Base Offering Circular
January 1, 2014

Government National Mortgage Association

GINNIE MAE®

Guaranteed REMIC Pass-Through Securities

(Issuable in Series)

The Government National Mortgage Association Guaranteed REMIC Pass-Through Securities, which will be sold from time to time in one or more series, represent interests in separate Ginnie Mae REMIC Trusts established from time to time. The Government National Mortgage Association ("Ginnie Mae"), a wholly-owned corporate instrumentality of the United States of America within the U.S. Department of Housing and Urban Development, guarantees the timely payment of principal and interest on each Class of Securities. The Ginnie Mae Guaranty is backed by the full faith and credit of the United States of America.

The terms of each Series will be described in an Offering Circular Supplement. Each Trust will be comprised primarily of (i) "fully modified pass-through" mortgage-backed certificates as to which Ginnie Mae has guaranteed the timely payment of principal and interest pursuant to the Ginnie Mae I Program or the Ginnie Mae II Program, (ii) certificates backed by Ginnie Mae MBS Certificates as to which Ginnie Mae has guaranteed the timely payment of principal and interest pursuant to the Ginnie Mae Platinum Program, (iii) previously issued REMIC or comparable mortgage certificates or Underlying Callable Securities or (iv) previously issued Ginnie Mae Guaranteed Stripped Mortgage-Backed Securities, in each case, evidencing interests in trusts consisting primarily of direct or indirect interests in Ginnie Mae Certificates, as further described in the related Offering Circular Supplement. The mortgage loans underlying the Ginnie Mae Certificates consist of one- to four-family residential mortgage loans that are insured or guaranteed by the Federal Housing Administration ("FHA"), the U.S. Department of Veterans Affairs ("VA"), the U.S. Department of Housing and Urban Development ("HUD") or U.S. Department of Agriculture, Rural Development ("RD"), formerly the Rural Housing Service and Farmers Home Administration, and participation interests in advances made to borrowers and related amounts (each, a "Participation") in respect of home equity conversion mortgage loans (each, a "HECM"), also commonly referred to as "reverse mortgage loans," insured by FHA. See "The Ginnie Mae Certificates."

Each Series will be issued in two or more Classes. Each Class of Securities of a Series will evidence an interest in future principal payments and/or an interest in future interest payments on the Trust Assets included in the related Trust or a group of Trust Assets in the related Trust. The Holders of one or more Classes of Securities of a Series may be entitled to receive distributions of principal, interest, other revenues or any combination thereof prior to the Holders of one or more other Classes of Securities of that Series or after the occurrence of specified events, in each case, as specified in the related Offering Circular Supplement.

The Weighted Average Life of each Class of Securities of a Series may be affected by the rate of payment of principal (including prepayments and payments of certain other amounts resulting from defaults) on the Mortgage Loans underlying (or related to the Participations underlying) the related Trust Assets and the timing of receipt of those payments, as described in this Base Offering Circular and in the related Offering Circular Supplement. The Ginnie Mae Guaranty of timely payment of principal and interest is not a guarantee of the Weighted Average Life of a Class of Securities or of any particular rate of principal prepayments with respect to the Mortgage Loans underlying (or related to the Participations underlying) the Trust Assets or any Trust Asset Group. A Trust may be subject to early termination under the circumstances described in the related Offering Circular Supplement.

An election will be made to treat each Trust or certain assets of each Trust as one or more real estate mortgage investment conduits for United States federal income tax purposes. See "Certain United States Federal Income Tax Consequences" in this Base Offering Circular.

THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION GUARANTEES 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 SECURITIES ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND CONSTITUTE EXEMPTED SECURITIES UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Offers of the Securities may be made through one or more different methods, including offerings through the Sponsor, as more fully described in the related Offering Circular Supplement. This Base Offering Circular may not be used to consummate sales of Securities unless you have received the related Offering Circular Supplement.
The date of this Base Offering Circular is January 1, 2014.

OFFERING CIRCULAR SUPPLEMENT

The Offering Circular Supplement relating to the Securities (or separate Classes of Securities) of a Series to be offered under this Offering Circular will, among other things, set forth with respect to those Securities, as appropriate: (a) information about the assets comprising the related Trust; (b) a description of each Class of Securities in that Series and the Interest Rate or method of determining the amount of interest, if any, to be passed through to Holders of Securities of those Classes; (c) the Original Class Principal Balance or original Class Notional Balance of each of those Classes; (d) the method for determining the amount of principal, if any, to be distributed on each of those Classes on each Distribution Date; (e) additional information about the plan of distribution of those Securities; (f) information about the Trustee; (g) designation of the Securities offered pursuant to the Offering Circular Supplement as Regular Interests or Residual Interests in a Trust REMIC; and (h) the circumstances, if any, under which the related Trust may be subject to early termination.

DEFINED TERMS

Capitalized terms used in this Base Offering Circular and any Offering Circular Supplement shall have the meanings assigned in the glossary included in Appendix II, unless otherwise specified. Capitalized terms used only in “Certain United States Federal Income Tax Consequences” in this Base Offering Circular and in the Offering Circular Supplement will be defined within those sections.

This Base Offering Circular, together with the Offering Circular Supplement for each Series, constitutes an offer to sell only that Series of Securities. No broker, dealer, salesperson, or other person has been authorized to provide any information or to make any statements or representations other than those contained in this Base Offering Circular and the related Offering Circular Supplement (or any other offering document that may have been incorporated into any such documents by reference). Investors must not rely upon any other such information, statements or representations. Neither this Base Offering Circular nor any Offering Circular Supplement constitutes an offer to sell or a solicitation of an offer to buy any Securities in any jurisdiction in which such an offer or solicitation would be unlawful.

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DESCRIPTION OF THE SECURITIES

General

Ginnie Mae guarantees the timely payment of principal and interest on the Securities. The full faith and credit of the United States of America stands behind each Ginnie Mae Guaranty. Pursuant to a Trust Agreement, dated as of the related Closing Date, between the Sponsor and the Trustee, a separate Trust will issue Ginnie Mae REMIC Securities. In the event that a series provides for the issuance of MX Securities in exchange for REMIC Securities, a separate MX Trust established pursuant to an MX Trust Agreement dated as of the related Closing Date between the Sponsor and the Trustee will issue Modifiable Securities (relating to REMIC Securities that may be but have not yet been exchanged) and MX Securities (relating to REMIC Securities that have been exchanged).

Forms of Securities; Book-Entry Procedures

Unless otherwise provided in the related Offering Circular Supplement, each Regular Security that is not subject to exchange for MX Securities, each Modifiable Security and each MX Security initially will be issued and maintained in book-entry form through the book-entry system of the U.S. Federal Reserve Banks (the "Fedwire Book-Entry System") and each Residual Security will be issued in certificated, fully-registered form. Each Class of Book-Entry Securities initially will be registered in the name of the Federal Reserve Bank of New York (together with any successor or other depository selected by Ginnie Mae, the "Book-Entry Depository")

The Fedwire Book-Entry System is an electronic facility operated by the U.S. Federal Reserve Banks for maintaining securities accounts and for effecting transfers. The Fedwire Book-Entry system is a real-time, delivery-versus-payment, gross settlement system that allows for the simultaneous transfer of securities against payment. The Fedwire Book-Entry System is used to clear, settle and pay not only Ginnie Mae Securities, but also all U.S. Treasury marketable debt instruments, the majority of book-entry securities issued by other government agencies and government sponsored enterprises and the mortgage-backed securities issued by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

Beneficial ownership of a Book-Entry Security will be subject to the rules and procedures governing the Book-Entry Depository and its participants as in effect from time to time. The Book-Entry Depository will maintain evidence of the interests of its participants in any Book-Entry Securities by appropriate entries in the Book-Entry Depository's books and records. Only participants of the Fedwire Book-Entry System are eligible to maintain book-entry accounts directly with the Book-Entry Depository. A Beneficial Owner that is not a participant of the Fedwire Book-Entry System generally will evidence its interest in a Book-Entry Security by appropriate entries in the books and records of one or more financial intermediaries. A Beneficial Owner of a Book-Entry Security must rely upon these procedures to evidence its beneficial ownership, and may transfer its beneficial ownership only if it complies with the procedures of the appropriate financial intermediaries. Correspondingly, a Beneficial Owner of a Book-Entry Security must depend upon its financial intermediaries (including the Book-Entry Depository, as Holder) to enforce its rights with respect to a Book-Entry Security. Alternatively, a Beneficial Owner of a Book-Entry Security may receive, upon (i) compliance with the procedures of the Book-Entry Depository and its participants and (ii) payment of a required exchange fee of $ 25,000 per physical certificate, one or more certificated, fully-registered Securities in authorized denominations evidencing that Beneficial Owner's interest in the appropriate Class of Securities.

The Trustee will authenticate the Certificated Securities. The Securities will be freely transferable and exchangeable, subject to the transfer restrictions applicable to Residual Securities set forth in the related Trust Agreement or MX Trust Agreement, at the Corporate Trust Office of the Trustee. Among other restrictions, the Residual Securities may not be transferred to (i) a Plan Investor, (ii) a Non -U.S. Person or (iii) a Disqualified Organization. The Trustee may impose a service charge upon Holders for any registration of exchange or transfer of Certificated Securities (other than Residual Securities), and the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge incurred in connection with any transfer, including the transfer of a Residual Security.

Minimum Denominations

Unless otherwise noted in the applicable Offering Circular Supplement, each Trust and MX Trust will issue Regular Securities and MX and/or Modifiable Securities, respectively (other than Securities of Increased Minimum Denomination Classes), in minimum dollar denominations representing initial principal balances of $1,000 and integral multiples of $1 in excess of $1,000. Unless otherwise noted in the applicable Offering Circular Supplement, Residual Securities will be issued in minimum Percentage Interests of 10% and integral multiples of 10%.

An Offering Circular Supplement may identify one or more Increased Minimum Denomination Classes, as described in the Offering Circular Supplement.

An Increased Minimum Denomination Class is a Class that is deemed to be a suitable investment only for an institutional Accredited Investor that has substantial experience in mortgage-backed securities and that is capable of understanding, and is able to bear, the risks associated with an investment in a Class such as an Increased Minimum Denomination Class.

An investor should not conclude, however, that Classes not designated as Increased Minimum Denomination Classes are suitable for all investors. No investor should purchase Securities of any Class unless the investor understands, and is able to bear, the risks associated with that Class.

Standard Definitions and Abbreviations for Classes and Components

Classes of Securities (as well as Components of such Classes) are categorized according to "Principal Types," "Interest Types" and "Other Types." The chart attached as Appendix I identifies the standard abbreviations for most of these categories. Definitions of Class Types may be found in Appendix II. The first column of the chart shows the standard abbreviation for each Class Type. Each Offering Circular Supplement will identify the category of Classes of the related Securities (and the related Terms Sheet will identify the category of any related Components) by means of one or more of these abbreviations.

Distributions

Each month, the Trustee for a Series shall calculate the amount of principal and interest distributable on the Securities on the Distribution Date. The Distribution Amount for each Series (or, if the Series is segregated into Security Groups, for each Security Group) for any Distribution Date for the related Series (or Security Group) will equal the sum of the Principal Distribution Amount (less principal, if any, payable to the Trustee as described in the Offering Circular Supplement), the Accrual Amount, if any, and the Interest Distribution Amount for the related Series (or Security Group).

In the case of Trust MBS, the Trustee will determine the amount of principal expected to be received on each Trust MBS during that month on the basis of Certificate Factors for those Trust MBS for that month. The Trustee will obtain the Certificate Factors for the Trust MBS from the Information Agent on the seventh Business Day of the month (the "Certificate Factor Date"). For any Trust MBS (other than Trust MBS that consist of Ginnie Mae Platinum Certificates) for which a Certificate Factor is not available on the Certificate Factor Date, the Trustee will determine a Calculated Certificate Factor.

In the case of Underlying Certificates or Underlying SMBS Securities, the Trustee will determine the amount of principal expected to be received on each Underlying Certificate or Underlying SMBS Security during that month on the basis of the Underlying Certificate Factor for such Underlying Certificate or Underlying SMBS Security for that month. The Trustee will obtain the Underlying Certificate Factors in accordance with the related Trust Agreement. In the event that an Underlying Certificate Factor is not available on the date specified in the related Trust Agreement, no amounts in respect of principal for the related Underlying Certificate or Underlying SMBS Security, as applicable, will be distributable to the related Securities on the following Distribution Date.

The Class Factors for each Distribution Date will reflect the Certificate Factors and/or the Calculated Certificate Factors for that month (or, in the case of Underlying Certificates or Underlying SMBS Securities, the amount of principal distributable thereon on the preceding Underlying Certificate Payment Date or Underlying

SMBS Security Payment Date). Amounts calculated by the Trustee based on the Class Factors will be distributed to Holders of Securities on the applicable Distribution Date, whether or not those amounts are actually received on the Trust Assets.

