















For example Pool 2 was used effectively to purchase the MBS in June 2013 when the 2013 C bond issue was reduced in size. These MBS could have remained as a long-term investment without needing to re-sell them on the market. However when the overcollateralized bond structure became available, it was possible to buy these out of Pool 2 at par (well above their market value) and now finance them long-term at full spread.

This in turn replenished Pool 2's cash and can thus continue to play an exceptionally valuable role for the Agency in how it finances new loans.