



\$118,326,373

**Government National Mortgage Association**

**GINNIE MAE®**

**Guaranteed HECM MBS REMIC Pass-Through Securities  
Ginnie Mae REMIC Trust 2013-H02**

**The Securities**

The Trust will issue the Classes of Securities listed on the front cover of this offering circular supplement.

**The Ginnie Mae Guaranty**

Ginnie Mae will guarantee the timely payment of principal and interest on the securities. The Ginnie Mae Guaranty is backed by the full faith and credit of the United States of America.

**The Trust and its Assets**

The Trust will own Ginnie Mae HECM MBS.

Class of REMIC Securities	Original Principal Balance(1)	Interest Rate	Principal Type(2)	Interest Type(2)	CUSIP Number	Final Distribution Date(3)
<b>Security Group 1</b>						
HA .....	\$35,963,211	1.65%	HPT	FIX/HZ	38375BG71	December 2062
HI .....	35,963,211	(4)	NTL(HPT)	HWAC/IO/DLY	38375BG89	December 2062
<b>Security Group 2</b>						
DI .....	60,171,827	(4)	NTL(HPT)	HWAC/IO/DLY	38375BG97	December 2062
FD .....	60,171,827	(4)	HPT	FLT/HWAC/HZ	38375BH21	December 2062
<b>Security Group 3</b>						
GF .....	12,068,141	(4)	HPT	FLT/HWAC/HZ	38375BH39	December 2062
GI .....	12,068,141	(4)	NTL(HPT)	HWAC/IO/DLY	38375BH47	December 2062
<b>Security Group 4</b>						
FI .....	10,123,194	(4)	NTL(HPT)	HWAC/IO/DLY	38375BH54	November 2062
HF .....	10,123,194	(4)	HPT	FLT/HWAC/HZ	38375BH62	November 2062
<b>Residuals</b>						
RR1 .....	0	0.0	NPR	NPR	38375BH70	December 2062
RR2 .....	0	0.0	NPR	NPR	38375BH88	December 2062
RR3 .....	0	0.0	NPR	NPR	38375BH96	December 2062
RR4 .....	0	0.0	NPR	NPR	38375BJ29	November 2062

- (1) Subject to increase as described under "Increase in Size" in this Supplement. The amount shown for each Notional Class (indicated by "NTL" under Principal Type) is its original Class Notional Balance and does not represent principal that will be paid.
- (2) As defined under "Class Types" in Appendix I to the Base Offering Circular. The Class Notional Balance of each Notional Class will be either reduced or increased, as applicable, with the outstanding principal balance of the related Trust Asset Group.
- (3) See "Yield, Maturity and Prepayment Considerations — Final Distribution Date" in this Supplement.
- (4) See "Terms Sheet — Interest Rates" in this Supplement.

**The securities may not be suitable investments for you. You should consider carefully the risks of investing in them.**

**See "Risk Factors" beginning on page S-11 which highlights some of these risks.**

The Sponsor and the Co-Sponsor will offer the securities from time to time in negotiated transactions at varying prices. We expect the closing date to be January 30, 2013.

You should read the Base Offering Circular as well as this Supplement.

The securities are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.



**Loop Capital Markets LLC**

**The date of this Offering Circular Supplement is January 23, 2013.**

## AVAILABLE INFORMATION

You should purchase the securities only if you have read and understood the following documents:

- this Offering Circular Supplement (this “Supplement”),
- the Base Offering Circular,
- the HECM MBS Base Prospectus dated October 1, 2007, or July 1, 2011, as applicable (the “HECM MBS Base Prospectus”) and
- each HECM MBS Prospectus Supplement relating to the HECM MBS (the “HECM MBS Prospectus Supplements,” together with the HECM MBS Base Prospectus, the “HECM MBS Disclosure Documents”).

The Base Offering Circular and the HECM MBS Disclosure Documents are available on Ginnie Mae’s website located at <http://www.ginniemae.gov>.

If you do not have access to the internet, call BNY Mellon, which will act as information agent for the Trust, at (800) 234-GNMA, to order copies of the Base Offering Circular. In addition, you can obtain copies of any other document listed above by contacting BNY Mellon at the telephone number listed above.

Unless otherwise specifically defined herein, please consult the standard abbreviations of Class Types included in the Base Offering Circular as Appendix I and the glossary included in the Base Offering Circular as Appendix II for definitions of capitalized terms.

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## TERMS SHEET

This terms sheet contains selected information for quick reference only. You should read this Supplement, particularly “Risk Factors,” and each of the other documents listed under “Available Information.”

**Sponsor:** RBS Securities Inc.

**Co-Sponsor:** Loop Capital Markets LLC

**Trustee:** Wells Fargo Bank, N.A.

**Tax Administrator:** The Trustee

**Closing Date:** January 30, 2013

**Distribution Date:** The 20th day of each month or, if the 20th day is not a Business Day, the first Business Day thereafter, commencing in February 2013.

**Trust Assets:**

<u>Trust Asset Group</u>	<u>Trust Asset Type<sup>(1)</sup></u>	<u>HECM MBS Principal Balance</u>	<u>HECM MBS Rate<sup>(2)</sup></u>	<u>Original Term To Maturity (in years)</u>
1	Ginnie Mae II <sup>(3)</sup>	\$35,963,211	(4)	50
2	Ginnie Mae II <sup>(5)</sup>	60,171,827	(6)(7)	50
3	Ginnie Mae II <sup>(8)</sup>	12,068,141	(9)	50
4	Ginnie Mae II <sup>(10)</sup>	10,123,194	(11)	50

<sup>(1)</sup> The Trust Assets are HECM MBS backed by participation interests (each, a “Participation”) in advances made to borrowers and related amounts in respect of home equity conversion mortgage loans (“HECMs”) insured by FHA. See “*The Trust Assets— The Participations and the HECMs*” in this Supplement. Certain additional information regarding the HECM MBS is set forth in Exhibit A to this Supplement.

<sup>(2)</sup> The HECM MBS Rate for each Trust Asset is the weighted average coupon of its related Participation interest rates (“WACR”). WACR constitutes the Weighted Average Coupon Rate for purposes of this Supplement. See “*The Trust Assets— The Trust MBS*” in this Supplement.

<sup>(3)</sup> The Group 1 Trust Assets consist of Ginnie Mae HECM MBS pools 767616, 773438, 777438 and 795494.

<sup>(4)</sup> The interest rates of the Participations (net of the related Servicing Fee Margin) underlying the Group 1 HECM MBS pools at issuance ranged from 3.640% to 6.515%.

<sup>(5)</sup> The Group 2 Trust Assets consist of Ginnie Mae HECM MBS pools 898425, 898428, 899067, 899073, 899612, 899613 and 899614.

<sup>(6)</sup> The applicable index for each of the Group 2 Trust Assets is LIBOR. The actual HECM lifetime cap on interest rate adjustments may limit whether the HECM MBS Rate for a particular Group 2 Trust Asset remains at LIBOR (as determined pursuant to the HECM loan documents) plus the applicable margin. See “*The*

*Trust Assets— The Trust MBS” and “Risk Factors—Adjustable rate HECMs are subject to certain caps, or maximum interest rates, which may limit the amount of interest payable in respect of the related HECM MBS and may limit the WACR on the related HECM MBS and the interest rates on the group 2 securities” in this Supplement.*

- (7) The approximate weighted average margins on the Participations (net of the related Servicing Fee Margin) underlying the Group 2 HECM MBS pools range from 1.429% to 2.418%.
- (8) The Group 3 Trust Assets consist of Ginnie Mae HECM MBS pools 710084, 721631, 725631, 751401, 795501 and 795506.
- (9) The interest rates of the Participations (net of the related Servicing Fee Margin) underlying the Group 3 HECM MBS pools at issuance ranged from 3.640% to 5.700%.
- (10) The Group 4 Trust Assets consist of Ginnie Mae HECM MBS pools 690041, 710020, 725871 and 795495.
- (11) The interest rates of the Participations (net of the related Servicing Fee Margin) underlying the Group 4 HECM MBS pools at issuance ranged from 4.630% to 6.880%.

**Security Groups:** This series of Securities consists of multiple Security Groups (each, a “Group”), as shown on the front cover of this Supplement. Payments on each Group will be based solely on payments on the Trust Asset Group with the same numerical designation.

**Assumed Characteristics of the HECMs and the Participations Underlying the Trust Assets:** The assumed characteristics of the HECMs and the Participations underlying the Trust Assets are identified in Exhibit A to this Supplement. The assumed characteristics may differ, perhaps significantly, from the characteristics of the HECMs and the related Participations as of the date of issuance of the related HECM MBS, which characteristics are identified in the related HECM MBS Prospectus Supplement. There can be no assurance that the actual characteristics of the HECMs and the Participations underlying the Trust Assets will be the same as the assumed characteristics identified in Exhibit A to this Supplement.

**Issuance of Securities:** The Securities, other than the Residual Securities, will initially be issued in book-entry form through the book-entry system of the U.S. Federal Reserve Banks (the “Fedwire Book-Entry System”). The Residual Securities will be issued in fully registered, certificated form. See “Description of the Securities— Form of Securities” in this Supplement

**Increased Minimum Denomination Classes:** Each Regular Class. See “Description of the Securities— Form of Securities” in this Supplement

**Interest Rates:** The Interest Rate for the Fixed Rate Class is shown on the front cover of this Supplement.

The Floating Rate Classes will bear interest at per annum rates based on one-month LIBOR (hereinafter referred to as “LIBOR”) as follows:

<u>Class</u>	<u>Interest Rate Formula(1)</u>	<u>Initial Interest Rate(2)</u>	<u>Minimum Rate(3)</u>	<u>Maximum Rate</u>	<u>Delay (in days)</u>	<u>LIBOR for Minimum Interest Rate</u>
FD .....	LIBOR + 0.34%	0.55070%	0.34%	(4)	0	0.00%
GF .....	LIBOR + 0.50%	0.71070%	0.50%	(5)	0	0.00%
HF .....	LIBOR + 0.30%	0.51070%	0.30%	(5)	0	0.00%

- (1) LIBOR will be established as described under “Description of the Securities — Interest Distributions — Floating Rate Classes” in this Supplement.
- (2) The initial Interest Rate will be in effect during the first Accrual Period; the Interest Rate will adjust monthly thereafter.
- (3) The minimum rate for any Accrual Period will be the lesser of (i) the rate indicated in this table under the heading “Minimum Rate” and (ii) the WACR for the related Trust Asset Group.
- (4) The maximum rate for Class FD for any Accrual Period will be the lesser of (i) 10.50% and (ii) the WACR for Trust Asset Group 2. *See “Risk Factors— The maximum rate on each floating rate class could limit the amount of interest that accrues on such class” in this Supplement.*
- (5) In the case of Classes GF and HF, the maximum rate for any Accrual Period will be the WACR for the related Trust Asset Group. *See “Risk Factors— The maximum rate on each floating rate class could limit the amount of interest that accrues on such class” in this Supplement.*

Each of Classes FD, GF and HF will bear interest during each Accrual Period at a per annum rate equal to the lesser of the related maximum rate and the result based on the related interest rate formula described above.

The approximate initial Interest Rates for the Interest Only Classes are set forth in the table below.

<u>Class</u>	<u>Approximate Initial Interest Rate(1)</u>
DI .....	1.80250%
FI .....	5.38791%
GI .....	4.29506%
HI .....	2.86324%

- (1) The approximate initial Interest Rates for the Classes set forth in the table above were calculated using the assumed characteristics of the HECMs and the Participations underlying the related Trust Assets set forth in Exhibit A, which are provided by the Sponsor as of January 1, 2013. The assumed characteristics include rounded weighted average gross interest rates on the HECMs related to the Participations backing the Trust Assets. The actual initial Interest Rates for such Classes will be calculated based on the interest that accrues on each HECM, aggregated and then rounded to a different level of precision. Therefore the actual initial Interest Rates for such Classes may differ from the approximate initial Interest Rates set forth herein. On or about the first Distribution Date, investors can obtain the actual initial Interest Rates for such Classes for the related Accrual Period from the Trustee’s website, [www.ctslink.com](http://www.ctslink.com).

**Class DI Interest Rate:** For any Distribution Date, a per annum rate equal to the product of (i) 12 multiplied by (ii) the quotient of (a) the excess, if any, of (I) the interest accrued for the Accrual Period immediately preceding such Distribution Date on the Group 2 Trust Assets over (II) the Class FD Interest Accrual Amount for such Distribution Date, divided by (b) the outstanding principal balance of the Group 2 Trust Assets as of the related Record Date for Class DI.

**Class FI Interest Rate:** For any Distribution Date, a per annum rate equal to the product of (i) 12 multiplied by (ii) the quotient of (a) the excess, if any, of (I) the interest accrued for the Accrual Period immediately preceding such Distribution Date on the Group 4 Trust Assets over (II) the Class HF Interest Accrual Amount for such Distribution Date, divided by (b) the outstanding principal balance of the Group 4 Trust Assets as of the related Record Date for Class FI.

**Class GI Interest Rate:** For any Distribution Date, a per annum rate equal to the product of (i) 12 multiplied by (ii) the quotient of (a) the excess, if any, of (I) the interest accrued for the Accrual Period immediately preceding such Distribution Date on the Group 3 Trust Assets over (II) the Class GF Interest Accrual Amount for such Distribution Date, divided by (b) the outstanding principal balance of the Group 3 Trust Assets as of the related Record Date for Class GI.

