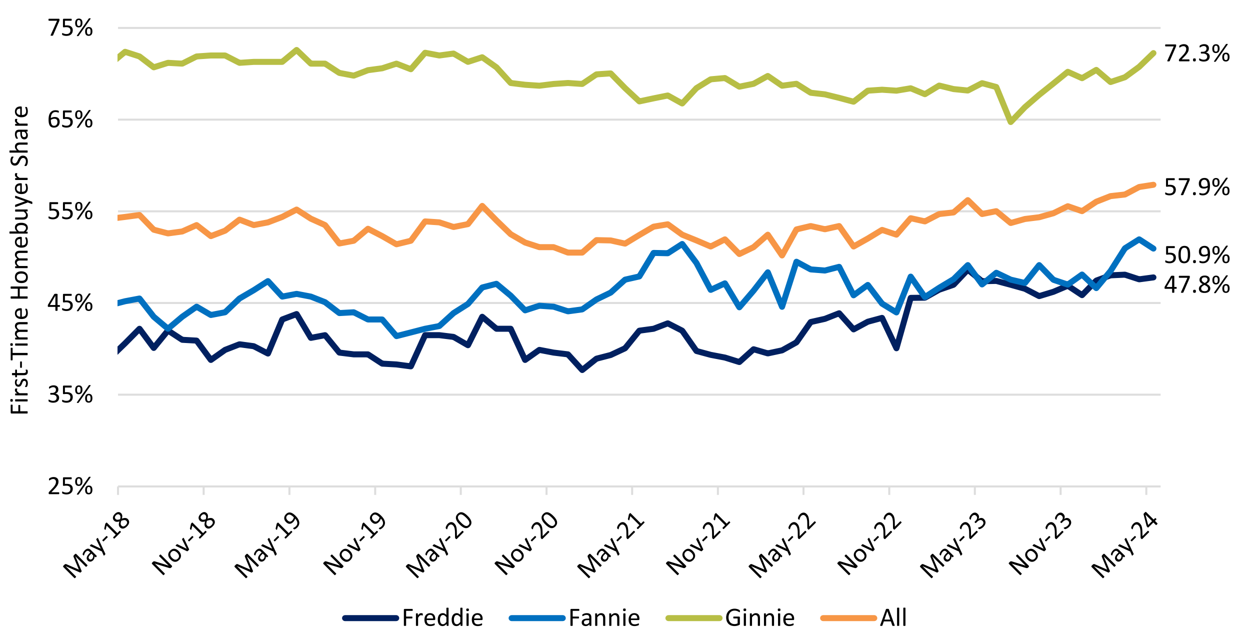


Table 22. Agency First-Time Homebuyer Share Summary

	Fannie Mae		Freddie Mac		Ginnie Mae		All	
	First-Time	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*
Loan Amount $	$342,916	$360,213	$339,917	$357,691	$317,805	$379,383	$330,374	$363,918
Credit Score	754	765	747	762	695	718	725	752
LTV (%)	84.8%	74.1%	84.2%	74.5%	97.1%	93.7%	90.4%	79.1%
DTI (%)	37.3%	37.8%	37.8%	38.2%	44.1%	45.5%	40.6%	39.9%
Loan Rate (%)	6.7%	6.8%	6.8%	6.9%	6.5%	6.4%	6.6%	6.7%

Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files as of May 2024

In the Ginnie Mae purchase market, 80.6% of FHA loans, 53.3% of VA loans, and 87.5% of "Other" loans provided financing for first-time home buyers as of month-end May 2024. The share of first-time home buyers in the Ginnie Mae purchase market increased MtM for all loan types.

Table 23 shows that based on mortgages originated as of month-end May 2024; 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 15.9% smaller loans, had a 26-point lower credit score, and a 4.8% 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 much more like their repeat buyers, with only 5.6% smaller loans and 2.7% 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 42. First-time Homebuyer Share: Ginnie Mae Breakdown

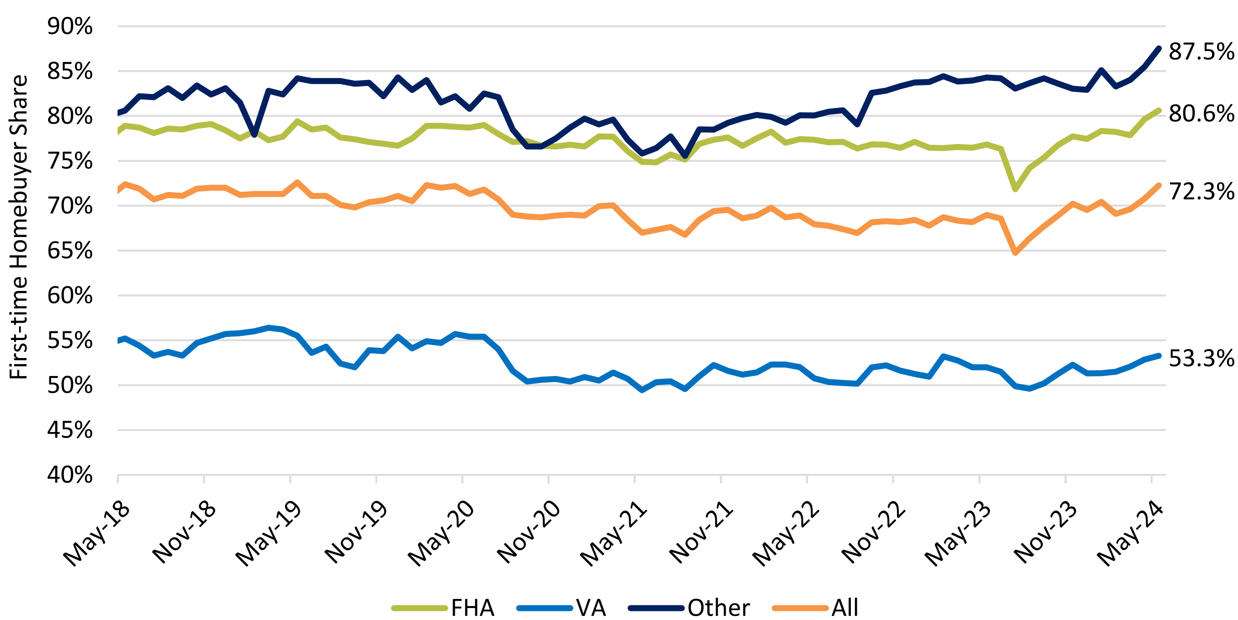


Table 23. Ginnie Mae First-Time Homebuyer Share Breakdown Summary

	FHA		VA		Other		Total	
	First-Time	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*	*First-Time*	*Repeat*
Loan Amount $	$312,856	$331,268	$358,163	$426,016	$192,054	$203,837	$317,805	$379,383
Credit Score	689	690	715	741	699	711	695	718
LTV (%)	96.6%	93.9%	98.3%	93.5%	98.1%	98.1%	97.1%	93.7%
DTI (%)	44.9%	46.6%	43.3%	44.8%	35.1%	36.3%	44.1%	45.5%
Loan Rate (%)	6.5%	6.4%	6.4%	6.3%	6.5%	6.5%	6.5%	6.4%

Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files as of May 2024. 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 May 2024 was 741, which represents a 5-point increase from May 2023. Ginnie Mae median FICO scores increased 14 points from 675 in May 2023 to 689 as of month-end May 2024. As of month-end May 2024, average FICO scores for refinances increased for Ginnie Mae and Freddie Mac borrowers by 5 and 10 points YoY, respectively.

Figure 43. FICO Scores for All Loans

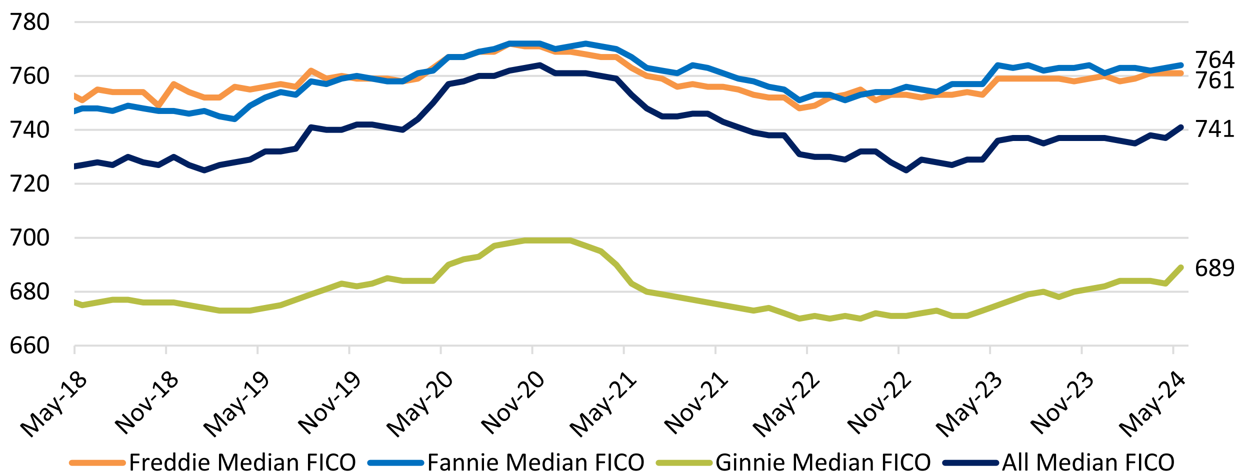


Figure 44. FICO Scores for Purchase Loans

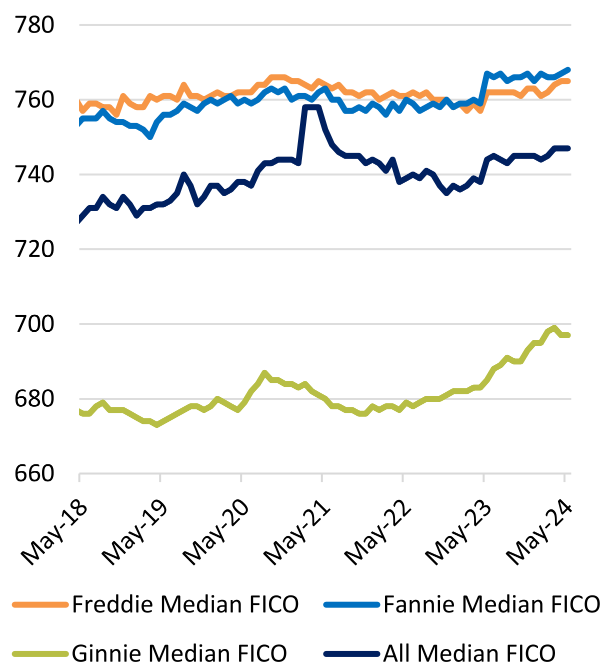
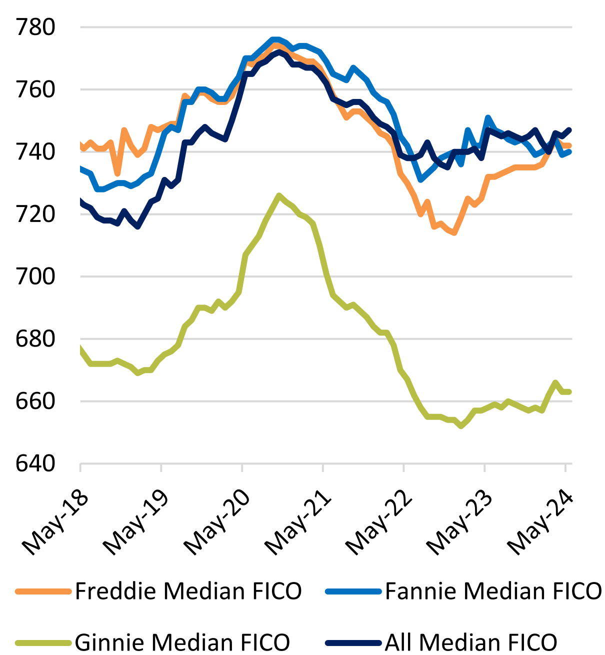


Figure 45. FICO Scores for Refinance Loans



Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files

In May 2024, 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, Freddie Mac, and Ginnie Mae noted their LTV ratios remain flat YoY from May 2023 to May 2024. In May 2024, median DTIs for Ginnie Mae, Freddie Mac, and Fannie Mae were 45.1%, 40.0%, and 39.0%, respectively. In May 2023, median DTIs for Ginnie Mae, Freddie Mac, and Fannie Mae were 44.8%, 40.0%, and 38.0%, respectively.

