



Government Guaranteed

Ginnie Mae

HECM/HMBS Monthly Report

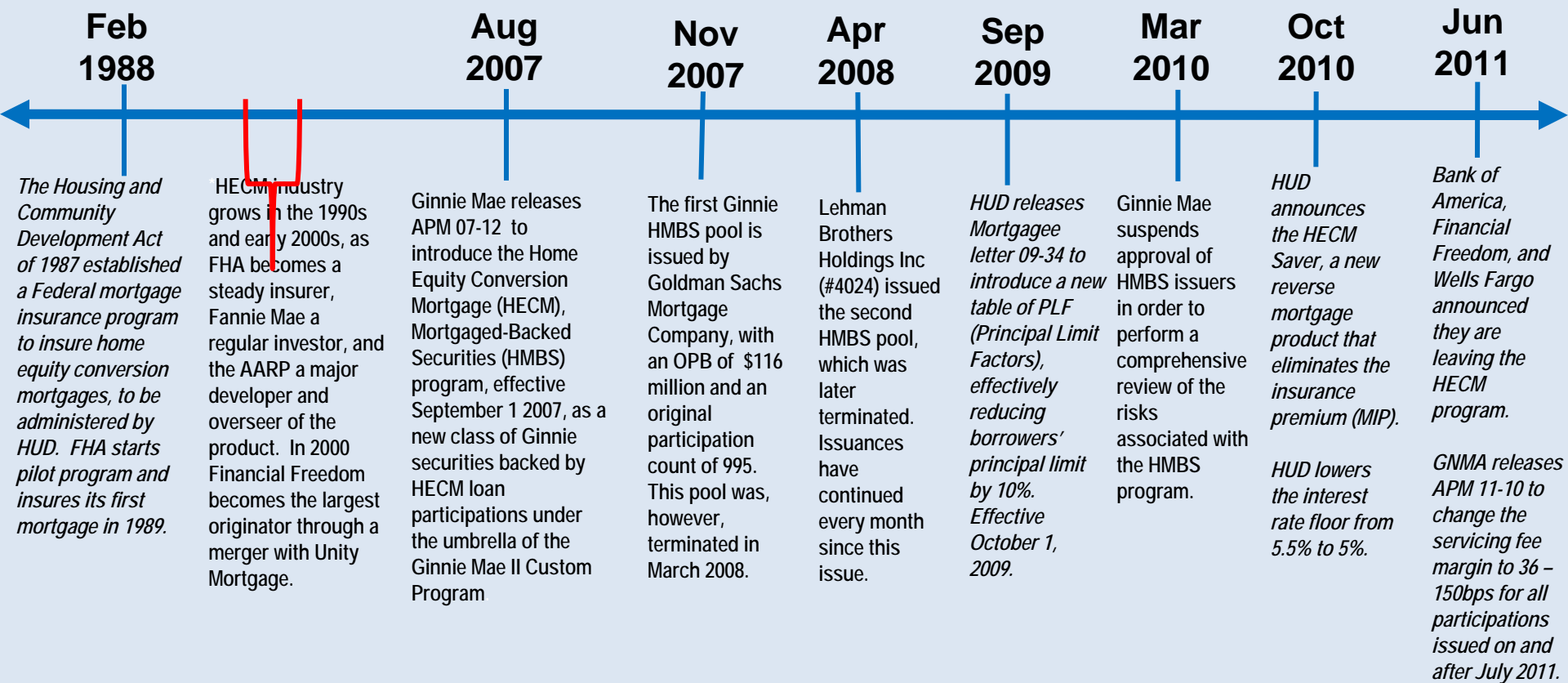
August 2011

NRMLA Annual Conference

Boston, MA, October 24-26, 2011

John Kozak

History of Ginnie Mae's HECM/HMBS Program



*National Center for Home Equity Conversion. *A Capsule History of Reverse Mortgages in the United States 1961-2001*. <http://www.reverse.org/History.HTM#86>

*HUD HECM Mortgagee Letter

<http://www.hud.gov/offices/hsg/sfh/hecm/hecmml.cfm>



Issuances

FY 2011-To-Date Issuances

Period	Beginning Balance (in millions)	Issuances (in millions)	Net of Payments and Accruals (in millions)	Ending Balance (in millions)
FY 2009	\$1,052	\$5,095	(\$20)	\$6,127
FY2010	\$6,127	\$11,792	\$138	\$18,056
FY2011 To Date	\$18,056	\$9,803	(\$25)	\$27,834