Each Class Factor is the factor (carried to eight decimal places) that, when multiplied by the Original Class Principal Balance (or the original Class Notional Balance) of the related Class, determines the Class Principal Balance (or Class Notional Balance) of that Class after giving effect to the distribution of principal to be made on the Securities (and any addition to the Class Principal Balance of any Accrual Class or Partial Accrual Class) on the related Distribution Date. The Information Agent identified in the Offering Circular Supplement will post the Class Factors, along with the Interest Rate for each Class, on e-Access.

For any Distribution Date, investors can calculate the amount of principal to be distributed on any Class (other than an Accrual Class or Partial Accrual Class) by multiplying the Original Class Principal Balance of that Class by the difference between its Class Factors for the preceding and current months. The amount of interest to be distributed on any Class (other than an Accrual Class or Partial Accrual Class) on each Distribution Date will equal 30 days' interest at the Interest Rate for that Class on its Class Principal Balance (or Class Notional Balance) as determined by its Class Factor for the preceding month. Based on the Class Factors and Interest Rates published each month, investors in an Accrual Class or Partial Accrual Class can calculate the total amount of principal and interest to be distributed to (or interest to be added to the Class Principal Balance of) that Class.

Method of Distributions

Distributions of principal and interest (or, where applicable, of principal only or interest only) on a Series (or, if the Series is segregated into Security Groups, on a Security Group) will be made on each Distribution Date for that Series (or Security Group) (or, with respect to Certificated Securities, the Business Day following the Distribution Date) to the Persons in whose names the Securities are registered on the related Record Date.

The Book-Entry Depository will make distributions on any Book-Entry Securities, and Beneficial Owners of Book-Entry Securities will receive distributions, through credits to accounts maintained on the books and records of appropriate financial intermediaries (including the Federal Reserve Bank of New York as Holder) for the benefit of those Beneficial Owners.

The Trustee will make distributions on any Certificated Securities (a) by check mailed to the Holder at the Holder's address as it appears in the applicable Register on the applicable Record Date or (b) upon receipt by the Trustee of a written request of a Holder accompanied by the appropriate wiring instructions at least five Business Days prior to a Record Date, by wire transfer of immediately available funds, on the Business Day following the related and each subsequent Distribution Date, to the account of the Holder thereof, if the Holder holds Securities issued by the related Trust or MX Trust in an initial aggregate principal amount of at least $5,000,000 or another amount specified in the Offering Circular Supplement. Notwithstanding the foregoing, the final distribution in retirement of any Certificated Security will be made only upon presentation and surrender of the Security at the Corporate Trust Office.

Interest Rate Indices

Unless otherwise provided in the related Offering Circular Supplement, each Floating Rate and Inverse Floating Rate Class will bear interest during each Accrual Period for that Class by reference to one of the following indices: "LIBOR," "COFI," a "Treasury Index," or the "Prime Rate," each as defined in the glossary in Appendix II (or any other index set forth in the related Offering Circular Supplement). Classes bearing interest by reference to the above-mentioned indices are called "LIBOR Classes," "COFI Classes," "Treasury Index Classes" and "Prime Rate Classes," respectively.

The Trustee will determine the applicable interest rate index level in accordance with the procedures described below and will compare its results with the interest rate index level posted by the Information Agent on e-Access. If there is a discrepancy, the Trustee and Information Agent will attempt to resolve it, but ultimately, absent clear error, the determination by the Trustee or its agent of the applicable interest rate index levels and its calculation of the Interest Rates of the Floating Rate and Inverse Floating Rate Classes for each Accrual Period will be final and binding. Investors can obtain the rates for the current and preceding Accrual Periods on e-Access.

Determination of LIBOR

Unless otherwise provided in the applicable Offering Circular Supplement, the Trustee (or its agent) will calculate the Interest Rates of LIBOR Classes for each Accrual Period (after the initial Accrual Period) on the second Business Day before the Accrual Period begins (a "Floating Rate Adjustment Date"). On each Floating Rate Adjustment Date, the Trustee or its agent will determine the applicable LIBOR in accordance with one of the two following methods described below. The method that is used for determining LIBOR in a particular transaction will be specified in the related Offering Circular Supplement.

BBA LIBOR. If using this method of determining LIBOR, the Trustee or its agent will determine LIBOR on the basis of the British Bankers' Association ("BBA") "Interest Settlement Rate" for one-month deposits in U.S. Dollars as it appears on the Dow Jones Telerate Service page 3750 (or such other page as may replace page 3750 on that service) or such other service as may be nominated by the BBA for the purpose of displaying BBA Interest Settlement Rates) as of 11:00 a.m. London time on the related Floating Rate Adjustment Date. BBA Interest Settlement Rates currently are based on rates quoted by nineteen BBA designated banks as being, in the view of such banks, the offered rate at which deposits are being quoted to prime banks in the London interbank market. BBA Interest Settlement Rates are calculated by eliminating the five highest rates and the five lowest rates, averaging the nine remaining rates, carrying the result (expressed as a percentage) out to six decimal places, and rounding to five decimal places.

If, on any Floating Rate Adjustment Date, the Trustee or its agent is unable to calculate LIBOR in accordance with the method set forth in the immediately preceding paragraph, LIBOR for the next Accrual Period will be calculated in accordance with the method described below under "— LIBO Method."

LIBO Method. If using this method of determining LIBOR, the Trustee or its agent will determine LIBOR on the basis of the offered quotations of the Reference Banks, as those quotations appear on the Reuters Screen LIBO Page, to the extent available. If not available from the Reuters Screen LIBO Page, the Trustee or its agent will request the Reference Banks to provide the offered quotations to the Trustee as of 11:00 a.m. (London time) on that Floating Rate Adjustment Date, and will determine the applicable LIBOR based on those quotations.

On each Floating Rate Adjustment Date, the Trustee or its agent will determine LIBOR for the next Accrual Period as follows:

(i) If on any Floating Rate Adjustment Date two or more of the Reference Banks provide offered quotations of the applicable maturity, LIBOR for the next Accrual Period will be the arithmetic mean of those offered quotations (rounding that arithmetic mean upwards, if necessary, to the nearest whole multiple of 1/16%).

(ii) If on any Floating Rate Adjustment Date only one or none of the Reference Banks provides these offered quotations, LIBOR for the next Accrual Period will be whichever is the higher of (x) LIBOR as determined on the previous Floating Rate Adjustment Date and (y) the Reserve Interest Rate.

(iii) If on any Floating Rate Adjustment Date the Trustee is required but is unable to determine the Reserve Interest Rate, LIBOR for the next Accrual Period will be LIBOR as determined on the previous Floating Rate Adjustment Date, or, in the case of the first Floating Rate Adjustment Date, the level of LIBOR used to calculate the initial Interest Rate of the particular LIBOR Class.

Determination of COFI

Unless otherwise provided in the applicable Offering Circular Supplement, the Trustee (or its agent) will calculate the Interest Rates of COFI Classes for each Accrual Period (after the first) on the related Floating Rate Adjustment Date by reference to COFI as published most recently by the Federal Home Loan Bank of San Francisco (the "FHLB of San Francisco"). The FHLB of San Francisco currently publishes COFI on or about its last working day of each month. COFI is designed to represent the monthly weighted average cost of funds for savings institutions in the Eleventh District (which consists of Arizona, California and Nevada) for the month prior to the month of publication. The FHLB of San Francisco computes COFI for each month by first dividing the cost of funds (that is, interest paid during the month by Eleventh District savings institutions on savings, advances and other borrowings) by the average of the total amount of these funds outstanding at the end of that month and the prior month and second annualizing and adjusting the result to reflect the actual number of days in the particular month. If necessary, before these calculations are made, the FHLB of San Francisco adjusts the component figures to neutralize the effect of events such as member institutions leaving the Eleventh District or acquiring institutions outside the Eleventh District. COFI has been reported each month since August 1981.

The FHLB of San Francisco has stated that it intends COFI to reflect the interest costs paid on all types of funds held by Eleventh District member savings associations and savings banks. COFI is weighted to reflect the relative amount of each type of funds held at the end of the relevant month. There are three major components of funds of Eleventh District member institutions: (i) savings deposits, (ii) Federal Home Loan Bank advances and (iii) all other borrowings, such as reverse repurchase agreements and mortgage-backed bonds. Unlike most other interest rate measures, COFI does not necessarily reflect current market rates because the component funds represent a variety of terms to maturity whose costs may react in different ways to changing conditions. The FHLB of San Francisco periodically prepares percentage breakdowns of the types of funds held by Eleventh District member institutions. Investors can obtain these breakdowns from the FHLB of San Francisco.

A number of factors affect the performance of COFI, which may cause COFI to move in a manner different from indices tied to specific interest rates, such as LIBOR or any Treasury Index. Because of the various terms to maturity of the liabilities upon which COFI is based, COFI may not necessarily reflect the average prevailing market interest rates on new liabilities of similar maturities. Additionally, COFI may not necessarily move in the same direction as market interest rates at all times because as longer term deposits or borrowings mature and are renewed at prevailing market interest rates, COFI is influenced by the differential between the prior and the new rates on those deposits or borrowings. Moreover, as stated above, COFI is designed to represent the average cost of funds for Eleventh District savings institutions for the month prior to the month in which COFI is published. Because COFI is based on a regional and not a national cost of funds, it may not behave as would a nationally based index. In addition, the movement of COFI, as compared to other indices tied to specific interest rates, may be affected by changes instituted by the FHLB of San Francisco in the method used to calculate COFI. Investors can order an informational brochure explaining COFI by writing or calling the FHLB of San Francisco's Marketing Department, P.O. Box 7948, San Francisco, California 94120, phone 415/616-2610. The current level of COFI can be obtained by calling the FHLB of San Francisco at 415/616-2600. An explanation of COFI and the current level of COFI can also be found on the FHLB of San Francisco's website at www.FHLBSF.com.

If the FHLB of San Francisco fails to publish COFI for a period of 65 calendar days (an event that will constitute an "Alternative Rate Event"), then the Trustee (or its agent) will calculate the Interest Rates of the COFI Classes for the subsequent Accrual Periods by using, in place of COFI, (i) the replacement index, if any, that the FHLB of San Francisco publishes or designates or (ii) if the FHLB of San Francisco does not publish or designate a replacement index, an alternative index selected by the Trustee (or its agent) and approved by Ginnie Mae that has performed, or that the Trustee expects to perform, in a manner substantially similar to COFI. At the time that the Trustee first selects an alternative index, the Trustee will determine the average number of basis points, if any, by which the alternative index differed from COFI for whatever period the Trustee, in its sole discretion, reasonably determines to reflect fairly the long-term difference between COFI and the alternative index, and will adjust the alternative index by that average. The Trustee (or its agent) will select a particular index as the alternative index only if it receives an Opinion of Counsel that the selection of that index will not cause the related Trust REMIC or Trust REMICs to lose their status as REMICs for United States federal income tax purposes.

If at any time after the occurrence of an Alternative Rate Event, the FHLB of San Francisco resumes publication of COFI, the Interest Rates of the COFI Classes for each subsequent Accrual Period will be calculated by reference to COFI.

Determination of the Treasury Index

Unless otherwise provided in the applicable Offering Circular Supplement, the Trustee (or its agent) will calculate the Interest Rates of Treasury Index Classes for each Accrual Period (after the first) on the Floating Rate Adjustment Date. On each Floating Rate Adjustment Date, the Trustee will determine the applicable Treasury Index, which will be either (i) the weekly average yield, expressed as a per annum rate, on U.S. Treasury securities adjusted to a constant maturity of one, three, five, seven or ten years or to some other constant maturity (as specified in the applicable Offering Circular Supplement) as published by the Federal Reserve Board in the most recent edition of Federal Reserve Board Statistical Release No. H.15 (519) that is available to the Trustee or (ii) the weekly auction average (investment) yield, expressed as a per annum rate, on three-month or six-month U.S. Treasury bills that is available on the Treasury Public Affairs Information Line, an automated telephone system.

The Statistical Release No. H.15 (519) is published by the Federal Reserve on Monday or Tuesday of each week. Investors can order it from the Publications Department at the Board of Governors of the Federal Reserve System, 21st and C Streets, N.W., M.S. 138, Washington, D.C. 20551. The Trustee will consider a new value for the Treasury Index to have been available on the day following the date that Statistical Release No. H.15 (519) is released by the Federal Reserve Board or the Public Debt News is placed on the Treasury Public Affairs Public Information Line and available to the public.

The applicable auction average (investment) yield for a given week is the yield resulting from the auction of three-month or six-month U.S. Treasury bills held the preceding week. The weekly average yield reflects the average yields of the five calendar days ending on Friday of the previous week. Yields on Treasury securities at "constant maturity" are estimated from the Treasury's daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations reported by five leading U.S. Government securities dealers to the Federal Reserve Bank of New York. This method permits estimation of the yield for a given maturity even if no security with that exact maturity is outstanding.

In the event that the applicable Treasury Index becomes unavailable, the Trustee (or its agent) will designate a new index, approved by Ginnie Mae, based upon comparable information and methodology. The Trustee will select a particular index as the alternative index only if it receives an Opinion of Counsel that the selection of the alternative index will not cause the related Trust REMIC or Trust REMICs to lose their status as REMICs for United States federal income tax purposes.