Figure 46. LTV Ratio for All Loans

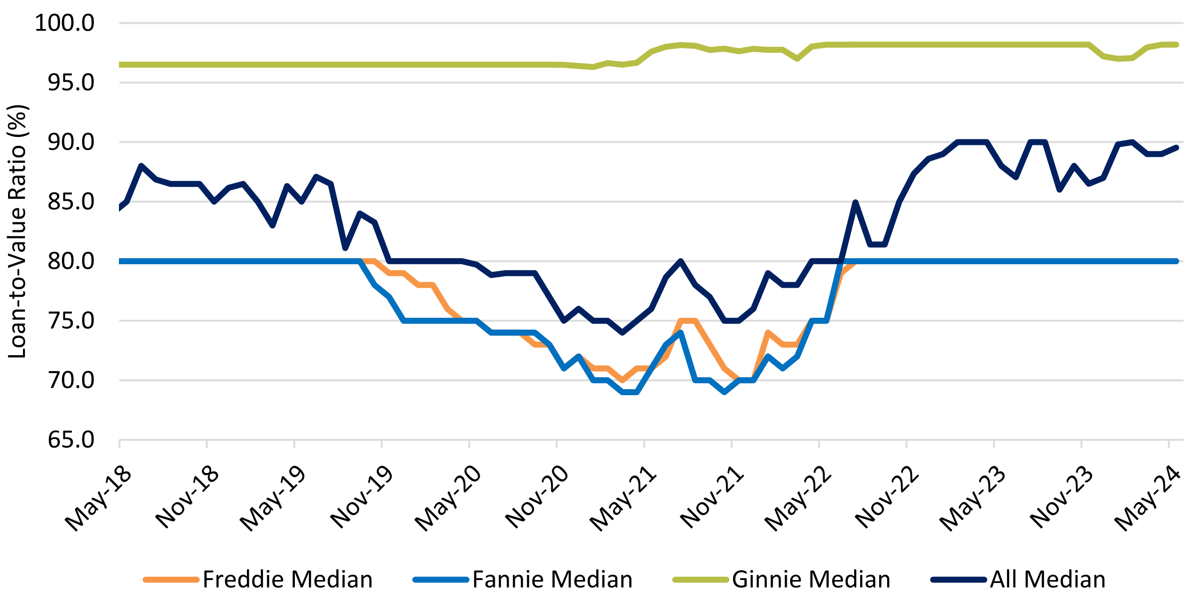
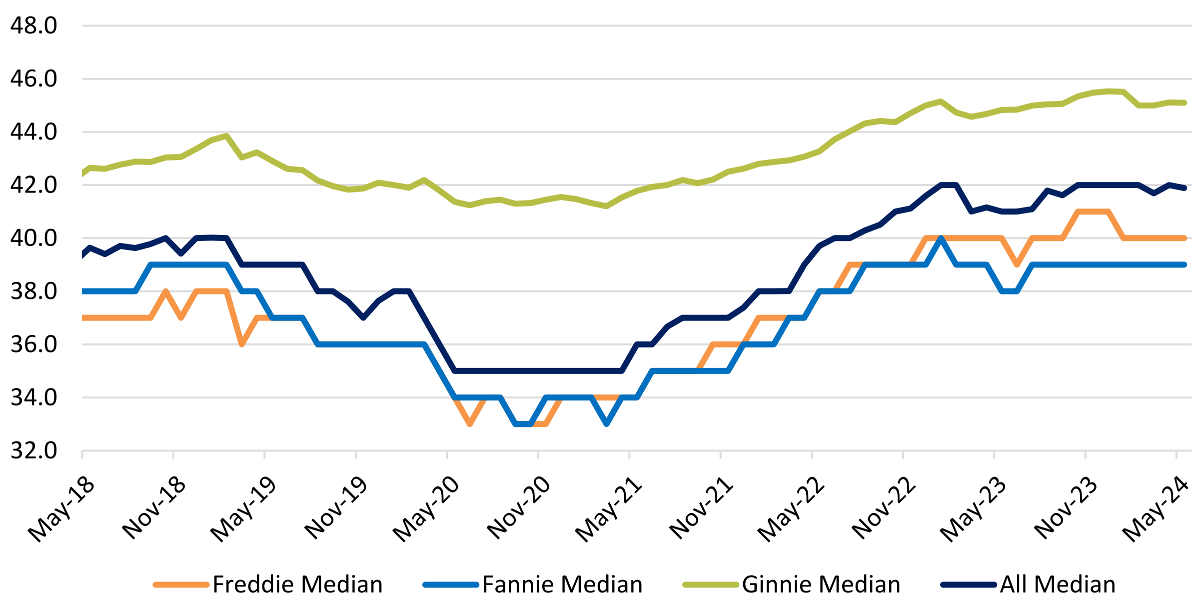


Figure 47. DTI Ratio for All Loans



Sources: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files.

11 FORBEARANCE TRENDS

At the end of May 2024, 27,355 Ginnie Mae loans were in forbearance. The number of loans in forbearance removed from MBS pools in May 2024 was 114 while 27,241 loans in forbearance remained in pools. The number of loans in forbearance and loans that remained in pools increased for Ginnie Mae, while the number of loans in forbearance removed from MBS pools decreased from the prior month. 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 24-26. Forbearance Snapshot

All Loans in Forbearance – May 2024						
	FICO Score*	**Note Rate (%) ***	**Current Principal Balance Median**	**First Time Homebuyer Share (%)**	**Purchase Share (%)**	**Loan Count**
Ginnie	649	4.5	$202,290	75.3	75.7	27,355
Bank	669	4.5	$164,707	82.0	90.9	4,419
Nonbank	646	4.5	$210,360	74.1	73.3	22,906
FHA	649	4.5	$196,456	77.7	77.3	23,727
Bank	668	4.6	$163,938	83.9	91.2	4,085
Nonbank	646	4.5	$203,802	76.5	74.9	19,614
VA	650	4.5	$287,086	58.9	64.5	2,816
Bank	676	4.1	$247,324	55.0	84.9	185
Nonbank	648	4.5	$290,054	59.2	63.2	2,630

Loans in Forbearance and Removed from Pools – May 2024						
	FICO Score*	**Note Rate (%) ***	**Current Principal Balance Median**	**First Time Homebuyer Share (%)**	**Purchase Share (%)**	**Loan Count**
Ginnie	642	5.0	$210,276	78.1	73.3	114
Bank	658	5.4	$139,032	46.0	91.9	23
Nonbank	639	4.9	$219,195	85.0	70.4	91
FHA	636	5.2	$200,684	81.7	72.1	101
Bank	638	5.7	$127,748	58.9	89.8	18
Nonbank	635	5.1	$210,388	86.1	69.6	83
VA	674	3.5	$343,288	56.3	80.4	9
Bank	715	4.7	$302,224	0.0	100.0	2
Nonbank	665	3.3	$365,462	76.3	75.2	7

Loans in Forbearance that Remain in Pools – May 2024						
	FICO Score*	**Note Rate (%) ***	**Current Principal Balance Median**	**First Time Homebuyer Share (%)**	**Purchase Share (%)**	**Loan Count**
Ginnie	649	4.5	$202,265	75.3	75.7	27,241
Bank	669	4.5	$164,751	82.2	90.9	4,396
Nonbank	646	4.5	$210,353	74.1	73.3	22,815
FHA	649	4.5	$196,453	77.7	77.3	23,626
Bank	668	4.6	$163,951	84.0	91.3	4,067
Nonbank	646	4.4	$203,789	76.4	74.9	19,531
VA	650	4.5	$287,010	58.9	64.5	2,807
Bank	675	4.1	$236,727	55.8	84.7	183
Nonbank	648	4.5	$289,890	59.2	63.2	2,623

*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 May 2024; *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 27.** The top 30 firms collectively own 87.8% of Ginnie Mae MSRs (see Cumulative Share). Twenty-two of these top 30 are non-depository institutions, the remaining eight are depository institutions. As of May 2024, over half (53.2%) of the Ginnie Mae MSRs are owned by the top six firms.

Table 27. 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*
Lakeview Loan Servicing	1	1	↔	$345,195,384,496	14.5%	14.5%	8.72%	1.64%
DBA Freedom Mortgage	2	2	↔	$306,990,204,535	12.9%	27.5%	8.35%	0.58%
PennyMac Loan Service	3	3	↔	$278,499,012,131	11.7%	39.2%	8.14%	1.21%
Wells Fargo Bank	4	6	↑	$94,333,874,418	4.0%	43.2%	7.43%	0.34%
Mr. Cooper (Nationstar)	5	4	↓	$126,032,267,900	5.3%	48.5%	7.87%	1.21%
Rocket Mortgage	6	7	↑	$112,528,075,486	4.7%	53.2%	9.66%	0.23%
Carrington Mortgage	7	8	↓	$113,373,238,443	4.8%	58.0%	7.86%	0.88%
Newrez LLC	8	5	↓	$131,730,909,469	5.5%	63.5%	7.47%	0.77%
U.S. Bank	9	9	↔	$56,804,958,670	2.4%	65.9%	6.17%	0.54%
Planet Home Lending	10	10	↔	$71,576,047,249	3.0%	68.9%	7.46%	0.34%
LoanDepot	11	12	↓	$38,041,443,455	1.6%	70.5%	9.41%	1.34%
Navy Federal Credit Union	12	14	↓	$32,447,402,454	1.4%	71.9%	7.62%	0.63%
Truist Bank	13	18	↑	$20,290,473,726	0.9%	72.7%	8.15%	1.20%
United Wholesale Mortgage	14	11	↓	$47,474,003,216	2.0%	74.7%	6.44%	1.46%
M&T Bank	15	N/R	↑	$26,524,893,111	1.1%	75.9%	6.68%	0.38%
MidFirst Bank	16	28	↑	$11,178,085,879	0.5%	76.3%	8.44%	2.06%
Guild Mortgage Company	17	16	↓	$24,969,849,167	1.1%	77.4%	6.81%	0.46%
The Money Source	18	17	↑	$22,544,854,616	0.9%	78.3%	8.21%	0.99%
PHH Mortgage Corporation	19	25	↑	$20,640,582,318	0.9%	79.2%	7.48%	1.01%
Mortgage Research Center	20	15	↓	$29,833,751,104	1.3%	80.4%	10.88%	1.04%
Idaho Housing and Finance	21	24	↑	$18,501,587,910	0.8%	81.2%	4.90%	0.94%
JP Morgan Chase Bank	22	N/R	↑	$10,043,217,236	0.4%	81.6%	7.72%	1.31%
New American Funding	23	20	↓	$21,176,675,331	0.9%	82.5%	7.50%	0.59%
AmeriHome Mortgage	24	23	↓	$24,122,844,371	1.0%	83.6%	9.53%	1.67%
CrossCountry Mortgage	25	19	↓	$22,455,229,755	0.9%	84.5%	9.42%	2.73%
Movement Mortgage	26	23	↓	$20,275,280,099	0.9%	85.4%	8.27%	0.54%
Citizens Bank	27	26	↓	$13,777,206,164	0.6%	85.9%	7.31%	0.53%
CMG Mortgage	28	22	↓	$20,157,877,063	0.8%	86.8%	8.18%	1.41%
PNC Bank	29	N/R	↔	$6,366,120,651	0.3%	87.1%	7.75%	1.19%
Village Capital & Investment	30	21	↓	$17,551,008,135	0.7%	87.8%	18.71%	3.82%

Sources: Deloitte, Recursion. Notes: Data as of May 2024.

13 AGENCY NONBANK ORIGINATORS

Total Agency nonbank origination shares decreased as of month-end May 2024 by approximately 0.7% MoM. The decrease in nonbank origination share was driven by a decrease in Fannie Mae, down 1.4% MoM, while Freddie Mac increased 0.3% MoM. The Ginnie Mae nonbank share fell slightly to 93.4% as of May 2024 and has remained consistently higher than the GSEs.