Annual Issuances by Issuer

Issuer ID	Issuer	Percentage of Total Volume (OPB Basis): CYTD	CY-to-Date 2011 OPB	CY 2010 OPB	CY 2009 OPB
4015	REVERSE MORTGAGE SOLUTIONS, INC	5.43%	\$ 382,910,807	\$ 1,230,487,411	\$ 370,025,400
4020	FINANCIAL FREEDOM SENIOR FUNDING	0.00%	\$ -	\$ -	\$ 22,836,839
4021	SUNWEST MORTGAGE COMPANY	3.53%	\$ 248,976,377	\$ 324,465,782	\$ 236,339,325
4027	GENERATION MORTGAGE COMPANY	10.46%	\$ 737,796,359	\$ 1,205,822,959	\$ 604,845,312
4028	WORLD ALLIANCE FINANCIAL CORP	0.00%	\$ -	\$ -	\$ 498,095,071
4036	BANK OF AMERICA, N.A.	13.14%	\$ 926,502,106	\$ 3,758,638,651	\$ 3,751,025,186
4039	METLIFE HOME LOANS	26.21%	\$ 1,848,297,806	\$ 1,916,581,699	\$ 2,096,553,382
4041	WELLS FARGO BANK, N.A.	26.27%	\$ 1,852,632,694	\$ 2,042,016,742	\$ 939,366,823
4053	FINANCIAL FREEDOM SENIOR FUNDING	1.56%	\$ 109,717,662	\$ 311,826,597	\$ 13,315,756
4132	URBAN FINANCIAL GROUP INC	13.31%	\$ 938,894,809	\$ -	\$ -
4148	ONE WEST BANK, FSB	0.10%	\$ 6,857,359		
TOTAL		100.0%	\$ 7,052,585,979	\$ 10,789,839,841	\$ 8,532,403,094

August Issuances

Issuer ID	Issuer Name	Number of Pools	OPB (\$ Millions)
4039	Metlife Home Loans a Div. of Metlife Bank	8	268
4041	Wells Fargo Bank, N.A.	5	210
4132	UrbanFinancial Group Inc.	6	159
4027	Generation Mortgage Company	8	90
4015	Reverse Mortgage Solutions, Inc.	3	36
4021	Sunwest Mortgage Company, Inc.	3	30
4148	One West Bank, FSB	3	7
Total		36	800

HMBS August Issuance Activity: Originations and Draws

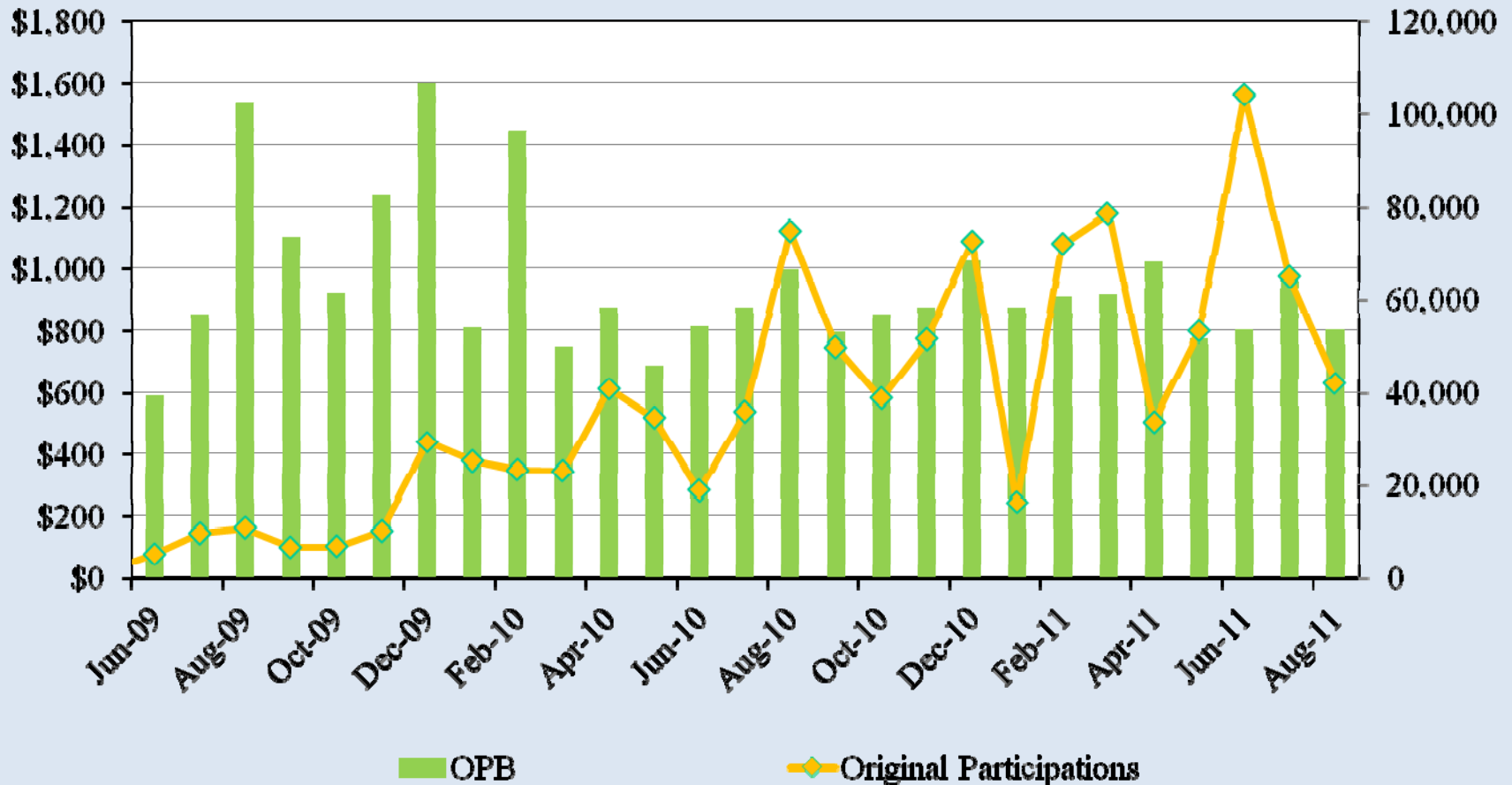
Pool Type	New Originations		Subsequent Draws		Total Originations
	Participations	\$ Amount	Participations	\$ Amount	\$ Amount
RF	3,902	\$ 591,374,732	28,906	\$ 5,176,570	\$ 596,551,301
ML	2,059	\$ 145,983,355	4,849	\$ 10,457,089	\$ 156,440,444
RM	0	\$ -	2,185	\$ 46,969,520	\$ 46,969,520
Total	5,961	\$ 737,358,087	35,940	\$ 62,603,178	\$ 799,961,265

