GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
2007 Summary and Initiatives
(Dollars in Thousands)

GUARANTEES OF MORTGAGE-BACKED SECURITIES	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2005 Appropriation	$10,695	...	-$86	$10,609	$10,609	$10,609
2006 Appropriation/Request	10,700	...	-107	10,593	10,593	10,593
2007 Request	54,000	...	...	54,000	54,000	54,000
Program Improvements/Offsets	+43,300	...	+107	+43,407	+43,407	+43,407

Summary Statement

Loan Guarantee limitation. The Government National Mortgage Association (Ginnie Mae) Budget proposes $100 billion in limitation on new commitments of single-class mortgage-backed securities (MBS) for fiscal year 2007. This request is based on Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) estimates of mortgage insurance and guarantee activity. In fiscal year 2007, Ginnie Mae is estimating $86 billion in guarantees of mortgage-backed securities, and $65.9 billion is estimated for guarantees of Multiclass securities. Since all the Ginnie Mae guaranteed Multiclass securities are based on and backed by mortgage-backed securities issued pursuant to commitment authority, separate commitment authority will not be required for Multiclass securities.

Appropriation. Ginnie Mae is requesting a total of $10.6 million for administrative expenses necessary to carry out the Mortgage-Backed Securities Program.

Initiatives

In fiscal year 2007, the Budget proposes discretionary appropriation of all of Ginnie Mae's administrative expenses and eliminating Ginnie Mae's mandatory spending authority. The Budget also proposes to charge Ginnie Mae issuers an upfront fee to offset the administrative expenses of the program. For 2007, the upfront fee assessed on new guarantees of mortgage-backed securities would be slightly over 6 basis points (6 cents for every $100 of mortgages).

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Summary of Resources by Program
(Dollars in Thousands)

Budget Activity	2005 Budget Authority	2004 Carryover Into 2005	2005 Total Resources	2005 Obligations	2006 Budget Authority/ Request	2005 Carryover Into 2006	2006 Total Resources	2007 Request
Administrative Expenses	$10,609	...	$10,609	$10,609	$10,593	...	$10,593	$54,000
Total	10,609	...	10,609	10,609	10,593	...	10,593	54,000

2005 Budget Authority. Reflects appropriation net of .80 percent governmentwide rescission.

2006 Budget Authority. Reflects appropriation net of 1 percent governmentwide rescission.

Loan Guarantee Limitation...........	$200,000,000	$90,985,783	$290,985,783	$112,519,017	$200,000,000	$178,466,766	$378,466,766	$100,000,000

FTE	2005 Actual	2006 Estimate	2007 Estimate
Headquarters	67	69	68
Field	...	...	...
Total	67	69	68

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Program Offsets
(Dollars in Thousands)

Administrative Expenses	Amount
2005 Appropriation	$10,609
2006 Appropriation/Request	10,593
2007 Request	54,000
Program Improvements/Offsets	+43,407

Proposed Actions

The Department proposes $10.6 million for administrative expenses to be transferred to the Departmental Salaries and Expenses account to cover the cost to carry out the Guaranteed Mortgage-Backed Securities program in fiscal year 2007.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
2006 Summary Commitment Authority
(Dollars in Thousands)

Loan Limitation

MORTGAGE-BACKED SECURITIES	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2005 Appropriation	$200,000,000	$90,985,783	...	$290,985,783	$112,519,017	...
2006 Appropriation	200,000,000	178,466,766	...	378,466,766	378,466,766	...
2007 Request......................	100,000,000	200,000,000	...	300,000,000	300,000,000	...

Proposed Action

Ginnie Mae is responsible for the administration of activities associated with the Mortgage-Backed Securities (MBS) and the Multiclass Securities Programs. A brief description of Ginnie Mae's programs is provided below.

In fiscal year 2007, the Ginnie Mae Budget is requesting a limitation on new commitments for single-class mortgage-backed securities (MBS) of $100 billion. In addition, an appropriation of $10.6 million to be derived from the Ginnie Mae guarantees of mortgage-backed securities guaranteed loan receipt account, is proposed to fund salaries and expenses in fiscal year 2007. Also, in fiscal year 2007, it is estimated that $65.9 billion of Multiclass securities will be guaranteed. Since all Ginnie Mae guaranteed Multiclass securities are based on and backed by mortgage-backed securities issued pursuant to commitment authority, separate commitment authority will not be required for the Multiclass securities.