Figure 48. Agency Nonbank Originator Share (All, Purchase, Refi)

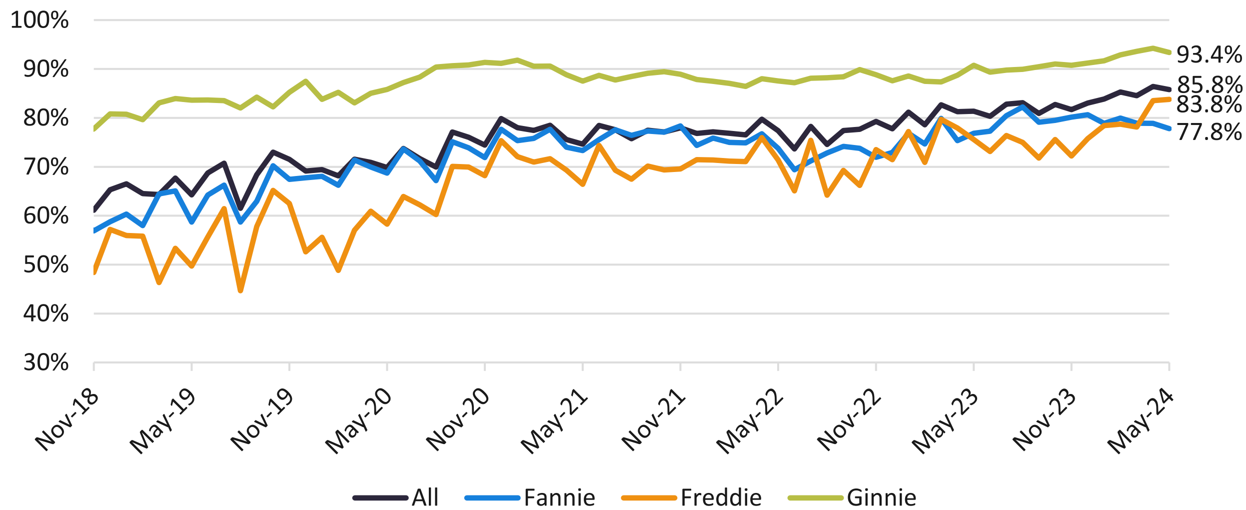


Figure 49. Nonbank Origination Share: Purchase Loans

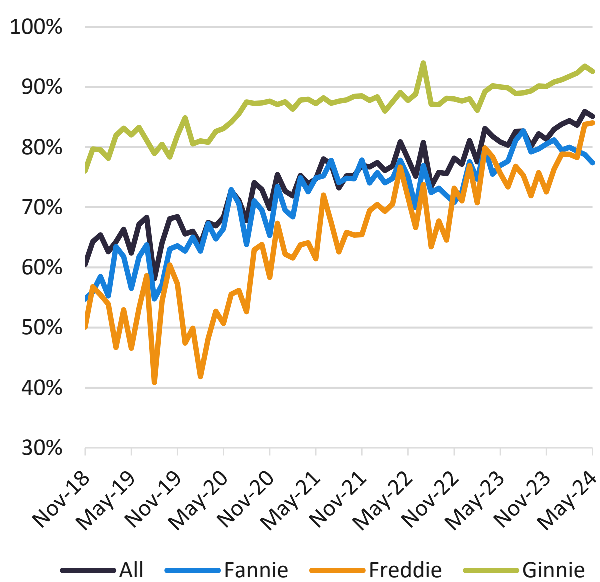
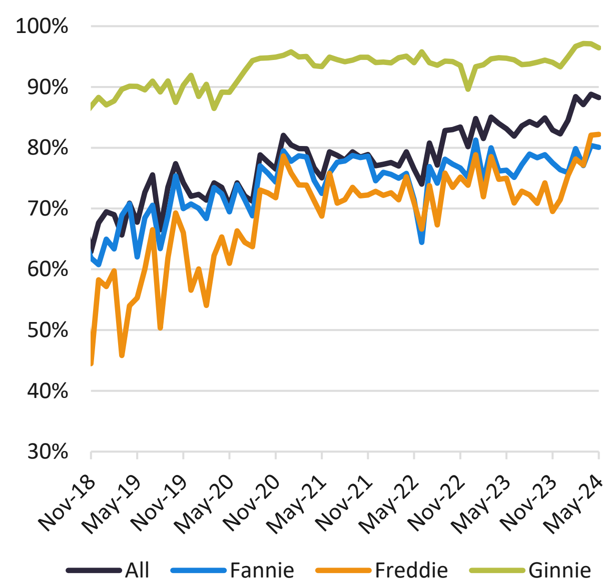


Figure 50. Nonbank Origination Share: Refi Loans



Source: Recursion. Notes: Data as of May 2024.

Ginnie Mae's total nonbank originator share remained relatively stable as of month-end May 2024. Ginnie Mae continues to have a high proportion of nonbank originations, with a rate of 93.4% in May 2024. The percentage of Ginnie Mae's "Other" nonbank refinanced loans increased to 100% in May 2024.

Figure 51. Ginnie Mae Nonbank Originator Share (All, Purchase, Refi)

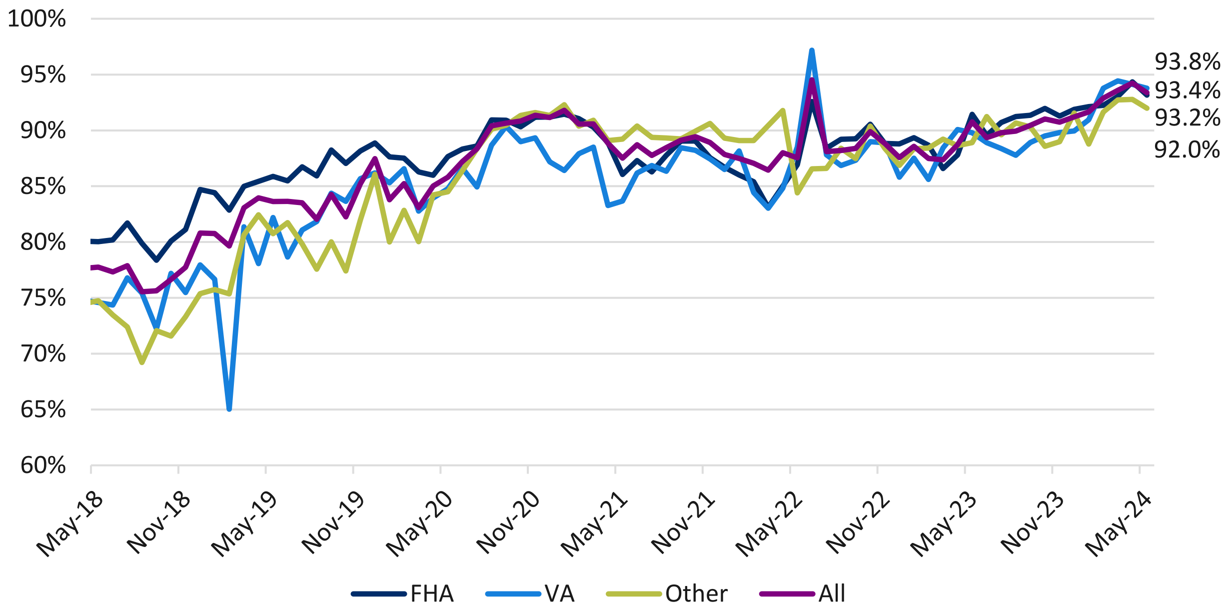


Figure 52. Ginnie Mae Nonbank Share: Purchase Loans

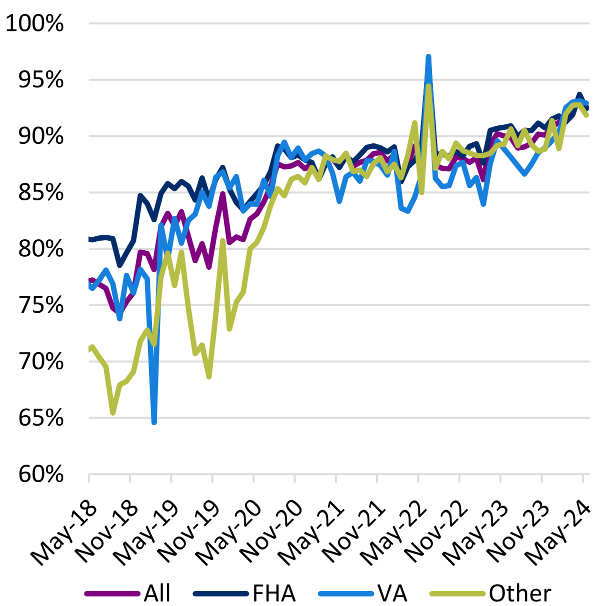
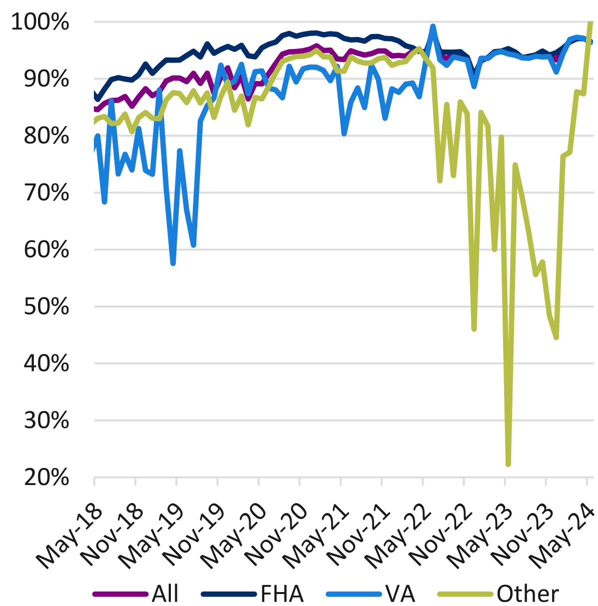


Figure 53. Ginnie Mae Nonbank Share: Refi Loans



Source: Recursion. Notes: Data as of May 2024.

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

14.1.1 (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 from 23 points to 21 points from April 2024 to May 2024. The agency median FICO score increased to 739 in May 2024.

Figure 54. Agency FICO: Bank vs. Nonbank

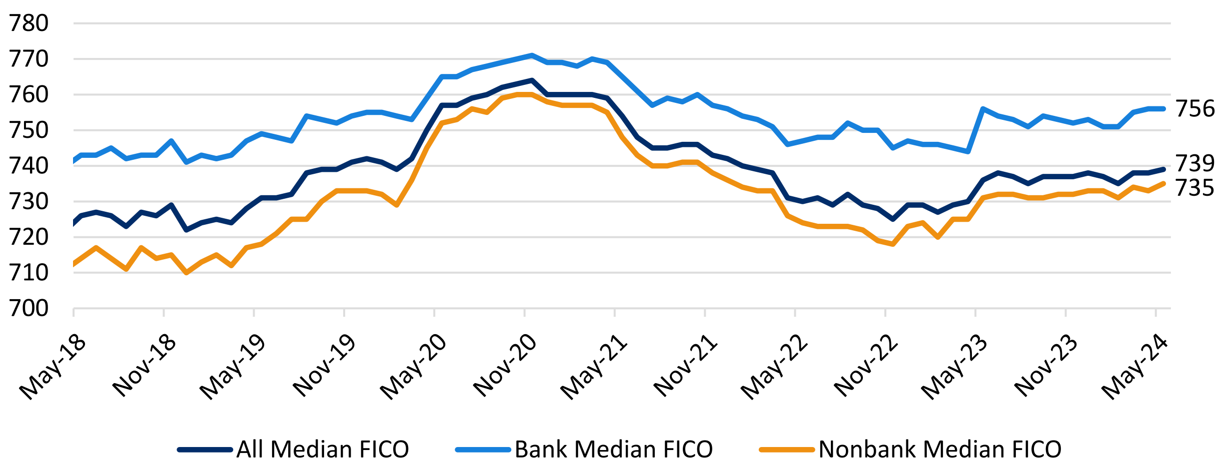


Figure 55. GSE FICO: Bank vs. Nonbank

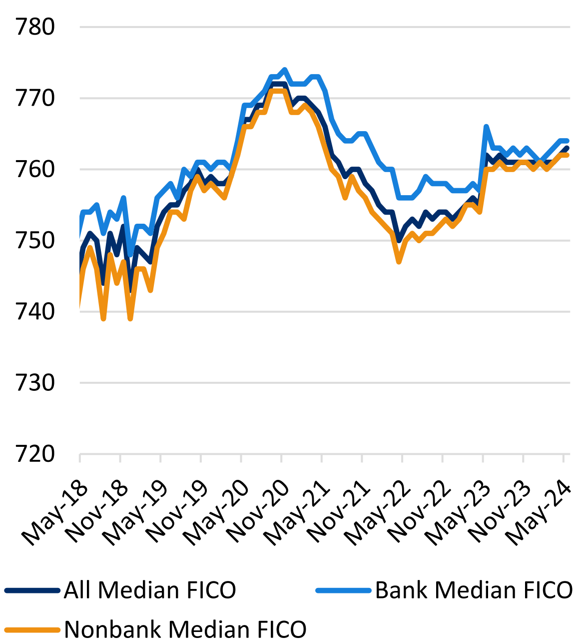
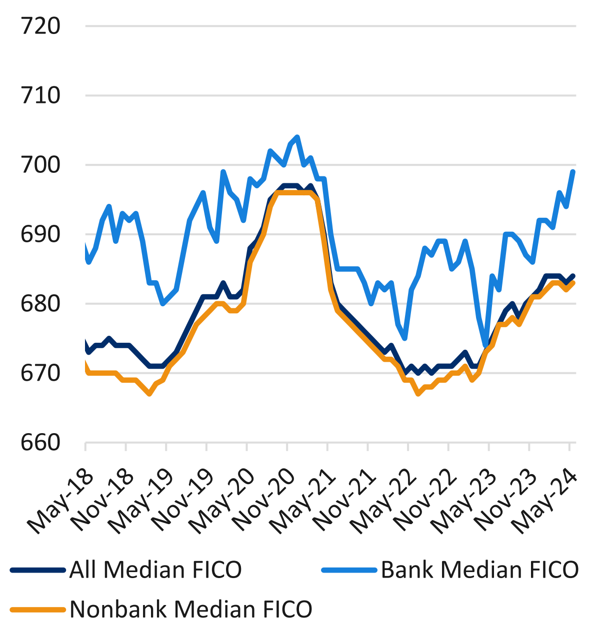