History of Issuances – Program View

HECM/HMBS issuances decreased in August 2011 with \$800 million in OPB compared to \$969 million in June. Participations also decreased from 64,763 in July, to 41,901 in August. These are both off the high of 103,920 participations reached in June 2011.

OPB (Millions)

Original Participations of New Pools Issued



History of Issuances – Issuer View

Issuer Number	Issuer Name	Number of Pools	OPB (\$ Millions)
4011 ¹	Goldman Sachs Mortgage Company	1	117
4015 ²	Reverse Mortgage Solutions, Inc	87	2,136
4020 ³	Financial Freedom Senior Funding Corp	20	492
4021	Sunwest Mortgage Company, Inc.	80	931
4024	Lehman Brothers Holdings Inc	2	253
4027	Generation Mortgage Company	120	2,548
4028 ⁴	World Alliance Financial Corp	16	860
4036	Bank of America	356	8,436
4039	Metlife Home Loans a Div. of Metlife Bank	140	5,861
4041	Wells Fargo Bank, N. A.	108	4,843
4053 ⁵	Financial Freedom Senior Funding Corp	62	435
4132	UrbanFinancial Group Inc	25	939
4148	One West Bank, FSB	3	7
	Total	1,020	27,849

Notes:

1.Pool has been terminated.

2.Reverse Mortgage Solutions (#4015) transferred 3 of its pools to World Alliance Financial Corp (#4028) in March 2009

3.Financial Freedom Senior Funding Corp (#4020) transferred all of 20 pools to Financial Freedom Senior Funding Corp (#4053) in April 2009.

4.Bank of America (#4036) acquired World Alliance Financial Corp (#4028)'s portfolio

5.Financial Freedom (#4053) transferred all 82 pools to OneWest Bank, FSB (#4148) in July 2011.