**Class HI Interest Rate:** For any Distribution Date, a per annum rate equal to the product of (i) 12 multiplied by (ii) the quotient of (a) the excess, if any, of (I) the interest accrued for the Accrual Period immediately preceding such Distribution Date on the Group 1 Trust Assets over (II) the Class HA Interest Accrual Amount for such Distribution Date, divided by (b) the outstanding principal balance of the Group 1 Trust Assets as of the related Record Date for Class HI.

**Distributions:** On each Distribution Date, the following distributions will be made to the related Securities:

#### **SECURITY GROUP 1**

The Group 1 Available Distribution Amount will be allocated in the following order of priority:

1. Concurrently, to HA and HI, pro rata based on their respective Interest Accrual Amounts, up to the Class HA Interest Accrual Amount and the Class HI Interest Accrual Amount for such Distribution Date
2. To HA, in reduction of its Class Principal Balance, up to the amount of the Class HA Principal Distribution Amount for such Distribution Date, until retired
3. To HI, until the Class HI Deferred Interest Amount is reduced to zero

#### **SECURITY GROUP 2**

The Group 2 Available Distribution Amount will be allocated in the following order of priority:

1. Concurrently, to DI and FD, pro rata based on their respective Interest Accrual Amounts, up to the Class DI Interest Accrual Amount and the Class FD Interest Accrual Amount for such Distribution Date
2. To FD, in reduction of its Class Principal Balance, up to the amount of the Class FD Principal Distribution Amount for such Distribution Date, until retired
3. To DI, until the Class DI Deferred Interest Amount is reduced to zero

#### **SECURITY GROUP 3**

The Group 3 Available Distribution Amount will be allocated in the following order of priority:

1. Concurrently, to GF and GI, pro rata based on their respective Interest Accrual Amounts, up to the Class GF Interest Accrual Amount and the Class GI Interest Accrual Amount for such Distribution Date
2. To GF, in reduction of its Class Principal Balance, up to the amount of the Class GF Principal Distribution Amount for such Distribution Date, until retired
3. To GI, until the Class GI Deferred Interest Amount is reduced to zero

#### SECURITY GROUP 4

The Group 4 Available Distribution Amount will be allocated in the following order of priority:

1. Concurrently, to FI and HF, pro rata based on their respective Interest Accrual Amounts, up to the Class FI Interest Accrual Amount and the Class HF Interest Accrual Amount for such Distribution Date
2. To HF, in reduction of its Class Principal Balance, up to the amount of the Class HF Principal Distribution Amount for such Distribution Date, until retired
3. To FI, until the Class FI Deferred Interest Amount is reduced to zero

**Available Distribution Amount:** For each Security Group, with respect to each Distribution Date, the excess, if any, of (a) the sum of (i) the product of (A) the original principal amount of the related HECM MBS and (B) the Certificate Factor or Calculated Certificate Factor, as applicable, for the preceding Distribution Date and (ii) the interest accrued with respect to such HECM MBS for the related Accrual Period over (b) the product of (i) the original principal amount of such HECM MBS and (ii) the Certificate Factor or Calculated Certificate Factor, as applicable, for the current Distribution Date.

**Class DI Deferred Interest Amount:** With respect to any Distribution Date, the excess, if any, of (i) the sum of all Class DI Interest Accrual Amounts for each Accrual Period ending before such Distribution Date over (ii) the sum of (a) all amounts distributed in respect of Class DI on all prior Distribution Dates plus (b) the amount distributed in respect of Class DI on such Distribution Date pursuant to step 1. under Security Group 2 in “Terms Sheet — Distributions” in this Supplement. After the occurrence of any Distribution Date in any month, the remaining Class DI Deferred Interest Amount can be calculated by (1) subtracting the Class FD Principal Balance after giving effect to any principal distribution (or any addition) made with respect to such Class as of such Distribution Date from the outstanding principal balance of the Group 2 Trust Assets after giving effect to any payments or accruals on the related HECM MBS as of such Distribution Date.

**Class DI Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the Class DI Interest Rate on the Class Notional Balance of Class DI (the “Class DI Notional Balance”) as of the related Record Date.

**Class FD Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the related Interest Rate on the Class Principal Balance of Class FD as of the related Record Date. If, on any Distribution Date, the Class FD Interest Accrual Amount for such Distribution Date exceeds the amount distributed in respect of Class FD pursuant to step 1. under Security Group 2 in “Terms Sheet — Distributions” in this Supplement, such excess will be added to the Class Principal Balance of Class FD (the “Class FD Principal Balance”).

**Class FD Principal Distribution Amount:** For any Distribution Date, the product of (i) the excess, if any, of (a) the Group 2 Available Distribution Amount for such Distribution Date over (b) the sum of the Class FD Interest Accrual Amount and the Class DI Interest Accrual Amount for such Distribution Date, and (ii) the quotient of (a) the Class FD Principal Balance as of the related Record Date divided by (b) the outstanding principal balance of the Group 2 Trust Assets as of the related Record Date for Class FD.

**Class FI Deferred Interest Amount:** With respect to any Distribution Date, the excess, if any, of (i) the sum of all Class FI Interest Accrual Amounts for each Accrual Period ending before such Distribution Date over (ii) the sum of (a) all amounts distributed in respect of Class FI on all prior Distribution Dates plus (b) the amount distributed in respect of Class FI on such Distribution Date pursuant

to step 1. under Security Group 4 in “Terms Sheet — Distributions” in this Supplement. After the occurrence of any Distribution Date in any month, the remaining Class FI Deferred Interest Amount can be calculated by subtracting the Class HF Principal Balance after giving effect to any principal distribution (or any addition) made with respect to such Class as of such Distribution Date from the outstanding principal balance of the Group 4 Trust Assets after giving effect to any payments or accruals on the related HECM MBS as of such Distribution Date.

**Class FI Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the Class FI Interest Rate on the Class Notional Balance of Class FI (the “Class FI Notional Balance”) as of the related Record Date.

**Class GF Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the related Interest Rate on the Class Principal Balance of Class GF as of the related Record Date. If, on any Distribution Date, the Class GF Interest Accrual Amount for such Distribution Date exceeds the amount distributed in respect of Class GF pursuant to step 1. under Security Group 3 in “Terms Sheet — Distributions” in this Supplement, such excess will be added to the Class Principal Balance of Class GF (the “Class GF Principal Balance”).

**Class GF Principal Distribution Amount:** For any Distribution Date, the product of (i) the excess, if any, of (a) the Group 3 Available Distribution Amount for such Distribution Date over (b) the sum of the Class GF Interest Accrual Amount and the Class GI Interest Accrual Amount for such Distribution Date, and (ii) the quotient of (a) the Class GF Principal Balance as of the related Record Date divided by (b) the outstanding principal balance of the Group 3 Trust Assets as of the related Record Date for Class GF.

**Class GI Deferred Interest Amount:** With respect to any Distribution Date, the excess, if any, of (i) the sum of all Class GI Interest Accrual Amounts for each Accrual Period ending before such Distribution Date over (ii) the sum of (a) all amounts distributed in respect of Class GI on all prior Distribution Dates plus (b) the amount distributed in respect of Class GI on such Distribution Date pursuant to step 1. under Security Group 3 in “Terms Sheet — Distributions” in this Supplement. After the occurrence of any Distribution Date in any month, the remaining Class GI Deferred Interest Amount can be calculated by subtracting the Class GF Principal Balance after giving effect to any principal distribution (or any addition) made with respect to such Class as of such Distribution Date from the outstanding principal balance of the Group 3 Trust Assets after giving effect to any payments or accruals on the related HECM MBS as of such Distribution Date.

**Class GI Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the Class GI Interest Rate on the Class Notional Balance of Class GI (the “Class GI Notional Balance”) as of the related Record Date.

**Class HA Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the related Interest Rate on the Class Principal Balance of Class HA as of the related Record Date. If, on any Distribution Date, the Class HA Interest Accrual Amount for such Distribution Date exceeds the amount distributed in respect of Class HA pursuant to step 1. under Security Group 1 in “Terms Sheet — Distributions” in this Supplement, such excess will be added to the Class Principal Balance of Class HA (the “Class HA Principal Balance”).

**Class HA Principal Distribution Amount:** For any Distribution Date, the product of (i) the excess, if any, of (a) the Group 1 Available Distribution Amount for such Distribution Date over (b) the sum of the Class HA Interest Accrual Amount and the Class HI Interest Accrual Amount for such Distribution

Date, and (ii) the quotient of (a) the Class HA Principal Balance as of the related Record Date divided by (b) the outstanding principal balance of the Group 1 Trust Assets as of the related Record Date for Class HA.

**Class HF Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the related Interest Rate on the Class Principal Balance of Class HF as of the related Record Date. If, on any Distribution Date, the Class HF Interest Accrual Amount for such Distribution Date exceeds the amount distributed in respect of Class HF pursuant to step 1. under Security Group 4 in “Terms Sheet — Distributions” in this Supplement, such excess will be added to the Class Principal Balance of Class HF (the “Class HF Principal Balance”).

**Class HF Principal Distribution Amount:** For any Distribution Date, the product of (i) the excess, if any, of (a) the Group 4 Available Distribution Amount for such Distribution Date over (b) the sum of the Class FI Interest Accrual Amount and the Class HF Interest Accrual Amount for such Distribution Date, and (ii) the quotient of (a) the Class HF Principal Balance as of the related Record Date divided by (b) the outstanding principal balance of the Group 4 Trust Assets as of the related Record Date for Class HF.

**Class HI Deferred Interest Amount:** With respect to any Distribution Date, the excess, if any, of (i) the sum of all Class HI Interest Accrual Amounts for each Accrual Period ending before such Distribution Date over (ii) the sum of (a) all amounts distributed in respect of Class HI on all prior Distribution Dates plus (b) the amount distributed in respect of Class HI on such Distribution Date pursuant to step 1. under Security Group 1 in “Terms Sheet — Distributions” in this Supplement. After the occurrence of any Distribution Date in any month, the remaining Class HI Deferred Interest Amount can be calculated by subtracting the Class HA Principal Balance after giving effect to any principal distribution (or any addition) made with respect to such Class as of such Distribution Date from the outstanding principal balance of the Group 1 Trust Assets after giving effect to any payments or accruals on the related HECM MBS as of such Distribution Date.

**Class HI Interest Accrual Amount:** For any Distribution Date, interest accrued during the related Accrual Period for such Distribution Date at the Class HI Interest Rate on the Class Notional Balance of Class HI (the “Class HI Notional Balance”) as of the related Record Date.

**Deferred Interest Amount:** Any of the Class DI Deferred Interest Amount, the Class FI Deferred Interest Amount, the Class GI Deferred Interest Amount or the Class HI Deferred Interest Amount, as applicable. On or about each Distribution Date, the Deferred Interest Amount is available on reports published by the Trustee on its website, [www.ctslink.com](http://www.ctslink.com).

**Interest Accrual Amount:** Any of the Class DI Interest Accrual Amount, the Class FD Interest Accrual Amount, the Class FI Interest Accrual Amount, the Class GF Interest Accrual Amount, the Class GI Interest Accrual Amount, the Class HA Interest Accrual Amount, the Class HF Interest Accrual Amount or the Class HI Interest Accrual Amount, as applicable.

**Notional Classes:** The Notional Classes will not receive distributions of principal based on their Class Notional Balances but have Class Notional Balances for convenience in describing their

entitlements to interest. The Class Notional Balance of each Notional Class represents the percentage indicated below of, and reduces or increases to that extent with, the outstanding principal balance of the related Trust Asset Group indicated:

<u>Class</u>	<u>Original Class Notional Balance</u>	<u>Represents</u>
DI .....	\$60,171,827	100% of the Group 2 Trust Assets
FI .....	10,123,194	100% of the Group 4 Trust Assets
GI .....	12,068,141	100% of the Group 3 Trust Assets
HI .....	35,963,211	100% of the Group 1 Trust Assets

**Tax Status:** Double REMIC Series as to the Group 1 Trust Assets, Double REMIC Series as to the Group 2 Trust Assets, Double REMIC Series as to the Group 3 Trust Assets and Double REMIC Series as to the Group 4 Trust Assets. Separate REMIC elections will be made as to the Issuing and the Pooling REMIC with respect to the Group 1 Trust Assets, the Group 2 Trust Assets, the Group 3 Trust Assets and the Group 4 Trust Assets (the “Group 1 Pooling REMIC,” the “Group 1 Issuing REMIC,” the “Group 2 Pooling REMIC,” the “Group 2 Issuing REMIC,” the “Group 3 Pooling REMIC,” the “Group 3 Issuing REMIC,” the “Group 4 Pooling REMIC” and the “Group 4 Issuing REMIC,” respectively). See “*Certain United States Federal Income Tax Consequences*” in this Supplement and in the Base Offering Circular.

**Regular and Residual Classes:** Classes RR1, RR2, RR3 and RR4 are Residual Classes. Class RR1 represents the Residual Interest of the Group 1 Issuing and Pooling REMICs. Class RR2 represents the Residual Interest of the Group 2 Issuing and Pooling REMICs. Class RR3 represents the Residual Interest of the Group 3 Issuing and Pooling REMICs. Class RR4 represents the Residual Interest of the Group 4 Issuing and Pooling REMICs.

## RISK FACTORS

*You should purchase securities only if you understand and are able to bear the associated risks. The risks applicable to your investment depend on the principal and interest type of your securities. This section highlights certain of these risks.*

***The rate of principal payments on the HECMs related to the participations underlying the trust assets will affect the rate of principal payments on your securities.*** The rate at which you will receive principal payments will depend largely on the rate of principal payments, including prepayments, on the related HECMs related to the participations underlying the trust assets. Any historical data regarding mortgage loan prepayment rates may not be indicative of the rate of future prepayments on the related HECMs, and no assurances can be given about the rates at which the related HECMs will prepay. We expect the rate of principal payments on the HECMs related to the participations underlying the trust assets to vary. Borrowers generally may prepay their HECMs at any time without penalty.