Mortgage-Backed Securities Program. Section 306(g) of the National Housing Act authorizes Ginnie Mae to guarantee the timely payment of principal and interest on securities, which are issued by approved entities and are backed by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), or Rural Housing Service (RHS) mortgages.

Ginnie Mae currently guarantees modified "pass-through" type securities. Modified pass-through securities provide payment to registered holders of interest plus the monthly installments of principal due on the pooled mortgages, whether or not collected, plus any additional principal collections.

Separate pass-through programs have been developed to finance singlefamily homes, multifamily projects and manufactured housing. Ginnie Mae first issues a "commitment" to the prospective securities issuer (mortgagee) indicating that the firm meets Ginnie Mae’s eligibility requirements. After Ginnie Mae issues the commitment, the issuer can begin to assemble mortgage pools and issue securities. Securities are issued with minimum face amounts of $1,000, which have the same aggregate face amount as the aggregate unpaid balance of the pooled mortgages and bear interest at the rate borne by the mortgages--less the amount of issuer servicing fees and Ginnie Mae guarantee fees. Ginnie Mae’s credit risk in this program is limited by mortgage insurance provided by Government agencies with respect to all pooled loans.

Guarantees of Mortgage-Backed Securities

Multiclass Securities Program. In fiscal year 1994, Ginnie Mae began guaranteeing Real Estate Mortgage Investment Conduits (REMICs) and in fiscal year 1995, the Ginnie Mae Platinum securities. A pool or trust composed of mortgages or MBS backed a REMIC security. The REMIC issuer issues certificates of interest to investors and elects to be taxed under the REMIC provisions of Federal tax law (Sections 860A through 860G of the Internal Revenue Code of 1986). REMICs are multiple class securities with different maturities, typically between 2 and 20 years, or with payments based on fractions of the MBS income stream. This multiple class characteristic is what largely distinguishes REMICs from single class Mortgage-Backed Securities of the kind that Ginnie Mae has been guaranteeing since 1970.

The Ginnie Mae Platinum security consolidates Ginnie Mae MBS pools with the same interest rate into larger pools that are sold to investors by securities dealers. Ginnie Mae, under its Multiclass securities program, will guarantee only securities based on and backed by mortgage-backed securities guaranteed by Ginnie Mae. Since all Ginnie Mae guaranteed Multiclass securities will be based on and backed by MBS issued pursuant to previously issued commitment authority, additional commitment authority will not be required for the Multiclass securities.

Targeted Lending Initiative. Ginnie Mae started and developed the Targeted Lending Initiative in fiscal year 1996. The Initiative is consistent with Ginnie Mae's statutory purpose to promote access to mortgage credit in the central cities by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. Through the Targeted Lending Initiative, Ginnie Mae reduces the guarantee fees it charges lenders by up to 50 percent for making mortgage loans in any of the nation's urban and rural Empowerment Zones or Enterprise Communities, adjacent eligible central city areas, and areas with a majority population of Native Americans.

PROGRAM ACTIVITY

1. Status of Program. In fiscal year 2005, Ginnie Mae’s Mortgage-Backed Securities program approved $112.5 billion in commitment authority and issued $90.3 billion for its single-class guarantees. Guarantees of mortgage-backed securities are estimated at $160 billion in fiscal year 2006 and $100 billion in fiscal year 2007.

