



News Release

For Immediate Release

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Ginnie Mae Unveils New Manufactured Housing MBS Program Government Corporation Reopens Manufactured Housing Secondary Market

Washington, DC – Today, Ginnie Mae launched a new Manufactured Housing Mortgage-Backed Securities Program (MH MBS) for Title 1 mortgage loans. Effective immediately, Ginnie Mae will begin accepting applications for participation into the program. Issuers who are currently approved to issue manufactured housing securities are required to re-apply in order to participate in the new program. The MH MBS program is being implemented in conjunction with recent changes to the Federal Housing Administration’s (FHA) Title 1 Program for manufactured housing and the Housing and Recovery Act of 2008.

“We recognize the vital role that manufactured housing plays for millions of families in this country,” said Theodore Tozer, Ginnie Mae president. “The ability to offer an enhanced manufactured housing securitization vehicle that is backed by the full faith and credit of the U.S. Government will increase secondary market liquidity for manufactured housing lenders, which should reduce costs for borrowers.”

Ginnie Mae will provide full program guidance no later than September 1, 2010. The new MH MBS program will have the following features:

- Eligible manufactured housing loans will be pooled under the Ginnie Mae II MBS program using the Manufactured Housing Custom Pool type (C MH);
- The MH MBS program only applies to manufactured housing loans with an FHA application date of June 1, 2009, and thereafter;

- The guarantee fee for MH MBS pools will be 30 basis points (bps); however, the minimum pool origination balance will increase to \$1 million;
- Issuers of Ginnie Mae II MH MBS will be required to maintain a minimum net worth of \$10 million, plus 10 percent of the amount of MH securities outstanding; and
- MH loans will not be eligible for pooling as multiple issuer pools (MIPs) and for immediate issuance transfer (PIIT) pools.

Manufactured housing comprised 12 percent of the new housing market in 2008. The average sales price of a manufactured home in 2008 was \$64,900, compared with \$292,600 for site-built homes. According to the 2006 U.S. Census information, the states of South Carolina (19.1 percent), New Mexico (17.2 percent), and Mississippi (15.7 percent), had the most residents living in manufactured housing.

“Ginnie Mae’s commitment to this new security is a reflection of our mission to expand affordable housing,” Tozer continued. “Manufactured housing provides affordable housing for many low- and moderate-income borrowers seeking affordable housing in high-cost and rural areas.”

For more than 40 years, the industry has turned to the security of the Ginnie Mae MBS, allowing Ginnie Mae to provide homeownership opportunities for millions of Americans. Ginnie Mae securitizes loans insured or guaranteed by FHA, the Department of Veterans Affairs (VA), the Department of Agriculture’s (USDA) Rural Development, and the Department of Housing and Urban Development's Office of Public and Indian Housing (PIH).

Ginnie Mae is a wholly-owned government corporation within the U.S. Department of Housing and Urban Development. Ginnie Mae pioneered the mortgage-backed security (MBS), guaranteeing the very first security in 1970. An MBS enables a mortgage lender to aggregate and sell mortgage loans as a security to investors. Ginnie Mae securities carry the full faith and credit of the United States Government, which means that, even in difficult times, an investment in Ginnie Mae is one of the safest an investor can make.