In addition to voluntary prepayments, HECMs can be prepaid as a result of governmental mortgage insurance claim payments, loss mitigation arrangements, repurchases or liquidations of defaulted HECMs. Although under certain circumstances Ginnie Mae issuers have the option to repurchase defaulted HECMs from the related pool underlying a Ginnie Mae HECM MBS certificate, they are not obligated to do so. Defaulted HECMs that remain in pools backing Ginnie Mae HECM MBS certificates may be subject to governmental mortgage insurance claim payments, loss mitigation arrangements or foreclosure, which could have the same effect as voluntary prepayments on the cash flow available to pay the securities. No assurances can be given as to the timing or frequency of any governmental mortgage insurance claim payments, issuer repurchases, loss mitigation arrangements or foreclosure proceedings with respect to defaulted HECMs and the resulting effect on the timing or rate of principal payments on your securities.

***It is uncertain when payments will be made in respect of securities backed by HECM MBS.*** The rate of voluntary prepayments and the

occurrence of maturity events and Ginnie Mae issuer purchase events with respect to HECMs are uncertain. A borrower may prepay in whole or in part the outstanding balance of a HECM at any time without penalty, including any accrued interest thereon. No interest or principal is required to be paid by the borrower, however, until maturity, which generally occurs upon the occurrence of a maturity event. A Ginnie Mae issuer of a HECM MBS is permitted and obligated to purchase, under certain circumstances, all participations related to a HECM.

Because (i) it is uncertain whether a HECM borrower will choose to prepay amounts advanced in whole or in part, (ii) it is uncertain when any maturity event might occur, (iii) it is uncertain when amounts owed on a HECM will equal or exceed 98% of the maximum claim amount and (iv) it is uncertain whether a Ginnie Mae issuer will exercise any option to purchase any participation related to a HECM, it is uncertain when any amounts might be paid on securities backed by HECM MBS, and thus the yields on and weighted average lives of the securities backed by HECM MBS may differ substantially from an investor's expectations. See *"Risk Factors" and "Prepayment and Yield Considerations" in the HECM MBS Base Prospectus and "Yield, Maturity and Prepayment Considerations" in this supplement.*

***Rates of principal payments can reduce your yield.*** The yield on your securities probably will be lower than you expect if:

- you bought your securities at a premium (interest only securities, for example) and principal payments are faster than you expected, or
- you bought your securities at a discount and principal payments are slower than you expected.

In addition, if your securities are interest only securities or securities purchased at a significant premium, you could lose money on your investment if prepayments occur at a rapid rate.

***FHA's HECM Saver program and changes in interest rates may create incentives for borrowers of outstanding HECMs to refinance their HECMs, which may change, perhaps significantly, the weighted average lives of, and yields on, the securities.***

The HECM Saver program, which has been available to borrowers since October 4, 2010, lowers upfront loan closing costs for borrowers who want to borrow smaller amounts than would be available under the existing HECM loan program. Depending on a number of factors, including prevailing interest rates, outstanding amounts borrowed in respect of any HECM and a borrower's ability to pay initial closing costs, a borrower may choose to refinance their HECM loan. Any refinancing pursuant to the HECM Saver program of any HECM loan that backs the HECM MBS included in any trust asset group will increase the rate of principal payments on the securities, or, in the case of interest only securities, increase the rate of reductions of the notional balances. The potential effect of the HECM Saver program and changes in interest rates on refinancing activity is uncertain, and no assurances can be provided as to the ultimate effect on the weighted average lives of, or yields on, your securities.

***HECM borrowers may choose or change to one of five payment plans, each of which has different prepayment characteristics that may affect the weighted average lives and yields of the securities.*** For example, line of credit payment plans may experience higher prepayment rates than other payment plans. To the extent that the HECMs include a large concentration of line of credit HECMs, such HECMs may experience higher prepayment rates. Higher prepayment rates will reduce, perhaps significantly, the weighted average lives of the securities. Reductions in the weighted average lives of the securities will affect the yields on the securities.

***A HECM that has been drawn up to its principal limit, or becomes drawn up to its principal limit early in its term, could result in a reduction of the weighted average lives of and yields on the related securities.*** A borrower's principal limit for a HECM represents the maximum disbursement that the borrower can receive under the HECM and is calculated, in part, on the basis of the maximum claim amount for such HECM. The maximum claim amount for a HECM generally represents the lender's maximum insurance claim from HUD for such HECM. A HECM with a loan balance that is approaching or has reached its principal limit, or that is fully drawn early in its term, is likely to reach its maximum claim amount sooner than a HECM with significant remaining credit availability that is drawn over an extended period of time. When a HECM approaches its maximum claim amount, a mandatory purchase event or a 98% optional purchase event may occur. If a purchase of all participations relating to a HECM occurs under such a Ginnie Mae issuer purchase event, the purchase will result in a payment in respect of the related securities and will reduce the weighted average lives of such securities. Reductions in the weighted average lives of the securities will affect, perhaps significantly, the yields on the securities.

***The WACR of the group 3 and group 4 trust assets may limit the amount of interest distributed to or accrued on the related floating rate and notional classes.*** The interest entitlements of each of the group 3 and group 4 floating rate classes are capped at the WACR of the related trust assets. If the WACR of the group 3 or group 4 trust assets is equal to or lower than the interest rate on the related floating rate class based on the interest rate formula as shown under "Terms Sheet — Interest Rates" in this supplement for any accrual period, interest entitlements with respect to the related interest only class may be reduced to zero because such class is entitled to receive the excess of interest accrued in respect of the related trust assets over the interest accrued on the related floating rate class. In addition, if the

WACR of the group 3 or group 4 trust assets is lower than the interest rate on the related floating rate class based on its interest rate formula as shown under “Terms Sheet — Interest Rates” in this supplement for any accrual period, interest accruing on such floating rate class will be reduced because the interest rate on such class is capped at a rate equal to the WACR of the related trust assets.

***The level of LIBOR will affect payments and yields on the group 2, 3 and 4 securities.*** If LIBOR performs differently from what you expect, the yield on your securities may be lower than you expect. Lower levels of LIBOR will generally reduce the yield on floating rate securities. You should bear in mind that the timing of changes in LIBOR may also affect your yield: generally the earlier a change in LIBOR occurs, the greater the effect such change will have on your yield. It is doubtful that LIBOR will remain constant.

In addition, higher levels of LIBOR will increase the rate at which adjustable rate HECMs reach their maximum claim amounts. When a HECM approaches its maximum claim amount, certain Ginnie Mae issuer purchase events could occur resulting in a prepayment in respect of the securities and reductions in the weighted average lives of the securities. Reductions in the weighted average lives of the securities will affect, perhaps significantly, the yields on the securities.

***LIBOR for the HECMs related to the participations underlying the group 2 trust assets may not equal LIBOR for the group 2 securities, which may impact, perhaps significantly, the amount of interest distributable to the group 2 securities.*** LIBOR for the HECMs related to the participations underlying the group 2 trust assets may be determined at different times and from a different source than LIBOR on the related securities. If LIBOR for the HECMs related to the participations underlying the group 2 trust assets is lower than LIBOR for the related securities for any accrual period, interest accruals with respect to the related notional class will be reduced because such notional class is entitled to receive the excess of interest accrued in respect of the related trust assets over the interest

distributable to the related floating rate class. In addition, if LIBOR for the HECMs related to the participations underlying the group 2 trust assets is significantly lower than LIBOR for the related securities for any accrual period, interest accruing on the related floating rate class will be reduced because the interest rate on such floating rate class is capped at a rate equal to the weighted average coupon rate of the related HECM MBS. In the event that LIBOR for the HECMs related to the participations underlying the group 2 trust assets is higher than LIBOR for the related securities, interest accruing on such floating rate class will not be affected but interest accruals with respect to the related notional class will be increased.

***Adjustable rate HECMs are subject to certain caps, or maximum interest rates, which may limit the amount of interest payable in respect of the related HECM MBS and may limit the WACR on the related HECM MBS and the interest rates on the group 2 securities.*** If LIBOR increases to a sufficiently high level, the interest rates on adjustable rate HECMs related to the participations underlying the group 2 trust assets may be limited by caps. As a result, the WACR on the related HECM MBS, as well as the interest rates on the related securities, may be limited. The application of any caps on the adjustable rate HECMs may significantly impact the interest rates on the group 2 interest only class because the interest entitlement of such class of securities is entirely dependent on the WACR of the related trust asset group.

***The maximum rate on each floating rate class could limit the amount of interest that accrues on such class.*** As set forth under “Terms Sheet — Interest Rates,” each floating rate class is subject to a maximum rate which is equal to (a) the lesser of (i) 10.50% and (ii) the WACR for trust asset group 2 in the case of class FD, or (b) the WACR for the related trust asset group in the case of classes G, F and HF. If LIBOR exceeds certain levels, the interest rate of each floating rate class may be capped at the related maximum rate set forth under “Terms Sheet — Interest Rates” for that class, even in instances when, in the case of class FD, such rate is less than the WACR for trust asset group 2.

***An investment in the securities is subject to significant reinvestment risk.*** The rate of principal payments on your securities is uncertain. You may be unable to reinvest the payments on your securities at the same returns provided by the securities. Lower prevailing interest rates may result in an unexpected return of principal. In that interest rate climate, higher yielding reinvestment opportunities may be limited. Conversely, higher prevailing interest rates may result in slower returns of principal and you may not be able to take advantage of higher yielding investment opportunities. The final payment on your security may occur much earlier than the final distribution date.

***The securities may not be a suitable investment for you.*** The securities, in particular, the interest only and residual classes, are not suitable investments for all investors.

In addition, although the sponsor intends to make a market for the purchase and sale of the securities after their initial issuance, it has no obligation to do so. There is no assurance that a secondary market will develop, that any secondary market will continue, or that the price at which you can sell an investment in any class will enable you to realize a desired yield on that investment.

You will bear the market risks of your investment. The market values of the classes are likely to fluctuate. These fluctuations may be significant and could result in significant losses to you.

The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of classes that are especially sensitive to prepayment or interest rate risk or that have been structured to meet the investment requirements of limited categories of investors.

The residual securities may experience significant adverse tax timing consequences. Accordingly, you are urged to consult tax advisors and to consider the after-tax effect of ownership of a

residual security and the suitability of the residual securities to your investment objectives. See “*Certain United States Federal Income Tax Consequences*” in this supplement and in the base offering circular.

You are encouraged to consult advisors regarding the financial, legal, tax and other aspects of an investment in the securities. You should not purchase the securities of any class unless you understand and are able to bear the prepayment, yield, liquidity and market risks associated with that class.

***The actual characteristics of the HECMs and the participations underlying the trust assets affect the weighted average lives and yields of your securities.*** The yield and decrement tables in this supplement are based on assumed characteristics which are likely to be different from the actual characteristics. Furthermore, certain of the assumed characteristics identified in Exhibit A to this supplement, such as maximum claim amount and HECM MBS principal balance, are calculated on an aggregate basis which may cause results to differ, perhaps significantly, from those calculated using the actual characteristics of the trust assets on a HECM or participation level basis. As a result, the yields on your securities could be lower than you expected, even if the HECMs prepay at the constant prepayment rates set forth in the applicable table.

It is highly unlikely that the HECMs will prepay at any of the prepayment rates assumed or draw at any of the draw rates assumed, if any, in this supplement, or at any constant rate.

***Lack of publicly available information on the HECMs and the related participations underlying the trust assets may adversely affect the liquidity of your securities.*** Limited information will be made publicly available regarding the performance of the HECMs and the related participations underlying the trust assets after the closing date. The absence of publicly available information may affect your ability to sell your securities to prospective investors.

## THE TRUST ASSETS

### General

The Sponsor intends to acquire the Trust Assets in privately negotiated transactions prior to the Closing Date and to sell them to the Trust according to the terms of a Trust Agreement between the Sponsor and the Trustee. The Sponsor will make certain representations and warranties with respect to the Trust Assets. All Trust Assets will evidence, directly or indirectly, Ginnie Mae Certificates.

### The Trust MBS

The Trust Assets are HECM MBS guaranteed by Ginnie Mae, and are based on or backed by Participations in advances made to borrowers and related amounts in respect of HECMs. Each such HECM MBS will accrue interest at the interest rate for that HECM MBS for each accrual period (the “HECM MBS Rate”) as set forth in the related HECM MBS Disclosure Documents. The HECM MBS Rate is generally equal to the weighted average of the interest rates on the Participations (each, the “Participation Interest Rate”).

The interest rate of HECM MBS backed by Participations related to adjustable rate HECMs may be limited by caps on the adjustable rate HECMs. *See “Risk Factors— Adjustable rate HECMs are subject to certain caps, or maximum interest rates, which may limit the amount of interest payable in respect of the related HECM MBS and may limit the WACR on the related HECM MBS and the interest rates on the group 2 securities” in this Supplement.*

With respect to each Participation, the Participation Interest Rate generally equals the interest rate of the related HECM less the Servicing Fee Margin. The Servicing Fee Margin generally represents the amount of the servicing compensation payable to the Ginnie Mae Issuer and the Ginnie Mae guaranty fee. However, the Servicing Fee Margin may vary depending on the Issue Date of the HECM MBS and whether the servicing compensation for the HECM is paid on a flat monthly fee arrangement or as a portion of the mortgage interest rate.