The estimated changes in the outstanding principal balance of mortgage-backed securities for fiscal years 2005, 2006, and 2007 are shown in the following table:

	ACTUAL 2006	ESTIMATE 2006	ESTIMATE 2007
	(Dollars in Thousands)		
Securities Outstanding, start of year.....	$453,517,948	$412,385,502	$395,312,999
Issued During Year.......................	90,285,552	89,000,000	86,000,000
Principal Payments to Securities Holders..	-131,417,998	-106,072,503	- 76,115,695
Securities Outstanding, end of year.......	412,385,502	395,312,999	405,197,304

Guarantees of Mortgage-Backed Securities

The Multiclass Program activity, which involves a Ginnie Mae guarantee on the Multiclass securities that are backed by securities already guaranteed, is shown in the following table:

	ACTUAL 2005	ESTIMATE 2006	ESTIMATE 2007
	(Dollars in Thousands)		
Securities Outstanding, start of year.....	$189,100,000	$184,100,000	$187,500,000
Issued During Year........................	56,800,000	59,000,000	65,900,000
Principal Payments to Securities Holders..	-61,800,000	- 55,600,000	- 62,300,000
Securities Outstanding, end of year.....	184,100,000	187,500,000	191,100,000

The Targeted Lending Initiative, which allows Ginnie Mae to reduce the guarantee fee it charges lenders by up to 50 percent for making mortgage loans in any of the nation's urban and rural Empowerment Zones or Enterprise Communities and adjacent eligible central city areas, as well as in eligible Indian lands, is shown in the following table:

	Pools	Loans	Mortgage Amount
10/01/96 through 09/30/05.................	23,448	605,324	$60.2 billion

	ACTUAL 2005	ESTIMATE 2006	ESTIMATE 2007	INCREASE + DECREASE – 2007 vs. 2006
	(Dollars in Thousands)			
SINGLE-CLASS MBS				
Limitation...........................	$200,000,000	$200,000,000	$100,000,000	-$100,000,000
Carryover............................	90,985,783	178,466,766	200,000,000	-178,466,766
Subtotal...........................	290,985,783	378,466,766	300,000,000	-78,466,766
Use................................	-112,519,017	-178,466,766	-100,000,000	-78,766,766
Subtotal...........................	178,466,766	200,000,000	200,000,000	...
Guarantees:				
Issued in Year.....................	90,285,552	89,000,000	86,000,000	-3,000,000
Outstanding, end of year...........	412,385,502	395,312,999	405,197,304	9,884,305
Guarantee Fees.....................	285,472	246,473	232,884	13,589
Advances to Investors..............	40,736	92,295	101,991	9,696
Default Expenses...................	5,755	11,360	11,983	623

Guarantees of Mortgage-Backed Securities

	ACTUAL 2005	ESTIMATE 2006	ESTIMATE 2007	INCREASE + DECREASE – 2007 vs. 2006
		(Dollars in Thousands)		
MULTICLASS MBS				
Guarantees:				
Issued in Year.....................	81,400,000	59,000,000	65,900,000	-6,900,000
Outstanding, end of year...........	184,100,000	187,500,000	191,100,000	-3,600,000
Guarantee Fees.....................	20,711	21,954	23,161	-1,207
Budget Authority (Program):				
Appropriation for Administrative Expenses .……..........................…....	$10,609	$10,593	$54,000	$+43,407
Outlays (Program):				
Outlays...............................	10,609	10,593	54,000	+43,407
Liquidating Account:				
Budget Authority (net)	...	57,000	43,147	-13,583
Outlays.............................	-389,516	-235,000	-292,000	-57,000
Financing Account:				
Budget Authority (net)................	...	...	...	...
Net Disbursements......................	-148,714	-144,017	-142,779	+1,238
Reserve Receipt Account:				
Payment to Reserve Receipt Account.....	218,266	205,000	180,600	-24,400

NOTE: During the recent refinancing boom, declining interest rates have been driving the borrowers' decision to refinance their loans, shortening the life expectancy for loans in the Ginnie Mae mortgage-backed security pools in the process. For fiscal years 2006 and 2007, Ginnie Mae's inflow of guarantee fees is expected to decrease. This decrease is attributable to fewer loan guarantees anticipated and the higher prepayment volume (specifically to refinance) forecasted for the low interest rate environment.

2. Financing. Application fees, guarantee fees, and other charges are paid by issuers of guaranteed securities to cover Ginnie Mae's issuing and claims costs under the guarantees and to provide additional amounts to reduce the deficit. The Association may borrow from the Treasury in order to meet obligations. However, it has not had to use that authority.

