



GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

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

May 13, 2010

MPM 10-03

MEMORANDUM FOR: All Participants in the Ginnie Mae Multiclass Securities Program

FROM: Theodore W. Tozer, President

SUBJECT: Announcement of Update to Certification Requirement for Ginnie Mae Multiclass Securities Transactions Backed by Ginnie Mae Home Equity Conversion Mortgage-Backed Securities (“HECM MBS”)

The purpose of this Multiclass Participants Memorandum (“MPM”) is to inform interested parties in the Ginnie Mae Multiclass Securities Program of a change in policy regarding documentation delivery requirements for Ginnie Mae Multiclass Securities Transactions involving HECM MBS as trust assets.

Prior to this MPM, the Ginnie Mae Multiclass Securities Guide required the Sponsor’s accountant to submit a certification that certified the value of the Participations backing the HECM MBS included in the Ginnie Mae Multiclass Securities Transactions.

Effective for transactions closing November 2009, and thereafter, that include HECM MBS as trust assets, Ginnie Mae is (1) eliminating the requirement for the accountant’s certification as to the value of the Participations backing the HECM MBS, and (2) modifying the Sponsor’s indemnity obligations to cover any prohibited transaction tax imposed on any Trust REMIC as a result of the value of the Participations being less than par on the closed in date of the transaction. When the trust assets include HECM MBS, the Sponsor must continue to submit a certification certifying that the value of the Participations backing the HECM MBS is equal to or greater than par.

Please call Ginnie Mae’s Office of Capital Markets at (202) 401-8970 with any questions or comments regarding this announcement.