



governmentattic.org

"Rummaging in the government's attic"

Description of document: Federal Housing Finance Agency (FHFA) Committee to Mitigate Risk of Material Differential in Prepayment Rates of Different Enterprises 2025

Requested date: 02-October-2022

Release date: 26-September-2025

Posted date: 13-Oct-2025

Source of document: FOIA Request
FOIA and Information Services
Federal Housing Finance Agency
400 7th Street, S.W., Fourth Floor
Washington, D.C. 20219
[FHFA HQ FOIA/Privacy Act Request Portal \(PAL\)](#)
FOIA@fhfa.gov
FOIA.gov

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U.S. Department of Justice

Office of Legal Counsel

Washington, D.C. 20530

September 30, 2025

Re: FOIA Tracking No. FY21-068

This letter responds to your January 10, 2021 Freedom of Information Act (“FOIA”) request to the Office of Legal Counsel (“OLC”), in which you sought “the FOIA Case Log for the USDOJ Office of Legal Counsel for September 2019 to December 2020” and “calendar years 2013, 2014, 2015 and 2016.” Pursuant to 28 C.F.R. § 16.5(b), your request was processed in the complex track.

In an effort to more efficiently respond to several FOIA requests from multiple requesters seeking varying date ranges of OLC’s FOIA Log, we have processed the enclosed Log, which is overinclusive but contains the material sought in your request. We have redacted portions of the Log pursuant to FOIA Exemptions Five and Six, 5 U.S.C. § 552(b)(5) & (6). The material withheld pursuant to Exemption Five is protected by the deliberative process privilege, attorney-client privilege, and/or the attorney work product doctrine, and we have determined it is not appropriate for discretionary release. Disclosure of the material redacted pursuant to Exemption Six would constitute a clearly unwarranted invasion of personal privacy. Please be advised that we have considered the foreseeable harm standard when reviewing records and applying FOIA exemptions.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. *See* 5 U.S.C. § 552(c). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

For any further assistance and to discuss any aspect of your request, you may contact Melissa Golden, OLC’s FOIA Public Liaison, at usdoj-officeoflegalcounsel@usdoj.gov, (202) 514-2053, or at Office of Legal Counsel, United States Department of Justice, 950 Pennsylvania Ave., N.W., Room 5517, Washington, DC 20530.

Additionally, you may contact the Office of Government Information Services (“OGIS”) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, Room 2510, 8601 Adelphi

Road, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

You have the right to an administrative appeal. You may administratively appeal by writing to the Director, Office of Information Policy (“OIP”), United States Department of Justice, 441 G Street, NW, 6th Floor, Washington, D.C. 20530, or you may submit an appeal through OIP’s FOIA STAR portal by creating an account following the instructions on OIP’s website: <https://www.justice.gov/oip/submit-and-track-request-or-appeal>. Your appeal must be postmarked or electronically transmitted within 90 days of the date of my response to your request. If you submit your appeal by mail, both the letter and the envelope should be clearly marked “Freedom of Information Act Appeal.”

Sincerely,



Jared Kaprove
FOIA and Records Management Attorney

Enclosure



CONTROLLED

Uniform Mortgage-Backed Security Governance Committee Agenda and Meeting Minutes

Name of Meeting: Uniform Mortgage-Backed Security Governance Committee

Date: 01/21/25

Location: Conference Call

Time: 12:30PM

Call-in Information: Dial-in

Invited	Attended	Invited	Attended
Peggy Balsawer	<input type="checkbox"/>	Julie Giesbrecht	<input type="checkbox"/>
Bob Hynes	<input checked="" type="checkbox"/>	Nick Satriano	<input type="checkbox"/>
David Voth	<input type="checkbox"/>	James Jordan	<input type="checkbox"/>
Jamie Newell	<input type="checkbox"/>	Daniel Yoo	<input type="checkbox"/>
Venkat Komarlingam	<input checked="" type="checkbox"/>	Chris Bederka	<input checked="" type="checkbox"/>
Soquel Harding	<input checked="" type="checkbox"/>	Christopher Vincent	<input checked="" type="checkbox"/>
Scott Valentin	<input checked="" type="checkbox"/>	Andrew Varrieur	<input checked="" type="checkbox"/>
Seth Hall	<input type="checkbox"/>	Kulwant Sharma	<input checked="" type="checkbox"/>
Dan Fichtler	<input checked="" type="checkbox"/>	Anju Vajja	<input checked="" type="checkbox"/>
Anne Marie Pippin	<input checked="" type="checkbox"/>	Lori Bowes	<input checked="" type="checkbox"/>
Bob Collender	<input checked="" type="checkbox"/>	Jacob McCall	<input checked="" type="checkbox"/>
Maria Fernandez	<input type="checkbox"/>	Amanda Nogic	<input checked="" type="checkbox"/>
Fan Xu	<input checked="" type="checkbox"/>	Leda Bloomfield	<input type="checkbox"/>
Sung Yoon	<input checked="" type="checkbox"/>	Alex Johnson	<input checked="" type="checkbox"/>

Agenda Items

- Market Update
- UMBS Cohort Breaches
- UMBS Prepayment Alignment
- Composition Data
- Pooling Data
- ESG Transactions

Meeting Summary

(b)(4)

CONTROLLED BY FHFA

Page 1



CONTROLLED

Uniform Mortgage-Backed Security Governance Committee Agenda and Meeting Minutes

(b)(4)

ID	Action Item	Assigned To	Date Due	Status
1				
2				

Discussion/Results/Conclusions

-

Next Meeting (Date/Time/Location)

April, 2025 TBD

Meeting Report Viewing

DIVISION OF CONSERVATORSHIP OVERSIGHT AND READINESS
UMBS GOVERNANCE COMMITTEE



UMBS GOVERNANCE COMMITTEE

DECEMBER DATA

January 21st, 2025

AGENDA

Market Update

UMBS Cohort Breaches

UMBS Prepayment Alignment

Composition Data

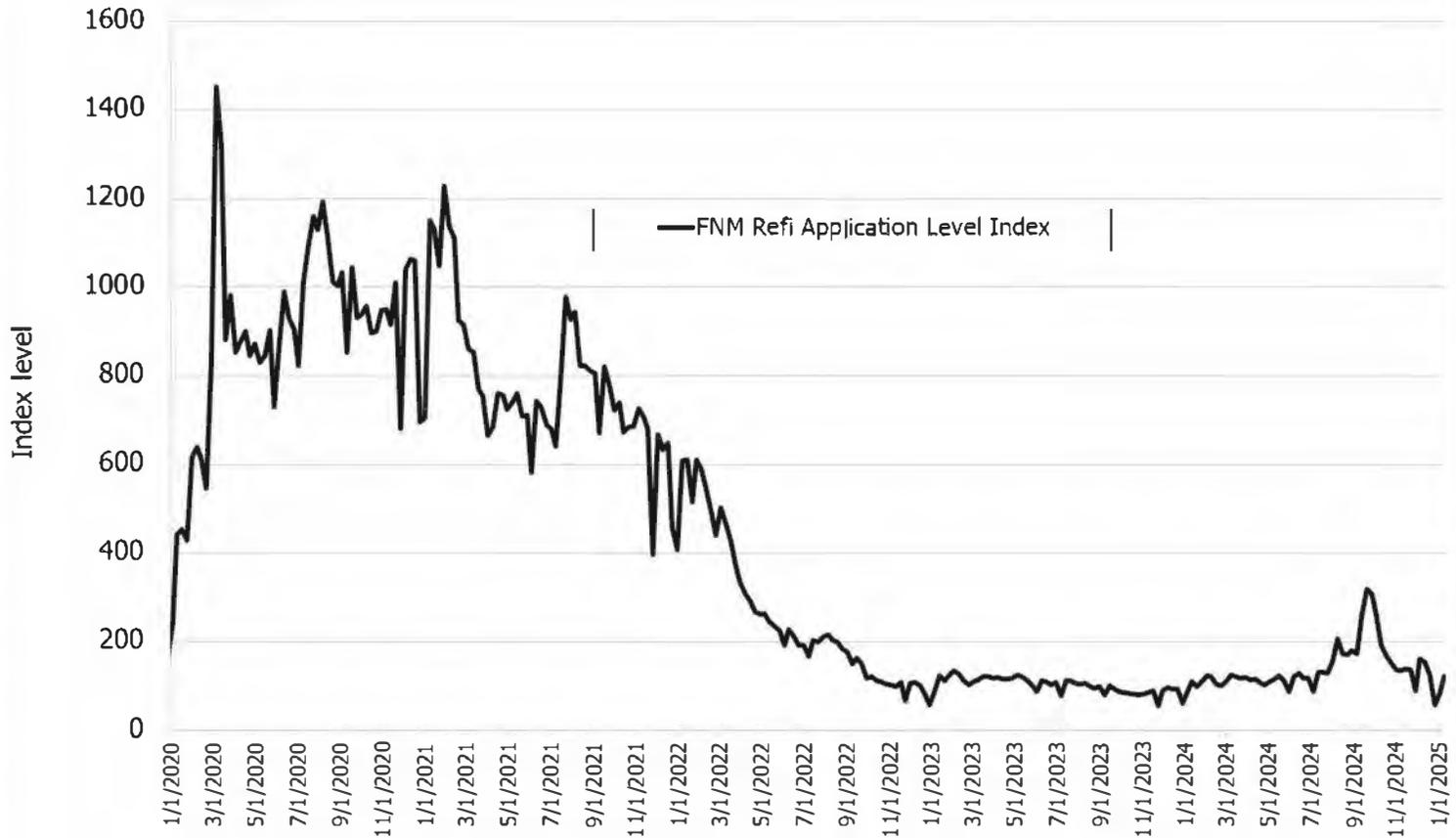
Pooling Data

ESG Transactions



MARKET RESEARCH

After hitting a brief local high in October, Fannie Mae's weekly refi index is once again at the low levels seen for much of the past 3 years



Source: Fannie Mae



MARKET RESEARCH

The MBA Monthly Purchase Index fell in December after briefly nearing 2-year highs in November

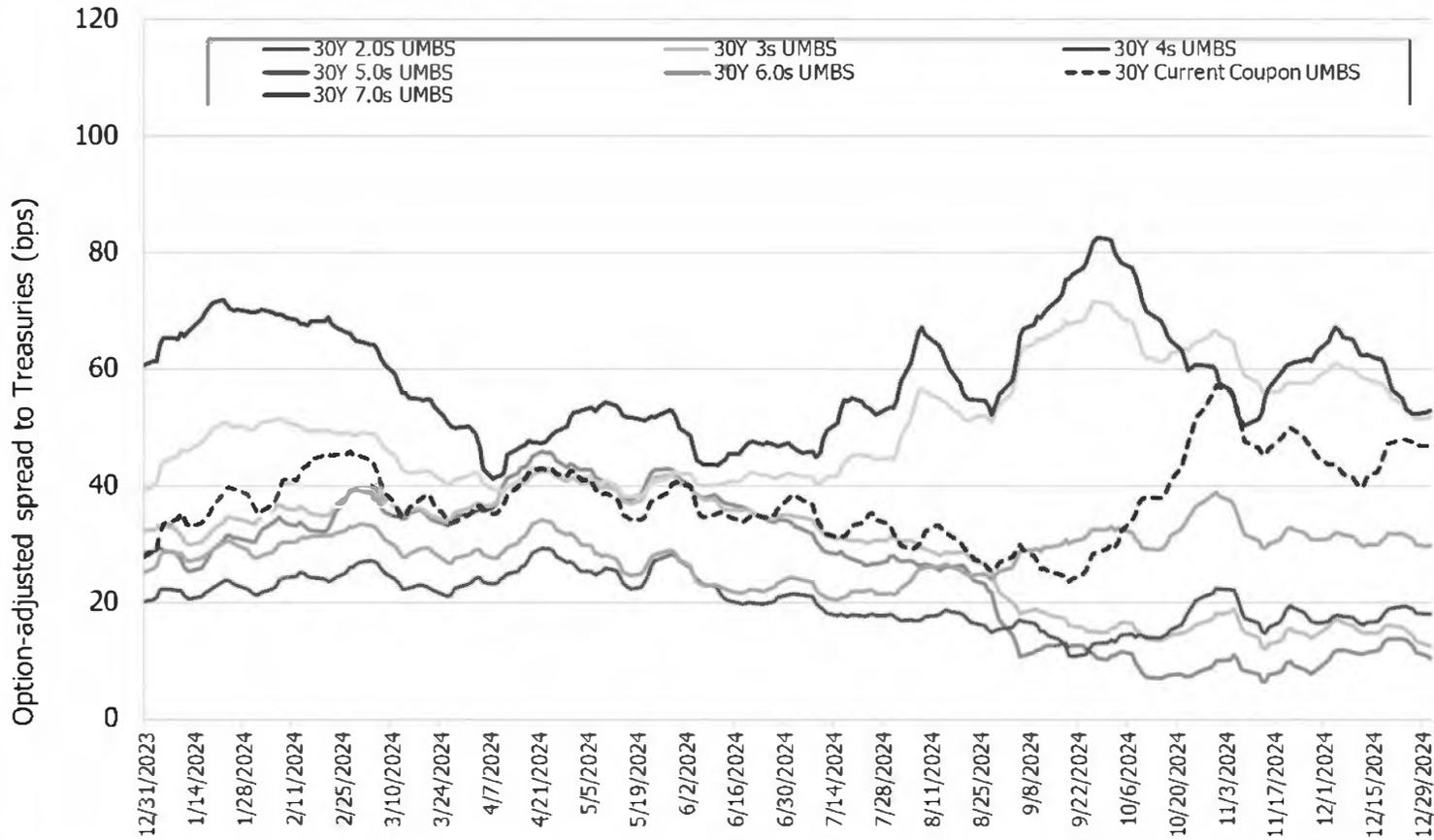


Source: Mortgage Bankers Association



MARKET RESEARCH

UMBS current coupon OAS closed the year negative, widening 5.2 basis points in December

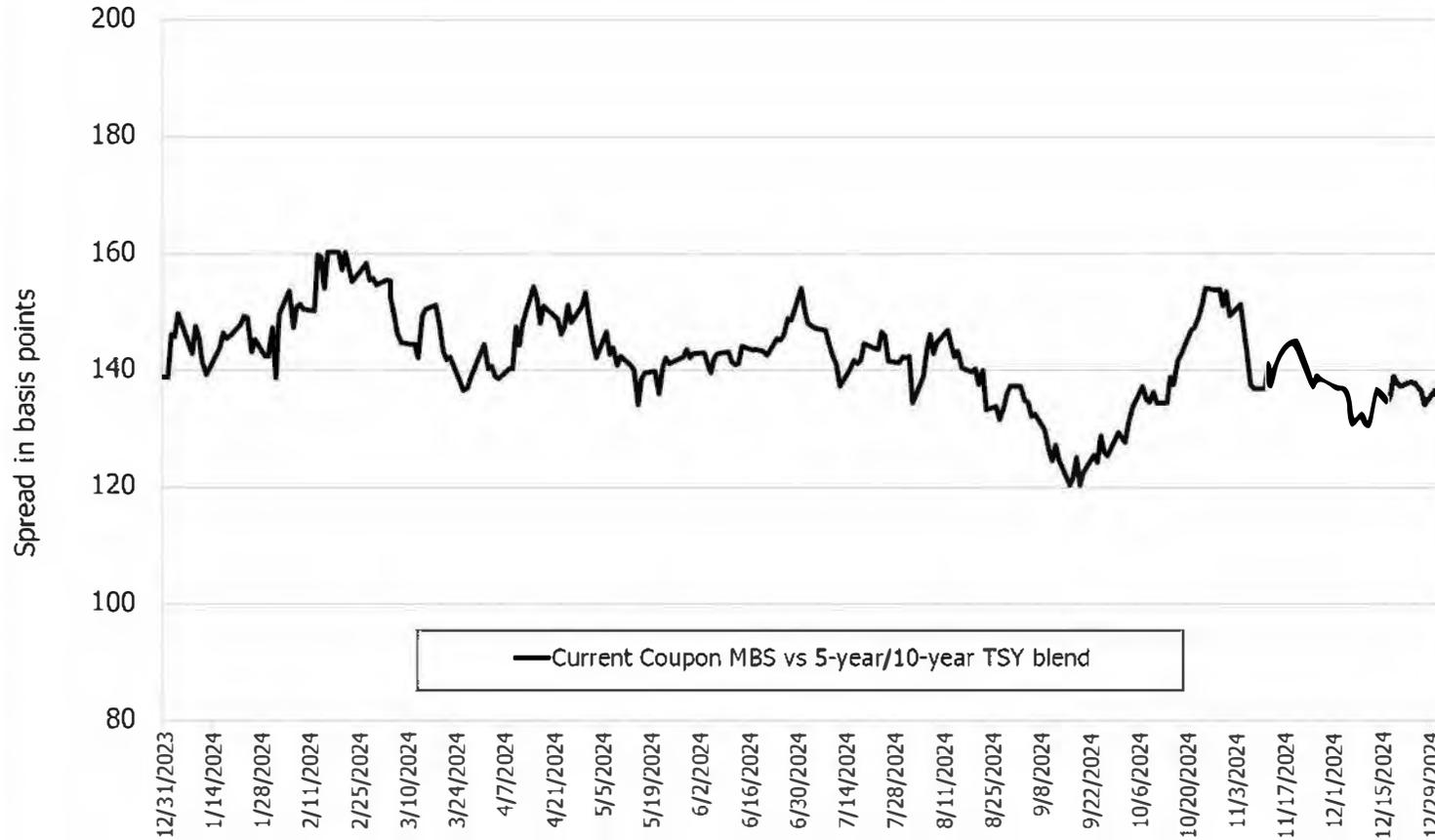


*Note: Yieldbook changed their model TBA deliverable assumptions on August 29th. This richened OAS significantly on lower coupons while widening OAS on high coupons.
 Source: Cit/Velocity; Yieldbook; 5-day moving averages used



MARKET RESEARCH

The CC UMBS versus 5-year/10-year Treasury blend spread improved 2.6 basis points in December and is 3.6 bps tighter year-over-year

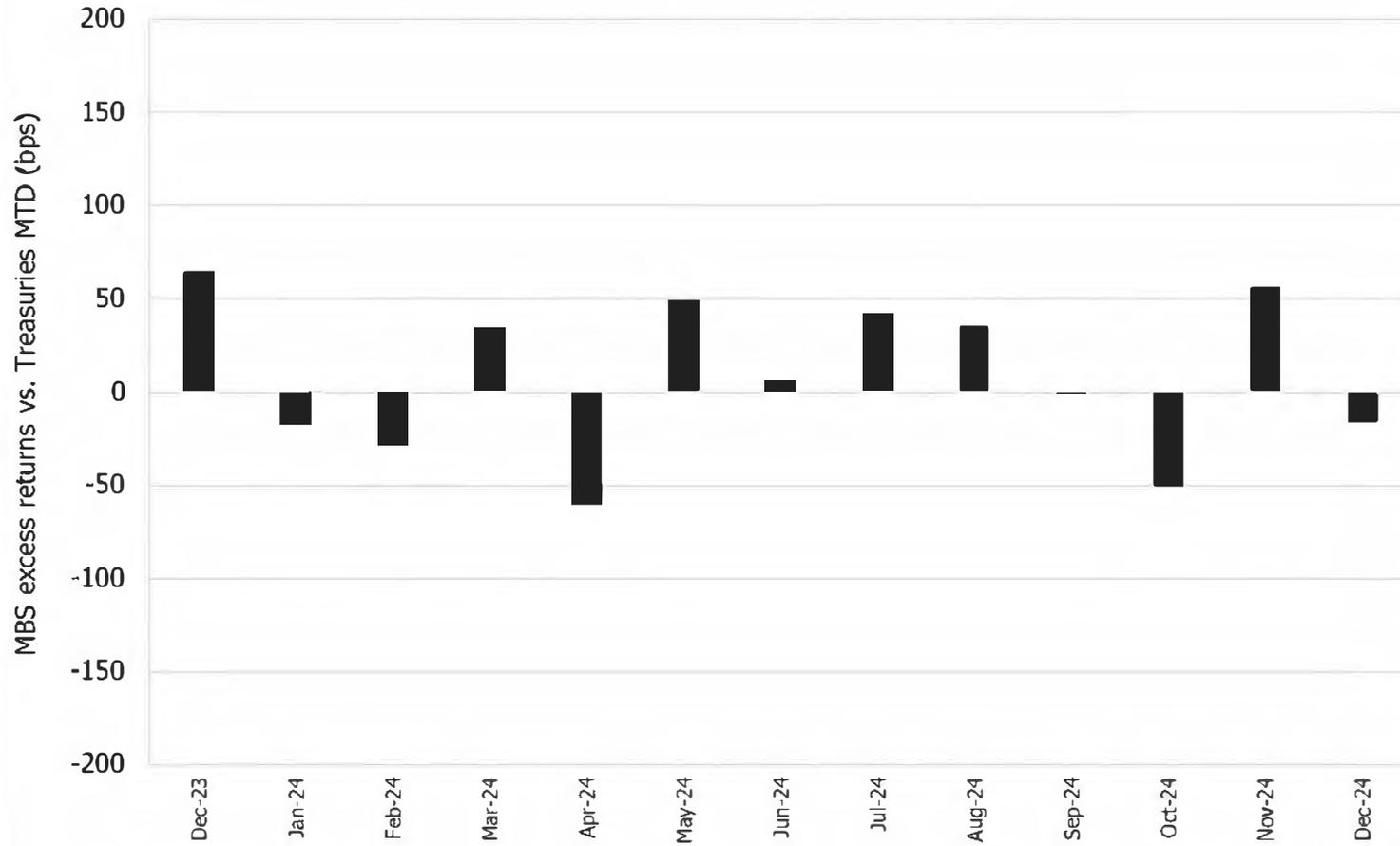


Source: Bloomberg



MARKET RESEARCH

The Agency MBS Index underperformed Treasuries by 17 basis points in December but outperformed Treasuries by 37 basis points for the year