Figure 56. Ginnie Mae FICO: Bank vs. Nonbank



Source: Recursion: Notes: Data as of May 2024.

The median LTV for all GSE originators remained the same as of month-end May 2024 at 80.0%. Ginnie Mae's median bank and nonbank LTV remained flat at 98.2% as of month-end May 2024. Ginnie Mae's median DTI also remained flat at 45.3% through May 2024 in nonbank originations.

Figure 57. GSE LTV: Bank vs. Nonbank

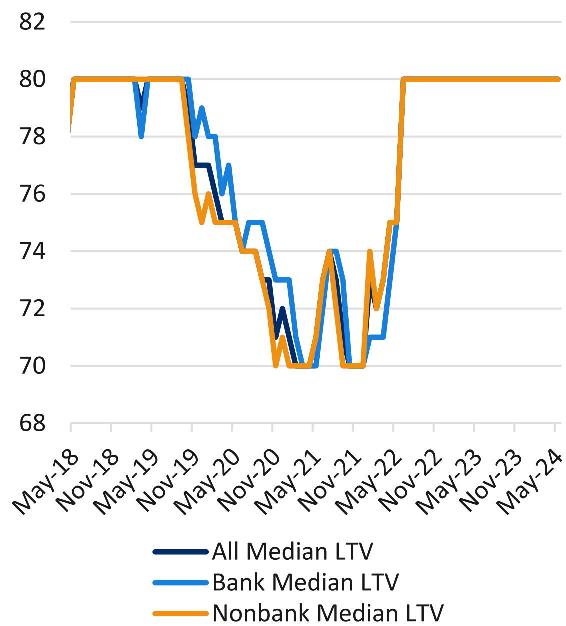


Figure 58. Ginnie Mae LTV: Bank vs. Nonbank

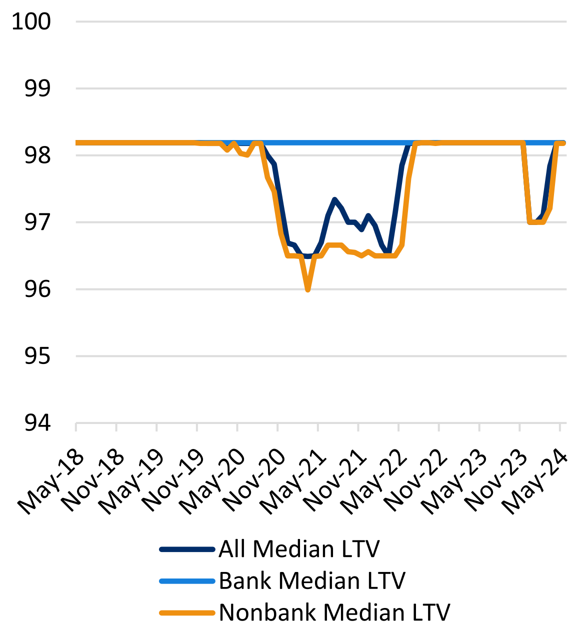


Figure 59. GSE DTI: Bank vs. Nonbank

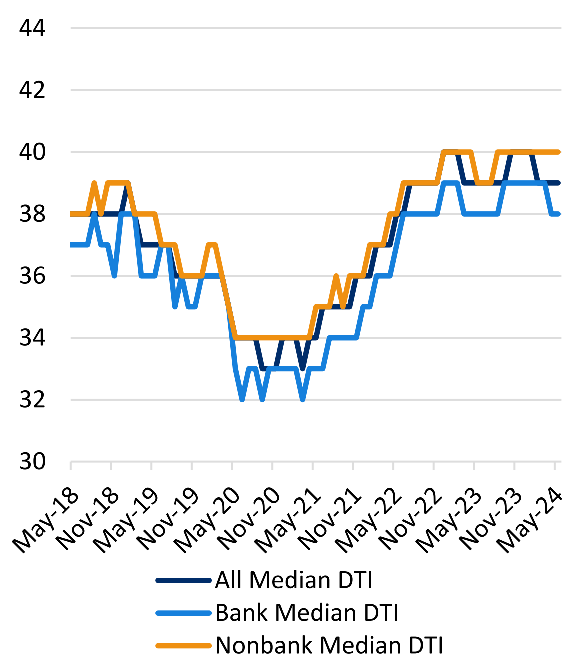
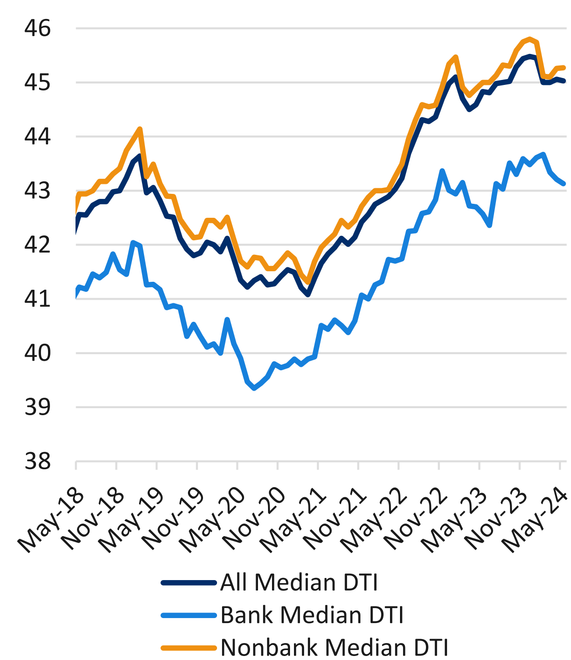


Figure 60. Ginnie Mae DTI: Bank vs. Nonbank



Source: Recursion. Notes: Data as of May 2024.

As of month-end May 2024, the median FICO score for Ginnie Mae bank originations increased 5 points MtM to 699 and nonbank increased 1-point MtM to 683. The median FICO score for all Ginnie originations rose to 684. The gap between banks and nonbanks is most apparent in "VA" lending (22-point spread).

Figure 61. Ginnie Mae FICO Score: Bank vs. Nonbank

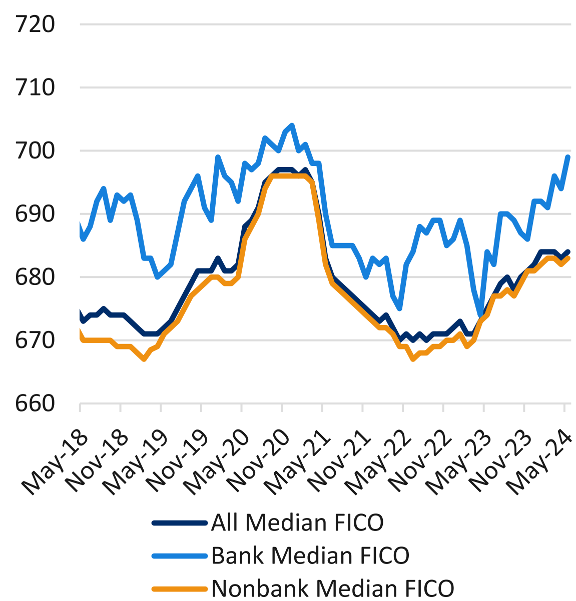


Figure 62. Ginnie Mae FHA FICO Score: Bank vs. Nonbank

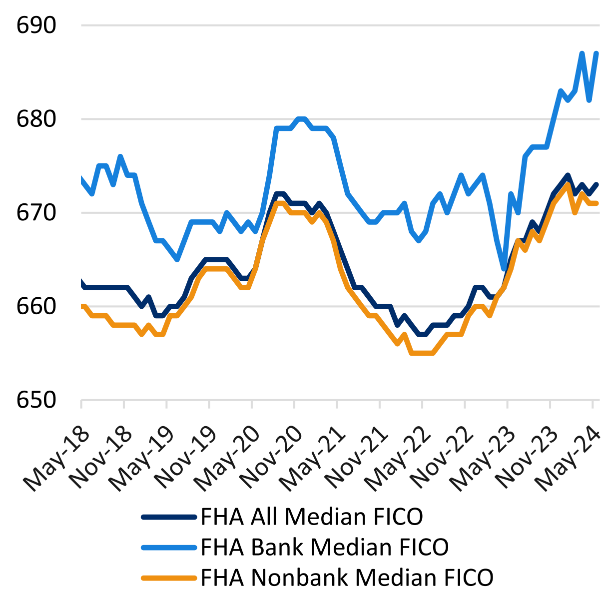


Figure 63. Ginnie Mae VA FICO Score: Bank vs. Nonbank

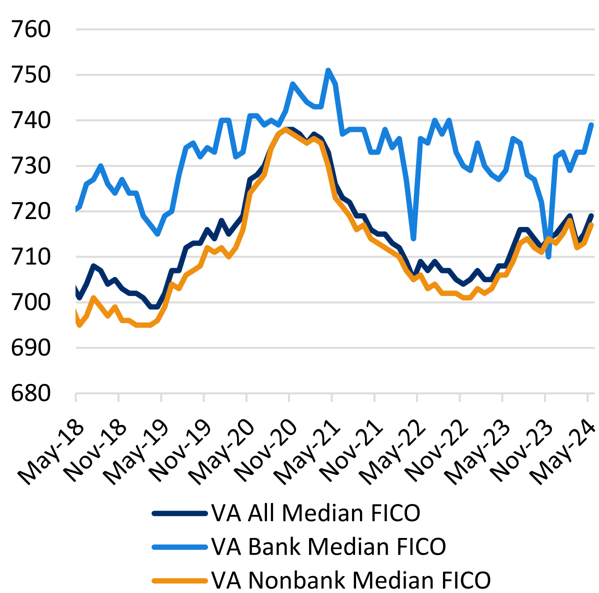
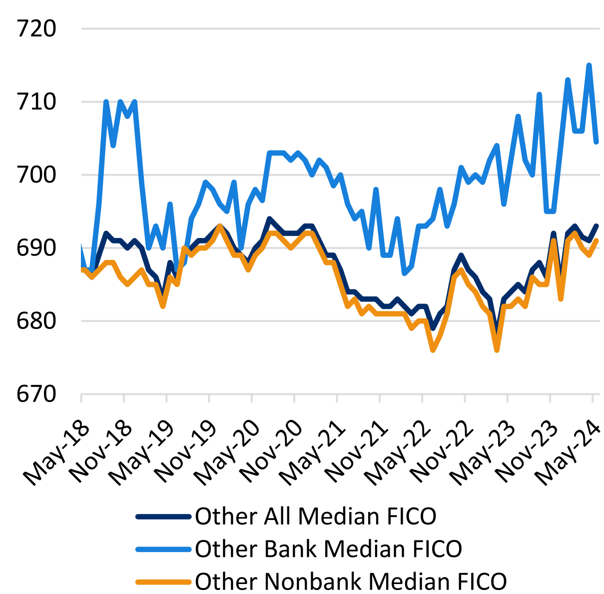


Figure 64. Ginnie Mae Other FICO Score: Bank vs. Nonbank



Source: Recursion. Notes: Data as of May 2024.