Amounts accrued on each HECM MBS in respect of interest each month will equal the product of (i) one-twelfth of the HECM MBS Rate and (ii) the unpaid and outstanding principal amount of such HECM MBS at the end of the prior month. Each month the accrued interest with respect to each HECM MBS will be added to the then outstanding principal balance of such HECM MBS. There are no scheduled payments of interest. It is generally anticipated that no payment in respect of any HECM MBS will be paid until the occurrence of a Maturity Event, or in the event that a borrower makes a voluntary prepayment in whole or in part of the outstanding principal balance of the related HECM or a Ginnie Mae Issuer purchase event occurs.

The HECM MBS Disclosure Documents may be obtained from the Information Agent as described under “Available Information” in this Supplement. Investors are cautioned that material changes in facts and circumstances may have occurred since the date of the HECM MBS Disclosure Documents, including changes in prepayment rates, prevailing interest rates and other economic factors, which may limit the usefulness of, and be directly contrary to the assumptions used in preparing the information included in, the offering document.

The Participations and the related HECMs are further described in the tables in the Terms Sheet hereof and in Exhibit A to this Supplement. Exhibit A also sets forth information regarding approximate loan ages of the related HECMs and weighted average information regarding various characteristics of the HECMs relating to the Participations underlying the related HECM MBS.

## **The Participations and the HECMs**

The Participations and the related HECMs underlying the Trust Assets are expected to have, on a weighted average basis, the characteristics set forth in Exhibit A and the general characteristics described in the Base Offering Circular and the HECM MBS Disclosure Documents. The Participations are related to interests in advances made to borrowers and related amounts in respect of first lien, single-family, fixed rate and adjustable rate residential HECM loans insured by the Federal Housing Administration. *See “The Ginnie Mae Certificates— General” in the Base Offering Circular.*

HECM borrowers may choose one of five payment plans and may change payment plans at any time as long as the outstanding principal balance does not exceed the principal limit. The “tenure” payment plan guarantees that the borrower will receive equal monthly payments for so long as the property remains the borrower’s principal residence. The “term” payment plan guarantees that the borrower will receive monthly payments for a fixed term of months as selected by the borrower. The “line of credit” payment plan allows the borrower to draw up to the available line of credit and in amounts of the borrower’s choosing. The “modified tenure” payment plan allows the borrower to set aside a portion of loan proceeds as a line of credit and receive the remaining balance in the form of equal monthly payments. The “modified term” payment plan allows the borrower to set aside a portion of the loan proceeds as a line of credit and receive the remaining balance as equal monthly payments for a fixed period of time selected by the borrower. Each payment plan is designed so that no repayments of principal or interest are required until a Maturity Event occurs. Any HECM may be prepaid in whole or in part at any time without penalty under each of the five payment plans. *See “Risk Factors— HECM borrowers may choose or change to one of five payment plans, each of which has different prepayment characteristics that may affect the weighted average lives and yields of the securities” in this Supplement.*

Specific information regarding the individual characteristics of the Participations and the related HECMs is not available. For purposes of this Supplement, certain assumptions have been made regarding the characteristics of the Participations and the related HECMs. However, the actual characteristics of many of the Participations and the related HECMs will differ from the characteristics assumed, perhaps significantly. This will be the case even if the weighted average characteristics of the Participations and the related HECMs are the same as the assumed characteristics. Small differences in the characteristics of the Participations and the related HECMs can have a significant effect on the Weighted Average Lives and yields of the Securities. *See “Terms Sheet— Assumed Characteristics of the HECMs and the Participations underlying the Trust Assets,” “Risk Factors,” “Yield, Maturity and Prepayment Considerations” and Exhibit A in this Supplement.*

## **The Trustee Fee**

The Sponsor will contribute certain Ginnie Mae Certificates in respect of the Trustee Fee. On each Distribution Date, the Trustee will retain all principal and interest distributions received on such Ginnie Mae Certificates in payment of the Trustee Fee.

## **GINNIE MAE GUARANTY**

The Government National Mortgage Association (“Ginnie Mae”), a wholly-owned corporate instrumentality of the United States of America within HUD, guarantees the timely payment of principal and interest on the Securities. The General Counsel of HUD has provided an opinion to the effect that Ginnie Mae has the authority to guarantee multiclass securities and that Ginnie Mae guaranties will constitute general obligations of the United States, for which the full faith and credit of the United States is pledged. *See “Ginnie Mae Guaranty” in the Base Offering Circular.*

## DESCRIPTION OF THE SECURITIES

### General

The description of the Securities contained in this Supplement is not complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Trust Agreement. See *“Description of the Securities” in the Base Offering Circular.*

### Form of Securities

Each Class of Securities other than the Residual Securities initially will be issued and maintained, and may be transferred only on the Fedwire Book-Entry System. Beneficial Owners of Book-Entry Securities will ordinarily hold these Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations that are eligible to maintain book-entry accounts on the Fedwire Book-Entry System. By request accompanied by the payment of a transfer fee of \$25,000 per Certificated Security to be issued, a Beneficial Owner may receive a Regular Security in certificated form.

The Residual Securities will not be issued in book-entry form but will be issued in fully registered, certificated form and may be transferred or exchanged, subject to the transfer restrictions applicable to Residual Securities set forth in the Trust Agreement, at the Corporate Trust Office of the Trustee. See *“Description of the Securities— Forms of Securities; Book-Entry Procedures” in the Base Offering Circular.*

Each Regular Class will be issued in minimum dollar denominations of initial principal or notional balance of \$100,000.

### Distributions

Distributions on the Securities will be made on each Distribution Date as specified under “Terms Sheet — Distribution Date” in this Supplement. On each Distribution Date for a Security, or in the case of the Certificated Securities, on the first Business Day after the related Distribution Date, the applicable Available Distribution Amount will be distributed to the related Holders of record as of the related Record Date. Beneficial Owners of Book-Entry Securities will receive distributions through credits to accounts maintained for their benefit on the books and records of the appropriate financial intermediaries. Holders of Certificated Securities will receive distributions by check or, subject to the restrictions set forth in the Base Offering Circular, by wire transfer. See *“Description of the Securities— Distributions” and “— Method of Distributions” in the Base Offering Circular.*

### Interest Distributions

The Interest Distribution Amount will be distributed or accrued as described under “Terms Sheet — Distributions” in this Supplement.

- Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
- Interest distributable or accrued on any Class for any Distribution Date will consist of 30 days’ interest on its Class Principal Balance (or Class Notional Balance) as of the related Record Date.

### *Categories of Classes*

For purposes of interest distributions, the Classes will be categorized as shown under “Interest Type” on the front cover of this Supplement. The abbreviations used in this Supplement to describe the interest entitlements of the Classes are explained under “Class Types” in Appendix I to the Base Offering Circular.

### *Accrual Period*

The Accrual Period for each Regular Class is set forth in the table below:

<u>Class</u>	<u>Accrual Period</u>
Fixed Rate and Delay Classes	The calendar month preceding the related Distribution Date
Floating Rate Classes	From the 20th day of the month preceding the month of the related Distribution Date through the 19th day of the month of that Distribution Date

### *Fixed Rate Class*

The Fixed Rate Class will bear interest at the per annum Interest Rate shown on the front cover of this Supplement.

### *Floating Rate Classes*

The Floating Rate Classes will bear interest as shown under “Terms Sheet — Interest Rates” in this Supplement. The Interest Rates for the Floating Rate Classes will be based on LIBOR. LIBOR will equal the average of the London interbank offered rates for one-month United States dollar deposits as published in the Wall Street Journal thirty days prior to the first day of the month in which the related Accrual Period begins (or, if such date is not a Business Day, the immediately preceding Business Day). If such rate ceases to be published in the Wall Street Journal or becomes unavailable for any reason, then the rate will be based upon a new index selected by the Trustee, from the list of indices approved for use with HUD-insured HECMs, which will be announced as soon as it is available. The Trustee may use different values of LIBOR than those that are used for the related HECMs, which relate to the Participations underlying the related HECM MBS. *See “Risk Factors— LIBOR for the HECMs related to the participations underlying the group 2 trust assets may not equal LIBOR for the group 2 securities, which may impact, perhaps significantly, the amount of interest distributable to the group 2 securities” in the Supplement*

*For information regarding the manner in which the Trustee determines LIBOR and calculates the Interest Rates for the Floating Rate Classes, see “Description of the Securities— Interest Rate Indices— Determination of LIBOR” in the Base Offering Circular.* We can provide no assurance that LIBOR for a Distribution Date accurately represents the offered rate at which one-month U.S. dollar deposits are being quoted to prime banks in the London interbank market, nor that the procedures for calculating the rates for one-month U.S. dollar deposits will not change. Any change in LIBOR values resulting from any change in reporting or in the determination of LIBOR may cause LIBOR to fluctuate disproportionately to changes in other market lending rates.

### *HECM MBS Weighted Average Coupon Classes*

The HECM MBS Weighted Average Coupon Classes will bear interest as shown under “Terms Sheet — Interest Rates” in this Supplement.

The interest that will be distributed or accrued, as applicable, on each HECM MBS Weighted Average Coupon Class will be limited by the interest that is distributed or accrued in respect of the related Trust Assets. With respect to the Participations underlying the Group 2 Securities, see *“Risk Factors— LIBOR for the HECMs related to the participations underlying the group 2 trust assets may not equal LIBOR for the group 2 securities, which may impact, perhaps significantly, the amount of interest distributable to the group 2 securities” and “Risk Factors— Adjustable rate HECMs are subject to certain*

*caps, or maximum interest rates, which may limit the amount of interest payable in respect of the related HECM MBS and may limit the WACR on the related HECM MBS and the interest rates on the group 2 securities” in this Supplement. With respect to the Participations underlying the Group 3 and 4 Trust Assets, see “Risk Factors— The WACR of the group 3 and group 4 trust assets may limit the amount of interest distributed to or accrued on the related floating rate and notional classes” in this Supplement.*

The Trustee’s determination of LIBOR and its calculation of the Interest Rates will be final except in the case of clear error. Investors can obtain LIBOR levels and Interest Rates for the current and preceding Accrual Periods from Ginnie Mae’s Multiclass Securities e-Access located on Ginnie Mae’s website (“e-Access”) or by calling the Information Agent at (800) 234-GNMA.

#### *HECM MBS Accrual Classes*

Each of Classes FD, GF, HA and HF is a HECM MBS Accrual Class. Interest will accrue on each HECM MBS Accrual Class and be distributed as described under “HECM MBS Accrual Class” in Appendix II to the Base Offering Circular.

#### *Deferred Interest Amounts*

Any interest accrued and unpaid on a Notional Class during the Accrual Period for any Distribution Date that is not distributed because of an insufficiency in the related Available Distribution Amount for such Distribution Date increases the related Deferred Interest Amount for such Notional Class. Any such amounts distributable to the Holders of a Notional Class will be paid no later than the Final Distribution Date of such Notional Class.

#### **Principal Distributions**

Amounts distributable in respect of principal will be distributed to the Holders entitled thereto as described under “Terms Sheet — Distributions” in this Supplement. Investors can calculate the amount of principal to be distributed with respect to any Distribution Date by using the Class Factors published in the preceding and current months. See “— Class Factors” below.

#### *Categories of Classes*

For purposes of principal distributions, the Classes will be categorized as shown under “Principal Type” on the front cover of this Supplement. The abbreviations used in this Supplement to describe the principal entitlements of the Classes are explained under “Class Types” in Appendix I to the Base Offering Circular.

#### *Notional Classes*

The Notional Classes will not receive principal distributions based on their Class Notional Balances. For convenience in describing interest distributions, the Notional Classes will have the original Class Notional Balances shown on the front cover of this Supplement. The Class Notional Balances will be reduced or increased as shown under “Terms Sheet — Notional Classes” in this Supplement.

#### **Residual Securities**

The Class RR1, RR2, RR3 and RR4 Securities will represent the beneficial ownership of the Residual Interest in the related Issuing REMIC and the beneficial ownership of the Residual Interest in the related Pooling REMIC, as described in “Certain United States Federal Income Tax Consequences” in the Base Offering Circular. The Class RR1, RR2, RR3 and RR4 Securities have no Class Principal Balance and do not accrue interest. The Class RR1, RR2, RR3 and RR4 Securities will be entitled to receive the proceeds of the disposition of any assets remaining in the related Trust

REMICs after the Class Principal Balance or Class Notional Balance of each Class of Regular Securities in the related Security Group has been reduced to zero. However, any remaining proceeds are not likely to be significant. The Residual Securities may not be transferred to a Plan Investor, a Non-U.S. Person or a Disqualified Organization.

### **Class Factors**

The Trustee will calculate and make available for each Class of Securities, no later than the day preceding the Distribution Date, the factor (carried out to eight decimal places) that when multiplied by the Original Class Principal Balance (or original Class Notional Balance) of that Class, determines the Class Principal Balance (or Class Notional Balance) after giving effect to the distribution of principal to be made on the Securities (and any addition to the Class Principal Balance of a HECM MBS Accrual Class) or any addition to or reduction of Class Notional Balance on that Distribution Date (each, a “Class Factor”).

- The Class Factor for any Class of Securities for each month following the issuance of the Securities will reflect its remaining Class Principal Balance (or Class Notional Balance) after giving effect to any principal distribution (or addition to principal) to be made or any addition to or reduction of Class Notional Balance on the Distribution Date occurring in that month.
- The Class Factor for each Class for the month of issuance is 1.00000000.
- Investors may obtain current Class Factors on e-Access.