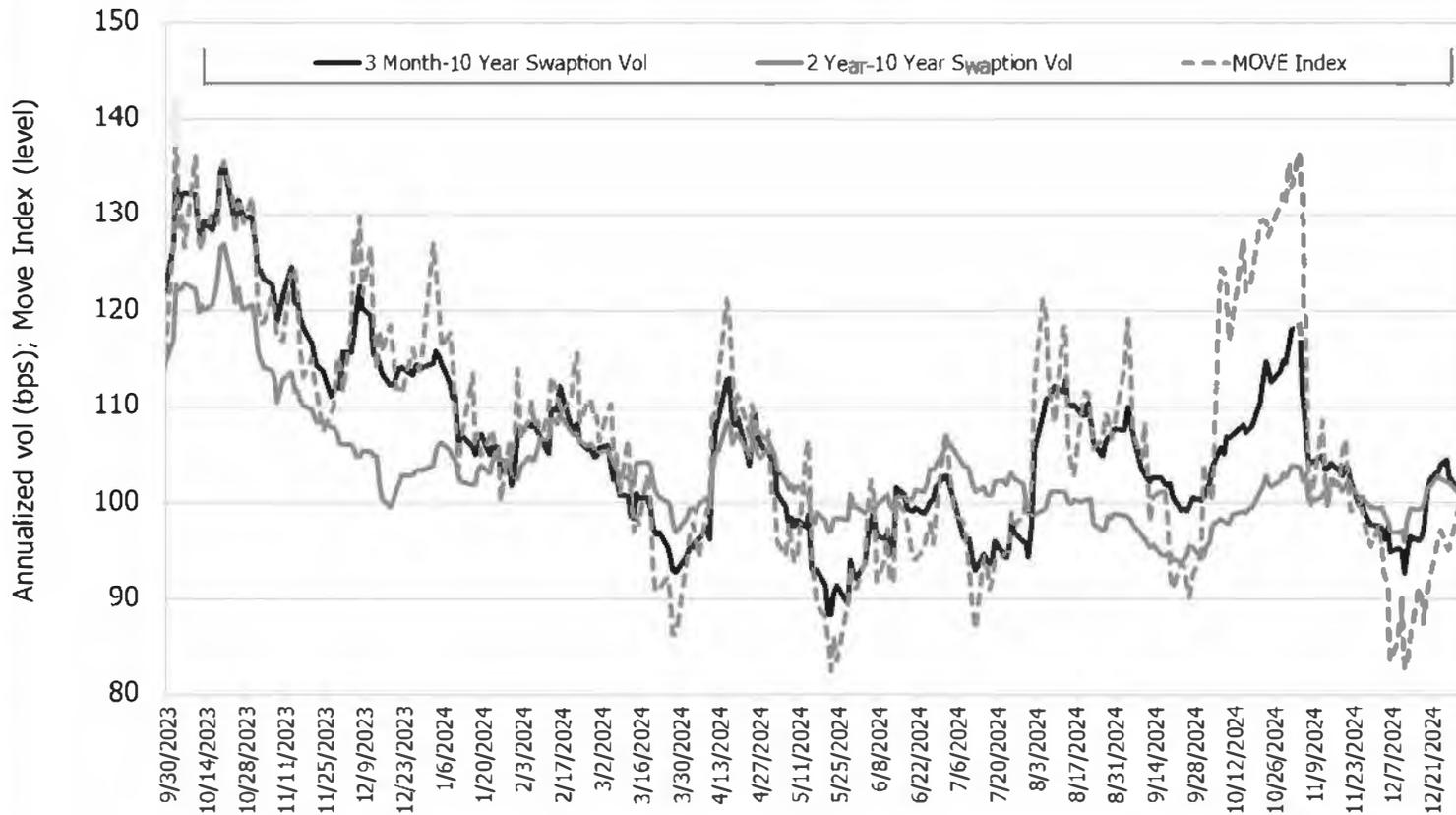


Source: Bloomberg



MARKET RESEARCH

Volatility has moved higher in December as long rates have seen progressively higher yields

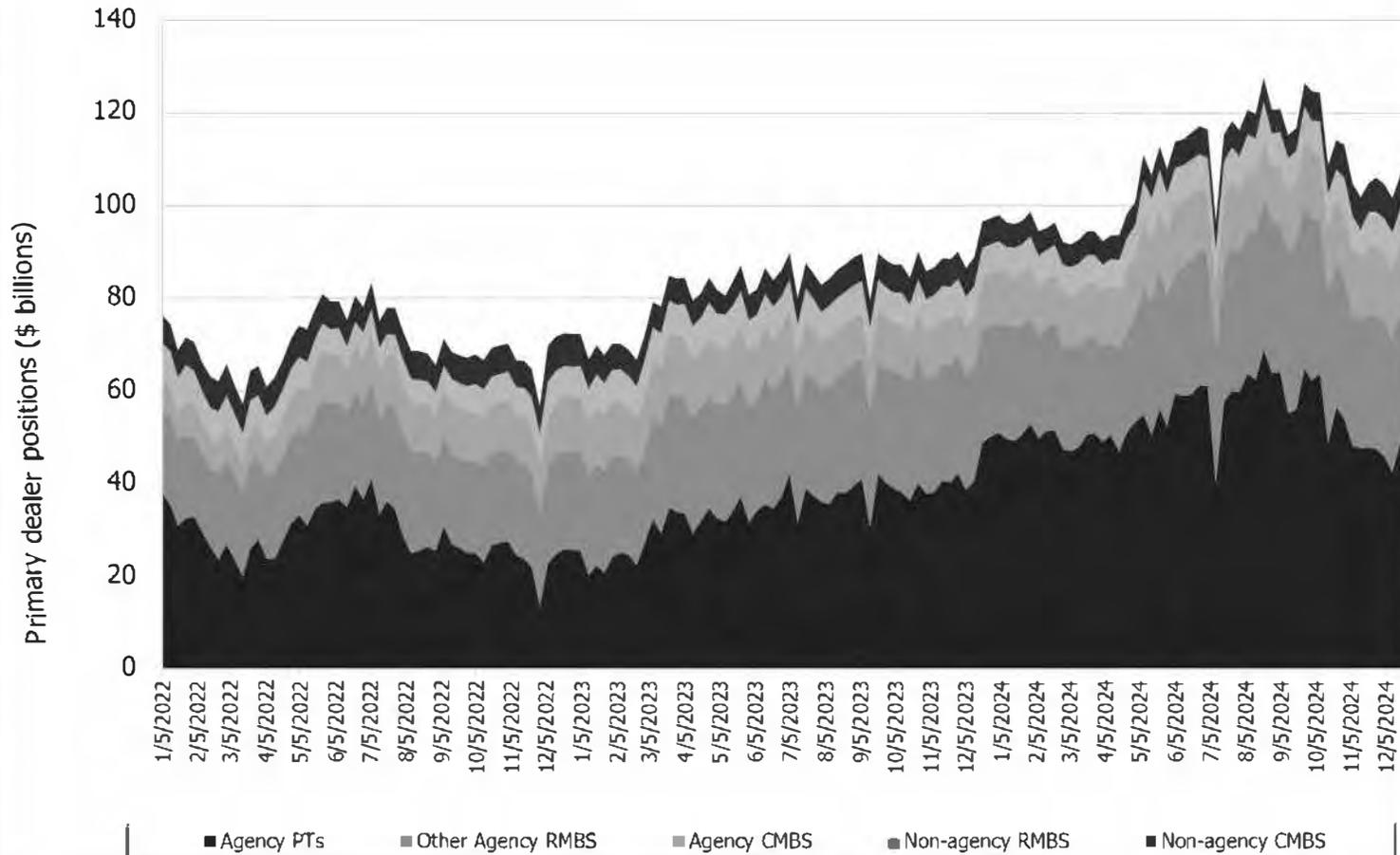


Source: Bloomberg, JP Morgan



MARKET RESEARCH

Primary dealer inventory of mortgage securities rose \$12.6 billion for the year, but was well off the levels seen in August

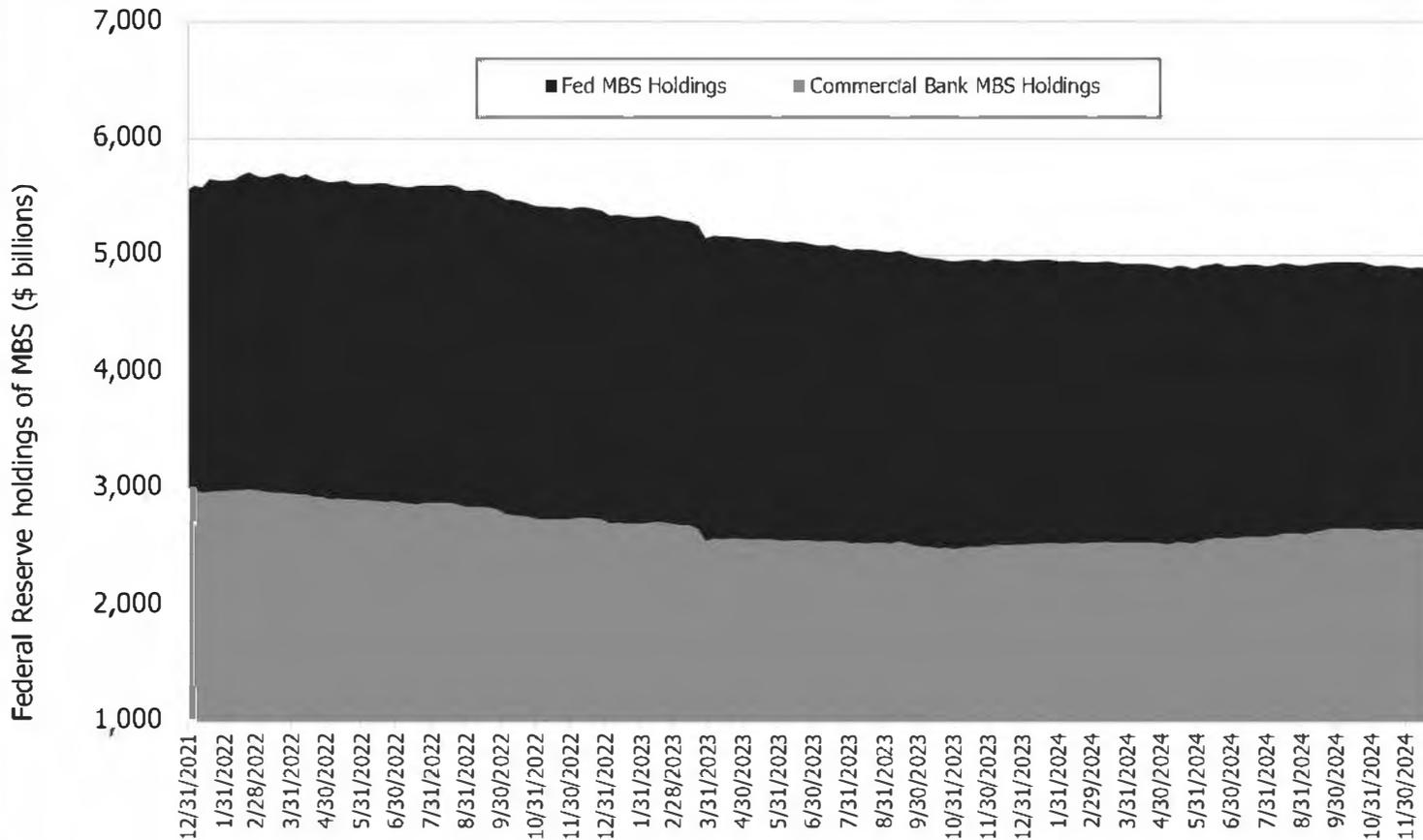


Source: New York Federal Reserve Bank



MARKET RESEARCH

Federal Reserve holdings of agency MBS fell \$186.0 billion in 2024 while Commercial Bank holdings increased \$122.4 billion



Note: Data is as-of 11/27/2024 for Fed holdings and 11/20/2024 for Commercial Bank Holdings
Source: Bloomberg; FRED



EXECUTIVE SUMMARY

(b)(4)



UMBS COHORT BREACHES

(b)(4)



MAJORS VS MLG (DECEMBER 2024)

(b)(4)



MAJORS VS MLG (DECEMBER 2023)

(b)(4)



UMBS Prepayment Alignment

(b)(4)



FAST PREPAYER SHARE

(b)(4)



FAST PREPAYER SHARE

(b)(4)



POOLING DATA BY MONTH

(b)(4)



POOLING DATA BY MONTH

(b)(4)



ESG TRANSACTIONS

(b)(4)

ESG TRANSACTIONS

(b)(4)



DIVISION OF CONSERVATORSHIP OVERSIGHT AND READINESS
OFFICE OF ASSET CONSERVATION



UMBS GOVERNANCE COMMITTEE

MARCH DATA

April 23rd, 2025

AGENDA

Market Update

Dollar Roll

UMBS Alignment Summary

UMBS Risks

UMBS Cohort Breaches

Pooling Data

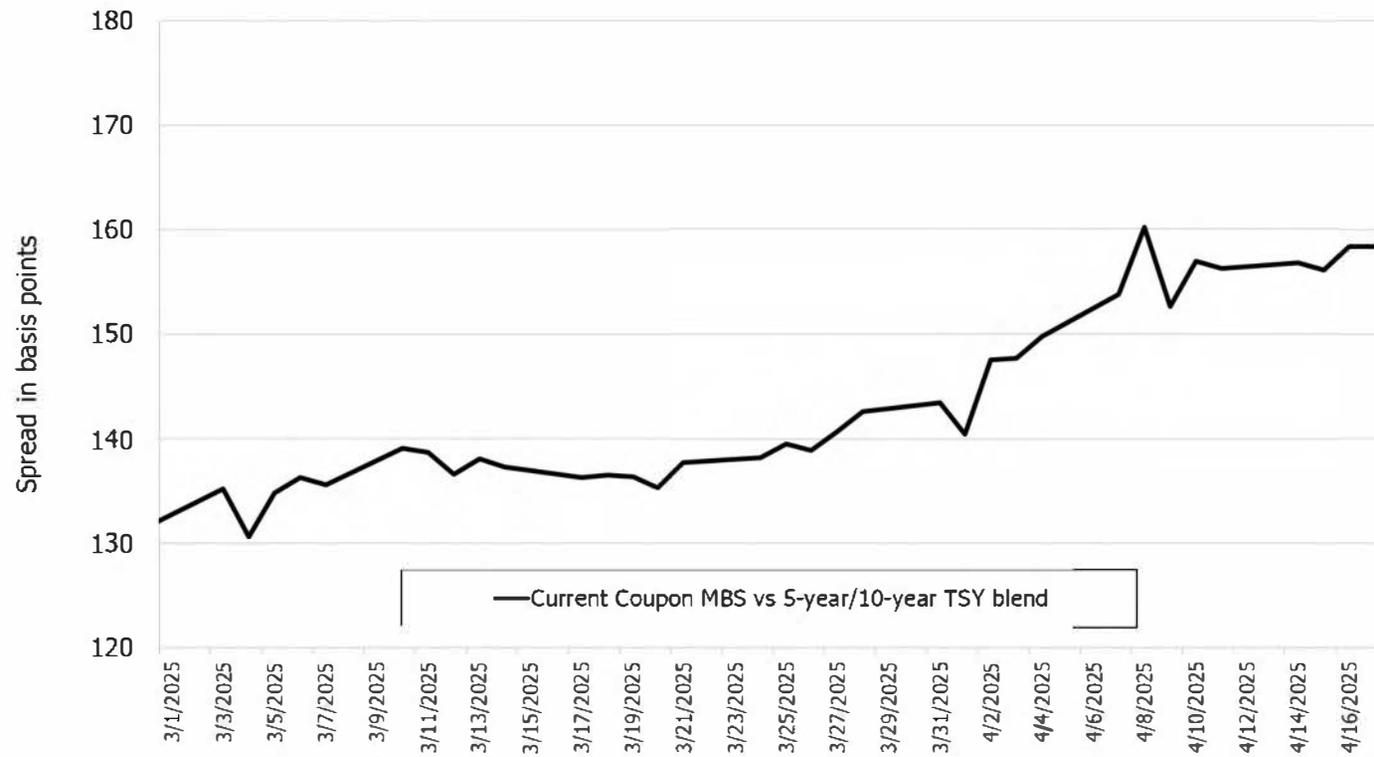
Composition Data

Mission/Green Pool Activity



MARKET RESEARCH

The current coupon UMBS versus 5-year/10-year Treasury blend spread widened around 25 basis points since tariffs were announced with intraday widening as extreme as 35 bps on April 9th

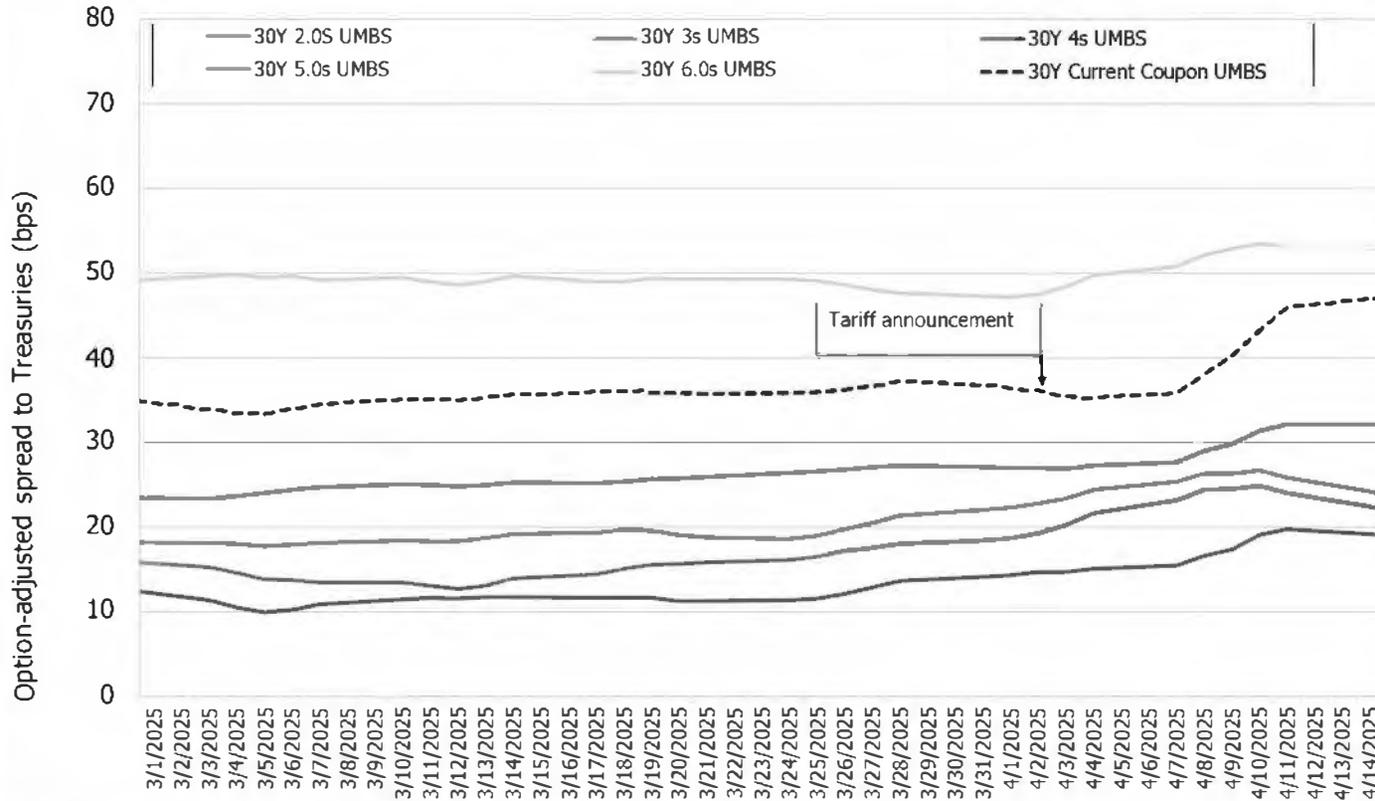


Source: Bloomberg



MARKET RESEARCH

After initially holding steady following tariff announcements on April 2nd, current coupon OAS has widened around 10 basis points since

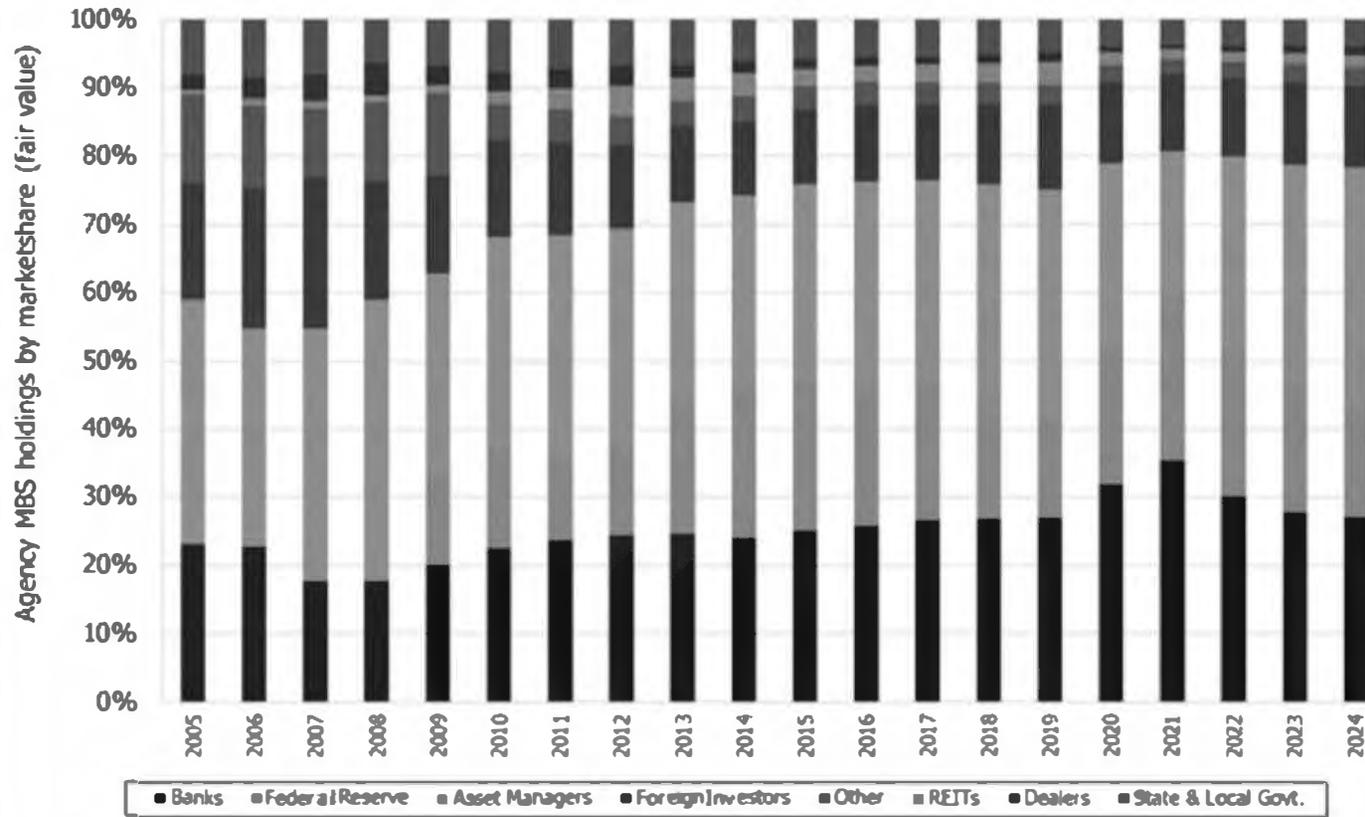


*Note: Yieldbook changed their model TBA deliverable assumptions during February. This richened OAS moderately on production coupons.
Source: CitiVelocity; Yieldbook; 5-day moving averages used



