

This document represents assistance regarding the definition of U.S. Government Bonds for the year-end 2011 reporting period and the 2012 quarterly reporting periods. This document was developed for assistance by NAIC staff and has not been approved by the NAIC, or any of its committees, task forces or working groups.

## **Guidance on Definition of U.S. Government Bonds for the Year-End 2011 Reporting Period and the 2012 Quarterly Reporting Periods**

### **Year-End 2011 Reporting Period**

The definitions of U.S. Government Bonds in the 2011 Annual Statement Instructions references Part Two, Section 4(d)(i), (ii) and (iii) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*. This reference is to the July 1, 2011 edition of the manual and should be used for the year-end 2011 reporting period. This guidance also includes a copy of the lists being referenced in the 2011 Annual Statement Instructions that were in the July 1, 2011 edition of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*.

### **2012 Quarterly Reporting Periods**

The definitions of U.S. Government Bonds in the 2012 Quarterly Statement Instructions references Part Two, Section 4(d)(i), (ii) and (iii) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*. This reference is to the July 1, 2011 edition of the manual. For the 2012 quarterly reporting periods, NAIC staff suggest referring to Part Two, Section 4(c)(i) and (ii) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* of the December 31, 2011 edition of the manual.

For more details related to this guidance, reporting entities should read the “Statement of Clarification Reporting Securities on the US Government Filing Exempt Lists Published in the 12/31/11 Purposes and Procedures Manual” which also can be found on the Blanks Working Group web page.

(d) **Filing Exemption Lists for Government Securities**

- (i) Filing Exemption Lists for Direct or Full Faith and Credit Obligations of the United States Government

**NOTE: THE SECURITIES IN THIS LIST ARE DEEMED TO BE EXEMPT FROM FILING WITH THE SVO BECAUSE THEY MEET THE TERMS OF THE FILING EXEMPTION PROVIDED FOR IN SECTION 4 (c) (i) ABOVE.**

**IF YOU ARE CONCERNED WITH A SECURITY THAT IS NOT LISTED BELOW, CHECK TO SEE IF THE SECURITY QUALIFIES FOR EXEMPTION UNDER SECTION 4 (c) (ii), (iii), OR (iv).**

**IF THE SECURITY MUST BE FILED WITH THE SVO, SEE SECTION 10 (C) (vi) BELOW.**

- a) **Agency for International Development (AID)\***  
The filing exemption applies to loans guaranteed by AID
- b) **Department of Veterans Affairs (VA)\***  
The filing exemption applies to all loans guaranteed by the VA.
- c) **Export –Import Bank of the United States (Exim)\***  
The exemption applies to all loans guaranteed by Exim.
- d) **Farmers Home Administration (FmHA)**  
This exemption applies to certificates of beneficial ownership issued directly by FmHA.
- e) **Federal Financing Bank (FFB)**  
The filing exemption applies to all obligations issued directly by the FFB.
- f) **Federal Housing Administration (FHA)**  
The filing exemption applies to debentures issued by the FHA (in lieu of payment of the insurance claims) and participation certificates in pass-through mortgage pools issued and or fully guaranteed by the FHA.
- g) **General Services Administration (GSA)**  
The filing exemption applies to participation certificates issued and or fully guaranteed by the GSA and all mortgage notes issued by the GSA in connection with the Public Buildings Program.
- h) **Geothermal Energy Coordination and Management Agency\***  
The filing exemption applies to all loans guaranteed by the Geothermal Energy Coordination and Management Agency.

- i) **Government National Mortgage Association (GNMA or Ginnie Mae)**  
The filing exemption applies to participation certificates in pass-through mortgage pools and CMOs issued and or fully guaranteed by GNMA in connection with the Mortgage Backed Securities Program.
  
- j) **Health and Human Services (HHS)\***  
The exemption applies to all loans to Health Maintenance Organizations guaranteed by HHS.
  
- k) **Housing and Urban Development (HUD)\***  
The exemption applies to all loans guaranteed by HUD.
  
- l) **Maritime Administration (MARAD) \***  
The exemption applies to all loans backed by MARAD under the Title XI Ship Financing Program.
  
- m) **Overseas Private Investment Corp (OPIC)\***  
The filing exemption applies to loans backed by OPIC and certificates of participation issued directly by OPIC.
  
- n) **Private Export Funding Corporation (PEFCO) \***  
The filing exemption applies to all loans guaranteed by PEFCO.
  
- o) **Resolution Trust Corporation (RTC)**  
The filing exemption applies to all obligations issued directly by the RTC.
  
- p) **Small Business Administration (SBA)\***  
The filing exemption applies to loans backed by the SBA and to participation certificates in pass-through mortgage pools issued and or fully guaranteed by the SBA.
  
