

Appendix: Glossary of Acronyms and Terms

Acronym	Term	Definition
ABS	Asset-backed security	A security that is collateralized by a pool of income-generating assets (e.g., home mortgage loans, home equity loans, auto loans, and credit card receivables).
ABCP	Asset-backed commercial paper	A short-term investment vehicle that is a form of commercial paper collateralized by other financial assets.
AMC	Affiliated mortgage company	A mortgage company that is affiliated with a bank, that is, a mortgage company that operates as a subsidiary of a bank or a nonbank subsidiary of a bank holding company (BHC).
BHC	Bank holding company	A corporation that owns a controlling interest in a bank but does not itself offer banking services or run the day-to-day operations of the bank. In the U.S., BHCs must register with the Fed.
BoNY	Bank of New York	A financial services company that provides, <i>inter alia</i> , clearing and settlement services (e.g., reconciliation of purchase and sales, transfer of funds) for transacting parties and the dominant servicer of the U.S. tri-party repo market.
CCP	Central counterparty	A financial institution that takes on the counterparty credit risk between two transacting parties and provides clearing and settlement services for those parties.
CFTC	Commodity Futures Trading Commission	An independent U.S. government agency that regulates the U.S. derivatives markets, including futures, swaps, and certain options.
CME	Chicago Mercantile Exchange	A central counterparty (CCP) and the largest options and futures contracts open-interest exchange in the world.
DTCC	Depository Trust and Clearing Corporation	A financial services company that provides, <i>inter alia</i> , clearing and settlement services (e.g., reconciliation of purchase and sales, transfer of funds) for transacting parties.
ESLR	Enhanced supplementary leverage ratio	A heightened supplementary leverage ratio (SLR) requirement of 5% required by the U.S. banking agencies for bank holding companies (BHCs) identified as globally systemically important banks (G-SIBs).
FDIC	Federal Deposit Insurance Corporation	An independent U.S. government agency charged with maintaining stability and public confidence in the nation's financial system by insuring deposits, supervising financial institutions, and resolving failing banks.
Fed	Federal Reserve	The U.S.'s central bank, charged with conducting monetary policy so as to achieve maximum employment and stable prices, as well as regulation of financial institutions, among other authorities.

FHA	Federal Housing Administration	An office within the Department of Housing and Urban Development that provides mortgage insurance on loans made by FHA-approved lenders throughout the U.S. to promote wider homeownership.
FICC	Fixed Income Clearing Corporation	A subsidiary of the DTCC that offers clearing services for certain fixed-income securities traded in the U.S., including Treasury bills, bonds and notes and government agency securities.
FINRA	Financial Industry Regulatory Authority	A private, self-regulatory corporation that writes and enforces rules governing the activities of all registered broker-dealer firms and registered brokers in the U.S.
FSOC	Financial Stability Oversight Council	A U.S. government body, which is chaired by the Treasury Secretary, that identifies risks and responds to emerging threats to financial stability by facilitating regulatory coordination and requiring consolidated supervision of certain financial institutions, among other authorities.
GFC	Global financial crisis	Stress experienced in global financial markets from 2007 to 2009 that stemmed from a housing bubble and bust in the U.S., which led to a severe domestic and global recession.
GNMA	Government National Mortgage Association or Ginnie Mae	A self-financing, government-sponsored enterprise within the Department of Housing and Urban Development that guarantees investors the timely payment of principal and interest on securities backed by federally insured or guaranteed loans (primarily loans insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs).
GSE	Government-sponsored enterprise	A quasi-governmental organization, such as GNMA, the characteristics of which can include private-sector ownership, activities limited by congressional charter, and chartered privileges that create an inferred federal guarantee of obligations, according to the Congressional Research Service.
G-SIB	Global systemically important bank	Large, globally active financial institutions, designated by the Financial Stability Board, that are characterized by interconnectedness, complexity, and lack of substitutability, and are consequently subject to higher capital requirements and other policy measures to reduce the probability and impact of their failure.
IMC	Independent mortgage company	A mortgage company that is unaffiliated with a bank, that is, a mortgage company that does not operate as a subsidiary of a bank or a nonbank subsidiary of a bank holding company (BHC).
LCR	Liquidity Coverage Ratio	The ratio of high-quality liquid assets (HQLA) required to cover the total net cash outflows over a 30-day stress period for large banking organizations. It is calculated using the HQLA as the numerator and the total net cash outflows as the denominator.
MC	Mortgage Company	A type of financial institution engaged in the origination or funding of residential or commercial property mortgages.

MMMF	Money market mutual fund	A type of mutual fund that invests in highly liquid, short-term debt instruments, such as Treasuries; cash; and other cash equivalents.
mREIT	Mortgage real estate investment trust	A real estate investment trust that invests in residential mortgages and mortgage-backed securities.
NBFI	Nonbank financial institution	A financial institution that does not have a full banking license or charter and/or is not supervised by a national or international bank regulatory agency.
OCC	Office of the Comptroller of the Currency	A federal agency within the Treasury Department that regulates and supervises national banks, federally licensed savings associations, and federally licensed branches of foreign banks in the US.
	Rehypothecation	The reuse of collateral from one lending transaction to finance additional lending activity.
SEC	Securities and Exchange Commission	An independent federal agency that oversees securities transactions, activities of finance professionals, and mutual fund activities.
SLR	Supplementary leverage ratio	A ratio of capital adequacy for US banks that determines the Tier 1 capital relative to total leverage exposure, including on-balance sheet assets. The minimum SLR for banking organizations is 3% with G-SIBS required to hold at least 5% (under the ESLR).
VA	Department of Veterans Affairs	A federal agency that is responsible for providing services and benefits to US veterans. One such benefit is housing assistance through which veterans can often receive a mortgage loan without the requirement of a down payment or private mortgage insurance.