*See “Description of the Securities— Distributions” in the Base Offering Circular.*

### **Termination**

The Trustee, at its option, may purchase or cause the sale of the Trust Assets and thereby terminate the Trust on any Distribution Date on which the aggregate of the Class Principal Balances of the Securities is less than 1% of the aggregate Original Class Principal Balances of the Securities. On any Distribution Date upon the Trustee’s determination that the REMIC status of any Trust REMIC has been lost or that a substantial risk exists that this status will be lost for the then current taxable year, the Trustee will terminate such Trust REMIC and any related Trust REMIC and retire the related Securities. For these purposes, the Trust REMICs and the Securities with corresponding numerical designations are related as follows:

<u>Trust REMIC</u>	<u>Related Securities</u>
Group 1 Issuing and Pooling REMICs	Group 1 Securities
Group 2 Issuing and Pooling REMICs	Group 2 Securities
Group 3 Issuing and Pooling REMICs	Group 3 Securities
Group 4 Issuing and Pooling REMICs	Group 4 Securities

Upon any termination of the Trust or any Trust REMIC, the Holder of any related outstanding Security (other than a Residual or Notional Class Security) will be entitled to receive that Holder’s allocable share of the Class Principal Balance of that Class plus any accrued and unpaid interest thereon at the applicable Interest Rate, and any Holder of any related outstanding Notional Class Security will be entitled to receive that Holder’s allocable share of any accrued and unpaid interest thereon at the applicable Interest Rate (including any related Deferred Interest Amount). The Residual Holders will be entitled to their pro rata share of any assets remaining in the related Trust REMICs after payment in full of the amounts described in the foregoing sentence. However, any remaining assets are not likely to be significant.

## **YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS**

### **General**

The prepayment experience of the HECMs will affect the Weighted Average Lives of and the yields realized by investors in the related Securities.

- The rate of principal payments (including prepayments or partial payments) of the HECMs relating to the Participations underlying the Securities depends on a variety of economic, geographic, social and other factors, including prevailing market interest rates, home values and borrower mortality, and will affect the Weighted Average Lives and yields realized by investors in the related Securities. HECMs may respond differently than traditional forward mortgage loans to the factors that influence prepayment.

With respect to the related Trust Assets, the occurrence of any of the following events with respect to a HECM related to the Participations underlying the related HECM MBS (each a “Maturity Event”) will result in the holders of the Securities being entitled to a distribution of principal:

- if a borrower dies and the property is not the principal residence of at least one surviving borrower,
- if a borrower conveys all of his or her title in the mortgaged property and no other borrower retains title to the mortgaged property,
- if the mortgaged property ceases to be the principal residence of a borrower for reasons other than death and the mortgaged property is not the principal residence of at least one surviving borrower,
- if a borrower fails to occupy the mortgaged property for a period of longer than 12 consecutive months because of physical or mental illness and the mortgaged property is not the principal residence of at least one other borrower, or
- if a borrower fails to perform any of its obligations under the HECM (for example, the failure of the borrower to make certain agreed upon repairs to the mortgaged property or the failure of the borrower to pay taxes and hazard insurance premiums).

Generally, a HECM is not repaid immediately upon the occurrence of a Maturity Event, but continues to accrue interest until the liquidation of the related mortgaged property and the repayment of the HECM by the borrower or the receipt of insurance proceeds from FHA. Any resulting shortfall to investors in the related Securities with respect to any Participations in the related HECM will be covered by Ginnie Mae pursuant to its guaranty of the Securities.

A Ginnie Mae Issuer is obligated to purchase all Participations related to a HECM when the outstanding principal amount of the related HECM is equal to or greater than 98% of the “Maximum Claim Amount,” and a Ginnie Mae Issuer has the option to purchase all Participations related to a HECM to the extent that any borrower’s request for an additional advance in respect of any HECM, if funded, together with the outstanding principal amount of the related HECM is equal to or greater than 98% of the “Maximum Claim Amount” or when a HECM becomes, and continues to be, due and payable in accordance with its terms, as applicable (any such purchase referred to herein as a “Ginnie Mae Issuer Purchase Event”). In connection with such repurchase, the Ginnie Mae Issuer will pay an amount (the “Release Price”) equal to the outstanding principal amount of all of the Participations related to such HECMs, and Ginnie Mae will relinquish all right, title and interest it has in the HECMs and the related Participations. With respect to each Participation, the “outstanding principal amount” of such Participation is the original principal amount of such Participation as of the related Issue Date of the related HECM MBS, increased by the Accrued Interest with respect to such Participation and decreased

by any payments made in respect of such Participation. For purposes of determining the Release Price, the “Accrued Interest” with respect to any Participation is the aggregate interest accrued, compounded on a monthly basis, allocable to the Participation at the related Participation Interest Rate for each month (in each case, after taking into account any payments made in reduction of such Participation) from and including the Issue Date through the last day of the reporting month (as such term is defined in the Ginnie Mae guaranty agreement for the related HECM MBS) in which the Participation is to be purchased. The Participations relating to the HECM must be purchased by the Ginnie Mae Issuer at the end of the reporting month in which the outstanding principal balance of the HECM equals or exceeds 98% of the Maximum Claim Amount for such HECM. The Release Price will be passed through to the related securityholders on the Distribution Date following the month in which such Ginnie Mae Issuer Purchase Event occurs.

Higher levels of LIBOR and additional draws on HECMs will increase the rate at which the related HECMs will reach their Maximum Claim Amounts. Any payment in respect of the related Securities resulting from a Ginnie Mae Issuer Purchase Event will reduce the Weighted Average Lives of such Securities and will affect, perhaps significantly, the yields on such Securities.

The occurrence of voluntary prepayments by a borrower, Maturity Events and Ginnie Mae Issuer Purchase Events will accelerate the distribution of principal of the Securities. Because (i) it is uncertain whether a HECM borrower will choose to prepay amounts advanced in whole or in part, (ii) it is uncertain when any Maturity Event might occur, (iii) it is uncertain when amounts owed on a HECM will equal or exceed 98% of the Maximum Claim Amount and (iv) it is uncertain whether a Ginnie Mae Issuer will exercise any option to purchase any Participation related to a HECM, it is uncertain when any amounts might be paid on securities backed by Participations in HECMs. Investors in the Securities are urged to review the discussion under “*Risk Factors—It is uncertain when payments will be made in respect of securities backed by HECM MBS*” in this Supplement and also the HECM MBS Disclosure Documents.

Under certain circumstances, the Trustee has the option to purchase the Trust Assets, thereby effecting early retirement of the Securities. See “*Description of the Securities—Termination*” in this Supplement

### **Final Distribution Date**

The Final Distribution Date for each Class, which is set forth on the front cover of this Supplement, is the latest date on which the related Class Principal Balance or Class Notional Balance will be reduced to zero. In the case of each Notional Class, the related Deferred Interest Amount will be reduced to zero no later than the Final Distribution Date for such Notional Class.

- The actual retirement of any Class may occur earlier than its Final Distribution Date.
- According to the terms of the Ginnie Mae Guaranty, Ginnie Mae will guarantee payment in full of the Class Principal Balance of each Class of Securities no later than its Final Distribution Date.

### **Modeling Assumptions**

The tables that follow have been prepared on the basis of the following assumptions (the “Modeling Assumptions”), among others:

1. The HECMs and related Participations underlying the Trust Assets have the assumed characteristics shown in Exhibit A.
2. The HECMs prepay at the constant percentages of the prepayment curve (described below and in Exhibit B) shown in the related table.

3. Draw activity occurs on the first day of the month and payments on the HECMs occur on the last day of the month, whether or not a Business Day, commencing in January 2013.

4. Distributions, if any, on the Securities are always received on the 20th day of the month, whether or not a Business Day, commencing in February 2013.

5. A termination of the Trust or any Trust REMIC does not occur.

6. The Closing Date for the Securities is January 30, 2013.

7. No expenses or fees are paid by the Trust other than the Trustee Fee, which is paid as described under “The Trust Assets — The Trustee Fee” in this Supplement.

8. HECM borrowers who have the ability to do so draw at the annualized draw rate determined in accordance with the constant percentages of the draw curve shown in Exhibit C (the “Draw Rate”). The Draw Rate (converted to an equivalent monthly factor) is applied to the Maximum Claim Amount. As of the Closing Date, the HECMs related to the Group 1, 3 and 4 Trust Assets are fully drawn.

9. If a mandatory Ginnie Mae Issuer Purchase Event occurs with respect to a HECM, the purchase of the related Participation timely occurs. No optional Ginnie Mae Issuer Purchase Events occur.

10. The initial value of LIBOR on the Group 2, 3 and 4 Securities is 0.21070%; however, the interest rate on the related adjustable rate HECMs, if applicable, for the first Distribution Date is based on the information set forth in Exhibit A. On all Distribution Dates occurring after the first Distribution Date, the value of LIBOR on the adjustable rate HECMs is assumed to be the same as the value of LIBOR on the Group 2 Securities. For purposes of the decrement tables, on all Distributions Dates occurring after the first Distribution Date, the constant value of LIBOR shown with respect to any decrement table is used to calculate the interest rate with respect to the adjustable rate HECMs and to the applicable Class.

11. The original term of the HECMs is 5 years.

12. No borrower changes payment plans.

13. Draws occur each month in respect of the Monthly Servicing Fee, if any, as set forth on Exhibit A. No draws occur in respect of any set asides for property charges (such as taxes, hazard insurance, ground rents or assessments) or repairs.

When reading the tables and the related text, investors should bear in mind that the Modeling Assumptions, like any other stated assumptions, are unlikely to be entirely consistent with actual experience.

- For example, most of the HECMs will not have the characteristics assumed, many Distribution Dates will occur on a Business Day after the 20th of the month, draw activity and prepayments, if any, will occur throughout the month, draws will occur in respect of set asides for property charges and repairs, the Trustee may cause a termination of the Trust or any Trust REMIC as described under “Description of the Securities — Termination” in this Supplement and LIBOR on the Group 2 Floating Rate Securities may differ from LIBOR on the related adjustable rate HECMs.
- In addition, distributions on the Securities are based on Certificate Factors and Calculated Certificate Factors, if applicable, which may not reflect actual receipts on the Trust Assets.

See “Description of the Securities— Distributions” in the Base Offering Circular.

### **Decrement Tables**

Prepayments of mortgage loans are commonly measured by a prepayment standard or model. The model used in this Supplement is based on a prepayment curve (“PPC”) consisting of a series of

Constant Prepayment Rates (“CPRs”). CPR is the standard prepayment assumption model of The Securities Industry and Financial Markets Association. CPR represents a constant rate of prepayment on the HECMs each month relative to the then outstanding aggregate principal balance of the HECMs for the life of those HECMs. See “Yield, Maturity and Prepayment Considerations — Standard Prepayment Assumption Models” in the Base Offering Circular.

The PPC and Draw Rates are based on the respective percentages in effect beginning on each Distribution Date as indicated in Exhibits B and C.

The decrement tables set forth below are based on the assumption that the HECMs prepay at the indicated percentages of PPC (the “PPC Prepayment Assumption Rates”). As used in the tables, each of the PPC Prepayment Assumption Rates reflects a percentage of the 100% PPC assumed prepayment curve. **The HECMs will not prepay at any of the PPC Prepayment Assumption Rates and the timing of changes in the rate of prepayments actually experienced on the HECMs will not follow the pattern described for the PPC assumption**

The decrement tables set forth below illustrate the percentage of the Original Class Principal Balance (or, in the case of a Notional Class, the original Class Notional Balance) that would remain outstanding following the distribution made each specified month for each Regular Class, based on the assumptions that the related HECMs prepay at the PPC Prepayment Assumption Rates set forth in such tables, LIBOR is constant at the rates set forth in such tables and draws, if any, occur at the Draw Rates set forth in Exhibit C. The percentages set forth in the following decrement tables have been rounded to the nearest whole percentage (including rounding down to zero).

The decrement tables also indicate the Weighted Average Life of each Class under each PPC Prepayment Assumption Rate and each indicated level of LIBOR. The Weighted Average Life of each Class is calculated by:

- (a) multiplying the net reduction, if any, of the Class Principal Balance (or the net reduction of the Class Notional Balance, in the case of a Notional Class) from one Distribution Date to the next Distribution Date by the number of years from the date of issuance thereof to the related Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the assumed net reductions in principal balance or notional amount, as applicable, referred to in clause (a).

The information shown for each Notional Class is for illustrative purposes only, as a Notional Class is not entitled to distributions of principal based on its Class Notional Balance and has no Weighted Average Life. The Weighted Average Life shown for each Notional Class has been calculated on the assumption that a reduction in the Class Notional Balance thereof is a distribution of principal and further does not factor in any entitlement to the applicable Deferred Interest Amount. See the footnotes below related to the decrement tables for each Notional Class.

**The Weighted Average Lives are likely to vary, perhaps significantly, from those set forth in the tables below due to the differences between the actual characteristics of the HECMs related to the Participations underlying the related Trust Assets and the Modeling Assumptions.**

**Percentages of Original Class Principal (or Class Notional) Balances  
and Weighted Average Lives**

Security Group 1 PPC Prepayment Assumption Rates										
Distribution Date	Class HA					Class HI*				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100
January 2014	102	100	98	97	95	105	100	98	97	95
January 2015	103	97	93	89	85	109	97	93	89	85
January 2016	105	92	86	80	74	114	93	86	80	74
January 2017	107	87	78	69	61	120	87	78	69	61
January 2018	91	69	59	51	43	105	69	59	51	43
January 2019	60	42	35	28	23	71	42	35	28	23
January 2020 and thereafter	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	5.8	5.3	4.9	4.6	4.3	5.8	5.3	4.9	4.6	4.3

\* The decrement table for Class HI reflects only the Class HI Notional Balance at various rates of PPC. In addition to the current interest accrual amount on the Class HI Notional Balance at the Class HI Interest Rate, Class HI is entitled to the Class HI Deferred Interest Amount. No representation is made about the timing of distributions of the Class HI Deferred Interest Amount other than that such amount will be paid no later than the Final Distribution Date for Class HI.