MARKET RESEARCH

Asset managers have increased their ownership share (34.4 percent) of the agency MBS market to the highest level since 2008 while the Fed+Banks have fallen from a combined 60 percent share in 2021 to 44 percent at year-end 2024

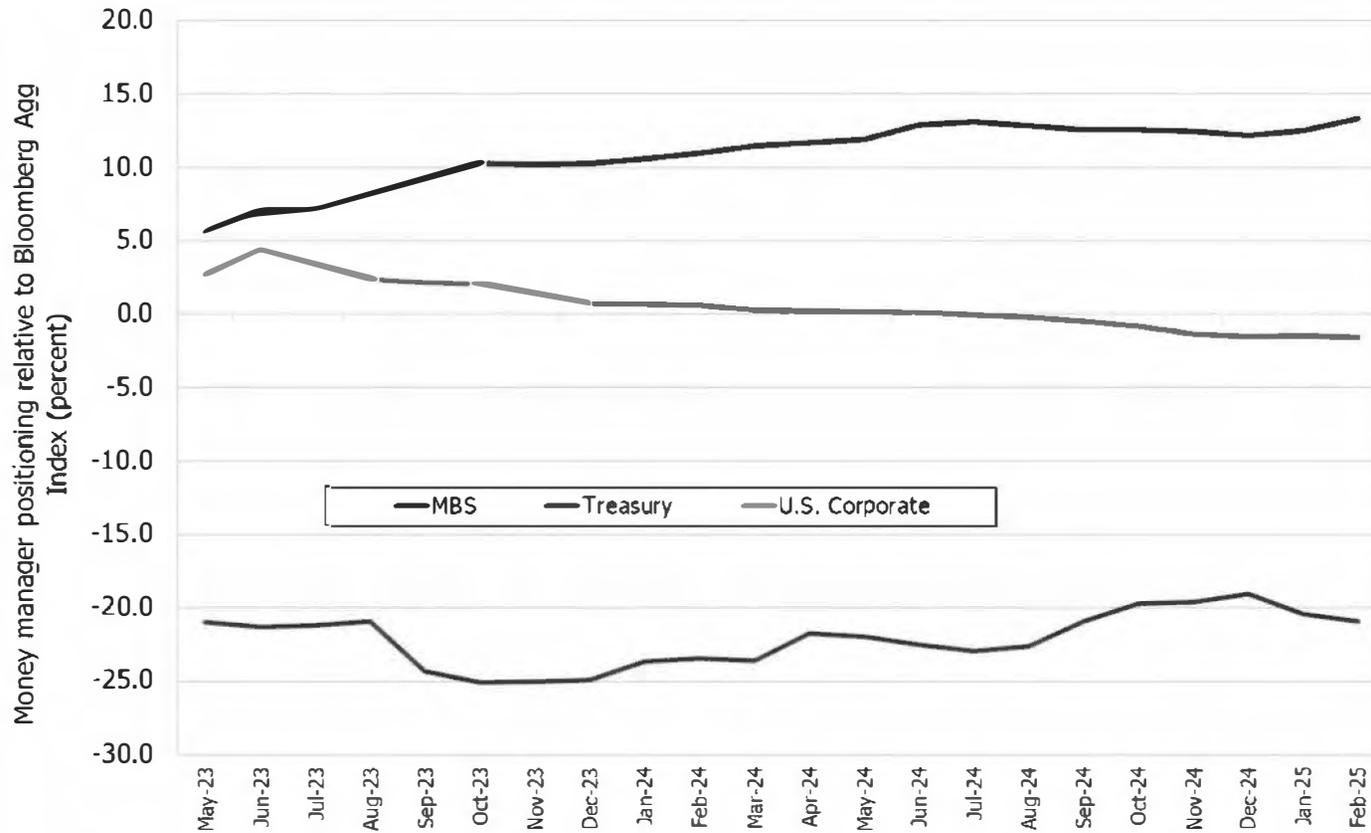


Source: Bloomberg



MARKET RESEARCH

Money Managers have increased their MBS positioning relative to the Bloomberg Agg Index as valuations were more favorable than corporates

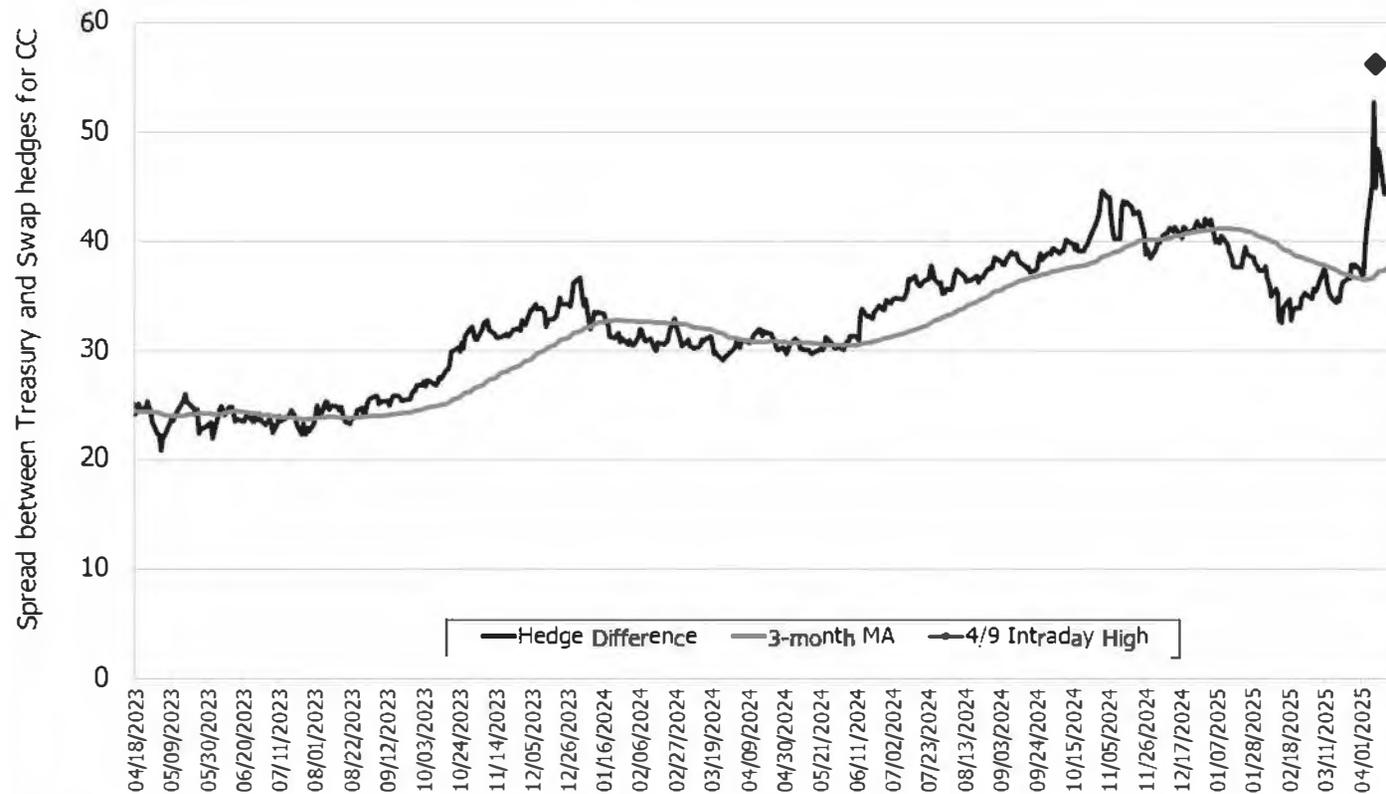


Source: Citi



MARKET RESEARCH

Mortgage REITs experienced significant pain due to hedging relationships prior to the 90-day tariff pause; while there has been some relief in swap spreads, REITs remain in a fragile position and might have to sell additional MBS to delever

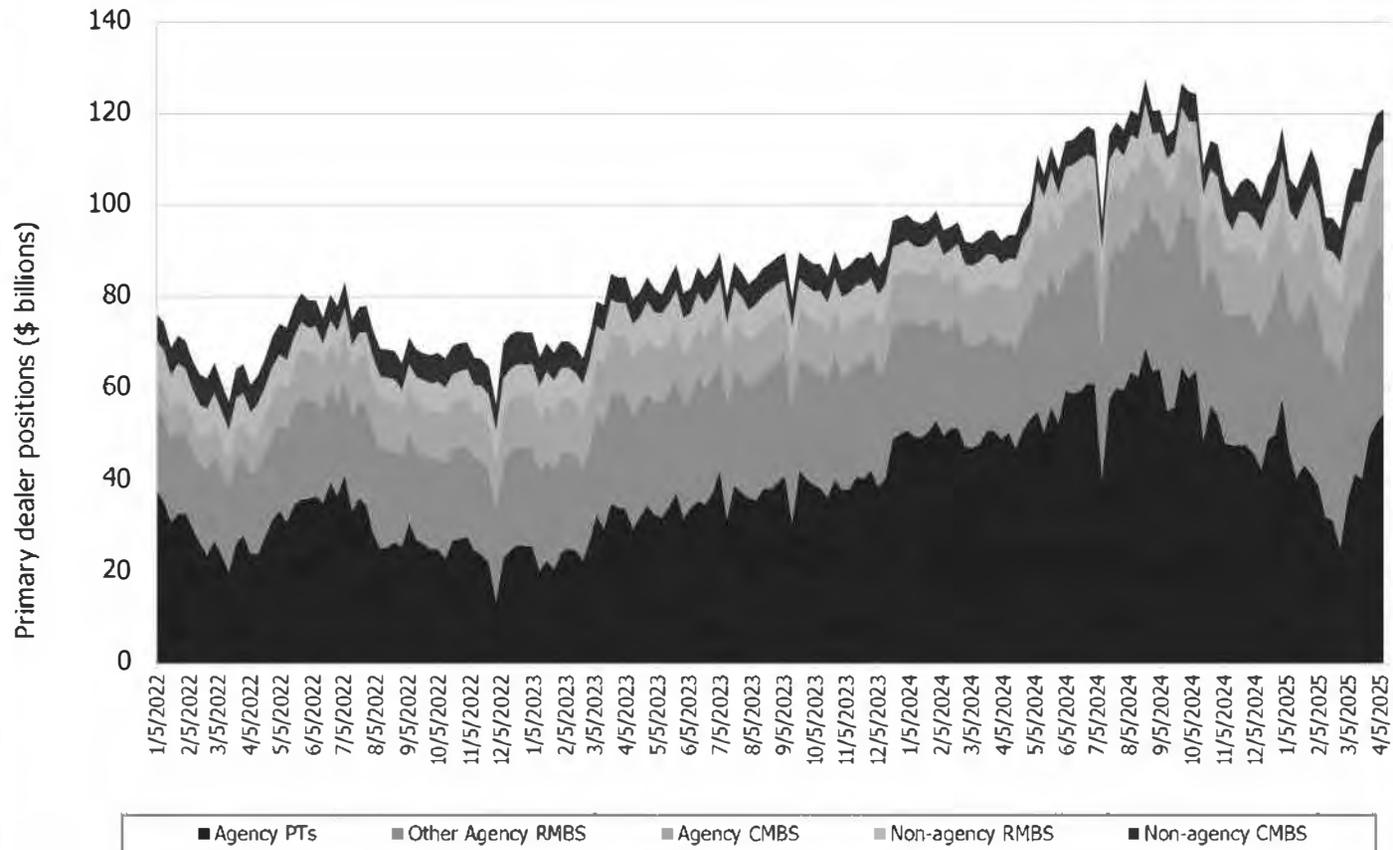


Source: Bloomberg



MARKET RESEARCH

Primary dealer inventory of mortgage securities have reached their highest level since October of 2024

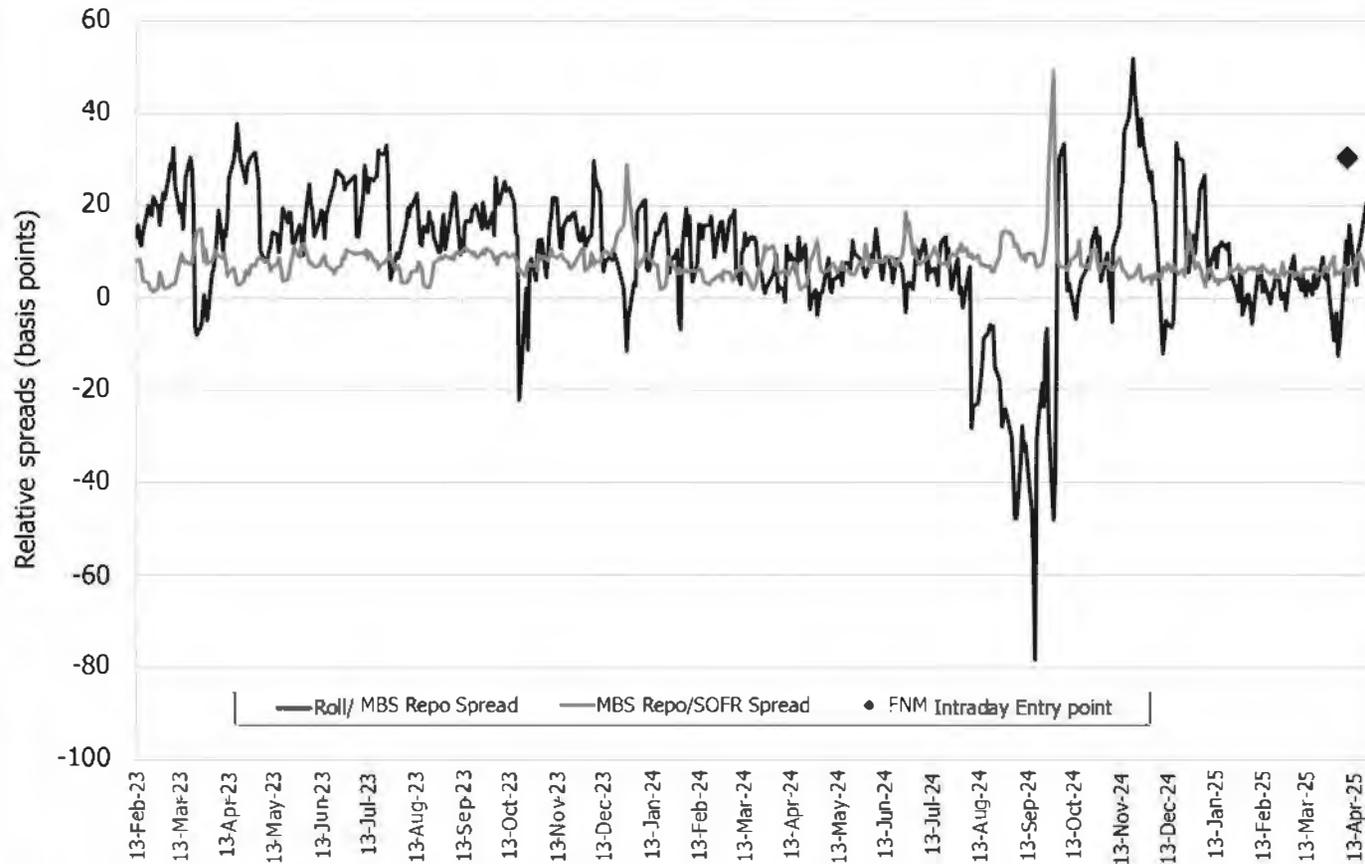


Source: New York Federal Reserve Bank



DOLLAR ROLLS AND MARKET WEAKNESS

Fannie Mae executed a \$12.5 billion roll transaction on April 9th at the peak of market volatility prior to the 90-day tariff pause announcement



Source: JP Morgan; Bloomberg; Fannie Mae



UMBS ALIGNMENT SUMMARY

(b)(4)



UMBS RISKS

(b)(4)



UMBS COHORT BREACHES

(b)(4)



MAJORS VS MLG (MARCH 2025)

(b)(4)



FAST PREPAYER SHARE

(b)(4)



COLLATERAL COMPOSITION

(b)(4)



MISSION/GREEN POOL ACTIVITY

(b)(4)

Source: Freddie Mac



MISSION/GREEN POOL ACTIVITY

(b)(4)

Source: Fannie Mae



APPENDIX



POOLING DATA BY MONTH

(b)(4)



POOLING DATA BY MONTH

(b)(4)





CONTROLLED

Uniform Mortgage-Backed Security Governance Committee Agenda and Meeting Minutes

Name of Meeting: Uniform Mortgage-Backed Security Governance Committee	Date: 04/24/25
Location: Conference Call	Time: 3:00PM
Call-in Information: Dial-in	

Invited	Attended	Invited	Attended
Peggy Balsawer	<input type="checkbox"/>	Mike Aneiro	<input checked="" type="checkbox"/>
Bob Hynes	<input type="checkbox"/>	Nick Satriano	<input checked="" type="checkbox"/>
David Voth	<input type="checkbox"/>	James Jordan	<input checked="" type="checkbox"/>
Jamie Newell	<input checked="" type="checkbox"/>	Daniel Yoo	<input type="checkbox"/>
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Soquel Harding	<input type="checkbox"/>	Christopher Vincent	<input checked="" type="checkbox"/>
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Maria Fernandez	<input type="checkbox"/>	Amanda Nogic	<input checked="" type="checkbox"/>
Fan Xu	<input type="checkbox"/>	Leda Bloomfield	<input type="checkbox"/>
Sung Yoon	<input checked="" type="checkbox"/>	Chris Bosland	<input checked="" type="checkbox"/>

Agenda Items

- Market Update
- Dollar Roll
- UMBS Alignment Summary
- UMBS Risks
- UMBS Cohort Breaches
- Pooling Data
- Composition Data
- Mission/Green Pool Activity

Meeting Summary

(b)(4)



CONTROLLED

Uniform Mortgage-Backed Security Governance Committee Agenda and Meeting Minutes

(b)(4)

ID	Action Item	Assigned To	Due	Status
1				
Discussion/Results/Conclusions				
Next Meeting (Date/Time/Location)				
TBD				
Meeting Report Viewing				

DIVISION OF CONSERVATORSHIP OVERSIGHT AND READINESS
OFFICE OF ASSET CONSERVATION



UMBS GOVERNANCE COMMITTEE

MARCH DATA

April 23rd, 2025

AGENDA

Market Update

Dollar Roll

UMBS Alignment Summary

UMBS Risks

UMBS Cohort Breaches

Pooling Data

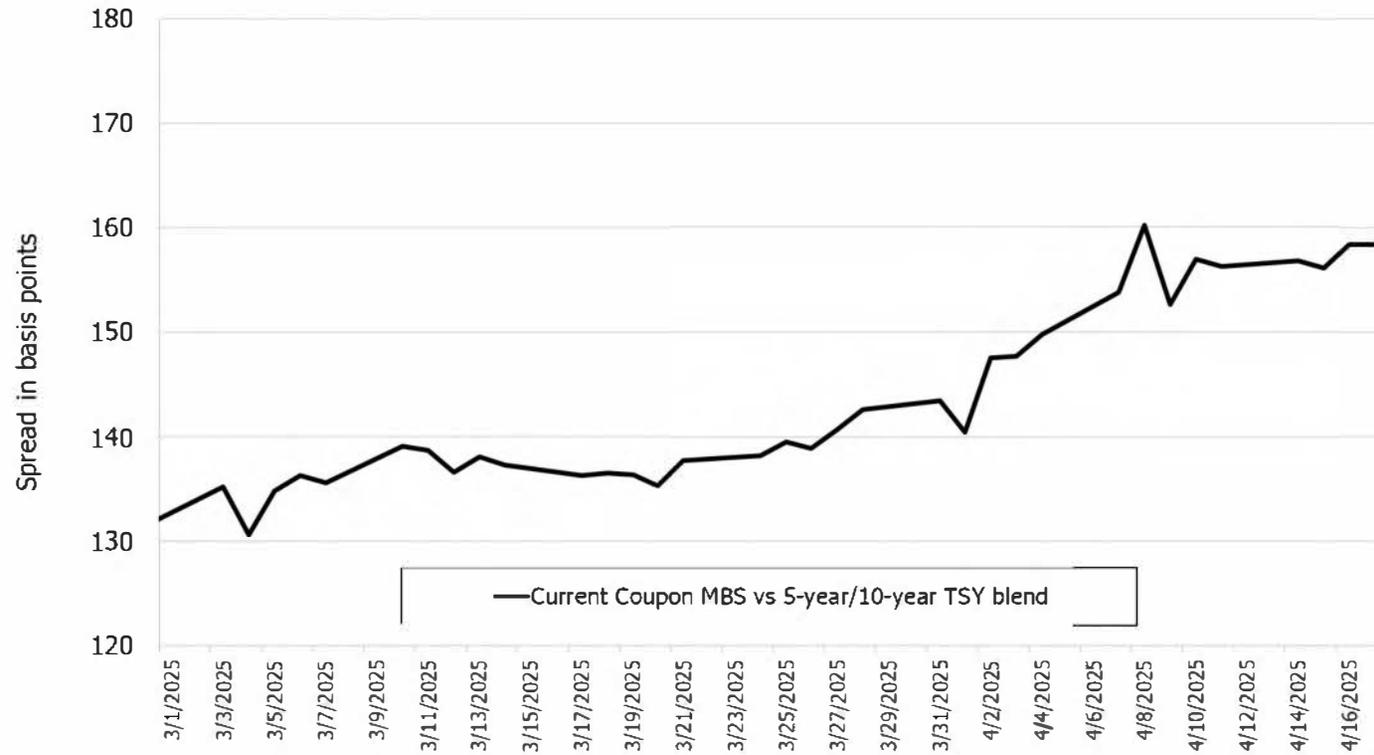
Composition Data

Mission/Green Pool Activity



MARKET RESEARCH

The current coupon UMBS versus 5-year/10-year Treasury blend spread widened around 25 basis points since tariffs were announced with intraday widening as extreme as 35 bps on April 9th

