



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-9000

GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

November 20, 2008

APM 08-25

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael J. Frenz, Executive Vice President

SUBJECT: Pooling Parameters for Permanent Higher Loan Limits

Effective for all securities with a January 1, 2009 issue date and thereafter, Ginnie Mae is pleased to announce new ceiling levels for eligible mortgage loans in Ginnie Mae I and Ginnie Mae II Mortgage-Backed Securities (“MBS”) pools backed by single-family forward mortgage loans. As a result of amendments made by the Housing and Economic Recovery Act of 2008 (“HERA”), Ginnie Mae will have permanent authority to guarantee MBS backed by certain high-balance mortgage loans, as specified below. This All Participants Memorandum (“APM”) outlines the pooling requirements and describes the continued availability of the “M JM” pool type for securitizing jumbo loans. This APM amends prior Ginnie Mae Mortgage-Backed Securities Guide, 5500.3, Rev. 1 (“Guide”) and APM restrictions on pooling of higher balance mortgage loans.

### **Eligible Loan Ceiling Levels for 2009**

As amended by HERA, the National Housing Act (“NHA”) stipulates that the conforming national loan limit for one-unit homes in the continental United States for 2009 will be \$417,000. The original principal balance of a mortgage loan insured by the Federal Housing Administration (“FHA”) under the NHA may exceed the applicable loan limit by the amount of the upfront mortgage insurance premium. In addition, in “high-cost” areas, as described in FHA Mortgage Letter 2008-36, dated November 7, 2008, <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/08-36ml.doc>, the eligible mortgage limits can exceed \$417,000.

For the purpose of this APM, any FHA, Department of Veterans Affairs (“VA”), Public and Indian Housing (“PIH”) and Rural Development (“RD”) single-family forward mortgage loan above the amounts below (plus the amount of its upfront mortgage insurance premium) is defined as a “High Balance Loan.”

<b>Units</b>	<b>Contiguous States, District of Columbia, Puerto Rico</b>	<b>Alaska, Guam, Hawaii, U.S. Virgin Islands</b>
One-Unit	\$417,000	\$625,500
Two-Unit	\$533,850	\$800,775
Three-Unit	\$645,300	\$967,950
Four-Unit	\$801,950	\$1,202,925

FHA, VA, PIH and RD High Balance Loans are eligible for inclusion in Ginnie Mae pools, within the restriction described below for certain pool types.

### **Veterans Affairs Mortgage Loans**

Pursuant to Ginnie Mae APM 07-11, issued on August 27, 2007, Ginnie Mae has no restriction on the maximum amount of a mortgage loan guaranteed by the VA. However, VA loans above the ceiling for High Balance Loans are subject to the pooling restriction discussed below for certain pools. This policy supersedes the statement in APM 08-06, dated March 20, 2008, that VA loans may be pooled without regard to principal balance.

### **High Balance Loan TBA Eligible Pooling Parameters Beginning January 1, 2009**

The Securities Industry and Financial Markets Association (SIFMA) announced that, beginning on January 1, 2009, High Balance Loans can be included in TBA eligible pools up to a de minimus limit of 10 percent of the aggregate unpaid principal balance of each pool or loan package. SIFMA also announced that eligible High Balance Loans could be originated on or after October 1, 2008.

For pools with an issue date on or after January 1, 2009, Ginnie Mae will allow High Balance Loans originated after October 1, 2008, to be commingled in TBA eligible pools as long as the High Balance Loans do not exceed 10% of the unpaid principal balance of each pool or loan package. The 10% rule applies to the standard single-family pool prefixes, "X SF" for Ginnie Mae I pools and "M SF" for Ginnie Mae II pool types.

Until Ginnie Mae is able to obtain unit information on loans for multiple units, all multiple unit loans over the \$417,000 amount will be treated as High Balance Loans and subject to the 10% de minimus rule in the "X SF" and "M SF" pool types.

### **Multiple Issuer Pools**

Each package delivered for multiple issuer Ginnie Mae II "M SF" pools may include High Balance loans up to the 10% de minimus limitation described above. If an Issuer delivers a package with an unpaid principal balance of High Balance Loans in excess of 10% of the principal balance of the package at pooling, the package will be rejected. Any excess High Balance Loans may be pooled without limit into "M FS" or "M JM" pools, as described below, or held for subsequent pooling.

### Pooling in “M JM” Pools

Ginnie Mae will continue to make available for issuance pools designated “M JM” as multiple issuer jumbo loan pools. “M JM” pooling continues to be available for all eligible single-family mortgage loans, including loans above the HERA limits originated under the temporary higher loan balance authority of the Economic Stimulus Act of 2008. Any single-family mortgage loan can be pooled in an “M JM” pool, and any High Balance Loans that cannot be pooled in TBA-eligible pools due to the 10% de minimus restriction may be pooled in an “M JM”, “M FS” and/or “All ARM” pool types.

### Summary Table of Eligible Pool Types for High Balance Loans

Pool Type	Limits
X SF	Cannot exceed 10% of the unpaid principal balance for pool or loan package
M SF	Cannot exceed 10% of the unpaid principal balance for pool or loan package
M JM	No limit
M FS	No limit
All ARMs	No limit

Updates to the Guide will be made available under the “What’s New” section of the Ginnie Mae website, [www.ginniemae.gov](http://www.ginniemae.gov) no later than December 15, 2009. On January 1, 2009, the Guide will be updated to formally incorporate these changes.

For additional assistance, Issuers may contact their Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-1535.