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 65. Ginnie Mae DTI: Bank vs. Nonbank

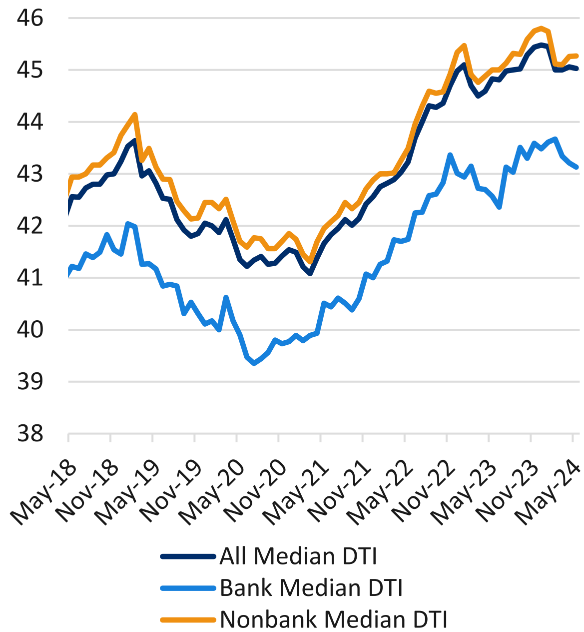


Figure 66. Ginnie Mae FHA DTI: Bank vs. Nonbank

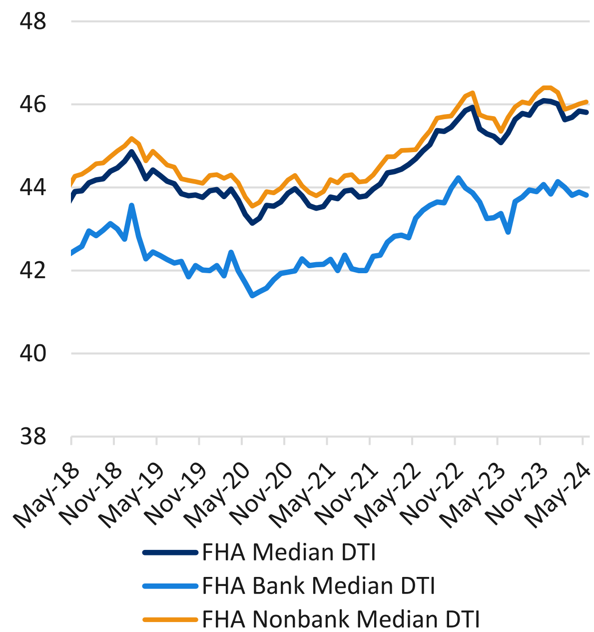


Figure 67. VA DTI: Bank vs. Nonbank

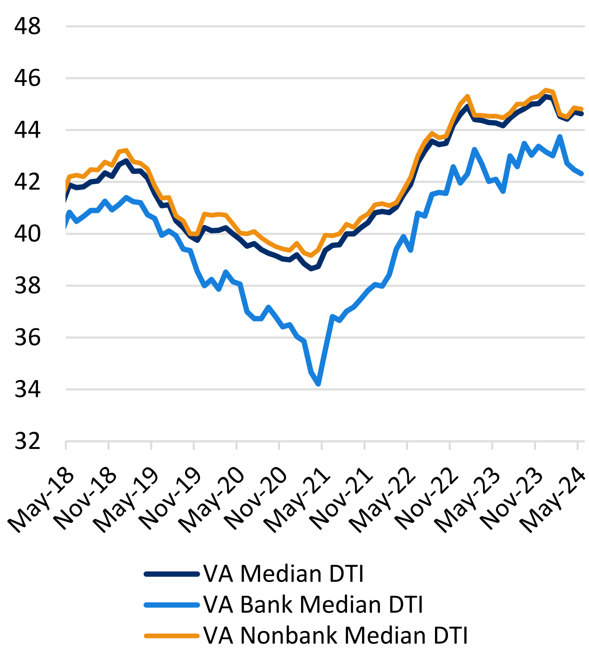
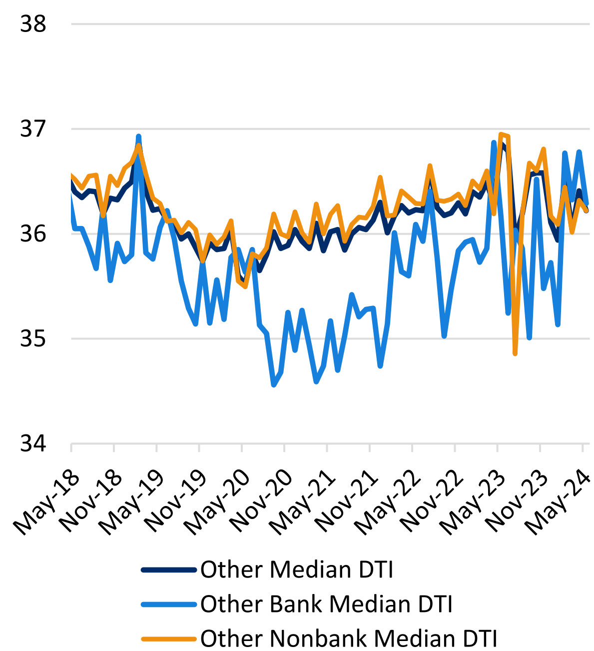


Figure 68. Other DTI: Bank vs. Nonbank



Source: Recursion. Notes: Data as of May 2024.

15 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Ginnie Mae Mortgage-Backed Securities are collateralized by loans that facilitate homeownership for low-to-moderate income (LMI) borrowers, veterans, rural borrowers, and others that traditionally experience challenges in their efforts to achieve homeownership or obtain housing. Ginnie Mae is enhancing their disclosures to provide insight into the extent that the securities they guarantee support meaningful environmental and social goals. The timeline below captures the efforts Ginnie Mae has taken to produce ESG disclosures in recent years.

May 2021	LMI "Social" Disclosures (% of loans in LMI Areas)
June 2021	Disclosures revealed approximately $259 billion of Outstanding Ginnie Mae MBS categorized as LMI area loans as defined by HUD's CDBG
November 2021	Green "Environmental" Status Disclosures Announced identifies Green properties within Multifamily Pools.
March 2022	Full implementation of Green Status Field into Multifamily Disclosures
April 2022	Introduction of Affordable Status Disclosure for Multifamily properties
February 2023	Low-Moderate Income Borrower (LMIB) Disclosure Announced
September 2023	Social Bond Program Introduced
December 2023	ESG Page Enhancement for Platinum Pool Search Results

15.1 Environmental, Social, and Governance: A Summary

Ginnie Mae's guaranty of the securities provides a connection between the primary and secondary mortgage markets that promote access to mortgage credit throughout the Nation for residential and multifamily properties. The table below captures the outcomes Ginnie Mae has seen, both socially and environmentally, through its guaranty program.

Table 28. ESG Metrics – MBS Portfolio (May 2024)

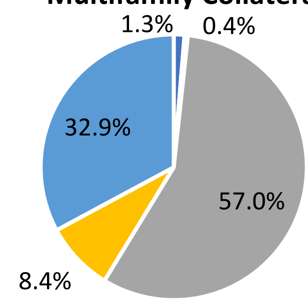
<table>
<tr><th colspan="5">Ginnie Mae's ESG Metrics – MBS Portfolio as of May 2024</th></tr>
<tr><th></th><th>Targeted Population</th><th>Positive Outcomes</th><th>Our Commitment</th><th></th></tr>
<tr><td rowspan="7">Social - Affordable</td><td>FHA Borrowers – 7,007,588
VA Borrowers – 3,643,902
RHS Borrowers – 777,470
PIH Borrowers – 23,769</td><td>Loans under $200K
6,510,527 Loans
First-Time Home Buyers
4,339,849 Loans
Down Payment Assistance
697,807 Loans</td><td rowspan="3">Ginnie Mae was established by Congress in 1968 to offer broad access to credit nationwide with a special emphasis on low- and moderate-income borrowers, and rural, inner-city, and underserved communities.
Ginnie Mae securitization provides a unique and sustainable service in making home ownership more affordable, accessible, and equitable for our nation. The proceeds from the sale of Ginnie Mae Primary Issuance MBS are a source of capital to finance the specific residential mortgage loans collateralizing the Ginnie Mae MBS.
Ginnie Mae securitization collateral selection is restricted to agency insured mortgages from the following United States Government Agencies. These agencies are the: Federal Housing Administration (FHA), Department of Veterans Affairs (VA), United States Department of Agriculture's Rural Housing Service (USDA-RHS), and HUD Public and Indian Housing (PIH). The combination of these insuring agency programs and Ginnie Mae's guaranty enable housing outcomes for households who might otherwise not be able to obtain mortgage access.</td><td rowspan="4">Single Family</td></tr>
<tr><td>Low-to-Moderate Income Borrowers (LMI)</td><td>3,264,679 Loans</td></tr>
<tr><td>LMI Majority Census Tract Loans</td><td>1,755,724 Loans</td></tr>
<tr><td>Borrowers Facing Difficulties</td><td>791,758 modifications with over 762,577 in partial claims</td><td>Ginnie Mae has been integral to the federal actions to prevent foreclosure for homeowners experiencing financial hardship.</td></tr>
<tr><td>Senior Citizens Aging in Place</td><td>274,305 Home Equity Convertible Mortgages (HECM) or Reverse</td><td>Ginnie Mae has developed the securities market for the FHA HECM (Reverse Mortgage) program which provides senior citizens a vehicle for accessing the equity in their homes.</td><td>HECM</td></tr>
<tr><td>Multifamily Housing (MF)</td><td>1.316 million apartment homes
492,442 healthcare living units</td><td>Affordable rental housing is in critically short supply. Government lending and subsidy programs support preservation and creation of new affordable housing units nationwide.</td><td rowspan="3">Multi-Family</td></tr>
<tr><td>MF Affordable</td><td rowspan="2">5,006 MF loans are either Green, Affordable, or both</td><td rowspan="2">Ginnie Mae provides information to investors via its monthly bond disclosure on multifamily investments that meet FHA's MF Green Mortgage Insurance Premium (MIP) Discount Qualified Mortgages and those loans meeting FHA's MF Broadly Affordable and Affordable requirements.</td></tr>
<tr><td>Green</td><td>MF Green</td></tr>
</table>

15.2 Environmental

Table 29. UPB by ESG Status

ESG Status	UPB	%
Green/Affordable	$1,117,930,603	0.7%
Green/Broadly Affordable	$345,228,246	0.2%
Green/Market	$48,265,213,713	31.8%
Green Total	$49,728,372,562	32.8%
Affordable[3]	$7,076,681,993	4.7%
Broadly Affordable[3]	$27,841,786,875	18.3%
Affordable Total	$36,381,627,717	24.0%
ESG Total	$84,646,841,430	55.8%
Total	**$151,773,144,321**	**100.0%**

Figure 69. Composition of Ginnie Mae Green Status and Affordable Multifamily Collateral



Much of Ginnie Mae's environmental impact is made through its Multifamily programs. Over 32% of Ginnie Mae collateral are "Green"-certified, as defined by the multiple organizations that sponsor and maintain green building certifications, including the U.S. Green Building Council, Energy Star, Greenpoint, and the National Green Building Standard, just to name a few. Additionally, roughly 24% of Ginnie Mae Multifamily collateral is "Affordable" or "Broadly Affordable". In total 55.8% of Ginnie Mae's Multifamily collateral is considered ESG.

