

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Value of Mortgage Originations	1,713,664	1,572,319	1,756,388	2,031,309	2,282,911	2,463,939	2,661,046	2,862,690	3,008,827	3,121,520	3,217,562
<b>Fannie Mae and Freddie Mac</b>											
Value of Annual Loans	959,652	817,606	843,066	893,776	913,165	1,034,854	1,117,639	1,202,330	1,263,707	1,311,039	1,351,376
Annual Subsidy Costs <sup>a</sup>	n.a.	1,600	1,000	700	100	1,900	1,900	2,000	2,200	2,300	2,400
Cash Receipts <sup>b</sup>	-28,500	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Share of Originations	56.0%	52.0%	48.0%	44.0%	40.0%	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%
<b>Federal Housing Administration's (FHA's) Mutual Mortgage Insurance (MMI) Program<sup>c</sup></b>											
Value of Annual Loans	240,000	220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000	300,000	310,000
Annual Subsidy Receipts	-10,608	-7,392	-6,569	-5,826	-5,159	-5,200	-5,400	-5,600	-5,800	-6,000	-6,200
Share of Originations	14.0%	14.0%	13.1%	11.8%	11.0%	10.6%	10.1%	9.8%	9.6%	9.6%	9.6%
Subsidy Rate	-4.4%	-3.4%	-2.9%	-2.4%	-2.1%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
<b>Veterans Affairs (VA) Home Loan Program<sup>d</sup></b>											
Value of Annual Loans	173,060	150,629	140,353	129,688	118,637	107,117	94,887	81,698	84,206	86,787	89,470
Annual Subsidy Costs	970	1,413	1,335	1,244	1,124	1,005	886	756	1,128	1,177	1,114
Share of Originations	10.1%	9.6%	8.0%	6.4%	5.2%	4.3%	3.6%	2.9%	2.8%	2.8%	2.8%
Subsidy Rate	0.6%	0.9%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	1.3%	1.4%	1.2%
<b>Government National Mortgage Association (GNMA) Mortgage-Backed Securities Program<sup>e</sup></b>											
Annual Subsidy Receipts	-1,400	-1,560	-1,520	-1,480	-1,440	-1,400	-1,360	-1,320	-1,280	-1,240	-1,200

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](http://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 -0.37 percent in 2017 and -0.4 percent annually over the 2018-2027 period.