Security Group 2 PPC Prepayment Assumption Rates															
Distribution Date	Class DI* 0.21070% LIBOR					Class DI* 1.21070% LIBOR					Class DI* 4.23647% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2014	102	97	95	93	92	103	98	96	94	92	106	101	99	97	95
January 2015	105	92	88	83	80	107	93	89	85	81	113	99	95	90	86
January 2016	107	85	79	72	66	110	88	81	75	68	120	95	88	81	74
January 2017	108	77	68	60	53	112	79	70	62	55	126	89	79	70	61
January 2018	110	69	59	49	41	116	73	61	52	43	124	78	66	56	47
January 2019	104	57	46	37	29	110	61	49	39	31	129	71	57	46	36
January 2020	106	50	38	29	22	113	53	41	31	23	134	63	48	37	27
January 2021	108	43	31	22	15	115	46	33	24	17	75	30	21	15	11
January 2022	109	37	25	16	11	119	40	27	18	12	19	6	4	3	2
January 2023	112	31	20	12	7	123	35	22	13	8	14	4	2	1	1
January 2024	114	26	15	9	5	117	27	16	9	5	0	0	0	0	0
January 2025	110	21	11	6	3	114	21	11	6	3	0	0	0	0	0
January 2026	108	16	8	4	2	36	5	2	1	0	0	0	0	0	0
January 2027	106	12	6	2	1	11	1	1	0	0	0	0	0	0	0
January 2028	85	8	3	1	0	12	1	0	0	0	0	0	0	0	0
January 2029	34	2	1	0	0	7	0	0	0	0	0	0	0	0	0
January 2030	11	0	0	0	0	7	0	0	0	0	0	0	0	0	0
January 2031	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2034	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2035	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2036	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2037	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2038 and thereafter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	15.0	7.8	6.4	5.5	4.8	12.2	7.7	6.5	5.6	4.9	8.0	6.8	6.1	5.5	4.9

\* The decrement tables for Class DI reflect only the Class DI Notional Balance at various rates of PPC and at various levels of LIBOR. In addition to the current interest accrual amount on the Class DI Notional Balance at the Class DI Interest Rate, Class DI is entitled to the Class DI Deferred Interest Amount. No representation is made about the timing of distributions of the Class DI Deferred Interest Amount other than that such amount will be paid no later than the Final Distribution Date for Class DI.

**Security Group 2  
PPC Prepayment Assumption Rates**

Distribution Date	Class DI* 7.26223% LIBOR					Class DI* 10.28800% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
	Initial Percent	100	100	100	100	100	100	100	100	100
January 2014	109	103	101	100	98	112	106	104	102	100
January 2015	120	105	100	96	91	127	111	106	101	96
January 2016	129	102	94	87	80	140	112	103	95	87
January 2017	131	93	83	73	64	147	104	93	82	72
January 2018	140	88	75	63	53	32	20	16	14	11
January 2019	30	16	13	10	8	19	11	9	7	6
January 2020	25	12	9	7	5	4	2	1	1	1
January 2021	3	1	1	1	1	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0
January 2034	0	0	0	0	0	0	0	0	0	0
January 2035	0	0	0	0	0	0	0	0	0	0
January 2036	0	0	0	0	0	0	0	0	0	0
January 2037	0	0	0	0	0	0	0	0	0	0
January 2038 and thereafter	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	6.0	5.7	5.4	5.0	4.6	4.9	4.8	4.7	4.5	4.3

\* The decrement tables for Class DI reflect only the Class DI Notional Balance at various rates of PPC and at various levels of LIBOR. In addition to the current interest accrual amount on the Class DI Notional Balance at the Class DI Interest Rate, Class DI is entitled to the Class DI Deferred Interest Amount. No representation is made about the timing of distributions of the Class DI Deferred Interest Amount other than that such amount will be paid no later than the Final Distribution Date for Class DI.

**PPC Prepayment Assumption Rates**

Distribution Date	Class FD 0.21070% LIBOR					Class FD 1.21070% LIBOR					Class FD 4.23647% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2014	101	97	95	93	92	101	98	96	94	92	104	100	99	97	95
January 2015	101	92	88	83	80	103	93	89	85	81	109	99	95	90	86
January 2016	102	85	79	72	66	105	88	81	75	68	114	95	88	81	74
January 2017	101	77	68	60	53	105	79	70	62	55	118	89	79	70	61
January 2018	101	69	59	49	41	106	73	61	52	43	114	78	66	56	47
January 2019	94	57	46	37	29	100	61	49	39	31	117	71	57	46	36
January 2020	94	50	38	29	22	101	53	41	31	23	119	63	48	37	27
January 2021	95	43	31	22	15	101	46	33	24	17	66	30	21	15	11
January 2022	94	37	25	16	11	103	40	27	18	12	17	6	4	3	2
January 2023	95	31	20	12	7	104	35	22	13	8	12	4	2	1	1
January 2024	95	26	15	9	5	98	27	16	9	5	0	0	0	0	0
January 2025	91	21	11	6	3	95	21	11	6	3	0	0	0	0	0
January 2026	88	16	8	4	2	30	5	2	1	0	0	0	0	0	0
January 2027	85	12	6	2	1	9	1	1	0	0	0	0	0	0	0
January 2028	67	8	3	1	0	9	1	0	0	0	0	0	0	0	0
January 2029	26	2	1	0	0	6	0	0	0	0	0	0	0	0	0
January 2030	8	0	0	0	0	6	0	0	0	0	0	0	0	0	0
January 2031	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2034	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2035	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2036	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2037	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2038 and thereafter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	14.8	7.8	6.4	5.5	4.8	12.1	7.7	6.5	5.6	4.9	8.0	6.8	6.1	5.5	4.9

**Security Group 2  
PPC Prepayment Assumption Rates**

Distribution Date	Class FD 7.26223 LIBOR					Class FD 10.28800% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
	Initial Percent	100	100	100	100	100	100	100	100	100
January 2014	107	103	101	99	98	110	105	104	102	100
January 2015	116	104	100	95	91	122	109	105	101	96
January 2016	122	101	94	87	80	133	109	102	94	87
January 2017	122	92	82	73	64	137	102	92	82	72
January 2018	129	87	75	63	53	29	19	16	14	11
January 2019	27	16	13	10	8	18	11	9	7	6
January 2020	22	11	9	7	5	3	2	1	1	1
January 2021	3	1	1	1	1	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0
January 2034	0	0	0	0	0	0	0	0	0	0
January 2035	0	0	0	0	0	0	0	0	0	0
January 2036	0	0	0	0	0	0	0	0	0	0
January 2037	0	0	0	0	0	0	0	0	0	0
January 2038 and thereafter	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	6.0	5.7	5.4	5.0	4.6	4.9	4.8	4.7	4.5	4.3

**Security Group 3  
PPC Prepayment Assumption Rates**

Distribution Date	Class GF 0.15000% LIBOR					Class GF 0.21070% LIBOR					Class GF 2.15847% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
	Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2014	101	97	94	91	88	101	97	94	91	88	103	97	94	91	88
January 2015	101	92	86	80	75	101	92	86	80	75	105	92	86	80	75
January 2016	102	86	77	69	62	102	86	77	69	62	108	86	77	69	62
January 2017	103	80	68	58	49	103	80	68	58	49	111	80	68	58	49
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	4.5	4.1	3.8	3.5	3.3	4.5	4.1	3.8	3.5	3.3	4.5	4.1	3.8	3.5	3.3

**PPC Prepayment Assumption Rates**

Distribution Date	Class GF 4.10623% LIBOR					Class GF 6.05400% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
	Initial Percent	100	100	100	100	100	100	100	100	100
January 2014	104	97	94	91	88	105	97	94	91	88
January 2015	109	92	86	80	75	110	92	86	80	75
January 2016	114	86	77	69	62	116	86	77	69	62
January 2017	120	80	68	58	49	122	80	68	58	49
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	4.5	4.1	3.8	3.5	3.3	4.5	4.1	3.8	3.5	3.3

Security Group 3 PPC Prepayment Assumption Rates															
Distribution Date	Class GI* 0.15000% LIBOR					Class GI* 0.21070% LIBOR					Class GI* 2.15847% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2014	105	97	94	91	88	105	97	94	91	88	105	97	94	91	88
January 2015	111	92	86	80	75	111	92	86	80	75	111	92	86	80	75
January 2016	116	86	77	69	62	116	86	77	69	62	116	86	77	69	62
January 2017	122	80	68	58	49	122	80	68	58	49	122	80	68	58	49
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	4.5	4.1	3.8	3.5	3.3	4.5	4.1	3.8	3.5	3.3	4.5	4.1	3.8	3.5	3.3

PPC Prepayment Assumption Rates										
Distribution Date	Class GI* 4.10623% LIBOR					Class GI* 6.05400% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100
January 2014	105	97	94	91	88	105	97	94	91	88
January 2015	111	92	86	80	75	111	92	86	80	75
January 2016	116	86	77	69	62	116	86	77	69	62
January 2017	122	80	68	58	49	122	80	68	58	49
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	4.5	4.1	3.8	3.5	3.3	4.5	4.1	3.8	3.5	3.3

\* The decrement tables for Class GI reflect only the Class GI Notional Balance at various rates of PPC and at various levels of LIBOR. In addition to the current interest accrual amount on the Class GI Notional Balance at the Class GI Interest Rate, Class GI is entitled to the Class GI Deferred Interest Amount. No representation is made about the timing of distributions of the Class GI Deferred Interest Amount other than that such amount will be paid no later than the Final Distribution Date for Class GI.

Security Group 4 PPC Prepayment Assumption Rates															
Distribution Date	Class FI* 0.15000% LIBOR					Class FI* 0.21070% LIBOR					Class FI* 2.15847% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2014	106	94	90	86	83	106	94	90	86	83	106	94	90	86	83
January 2015	45	36	34	31	29	45	36	34	31	29	45	36	34	31	29
January 2016	45	32	28	25	22	45	32	28	25	22	45	32	28	25	22
January 2017	44	28	23	19	16	44	28	23	19	16	44	28	23	19	16
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	2.8	2.5	2.3	2.2	2.0	2.8	2.5	2.3	2.2	2.0	2.8	2.5	2.3	2.2	2.0

PPC Prepayment Assumption Rates										
Distribution Date	Class FI* 4.10623% LIBOR					Class FI* 6.05400% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100
January 2014	106	94	90	86	83	106	94	90	86	83
January 2015	45	36	34	31	29	45	36	34	31	29
January 2016	45	32	28	25	22	45	32	28	25	22
January 2017	44	28	23	19	16	44	28	23	19	16
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	2.8	2.5	2.3	2.2	2.0	2.8	2.5	2.3	2.2	2.0

\* The decrement tables for Class FI reflect only the Class FI Notional Balance at various rates of PPC and at various levels of LIBOR. In addition to the current interest accrual amount on the Class FI Notional Balance at the Class FI Interest Rate, Class FI is entitled to the Class FI Deferred Interest Amount. No representation is made about the timing of distributions of the Class FI Deferred Interest Amount other than that such amount will be paid no later than the Final Distribution Date for Class FI.

Security Group 4 PPC Prepayment Assumption Rates															
Distribution Date	Class HF 0.15000% LIBOR					Class HF 0.21070% LIBOR					Class HF 2.15847% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2014	100	94	90	86	83	101	94	90	86	83	102	94	90	86	83
January 2015	40	36	34	31	29	40	36	34	31	29	42	36	34	31	29
January 2016	39	32	28	25	22	39	32	28	25	22	41	32	28	25	22
January 2017	36	28	23	19	16	36	28	23	19	16	39	28	23	19	16
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	2.7	2.5	2.3	2.2	2.0	2.7	2.5	2.3	2.2	2.0	2.7	2.5	2.3	2.2	2.0

PPC Prepayment Assumption Rates										
Distribution Date	Class HF 4.10623% LIBOR					Class HF 6.05400% LIBOR				
	0%	75%	100%	125%	150%	0%	75%	100%	125%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100
January 2014	104	94	90	86	83	106	94	90	86	83
January 2015	43	36	34	31	29	44	36	34	31	29
January 2016	43	32	28	25	22	44	32	28	25	22
January 2017	42	28	23	19	16	44	28	23	19	16
January 2018 and thereafter	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	2.7	2.5	2.3	2.2	2.0	2.8	2.5	2.3	2.2	2.0

## Yield Considerations

An investor seeking to maximize yield should make a decision whether to invest in any Regular Class based on the anticipated yield of that Class resulting from its purchase price, the investor's own projection of Maturity Events in respect of the HECMs related to the Participations underlying the HECM MBS, the investor's own projection of prepayments in respect of the HECMs related to the Participations underlying the HECM MBS, the investor's own projection of the occurrence of any Ginnie Mae Issuer Purchase Events, the investor's own projection of draw activity with respect to the HECMs and, in the case of the Group 2, 3 and 4 Securities, the investor's own projection of LIBOR under a variety of scenarios. **No representation is made regarding Maturity Events or prepayments in respect of the HECMs related to the Participations underlying the HECM MBS, the occurrence of any Ginnie Mae Issuer Purchase Events, LIBOR levels, draw activity with respect to the HECMs or the yield on any Class.**

### *Prepayments: Effect on Yields*

The yields to investors will be sensitive in varying degrees to the rate of prepayments on the related HECMs.