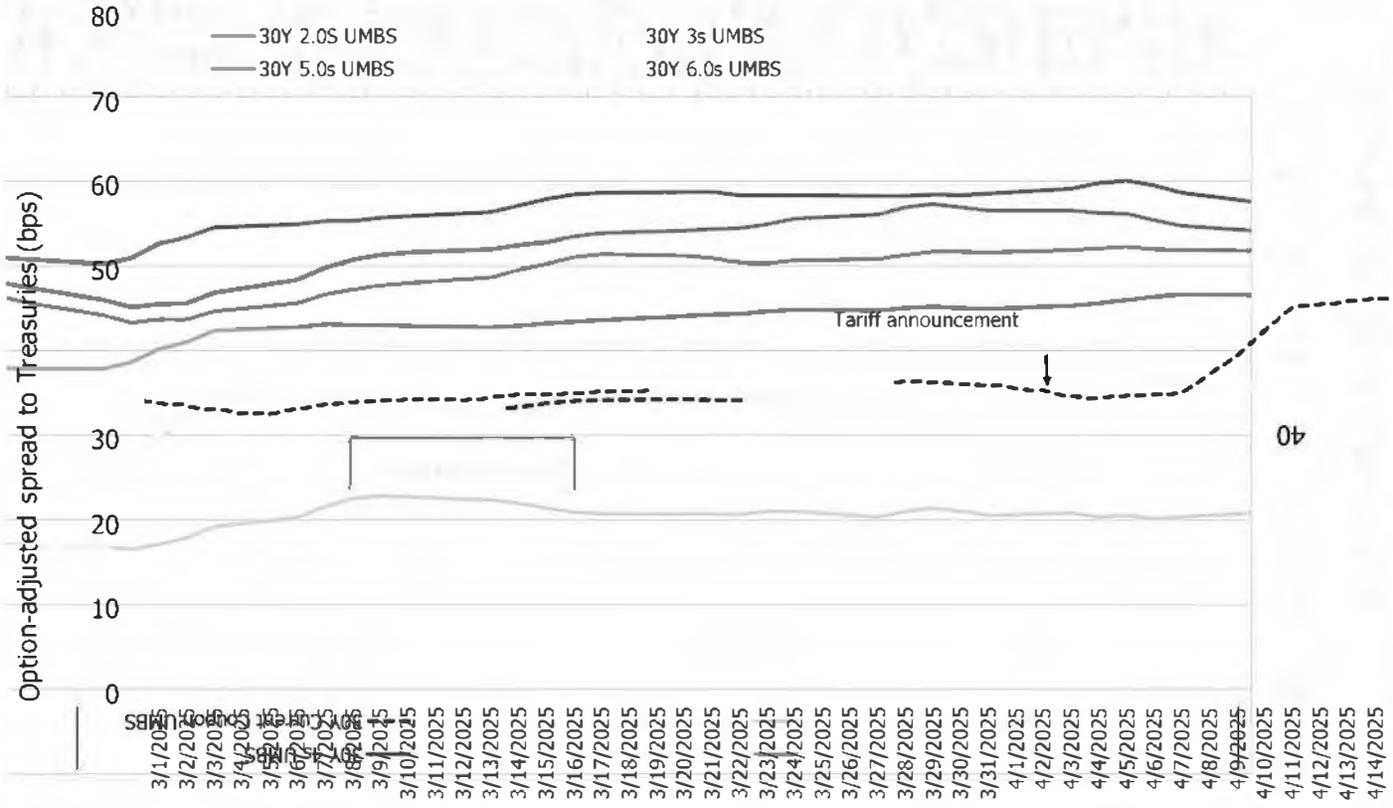


Source: Bloomberg



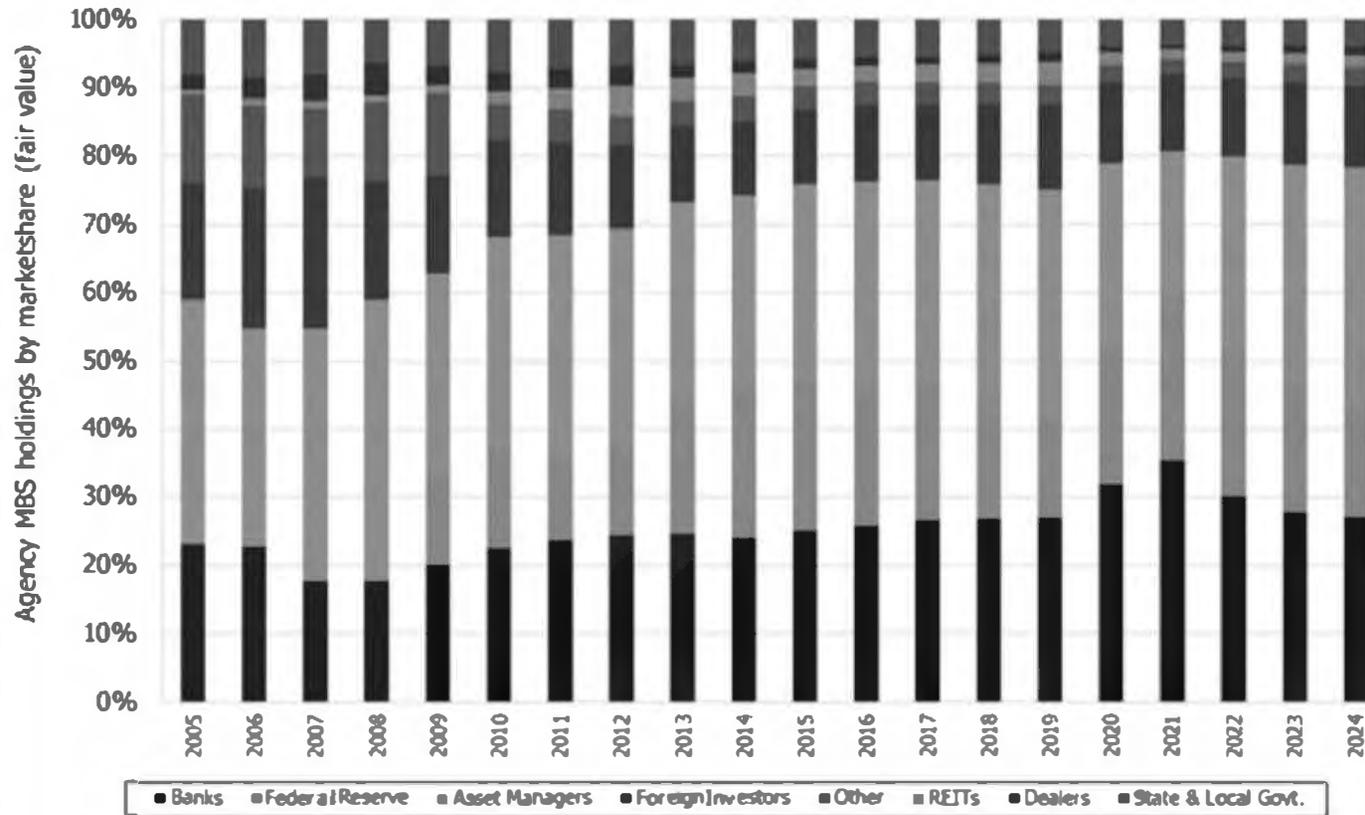
After initially holding steady following tariff announcements on April 2nd, current coupon OAS has widened around 10 basis points since

*Note: Yieldbook changed their model TBA deliverable assumptions during tariff event. This resulted in a decrease in production coupons. Source: Yieldbook, 3/1/2025



MARKET RESEARCH

Asset managers have increased their ownership share (34.4 percent) of the agency MBS market to the highest level since 2008 while the Fed+Banks have fallen from a combined 60 percent share in 2021 to 44 percent at year-end 2024

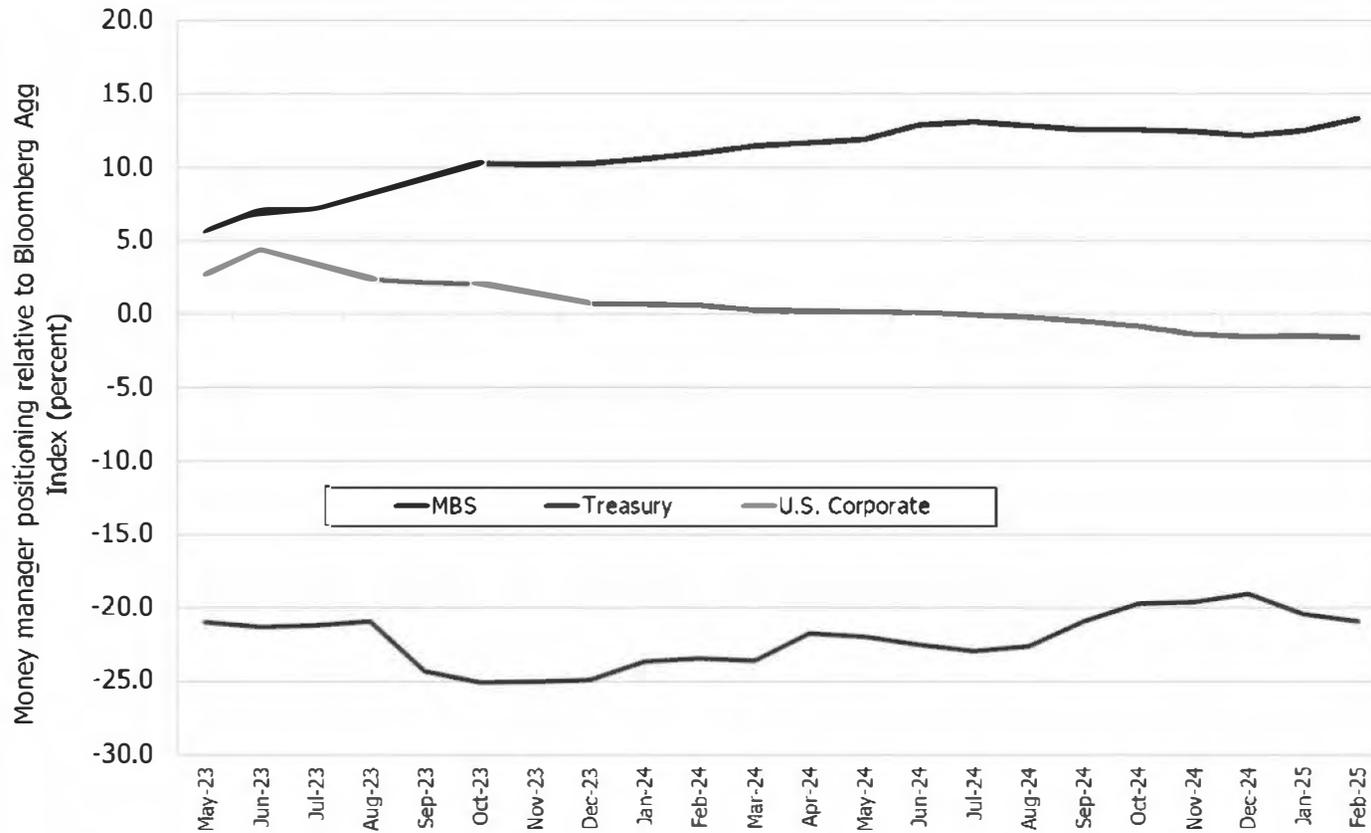


Source: Bloomberg



MARKET RESEARCH

Money Managers have increased their MBS positioning relative to the Bloomberg Agg Index as valuations were more favorable than corporates

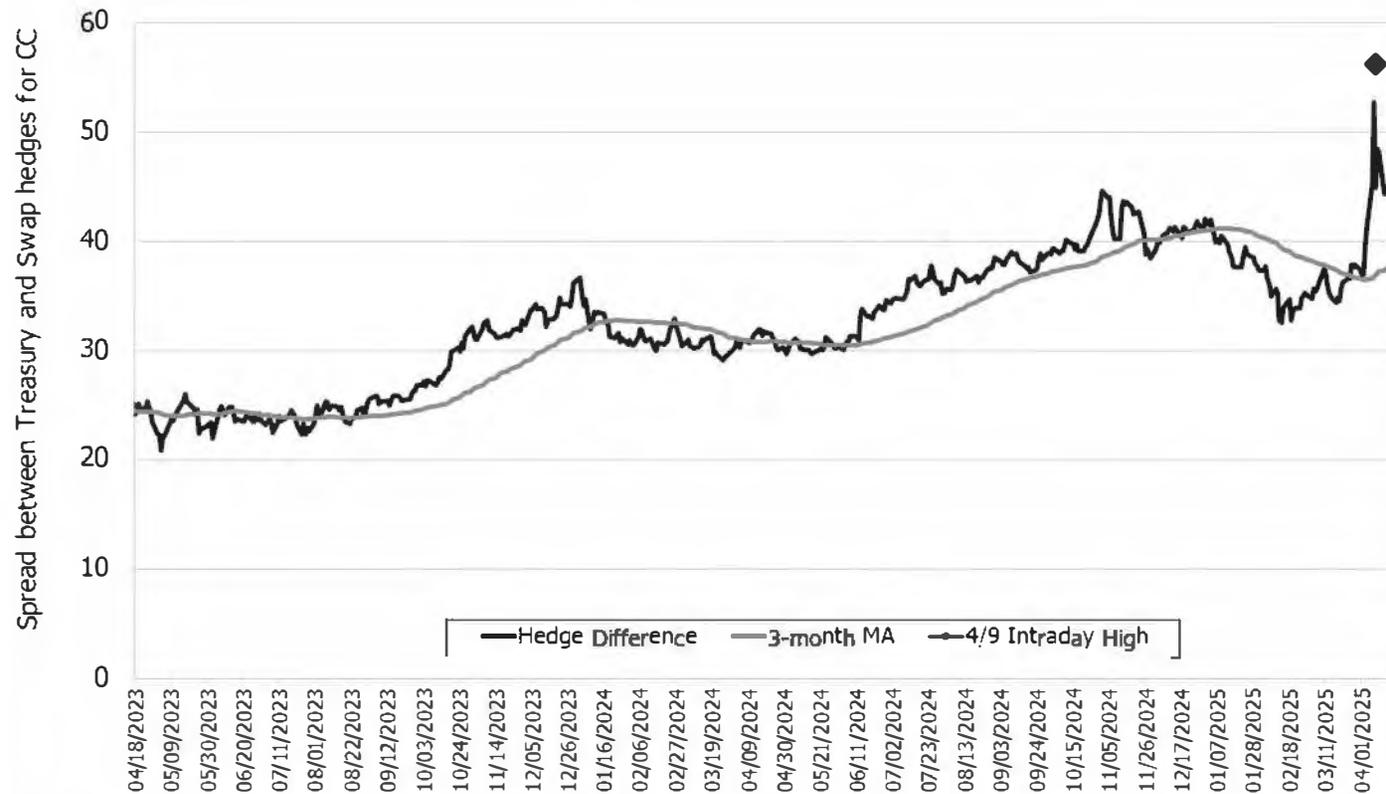


Source: Citi



MARKET RESEARCH

Mortgage REITs experienced significant pain due to hedging relationships prior to the 90-day tariff pause; while there has been some relief in swap spreads, REITs remain in a fragile position and might have to sell additional MBS to delever

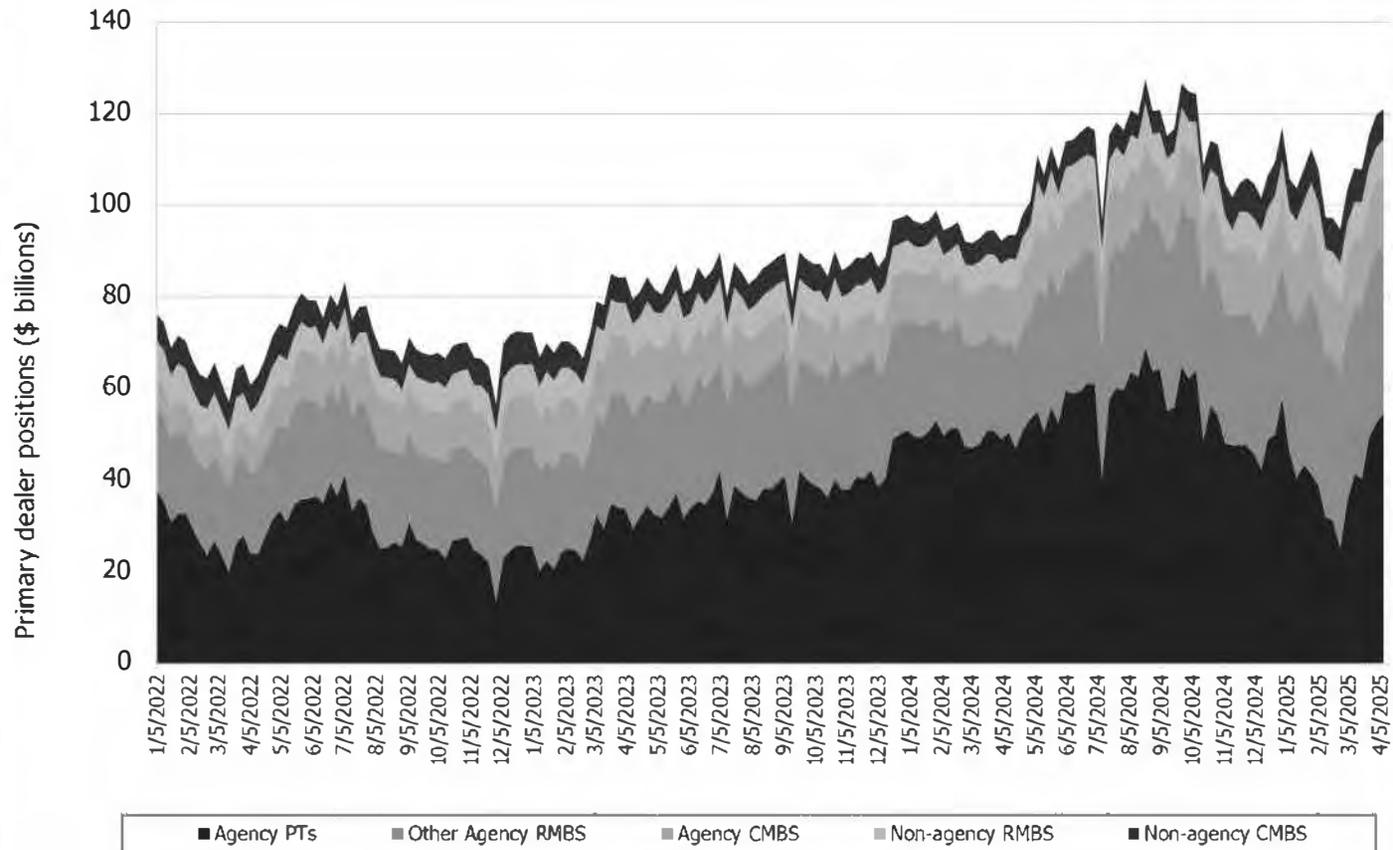


Source: Bloomberg



MARKET RESEARCH

Primary dealer inventory of mortgage securities have reached their highest level since October of 2024