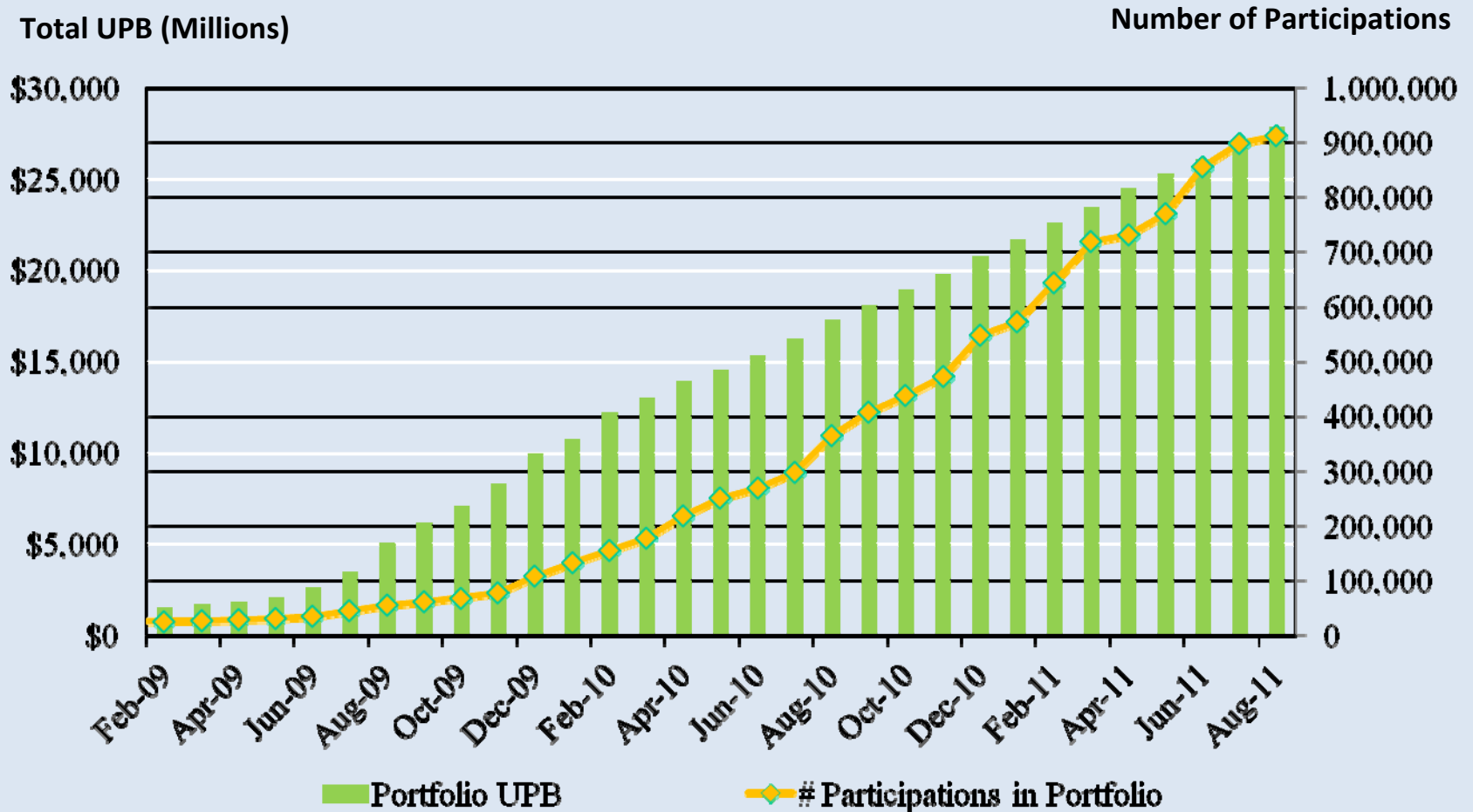
Portfolio

Active HECM Portfolio by Issuer

Issuer Number	Issuer Name	Number of Pools	UPB (\$ Millions)	Participation Count
4015	REVERSE MORTGAGE SOLUTIONS, INC	84	2,041	60,293
4021	SUNWEST MORTGAGE COMPANY, INC	80	943	31,170
4027	GENERATION MORTGAGE COMPANY	118	2,507	77,414
4036	BANK OF AMERICA	360	9,339	504,914
4039	METLIFE BANK, N.A.	155	6,350	92,158
4041	WELLS FARGO BANK, N.A.	108	4,802	90,453
4132	URBANFINANCIAL GROUP INC	25	948	7,346
4148	FINANCIAL FREEDOM SENIOR FUNDING CORP/ ONEWEST BANK	85	904	48,934
	Total	1,015	27,834	912,682

HECM/HMBS Portfolio Growth

The HECM/HMBS portfolio has grown steadily since the program began, and surged since June of last year. In August, the portfolio UPB increased almost 3% to \$27.8 billion. Total participations increased 1.6% to 912,682.