The following table reflects the composition of program net income.

	ACTUAL 2005	ESTIMATE 2006	ESTIMATE 2007
	(Dollars in Thousands)		
Revenue:			
Investment Interest.....................	$408,223	$420,347	$427,098
Interest Payment from Treasury..........	49,377	55,489	65,209
Guarantee Fees..........................	285,472	246,473	232,884
Multiclass Fees.........................	20,711	21,954	23,161
Commitment and Other Fees...............	21,579	18,716	25,844
Servicing Fee Income	2,425	2,480	2,496
Interest on Mortgages...................	1,188	3,657	3,201
Subtotal.............................	788,975	769,116	779,893
Contingency.............................	- 2,425	0	0
Total Revenue.........................	786,550	769,116	779,893

	ACTUAL 2005	ESTIMATE 2006	ESTIMATE 2007
	(Dollars in Thousands)		
Expenses:			
Operating Expenses:			
Administrative Expenses...............	$10,609	$10,593	$10,593
Pool Processing……..……................	9,327	13,337	7,313
Issuer Reviews........................	16,998	19,887	16,998
Other Contractor Expenses.............	7,305	10,646	9,327
Soldiers & Sailors Act................	4,116	6,709	6,844
Mortgage Insurance Claims.............	11,082	13,085	13,347
Default Expenses & Servicing Expenses.	5,755	11,360	11,983
Multiclass Expenses...................	9,517	11,706	9,517
Total Operating Expenses............	74,709	97,323	85,922
Non-Operating Expenses:			
Write-Down of Assets to Lower of Cost or Market...........................	2,364	838	806
Subtotal...........................	77,073	98,161	86,728
Contingency...........................	4,246	0	0
Total Expenses......................	81,319	98,161	86,728
Net Income................................	705,231	670,955	693,164

SALE OF SERVICING RIGHTS

In fiscal years 2006 and 2007, it is estimated that proceeds from the sale of servicing rights is $1.1 million and $1 million respectively.

Soldiers and Sailors

Under the Soldiers' and Sailors' Civil Relief Act of 1940 (SSCRA), Ginnie Mae's issuers may be forbidden from collecting interest in excess of 6 percent per annum on certain mortgages while the borrowers are on active military duty. Ginnie Mae reimbursement of issuers for interest shortfalls on loans eligible for interest rate reduction under the SSCRA has been increasing since fiscal year 2002. Currently, Ginnie Mae absorbs the costs of the interest reduction in all cases where a qualified (under SSCRA) Reservist or member of the National Guard is called to active duty, regardless of the military effort.

FEDERAL CREDIT REFORM

The Omnibus Budget Reconciliation Act (OBRA--P.L. 101-508) required Federal credit programs to implement credit reform beginning in fiscal year 1992. This year's Budget presentation for Ginnie Mae has been structured with four accounts to comply with the requirements of OBRA. In fiscal year 2007, the Financing Account will transfer $180.6 million from its net receipts to a Reserve Receipt Account. Of the total net receipts, $10.6 million will be appropriated for administrative expenses into the Program Account, and the balance of $170 million will remain in the Reserve Receipt Account as negative subsidy. The Financing Account is treated as a non-budgetary account. Budget authority and outlay data for each of the accounts are presented in the following table.

GINNIE MAE MORTGAGE-BACKED SECURITIES
FY 2007 CREDIT REFORM PRESENTATION
(Dollars in Thousands)