- In the case of Regular Securities purchased at a premium (especially the Interest Only Classes), faster than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.
- Investors in the Interest Only Classes should also consider the risk that rapid rates of principal payments could result in the failure of investors to recover fully their investments.
- In the case of Regular Securities purchased at a discount, slower than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.

See “Risk Factors — Rates of principal payments can reduce your yield” in this Supplement.

Rapid rates of prepayments on the HECMs are likely to coincide with periods of low prevailing interest rates.

During periods of low prevailing interest rates, the yields at which an investor may be able to reinvest amounts received as principal payments on the investor’s Class of Securities may be lower than the yield on that Class.

Slow rates of prepayments on the HECMs are likely to coincide with periods of high prevailing interest rates.

During periods of high prevailing interest rates, the amount of principal payments available to an investor for reinvestment at those high rates may be relatively low.

The HECMs will not prepay at any constant rate until maturity, nor will all of the HECMs underlying any Trust Asset Group prepay at the same rate at any one time. The timing of changes in the rate of prepayments may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor’s expectation. In general, the earlier a prepayment of principal on the HECMs, the greater the effect on an investor’s yield. As a result, the effect on an investor’s yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Closing Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

#### *LIBOR: Effect on Yields of the Floating Rate Classes*

Low levels of LIBOR can reduce the yield of the Floating Rate Classes. In addition, the Floating Rate Classes will not necessarily benefit from a higher yield at high levels of LIBOR because the rates on such Classes are capped at the maximum rates described under “Terms Sheet — Interest Rates.”

#### *Payment Delay: Effect on Yields of the Fixed Rate and Delay Classes*

The effective yield on any Fixed Rate or Delay Class will be less than the yield otherwise produced by its Interest Rate and purchase price because, on each Distribution Date, 30 days’ interest will be payable on (or will accrue with respect to) that Class even though interest began to accrue approximately 50 days earlier.

### **Yield Tables**

The following tables show the pre-tax yields to maturity on a corporate bond equivalent basis of specified Classes at various constant percentages of PPC and, in the case of Classes DI, FI and GI, at various constant levels of LIBOR.

The HECMs will not prepay or draw at any constant rate until maturity, and it is unlikely that LIBOR will remain constant. Moreover, it is likely that the HECMs will experience actual prepayment and draw rates that differ from those of the Modeling Assumptions. **Therefore, the actual pre-tax yield of any Class may differ from those shown in the applicable table below for that Class even if the Class is purchased at the assumed price shown.**

The yields were calculated by

1. determining the monthly discount rates that, when applied to the applicable assumed streams of cash flows to be paid on the applicable Class, would cause the discounted present value of the assumed streams of cash flows to equal the assumed purchase price of that Class plus accrued interest, and
2. converting the monthly rates to corporate bond equivalent rates.

These calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on their Securities and consequently do not purport to reflect the return on any investment in any Class when those reinvestment rates are considered.

The information set forth in the following tables was prepared on the basis of the Modeling Assumptions and the assumptions that (1) the Interest Rate applicable to each Floating Rate Class for each Accrual Period following the first Accrual Period will be based on the indicated level of LIBOR and (2) the purchase price of each Class (expressed as a percentage of its original Class Notional Balance) plus accrued interest is as indicated in the related table. **The assumed purchase price is not necessarily that at which actual sales will occur.**

### SECURITY GROUP 1

#### Sensitivity of Class HI to Prepayments Assumed Price 13.5%\*

PPC Prepayment Assumption Rates			
<u>75%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>
3.7%	1.1%	(1.5)%	(4.2)%

### SECURITY GROUP 2

#### Sensitivity of Class DI to Prepayments Assumed Price 10.25%\*

<u>LIBOR</u>	PPC Prepayment Assumption Rates			
	<u>75%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>
0.21070% .....	6.6%	2.8%	(1.0)%	(4.8)%
1.21070% .....	6.7%	3.1%	(0.6)%	(4.3)%
4.23647% .....	5.1%	1.9%	(1.4)%	(4.6)%
7.26223% .....	2.2%	(1.0)%	(4.2)%	(7.3)%
10.28800% .....	1.2%	(2.2)%	(5.7)%	(9.0)%

### SECURITY GROUP 3

#### Sensitivity of Class GI to Prepayments Assumed Price 14.25%\*

<u>LIBOR</u>	PPC Prepayment Assumption Rates			
	<u>75%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>
0.15000% .....	9.6%	6.1%	2.4%	(1.3)%
0.21070% .....	8.9%	5.4%	1.8%	(1.9)%
2.15847% .....	(16.7)%	(19.9)%	(23.2)%	(26.6)%
4.10623% .....	(64.8)%	(67.4)%	(70.1)%	(72.8)%
6.05400% .....	**	**	**	**

\* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table.

\*\* Indicates that investors will suffer a loss of virtually all of their investment.

## SECURITY GROUP 4

### Sensitivity of Class FI to Prepayments Assumed Price 10.25%\*

<u>LIBOR</u>	<u>PPC Prepayment Assumption Rates</u>			
	<u>75%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>
0.15000% .....	14.1%	9.8%	5.5%	1.1%
0.21070% .....	13.2%	9.0%	4.7%	0.3%
2.15847% .....	(16.9)%	(20.6)%	(24.3)%	(28.1)%
4.10623% .....	(58.0)%	(60.9)%	(63.8)%	(66.8)%
6.05400% .....	**	**	**	**

\* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table.

\*\* Indicates that investors will suffer a loss of virtually all of their investment.

### CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following tax discussion, when read in conjunction with the discussion of “Certain United States Federal Income Tax Consequences” in the Base Offering Circular, describes the material United States federal income tax considerations for investors in the Securities. However, these two tax discussions do not purport to deal with all United States federal tax consequences applicable to all categories of investors, some of which may be subject to special rules.

#### **U.S. Treasury Circular 230 Notice**

**The discussion contained in this Supplement and the Base Offering Circular as to certain United States federal tax consequences is not intended or written to be used, and cannot be used, for the purpose of avoiding United States federal tax penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Supplement and the Base Offering Circular. Each taxpayer to whom such transactions or matters are being promoted, marketed or recommended should seek advice based on its particular circumstances from an independent tax advisor.**

#### **REMIC Elections**

In the opinion of Cadwalader, Wickersham & Taft LLP, the Trust will constitute a Double REMIC Series as to the Group 1 Trust Assets, a Double REMIC Series as to the Group 2 Trust Assets, a Double REMIC Series as to the Group 3 Trust Assets and a Double REMIC Series as to the Group 4 Trust Assets for United States federal income tax purposes. Separate REMIC elections will be made for the Group 1 Pooling REMIC, the Group 1 Issuing REMIC, the Group 2 Pooling REMIC, the Group 2 Issuing REMIC, the Group 3 Pooling REMIC, the Group 3 Issuing REMIC, the Group 4 Pooling REMIC and the Group 4 Issuing REMIC.

#### **Regular Securities**

The Regular Securities will be treated as debt instruments issued by the Group 1 Issuing REMIC, the Group 2 Issuing REMIC, the Group 3 Issuing REMIC or the Group 4 Issuing REMIC, as applicable, for United States federal income tax purposes. Income on the Regular Securities must be reported under an accrual method of accounting.

The Notional and HECM MBS Accrual Classes of Regular Securities will be issued with original issue discount (“OID”). See “*Certain United States Federal Income Tax Consequences— Tax Treatment*

*of Regular Securities — Original Issue Discount,” “— Variable Rate Securities” and “— Interest Weighted Securities and Non-VRDI Securities” in the Base Offering Circular.*

The prepayment assumption that should be used, among other things, in determining the rates of accrual of OID on the Regular Securities is 100% PPC (as described in “Yield, Maturity and Prepayment Considerations” in this Supplement). In the case of the Floating Rate Classes, the interest rate values to be used for these determinations are the initial Interest Rates as set forth in the Terms Sheet under “Interest Rates”. No representation is made, however, about the rate at which prepayments on the HECMs underlying the Participations actually will occur or the level of LIBOR at any time after the date of this Supplement. See “*Certain United States Federal Income Tax Consequences*” in the Base Offering Circular. In view of the complexities as to the manner of inclusion in income of OID on the Regular Securities, investors should consult their own tax advisors to determine the appropriate amount and method of inclusion in income of OID on the Regular Securities for United States federal income tax purposes.

The Regular Securities generally will be treated as “regular interests” in a REMIC for domestic building and loan associations and “real estate assets” for real estate investment trusts (“REITs”) as described in “*Certain United States Federal Income Tax Consequences*” in the Base Offering Circular. Similarly, interest on the Regular Securities will be considered “interest on obligations secured by mortgages on real property” for REITs as described in “*Certain United States Federal Income Tax Consequences*” in the Base Offering Circular.

### **Residual Securities**

The Class RR1 Securities will represent the beneficial ownership of the Residual Interest in the Group 1 Pooling REMIC and the beneficial ownership of the Residual Interest in the Group 1 Issuing REMIC. The Class RR2 Securities will represent the beneficial ownership of the Residual Interest in the Group 2 Pooling REMIC and the beneficial ownership interest of the Residual Interest in the Group 2 Issuing REMIC. The Class RR3 Securities will represent the beneficial ownership of the Residual Interest in the Group 3 Pooling REMIC and the beneficial ownership interest of the Residual Interest in the Group 3 Issuing REMIC. The Class RR4 Securities will represent the beneficial ownership of the Residual Interest in the Group 4 Pooling REMIC and the beneficial ownership interest of the Residual Interest in the Group 4 Issuing REMIC. The Residual Securities, *i.e.*, the Class RR1, RR2, RR3 and RR4 Securities, generally will be treated as “residual interests” in a REMIC for domestic building and loan associations and as “real estate assets” for REITs, as described in “*Certain United States Federal Income Tax Consequences*” in the Base Offering Circular, but will not be treated as debt for United States federal income tax purposes. Instead, the Holders of the Residual Securities will be required to report, and will be taxed on, their pro rata shares of the taxable income or loss of the related Trust REMICs, and these requirements will continue until there are no outstanding regular interests in the respective Trust REMICs. Thus, Residual Holders will have taxable income attributable to the Residual Securities even though they will not receive principal or interest distributions with respect to the Residual Securities, which could result in a negative after-tax return for the Residual Holders. Even though the Holders of the Residual Securities are not entitled to any stated principal or interest payments on the Residual Securities, the related Trust REMICs may have substantial taxable income in certain periods, and offsetting tax losses may not occur until much later periods. Accordingly, the Holders of the Residual Securities may experience substantial adverse tax timing consequences. Prospective investors are urged to consult their own tax advisors and consider the after-tax effect of ownership of the Residual Securities and the suitability of the Residual Securities to their investment objectives.

Prospective Holders of Residual Securities should be aware that, at issuance, based on the expected prices of the Regular and Residual Securities and the prepayment assumption described above, the

residual interests represented by the Residual Securities will be treated as “noneconomic residual interests” as that term is defined in Treasury regulations.

**Investors should consult their own tax advisors in determining the United States federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Securities.**

#### **ERISA MATTERS**

Ginnie Mae guarantees distributions of principal and interest with respect to the Securities. The Ginnie Mae Guaranty is supported by the full faith and credit of the United States of America. The Regular Securities will qualify as “guaranteed governmental mortgage pool certificates” within the meaning of a Department of Labor regulation, the effect of which is to provide that mortgage loans and participations therein underlying a “guaranteed governmental mortgage pool certificate” will not be considered assets of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or subject to section 4975 of the Code (each, a “Plan”), solely by reason of the Plan’s purchase and holding of that certificate.

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any of the Securities.

**Prospective Plan Investors should consult with their advisors, however, to determine whether the purchase, holding or resale of a Security could give rise to a transaction that is prohibited or is not otherwise permissible under either ERISA or the Code.**

*See “ERISA Considerations” in the Base Offering Circular.*

The Residual Securities are not offered to, and may not be transferred to, a Plan Investor.

#### **LEGAL INVESTMENT CONSIDERATIONS**

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investment in the Securities. **No representation is made about the proper characterization of any Class for legal investment or other purposes, or about the permissibility of the purchase by particular investors of any Class under applicable legal investment restrictions.**

**Investors should consult their own legal advisors regarding applicable investment restrictions and the effect of any restrictions on the liquidity of the Securities prior to investing in the Securities.**

*See “Legal Investment Considerations” in the Base Offering Circular.*

#### **PLAN OF DISTRIBUTION**

Subject to the terms and conditions of the Sponsor Agreement, the Sponsor has agreed to purchase all of the Securities if any are sold and purchased. The Sponsor proposes to offer the Regular Classes to the public from time to time for sale in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest from (1) January 1, 2013 on the Fixed Rate and Delay Classes and

(2) January 20, 2013 on the Floating Rate Classes. The Sponsor may effect these transactions by sales to or through certain securities dealers. These dealers may receive compensation in the form of discounts, concessions or commissions from the Sponsor and/or commissions from any purchasers for which they act as agents. Some of the Securities may be sold through dealers in relatively small sales. In the usual case, the commission charged on a relatively small sale of securities will be a higher percentage of the sales price than that charged on a large sale of securities.

#### **INCREASE IN SIZE**

Before the Closing Date, Ginnie Mae, the Trustee and the Sponsor may agree to increase the size of this offering. In that event, the Securities will have the same characteristics as described in this Supplement, except that the Original Class Principal Balance (or original Class Notional Balance) of each Class receiving principal distributions or interest distributions based upon a notional balance from the same Trust Asset Group will increase by the same proportion. The Trust Agreement, the Final Data Statement and the Supplemental Statement, if any, will reflect any increase in the size of the transaction.