15.3 Social

With the introduction of Ginnie Mae's new social disclosures, investors can now identify the number of underlying loans made to LMI borrowers, the percentage of LMI loan count out of total loan count, the unpaid principal balance (UPB) of LMI loans in the MBS, and the percentage of LMI UPB out of total MBS UPB. The borrower household income and address data, received from the government's insuring and guarantying agencies, is compared against the appropriate Federal Financial Institution's Examination Council (FFIEC) Area Median Income (AMI) database by loan origination year. If the borrower income is less than 80% of the AMI value in the associated census tract, their mortgage will be flagged as an LMI loan. In September 2023, Ginnie Mae launched its Social Bond update to its Single-Family Forward MBS program and its Social Impact and Sustainability Framework. These enhancements highlight the structural aspects of Ginnie Mae's mission and program to expand broader access to mortgage financing, affordable homeownership, and rental opportunities for historically underserved communities. In December 2023, Ginnie Mae added Low/Moderate Geographic Area Values and Low/Moderate Borrower Income Values to its Platinum pool securities including UPB amount and UPB percentage.

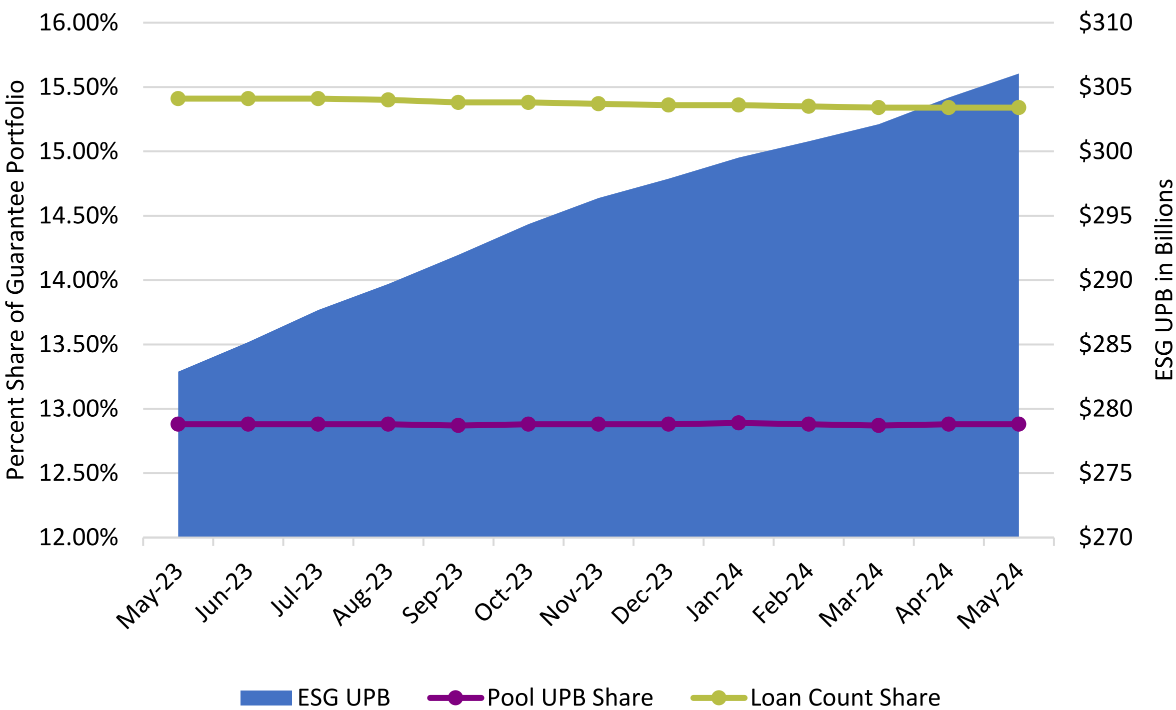
Sources: Ginnie Mae Disclosures as of May 2024, https://www.hud.gov/program_offices/housing/mfh/green

[3] *"Affordable" and "Broadly Affordable" removes "Green/Affordable" and "Green/Broadly Affordable" from the UPB total.*

15.3.1 Low-to-Moderate Income Borrowers

Roughly $306 billion of Ginnie Mae Single-Family collateral and over 1.7 million loans outstanding have been issued to low to moderate income borrowers. Total ESG UPB increased by approximately $23 billion YoY.

Figure 70. ESG Share of the Outstanding SF Portfolio



Source: Ginnie Mae Disclosures as of May 2024

The UPB of pools that are made up of 20% or more LMI loans make up over 9% of total pool UPB. These pools have slightly higher LTV, marginally lower FICO scores, and substantially lower loan sizes than pools made up of less than 20% LMI loans. The UPB of pools that are made up of less than 20% LMI loans make up roughly 91% of total UPB.

Table 30. Percent LMI by Pool Share

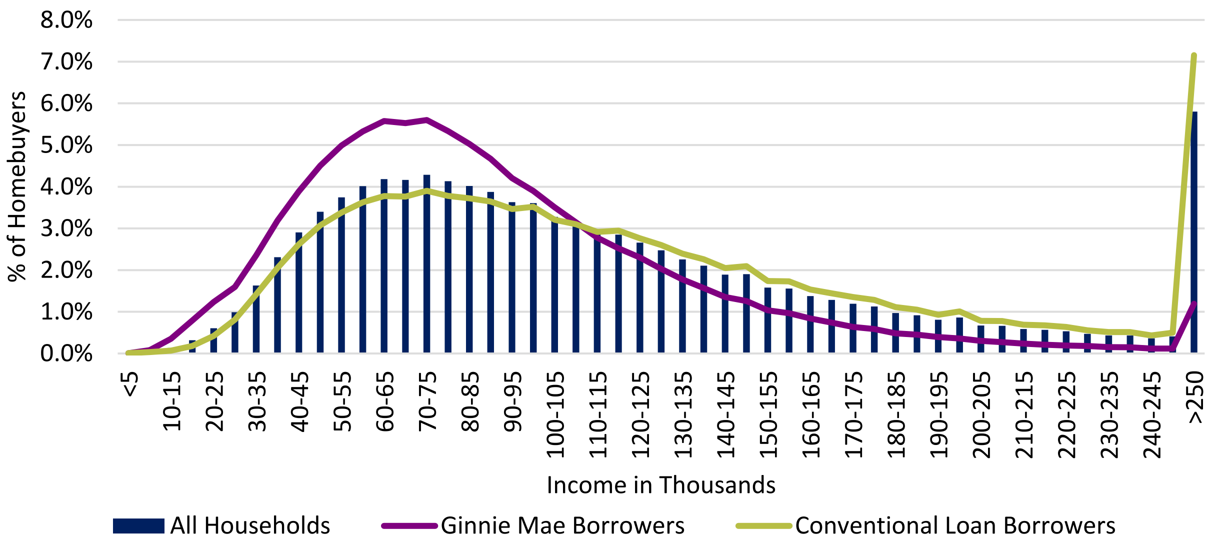
Metric	LMI Pool Share >50%	LMI Pool Share 20% - 50%	LMI Share < 20%	All Pools
Total UPB ($ billions)	$8.7	$207.4	$2,106.9	$2,323.1
Average Original Loan Size	$182,015	$196,800	$342,869	$329,225
Credit Score (Median)	674	675	679	677
DTI (Median)	41%	40%	41%	41%
LTV (Median)	97%	96%	95%	96%
Interest Rate (WA)	4.87%	4.74%	4.03%	4.10%

Source: Ginnie Mae Disclosures as of May 2024

15.3.2 Purchase and Refinance Origination by Income Bracket

Over 18% of all purchase and refinance loan originations guaranteed by Ginnie Mae are to households with income less than $50,000 compared to 10.7% of the Government Sponsored Entities (GSEs) Single-Family guarantee portfolio. Additionally, over 68% of these loan originations guaranteed by Ginnie Mae are to households with income less than $100,000 compared to 47.3% at the GSEs.

Figure 71. Income Distribution of Homebuyers Served Under Ginnie Mae Program



Source: Home Mortgage Disclosure Act (HMDA) data as of 2022

U.S. HOUSING MARKET

16 HOUSING AFFORDABILITY

16.1 Housing Affordability – Home Price Appreciation

Quarterly home prices increased in seven of the nine regions in Q1 2024. The New England and West North Central regions saw the largest quarterly appreciation in the home price index (HPI) of 1.54% and 1.41%, respectfully. The East South Central and Middle Atlantic regions saw a QoQ decrease in HPI of around 0.02% each. The New England region has appreciated more than any other region over the past year, increasing by 9.21% from Q1 2023 to Q1 2024. The United States collectively saw a 6.6% rise in HPI YoY; up from a 4.63% YoY HPI in Q1 2023.

Figure 72. Regional HPI Trend Analysis Q/Q

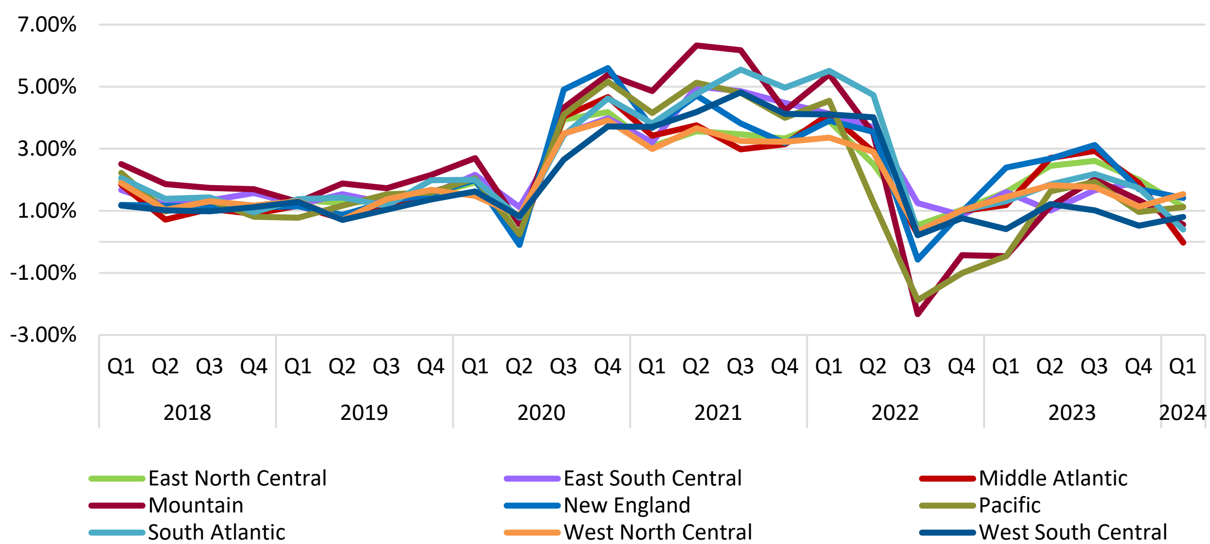
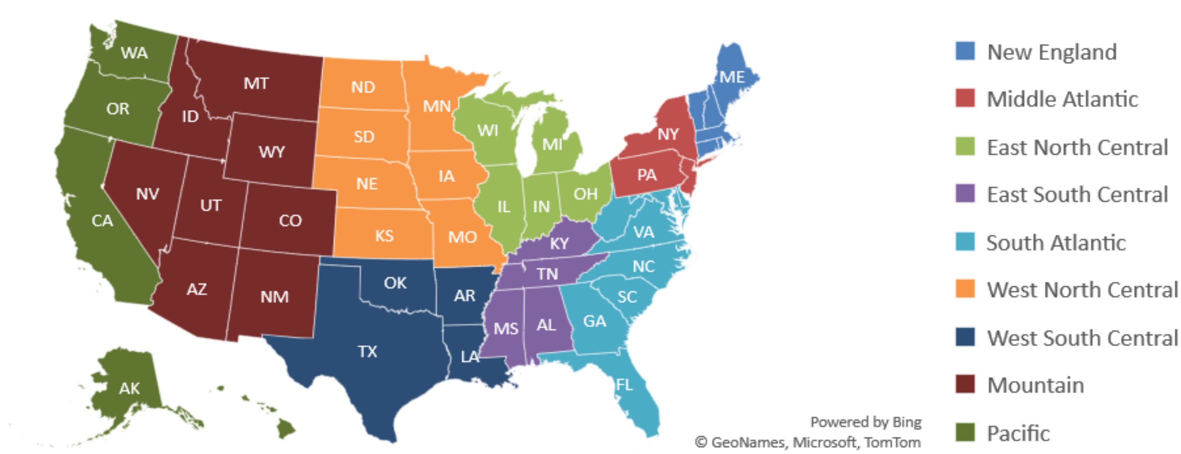


Figure 73. FHFA U.S. Census Subregions as defined by the U.S. Census Bureau



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

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

As of month-end May 2024, YoY inflation was 3.3%, decreasing from 3.4% in the month prior. Nationally, rents are up 0.77% YoY as of month-end March 2024. The MoM change in rents from February 2024 to March 2024 increased by 0.30%. YoY change in wage growth declined for the second consecutive month, printing at 4.9% at month-end March 2024. Month-end April 2024 reporting data shows YoY home price appreciation increased to 5.0% from a -0.1% YoY change in April 2023.