BUDGET AUTHORITY	
On-Budget Accounts	
Liquidating Account	
Gross Budget Authority	$481,056
Offsetting Collections	-437,909
Net Budget Authority (Mandatory)	43,147
Program Account	
Appropriation	
Administrative Expenses	$54,000
Receipt Account	
Deduction for Offsetting Receipts:	
Proprietary Receipts from the Public (Discretionary)	$180,600
Non-Budgetary Account	
Financing	
Gross Financing Authority	$405,055
Offsetting Collections	-405,055
Net Financing Authority	...
OUTLAYS	
On-Budget Accounts	
Liquidating Account	
Gross Outlays	$145,909
Offsetting Collections	-437,909
Net Outlays (Mandatory)	-292,000
Reserve Receipt Account	
Transferred from Liquidating Account	...
Transferred from Financing Account	$180,600
Program Account	
Outlays (Discretionary)	$54,000
Receipt Account	
Deduction for Offsetting Receipts:	
Offsetting Receipts	$180,600
Discretionary Appropriation	-10,593
Net Receipts	170,007
Non-Budgetary Account	
Financing	
Gross Outlays	$262,276
Offsetting Collections	-405,055
Net Outlays	-142,779

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Performance Measurement Table

Program Name: MORTGAGE-BACKED SECURITIES					
Program Mission: To expand affordable housing in America by linking global capital markets to the nation’s housing markets.					
Performance Indicators	**Data Sources**	**Performance Report**		**Performance Plan**	
		2005 Plan	2005 Actual	2006 Plan	2007 Plan
Increase Homeownership Opportunities: Ginnie Mae securitizes at least 95 percent of single-family fixed rate FHA loans in fiscal year 2007.	Ginnie Mae database of monthly endorsements by FHA.	85%	92.7%	90%	95%
Promote Decent Affordable Housing: Ginnie Mae securitizes at least 95 percent of eligible FHA multifamily mortgages in fiscal year 2007.	Ginnie Mae database of multifamily loan securities, compared with FHA multifamily database adjusted to remove ineligible projects.	80%	91.1%	90%	95%

Explanation of Indicators

In fiscal year 2007, the Government National Mortgage Association (Ginnie Mae) proposes $100 billion in commitment authority, $10.6 million in Salaries and expenses, and 68 FTEs to support the Department’s Strategic Goal H: Increase homeownership opportunities and Strategic Goal A: Promote decent affordable housing.

Ginnie Mae's Mortgage-Backed securities program is authorized by Title III of the National Housing Act, as amended, Public Law 73-479, codified at 12 U.S.C. 1716 et seq. Ginnie Mae is a wholly owned instrumentality of the United States within the Department of Housing and Urban Development; authorized by Section 306(g) of the National Housing Act to facilitate the financing of residential mortgage loans insured or guaranteed by the FHA, VA and the Rural Housing Service (RHS), or guaranteed by the Secretary of Housing and Urban Development under Section 184 of the Housing and Community Development Act of 1992 and administered by the Office of Public and Indian Housing (PIH). Ginnie Mae's guaranty of mortgage-backed securities is backed by the full faith and credit of the United States. Funds available to mortgagees to lend to borrowers are provided through investments in long-term securities guaranteed by Ginnie Mae that are backed by pools of such mortgages. The investment proceeds are used in turn to finance additional mortgage loans.

The primary function of Ginnie Mae is to support the Federal Government’s housing initiatives by providing liquidity to the secondary mortgage market and to attract capital from the nation's capital markets into the residential mortgage markets. Through its Mortgage-Backed Securities Program, Ginnie Mae guarantees the timely payment of principal and interest on securities issued by private institutions and backed by pools of Federally insured or guaranteed mortgage loans. The securitization of Federal Housing Administration (FHA) insured, Rural Housing Service, and Veterans Affairs (VA) guaranteed mortgages increases the liquidity of funds available to lenders making these loans and, thereby, decreases the costs associated with making and servicing loans. This decrease in costs helps lower mortgage cost for homebuyers using Federal Government housing programs.

Indicator: Ginnie Mae Securitizes at least 95 percent of singlefamily fixed rate FHA loans in fiscal year 2007.

The direct focus of Ginnie Mae's Mortgage-Backed Securities Program is in support of the Department's goal of increasing housing and homeownership. In contribution toward this goal, Ginnie Mae lends indirect support to all of the other Department goals.

Ginnie Mae's fiscal year 2005 goal was to securitize at least 85 percent of FHA and VA insured or guarantee loans. The year-end result was 92.7 percent securitized in single family. Ginnie Mae achieved and succeeded the fiscal year 2005 goal by offering superior up-front pricing and the flexibility in determining servicing spreads.

