



Office of the President
425 3rd Street, SW, Fifth Floor
Washington, DC 20024
(202) 475-4900

January 20, 2022

Vanessa Countryman, Esq.
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C 20549-1090

Re: SR-FINRA-2021-10: Notice of Filing Amendment No. 1 and Order Instituting Proceedings to Determine Approval or Disapproval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Requirements for Covered Agency Transactions Under FINRA Rule 4210 (Margin Requirement).

Dear Secretary Countryman:

I write on behalf of the Government National Mortgage Association, commonly referred to as “Ginnie Mae.” As a government-owned corporation, our mission is to bring global capital into the housing finance system - a system that runs through the core of our nation's economy - while minimizing risk to the taxpayer. We do this by providing investors an explicit government guaranty for the timely payment of principal and interest on mortgage-backed securities [“MBS”] issued by independent mortgage bankers and domestic depository institutions.

Importantly, the loans comprising our guaranteed MBS are those insured or guaranteed by the Federal Housing Administration, Public Indian Housing, Veterans Administration, and Rural Housing (USDA), which are government programs focused on first-time homebuyers, households of emerging or repairing credit, veteran families, and borrowers located in rural and underserved communities and tribes. We operate a securitization program similar in many ways to that of Fannie Mae and Freddie Mac but provide access to homeownership to a vastly different borrower demographic - one of limited down payment funds and different credit profiles.

In recent weeks, a number of stakeholders have contacted us about the FINRA Mandatory Margin Requirement, which I understand you are imminently scheduled to review for implementation approval. These stakeholders make a compelling case that the proposed requirements would have a detrimental impact on smaller broker-dealers who are most focused on community institutions and would have to absorb margin demands that render this segment of the business uneconomic.

I recognize that the proposed changes have been the subject of a great deal of study and deliberation, and we commend FINRA's efforts. However, we have not seen materials or analysis that specifically consider the consequences and impact the proposal would have on the housing finance sector and access to the liquidity for underserved communities, which are the focus of our government mortgage securitization program. As you know, equity in access to homeownership wealth is a prominent goal of the Biden Administration. I request that before final implementation is approved, an assessment be made about this particular impact. I welcome the opportunity to meet to discuss these concerns.

Thank you for your consideration.

Sincerely,

Alanna McCargo
1/20/2022 | 1:11 PM EST

Alanna McCargo
President
Government National Mortgage Association

cc:

Gary Gensler, Chair – [REDACTED]

Sai Rao, Trading & Markets Counsel - [REDACTED]

Amanda Fischer, Policy Counsel – [REDACTED]

Prashant Yeramalli, Chief of Staff – [REDACTED]

Mailing Address

451 Seventh Street, SW, B-133
Washington, DC 20410