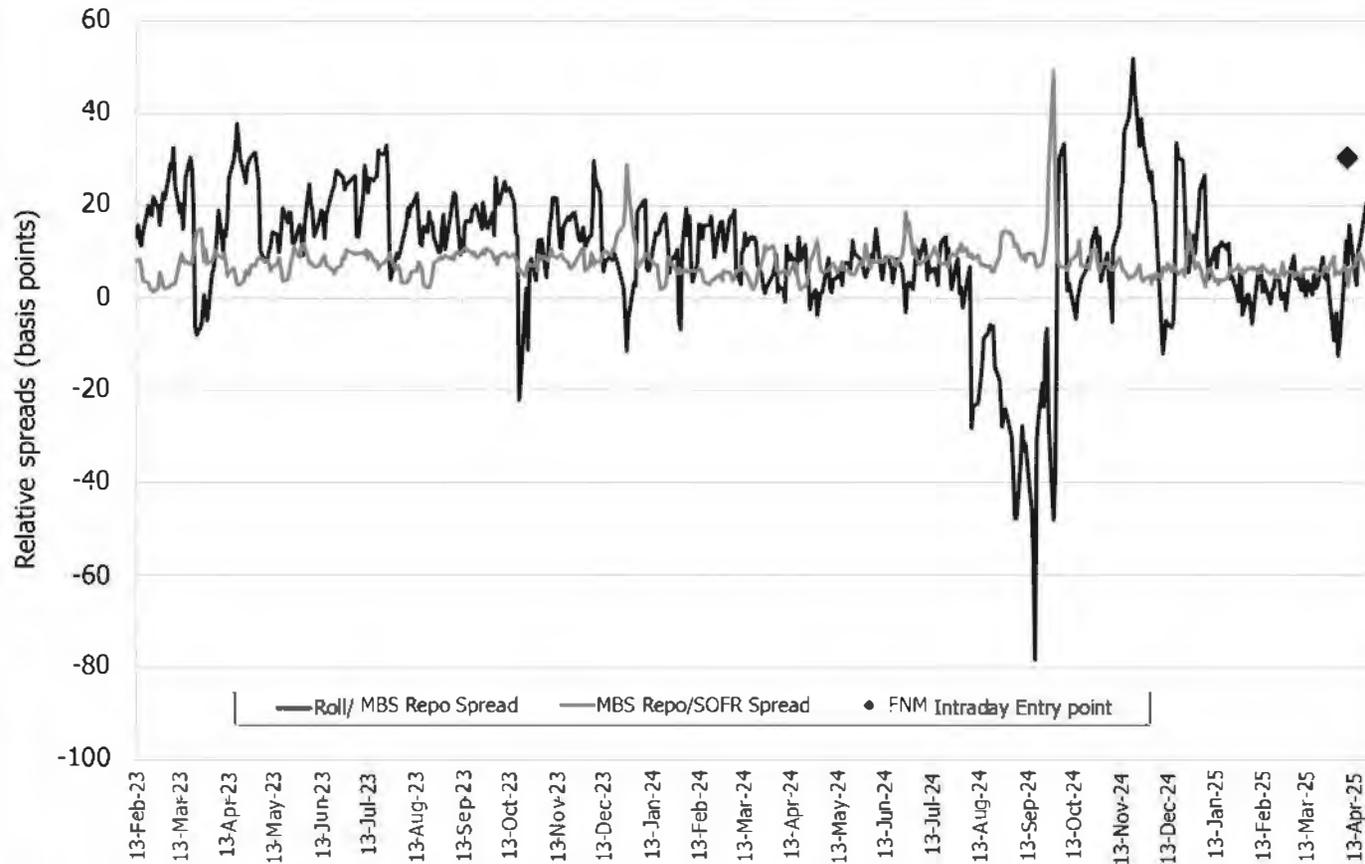


Source: New York Federal Reserve Bank



DOLLAR ROLLS AND MARKET WEAKNESS

Fannie Mae executed a \$12.5 billion roll transaction on April 9th at the peak of market volatility prior to the 90-day tariff pause announcement



Source: JP Morgan; Bloomberg; Fannie Mae



UMBS ALIGNMENT SUMMARY

(b)(4)



UMBS RISKS

(b)(4)



UMBS COHORT BREACHES

(b)(4)



MAJORS VS MLG (MARCH 2025)

(b)(4)



FAST PREPAYER SHARE

(b)(4)



COLLATERAL COMPOSITION

(b)(4)



MISSION/GREEN POOL ACTIVITY

(b)(4)

Source: Freddie Mac



MISSION/GREEN POOL ACTIVITY

(b)(4)

Source: Fannie Mae



APPENDIX



POOLING DATA BY MONTH

(b)(4)



POOLING DATA BY MONTH

(b)(4)



**DIVISION OF HOUSING MISSION AND GOALS
OFFICE OF MARKETS AND ENTERPRISE MONITORING**



UMBS GOVERNANCE COMMITTEE

JULY DATA

September 11th, 2025

AGENDA

Market Update

UMBS Alignment Summary

UMBS Cohort Breaches

Pooling Data

Composition Data

Mission Bond Activity



MARKET RESEARCH

The current coupon UMBS versus 5-year/10-year Treasury blend spread has improved over 25 basis points since August 1st

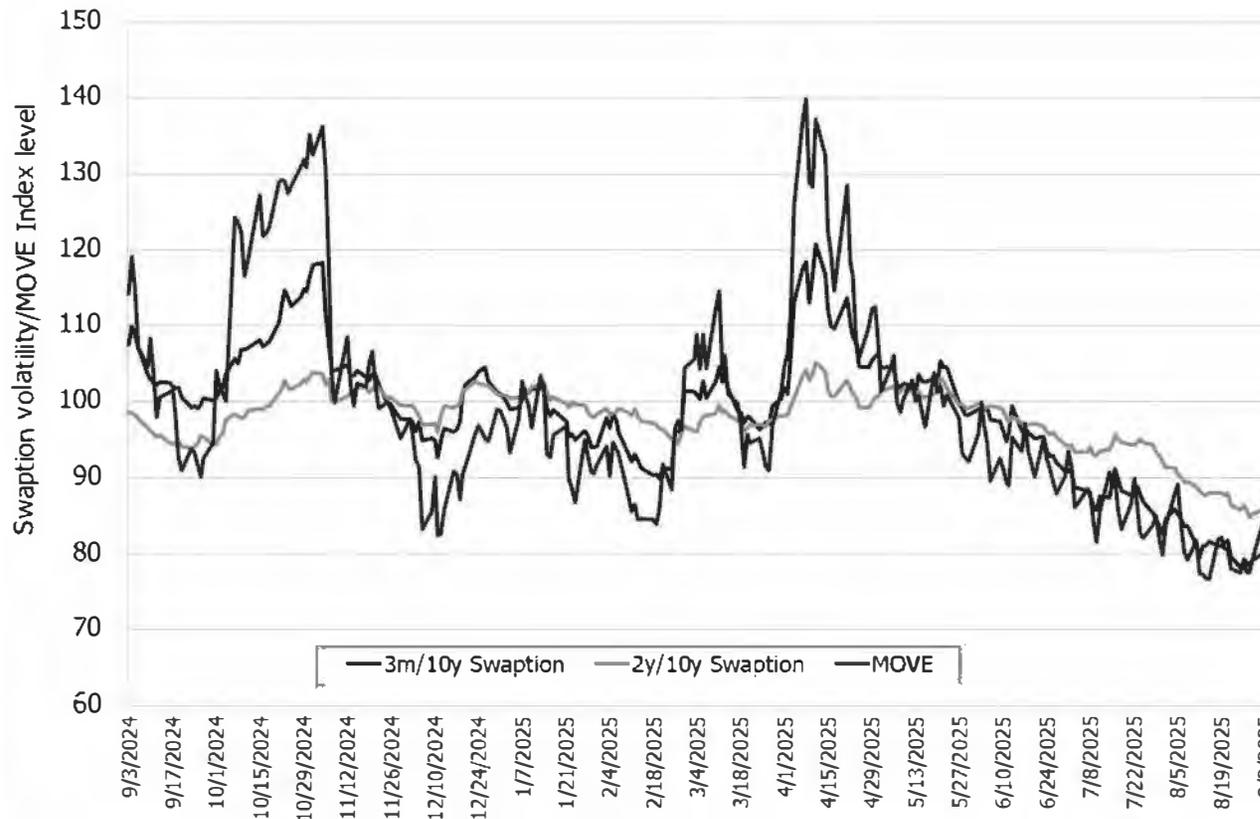


Source: Bloomberg



MARKET RESEARCH

Rate volatility has declined significantly since May, creating a tailwind for the mortgage basis

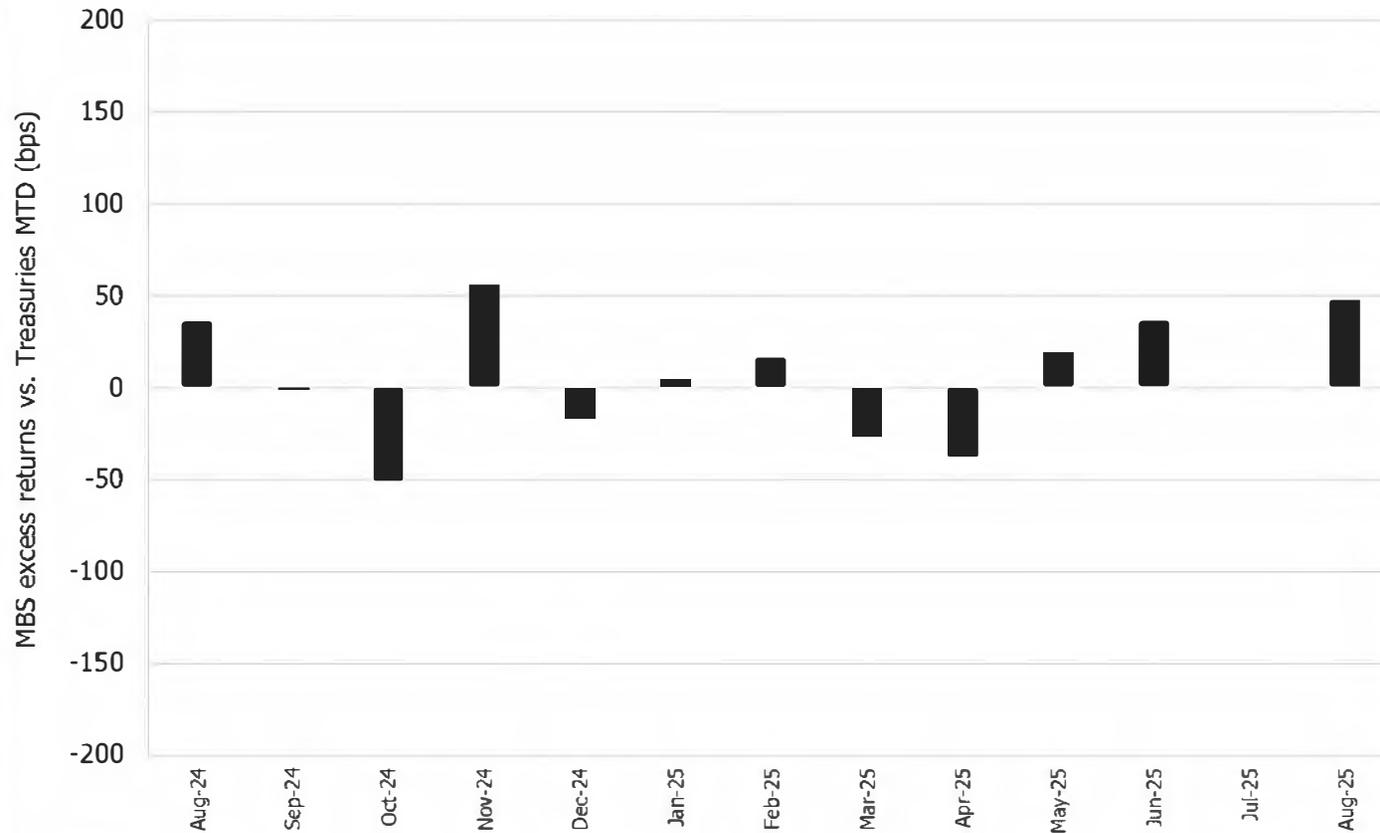


Source: Bloomberg; JP Morgan



MARKET RESEARCH

The Agency MBS Index outperformed Treasuries by 47 basis points in August, the best monthly performance since November 2024

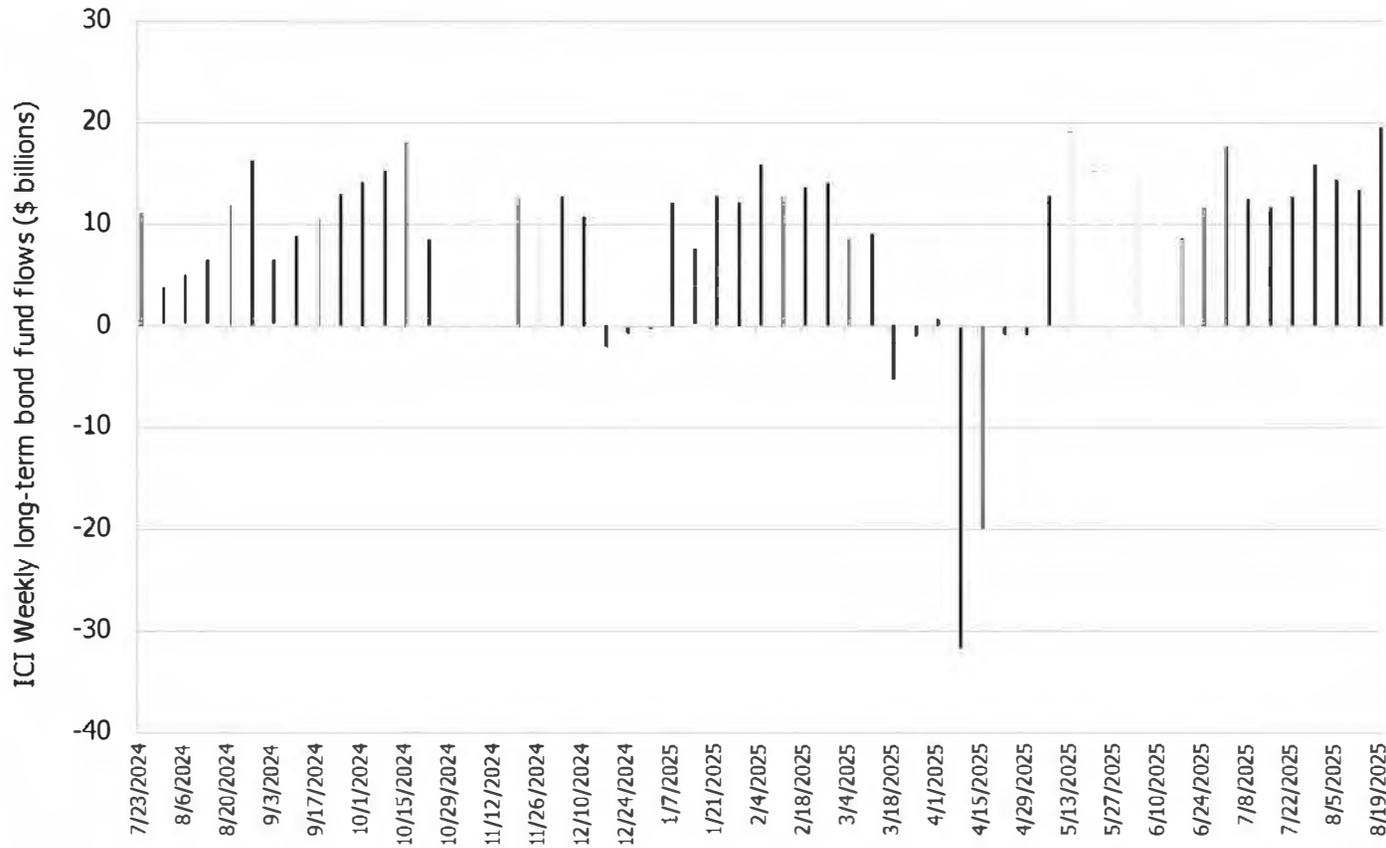


Source: Bloomberg



MARKET RESEARCH

Inflows into bond funds (proxy for Money Manager flows) remained robust through the third week of August

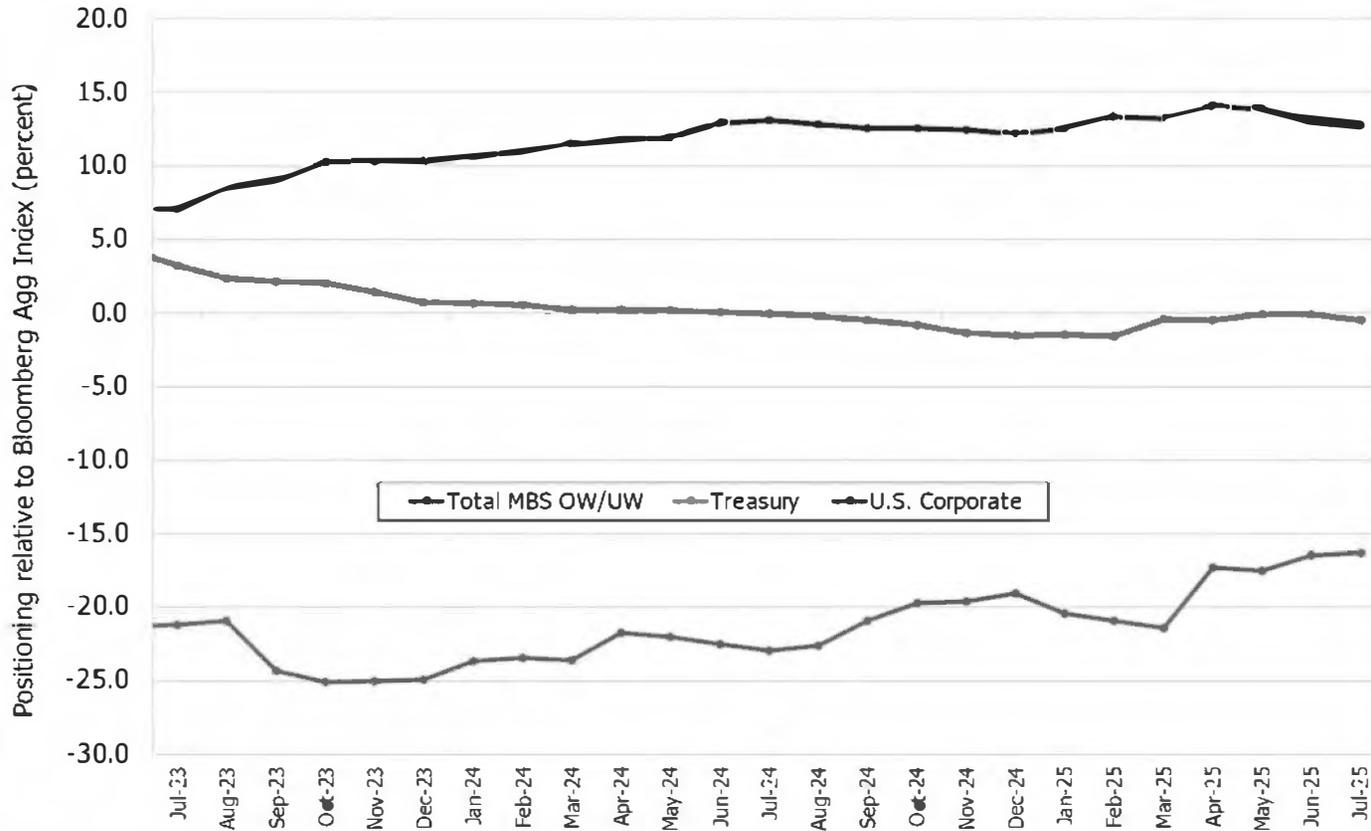


Source: Bloomberg



MARKET RESEARCH

Money Managers reduced overweight positioning of agency MBS by 0.3 percent in July, but remain 12.7 percent overweight relative to the Bloomberg Agg Index



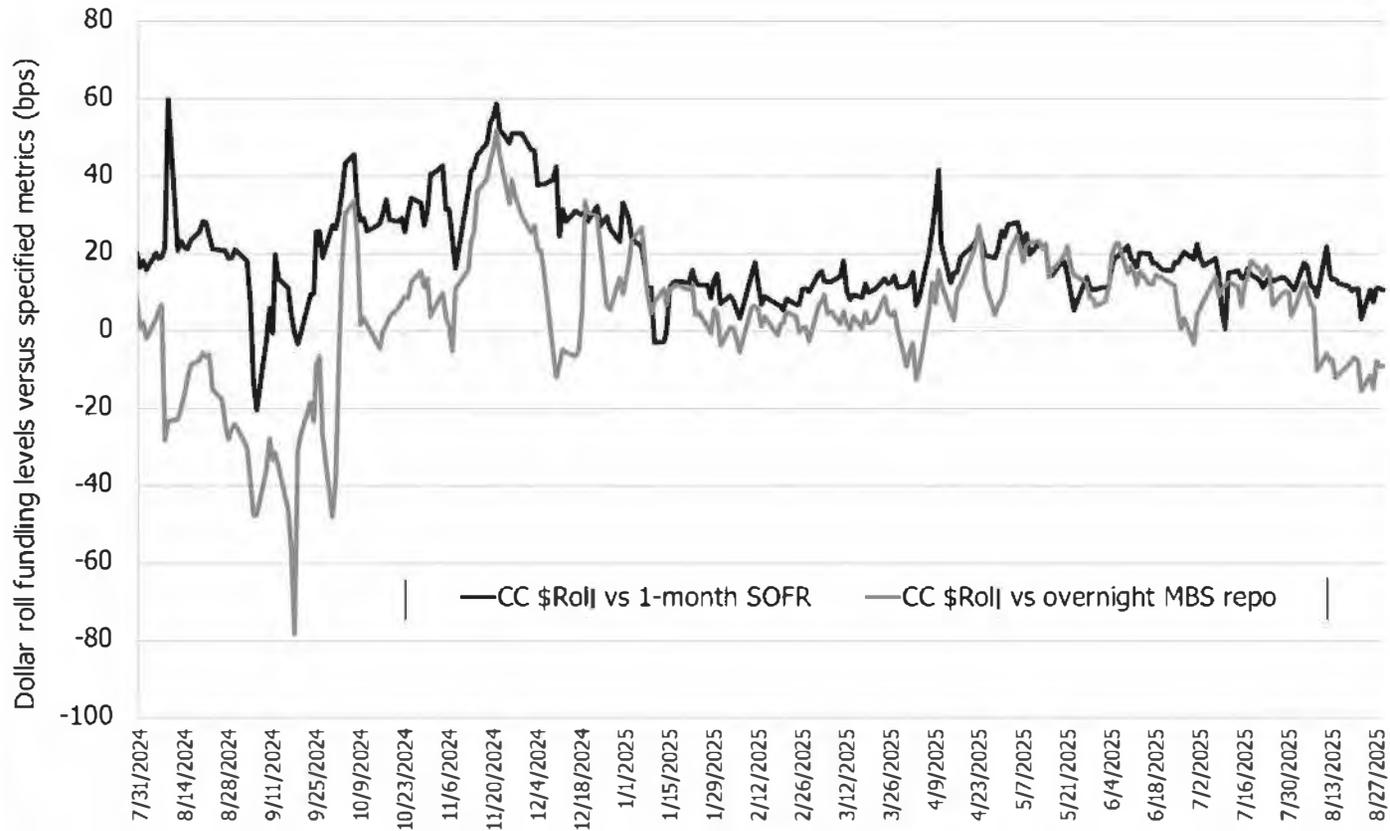
Note: Positioning data is lagged 3 to 4 weeks, hence prior month's numbers