Figure 74. Inflation | 12-Month Percent Change in CPI

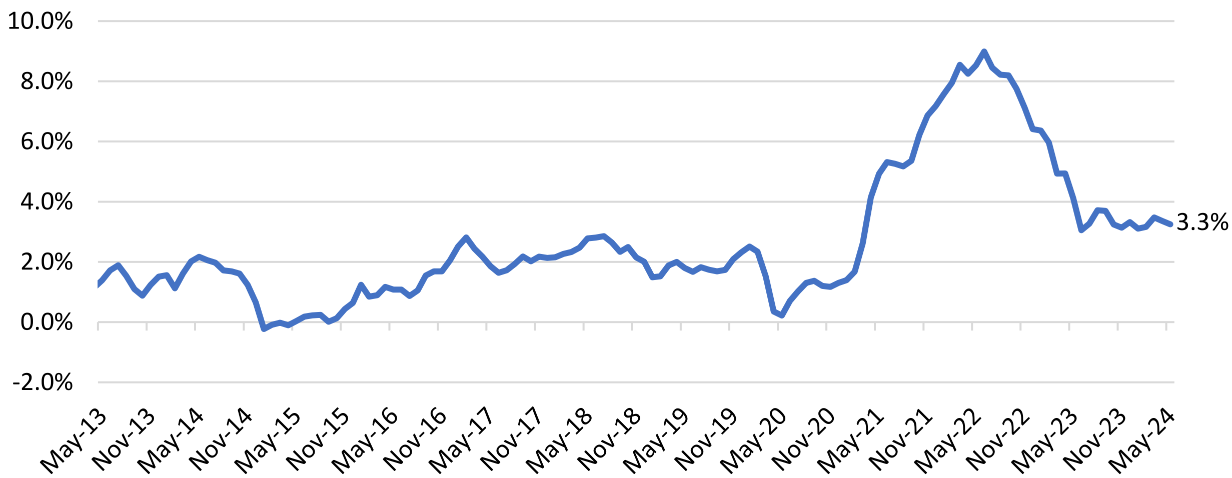
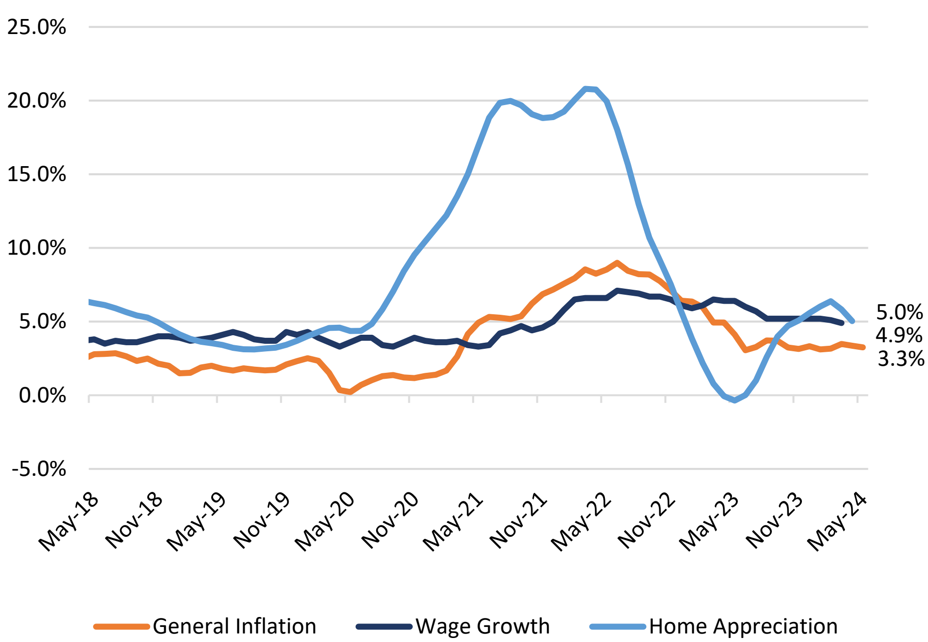


Figure 75. Asset Price Appreciation vs. Wage Increases



Metric	*Statistic*
General Inflation	*3.3%*
Home Price Appreciation *(YoY)*	*5.1%*
Rental Price Appreciation *(Median Rent Change YoY)*	*0.77%*
Wage Growth	*4.9%*

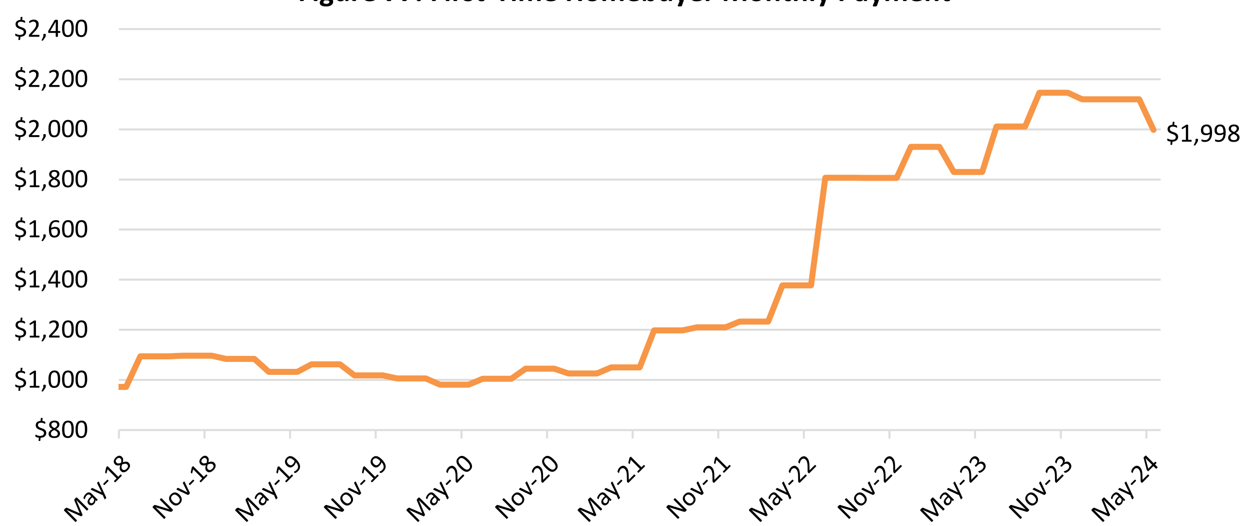
Sources: Bureau of Labor Statistics – Consumer Price Index; Federal Reserve Bank of Atlanta, Research and Data - Wage-Growth Data (currently undergoing maintenance); Rent.com - Rental Price Appreciation; S&P/Case-Schiller U.S. National Home Price Index – Home Price Appreciation.

16.2.1 Housing Affordability – Affordability Index

As of month-end May 2024, the Homebuyer Affordability Fixed Mortgage (HAFM) Index was 101.1 and the First-Time Homebuyer Monthly Payment (FTMP), which represents the median payment for first-time homebuyers, was $1,998. The HAFM Index increased 1.5% YoY from its value of 99.6 in May 2023, while the monthly payments for first-time homebuyers increased approximately 9.2% YoY. HAFM has decreased 46.2% and FTMP has increased 94.7% since January 2021.

Figure 76. Homebuyer Affordability Fixed Mortgage Index

Figure 77. First-Time Homebuyer Monthly Payment

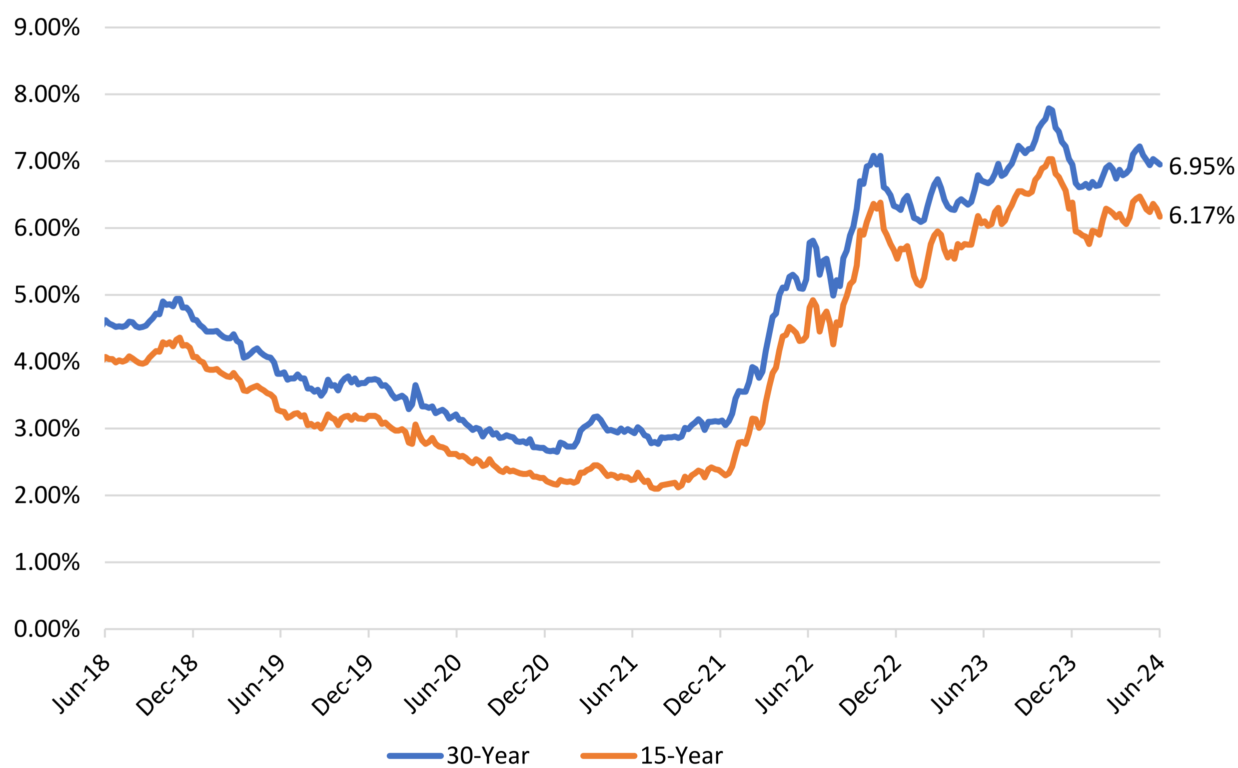


Source: Bloomberg as of May 2024. Note: Housing Affordability Index: Value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that a family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment. This index is calculated for fixed rate mortgages.

16.2.2 Housing Affordability – Mortgage Rate Trends

The Federal Reserve maintained the Federal Funds target rate on June 12, 2024, at a range of 5.25% and 5.50% per the FOMC[4]. As of June 13, 2024, the average 30-year and 15-year fixed rate mortgage rates were 6.95% and 6.17%, respectively. The average 30-year fixed rate mortgage rate decreased 7 bps and the average 15-year fixed rate mortgage rate decreased 11 bps from May 16, 2024.

Figure 78. Average Fixed Rate Mortgage Rates



Source: FRED data as of June 2024

[4] *Federal Reserve Board - Federal Reserve issues FOMC statement*

16.3 Housing Inventory

As of May 2024, there were 9.3 months of new housing inventory on the market, increasing 14.8% MoM from an adjusted 8.1 months in April 2024. **Figures 80 and 81** show Single-Family and Multifamily Housing metrics, including the number of permits, starts, and completions. From May 2023 to May 2024, the number of Single-Family completions and starts rose 4.1% and 6.6%, respectively, while the number of permits fell 0.2%. Multifamily metrics show that from May 2023 to May 2024, the number of completions rose 16.1%, while the number of starts and permits decreased 37.9% and 26.9%, respectively.

