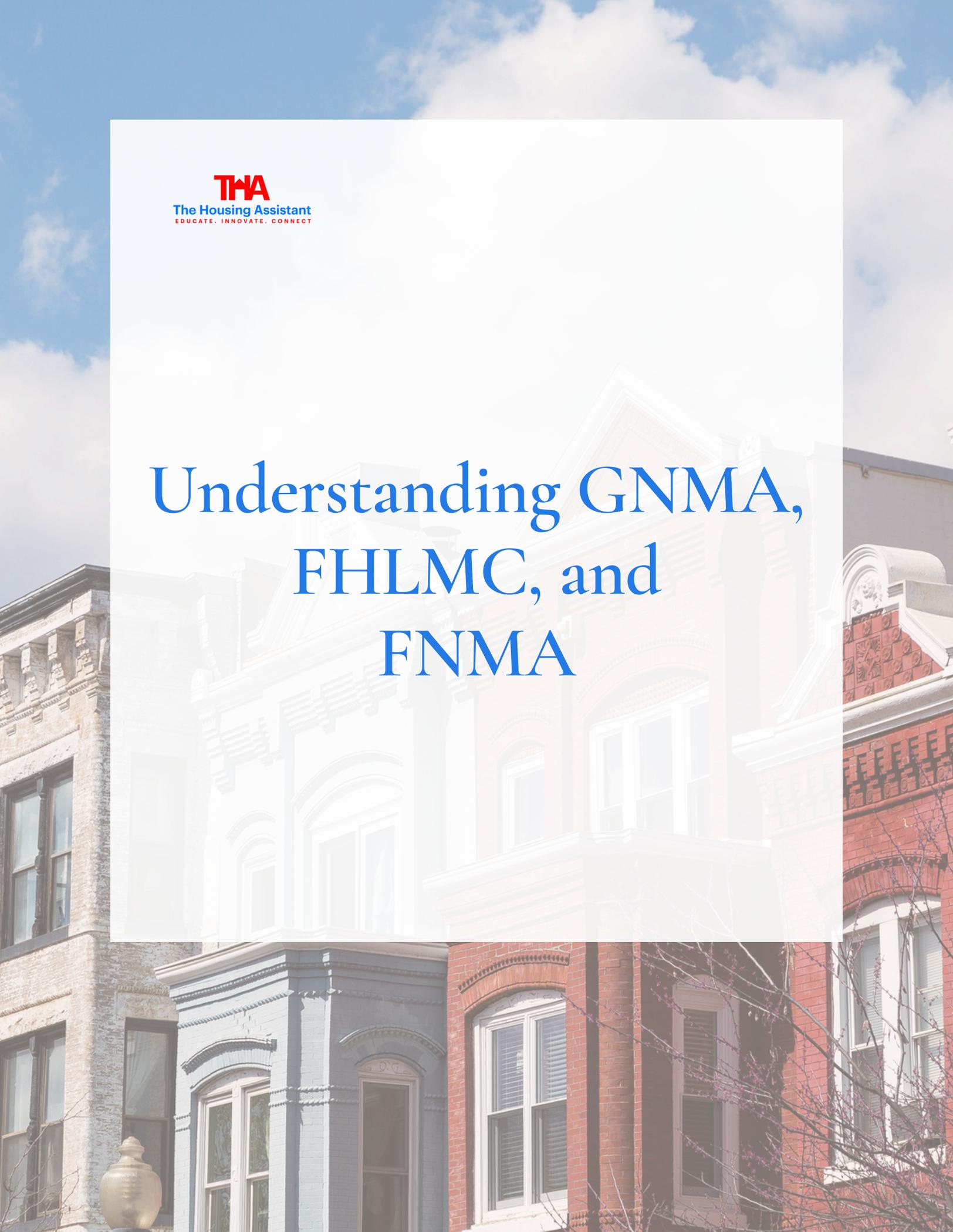


# Understanding GNMA, FHLMC, and FNMA



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*A Comprehensive Guide by The Housing Assistant*



In the U.S. housing finance system, three major government-related entities—Ginnie Mae (GNMA), Freddie Mac (FHLMC), and Fannie Mae (FNMA)—play a pivotal role in ensuring mortgage market liquidity and affordability.

## GNMA vs FHLMC vs FNMA – Comparison Snapshot

Feature	Ginnie Mae (GNMA)	Freddie Mac (FHLMC)	Fannie Mae (FNMA)
Type	Government agency	Government-sponsored enterprise (GSE)	Government-sponsored enterprise (GSE)
Founded	1968	1970	1938
Guarantees	FHA, VA, USDA loans	Conventional loans	Conventional loans
Guarantee Type	Full faith and credit of U.S. government	Implied government backing	Implied government backing
Main Role	Guarantees MBS payments for gov't loans	Purchases and securitizes conventional loans	Purchases and securitizes conventional loans
Investor Risk	Minimal (gov't guaranteed)	Market-based	Market-based

### What is Ginnie Mae (GNMA)?

Ginnie Mae is a U.S. government-owned agency under HUD. It guarantees mortgage-backed securities (MBS) for federally insured loans such as FHA, VA, and USDA loans. Ginnie Mae does not issue loans or buy MBS—it guarantees timely payments to investors.

### What is Freddie Mac (FHLMC)?

Freddie Mac is a government-sponsored enterprise that buys conventional loans from lenders, pools them, and sells them as MBS. It supports smaller banks and helps maintain liquidity in the conventional mortgage market.

**What is Fannie Mae (FNMA)?**

Fannie Mae is a government-sponsored enterprise that purchases and securitizes loans from larger financial institutions. It provides liquidity and stability by ensuring a reliable source of funding for mortgage lenders.