- q) **United States Department of Agriculture (USDA)\***  
The filing exemption applies to all loans issued or one hundred percent guaranteed directly by the following USDA programs: Farm Service Agency, Rural Housing Service, Rural Utilities Service, Rural Telephone Bank, Rural Electrification Administration and Rural Business Cooperative Services.
  
- r) **U.S. Postal Service**  
The filing exemption applies to U.S. Postal Service guaranteed bonds that, at the request of the Postal Service, have been guaranteed by the U.S. Treasury.

s) **United States Treasury**

The filing exemption applies to all direct obligations of the U.S. Treasury including bills, bonds, notes, treasury receipts, Separate Trading of Interest and Principal Securities (STRIPS), and United States Mortgage Guaranty Insurance Company Tax and Loss Bonds. This exemption also applies to private label zero-coupon STRIP products composed entirely of U.S. Treasury bonds.

t) **Washington Metropolitan Area Transit Authority**

The filing exemption applies to all US government guaranteed transit bonds.

u) **Federal Deposit Insurance Corporation**

The filing exemption applies to structured securities that are issued by a trust and backed by collateral in the form of financial assets (such as residential mortgage backed securities). The trust acquires the collateral from the FDIC who acquired the assets that constitute the collateral in its statutory capacity as receiver of failed banks. Holders of the structured securities receive payments of principal and interest from the cash flow generated by the collateral. However, if the collateral fails to generate cash flow sufficient to pay interest and principal in full when due, a trustee is entitled to draw on an FDIC guarantee, backed by the full faith and credit of the United States, for the shortfall.

**\* The guaranteed loans issued by this government entity are entitled to the full faith and credit of the United States government but at a level of support that may be less than one hundred percent (100%) of the interest and principal due on the obligation. If this government entity or a private issuer use the guaranteed loans of this entity as collateral for another security so that the interest and principal on the new security is backed 100% by the full faith and credit of the U.S as a result of the collateral, then the resulting security is exempt from filing with the SVO.**

(ii) U.S. Government NAIC ARO Rated Issuer Filing Exemption List

**NOTE: THE SECURITIES IN THIS LIST ARE DEEMED TO BE EXEMPT FROM FILING WITH THE SVO BECAUSE THEY MEET THE TERMS OF THE FILING EXEMPTION PROVIDED FOR IN SECTION 4 (c) (ii) ABOVE.**

**IF YOU ARE CONCERNED WITH A SECURITY THAT IS NOT LISTED BELOW, CHECK TO SEE IF THE SECURITY QUALIFIES FOR EXEMPTION UNDER SECTION 4 (c) (i), (iii) AND (iv).**

**IF THE SECURITY MUST BE FILED WITH THE SVO, SEE SECTION 10 (C) (VI) BELOW.**

**a) Farm Credit System Financial Assistance Corporation (FCSFAC)**

The filing exemption applies to all obligations of FCSFAC.

**b) Federal Farm Credit Banks (FFCB)**

The filing exemption applies to consolidated system wide bonds and notes, which benefit from the joint and several guarantee of the Federal Farm Credit System Banks.

**c) Federal Home Loan Banks (FHLB)**

The filing exemption applies to consolidated system wide bonds and notes, which benefit from the joint and several guarantee of the Federal Home Loan Bank System.

**d) Federal Home Loan Mortgage Corporation (Freddie Mac)**

The filing exemption applies to senior and subordinated bonds, notes and debentures issued directly by Freddie Mac and to participation certificates and CMOs issued and or fully guaranteed by Freddie Mac.

**e) Federal National Mortgage Association (Fannie Mae)**

The filing exemption applies to senior and subordinated bonds, notes and debentures issued directly by Fannie Mae and to participation certificates and CMOs issued and or fully guaranteed by Fannie Mae.

**f) Financing Corporation (FICO)**

The filing exemption applies to FICO long term bonds

**g) Private Export Funding Corporation (PEFCO)**

The filing exemption applies to PEFCO long, medium, and short-term notes, and to PEFCO Finance Corp. collateralized notes.

**h) Resolution Funding Corporation (REFCorp)**

The filing exemption applies to all REFCorp long-term bonds.

**i) Tennessee Valley Authority (TVA)**

The filing exemption applies to TVA power bonds.

(iii) Discretionary Government Filing Exemption List

**NOTE: THE SECURITIES IN THIS LIST ARE DEEMED TO BE EXEMPT FROM FILING WITH THE SVO BECAUSE THEY MEET THE TERMS OF THE FILING EXEMPTION PROVIDED IN SECTION 4 (c) (iii) ABOVE.**

**PLEASE NOTE, UNLESS OTHERWISE INDICATED ONLY THE SPECIFIC COMBINATION OF ISSUER AND SECURITY (SECURITIES) THAT IS LISTED ARE EXEMPT.**

**a) Federal Agricultural Mortgage Corporation (FAMC)**

The filing exemption applies to bonds, notes and debentures issued directly by FAMC and to participation certificates and CMOs issued and or fully guaranteed by FAMC.