Issuers Securitizing 1st, 2nd and Additional Participations

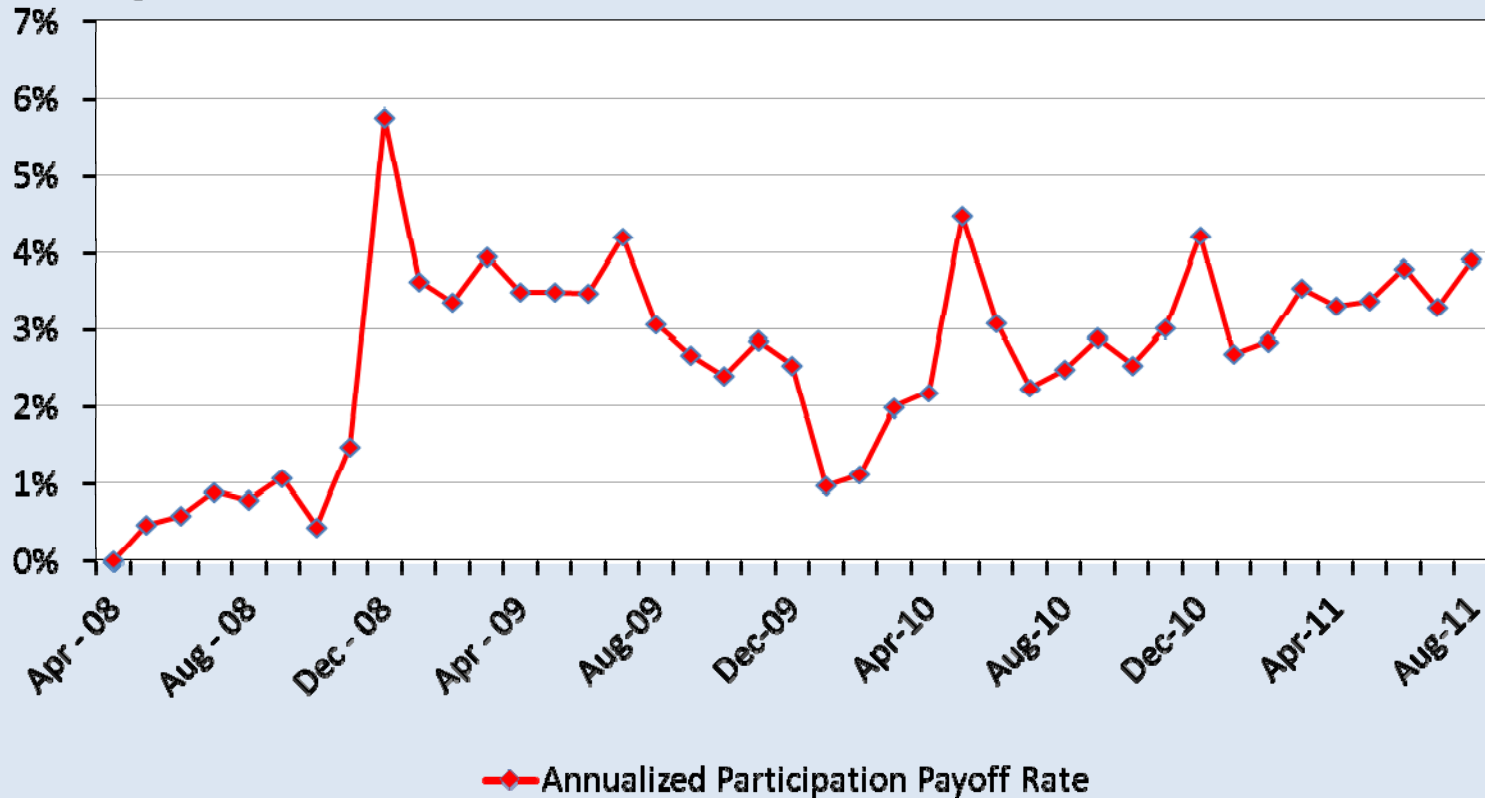
Issuer Number	Issuer Name	Total Partis Count	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th
4015	REVERSE MORTGAGE SOLUTIONS, INC	96,033	13,308	13,090	13,061	12,233	11,483	9,230	9,147	5,358	4,419	3,560	865	279					
4021	SUNWEST MORTGAGE COMPANY,	31,170	4,460	3,560	3,265	2,958	2,821	2,626	2,549	2,431	2,143	1,953	1,663	741					
4027	GENERATION MORTGAGE COMPANY	113,613	15,052	11,450	11,775	12,446	12,004	10,864	9,194	8,794	7,434	6,170	5,273	2,475	682				
4036	BANK OF AMERICA	502,714	60,341	59,628	57,666	54,751	50,196	43,097	39,611	36,350	28,609	24,924	16,758	12,104	7,974	4,858	3,327	2,520	
4039	METLIFE BANK, N.A.	105,068	39,128	31,783	21,587	11,030	1,540												
4041	WELLS FARGO BANK, N.A.	102,262	34,259	28,135	19,735	9,964	6,427	2,024	1,718										
4132	Urban Finanical Group	7,340	7,340																
4148	FINANCIAL FREEDOM/ ONEWEST BANK	48,934	5,628	5,506	5,203	4,869	4,435	3,877	3,332	3,035	2,069	1,942	1,649	1,612	1,578	1,498	1,400	693	608

Note: Additional participation data is based on participation monthly data file.

Participation Payoffs

The annualized participation payoff rate saw a jump in May and December 2010, and otherwise has been steady in recent months, between 2% and 4%. In August 2011, the annualized participation payoff rate increased to 3.9%.

Payoff Percentage



Note: Payoff rates are calculated as the number of participations that paid off in a month, divided by the total number of participations in the same month. The rates are annualized by adding unity to the monthly payoff rate, raising the sum to the power of 12, then subtracting unity.

HECM UPB as a Percentage of Maximum Claim Amount

Nineteen percent of the HECM loans had UPBs greater than 75% of the Maximum Claim Amount, while 18% were below 50%.

HECM UPB as a Percentage of Maximum Claim Amount	Number of HECM Loans	Percentage of All Loans
< 25%	13,019	7%
25% - 50%	20,466	11%
50% - 75%	111,448	62%
75% - 85%	26,767	15%
85% - 95%	6,814	4%
95% - 98%	535	0%
Total	179,049	100%

