



News Release

For Immediate Release

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Ginnie Mae Allows Hospital Loans in Multifamily REMIC Transactions

Washington, DC – Today, the Government National Mortgage Association (Ginnie Mae) announced that Mortgage-Backed Securities (MBS) backed by Federal Housing Administration’s (FHA) Section 242 loans (Acute Care Hospitals) can be included in Multifamily Real Estate Mortgage Investment Conduit (REMIC) transactions. To be considered eligible, these loans must be 100 percent secured by real property. The policy applies to all REMIC transactions on August 1, 2011 and thereafter.

“The inclusion of MBS backed by acute care hospital loans in REMIC transactions will ultimately increase the liquidity of the securities,” said Ginnie Mae President Ted Tozer. “This will, in turn, substantially lower the financing costs for hospitals.”

The Section 242 loans used as collateral for the related Ginnie Mae MBS pool may not include equipment as part of the security for the loans.

Ginnie Mae raises capital from investors in the global credit markets to ensure liquidity for affordable rental and homeownership opportunities across the country. Through its MBS, Ginnie Mae finances housing mortgage programs run by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Office of Public and Indian Housing (PIH), and the Department of Agriculture’s Rural Development Housing and Community Facilities Program (RD).

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Ginnie Mae is a wholly-owned government corporation within the U.S. Department of Housing and Urban Development. Ginnie Mae pioneered the 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.