If at any time after the applicable Treasury Index becomes unavailable it again becomes available, the Interest Rates for the related Treasury Index Classes for each subsequent Accrual Period will be calculated by reference to the applicable Treasury Index.

Determination of the Prime Rate

Unless otherwise provided in the applicable Offering Circular Supplement, on each Floating Rate Adjustment Date, the Trustee (or its agent) will calculate the Interest Rates of Prime Rate Classes for the next Accrual Period by reference to the rate published as the "Prime Rate" in the "Money Rates" section or other comparable section of *The Wall Street Journal* on that Floating Rate Adjustment Date. If *The Wall Street Journal* publishes a prime rate range, then the average of that range, as determined by the Trustee, will be the Prime Rate. In the event *The Wall Street Journal* no longer publishes a "Prime Rate" entry, the Trustee (or its agent) will designate a new methodology for determining the Prime Rate based on comparable data. The Trustee (or its agent) will select a particular methodology as the alternative methodology only if it receives an Opinion of Counsel that the selection of that methodology will not cause the related Trust REMIC or Trust REMICs to lose their status as REMICs for United States federal income tax purposes.

If at any time after the Prime Rate becomes unavailable in *The Wall Street Journal* it again becomes available, the Trustee will calculate the Interest Rates for the Prime Rate Classes for each subsequent Accrual Period by reference to the Prime Rate published in *The Wall Street Journal.*

Modification and Exchange

General

Certain Series will provide for the issuance of one or more Classes of MX Securities. In any such Series, subject to the rules, regulations and procedures of the Book-Entry Depository, all or a portion of a specified Class or Classes of REMIC Securities will be delivered to a grantor trust that will issue Modifiable Securities that represent beneficial ownership of those REMIC Securities. All or a portion of the interests in such REMIC Securities may be exchanged for a proportionate interest in one or more related MX Classes, as provided in the applicable Offering Circular Supplement. Similarly, all or a portion of the related MX Class or Classes may be exchanged for proportionate interests in the related Class or Classes of REMIC Securities and, if so provided, in other related MX Classes. This process may occur repeatedly. For this purpose, "related" Classes are those within the same "Combination" shown in the Available Combinations Schedule in the applicable Offering Circular Supplement.

Each MX Security issued in an exchange will represent a beneficial ownership interest in, and will be entitled to receive a proportionate share of the distributions on, the related REMIC Securities (or the related MX Securities), and the Beneficial Owners of the MX Classes will be treated as the Beneficial Owners of proportionate interests in the related Class or Classes of REMIC Securities (or the related MX Securities).

In each Series that includes MX Securities, the Classes of REMIC Securities identified in the applicable Offering Circular Supplement will initially be issued. Certain of those Classes may be exchanged, in whole or in part, for MX Classes at any time on or after their date of issuance, unless otherwise provided in the applicable Offering Circular Supplement.

The Classes of REMIC Securities and MX Securities that are outstanding at any given time, and the outstanding Class Principal Balances or Class Notional Balances of such Classes, will depend upon principal distributions of such Classes as well as any exchanges that occur.

Exchanges

Any exchange of related Classes within a Series will be permitted, so long as the following criteria are met:

- *The aggregate principal balance (exclusive of any notional balance) of the Securities received must equal that of the Securities surrendered (except for* de minimis *differences due to rounding).*

- *The aggregate monthly principal and interest entitlements on the Securities received must equal that of the Securities surrendered (except for* de minimis *differences due to rounding).*

In some cases, interests in a Class or Classes of REMIC Securities may be exchanged for proportionate interests in various subcombinations of MX Classes. Similarly, all or a portion of such MX Classes may be exchanged for proportionate interests in such REMIC Securities or in other subcombinations of such MX Classes. Each subcombination may be effected only in such proportions that result in the principal and interest entitlements of the Securities received being equal to such entitlements of the Securities surrendered. The following illustrates a Combination within which various subcombinations are permitted:

REMIC Securities			MX Securities		
Class	Original Principal Interest Balance	Rate	Class	Maximum Original Class Principal Balance or original Class Notional Balance	Interest Rate
AB	$10,000,000	7.00%	WI	$10,000,000 (notional)	7.00%
			WA 1	0,000,000	6.00
			WB 1	0,000,000	6.25
			WC 1	0,000,000	6.50
			WD 1	0,000,000	6.75
			WE 9,	655,172	7.25
			WF 9,	333,333	7.50
			WG 9,	032,258	7.75
			WH 8,	750,000	8.00
			WP 1	0,000,000	0.00

Within the above Combination, a Beneficial Owner could, for example, exchange any one of the first four subcombinations of Classes shown in the following table for any other such subcombination, or any one of the last three subcombinations shown for any other such subcombination. Numerous subcombinations are possible.

Subcombinations

Subcombination	Class	Original Class Principal Balance or original Class Notional Balance	Interest Rate	Interest Entitlement
1	AB	$10,000,000	7.00%	$700,000
2 W	I	$10,000,000 (notional)	7.00%	$700,000
	WP	10,000,000	0.00	0
		$10,000,000		$700,000
3 WI		$ 1,428,571 (notional)	7.00%	$100,000
	WA	10,000,000	6.00	600,000
		$10,000,000		700,000
4 WB		$ 1,600,000	6.25%	$100,000
	WH 7,	500,000	8.00	600,000
	WP	900,000	0.00	0
		$10,000,000		$700,000
5	WF	$ 5,000,000	7.50%	$375,000
6 WH		$ 4,687,500	8.00%	$375,000
	WP	312,500	0.00	0
		$ 5,000,000		$375,000
7 WA		$ 2,500,000	6.00%	$150,000
	WB 2,	500,000	6.25	156,250
	WI	982,143 (notional)	7.00	68,750
		$ 5,000,000		$375,000

At any given time, a Beneficial Owner's ability to exchange REMIC Securities for MX Securities, MX Securities for REMIC Securities or MX Securities for other MX Securities will be limited by a number of factors. A Beneficial Owner must, at the time of the proposed exchange, own the appropriate Classes in the appropriate proportions in order to effect a desired exchange. A Beneficial Owner that does not own the appropriate Classes or the appropriate proportions of such Classes may not be able to obtain the necessary Class or Classes of REMIC Securities or MX Securities. The Beneficial Owner of a needed Class may refuse or be unable to sell at a reasonable price or any price, or certain Classes may have been purchased and placed into other financial structures. Principal distributions will, over time, diminish the amounts available for exchange. Only the combinations shown in the Available Combinations Schedule in each Offering Circular Supplement are permitted. In addition, REMIC Securities (which may include Increased Minimum Denomination Classes) issued in exchange for the related MX

Securities may be issued only in denominations not less than the minimum denominations specified in each Offering Circular Supplement.

A Beneficial Owner proposing to effect an exchange must so notify the Trustee through the Beneficial Owner's Book-Entry Depository participant. The procedures for effecting exchanges of MX Securities are described in "Description of the Securities–Modifications and Exchange" in the related Offering Circular Supplement.

The Securities to be exchanged must be in the correct exchange proportions. The Trustee will verify that the proposed proportions ensure that the principal and interest entitlements of the Securities received equal such entitlements of the Securities surrendered. If there is an error, the exchange will not occur until such error is corrected. Unless rejected for error, the notice of exchange will become irrevocable two Business Days prior to the proposed exchange.

The first distribution on a REMIC Security or an MX Security received in an exchange will be made on the Distribution Date in the month following the month of the exchange. Such distribution will be made to the Holder of record as of the Record Date in the month of exchange.

THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

The Government National Mortgage Association is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act"), authorizes Ginnie Mae to guarantee the timely payment of the principal of, and interest on, certificates or securities that are based on and backed by a pool of mortgage loans insured by the Federal Housing Administration under the Housing Act (each, an "FHA Loan"), Rural Development (formerly the Rural Housing Service and Farmers Home Administration) under Title V of the Housing Act of 1949 (each, an "RD Loan"), the U.S. Department of Veterans Affairs under the Servicemen's Readjustment Act of 1944, as amended, or HUD under Section 184 of the Housing and Community Development Act of 1992 (each, a "HUD Loan"), or guaranteed under Chapter 37 of Title 38, United States Code (each, a "VA Loan" and, together with FHA Loans, RD Loans and HUD Loans, "Government Loans").

Section 306(g) of the Housing Act provides that "the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." To meet its obligations under its guaranties, Ginnie Mae is authorized, under section 306(d) of the Housing Act, to borrow from the U.S. Treasury with no limitations as to amount.

GINNIE MAE GUARANTY

Ginnie Mae guarantees the timely payment of principal and interest on each Class of Securities (in accordance with the terms of those Classes as specified in the related Offering Circular Supplement). The Ginnie Mae Guaranty is backed by the full faith and credit of the United States of America. The Ginnie Mae Guaranty will be set forth on the Certificated Securities.

THE GINNIE MAE CERTIFICATES

General

The Trust Assets for a Series of Securities may include Ginnie Mae Certificates conveyed by the Sponsor to a Trust pursuant to the terms and conditions of the Trust Agreement.

The Sponsor will represent and warrant in the Trust Agreement that the information set forth in the Offering Circular Supplement and Final Data Statement, if any, including the principal balance and Certificate Rate for each Trust MBS as of the Closing Date, is true and correct as of the Closing Date. If this representation and warranty is untrue for any Trust MBS, the Sponsor, at its option, may (a) cure the breach, (b) substitute another

Ginnie Mae Certificate for the affected Trust MBS, or (c) with Ginnie Mae's consent, repurchase the affected Trust MBS from the Trust, in each case only to the extent permitted under the Trust Agreement and REMIC Provisions.

With respect to any Trust MBS (other than HECM MBS), the Mortgage Loans underlying any Trust MBS will consist of Government Loans secured by first lien mortgages on single-family residential properties including condominiums, including level-payment mortgage loans and "buy down" mortgage loans. With respect to HECM MBS, the Mortgage Loans related to the Participations underlying any Trust MBS will consist of FHA loans secured by first lien home equity conversion mortgages on the principal residence of a borrower as further described under *"Federal Housing Administration (FHA) Guidelines Regarding Insurance of HECMs—Borrower and Mortgaged Property Eligibility Criteria"* in the HECM MBS Base Prospectus. All Mortgage Loans underlying or related to Participations underlying a particular Trust MBS must be of the same type (for example, all level-payment single-family mortgages).

Ginnie Mae will have guaranteed the timely payment of principal and interest on each Trust MBS in accordance with a Certificate Guaranty Agreement or a Ginnie Mae Platinum Guaranty Agreement, as the case may be.

Ginnie Mae guarantees the timely payment of principal of and interest on each Trust MBS, and this obligation is backed by the full faith and credit of the United States. Each Trust MBS (other than HECM MBS) will have an original maturity of not more than 30 years. Each Ginnie Mae MBS Certificate (other than HECM MBS) (also referred to herein as "Non-HECM MBS Certificates") will be based on and backed by a pool of Government Loans and will provide for the payment to the registered holder of that Ginnie Mae MBS Certificate of monthly payments of principal and interest equal to the aggregate amount of the scheduled monthly principal and interest payments on the Government Loans underlying that Ginnie Mae MBS Certificate, less applicable servicing and guaranty fees totaling between 0.25% and 1.50% per annum of the outstanding principal balance. In addition, each payment will include any prepayments and other unscheduled recoveries of principal of the Government Loans underlying that Ginnie Mae MBS Certificate.

Each HECM MBS will have an original maturity of not more than 50 years. HECM MBS are based on or backed by Participations in respect of a home equity conversion mortgage loan (each, a "HECM") insured by FHA. Holders of HECM MBS are not entitled to scheduled monthly principal and interest payments. No interest or principal is required to be paid by the borrower in respect of any HECM as to which the Participations relate until maturity, which generally does not occur until after the occurrence of a Maturity Event. A "Maturity Event" generally occurs (i) if a borrower dies and the property is not the principal residence of at least one surviving borrower, (ii) if a borrower conveys all of his or her title in the mortgaged property and no other borrower retains title to the mortgaged property, (iii) 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, (iv) 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 (v) 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). A borrower may, however, prepay in whole or in part the outstanding balance of a HECM at any time without penalty.

In addition, the Ginnie Mae Issuer is obligated to purchase (such obligation is referred to hereinafter as a "Mandatory Purchase Event") 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." Furthermore, a Ginnie Mae Issuer may, at its option, purchase all Participations related to any HECM (such option is referred to hereinafter as a "98% Optional Purchase Event") 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." The "Maximum Claim Amount" of a HECM is the lesser of the appraised value of the property, the sales price of the property being purchased or the national mortgage limit, as determined in accordance with FHA guidelines. See "Financial Characteristics of HECMs—Obligation of Ginnie Mae Issuer to Purchase Participations Related to Mortgage Loans in Limited Circumstances" and "—Optional Purchase of Participations Related to HECMs" in the HECM MBS Base Prospectus.