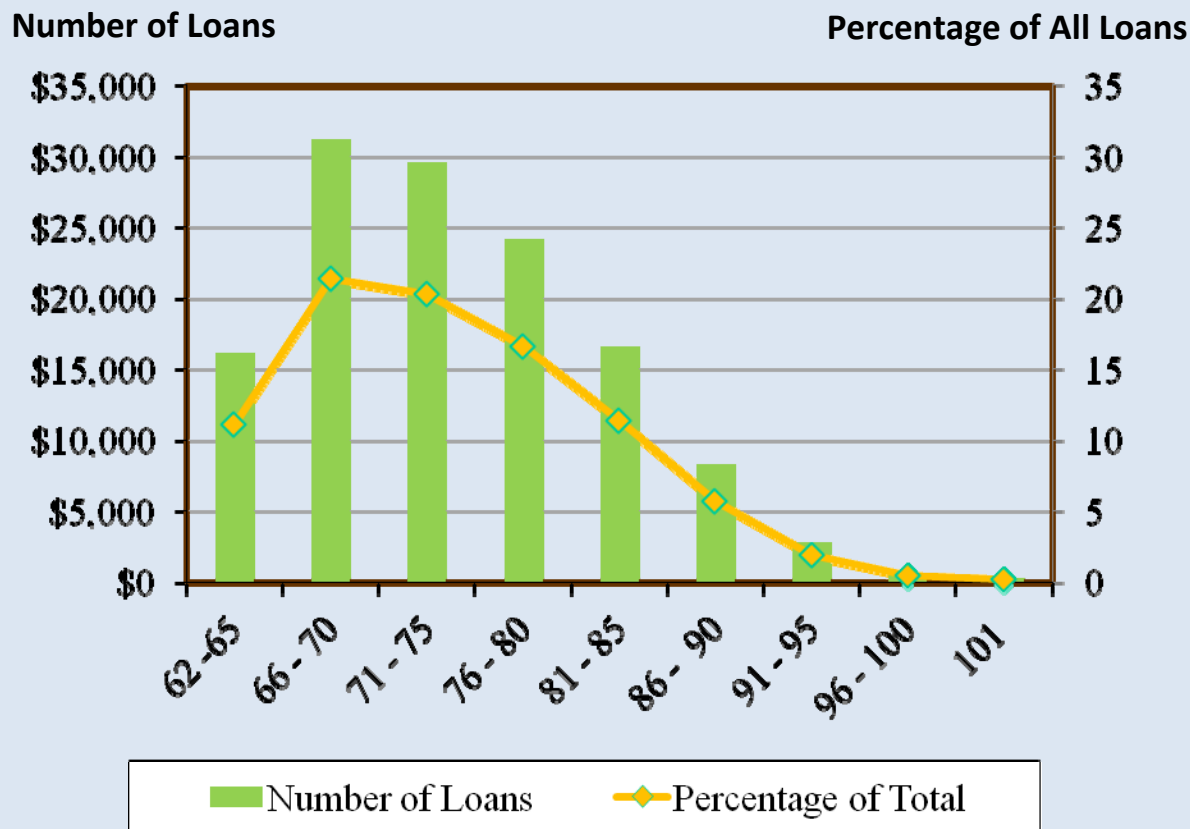
Note: Bottom cutoffs of the stratum are inclusive. For example, 75% - 85% means $\geq 75\%$ and $< 85\%$

Number of HECM Loans - Top 10 States

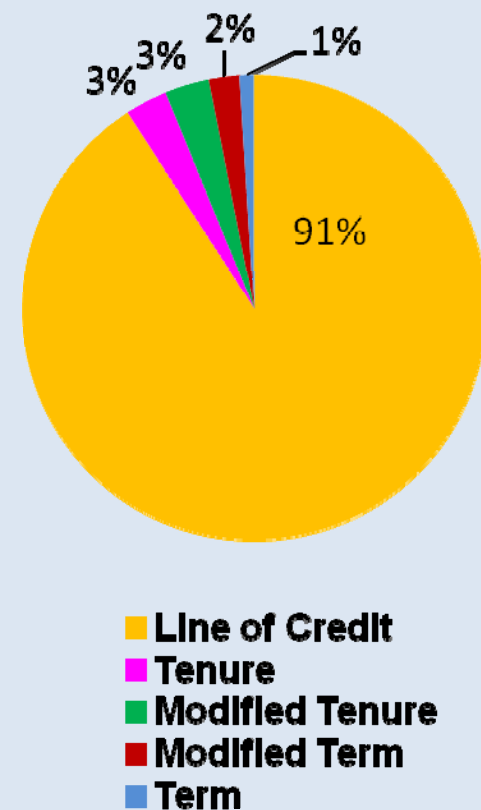
State	Number of HECM Loans	Loan Count Percentage	Number of Participations	HECM Loan UPB (\$ Millions)	HECM Loan OPB (\$ Millions)
CA	25,159	14.05%	150,837	6,277	5,384
FL	17,559	9.81%	109,672	2,482	2,125
TX	14,547	8.12%	75,282	1,556	1,374
NY	10,671	5.96%	59,046	2,368	1,970
NJ	7,211	4.03%	37,637	1,198	990
VA	7,055	3.94%	37,461	1,060	928
PA	7,013	3.92%	37,639	783	681
MD	6,766	3.78%	42,769	1,139	1,001
IL	5,159	2.88%	29,112	675	580
WA	4,933	2.76%	29,367	917	775

Borrowers Age Profile and Payment Option of HECM Loans

The average HECM borrower was 74 years old. Two-thirds of HECM borrowers were between 66 and 80 years old, while 2% of the borrowers were over 90, and several were over 100.



Nine-out-of-ten HECM loans are line of credits.



