



News Release

For Immediate Release

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Pledge Acknowledgement Enhancements Opening Doors for Lenders

Washington, DC – Ginnie Mae today announced that Credit Suisse has become the first institution to adopt a recently-revised pledge acknowledgement agreement. Under this new agreement, mortgage securities issuers will now be able to more easily tap funds at lower rates for their financing needs and should be able to increase liquidity for origination and servicing activities.

“We announced program adjustments in October. Today we’ve delivered. And now our move to provide Issuers with greater flexibility to pledge mortgage servicing rights for financing has begun to impact industry players,” Ginnie Mae President Ted Tozer said. “Smaller institutions have expressed to us the liquidity difficulties they face as the U.S. housing finance market struggles to find its footing. The adjustments we’ve made to the pledge agreement should help improve their cash positions.”

The agreement enables banks and non-depositories to obtain the liquidity needed to perform their responsibilities as Ginnie Mae Issuers. Additionally, the agreement provides creditors with more predictability about what Ginnie Mae will do in the event an Issuer defaults on its agreement with its creditor or its agreement with Ginnie Mae. The agreement also provides Ginnie Mae with assurance that servicing can be transferred to a competent financial institution. The agreement also clarifies that servicing portfolios pledged as collateral will not become mired in bankruptcy proceedings should the servicing transfer occur in conjunction with a failed Issuer.

“We encourage other lenders in the industry to utilize this opportunity to address challenges that smaller-market participants face as they look to provide solutions to consumers,” Tozer said.

Ginnie Mae raises capital from investors in the global credit markets to ensure liquidity for affordable rental and homeownership opportunities across the United States. Through its mortgage-backed securities (MBS), Ginnie Mae finances housing mortgage programs run by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Department of Housing and Urban Development’s Office of Public and Indian Housing (PIH), and the Department of Agriculture’s Rural Development Housing and Community Facilities Program (RD).

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Ginnie Mae is a wholly-owned government corporation within the U.S. Department of Housing and Urban Development. Ginnie Mae pioneered the MBS, guaranteeing the very first security in 1970. An MBS enables a mortgage lender to aggregate and sell mortgage loans as a security to investors. Ginnie Mae securities carry the full faith and credit of the United States Government, which means that, even in difficult times, an investment in Ginnie Mae is one of the safest an investor can make.