In addition, a Ginnie Mae Issuer may, at its option, purchase all Participations related to a HECM that becomes, and continues to be, due and payable in accordance with its terms (such option is referred to hereinafter as a "Due and Payable Purchase Event," and collectively with the Mandatory Purchase Event and the 98% Optional Purchase Event, a "Ginnie Mae Issuer Purchase Event"). In connection with any Due and Payable Purchase Event or any 98% Optional Purchase Event (each referred to hereinafter as an "Optional Purchase Event") a Ginnie Mae Issuer must purchase all of the Participations related to the affected HECM at the end of its reporting month (as such term is defined in the related Certificate Guaranty Agreement).

HECM MBS will accrue interest at the applicable interest rate (the "HECM MBS Rate") specified in the related HECM MBS Prospectus Supplement. The accrued interest will not be paid to holders of the HECM MBS but will be added each month to the then outstanding principal amount of the HECM MBS, and will be payable together with the original principal amount of the HECM MBS as set forth in the related prospectus supplement to the extent such amount has not been paid prior to the final distribution date for the HECM MBS. In general, any payments received in respect of any HECMs prior to the final distribution date will be passed through pro rata to the respective holders of participation interests in outstanding advances made to a borrower relating to the HECM. The applicable servicing fee margin for HECM MBS 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 in respect of the related HECM. *See "—Ginnie Mae II Program—Interest Rates of Mortgage Loans and the Related Participations Underlying the HECM MBS" below.*

Each Ginnie Mae Issuer will perform the routine functions required for servicing of Government Loans and, in the case of HECM MBS, the related Participations, and Ginnie Mae MBS Certificates for which it is responsible, including borrower billings, receipt and posting of payments, payment of property taxes and hazard insurance premiums, remittance, collections and customer service. Each Ginnie Mae Issuer will be obligated under its Certificate Guaranty Agreements with Ginnie Mae to service the pooled Government Loans in accordance with FHA, RD and VA requirements, as the case may be, and with generally accepted practices in the mortgage lending industry. Each Ginnie Mae Issuer's responsibilities with respect to the pooled Government Loans will include, as applicable, collection of all principal and interest payments and payments made by borrowers toward escrows established for taxes and insurance premiums; maintenance of necessary hazard insurance policies, institution of all actions necessary to foreclose on, or take other appropriate action with respect to, loans in default; and collection of insurance and guaranty benefits.

The Trust Asset Depository or its nominees, as registered holder (on behalf of the Trustee) of the related Trust MBS, will have the right to proceed directly against Ginnie Mae under the terms of the related Trust MBS for any amounts that are not paid when due.

Ginnie Mae Certificates are issued under either the Ginnie Mae I Program, the Ginnie Mae II Program or the Ginnie Mae Platinum Program.

Ginnie Mae I Program. Under the Ginnie Mae I Program, Ginnie Mae I Certificates are issued and marketed by a single Ginnie Mae Issuer that has assembled a pool of current mortgage loans (within two years of issuance) to back those Ginnie Mae I Certificates. All mortgage loans underlying a particular Ginnie Mae I Certificate must have the same fixed annual interest rate. The per annum pass-through rate on each Ginnie Mae I Certificate is 50 basis points less than the annual interest rate on the mortgage loans included in the pool backing the Ginnie Mae I Certificate. Payments of principal and interest are made to holders of Ginnie Mae I Certificates on the 15th of each month (or the first Business Day thereafter).

Ginnie Mae II Program. Under the Ginnie Mae II Program, mortgage pools (other than HECM pools) may be formed by aggregating packages of current mortgage loans submitted by more than one Ginnie Mae Issuer for a particular issue date and pass-through rate. The resulting pool, which backs a single issue of Ginnie Mae II Certificates, is administered by each participating issuer to the extent of the mortgage loans contributed by it to the pool. Each Ginnie Mae II Certificate issued under a multiple issuer pool, however, is backed by a proportionate interest in the entire pool (and not just the mortgage loans contributed to the pool by any one Ginnie Mae Issuer). Ginnie Mae II Certificates may also be backed by a custom pool of current mortgage loans formed by a single Ginnie Mae Issuer. HECM MBS are backed by a custom pool of Participations in HECMs formed by a single Ginnie Mae Issuer. Payments of principal and interest are made to holders of Ginnie Mae II Certificates on the 20th of each month or the first Business Day thereafter by The Bank of New York, the paying and transfer agent for Ginnie Mae II Certificates.

Each Ginnie Mae II Certificate pool consists entirely of fixed rate mortgage loans or entirely of adjustable rate mortgage loans.

Interest Rates of Mortgage Loans Underlying Ginnie Mae II Certificates (other than HECM MBS). In the case of Ginnie Mae II Certificates, other than HECM MBS (also referred to hereinafter as "Non-HECM MBS Ginnie Mae II Certificates"), fixed rate mortgage loans underlying any particular Non-HECM MBS Ginnie Mae II Certificate may have annual interest rates that vary from each other by up to 1.00% per annum. The per annum pass-through rate on each Non-HECM MBS Ginnie Mae II Certificate will be between 0.50% and 1.50% per annum, in the case of Non-HECM MBS Ginnie Mae II Certificates issued prior to July 1, 2003, and will be between 0.25% and 0.75%, in the case of Non-HECM MBS Ginnie Mae II Certificates issued on or after July 1, 2003, less than the highest annual interest rate on any mortgage loan included in the pool of mortgage loans backing that Non-HECM MBS Ginnie Mae II Certificate.

The adjustable rate mortgage loans underlying any particular Non-HECM MBS Ginnie Mae II Certificate will have interest rates that adjust annually based on the One-Year Treasury Index or the One-Year LIBOR Index, as applicable. Ginnie Mae pooling specifications require that all adjustable rate mortgage loans in a given pool have an identical first interest adjustment date, annual interest adjustment date, first payment adjustment date, annual payment adjustment date, index reference date and means of adjustment. With respect to mortgage loans underlying Non-HECM MBS Ginnie Mae II Certificates issued prior to July 1, 2003, the mortgage loans must have initial interest rates that are at least 0.50% but not more than 1.50% per annum above the interest rate of the related Non-HECM MBS Ginnie Mae II Certificate. In addition, the mortgage loan margin with respect to those mortgage loans must be at least 0.50% but not more than 1.50% per annum greater than the margin for the related Non-HECM MBS Ginnie Mae II Certificate. With respect to mortgage loans underlying Non-HECM MBS Ginnie Mae II Certificates issued on or after July 1, 2003, the mortgage loans must have initial interest rates that are at least 0.25% but not more than 0.75% per annum above the interest rate of the related Non-HECM MBS Ginnie Mae II Certificates. In addition, the mortgage margin with respect to those mortgage loans must be at least 0.25% but not more than 0.75% per annum greater than the margin for the related Non-HECM MBS Ginnie Mae II Certificate. Non-HECM MBS Ginnie Mae II Certificates and the related mortgage loans will be subject to an annual adjustment cap of 1.00% per annum above or below the interest rate being adjusted and a lifetime cap of 5.00% per annum above or below the initial interest rate; provided however, that with respect to Non-HECM MBS Ginnie Mae II Certificates issued on or after October 1, 2003 and backed by 7-year and 10-year hybrid adjustable rate mortgages, these Non-HECM MBS Ginnie Mae II Certificates and the related mortgage loans will be subject to an annual adjustment cap of 2.00% per annum above or below the interest rate being adjusted and a lifetime cap of 6.00% per annum above or below the initial interest rate. Thirty days after each annual interest adjustment date, the payment amount of an adjustable rate mortgage loan will be reset so that the remaining principal balance of that mortgage loan would fully amortize in equal monthly payments over its remaining term to maturity, assuming its interest rate were to remain constant at the new rate.

Interest Rates of Mortgage Loans and the Related Participations Underlying HECM MBS.

The HECM MBS Rate is generally equal to the weighted average of the interest rates on the underlying Participations (each, a "Participation Interest Rate"). 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. With respect to a HECM for which the servicing compensation is based on a flat, monthly fee arrangement, the Servicing Fee Margin (i) for a Participation backing a HECM MBS issued prior to July 1, 2011 cannot be less than a per annum rate of 0.06% or more than 0.75%, and (ii) for a Participation backing a HECM MBS issued on or after July 1, 2011 cannot be less than a per annum rate of 0.36% or more than 1.50%. With respect to a

HECM for which the servicing compensation is based on a portion of the mortgage interest rate, the Servicing Fee Margin (i) for a Participation backing a HECM MBS issued prior to July 1, 2011 cannot be less than a per annum rate of 0.25% or more than 0.75%, and (ii) for a Participation backing a HECM MBS issued on or after July 1, 2011 cannot be less than a per annum rate of 0.36% or more than 1.50%.

The HECMs as to which the Participations relate may either be fixed or adjustable rate loans. The available indices for a HECM with a monthly adjustment date are (1) the weekly average yield of the U.S. Treasury Securities adjusted to a constant maturity of one year ("one-year CMT"), (2) the average of the LIBOR for one month U.S. dollar deposits ("one-month LIBOR"), or (3) as described in the related HECM prospectus supplement. The available indices for a HECM with an annual adjustment date are (1) one-year CMT, (2) the average of the LIBOR for twelve-month U.S. dollar deposits ("one-year LIBOR"), or (3) as described in the related HECM prospectus supplement. If any such index ceases to be available for any reason, then the rate will be based upon a new index selected by the lender from the list of indices approved for use with HUD-insured HECMs, which will be announced as soon as it is available. With respect to an adjustable rate HECM with an annual adjustment date, the HECM is subject to a periodic and lifetime interest rate cap. With respect to an adjustable rate HECM with a monthly adjustment date, the HECM is subject to a maximum stated interest rate established by the lender in the HECM note.

Ginnie Mae Platinum Program. Under the Ginnie Mae Platinum Program, a holder of a number of Ginnie Mae I Certificates with identical Certificate Rates may deposit them into a trust, and the holder of a number of fixed-rate Ginnie Mae II Certificates with identical Certificate Rates may deposit them into a trust, and in each case the depositor will receive a larger denominated Ginnie Mae Platinum Certificate with the same fixed coupon rate as the underlying Ginnie Mae Certificates. For purposes of this Base Offering Circular, (a) the term "Ginnie Mae I Certificate" means a Ginnie Mae I MBS Certificate or a Ginnie Mae Platinum Certificate backed by Ginnie Mae I MBS Certificates, and (b) the term "Ginnie Mae II Certificate" means a Ginnie Mae II MBS Certificate or a Ginnie Mae Platinum Certificate backed by fixed-rate Ginnie Mae II MBS Certificates.

The VA Loan Program

VA is an Executive Branch Department of the United States, headed by the Secretary of Veterans Affairs. VA currently administers a variety of federal assistance programs on behalf of eligible veterans and their dependents and beneficiaries. VA administers a loan guaranty program pursuant to which VA guarantees a portion of loans made to eligible veterans.

Under the VA loan guaranty program, a VA Loan may be made to any eligible veteran by an approved private sector mortgage lender. VA guarantees payment to the holder of that loan of a fixed percentage of the loan indebtedness, up to a maximum dollar amount, in the event of default by the veteran borrower. When a delinquency is reported to VA and no realistic alternative to foreclosure is developed by the loan holder or through VA's supplemental servicing of the loan, VA determines, through an economic analysis, whether VA will (a) authorize the holder to convey the property securing the VA Loan to the Secretary of Veterans Affairs following termination or (b) pay the loan guaranty amount to the holder. The decision as to disposition of properties securing defaulted VA Loans is made on a case-by-case basis using the procedures set forth in 38 U.S.C. section 3732(c), as amended.

The FHA Insurance Programs

FHA is an organizational unit within the United States Department of Housing and Urban Development. FHA was established to encourage improvement in housing standards and conditions, to provide an adequate home financing system by insuring housing mortgages and credit and to exert a stabilizing influence on the mortgage market. FHA provides insurance for private lenders against loss on eligible mortgages.

Under the FHA mortgage insurance program, an FHA home mortgage may be made to borrowers meeting certain credit standards by an approved mortgage lender. FHA insures payment to the holder of that loan in the event of default by the borrower. Upon default, the lender, depending upon the circumstances and the guidelines of the related FHA mortgage insurance program, may (a) assign the mortgage to FHA, (b) acquire (through foreclosure or deed in lieu of foreclosure) and convey title to FHA or (c) work with the borrower to sell the property before the foreclosure sale. In general, the lender will receive insurance benefits equal to the unpaid principal balance of the loan, plus approved expenses. See "Federal Housing Administration (FHA) Guidelines Regarding Insurance of HECMs" in the HECM MBS Base Prospectus for an overview of the guidelines regarding FHA's insurance of HECMs as authorized pursuant to Section 255 of the National Housing Act.

The RD Loan Program

RD is a unit within the United States Department of Agriculture, authorized to insure loans made by private sector mortgage lenders to low and moderate-income rural families in an amount equal to 90% of the loan. Less than 1% of Ginnie Mae Certificates are backed by RD-insured loans.

The HUD Loan Program

HUD guarantees loans to construct, acquire or rehabilitate one-to-four family dwellings that are located on trust land in an Indian or Alaska Native area made by lenders approved by FHA, authorized by VA, approved by the United States Department of Agriculture to make guaranteed loans under the Housing Act of 1949, and lenders that are supervised, approved, regulated or insured by any agency of the United States Government. Upon default, the lender, depending upon the circumstances, may (a) assign the mortgage to the Secretary, (b) acquire (through foreclosure or deed in lieu of foreclosure) and convey the obligation and security to the Secretary, or (c) work with the borrower to sell the property. The lender will receive guaranty benefits equal to the unpaid balance of the loan, plus approved expenses.