HMBS Pools by Pool Type

Of the five types of HECM pools, four have been issued to date:

- RF – Fixed Rate
- RA – One Year Adjustable Rate, CMT
- ML - Monthly Adjustable Rate, LIBOR
- RM – Monthly Adjustable Rate, CMT

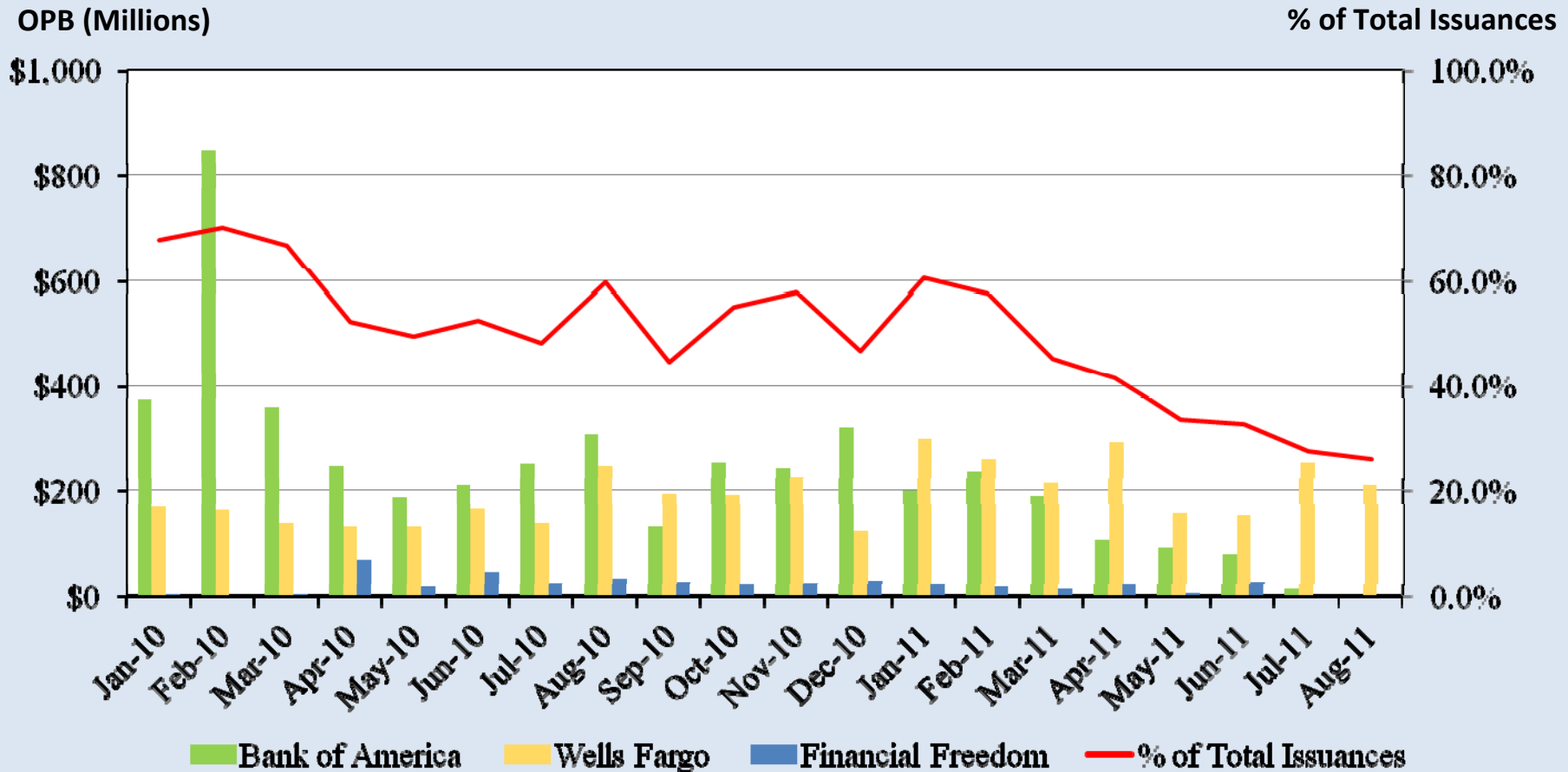
Pool Type	Pools	OPB (Millions)	Pool Ending UPB (Millions)	Percentage of Total UPB	Original Participation Count	Current Participation Count	Percentage of Total Current Participation Count
RF	595	19,098	19,507	70.08%	558,169	445,718	48.84%
ML	345	6,577	6,362	22.86%	340,269	331,184	36.29%
RM	78	2,170	1,963	7.05%	140,335	135,761	14.87%
RA	2	3	2	0.01%	21	19	0.00%
Total	1,020	\$27,849	\$27,834	100.00%	1,038,794	912,682	100.00%



