

February 26, 2026

Treasury Market Practices Group Seeks Comment on Consultative Summary Note *Theoretical Implications for Agency MBS Market Liquidity and Functioning of any Potential GSE Ownership Structure Changes*.

The Treasury Market Practices Group (TMPG) today released a consultative summary note [*Theoretical Implications for Agency MBS Market Liquidity and Functioning of any Potential GSE Ownership Structure Changes*](#), as part of the ongoing work of the TMPG's Agency Mortgage-Backed Securities (MBS) Working Group. Given renewed public focus on potential changes in the ownership structure of the Government Sponsored Enterprises (GSEs) and the criticality of the agency MBS market, the TMPG explored hypothetical implications for agency MBS market liquidity and functioning in light of any such change. The TMPG seeks public feedback on the following aspects of the summary note:

- Considerations for how agency MBS market liquidity and functioning could be affected by:
 - o Shifts in perceived strength of the government guarantee supporting the GSEs,
 - o Changes in the perceived differences in credit quality between Fannie Mae and Freddie Mac,
- Other potential downstream effects of any hypothetical changes in perception of the creditworthiness of the GSEs,
- Any other feedback and suggestions.

The agency MBS market is a deep and liquid securities market that serves vital functions for both financial markets broadly and for the U.S. housing market. The agency MBS market currently benefits from the creditworthiness conferred by the government guarantee and the improvement in liquidity that resulted from the introduction of Uniform MBS. Any potential changes in the ownership structure of the GSEs that might alter this perceived creditworthiness could result in reduced liquidity and functioning in the agency MBS market. Additionally, were there to be a perception of difference in credit quality between Fannie Mae and Freddie Mac, these securities could again trade as separate credits and may require the unwinding of the Single Security Initiative. Given the importance of the agency MBS market for the financial system and for U.S. homeowners, it is critical that any potential changes in ownership structure for the GSEs be carefully designed with these factors in mind to ensure that this market remains robust and resilient.

“To support a robust and well-functioning agency MBS market, the TMPG chose to explore and highlight the theoretical implications for agency MBS market liquidity and functioning of any potential changes in GSE ownership structure. The TMPG encourages all market participants and members of the public to

carefully review the consultative summary note and provide their feedback and suggestions to the TMPG,” said Casey Spezzano, Chair of the TMPG.

Members of the public may submit comments by **April 30, 2026**, to the TMPG Secretariat at tmpg@ny.frb.org. The TMPG expects to publish a final summary note following the conclusion of this comment period.

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About the Treasury Market Practices Group

The TMPG is composed of senior business managers and legal and compliance professionals from a variety of institutions—including securities dealers, banks, buy-side firms, financial market utilities, foreign central banks, and others—and is committed to supporting the integrity and efficiency of the Treasury, agency debt, and agency mortgage-backed securities markets. It is sponsored by, but is not part of, the Federal Reserve Bank of New York. Any views expressed by the TMPG do not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System. More information is available at: www.newyorkfed.org/tmpg.

Contact Information

General Inquiries and Comments

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