UNDERLYING CERTIFICATES

The Trust Assets for a Series of Securities may include one or more Underlying Certificates. Any such Underlying Certificate will evidence a direct or indirect beneficial ownership interest in a separate pool of Ginnie Mae Certificates and will have been issued and guaranteed as described in the related Underlying Certificate Disclosure Documents. Each Offering Circular Supplement will include a general description of the characteristics of each Underlying Certificate and will incorporate by reference the related Underlying Certificate Disclosure Documents. In the event that any issue arises under the trust agreement that governs the Underlying Trust, which requires a vote of the holders of the Underlying Certificates, the related Trustee will vote the Underlying Certificates in a manner that, in its sole judgment, is consistent with the best interests of the holders of such Underlying Certificates.

Investors in any Security representing an interest in one or more Underlying Certificates are urged to review, in particular, the related Underlying Certificate Disclosure Documents, which may be obtained from the Information Agent as described in the related Offering Circular Supplement.

UNDERLYING CALLABLE SECURITIES

The Trust Assets for a Series of Securities may include one or more Underlying Callable Securities. Any such Underlying Callable Security will evidence a direct beneficial ownership interest in the related Ginnie Mae Platinum Certificates, Ginnie Mae II Certificates or Underlying Certificates, as applicable. Underlying Callable Securities are subject to redemption by the Holders of the related Call Class on any distribution date on or after an initial redemption date. The occurrence of the redemption of any Underlying Callable Securities will result in the prepayment of the related Securities. **In the event that any issue arises under the trust agreement that governs the Callable Trust, which requires a vote of the holders of the Underlying Certificates, the Trustee will vote the Underlying Certificates in a manner that, in its sole judgment, is consistent with the best interests of the holders of such Underlying Certificates.**

Investors in any Security representing an interest in one or more Underlying Callable Securities are urged to review the related Offering Circular included as an exhibit to the Offering Circular Supplement and the offering circular supplement related to the Underlying Certificates or the Ginnie Mae Platinum Certificates, as applicable, which may be obtained from the Information Agent.

UNDERLYING SMBS SECURITIES

The Trust Assets for a Series of Securities may include one or more Underlying SMBS Securities. Any such Underlying SMBS Security will evidence a direct or indirect beneficial ownership interest in a separate pool of Ginnie Mae Certificates, Underlying Certificates or Underlying SMBS Securities and will have been issued and guaranteed as described in the Underlying SMBS Security Disclosure Document. Each Offering Circular Supplement will include a general description of the characteristics of each Underlying SMBS Security and will incorporate by reference the related Underlying SMBS Security Disclosure Documents. In the event that any issue arises under the trust agreement that governs the Underlying Trust, which requires a vote of the holders of the Underlying SMBS Securities, the related trustee will vote the Underlying SMBS Securities in a manner that, in its sole judgment, is consistent with the best interests of the holders of such Underlying SMBS Securities.

Investors in any Security representing an interest in one or more Underlying SMBS Securities are urged to review, in particular, the related Underlying SMBS Security Disclosure Documents, which may be obtained from the Information Agent as described in the related Offering Circular Supplement.

YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS

General

The prepayment experience of the Mortgage Loans underlying (or related to the Participations underlying) the related Trust Assets will affect the Weighted Average Life of and the yield realized by investors in the related Securities. Borrowers may voluntarily prepay their Mortgage Loan in full or in part at any time without penalty. The rate of principal payments (including prepayments and payments in respect of liquidations) on the Mortgage Loans generally depends on a variety of economic, geographic, social and other factors, including prevailing market interest rates and general economic factors. The rate of prepayments on conventional mortgage loans has fluctuated significantly in recent years. There is no assurance, however, that prepayment patterns for the Mortgage Loans will conform to patterns for more traditional types of conventional fixed-rate or adjustable rate mortgage loans. In general, if prevailing mortgage interest rates fall materially below the Mortgage Rates on the Mortgage Loans (giving consideration to the cost of refinancing), the rate of prepayment of the Mortgage Loans would be expected to increase. If mortgage interest rates rise materially above the Mortgage Rates on the Mortgage Loans, the rate of prepayment of the Mortgage Loans would be expected to decrease. There can be no assurance, however, that prepayments will occur in accordance with these patterns.

If the prepayment rate on the Mortgage Loans increases during a period of declining interest rates, investors may receive increased principal distributions at a time when those investors are unable to reinvest at interest rates as favorable as the Interest Rates of the applicable Classes of Securities. If the prepayment rate on the Mortgage Loans decreases during a period of rising interest rates, investors may receive declining principal distributions when those investors otherwise may have been able to reinvest at higher interest rates than the Interest Rates of the applicable Classes of Securities.

In general, changes in the rate of prepayments on the Mortgage Loans, whether as a result of borrower prepayments, payments in respect of liquidations, or cash payments by the Sponsor as a result of the Sponsor's breach of a representation or warranty, will have a greater effect on the yield of a Class of Securities having an earlier Final Distribution Date than for any Class having a later Final Distribution Date.

Special Prepayment and Yield Considerations for Classes of Securities Backed by HECM MBS. The yield for Classes of Securities backed in whole or in part by HECM MBS will depend in large part on the occurrence of Maturity Events generally, and specifically, the mobility, health and mortality of the borrowers or the likelihood that a borrower would fail to abide by certain mortgage covenants. The rate and timing of Maturity Events, and therefore the yields on and weighted average lives of the Securities, may differ substantially from an investor's expectation. In addition, the yield to maturity will be affected by voluntary prepayments in whole or in part by the borrowers.

The yield to investors may also be affected by the Ginnie Mae Issuer's obligation to purchase all Participations related to a HECM upon the occurrence of a Ginnie Mae Issuer Purchase Event. *See "The Ginnie Mae Certificates—General" and "Financial Characteristics of HECMs—Obligation of Ginnie Mae Issuer to Purchase Participations Related to Mortgage Loans in Limited Circumstances" and "—Optional Purchase of Participations Related to HECMs" in the HECM MBS Base Prospectus.*

Payment Delay

Distributions of interest on the Securities on any Distribution Date will include interest accrued thereon through the Accounting Date, which for Fixed-Rate Classes and Delay Classes is the last day of the month preceding the month in which such Distribution Date occurs. The effective yield to the Holders of such Securities will be lower than the yield otherwise produced by the applicable Interest Rate and purchase price because interest will not be distributed on such Securities that are Book-Entry Securities until the Distribution Date in the month following the month in which such interest accrues on the Trust Assets, and interest will not be distributed on Certificated Securities until the Business Day after such Distribution Date.

Assumability of Government Loans

All Government Loans (except for HECMs) may be assumed upon the sale of the related Mortgaged Property, subject generally to the purchaser's compliance with certain then-existing credit requirements and underwriting guidelines. The Weighted Average Lives of the Securities may be increased to the extent that the Mortgage Loans are assumed by purchasers of the Mortgaged Properties in connection with the sales of such Mortgaged Properties.

Weighted Average Life

The Weighted Average Life of a security refers to the average amount of time that will elapse from the date of its issuance until each dollar of principal of that security will be repaid to the investor. As a result, any projection of the Weighted Average Life of and yield on any Class of the Securities must include an assumption about the anticipated timing and amount of payments on those Securities, which will depend upon the rate of prepayments of the Mortgage Loans, including optional borrower prepayments and prepayments resulting from liquidation of defaulted Mortgage Loans, and in the case of HECMs, the occurrence of Maturity Events and any Ginnie Mae Issuer Purchase Events. In general, prepayments of principal and defaults on the Mortgage Loans will shorten the Weighted Average Life and term to maturity of each related Class of Securities.

The Weighted Average Life of a Class is determined by (a) multiplying the amount of the net reduction, if any, of the Class Principal Balance (or Class Notional Balance) of such Class from one Distribution Date to the next Distribution Date by the number of years from the Closing Date to such next Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the net reductions in Class Principal Balance (or Class Notional Balance) of such Class referred to in clause (a).

The Weighted Average Lives of the Securities will be influenced by, among other things, the rate at which principal is paid on the Mortgage Loans (or, in the case of a Security Group, on the Mortgage Loans underlying the related Trust Asset Group). In general, the Weighted Average Lives of the Securities will be shortened if the rate of prepayments of principal of the Mortgage Loans increases. However, the Weighted Average Lives will depend upon a variety of other factors, including the timing of changes in such rate of principal prepayments. Accordingly, no assurance can be given as to the Weighted Average Life of any Class. Further, to the extent the prices of the Securities represent discounts or premiums to their respective original principal balances, variability in the Weighted Average Lives of such Classes could result in variability in the related yields to maturity.

Standard Prepayment Assumption Models

Prepayments of Mortgage Loans are commonly measured by a prepayment standard or model. The models used in the Offering Circular Supplement are the standard prepayment assumption model of The Securities Industry and Financial Markets Association ("PSA"), the constant prepayment rate ("CPR") model or with respect to the related Classes of Securities backed in whole or in part by HECM MBS, such other model as may be described in the Offering Circular Supplement.

CPR represents a constant rate of prepayment on the Mortgage Loans each month relative to the then outstanding aggregate principal balance of the Mortgage Loans for the life of those Mortgage Loans.

PSA represents an assumed rate of prepayment each month relative to the then outstanding principal balance of the Mortgage Loans to which the model is applied. A prepayment assumption of 100% PSA assumes prepayment of the then aggregate outstanding principal balances of the Mortgage Loans in the month following their origination at an annual rate of 0.2% and an additional 0.2% in each month after that (for example, at an annual rate of 0.4% in the second month) until the thirtieth month. Beginning in the thirtieth month, and in each month after that until all of the Mortgage Loans are paid in full, 100% PSA assumes that the rate of prepayment remains constant at 6% per annum. A prepayment assumption of 0% PSA assumes no prepayments, and a prepayment assumption of 200% PSA assumes prepayment rates equal to the product of 2.0 and the 100% PSA assumed prepayment rates. PSA does not purport to be an historical description of prepayment experience or a prediction of the anticipated rate of prepayment of any of the Mortgage Loans.

The Offering Circular Supplement for each Series will contain a table setting forth (i) the weighted average life of each related Class of Securities and (ii) the percentage of the initial Class Principal Balance (or Class Notional Balance) of each related Class of Securities that would be outstanding on specified Distribution Dates for the related Series, in each case, based on the assumption that prepayments on the related Mortgage Loans are made at specified constant rates and based on such other assumptions as may be specified in such Offering Circular Supplement. The actual final distribution on each Class is likely to be made earlier, and could be made significantly earlier, than its Final Distribution Date because (i) the rate of distributions on the Securities of the related Series will be affected by the actual rate of payment (including prepayments) of principal on the related Mortgage Loans and (ii) some of the related Mortgage Loans have stated maturities prior to the dates assumed and may have interest rates lower than those assumed. However, there can be no assurance that the final distribution of principal of any Class will be earlier than the Final Distribution Date specified for such Class in the related Offering Circular Supplement.

No representation is made about the anticipated rate of prepayments or foreclosures on the Mortgage Loans underlying the Trust Assets or about the anticipated yield to maturity of any Class of Securities. Investors are urged to base their decisions whether to invest in any Class of Securities upon a comparison of desired yield to maturity with the yield to maturity that would result based on the price that the investor pays for the Securities and upon the investor's own determinations about anticipated rates of prepayments, foreclosures, substitutions and cash payments by the Sponsor with respect to the Mortgage Loans, and in the case of HECMs, the occurrence of Maturity Events or Ginnie Mae Issuer Purchase Events.

THE TRUSTS

Certain Policies of the Trusts

No Trust Agreement will authorize a Trust to engage in any activities other than the issuance of the related Securities (or Pooling REMIC Interests) and the purchase, servicing and disposition of the related Trust Assets and certain related activities. Each Trust Agreement may be amended only as set forth below under "— Amendment."

Voting Rights

Except as otherwise provided in any Trust Agreement, no Holder shall have any right to vote or to control the administration of any Trust or the management of any Trust Assets, provided that Holders of 25% of the Voting Rights may require the Trustee to enforce the Ginnie Mae Guaranty on behalf of all Holders. To the extent of any Ginnie Mae Guaranty Payments, Ginnie Mae shall be subrogated to all rights, remedies, powers and privileges of Holders.

Amendment

Subject to the limitations set forth below, the Sponsor and the Trustee (with Ginnie Mae's consent) may amend any Trust Agreement for any purpose, without the consent of any Holder, provided the Trustee receives one or more Opinions of Counsel that (i) the proposed amendment is permitted by such Trust Agreement and (ii) the proposed amendment will not adversely affect the status of any related Trust REMIC as a REMIC or result in the imposition of any United States federal or applicable state tax upon the Trust or any related Trust REMIC or Asset Pool. The Sponsor and the Trustee may not amend any Trust Agreement, however, if the effect of that amendment would be to alter the timing or amount of any required distribution of principal or interest (including distributions made pursuant to the Ginnie Mae Guaranty) to any Holder, or the right of any Holder to institute suit for the enforcement of any payment, without the consent of each affected Holder.

