

**REMARKS OF SECRETARY SHAUN DONOVAN  
GINNIE MAE THROUGH THE YEARS EVENT  
BROOKE-MONDALE AUDITORIUM, WASHINGTON, DC  
THURSDAY, OCTOBER 14, 2010**

- Thank you, Ted, for those kind words, and for your remarkable leadership of Ginnie Mae. You bring more than three decades of mortgage, banking and securities experience to your work here at Ginnie Mae – and we need it now more than ever.
- So thank you, Ted, for being a tremendous partner and helping make home a reality for millions of Americans.
- Indeed, I'd like to thank every member of "Team Tozer" who has helped to make this moment possible – not just for Ginnie Mae or for HUD, but for housing and for our country.
- For four decades, Ginnie Mae has played a critical role in ensuring liquidity and financing mortgage programs offered by the Federal government.
- This July, you've achieved something historic as Ginnie Mae issued over \$1 trillion in mortgage-backed securities.
- That's an impressive number. But to those who aren't familiar with the work that Ginnie Mae does, it doesn't

necessarily capture the breadth and importance of this milestone.

- Because of the work you do to securitize pools of mortgages insured by government agencies as mortgage-backed securities—and to guarantee the timely payment of principal and interest to those who invest *in* these securities—mortgages are more affordable than ever.
- Because of you, lenders are able to make loans at record low interest rates.
- And most important of all, because of you, there are 8 million families in this country that have a place to call home.
- Make no mistake: Ginnie Mae plays an essential role in helping America build stronger communities.
- Think about it. You help provide affordable housing to some of the most vulnerable Americans.
- You provide incentives for financial institutions to lend in some of our most distressed areas.
- You support homes for our military families, who have sacrificed so much for our country.

- And you help us finance the nursing homes and homes for our seniors, allowing them a chance to retire with dignity and respect.
- The help you provide Single-Family and Multifamily mortgage lenders to meet the housing finance needs of both borrowers and investors alike is important to HUD and FHA in particular.
- But you're not only HUD's financing arm. Your work to raise capital from investors in the international credit markets also helps us finance loans insured by the Department of Veterans Affairs and the USDA's Rural Development Housing and Community Facilities Program.
- Collectively, these agencies have played a particularly important role helping minority communities who were hard hit during this crisis.
- To give you an idea, in 2008, 51 percent of African American homebuyers, and 45 percent of Hispanics, purchased homes with FHA financing. Last year, when the GSEs ran into trouble, that support was even more pronounced – as FHA, the VA and federal farm programs, ensured 81 percent of

loans to African Americans in 2009, and 73 percent for Hispanics.

- That critical support was only possible because of Ginnie Mae.
- Indeed, this progress reminds us that for all the good work Ginnie Mae has done throughout the years, in some ways you have never been more important than you are right now.
- Consider for a moment where we were when President Obama first took office.
- House prices were in freefall – having fallen every month for 30 straight months.
- Home equity had been slashed in half—losing \$6 trillion total—which wiped out wealth for many families.
- We turned to Ginnie Mae. And when called upon, you responded – pumping more than \$773 billion in liquidity into the U.S. housing mortgage market in the last two years.
- And it wasn't just government that turned to you. Some of our nation's leading financial institutions, from J.P. Morgan Chase to Wells Fargo to Bank of America, have as well –

relying on Ginnie Mae for needed secondary market liquidity during the economic downturn.

- With your help, we've stopped the slide in home prices.
- We've restored over a trillion dollars in home equity—close to \$14,000 on average for every homeowner—bolstering seniors' retirement security, restoring an important source of college tuition support, and helping entrepreneurs start small businesses.
- Like the FHA, Ginnie Mae is currently helping about one-third of the market – but also like FHA, you've balanced this dramatic spike in your market share without needing outside assistance. Indeed, with \$14 billion of reserves, Ginnie Mae is well positioned to remain strong and solvent during our economic recovery and to protect the taxpayer.
- Remarkably, you do all this with a staff of less than 70 people.
- It's hard to think of another institution that's fulfilled its mission so well, so efficiently, and at so little cost.

- But to do it with a staff that counts fewer people than the full rosters of two baseball teams is a feat that you should all be extremely proud of.
- I certainly am – so are all of your colleagues at HUD and throughout the Obama Administration.
- So, today, as we mark Ginnie Mae’s historic achievement—one that keeps our market stable, our families housed, and our communities strong—I’d like to once again thank you for all the good work that you do.
- Over the last three years, we’ve gone through some tough economic times, facing down a crisis that was rooted in our housing markets.
- It’s in no small part due to your extraordinary help that we have weathered the worst of the storm.
- Obviously, we are not out of the woods. Real challenges remain. But thanks in part to all of you, I have no doubt that we can rise to meet them – and will.
- Thank you very much, and again, congratulations.