

Estimated Budgetary Effects of Major Federal Programs that Guarantee Mortgages—CBO's January 2017 Baseline
(Millions of Dollars, by fiscal year)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Value of Mortgage Originations	1,785,092	1,870,427	2,100,760	2,158,113	2,175,575	2,317,553	2,570,564	2,786,826	2,949,254	3,080,920	3,194,114
Fannie Mae and Freddie Mac											
Annual Loan Volume	946,099	935,214	987,357	927,989	848,474	973,372	1,079,637	1,170,467	1,238,687	1,293,986	1,341,528
Annual Subsidy Costs ^a	n.a.	1,700	1,000	800	100	1,800	1,900	2,100	2,200	2,300	2,300
Cash Receipts ^b	-14,800	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Share of Originations	53.0%	50.0%	47.0%	43.0%	39.0%	42.0%	42.0%	42.0%	42.0%	42.0%	42.0%
Subsidy Rate	n.a.	0.2%	0.1%	0.1%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Federal Housing Administration's (FHA's) Mutual Mortgage Insurance (MMI) Program^c											
Annual Loan Volume	200,000	195,000	215,000	217,000	218,000	225,000	235,000	240,000	245,000	250,000	255,000
Annual Subsidy Receipts	-8,040	-8,288	-7,767	-6,663	-5,690	-4,992	-4,700	-4,800	-4,900	-5,000	-5,100
Share of Originations	11.2%	10.4%	10.2%	10.1%	10.0%	9.7%	9.1%	8.6%	8.3%	8.1%	8.0%
Subsidy Rate	-4.0%	-4.3%	-3.6%	-3.1%	-2.6%	-2.2%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Veterans Affairs (VA) Home Loan Program^d											
Annual Loan Volume	159,806	149,855	139,543	129,088	118,414	107,127	94,904	81,628	84,043	86,515	88,991
Annual Subsidy Costs	1,464	1,462	1,402	1,308	1,164	1,037	913	777	1,147	1,194	1,241
Share of Originations	9.0%	8.0%	6.6%	6.0%	5.4%	4.6%	3.7%	2.9%	2.8%	2.8%	2.8%
Subsidy Rate	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.4%	1.4%	1.4%
Government National Mortgage Association (GNMA) Mortgage-Backed Securities Program^e											
Annual Subsidy Receipts	-1,175	-950	-916	-878	-922	-941	-952	-963	-974	-985	-995

Note: n.a.= not applicable.

- For 2018 through 2027, 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.
- For fiscal year 2017, the baseline includes an estimate of mandatory cash payments from Fannie Mae and Freddie Mac to the Treasury.
- 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 in the Federal Credit Reform Act (FCRA).
- 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 in the FCRA.
- GNMA securitizes about 97 percent of FHA's MMI loan guarantees and 98 percent of VA's loan guarantees, resulting in additional offsetting collections; the subsidy rate for GNMA is calculated using the methodology specified in FCRA; the subsidy rate for this program is estimated to be -0.29 percent annually over the 2017-2027 period.