The Trustee

The Trustee may resign at any time by giving written notice to Ginnie Mae. Upon notice of the Trustee's resignation, Ginnie Mae will appoint a successor Trustee. Ginnie Mae also may remove the Trustee and appoint a successor if the Trustee breaches its obligations under the Trust Agreement, if the Trustee ceases to be eligible to continue as the Trustee under the related Trust Agreement or if the Trustee becomes incapable of acting, or is adjudged as bankrupt or becomes insolvent, or a receiver for the Trustee or its property is appointed, or any public officer takes control of the Trustee or its property for the purpose of rehabilitation, conservation or liquidation of that property. Any resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the acceptance of the appointment by a successor Trustee.

Tax Matters Person

The Tax Administrator will serve as the agent for the Tax Matters Person of each related Trust REMIC. Each Holder of a Residual Security, by its acquisition of such Security, consents to the appointment of the Tax Administrator as such agent on behalf of such Holder if that Holder would by virtue of its ownership percentage be treated as the Tax Matters Person for the related Trust REMIC. No successor agent may be appointed without the consent of Ginnie Mae.

Tax Administrator

The Tax Administrator, which may be the same person as the Trustee, generally is responsible for the United States federal and state tax administration of the Trust and the related Trust REMIC or Trust REMICs. Foremost among the Tax Administrator's duties will be the preparation of the income tax returns and reports of the Trust and the related Trust REMIC or Trust REMICs and the related underlying tax accounting. Additional information about the duties and activities of the Tax Administrator is set forth in "Certain United States Federal Income Tax Consequences."

REMIC Reporting

Each Trust Agreement will require the Tax Administrator to undertake the following responsibilities, among others, in respect of the related Trust:

(a) to cause an election to be made with respect to each related Asset Pool to be treated as a REMIC;

(b) to prepare and cause to be timely filed a Form 8811 and to prepare and cause to be filed annually, on a calendar year basis, Form 1066, U.S. Real Estate Mortgage Investment Conduit Income Tax Return and any other required United States federal or state tax returns with respect to each related Trust REMIC and the related Trust;

(c) to prepare all information reports and returns required to be provided to Holders under federal or state tax provisions concerning REMICs, including Schedule Q to Form 1066, and to forward their reports and returns to the appropriate Holders; and

(d) to pay when due, on behalf of the affected Trust REMIC or the Trust, the amount of any United States federal, state and local taxes imposed thereon, which amount generally will be paid from assets of the related Trust. Ginnie Mae does not guarantee the accuracy or timeliness of the tax administration and reporting.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

U.S. Treasury Circular 230 Notice

The discussion contained in this Base Offering Circular and the related Offering Circular Supplement 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 Base Offering Circular and the related Offering Circular Supplement. 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.

The following discussion, prepared by Ginnie Mae's Legal Advisor, is a summary of the anticipated material United States federal income tax consequences of the purchase, ownership, and disposition of the Securities. The summary is based upon laws, regulations, rulings, and decisions now in effect, all of which are subject to change. The discussion does not purport to deal with the United States federal income tax consequences to all categories of investors, some of which may be subject to special rules. The discussion focuses primarily on investors who will hold the Securities as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Code, although much of the discussion is applicable to other investors as well. Investors should note that, although final regulations under the REMIC Provisions of the Code (the "REMIC Regulations") have been issued by the U.S. Treasury, no currently effective regulations or other administrative guidance has been issued with respect to certain provisions of the Code that are or may be applicable to Holders, particularly the provisions dealing with market discount and stripped debt instruments. Although the Treasury issued final regulations dealing with original issue discount ("OID") and premium (such regulations, the "OID Regulations"), the OID Regulations do not address directly the treatment of "Regular Securities" (as defined below). Furthermore, the REMIC Regulations do not address all of the issues that arise in connection with the formation and operation of a REMIC. Hence, definitive guidance cannot be provided with respect to many aspects of the tax treatment of Holders. Moreover, there can be no assurance that the United States Internal Revenue Service (the "Service") will not take positions that would be materially adverse to investors. Finally, the summary does not purport to address the anticipated state, local or foreign income tax consequences to investors of owning and disposing of the Securities. Consequently, investors should consult their own tax advisors in determining the United States federal, state, local, foreign, and any other tax consequences to them of the purchase, ownership, and disposition of the Securities.

General

With respect to each Trust, counsel to the Trust ("Trust Counsel") will deliver a separate opinion generally to the effect that, assuming timely filing of a REMIC election and compliance with all provisions of the related Trust Agreement and the other issuance and closing documents, the Trust, or one or more segregated pools of Trust Assets (each, an "Asset Pool"), will qualify as one or more REMICs (each, a "Trust REMIC") for United States federal income tax purposes. Trust Counsel also will deliver its opinion that the discussion set forth in this Offering Circular under "Certain United States Federal Income Tax Consequences," as amplified or modified by Trust Counsel in the related Offering Circular Supplement, is correct and complete in all material respects. The foregoing opinions will be based on existing law, but there can be no assurance that the law will not change or that contrary positions will not be taken by the Service.

The Securities (other than any Modifiable or MX Securities) will be designated either as one or more classes of "regular interests" in a Trust REMIC ("Regular Securities"), which generally are treated as debt for United States federal income tax purposes, or the "residual interest" in one or more Trust REMICs ("Residual Securities"), which generally are not treated as debt for such purposes, but rather as representing rights and responsibilities with respect to the taxable income or loss of the related Trust REMIC. The Offering Circular

Supplement for each Trust will indicate which of the Securities in the Trust will be designated as Regular Securities and which will be designated as Residual Securities. In certain cases, a single Residual Security may represent the residual interest in more than one of the Trust REMICs relating to a particular Series. In such cases, the discussion of Residual Securities set forth below should be interpreted as applying to each residual interest separately.

Securities held by a "domestic building and loan association" (a "DB&L") will constitute assets described in section 7701(a)(19)(C)(xi) of the Code; Securities held by a real estate investment trust ("REIT") will constitute "real estate assets" within the meaning of section 856(c)(4)(A) of the Code; and interest on such Securities will be considered "interest on obligations secured by mortgages on real property" within the meaning of section 856(c)(3)(B), all in the same proportion that the related Trust REMIC's assets would so qualify. If 95% or more of the assets of a given Trust REMIC constitute qualifying assets for DB&Ls and REITs, the related Securities and the income thereon will be treated entirely as qualifying assets and income for DB&Ls and REITs. In the case of a Trust that issues a Double REMIC Series, the Trust REMICs related to such Double REMIC Series will be treated as a single REMIC for purposes of determining the extent to which the related Securities and the income thereon will be treated as such assets and income. Regular and Residual Securities held by a financial institution to which section 585 of the Code applies will be treated as evidences of indebtedness for purposes of section 582(c)(1) of the Code. Regular Securities also will be "qualified mortgages" within the meaning of section 860G(a)(3) of the Code with respect to other REMICs.

Tax Treatment of Regular Securities

General

Except as described below for Regular Securities issued with OID or acquired with market discount or premium, interest paid or accrued on a Regular Security will be treated as ordinary income to the Holder and a principal payment on such Security will be treated as a return of capital to the extent that the Holder's basis in the Security is allocable to that payment. Holders of Regular Securities must report income from such Securities under an accrual method of accounting, even if they otherwise would have used the cash receipts and disbursements method. The Tax Administrator will report annually to the Service and to Holders of record with respect to interest paid or accrued and OID, if any, accrued on the Securities.

Single Class REMICs

In the case of certain Trust REMICs that are considered to be "single-class REMICs" under temporary Treasury regulations, Holders of Regular Securities who are individuals, trusts, estates, or pass-through entities in which such persons hold interests may be required to recognize certain amounts of income in addition to interest and discount income. A single-class REMIC, in general, is a REMIC that (i) would be classified as an investment trust in the absence of a REMIC election or (ii) is substantially similar to an investment trust and was structured with the principal purpose of avoiding the allocation of "allocable investment expenses" *(i.e.,* expenses normally allowable under section 212 of the Code, which may include servicing and administrative fees and the guarantee fee with respect to the Trust Assets) to Holders of Regular Securities. Under the temporary Treasury regulations, each Holder of a regular or residual interest in a single-class REMIC is allocated (i) a share of the REMIC's allocable investment expenses and (ii) a corresponding amount of additional income. Section 67 of the Code permits an individual, trust or estate to deduct miscellaneous itemized expenses (including section 212 expenses) only to the extent that such expenses, in the aggregate, exceed 2% of its adjusted gross income. Consequently, an individual, trust or estate that holds a regular interest in a single-class REMIC (either directly or through a pass-through entity) will recognize additional income with respect to such regular interest to the extent that its share of allocable investment expenses, when combined with its other miscellaneous itemized deductions for the taxable year, is less than 2% of its adjusted gross income. Any such additional income will be treated as interest income. In addition, Code section 68 currently provides that the amount of itemized deductions otherwise allowable for the taxable year for an individual whose adjusted gross income exceeds a certain amount will be reduced. The amount of such additional taxable income recognized by Holders who are subject to the limitations of either section 67 or section 68 may be substantial and may reduce the after-tax yield to such Holders of an investment in the Securities of an affected Trust. Non-corporate Holders of Regular Securities evidencing an interest in a single-class REMIC also should be aware that miscellaneous itemized deductions, including allocable investment expenses attributable to such REMIC, are not deductible for purposes of the alternative minimum tax ("AMT"). Although the law is not entirely clear, unless every Security Group related to a Trust REMIC would be classified as an investment trust in the absence of the REMIC election, the Trustee will not treat the Trust REMIC as a single-class REMIC.

Original Issue Discount

Overview. Certain Classes of Regular Securities may be issued with OID within the meaning of section 1273(a) of the Code. In general, such OID will equal the difference between the "stated redemption price at maturity" of the Regular Security and its issue price. Holders of Regular Securities as to which there is OID should be aware that they generally must include OID in income for United States federal income tax purposes on an annual basis under a constant yield accrual method that reflects compounding. In general, OID is treated as ordinary interest income and must be included in income in advance of the receipt of the cash to which it relates.

The amount of OID required to be included in a Regular Holder's income in any taxable year will be computed in accordance with section 1272(a)(6) of the Code, which provides for the accrual of OID under a constant yield method on regular interests in a REMIC. Under section 1272(a)(6), as elaborated by the related legislative history, the amount and the rate of accrual of OID generally is to be calculated based on the prepayment rate for the REMIC's mortgage collateral and the reinvestment rate on amounts held pending distribution that were assumed in pricing the Regular Securities (the "Pricing Prepayment Assumptions"). The OID Regulations do not address directly the treatment of instruments that are subject to section 1272(a)(6). However, until the Treasury issues guidance to the contrary, the Tax Administrator, in its capacity as party responsible for computing the amount of OID to be reported to a Regular Holder each taxable year, will base its computations on Code section 1272(a)(6) and the OID Regulations as described below. Prospective investors should be aware that because no regulatory guidance currently exists under Code section 1272(a)(6), there can be no complete assurance that the methodology described below represents the correct manner of calculating OID on the Regular Securities.

Amount of Original Issue Discount. The amount of OID on a Regular Security equals the excess, if any, of the Security's "stated redemption price at maturity" over its "issue price." Under the OID Regulations, a debt instrument's stated redemption price at maturity is the sum of all payments provided by the instrument other than "qualified stated interest" (such payments, "Deemed Principal Payments"). Qualified stated interest, in general, is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at (i) a single fixed rate or (ii) a variable rate that meets certain requirements set out in the OID Regulations. See "— Variable Rate Securities" below. Because an Accrual Security generally does not require unconditional payments of interest at least annually, all payments due thereon, whether designated as principal, accrued interest, or current interest will constitute Deemed Principal Payments. A portion of interest accrued on a Security of a Partial Accrual Class will also constitute Deemed Principal Payments because payments of such amounts would not be required at least annually. In addition, it is possible that all or a portion of interest payable on a HMBS-Backed Class may constitute Deemed Principal Payments in a manner similar to interest payable on an Accrual Security or a Partial Accrual Security depending on the circumstances surrounding such HMBS-Backed Class as described in the related Offering Circular Supplement. Consequently, all Accrual Securities will, and some or all HMBS-Backed Classes of a particular series may, be considered to be issued with OID for United States federal income tax purposes. The issue price of a Regular Security generally will equal the initial price at which a substantial amount of Securities of the same Class is sold to the public (including any amounts paid for interest accrued as of the Closing Date under the terms of the Security).

