

Budgetary Impact of Major Federal Programs that Guarantee Mortgages—CBO's March 2016 Baseline
(Millions of Dollars, by fiscal year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Estimated Value of Mortgage Originations	1,411,099	1,515,387	1,729,784	2,022,925	2,322,503	2,573,855	2,787,229	2,986,181	3,168,101	3,335,018	3,489,110
Fannie Mae and Freddie Mac											
Annual Loan Volume	818,206	817,469	864,009	948,752	995,612	1,000,385	1,166,428	1,249,740	1,326,320	1,397,346	1,463,386
Annual Subsidy Costs ^a	n.a.	2,500	1,900	1,200	800	400	900	900	1,000	1,200	1,500
Cash Receipts ^b	-18,600	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Share of Estimated Originations	58%	54%	50%	47%	43%	39%	42%	42%	42%	42%	42%
Subsidy Rate	n.a.	0.3%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Federal Housing Administration's (FHA's) Mutual Mortgage Insurance (MMI) Program^c											
Annual Loan Volume	195,000	185,000	195,000	215,000	235,000	244,700	249,300	251,300	253,100	255,000	256,000
Annual Subsidy Receipts	-7,118	-7,437	-6,663	-6,245	-5,802	-4,894	-4,986	-5,026	-5,062	-5,100	-5,120
Share of Estimated Originations	14%	12%	11%	11%	10%	10%	9%	8%	8%	8%	7%
Subsidy Rate	-3.7%	-4.0%	-3.4%	-2.9%	-2.5%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Veterans Affairs (VA) Home Loan Program^d											
Annual Loan Volume	143,733	134,121	124,252	114,070	103,412	92,373	88,013	90,834	93,666	96,577	99,634
Annual Subsidy Costs	285	730	726	706	683	618	599	639	677	1,220	1,268
Share of Estimated Originations	10%	9%	7%	6%	4%	4%	3%	3%	3%	3%	3%
Subsidy Rate	0.2%	0.5%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	1.3%	1.3%
Government National Mortgage Association (GNMA) Mortgage-Backed Securities Program^e											
Annual Subsidy Receipts	-924	-1,102	-900	-916	-878	-922	-941	-952	-963	-974	-985

Note: n.a.= not applicable.

- a. For 2017 through 2026, the baseline includes the projected subsidy costs of new mortgage loans and guarantees made by Fannie Mae and Freddie Mac in each year estimated on a fair-value basis. For more information about CBO's budgetary treatment of Fannie Mae and Freddie Mac, see Congressional Budget Office, *CBO's Budgetary Treatment of Fannie Mae and Freddie Mac* (January 2010), www.cbo.gov/publication/41887.
- b. For fiscal year 2016, 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 the Federal Credit Reform Act (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 VA; costs associated with this program are recorded in the budget as mandatory expenditures; subsidy rate for the VA program is calculated using the methodology specified 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 the methodology specified under FCRA; the subsidy rate for this program is estimated to be -0.28 percent annually over the 2016-2026 period.