Figure 79. Single-Family Housing Inventory

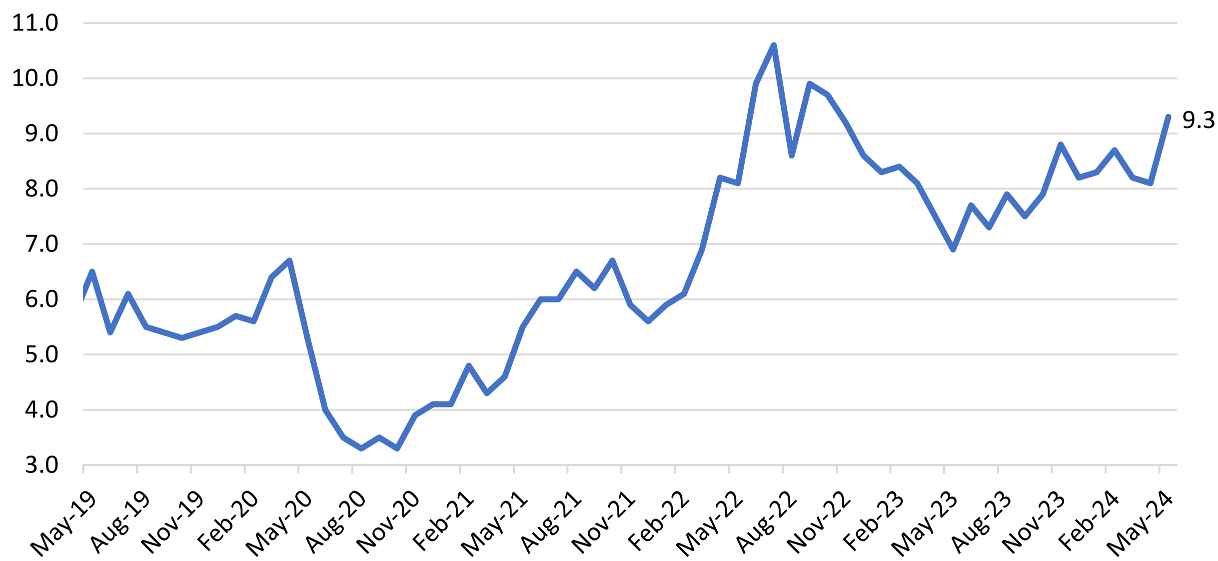


Figure 80. Single-Family Construction Metrics: Permits, Starts, Completions

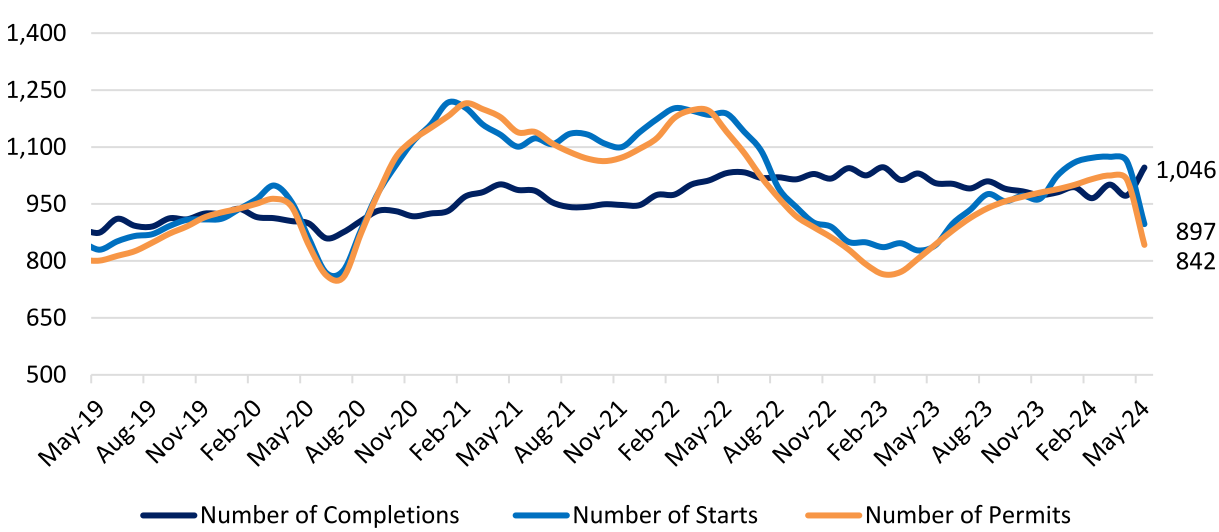
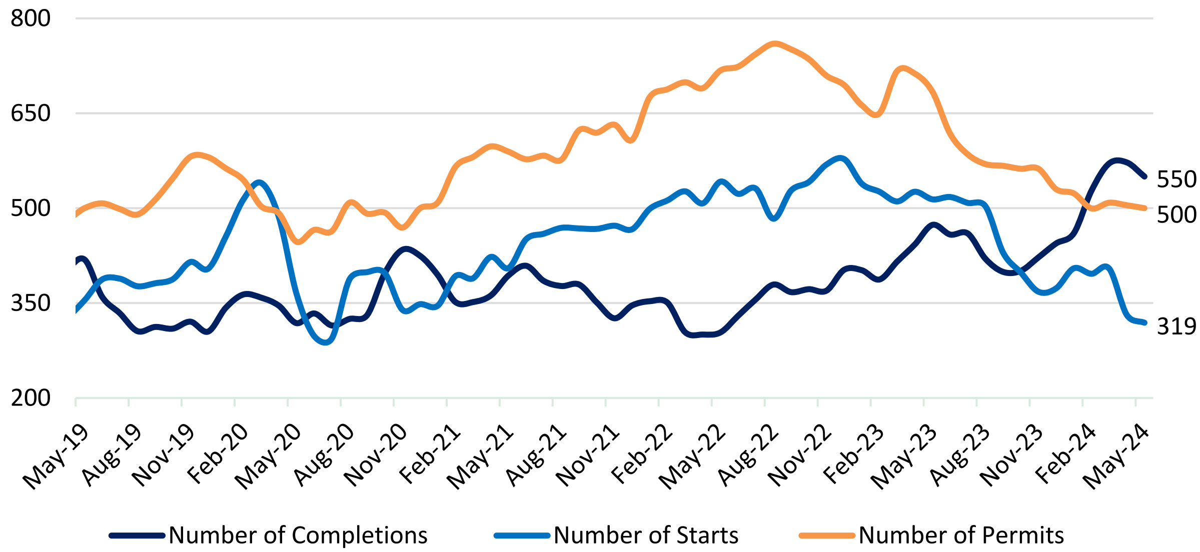


Figure 81. Multifamily Constructions Metrics: Permits, Starts, Completions



Source: FRED. Figure 79: data as of May 2024. New Residential Construction, U.S. Census Bureau. Figures 80 & 81: data as of May 2024. Note: Figures 80 & 81 are calculated using a 3-month moving average to identify underlying trends in construction metrics, in thousands of units.

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

The total value of the Single-Family housing market increased from $44.9 trillion in 2023 to $45.8 trillion in Q1 2024. The total value of the US housing market is up approximately 140% from its low in 2011. From Q1 2023 to Q1 2024 mortgage debt outstanding increased from $12.5 trillion to $13.1 trillion and household equity increased from $28.7 trillion to $32.8 trillion. Agency Single-Family MBS continues to account for a growing percentage of the total mortgage debt outstanding, at roughly $9.1 trillion in Q1 2024 it represents more than 65% of total mortgage debt, up from just 52% in 2011.

Figure 82. Value of the U.S. Housing Market

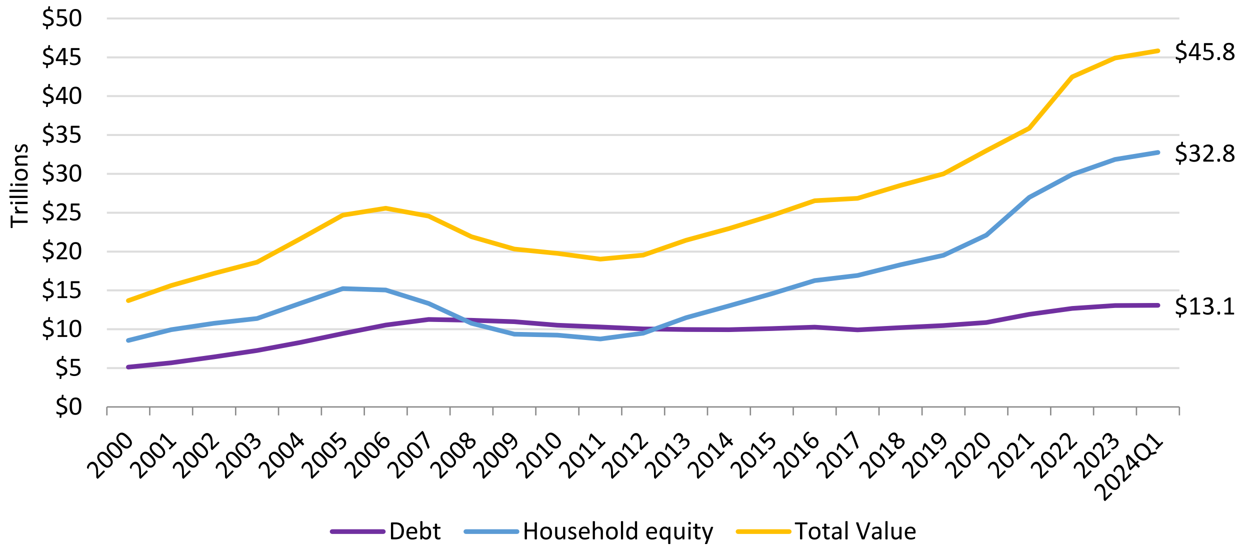
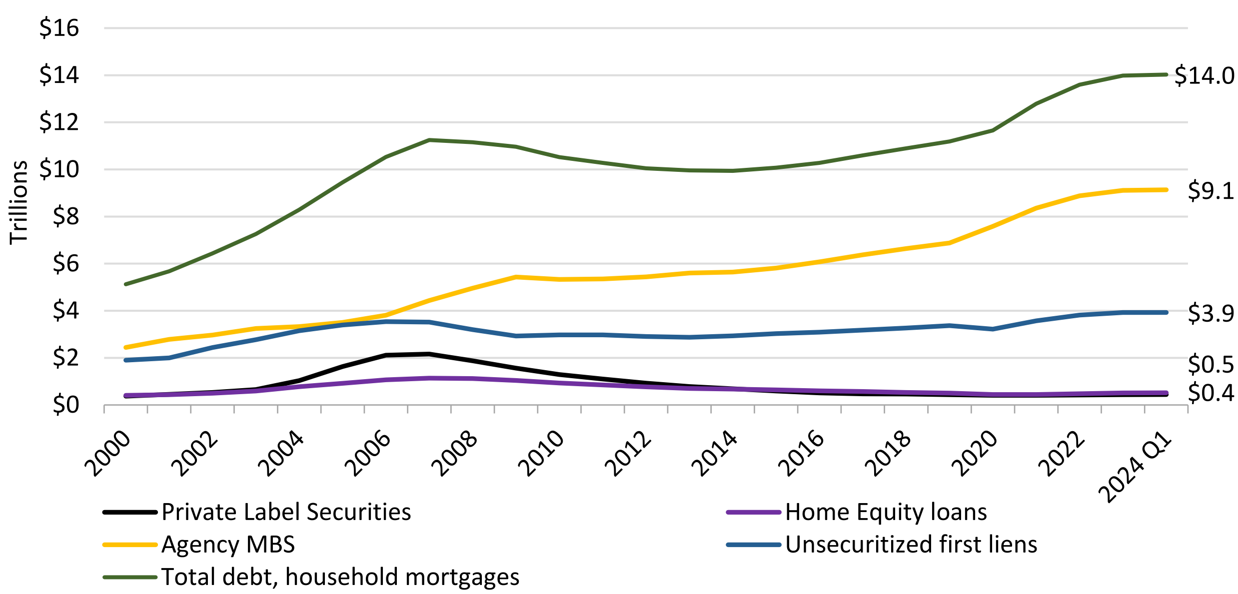


Figure 83. Size of the U.S. Residential Mortgage Market



Source: Federal Reserve Flow of Funds Data as of Q1 2024. Total debt in figure 83 includes additional Nonfinancial corporate/noncorporate business mortgages which is not included in the calculation for "debt" for figure 82. Figures are rounded to nearest hundred billion.

17 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.

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