Under a *de minimis* rule, a Regular Security will be considered to have no OID if the amount of OID is less than 0.25% of the Security's stated redemption price at maturity multiplied by its weighted average maturity ("WAM"). For that purpose, the WAM of a Regular Security is the sum of the amounts obtained by multiplying the amount of each Deemed Principal Payment by a fraction, the numerator of which is the number of complete years from the Security's issue date until the payment is made, and the denominator of which is the Security's stated redemption price at maturity. Although no guidance has been issued regarding the application of the *de minimis* rule to REMIC regular interests, it is expected that the WAM of a Regular Security will be computed using the Pricing Prepayment Assumptions. A Regular Holder will include *de minimis* OID in income on a *pro rata* basis as stated principal payments on the Security are received or, if earlier, upon disposition of the Security, unless the Holder makes the "Constant Yield Election" (as defined below).

Regular Securities may bear interest under terms that provide for a teaser rate period, interest holiday, or other period (a "Teaser Period") during which the rate of interest payable on the Securities is lower than the rate payable during the remainder of the life of the Securities ("Teaser Securities"). The OID Regulations provide an alternative test under which a Teaser Security may be considered to have a *de minimis* amount of OID (the "Alternative *De Minimis* Amount") even though the amount of OID on such Security would be more than *de minimis* as determined under the regular test. The Alternative *De Minimis* Amount applies only if the stated interest on a Teaser Security would be qualified stated interest but for the fact that the interest rate effective in the Teaser Period or Periods is below the rate applicable for the remainder of its term. Under the alternative test, the amount of OID on a Teaser Security that is measured against the Alternative *De Minimis* Amount is the greater of (i) the excess of the stated principal amount of the Security over its issue price ("True Discount") and (ii) the amount of interest that would be necessary to be payable on the Security in order for all stated interest to be qualified stated interest (the "Additional Interest Amount"). If the amount of OID on a Teaser Security eligible for the alternative test exceeds the Alternative *De Minimis* Amount, the Security will be treated as issued with OID. In that case, the stated redemption price at maturity of such Security would be deemed to include either (i) all of the stated interest on the Security or (ii) all stated interest on the Security in excess of the lowest effective interest rate on such Security in any Teaser Period. Consequently, the Holder of such a Security would be required to recognize in the Teaser Period ordinary income arising from OID in addition to any qualified stated interest for such Period.

If the period between the Closing Date and the first Distribution Date (the "Initial Distribution Period") of a Current Interest Class is shorter than the interval between subsequent Distribution Dates, the effective rate of interest payable on a Security during the Initial Distribution Period will be higher than the stated rate of interest if a Holder receives interest on the initial Distribution Date based on a full accrual period. To the extent that the interest payment due on the first Distribution Date exceeds the amount that would have been payable had the effective rate for that period been equal to the stated interest rate, that payment (an "Excess Interest Payment") will be treated as a Deemed Principal Payment. Consequently, a Security having an Excess Interest Payment may have OID, although the determination of whether such a Security has OID will also take into account (i) the fact that the Security's issue price includes any interest accrued as of the Closing Date (which may equal or exceed the amount of the Excess Interest Payment) and (ii) the *de minimis* rules described above. In the absence of further guidance, the Tax Administrator will treat all interest payable on such Security other than the Excess Interest Payment as qualified stated interest, to the extent it otherwise would so qualify.

Accrual of Original Issue Discount. The Holder of a Regular Security generally must include in gross income the sum, for all days during his taxable year on which he holds the Regular Security, of the "daily portions" of the OID on such Security. In the case of an original Holder of a Regular Security, the daily portions of OID with respect to such Security generally will be determined by allocating to each day in any accrual period the Security's ratable portion of the excess, if any, of (i) the sum of (a) the present value of all projected payments under the Security yet to be received as of the close of such period plus (b) the amount of Deemed Principal Payments received on the Security during such period over (ii) the Security's "adjusted issue price" at the beginning of such period. The accrual period that will be used by the Tax Administrator for purposes of computing the daily portions on a Regular Security will be the one month (or shorter period) ending on each Payment Date. The present value of projected payments yet to be received on a Regular Security is to be computed using the Pricing Prepayment Assumptions and the Security's original yield to maturity (adjusted to take into account the length of the particular accrual period), and taking into account Deemed Principal Payments actually received on the Security prior to the close of the accrual period. The adjusted issue price of a Regular Security at the beginning of the first accrual period is its issue price. The adjusted issue price at the beginning of each subsequent period is the adjusted issue price of the Security at the beginning of the preceding period increased by the amount of OID allocable to that period and reduced by the amount of any Deemed Principal Payments received during that period. Thus, an increased (or decreased) rate of prepayments received with respect to a Regular Security will be accompanied by a correspondingly increased (or decreased) rate of recognition of OID by the Holder of such Security.

The yield to maturity of a Regular Security is calculated based on the Pricing Prepayment Assumptions. Contingencies, such as the exercise of "mandatory redemptions," that are taken into account by the parties in pricing the Regular Security typically will be subsumed in the Pricing Prepayment Assumptions and thus will be reflected in the Security's yield to maturity.

If a subsequent Holder's adjusted basis in the Security immediately after the acquisition exceeds the adjusted issue price of the Security, but is less than or equal to the sum of the Deemed Principal Payments to be received under the Security after the acquisition date, the amount of OID on the Security will be reduced by a fraction, the numerator of which is the excess of the Security's adjusted basis immediately after its acquisition over the adjusted issue price of the Security and the denominator of which is the excess of the sum of all Deemed Principal Payments to be received on the Security after the acquisition date over the adjusted issue price of the Security. For that purpose, the adjusted basis of a Regular Security generally is reduced by the amount of any qualified stated interest that is accrued but unpaid as of the acquisition date. Alternatively, the subsequent Holder of a Regular Security having OID may make a Constant Yield Election with respect to the Security, as described below. If the subsequent Holder's adjusted basis in a Regular Security, immediately after its acquisition, exceeds the sum of all Deemed Principal Payments to be received on the Security after the acquisition date, the Holder will no longer be required to accrue OID on the Security, and the Holder can elect to reduce the amount of interest income recognized on the Security by the amount of amortizable premium. See "— Amortizable Premium" below.

Special Rules and Considerations. If the amount of OID computed for a Regular Security during an accrual period is negative ("Negative OID"), the amount of OID on such Security will be treated as zero for that period, and the Holder generally will be entitled to offset the Negative OID only against future positive OID on the Security. Although the law is unclear in some respects, a corporate Holder whose Regular Security has Negative OID may be entitled to deduct a loss when and to the extent that its adjusted basis in the Regular Security exceeds the maximum amount of future payments to which the Regular Security entitles it. Similarly, certain non-corporate Holders may be entitled to the same treatment if their Regular Securities are involved in their trade or business. It is unclear whether other non-corporate Holders may claim any tax benefit related to a Regular Security with Negative OID (other than an offset against future positive OID generated by such Security) prior to its maturity. Prospective Holders should consult their own tax advisors with respect to the tax consequences to them of Negative OID.

The OID Regulations contain an aggregation rule (the "Aggregation Rule") under which two or more debt instruments issued in connection with the same transaction (or related transactions in certain circumstances) generally are treated as a single debt instrument for United States federal income tax accounting purposes if issued by a single issuer to a single Holder. The Aggregation Rule, however, does not apply if the debt instrument is part of an issue (i) a substantial portion of which is traded on an established market or (ii) a substantial portion of which is issued for cash (or property traded on an established market) to parties who are not related to the issuer or Holder and who do not purchase other debt instruments of the same issuer in connection with the same transaction or related transactions. In most cases, the Aggregation Rule will not apply to Regular Securities of different Classes that are sold to the public because one or both of the exceptions to the Aggregation Rule will have been met. Although the Tax Administrator will apply the Aggregation Rule to all regular interests in a Trust REMIC that are held by a related Trust REMIC, it generally will not apply the Aggregation Rule to Regular Securities for purposes of reporting to Holders unless a single Regular Security represents two or more regular interests in a Trust REMIC, in which case the Trustee generally will treat such Regular Security as a single debt instrument. The OID Regulations provide that a Holder generally may make an election (a "Constant Yield Election") to include in gross income all stated interest, OID, *de minimis* OID, market discount (as described below under "— Market Discount"), and *de minimis* market discount that accrues on a Regular Security (as reduced by any amortizable premium, as described below under "— Amortizable Premium" or acquisition premium, as described below) under the constant yield method used to account for OID. To make the Constant Yield Election, the Holder of the Security must attach a statement to its timely filed United States federal income tax return for the taxable year in which the Holder acquired the Security. The statement must identify the instruments to which the election applies. A Constant Yield Election is irrevocable unless the Holder obtains the consent of the Service. In general, the Constant Yield Election may be made on an obligation-by-obligation basis. If, however a Constant Yield Election is made for a debt instrument with market discount, the Holder is deemed to have made an election to include in income currently the market discount on all debt instruments with market discount subsequently acquired during the same tax year or thereafter by the Holder, as described in "— Market Discount" below. In addition, if a Constant Yield Election is made for a debt instrument with amortizable premium, the Holder is deemed to have made an election to amortize the premium on all of the Holder's other debt instruments with amortizable premium under the constant yield method. See "— Amortizable Premium" below.

The United States federal income tax treatment of income on a Regular Security, the payments on which consist entirely or primarily of a specified nonvarying portion of the interest payable on one or more of the qualified mortgages held by the Trust REMIC (an "Interest Weighted Security"), is unclear. Until the Service provides contrary administrative guidance on the income tax treatment of an Interest Weighted Security, the Tax Administrator intends to take the position that an Interest Weighted Security does not bear qualified stated interest and will account for the income thereon as described in "Certain United States Federal Income Tax Consequences — Original Issue Discount — Interest Weighted Securities and Non-VRDI Securities" herein. Some Interest Weighted Securities may provide for a relatively small amount of principal and for interest that can be expressed as qualified stated interest at a very high fixed rate with respect to that principal ("Superpremium Securities"). Superpremium Securities technically are issued with amortizable premium. However, because of their close similarity to other Interest Weighted Securities, it appears more appropriate to account for Superpremium Securities in the same manner as for other Interest Weighted Securities. Consequently, in the absence of further administrative guidance, the Tax Administrator intends to account for Superpremium Securities in the same manner as other Interest Weighted Securities. However, there can be no assurance that the Service will not assert a position contrary to that taken by the Tax Administrator, and, therefore, Holders of Superpremium Securities should consider making a protective election to amortize premium on such Securities.

The OID Regulations provide that if a principal purpose in structuring a debt instrument, engaging in a transaction, or applying the OID Regulations is to achieve a result that is unreasonable in light of the purposes of the applicable statutes, the Service can apply or depart from the OID Regulations as necessary or appropriate to achieve a reasonable result. A result is not considered unreasonable, however, in the absence of a substantial effect on the present value of a taxpayer's tax liability.

In view of the complexities and current uncertainties as to the manner of inclusion in income of OID on Regular Securities, each investor should consult his own tax advisor to determine the appropriate amount and method of inclusion in income of OID on such Securities for United States federal income tax purposes.

Variable Rate Securities

A Regular Security may pay interest at a variable rate (a "Variable Rate Security"). The rules applicable to variable rate debt instruments, as defined in the OID Regulations ("VRDIs"), apply to a Variable Rate Security only if: (i) such Security is not issued at a premium to its noncontingent principal amount in excess of the lesser of (a) .015 multiplied by the product of such noncontingent principal amount and the WAM (as that term is defined above in the discussion of the *de minimis* rule) of the Security or (b) 15% of such noncontingent principal amount (an "Excess Premium"); (ii) stated interest on the Security compounds or is payable unconditionally at least annually at (a) one or more "qualified floating rates," (b) a single fixed rate and one or more qualified floating rates, (c) a single "objective rate," or (d) a single fixed rate and a single objective rate that is a "qualified inverse floating rate"; and (iii) the qualified floating rate or the objective rate in effect during an accrual period is set at a current value of that rate *(i.e.,* the value of the rate on any day occurring during the interval that begins three months prior to the first day on which that value is in effect under the Security and ends one year following that day). However, if the Variable Rate Security provides for any contingent payments (which do not include qualified stated interest), the Tax Administrator will account for the Variable Rate Security as described in "Certain United States Federal Income Tax Consequences — Original Issue Discount — Interest Weighted Securities and Non-VRDI Securities" herein.

A rate is a qualified floating rate if variations in the rate reasonably can be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the debt instrument is denominated. A qualified floating rate may measure contemporaneous variations in borrowing costs for the issuer of the debt instrument or for issuers in general. A multiple of a qualified floating rate is considered a qualified floating rate only if the rate is equal to either (a) the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35 or (b) the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35, increased or decreased by a fixed rate. If a Security provides for two or more qualified floating rates that reasonably can be expected to have approximately the same values throughout the term of the Security, the qualified floating rates together will constitute a single qualified floating rate. Two or more qualified floating rates conclusively will be presumed to have approximately the same values throughout the term of a Security if the values of all such rates on the issue date of the Security are within 25 basis points of each other.

A variable rate will be considered a qualified floating rate if it is subject to a restriction or restrictions on the maximum stated interest rate (a "Cap"), a restriction or restrictions on the minimum stated interest rate (a "Floor"), a restriction or restrictions on the amount of increase or decrease in the stated interest rate (a "Governor"), or other similar restriction only if: (a) the Cap, Floor, or Governor is fixed throughout the term of the related Security or (b) the Cap, Floor, or Governor, or similar restriction is not reasonably expected, as of the issue date, to cause the yield on the Security to be significantly less or significantly more than the expected yield on the Security determined without such Cap, Floor, Governor, or similar restriction, as the case may be. Although the OID Regulations are unclear, it appears that a VRDI, the primary rate on which is subject to a Cap, Floor, or Governor that itself is a qualified floating rate, bears interest at an objective rate and not at a qualified floating rate.