Indicator: Ginnie Mae securitizes at least 95 percent of eligible FHA multifamily mortgages in fiscal year 2007.

To contribute to Strategic Objective, "Expand Access To Affordable Rental Housing," Ginnie Mae set its goal to securitize 95 percent of eligible FHA multifamily mortgages to support the increase in housing available for low- and moderate-income Americans. Ginnie Mae will also incorporate improvements from and expand use of information technology with new computer applications into its business and marketing processes to improve its operational efficiencies and market capabilities that should increase the attractiveness of Ginnie Mae's securities.

Ginnie Mae's fiscal year 2005 goal was to securitize at least 80 percent of eligible FHA multifamily mortgages. Ginnie Mae streamlined requirements for the multifamily program, which enhanced its efficiency as a securitization vehicle. As a result, Ginnie Mae securitized 91.1 percent of eligible FHA multifamily mortgages. The principal balance remaining in the multifamily portfolio increased from $32.7 billion in fiscal year 2004 to $35.3 billion in fiscal year 2005. This reflects the preference of investors in multifamily securities of stable, insured government guaranteed loans over conventional loans.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Justification of Proposed Changes in Appropriations Language

The fiscal year 2007 President's Budget includes proposed changes in the appropriations language and one new administrative provision listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

Appropriations Language

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed [$200,000,000,000] *$100,000,000,000*, to remain available until September 30, [2007] *2008*.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [10,700,000] *$54,000,000*, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed [$10,700,000] *$10,593,000*, shall be transferred to the appropriation for ''Salaries and Expenses''*: Provided, That to the extent new guarantees of mortgage-backed securities exceed $43,000,000,000 on or before April 1,2007, an additional $1,000 for administrative contract expenses shall be available for each $1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below $1,000,000), but in no case shall funds made available by this proviso exceed $14,000,000*. *(Department of Housing and Urban Development Appropriations Act, 2007.)*

Administrative Provision

[SEC. 306. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Associations, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C 1811-1831).**]**

SEC. 316. Section 1 of the National Housing Act (12 U.S.C. 1702) is amended in the fifth sentence by striking ''Except with respect to subchapter III of this chapter'' and inserting ''Except with respect to the Federal National Mortgage Association''. Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding the following new subparagraph at the end: ''(F)(i) Notwithstanding subparagraphs (A) through (D), the Association shall charge an upfront fee on new guarantees of mortgage-backed securities. (ii) The Association shall set the upfront fee level each year such that estimated collections fully offset the estimated cost of program salaries and administrative expenses published in the Budget of the United States Government for the applicable fiscal year.''

Explanation of Changes

In fiscal year 2007, the Budget proposes discretionary appropriation for all of Ginnie Mae's administrative expenses and eliminating Ginnie Mae's mandatory spending authority. The Budget also proposes to charge Ginnie Mae issuers an upfront fee to offset the administrative expenses of the program. For 2007, the upfront fee assessed on new guarantees of mortgage-backed securities would be slightly over 6 basis points (6 cents for every $100 of mortgages).

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Crosswalk of 2005 Availability
(Dollars in Thousands)

Budget Activity	2005 Enacted	Supplemental/ Rescission	Approved Reprogrammings	Transfers	Carryover	Total 2005 Resources
Administrative Expenses	$10,695	-$86	...	...	...	$10,609
Total	10,695	-86	...	...	...	10,609

The $10.6 million in administrative expenses in fiscal year 2005 was used to cover the cost to carry out the Guaranteed Mortgage-Backed Securities program.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM
Crosswalk of 2006 Changes
(Dollars in Thousands)

Budget Activity	2006 President's Budget Request	Congressional Appropriations Action on 2006 Request	2006 Supplemental/ Rescission	Reprogrammings	Carryover	Total 2006 Resources
Administrative Expenses	$10,700	$10,700	-$107	...	...	$10,593
Total	10,700	10,700	-107	...	...	10,593

The Department proposed $10.6 million for administrative expenses to cover the cost to carry out the Guaranteed Mortgage-Backed Securities program in fiscal year 2006.