Source: Citi



MARKET RESEARCH

Current coupon dollar rolls closed August trading 10.6 basis points above 1-month SOFR but below overnight MBS repo as a Fed rate cut is priced into September

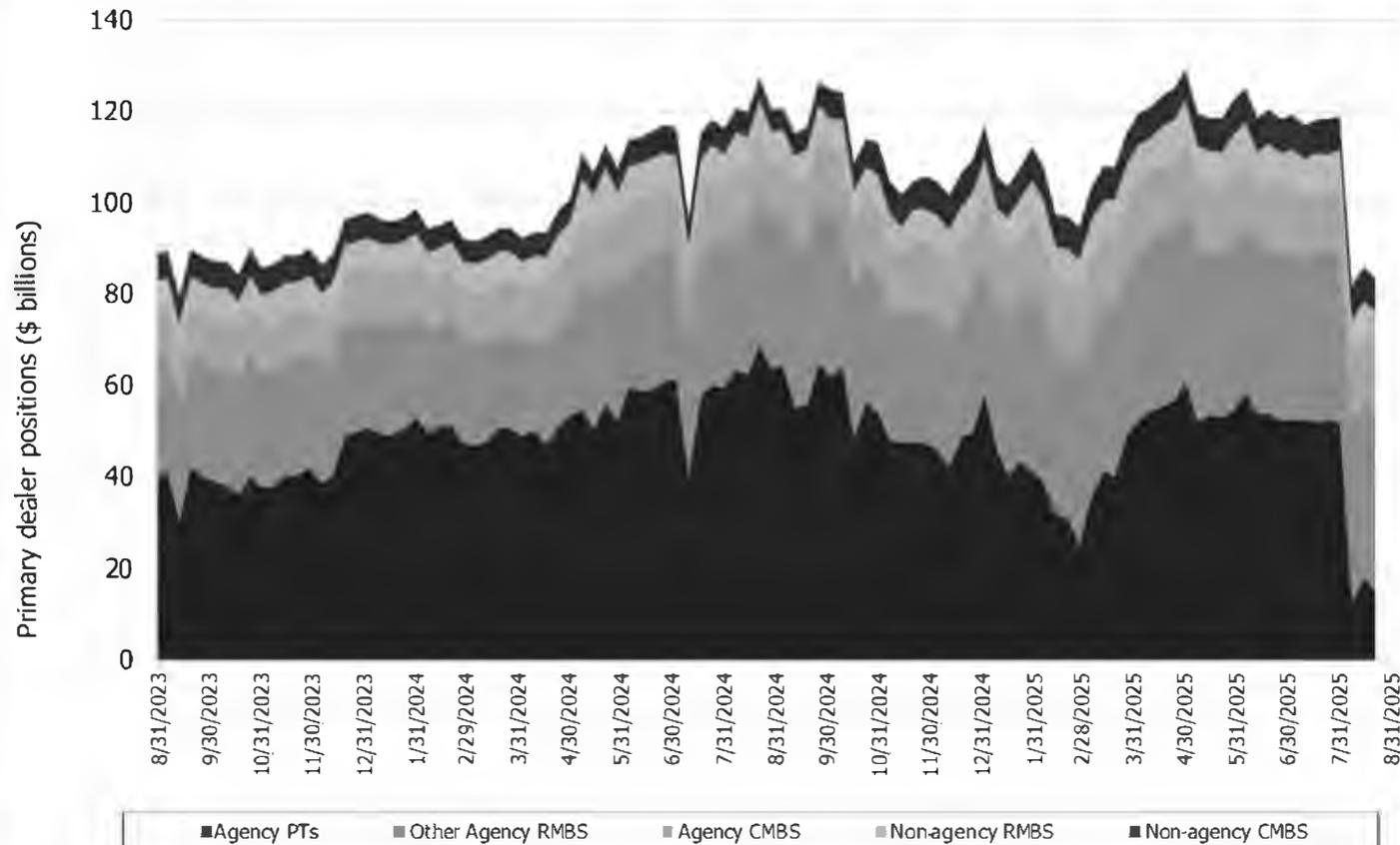


Source: JP Morgan; Morgan Stanley



MARKET RESEARCH

Primary dealer inventory of mortgage securities showed a massive decline in agency securities in early August, potentially reflecting increased investor buying during the month



Source: New York Federal Reserve Bank



UMBS ALIGNMENT SUMMARY

(b)(4)



UMBS COHORT BREACHES

(b)(4)



MAJORS VS MLG (JULY 2025)

(b)(4)



FAST PREPAYER SHARE

(b)(4)



MISSION BOND ACTIVITY

(b)(4)

Source: Fannie Mae



MISSION BOND ACTIVITY

(b)(4)

Source: Freddie Mac



APPENDIX



POOLING DATA BY MONTH

(b)(4)



POOLING DATA BY MONTH

(b)(4)





CONTROLLED

Uniform Mortgage-Backed Security Governance Committee Agenda and Meeting Minutes

Name of Meeting: Uniform Mortgage-Backed Security Governance Committee	Date: 09/11/25
Location: Conference Call	Time: 2:00PM
Call-in Information: Dial-in	

Invited	Attended	Invited	Attended
Peggy Balsawer	<input type="checkbox"/>	Mike Aneiro	<input type="checkbox"/>
Joseph Elawabdeh	<input checked="" type="checkbox"/>	Chris Bosland	<input type="checkbox"/>
Amanda Nogie	<input checked="" type="checkbox"/>	James Jordan	<input checked="" type="checkbox"/>
Bill Merrill	<input checked="" type="checkbox"/>	Daniel Yoo	<input type="checkbox"/>
Venkat Komarlingam	<input type="checkbox"/>	Chris Bederka	<input checked="" type="checkbox"/>
Julie Giesbrecht	<input type="checkbox"/>	Christopher Vincent	<input checked="" type="checkbox"/>
Scott Valentin	<input checked="" type="checkbox"/>	Leda Bloomfield	<input checked="" type="checkbox"/>
Seth Hall	<input checked="" type="checkbox"/>	Kulwant Sharma	<input type="checkbox"/>
Dan Fichtler	<input type="checkbox"/>	Anju Vajja	<input checked="" type="checkbox"/>
Sam Maleki	<input checked="" type="checkbox"/>	Lori Bowes	<input type="checkbox"/>
Jaspreet Hunjan	<input checked="" type="checkbox"/>	Karen Chang	<input type="checkbox"/>
Nick Satriano	<input checked="" type="checkbox"/>	Aaron Kofsky	<input type="checkbox"/>
Fan Xu	<input checked="" type="checkbox"/>	Jacob McCall	<input type="checkbox"/>
Sung Yoon	<input checked="" type="checkbox"/>		<input type="checkbox"/>

Agenda Items

- Market Update
- UMBS Alignment Summary
- UMBS Cohort Breaches
- Pooling Data
- Composition Data
- Mission Bond Activity

Meeting Summary

(b)(4)



CONTROLLED

Uniform Mortgage-Backed Security Governance Committee Agenda and Meeting Minutes

(b)(4)

ID	Action Item	Assigned To	Due	Status
1				
Discussion/Results/Conclusions				
Next Meeting (Date/Time/Location)				
TBD				
Meeting Report Viewing				

**DIVISION OF HOUSING MISSION AND GOALS
OFFICE OF MARKETS AND ENTERPRISE MONITORING**



UMBS GOVERNANCE COMMITTEE

JULY DATA

September 11th, 2025

AGENDA

Market Update

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UMBS Cohort Breaches

Pooling Data

Composition Data

Mission Bond Activity



MARKET RESEARCH

The current coupon UMBS versus 5-year/10-year Treasury blend spread has improved over 25 basis points since August 1st

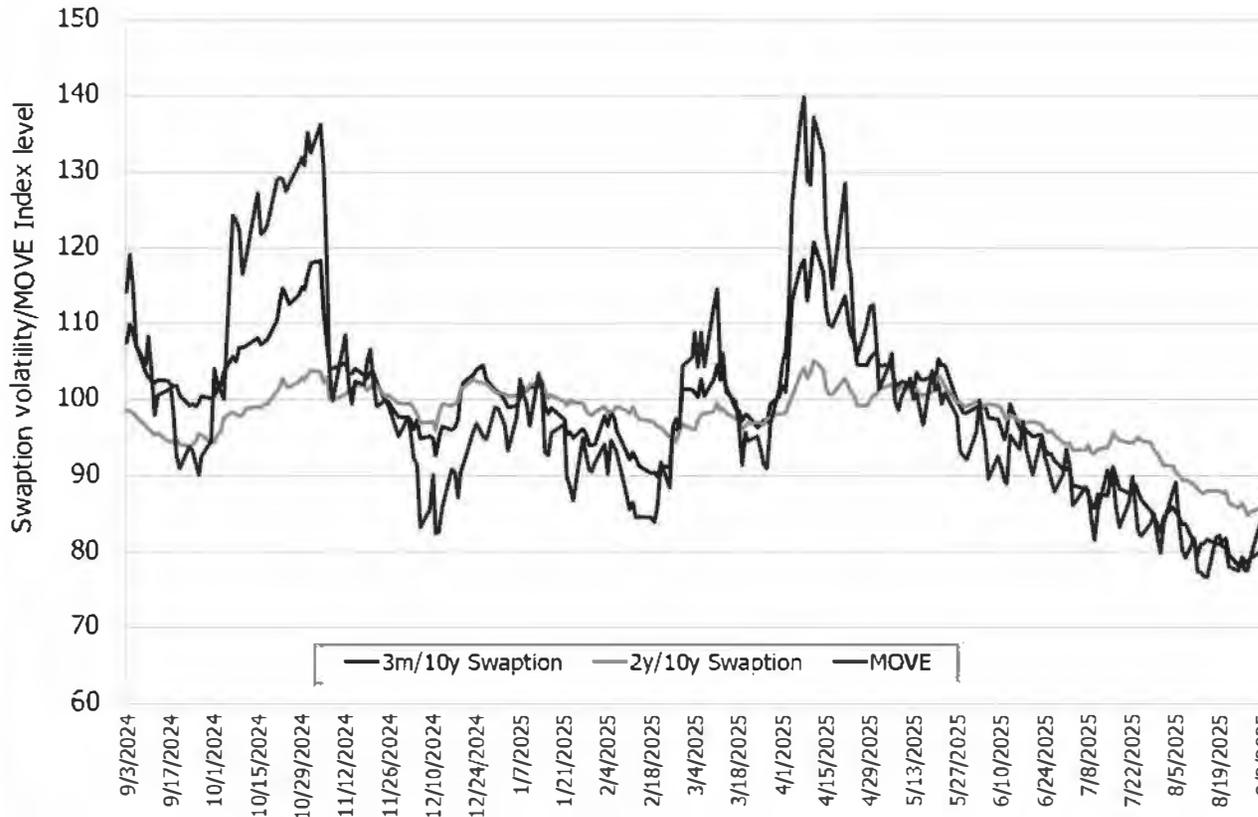


Source: Bloomberg



MARKET RESEARCH

Rate volatility has declined significantly since May, creating a tailwind for the mortgage basis

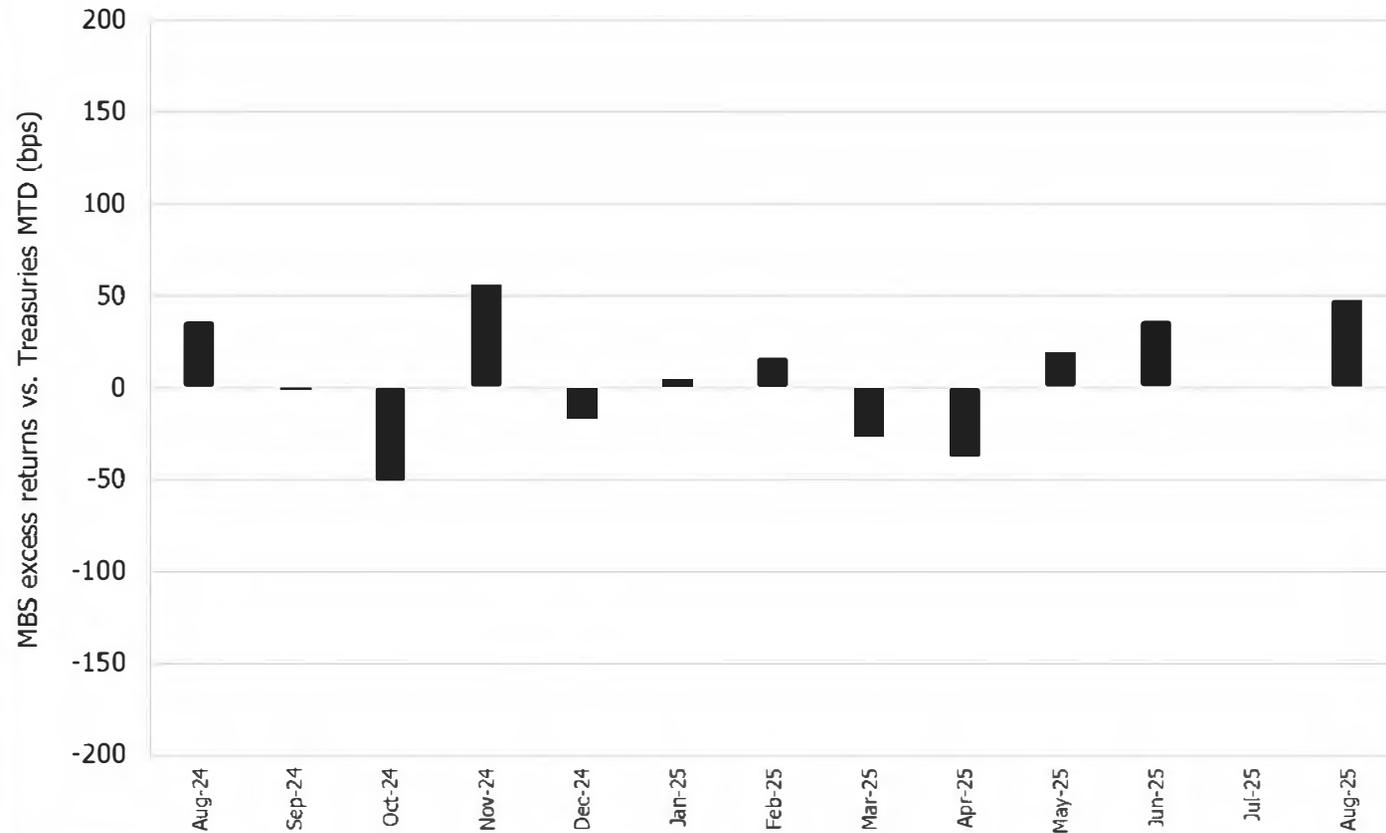


Source: Bloomberg; JP Morgan



MARKET RESEARCH

The Agency MBS Index outperformed Treasuries by 47 basis points in August, the best monthly performance since November 2024

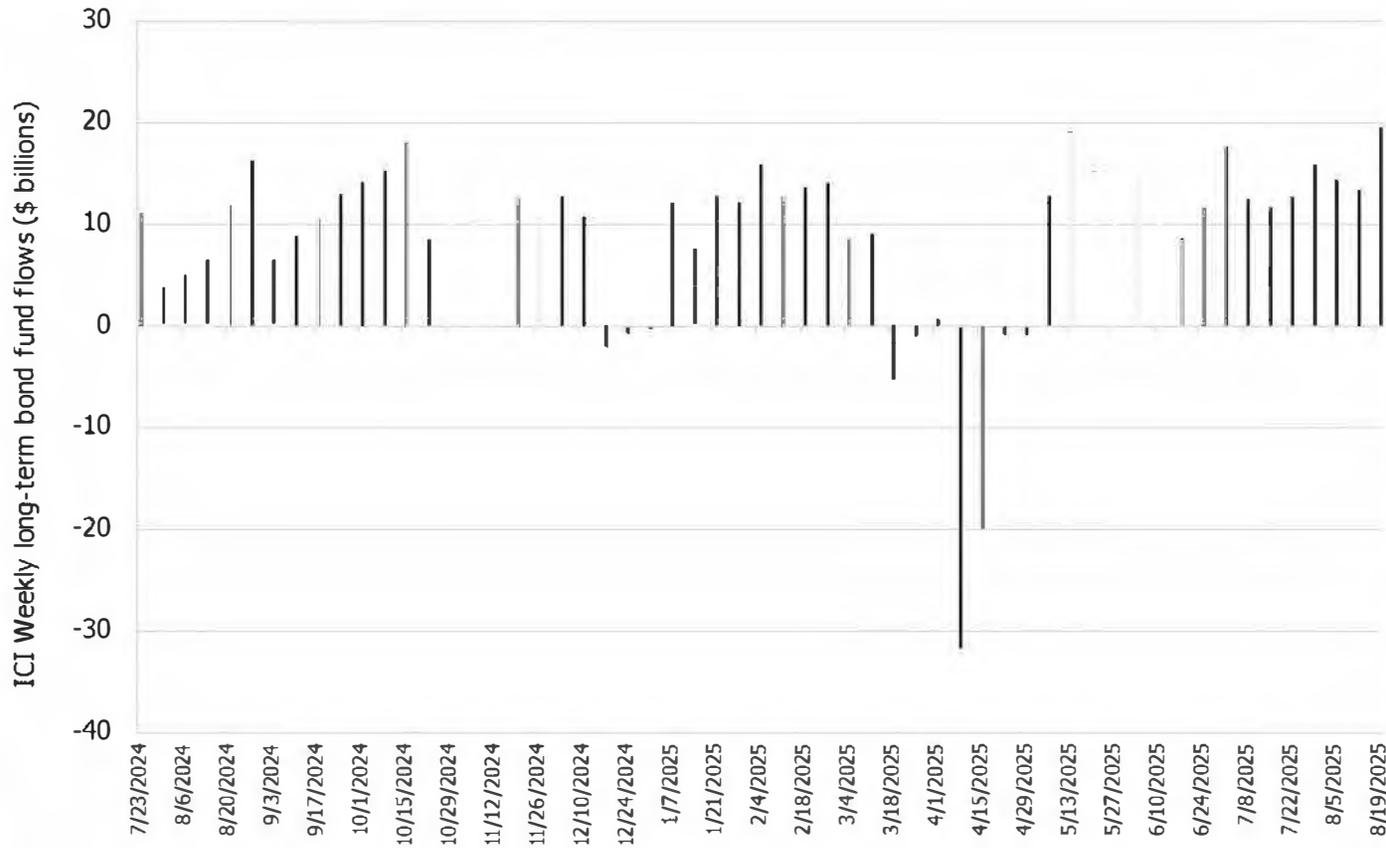


Source: Bloomberg



MARKET RESEARCH

Inflows into bond funds (proxy for Money Manager flows) remained robust through the third week of August

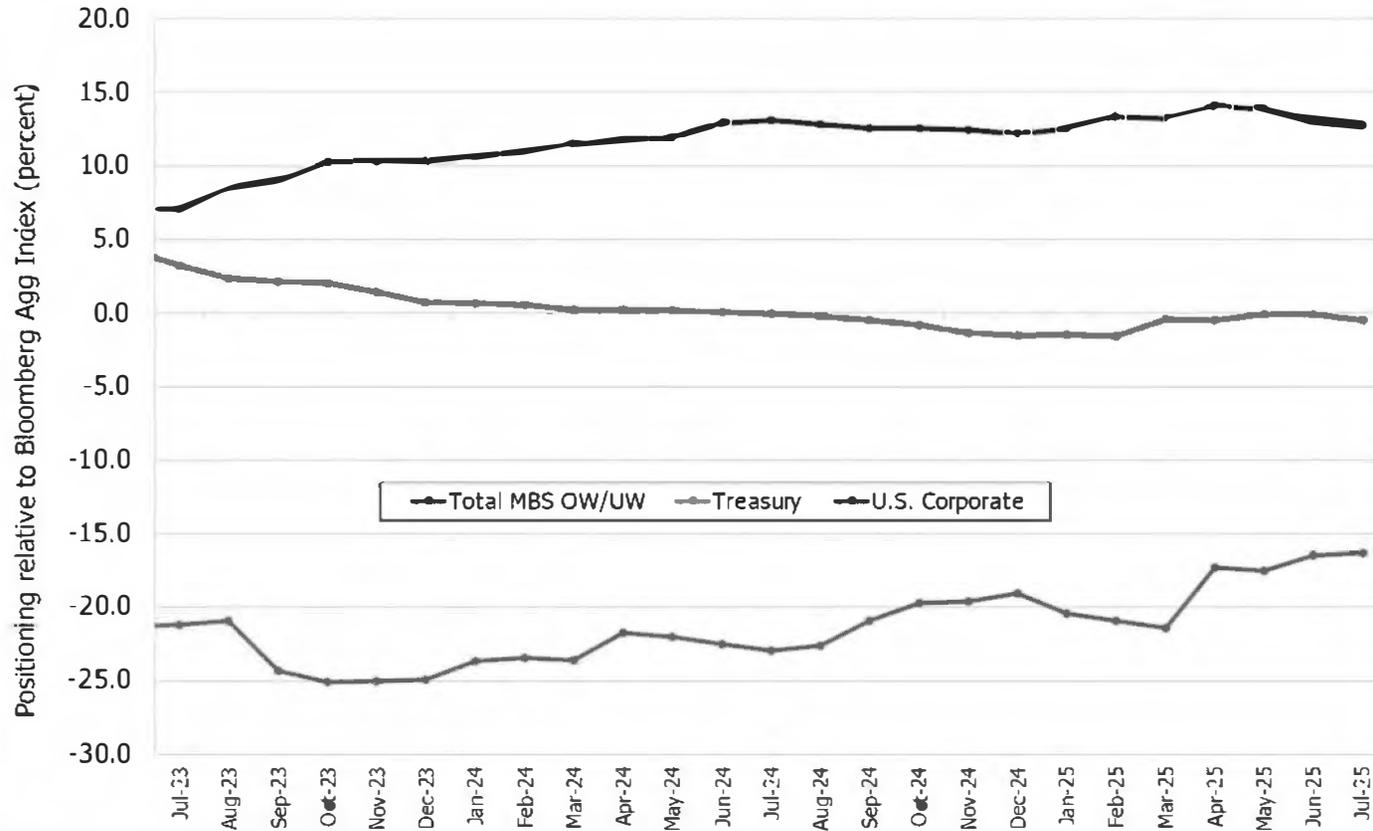


Source: Bloomberg



MARKET RESEARCH

Money Managers reduced overweight positioning of agency MBS by 0.3 percent in July, but remain 12.7 percent overweight relative to the Bloomberg Agg Index