#### **LEGAL MATTERS**

Certain legal matters will be passed upon for Ginnie Mae by Sidley Austin LLP, for the Trust by Cadwalader, Wickersham & Taft LLP and Marcell Solomon & Associates PC, Bowie, Maryland, and for the Trustee by Aini & Lazar PLLC.



- (3) The Approximate Weighted Average HECM Age (in months) is the weighted average age of the HECMs related to the Participations underlying the related HECM MBS for such payment plan as of January 1, 2013.
- (4) The Rate Reset Frequency is a period, whether annually or monthly, that the interest rate of each adjustable rate HECM resets under the interest rate formula and HECM loan documents applicable to each adjustable rate HECM.
- (5) The Next Rate Reset Month is the number of months until the interest rate of each adjustable rate HECM resets under the interest rate formula and HECM loan documents applicable to each adjustable rate HECM. For example, an entry of "1" signifies that each adjustable rate HECM's rate will reset on the first day of February 2013 and each month thereafter.
- (6) The Approximate Weighted Average Gross Interest Rate is the weighted average of the gross interest rates of the HECMs related to the Participations underlying the related HECM MBS for such payment plan as of January 1, 2013.
- (7) The Approximate Weighted Average Gross Margin is the weighted average of the gross margins of the adjustable rate HECMs related to the Participations underlying the related HECM MBS for such payment plan as of January 1, 2013.
- (8) The Approximate Weighted Average Gross Lifetime Interest Rate Floor is the weighted average of the lowest interest rates possible based on the interest rate formula and HECM loan documents applicable to the adjustable rate HECMs related to the Participations underlying the related HECM MBS for such payment plan as of January 1, 2013.
- (9) The Approximate Weighted Average Gross Lifetime Interest Rate Cap is the weighted average of the maximum interest rates possible based on the interest rate formula and HECM loan documents applicable to the adjustable rate HECMs related to the Participations underlying the related HECM MBS for such payment plan as of January 1, 2013.
- (10) The Approximate Weighted Average MIP Fee is the weighted average of the MIP Fees of the HECMs related to the Participations underlying the related HECM MBS for such payment plan as of January 1, 2013. The MIP Fee is charged for FHA mortgage insurance. The MIP Fee is the monthly mortgage insurance premium ("MIP") that accrues on each HECM at the annual rate of 0.50% or 1.25%.
- (11) The Approximate Weighted Average Servicing Fee Margin is the weighted average of the Servicing Fee Margins of the HECMs related to the Participations underlying the related HECM MBS for such payment plan as of January 1, 2013. The Servicing Fee Margin represents (together with the Monthly Servicing Fee, if any) the amount of the servicing compensation payable to the Issuer to cover the Issuer's servicing costs. The Servicing Fee Margin includes the Guaranty Fee charged by Ginnie Mae for the HECM MBS guaranty at the annual rate of 0.06% and a participation agent fee, if any. The Approximate Weighted Average Servicing Fee Margin is included in the rates shown in the columns for Approximate Weighted Average Gross Interest Rate, Approximate Weighted Average Gross Margin, Approximate Weighted Average Gross Lifetime Interest Rate Floor and Approximate Weighted Average Gross Lifetime Interest Rate Cap.
- (12) The Monthly Servicing Fee is the aggregate monthly servicing fee payable to the Issuer if the full amount of the servicing cost is not included in the HECM interest rate and is in addition to the Servicing Fee Margin.
- (13) The Monthly Scheduled Draw is the monthly amount that is payable to borrowers under each type of payment plan other than the line of credit payment plan.
- (14) The Approximate Weighted Average Remaining Draw Term (in months) is the weighted average of the remaining draw terms of the HECMs related to the Participations underlying the related HECM MBS for such payment plan. The remaining draw term represents the number of months over which a borrower with a term or modified term payment plan will receive Monthly Scheduled Draws as of January 1, 2013.

- (15) The Available Line of Credit does not include set asides for the Monthly Servicing Fee, if any, property charges (such as taxes, hazard insurance, ground rents or assessments) or repairs, if any.
- (16) The sum of the applicable Maximum Claim Amounts with respect to each HECM.
- (17) These HECMs do not have a flat Monthly Servicing Fee in addition to the Servicing Fee Margin.
- (18) These HECMs do not have draw terms or monthly scheduled draws.
- (19) Borrowers who select tenure or modified tenure payment plans have a right to receive monthly draws for their tenure in the property.
- (20) These HECMs are fully drawn.

The actual HECM ages, gross interest rates, gross margins, gross lifetime interest rate floors, gross lifetime interest rate caps, MIP Fees, Servicing Fee Margins and remaining draw terms of many of the HECMs related to the Participations underlying the Trust Assets will differ from the approximate weighted averages shown above, perhaps significantly. See *"The Trust Assets — The Participations"* in *this Supplement*.

**Exhibit B**

**CPR Percentage in Effect by HECM Age**

<u>HECM Age (in months)</u>	<u>CPR (%)</u>	<u>HECM Age (in months)</u>	<u>CPR (%)</u>	<u>HECM Age (in months)</u>	<u>CPR (%)</u>
1	0.00000	54	14.23438	107	20.72135
2	0.54545	55	14.35677	108	20.84375
3	1.09091	56	14.47917	109	20.96615
4	1.63636	57	14.60156	110	21.08854
5	2.18182	58	14.72396	111	21.21094
6	2.72727	59	14.84635	112	21.33333
7	3.27273	60	14.96875	113	21.45573
8	3.81818	61	15.09115	114	21.57813
9	4.36364	62	15.21354	115	21.70052
10	4.90909	63	15.33594	116	21.82292
11	5.45455	64	15.45833	117	21.94531
12	6.00000	65	15.58073	118	22.06771
13	6.29167	66	15.70313	119	22.19010
14	6.58333	67	15.82552	120	22.31250
15	6.87500	68	15.94792	121	22.43490
16	7.16667	69	16.07031	122	22.55729
17	7.45833	70	16.19271	123	22.67969
18	7.75000	71	16.31510	124	22.80208
19	8.04167	72	16.43750	125	22.92448
20	8.33333	73	16.55990	126	23.04688
21	8.62500	74	16.68229	127	23.16927
22	8.91667	75	16.80469	128	23.29167
23	9.20833	76	16.92708	129	23.41406
24	9.50000	77	17.04948	130	23.53646
25	9.66667	78	17.17188	131	23.65885
26	9.83333	79	17.29427	132	23.78125
27	10.00000	80	17.41667	133	23.90365
28	10.16667	81	17.53906	134	24.02604
29	10.33333	82	17.66146	135	24.14844
30	10.50000	83	17.78385	136	24.27083
31	10.66667	84	17.90625	137	24.39323
32	10.83333	85	18.02865	138	24.51563
33	11.00000	86	18.15104	139	24.63802
34	11.16667	87	18.27344	140	24.76042
35	11.33333	88	18.39583	141	24.88281
36	11.50000	89	18.51823	142	25.00521
37	11.66667	90	18.64063	143	25.12760
38	11.83333	91	18.76302	144	25.25000
39	12.00000	92	18.88542	145	25.37240
40	12.16667	93	19.00781	146	25.49479
41	12.33333	94	19.13021	147	25.61719
42	12.50000	95	19.25260	148	25.73958
43	12.66667	96	19.37500	149	25.86198
44	12.83333	97	19.49740	150	25.98438
45	13.00000	98	19.61979	151	26.10677
46	13.16667	99	19.74219	152	26.22917
47	13.33333	100	19.86458	153	26.35156
48	13.50000	101	19.98698	154	26.47396
49	13.62240	102	20.10938	155	26.59635
50	13.74479	103	20.23177	156	26.71875
51	13.86719	104	20.35417	157	26.84115
52	13.98958	105	20.47656	158	26.96354
53	14.11198	106	20.59896	159	27.08594

<u>HECM Age (in months)</u>	<u>CPR (%)</u>	<u>HECM Age (in months)</u>	<u>CPR (%)</u>	<u>HECM Age (in months)</u>	<u>CPR (%)</u>
160	27.20833	216	34.06250	272	38.60000
161	27.33073	217	34.18490	273	38.65000
162	27.45313	218	34.30729	274	38.70000
163	27.57552	219	34.42969	275	38.75000
164	27.69792	220	34.55208	276	38.80000
165	27.82031	221	34.67448	277	38.85000
166	27.94271	222	34.79688	278	38.90000
167	28.06510	223	34.91927	279	38.95000
168	28.18750	224	35.04167	280	39.00000
169	28.30990	225	35.16406	281	39.05000
170	28.43229	226	35.28646	282	39.10000
171	28.55469	227	35.40885	283	39.15000
172	28.67708	228	35.53125	284	39.20000
173	28.79948	229	35.65365	285	39.25000
174	28.92188	230	35.77604	286	39.30000
175	29.04427	231	35.89844	287	39.35000
176	29.16667	232	36.02083	288	39.40000
177	29.28906	233	36.14323	289	39.45000
178	29.41146	234	36.26563	290	39.50000
179	29.53385	235	36.38802	291	39.55000
180	29.65625	236	36.51042	292	39.60000
181	29.77865	237	36.63281	293	39.65000
182	29.90104	238	36.75521	294	39.70000
183	30.02344	239	36.87760	295	39.75000
184	30.14583	240	37.00000	296	39.80000
185	30.26823	241	37.05000	297	39.85000
186	30.39063	242	37.10000	298	39.90000
187	30.51302	243	37.15000	299	39.95000
188	30.63542	244	37.20000	300	40.00000
189	30.75781	245	37.25000	301	40.05000
190	30.88021	246	37.30000	302	40.10000
191	31.00260	247	37.35000	303	40.15000
192	31.12500	248	37.40000	304	40.20000
193	31.24740	249	37.45000	305	40.25000
194	31.36979	250	37.50000	306	40.30000
195	31.49219	251	37.55000	307	40.35000
196	31.61458	252	37.60000	308	40.40000
197	31.73698	253	37.65000	309	40.45000
198	31.85938	254	37.70000	310	40.50000
199	31.98177	255	37.75000	311	40.55000
200	32.10417	256	37.80000	312	40.60000
201	32.22656	257	37.85000	313	40.65000
202	32.34896	258	37.90000	314	40.70000
203	32.47135	259	37.95000	315	40.75000
204	32.59375	260	38.00000	316	40.80000
205	32.71615	261	38.05000	317	40.85000
206	32.83854	262	38.10000	318	40.90000
207	32.96094	263	38.15000	319	40.95000
208	33.08333	264	38.20000	320	41.00000
209	33.20573	265	38.25000	321	41.05000
210	33.32813	266	38.30000	322	41.10000
211	33.45052	267	38.35000	323	41.15000
212	33.57292	268	38.40000	324	41.20000
213	33.69531	269	38.45000	325	41.25000
214	33.81771	270	38.50000	326	41.30000
215	33.94010	271	38.55000	327	41.35000

<u>HECM Age (in months)</u>	<u>CPR (%)</u>	<u>HECM Age (in months)</u>	<u>CPR (%)</u>	<u>HECM Age (in months)</u>	<u>CPR (%)</u>
328 .....	41.40000	339 .....	41.95000	350 .....	42.50000
329 .....	41.45000	340 .....	42.00000	351 .....	42.55000
330 .....	41.50000	341 .....	42.05000	352 .....	42.60000
331 .....	41.55000	342 .....	42.10000	353 .....	42.65000
332 .....	41.60000	343 .....	42.15000	354 .....	42.70000
333 .....	41.65000	344 .....	42.20000	355 .....	42.75000
334 .....	41.70000	345 .....	42.25000	356 .....	42.80000
335 .....	41.75000	346 .....	42.30000	357 .....	42.85000
336 .....	41.80000	347 .....	42.35000	358 .....	42.90000
337 .....	41.85000	348 .....	42.40000	359 .....	42.95000
338 .....	41.90000	349 .....	42.45000	360 and thereafter .....	43.00000

**Exhibit C**

**Draw Curve in Effect by HECM Age**

<u>HECM Age (in months)</u>	<u>Annualized Draw Rate (%)</u>	<u>HECM Age (in months)</u>	<u>Annualized Draw Rate (%)</u>
1 .....	14.00000	31 .....	2.19444
2 .....	9.00000	32 .....	2.05556
3 .....	8.00000	33 .....	1.91667
4 .....	7.33333	34 .....	1.77778
5 .....	6.66667	35 .....	1.63889
6 .....	6.00000	36 .....	1.50000
7 .....	5.83333	37 .....	1.43750
8 .....	5.66667	38 .....	1.37500
9 .....	5.50000	39 .....	1.31250
10 .....	5.33333	40 .....	1.25000
11 .....	5.16667	41 .....	1.18750
12 .....	5.00000	42 .....	1.12500
13 .....	4.83333	43 .....	1.06250
14 .....	4.66667	44 .....	1.00000
15 .....	4.50000	45 .....	0.93750
16 .....	4.33333	46 .....	0.87500
17 .....	4.16667	47 .....	0.81250
18 .....	4.00000	48 .....	0.75000
19 .....	3.86111	49 .....	0.68750
20 .....	3.72222	50 .....	0.62500
21 .....	3.58333	51 .....	0.56250
22 .....	3.44444	52 .....	0.50000
23 .....	3.30556	53 .....	0.43750
24 .....	3.16667	54 .....	0.37500
25 .....	3.02778	55 .....	0.31250
26 .....	2.88889	56 .....	0.25000
27 .....	2.75000	57 .....	0.18750
28 .....	2.61111	58 .....	0.12500
29 .....	2.47222	59 .....	0.06250
30 .....	2.33333	60 and thereafter	0.00000



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**January 23, 2013**

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