

Budgetary Impact of Major Federal Programs that Guarantee Mortgages—CBO's April 2014 Baseline
(Millions of Dollars, by fiscal year)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Estimated Value of Mortgage Originations | 1,719,397 | 1,797,433 | 2,160,267 | 2,412,280 | 2,678,731 | 2,978,845 | 3,300,593 | 3,495,015 | 3,561,064 | 3,590,337 | 3,616,195 |
| Fannie Mae and Freddie Mac | | | | | | | | | | | |
| Annual Loan Volume | 1,151,996 | 1,150,357 | 1,209,749 | 1,278,509 | 1,285,791 | 1,340,480 | 1,386,249 | 1,363,056 | 1,495,647 | 1,507,941 | 1,518,802 |
| Annual Subsidy Costs ^a | | 4,400 | 3,800 | 2,900 | 1,900 | 1,000 | 900 | 300 | 1,300 | 1,300 | 1,300 |
| Cash Receipts ^b | -83,000 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Share of Estimated Originations | 67.0% | 64.0% | 56.0% | 53.0% | 48.0% | 45.0% | 42.0% | 39.0% | 42.0% | 42.0% | 42.0% |
| Subsidy Rate | n.a. | 0.4% | 0.3% | 0.2% | 0.2% | 0.1% | 0.1% | 0.02% | 0.1% | 0.1% | 0.1% |
| Federal Housing Administration's (FHA's) Mutual Mortgage Insurance (MMI) Program^c | | | | | | | | | | | |
| Annual Loan Volume | 150,000 | 149,743 | 185,225 | 207,105 | 222,692 | 238,308 | 231,041 | 244,651 | 249,274 | 251,324 | 253,134 |
| Annual Subsidy Receipts | -7,995 | -7,951 | -8,360 | -7,946 | -7,262 | -6,606 | -4,621 | -4,893 | -4,985 | -5,026 | -5,063 |
| Share of Estimated Originations | 8.7% | 8.3% | 8.6% | 8.6% | 8.3% | 8.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% |
| Subsidy Rate | -5.3% | -5.3% | -4.5% | -3.8% | -3.3% | -2.8% | -2.0% | -2.0% | -2.0% | -2.0% | -2.0% |
| Veterans Affairs (VA) Home Loan Program^d | | | | | | | | | | | |
| Annual Loan Volume | 112,360 | 97,191 | 82,011 | 68,722 | 57,597 | 59,175 | 60,994 | 62,932 | 65,085 | 67,242 | 69,343 |
| Annual Subsidy Costs | -73 | 475 | 366 | 267 | 578 | 627 | 673 | 703 | 734 | 765 | 794 |
| Share of Estimated Originations | 6.5% | 5.4% | 3.8% | 2.8% | 2.2% | 2.0% | 1.8% | 1.8% | 1.8% | 1.9% | 1.9% |
| Subsidy Rate | -0.1% | 0.5% | 0.4% | 0.4% | 1.0% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% |
| Government National Mortgage Association (GNMA) Mortgage-Backed Securities Program^e | | | | | | | | | | | |
| Annual Subsidy Receipts | -654 | -742 | -800 | -825 | -839 | -886 | -874 | -918 | -937 | -948 | -958 |

Note: n.a.= not applicable.

- a. For 2015 through 2024, the baseline includes the projected subsidy costs of new mortgage loans and guarantees made by Fannie Mae and Freddie Mac in each year, using methodology described in the Federal Credit Reform Act (FCRA) including an adjustment for market risk.
- b. For fiscal year 2014, the baseline includes an estimate of mandatory cash payments from Fannie Mae and Freddie Mac to the Treasury.
- c. Excludes Home Equity Conversion Mortgages; MMI subsidy receipts are recorded in the budget as offsetting collections to discretionary appropriations; the subsidy rate for MMI program is calculated using the methodology under FCRA.
- d. Includes guaranteed loans and direct loans made by the VA on homes sold by the department; excludes loans acquired from other lenders and guarantees on securities of direct loans originated by the VA; costs associated with this program are recorded in the budget as mandatory expenditures; subsidy rate for the VA program is calculated using methodology under FCRA.
- e. GNMA securitizes about 97 percent of FHA's MMI loans and 98 percent of VA's loans, resulting in additional offsetting collections to discretionary appropriations recorded in the budget; the subsidy rate for GNMA is calculated using methodology under FCRA; the subsidy rate for this program is estimated to be -0.22 percent in 2014 and -.28 percent annually over the 2015-2024 period.