

June 25, 2026

**Treasury Market Practices Group Releases Final 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 its final summary note [\*Theoretical Implications for Agency MBS Market Liquidity and Functioning of any Potential GSE Ownership Structure Changes\*](#), following the conclusion of the [public comment period](#). Feedback from market participants was generally supportive of the note's key takeaways regarding the hypothetical implications for agency mortgage-backed securities (MBS) market liquidity and functioning of any potential changes in the ownership structure of the Government Sponsored Enterprises (GSEs).

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. As the note concludes, 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, which could have unintended follow-on impacts. 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.

"A well-functioning agency MBS market is critical for the ongoing health and well-being of the U.S. housing market and financial markets more broadly. The TMPG believes that any potential changes to GSE ownership structure should be considered carefully in light of the theoretical implications outlined in the TMPG's summary note," said Casey Spezzano, Chair of the TMPG.

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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](http://www.newyorkfed.org/tmpg).

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