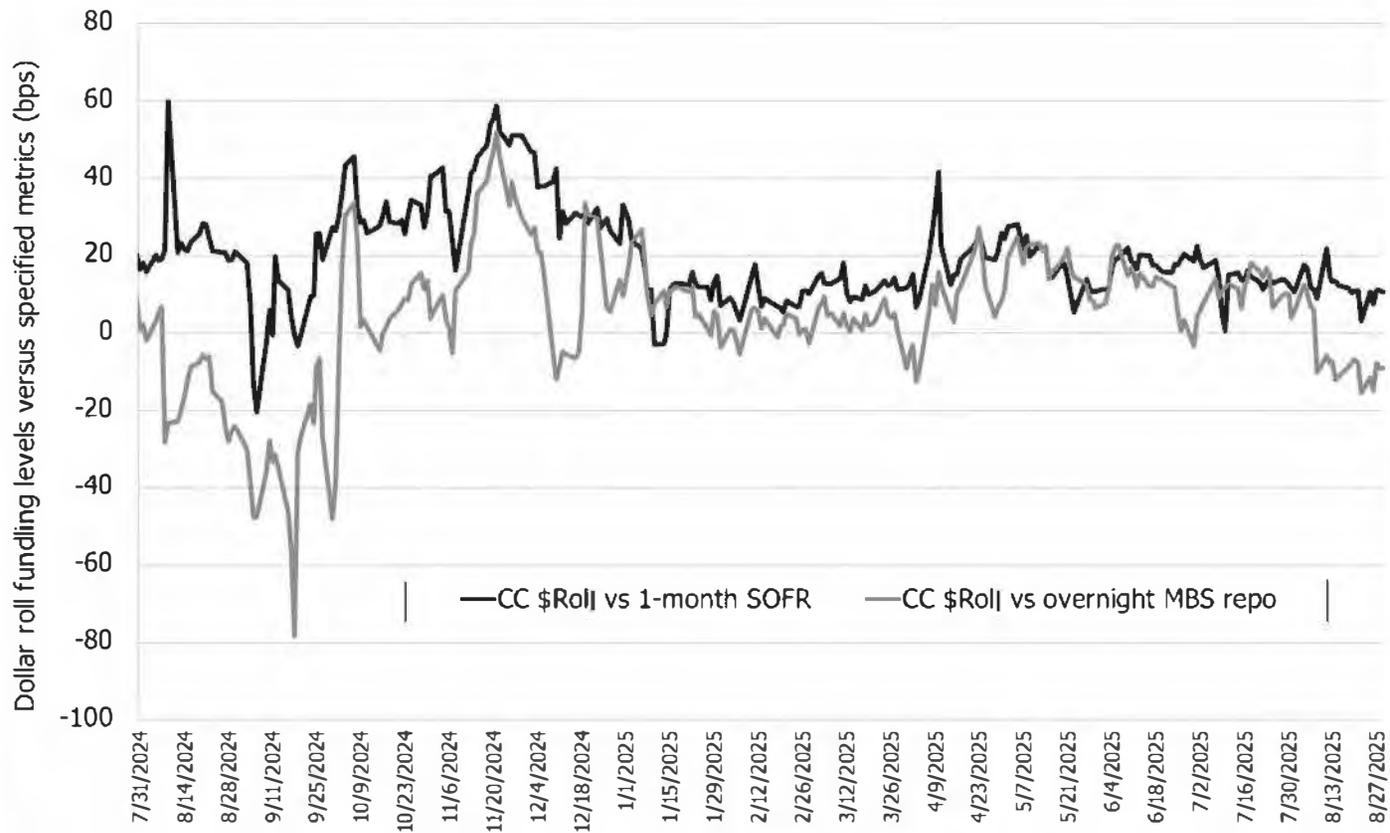
Note: Positioning data is lagged 3 to 4 weeks, hence prior month's numbers

Source: Citi



MARKET RESEARCH

Current coupon dollar rolls closed August trading 10.6 basis points above 1-month SOFR but below overnight MBS repo as a Fed rate cut is priced into September

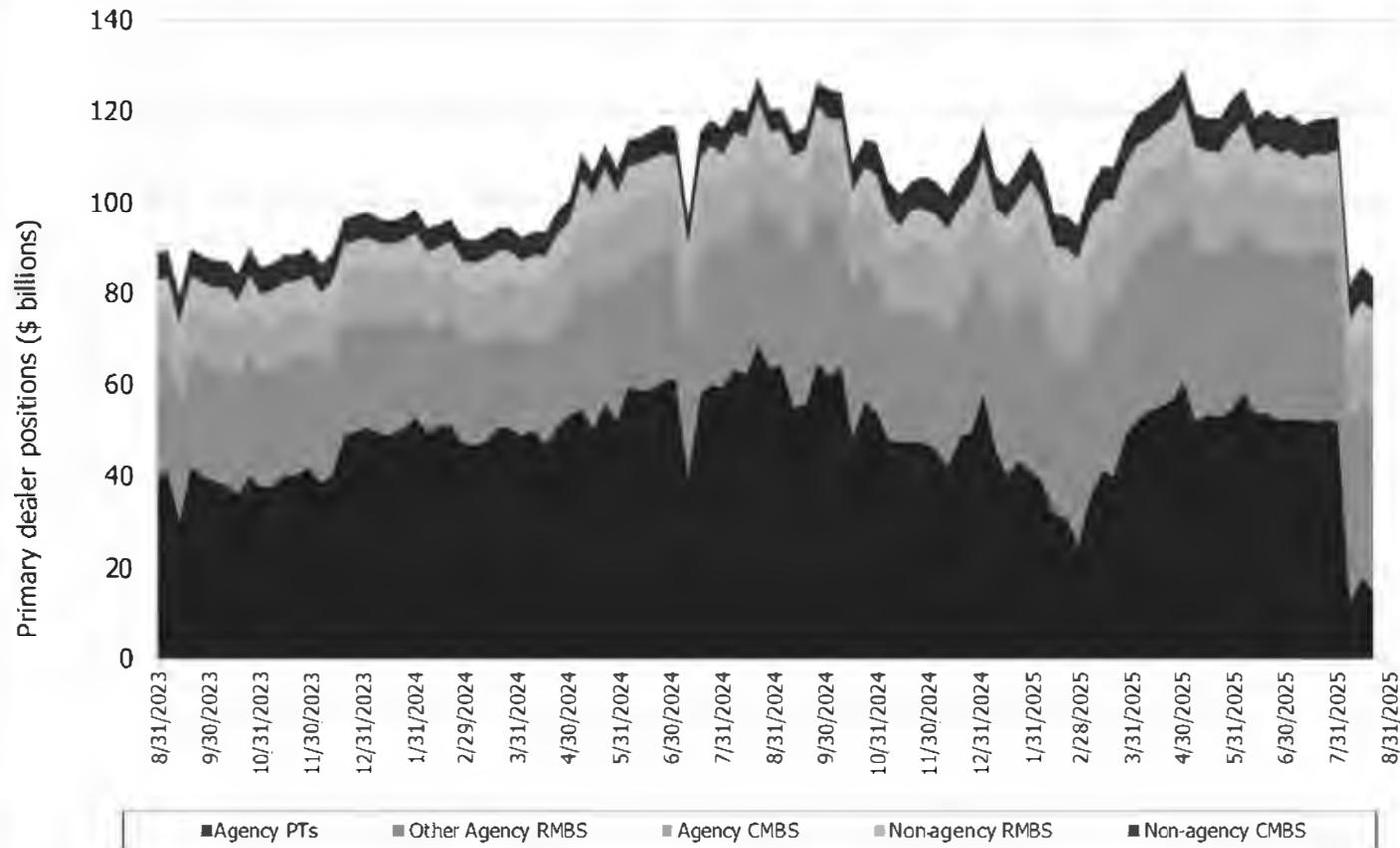


Source: JP Morgan; Morgan Stanley



MARKET RESEARCH

Primary dealer inventory of mortgage securities showed a massive decline in agency securities in early August, potentially reflecting increased investor buying during the month



Source: New York Federal Reserve Bank



UMBS ALIGNMENT SUMMARY

(b)(4)



UMBS COHORT BREACHES

(b)(4)



MAJORS VS MLG (JULY 2025)

(b)(4)



FAST PREPAYER SHARE

(b)(4)



MISSION BOND ACTIVITY

(b)(4)

Source: Fannie Mae



MISSION BOND ACTIVITY

(b)(4)

Source: Freddie Mac



APPENDIX



POOLING DATA BY MONTH

(b)(4)



POOLING DATA BY MONTH

(b)(4)





**Federal Housing Finance
Agency**

**UMBS Governance
Committee**

Committee Charter

**Revised Update:
September 17, 2020**

**Approval History:
Original July 30, 2019**

Approved:

Mark A. Calabria Digitally signed by Mark A. Calabria
Date: 2020.10.16 16:46:20 -04'00'

Dr. Mark A. Calabria, Director

Date

CONTROLLED

Table of Contents

1. Purpose3

2. Membership3

3. Subcommittees4

4. Responsibilities4

5. Principles of Operation4

6. Frequency4

7. Reviews and Reporting4

8. External Input5

9. Meeting Summaries and External Communications5

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1. Purpose

The purpose of the UMBS Governance Committee (UGC) is to provide independent FHFA review and monitoring of To-Be-Announced (TBA)-eligible securities' issuances, prepayments, and liquidity; identify any unusual or anomalous patterns; follow-up as appropriate with Fannie Mae and Freddie Mac (the Enterprises); and communicate regularly with external stakeholders on the UGC's activities. The UGC will be a sub-committee of the Conservatorship Committee.

Maintaining a highly-liquid secondary mortgage market is a fundamental requirement for the success of the Single Security initiative, and is a principal purpose of that initiative. Ensuring that the Enterprises' issued Single Securities' prices do not diverge from each other is critically important to maintaining and improving liquidity, and this is dependent on similar cash flow performance of the Enterprises' TBA securities.

FHFA's goal for the UGC is to monitor issuance and prepayment performance of each Enterprise's TBA-eligible securities and take appropriate steps to address price differences and facilitate the ultimate success of the Single Security initiative.

The UGC will monitor the characteristics of the TBA-eligible securities being issued by each Enterprise, including loan attributes and seller/servicer mix, as well as new programs, policies, and practices that loans will be originated into or that will be used to create and manage mortgage-backed securities. The UGC will also monitor the prepayment experience of similar bond cohorts for divergence in prepayment speeds between the Enterprises' Uniform Mortgage-Backed Securities (UMBS). The UGC will research the cause of any significant divergence, by reviewing differences in the underlying loan attributes, seller/servicers mix, programs, policies, and practices, or other drivers of differences. The UGC will also review and assess any effect of recent policy changes on prepayments.

2. Membership

The UGC will be comprised of members from the Division of Resolutions, the Division of Housing, Mission, and Goals, and the Office of General Counsel.

The participants include:

- Division of Resolutions (DOR)
 - Deputy Director, DOR
 - Associate Director, Office of Strategic Initiatives (OSI) (Chair)
 - Principal Strategic Analyst, OSI
- Division of Housing, Missions, and Goals (DHMG)
 - Deputy Director, Division of Housing, Mission and Goals or designee
 - Senior Associate Director, Office of Housing and Regulatory Policy (●HRP)
 - Principal Associate Director, Office of Capital Policy
 - Principal Economist (Financial Models)
 - Supervisory Policy Analyst, OHRP
- Office of General Counsel (OGC) designee

CONTROLLED by FHFA

3. Subcommittees

At its discretion, the UGC may establish subcommittees or working groups to accomplish the purpose of the UGC. Each subcommittee or working group shall have: 1) a designated chair, 2) a participant list, and 3) a written charter or statement of purpose. Subcommittees or working groups shall provide regular reports to the UGC. Dissolution of the subcommittees or working groups shall occur by decision of the UGC.

4. Responsibilities

Members of the UGC shall convene to review new issuance and prepayment performance of the current Fannie Mae TBA MBS, Freddie Mac TBA Gold PC and, once issued, UMBS TBA securities. The UGC will make a determination as to when a review is required based on the extent of non-alignment between the composition and performance of the securities of the Enterprises. The UGC will establish indicators for the analysis of the cash flow performance, such as difference in Constant Prepayment Rate (CPR) between the Enterprises' MBS, as triggers for a further review for any divergence in cash flow alignment. The UGC may recommend issuance of supervisory guidance under the UMBS rule, 12 CFR part 1248, or Conservatorship Directives, or amendments to the UMBS rule.

5. Principles of Operation

A meeting agenda will be developed by the Senior Associate Director, OSI and made available to all members at least two days prior to the scheduled meeting. Agenda items may be raised by any member of the UGC. Agenda items should, in general, be provided to the Senior Associate Director, OSI, two days prior to the scheduled meeting. OSI will be responsible for maintaining formal minutes of the meetings and generating reports for the UGC members' review. Meeting minutes will be circulated to the members via email for comments and approval at future meetings.

6. Frequency

The UGC shall meet at least monthly unless the Chair determines that a meeting is not needed.

7. Reviews and Reporting

OSI will create and distribute a standard set of reports to be used by the UGC members for each monthly meeting. OSI will also develop *ad hoc* reports, as necessary.

The standard set of reports shall include a written summary that evaluates trends and anomalies of the previous month's results.

The standard set of reports shall include pertinent information on TBA-eligible loans and securities, such as:

- Volume and pool attributes of issuance
- Cohort (issuance year and coupon) CPR comparisons between the Enterprises
- Specific prepayment performance by cohort for larger seller/servicers
- Enterprise CPR by decile per TBA coupon
- Additional *ad hoc* reports

CONTROLLED

8. External Input

FHFA may bring in representatives or subject matter experts from either or both of the Enterprises or any third party as needed. If tri-party meetings are held between FHFA, Fannie Mae, and Freddie Mac, OGC staff will be consulted in advance and will attend such meetings.

9. Meeting Summaries and External Communications

Meeting summaries will be generated to document the UGC's activities. The summary will be distributed to the participants of the meeting.

In addition, a second meeting summary may be prepared for each meeting, to be used for external distribution to the Enterprises and to the public (including, e.g., outside parties such as the Single Security and Common Securitization Platform Industry Advisory Group). This summary will only contain information that may be released to the public. Provision of this summary to the Enterprises will only be undertaken after receipt of OGC concurrence. Publication of this summary to the public will follow FHFA's protocols for the release of public information.

DIVISION OF CONSERVATORSHIP OVERSIGHT AND READINESS

UMBS GOVERNANCE COMMITTEE



UMBS GOVERNANCE COMMITTEE

DECEMBER DATA

January 21st, 2025

AGENDA

Market Update

UMBS Cohort Breaches

UMBS Prepayment Alignment

Composition Data

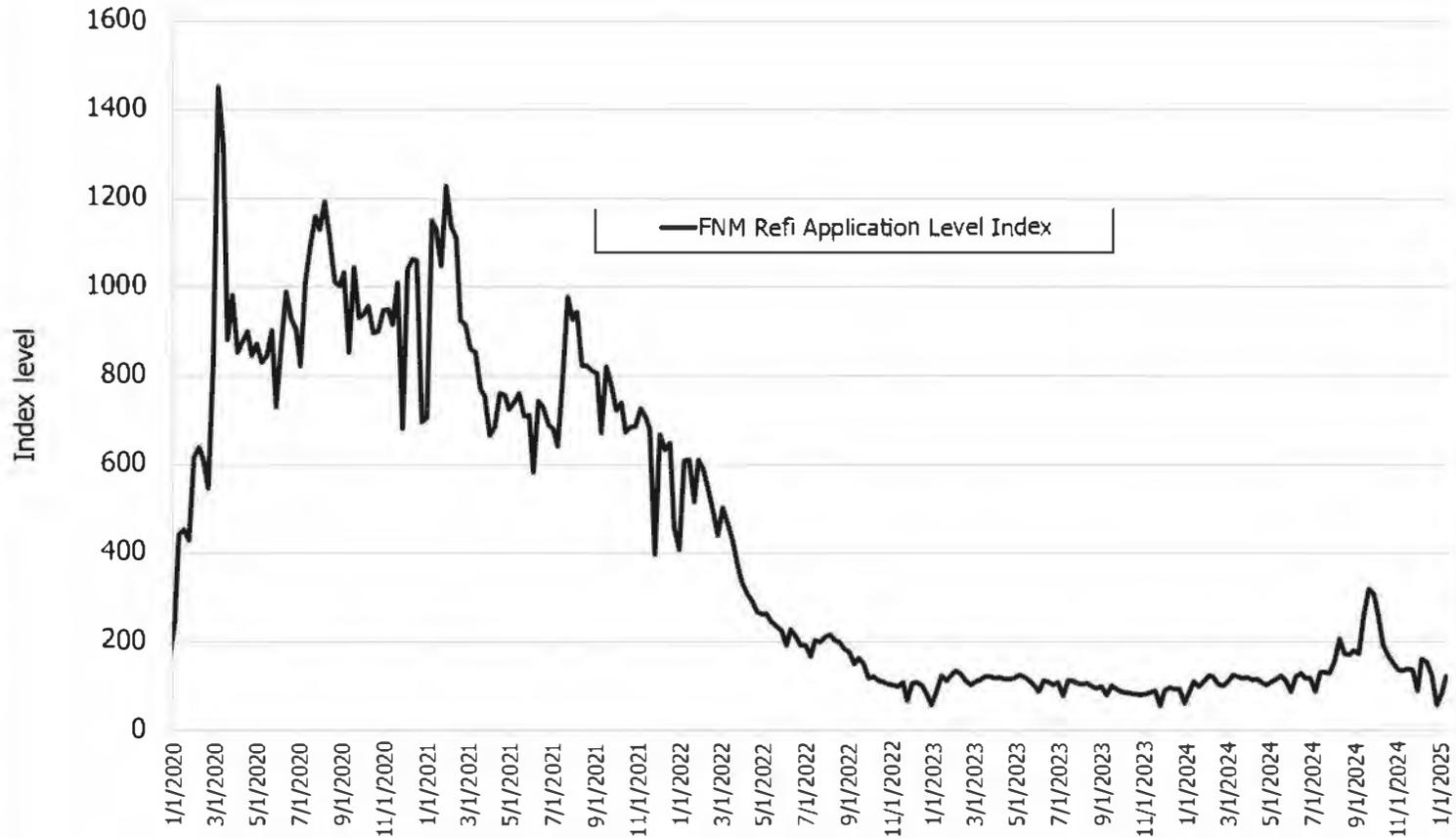
Pooling Data

ESG Transactions



MARKET RESEARCH

After hitting a brief local high in October, Fannie Mae's weekly refi index is once again at the low levels seen for much of the past 3 years



Source: Fannie Mae



MARKET RESEARCH

The MBA Monthly Purchase Index fell in December after briefly nearing 2-year highs in November

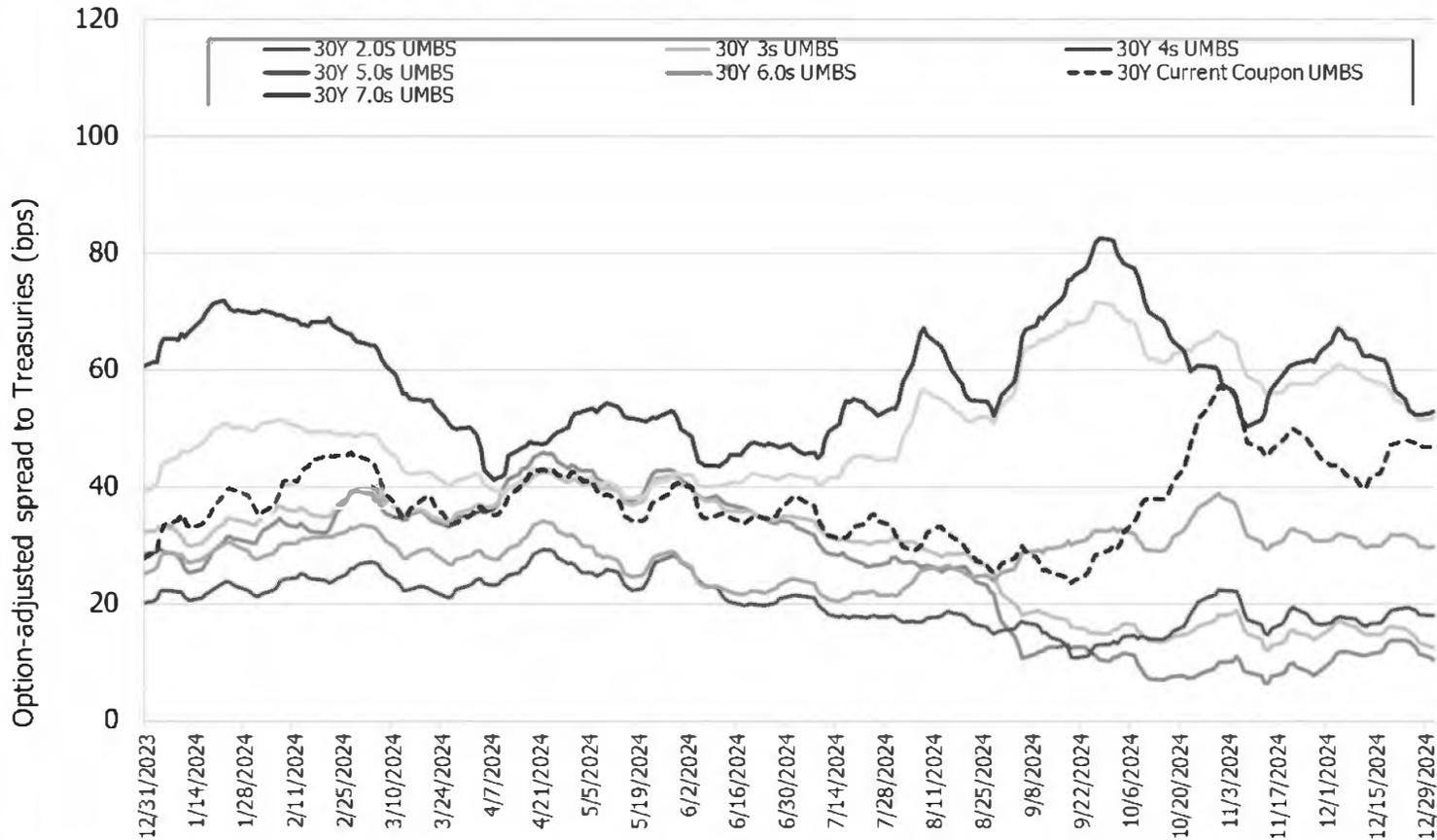


Source: Mortgage Bankers Association



MARKET RESEARCH

UMBS current coupon OAS closed the year negative, widening 5.2 basis points in December