Special Analysis

Issuers Leaving the HECM Program

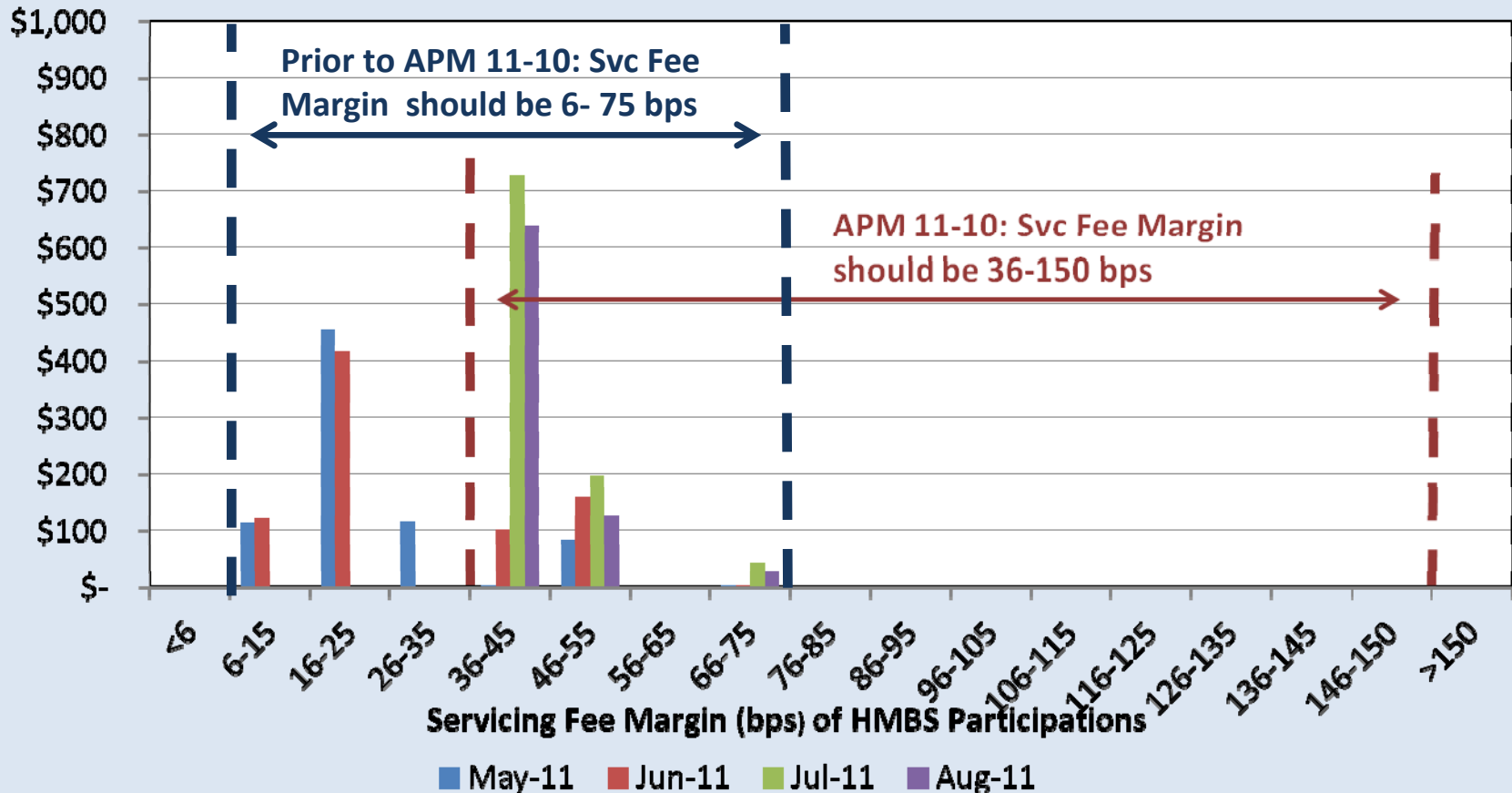
Bank of America (#4036), Financial Freedom (#4053), and Wells Fargo (#4041) respectively announced in February, March, and June 2011 their exit from the HECM program. (Wells Fargo announced they would accept applications until June 30th). Collectively, they would issue between 40% and 60% of total issuances. However, as expected, there has been a steady decline in percent of total issuances since March 2011 as these issuers stop accepting new applications while continuing to service their remaining portfolios.



APM 11-10: Change in the Servicing Fee Margin

Effective for HMBS participations with an issue date on or after July 1, 2011, issuers must select a servicing fee margin of at least 36 bps and no more than 150 bps, which includes the guaranty fee of 6 bps. Previously, issuers could select a servicing fee margin of at least 6 bps and no more than 75 bps. In July and August, issuers are compliant with the new requirement.

OPB (Millions)



GNMA REMIC Issuance Backed by HMBS as of September 2011

Dealer	2009		2010		2011	
	\$ in Millions	Deal Count	\$ in Millions	Deal Count	\$ in Millions	Deal Count
BofA Merrill Lynch	\$131	1	\$3,180	11	\$1,392	9
Barclays Capital Inc.	0	0	1,379	8	485	4
Jeffries and Company	0	0	277	3	0	0
Wells Fargo Securities	0	0	505	3	205	2
Morgan Stanley	0	0	43	1	243	2
Cantor	0	0	162	1	122	1
UBS	0	0	121	1	0	0
Mizuho	0	0	0	1	1	1
Deutsche	0	0	0	0	97	1
Totals	\$131	1	\$5,667	29	\$2,545	20