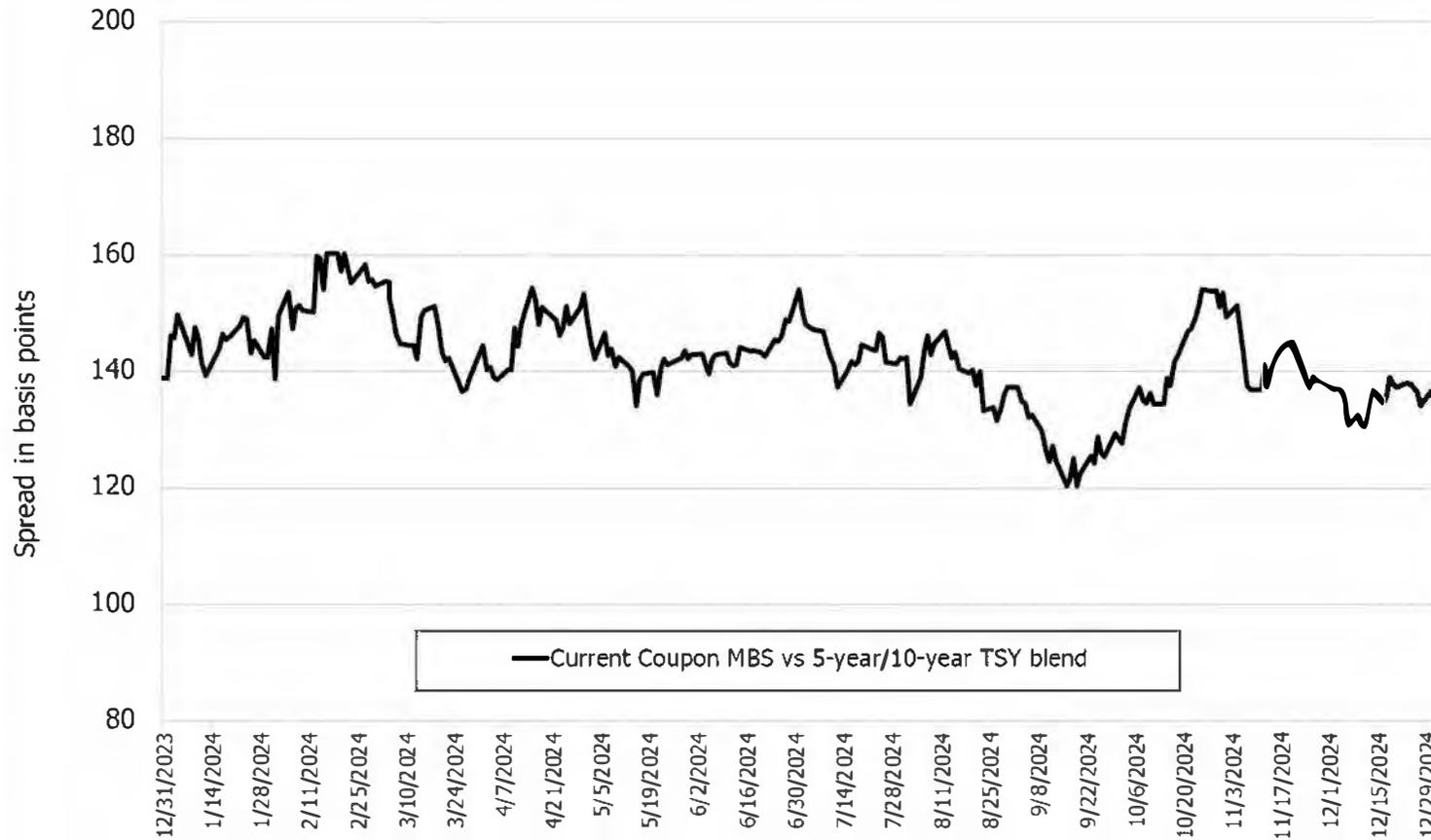


*Note: Yieldbook changed their model TBA deliverable assumptions on August 29th. This richened OAS significantly on lower coupons while widening OAS on high coupons.
 Source: Cit/Velocity; Yieldbook; 5-day moving averages used



MARKET RESEARCH

The CC UMBS versus 5-year/10-year Treasury blend spread improved 2.6 basis points in December and is 3.6 bps tighter year-over-year

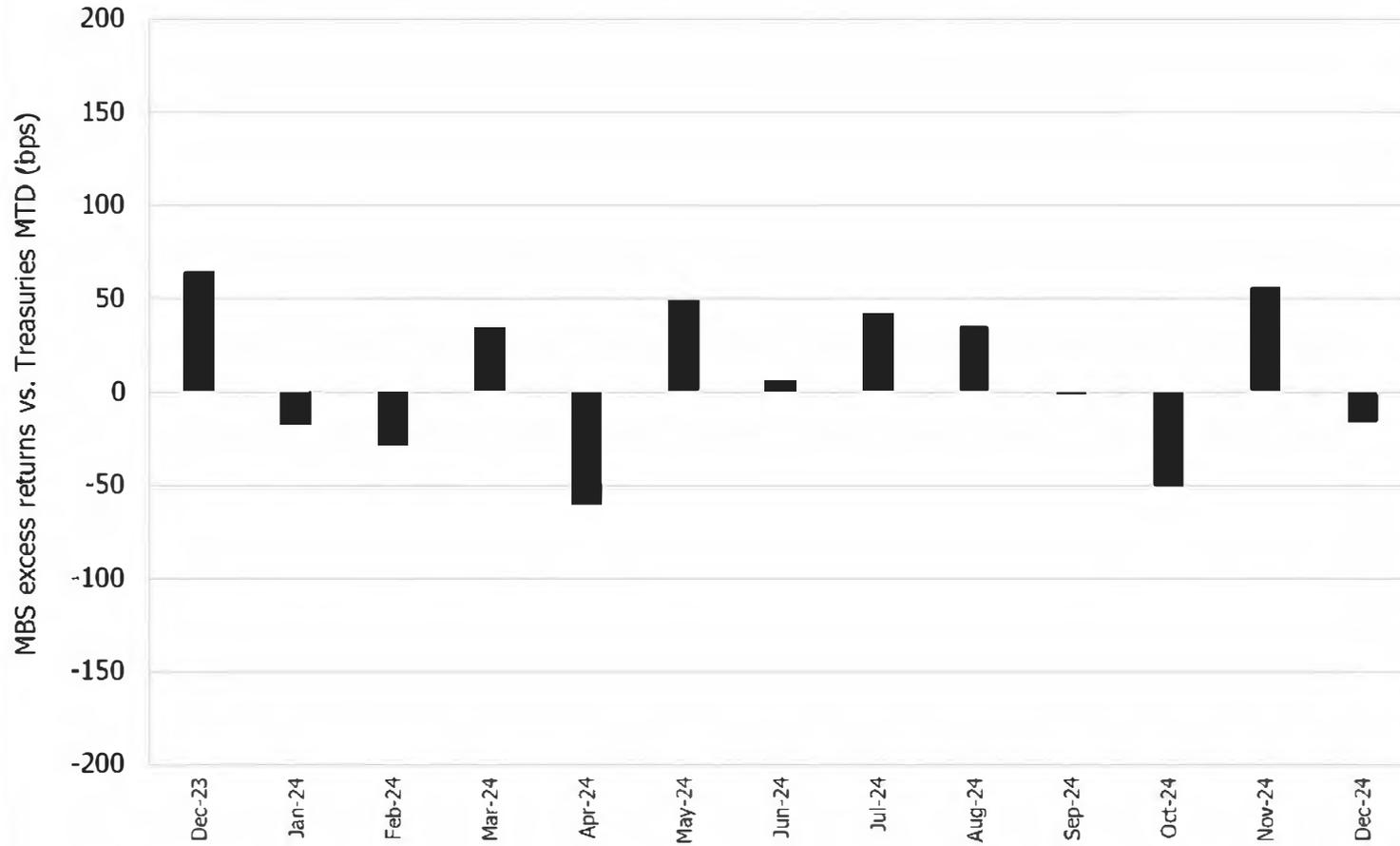


Source: Bloomberg



MARKET RESEARCH

The Agency MBS Index underperformed Treasuries by 17 basis points in December but outperformed Treasuries by 37 basis points for the year

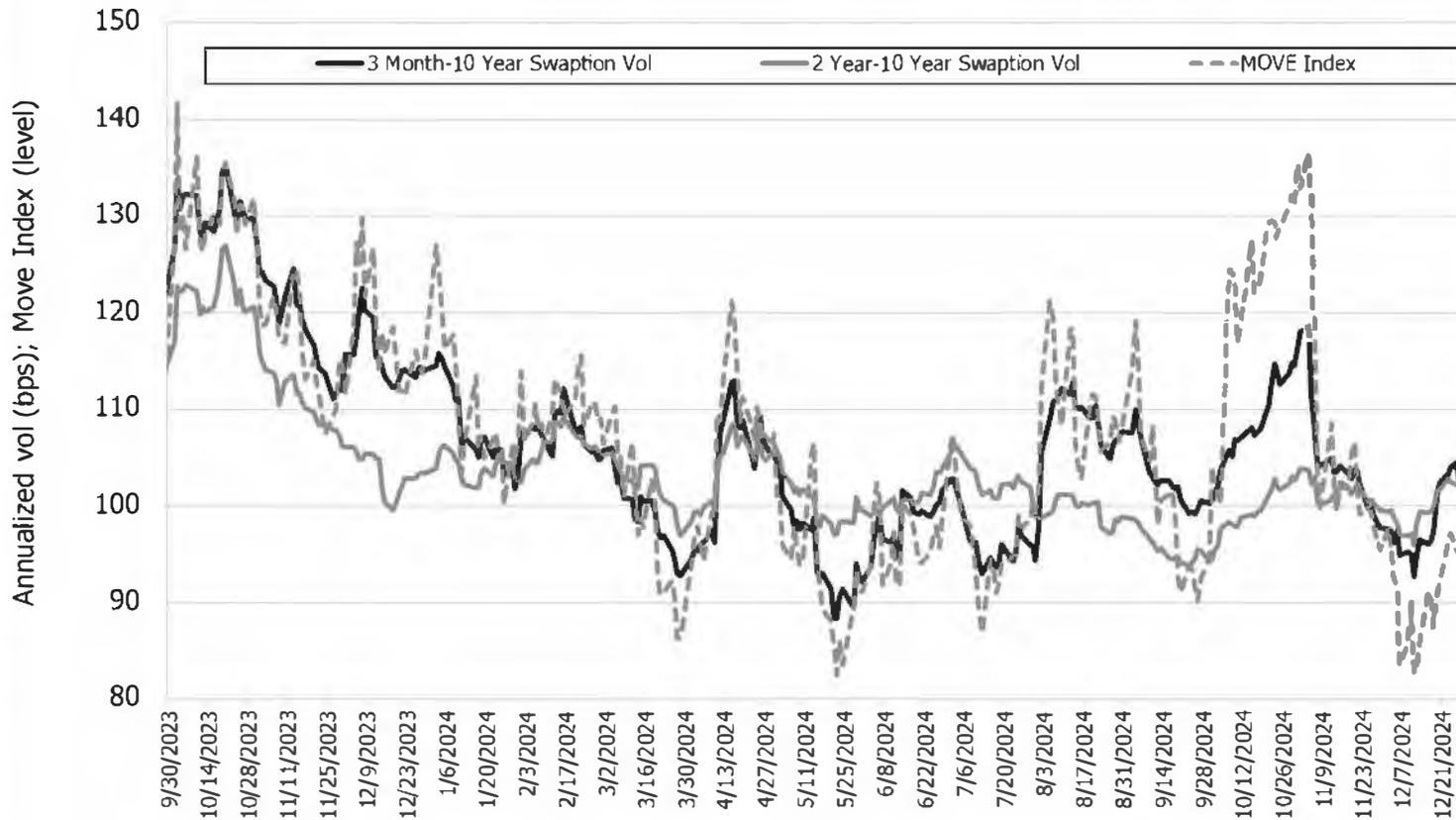


Source: Bloomberg



MARKET RESEARCH

Volatility has moved higher in December as long rates have seen progressively higher yields

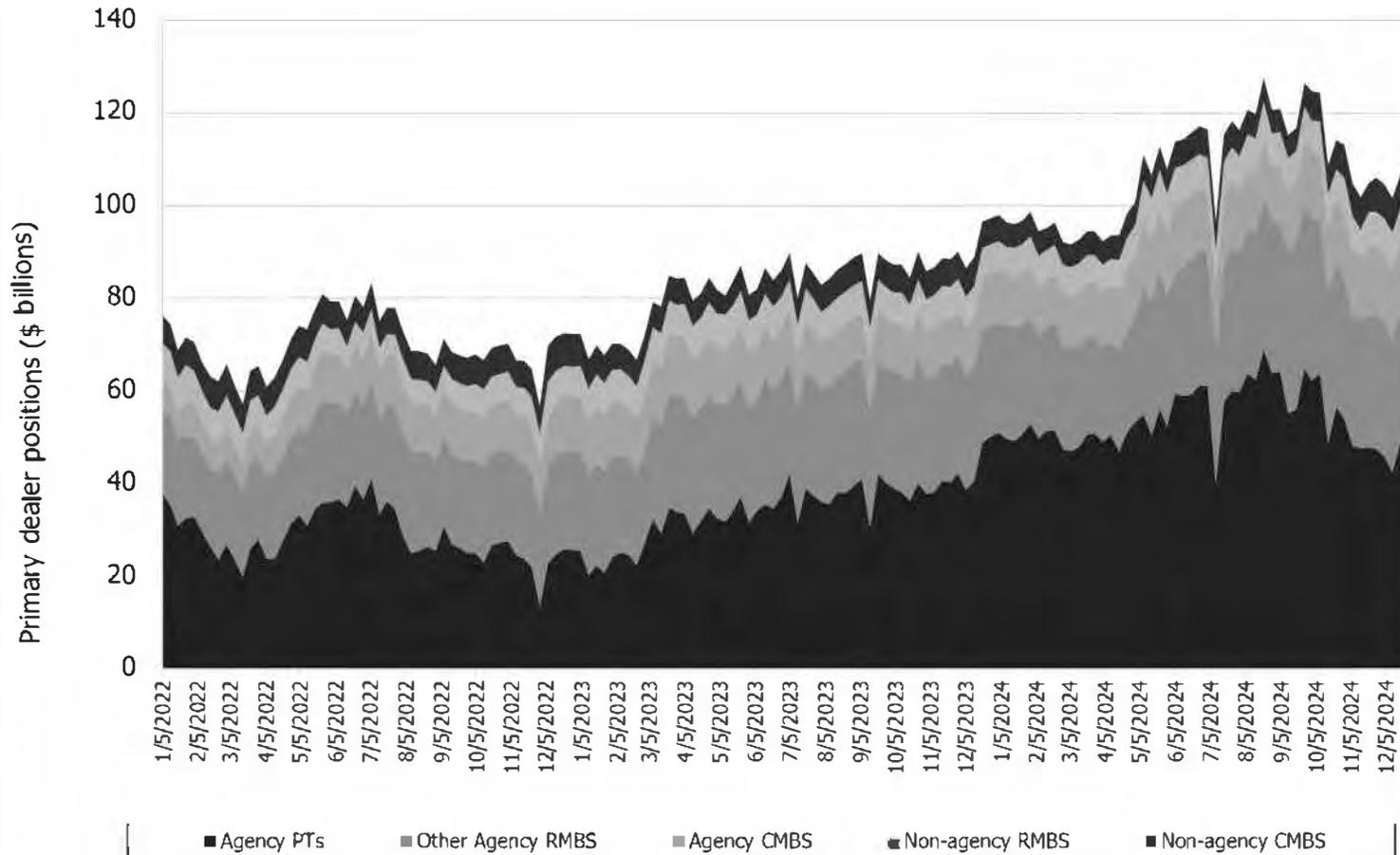


Source: Bloomberg, JP Morgan



MARKET RESEARCH

Primary dealer inventory of mortgage securities rose \$12.6 billion for the year, but was well off the levels seen in August

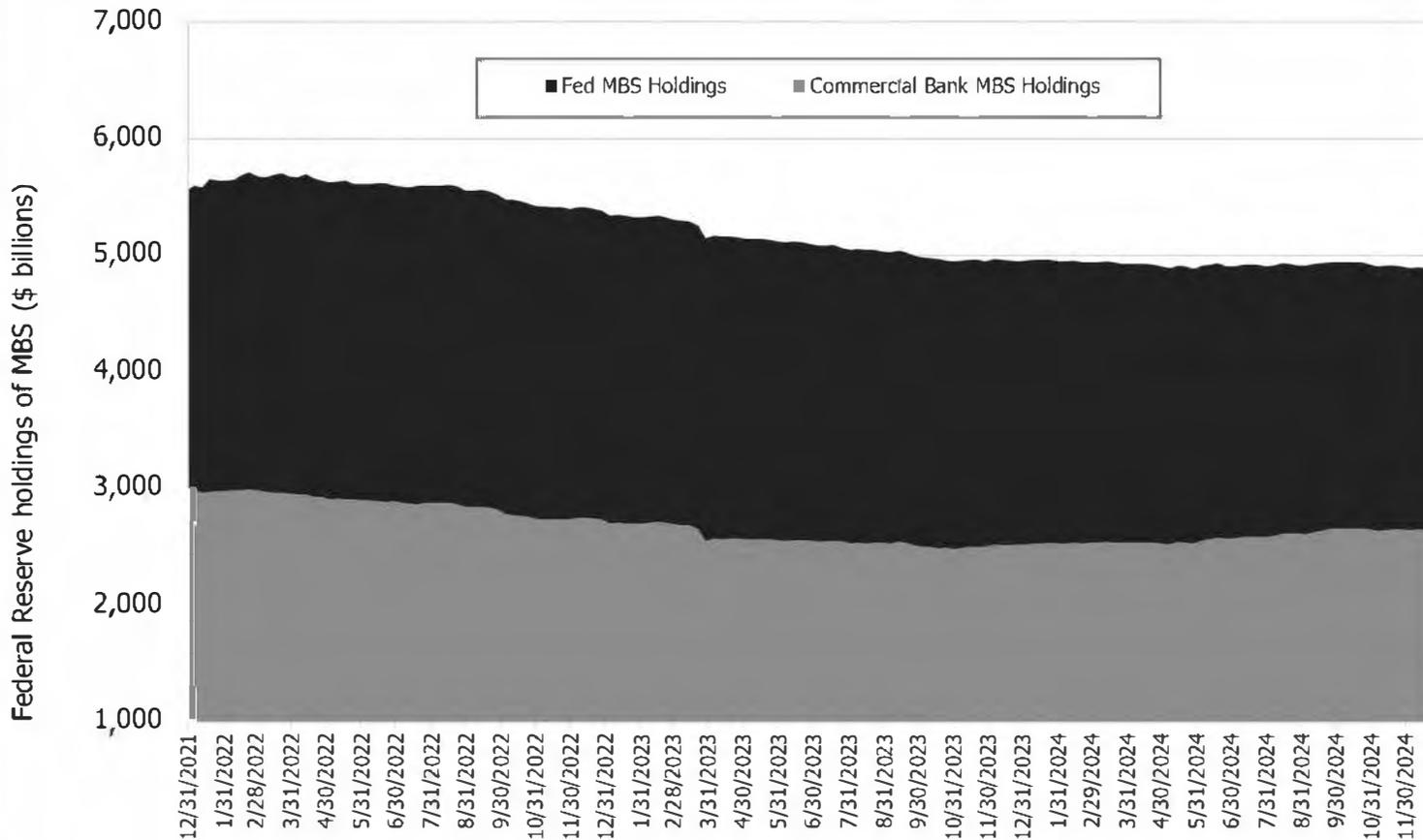


Source: New York Federal Reserve Bank



MARKET RESEARCH

Federal Reserve holdings of agency MBS fell \$186.0 billion in 2024 while Commercial Bank holdings increased \$122.4 billion



Note: Data is as-of 11/27/2024 for Fed holdings and 11/20/2024 for Commercial Bank Holdings
Source: Bloomberg; FRED



EXECUTIVE SUMMARY

(b)(4)



UMBS COHORT BREACHES

(b)(4)



MAJORS VS MLG (DECEMBER 2024)

(b)(4)



MAJORS VS MLG (DECEMBER 2023)

(b)(4)



UMBS Prepayment Alignment

(b)(4)



FAST PREPAYER SHARE

(b)(4)



FAST PREPAYER SHARE

(b)(4)



POOLING DATA BY MONTH

(b)(4)



POOLING DATA BY MONTH

(b)(4)



ESG TRANSACTIONS

(b)(4)

ESG TRANSACTIONS

(b)(4)