An objective rate is a rate (other than a qualified floating rate) that (i) is determined using a single fixed formula, (ii) is based on objective financial or economic information, and (iii) is not based on information that is within the control of the issuer (or a related party) or that is unique to the circumstances of the issuer (or a related party), such as the level of the issuer's dividends, profits, or stock value. The definition includes, for example, a rate that is based on changes in a general inflation index and a "qualified inverse floating rate" (generally a fixed rate minus a qualified floating rate). A variable rate is not an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of the term will be either significantly less than or greater than the average value for the second half of the term.

If interest on a Variable Rate Security is stated at a fixed rate for an initial period of less than one year followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the issue date approximates the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate. A variable rate conclusively will be presumed to approximate an initial fixed rate if the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points.

Under the OID Regulations, all stated interest on a Variable Rate Security that qualifies as a VRDI and provides for stated interest unconditionally payable in cash or property at least annually at a single qualified floating rate or a single objective rate, including a qualified inverse floating rate (a "Single Rate VRDI Security") is treated as qualified stated interest. The amount and accrual of OID on a Single Rate VRDI Security is determined, in general, by converting such Security into a hypothetical fixed rate security and applying the rules applicable to fixed rate securities described under "Original Issue Discount" above to the hypothetical fixed rate security. A Single Rate VRDI Security that provides for a qualified floating rate or a qualified inverse floating rate is converted to a hypothetical fixed rate security by assuming that the qualified floating rate or qualified inverse floating rate will remain at its value as of the issue date. A Single Rate VRDI Security that provides for an objective rate other than a qualified inverse floating rate is converted to a hypothetical fixed rate security by substituting for the objective rate a fixed rate that reflects the yield that reasonably is expected for the Single Rate VRDI Security. Qualified stated interest or OID allocable to an accrual period with respect to a Single Rate VRDI Security must be increased (or decreased) if the interest actually accrued or paid during such accrual period exceeds (or is less than) the interest assumed to be accrued or paid during such accrual period under the related hypothetical fixed rate security.

Except as provided below, the amount and accrual of OID on a Variable Rate Security that qualifies as a VRDI but is not a Single Rate VRDI Security (a "Multiple Rate VRDI Security") is determined by converting such Security into a hypothetical equivalent fixed rate security that has terms that are identical to those provided under the Multiple Rate VRDI Security, except that such hypothetical equivalent fixed rate security will provide for fixed rate substitutes in lieu of each qualified floating rate, qualified inverse floating rate or objective rate provided for under the Multiple Rate VRDI Security in the manner described above for Single Rate VRDI Securities. Qualified stated interest or OID allocable to an accrual period with respect to a Multiple Rate VRDI Security must be increased (or decreased) if the interest actually accrued or paid during such accrual period exceeds (or is less than) the interest assumed to be accrued or paid during such accrual period under the hypothetical equivalent fixed rate security.

Under the OID Regulations, the amount and accrual of OID on a Multiple Rate VRDI Security that provides for stated interest at either one or more qualified floating rates or at a qualified inverse floating rate and in addition provides for stated interest at a single fixed rate (other than an initial fixed rate that is intended to approximate the subsequent variable rate) is determined using the method described above for all other Multiple Rate VRDI Securities except that prior to its conversion to a hypothetical equivalent fixed rate security, such Multiple Rate VRDI Security is treated as if it provided for a qualified floating rate (or a qualified inverse floating rate), rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Multiple Rate VRDI Security as of its issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate (or qualified inverse floating rate), rather than the fixed rate.

Certain Regular Securities may provide for interest payable at least annually based on a weighted average of the interest rates on some or all of the qualified mortgages of the related Trust REMIC ("Weighted Average Securities"). Although the treatment of such securities is not entirely clear under the OID Regulations, it appears that Weighted Average Securities bear interest at an "objective rate" and can be considered to have qualified stated interest, provided that the average value of the rate during the first half of the Security's term is not reasonably expected to be either significantly less than or significantly greater than the average value of the rate during the final half of the Security's term (*i.e.*, the rate will not result in a significant frontloading or backloading of interest). Until the Service provides contrary administrative guidance on the income tax treatment of Weighted Average Securities, or unless otherwise specified in the related Offering Circular Supplement, the Tax Administrator intends to account for such Securities as described above for objective rate VRDI Securities.

Certain Regular Securities may provide for the payment of interest at a rate determined as the difference between two interest rate parameters, one of which is a fixed rate and the other of which is a variable rate (including a multiple of a variable rate) ("Inverse Floater Non-IO Securities"). Under the OID Regulations, Inverse Floater Non-IO Securities generally bear interest at objective rates because their rates either constitute "qualified inverse floating rates" as defined under those Regulations or, although not qualified floating rates themselves, are based on one or more qualified floating rates. Consequently, if such Securities are not issued at an excess premium and the interest payable thereon otherwise meets the test for qualified stated interest, the income on such Securities will be accounted for under the rules applicable to VRDI Securities described above.

The OID Regulations are unclear as to the treatment of a Variable Rate Security that is issued at an Excess Premium. Unless and until the Service provides contrary administrative guidance on the income tax treatment of such Securities, the Tax Administrator intends to account for such Securities as described in "— Interest Weighted Securities and Non-VRDI Securities." Holders of such Securities should be aware, however, that some other method of tax accounting ultimately might be determined to apply.

Interest Weighted Securities and Non-VRDI Securities

The treatment of a Variable Rate Security that is issued at an Excess Premium, any other Variable Rate Security that does not qualify as a VRDI (including a Weighted Average Security with significantly frontloaded or backloaded interest) (each, a "Non-VRDI Security") or an Interest Weighted Security is unclear under current law. The OID Regulations contain provisions (the "Contingent Payment Regulations") that address the United States federal income tax treatment of debt obligations with one or more contingent payments ("Contingent Payment Obligations"). Under the Contingent Payment Regulations, any variable rate debt instrument that is not a VRDI is classified as a Contingent Payment Obligation. However, the Contingent Payment Regulations, by their terms, do not apply to REMIC regular interests (such as the Regular Securities) and other instruments that are subject to Code section 1272(a)(6). In the absence of further guidance, the Tax Administrator will account for Non-VRDI Securities and Interest Weighted Securities in accordance with Code Section 1272(a)(6) and the accounting methodology described in this paragraph. Income will be accrued on such Securities based on a constant yield that is derived from a projected payment schedule as of the Closing Date. The projected payment schedule will take into account the Pricing Prepayment Assumptions and the other assumptions described below. To the extent that actual payments differ from projected payments, appropriate adjustments to interest income and expense accruals will be made in a manner corresponding to that described for VRDIs in "— Variable Rate Securities." Where the Regular Security is a Weighted Average Security with significantly frontloaded or backloaded interest, an Interest Weighted Security, or a Variable Rate Security issued with an Excess Premium, the Tax Administrator will derive the projected payment schedule based on the assumption that, in the case of such a Weighted Average Security, the Security's weighted average rate in effect on the Closing Date will remain unchanged for the life of the Security and, in the case of an Interest Weighted Security or a Variable Rate Security with Excess Premium, that the interest rate or rate parameters on which the interest entitlement of the Security is based will remain unchanged for the life of the Security. In the case of an Interest Weighted Security having no principal entitlement that is "out of the money" as of the Closing Date *(i.e.,* one on which no payments would be made if the related index or indices were not to change), no income will be accrued in any period other than a period in which a payment becomes due. All payments received on such a Security effectively will be treated as returns of capital to the extent of the Holder's basis in the Security and thereafter will be treated as ordinary income to the Holder in the period in which such payments became due. As a technical matter, the Tax Administrator will describe any income accrued on Interest-Weighted Securities and Non-VRDI Securities, as OID, rather than interest income.

The method described in the foregoing paragraph for accounting for Interest Weighted Securities and Non-VRDI Securities is consistent with Code section 1272(a)(6) and the legislative history thereto. Because of the uncertainty with respect to the treatment of such Securities under the OID Regulations, however, there can be no assurance that the Service will not assert successfully that a method less favorable to Holders will apply. In view of the complexities and the current uncertainties as to income inclusions with respect to Non-VRDI Securities and Interest Weighted Securities, investors should consult their own tax advisors to determine the appropriate amount and method of income inclusion on such Securities for United States federal income tax purposes.

Market Discount

A subsequent purchaser of a Regular Security at a discount from its outstanding principal amount (or, in the case of a Regular Security having OID, its adjusted issue price) will acquire such Security with "market discount." The purchaser generally will be required to recognize the market discount (in addition to any OID remaining with respect to the Security) as ordinary income. A person who purchases a Regular Security at a price lower than the remaining outstanding Deemed Principal Payments but higher than its adjusted issue price does not acquire the Security with market discount, but will be required to report OID, appropriately adjusted to reflect the excess of the price paid over the adjusted issue price. See "— Tax Treatment of Regular Securities — Original Issue Discount." A Regular Security will not be considered to have market discount if the amount of such market discount is *de minimis*, *i.e.,* less than the product of (i) 0.25% of the remaining principal amount of the Security (or, in the case of a Regular Security having OID, the adjusted issue price of such Security), multiplied by (ii) the WAM of the Security (as that term is defined above in "— Tax Treatment of Regular Securities — Original Issue Discount") remaining after the date of purchase. Regardless of whether the subsequent purchaser of a Regular Security with more than a *de minimis* amount of market discount is a cash-basis or an accrual-basis taxpayer, market discount generally will be taken into income as principal payments (including, in the case of a Regular Security having OID, any Deemed Principal Payments) are received, in an amount equal to the lesser of (i) the amount of the principal payment received or (ii) the amount of market discount that has "accrued" (as described below), but that has not yet been included in income. The purchaser may make an election, which generally applies to all market discount instruments acquired by the purchaser in the taxable year of election or thereafter, to recognize market discount currently on an uncapped accrual basis (the "Current Recognition Election"). In addition, the purchaser may make a Constant Yield Election with respect to a Regular Security purchased with market discount. See "— Tax Treatment of Regular Securities — Original Issue Discount."

The relevant legislative history indicates that, until the Treasury promulgates applicable regulations, the purchaser of a Regular Security with market discount generally may elect to accrue the market discount either: (i) on the basis of a constant interest rate; (ii) in the case of a Regular Security not issued with OID, in the ratio of stated interest payable in the relevant period to the total stated interest remaining to be paid from the beginning of such period; or (iii) in the case of a Regular Security issued with OID, in the ratio of OID accrued for the relevant period to the total remaining OID at the beginning of such period. Regardless of which computation method is elected, the Pricing Prepayment Assumptions must be used to calculate the accrual of market discount.

A Holder who has acquired a Regular Security with market discount generally will be required to treat a portion of any gain on a sale or exchange of the Security as ordinary income to the extent of the market discount accrued to the date of disposition under one of the foregoing methods, less any accrued market discount previously reported as ordinary income as partial principal payments were received. Moreover, such Holder generally must defer interest deductions attributable to any indebtedness incurred or continued to purchase or carry the Security to the extent they exceed income on the Security. Any such deferred interest expense, in general, is allowed as a deduction not later than the year in which the related market discount income is recognized. If a Regular Holder makes a Current Recognition Election or a Constant Yield Election, the interest deferral rule will not apply. Under the Contingent Payment Regulations, a secondary market purchaser of a Non-VRDI Security or an Interest Weighted Security at a discount generally would continue to accrue interest and determine adjustments on such

Security based on the original projected payment schedule devised by the issuer of such Security. See "Certain United States Federal Income Tax Consequences — Original Issue Discount — Interest Weighted Securities and Non-VRDI Securities" herein. The Holder of such a Security would be required, however, to allocate the difference between the adjusted issue price of the Security and its basis in the Security as positive adjustments to the accruals or projected payments on the Security over the remaining term of the Security in a reasonable manner *(e.g.,* based on a constant yield to maturity).

Treasury regulations implementing the market discount rules have not yet been issued, and uncertainty exists with respect to many aspects of those rules. For example, the treatment of a Regular Security subject to redemption at the option of the Tax Administrator that is acquired at a market discount is unclear. It appears likely, however, that the market discount rules applicable in such a case would be similar to the rules pertaining to OID. Due to the substantial lack of regulatory guidance with respect to the market discount rules, it is unclear how those rules will affect any secondary market that develops for a given Class of Regular Securities. Prospective investors in Regular Securities should consult their own tax advisors as to the application of the market discount rules to those Securities.

Amortizable Premium

A purchaser of a Regular Security who purchases the Security at a premium over the total of its Deemed Principal Payments may elect to amortize such premium under a constant yield method that reflects compounding based on the interval between payments on the Security. The relevant legislative history indicates that premium is to be accrued in the same manner as market discount. Accordingly, it appears that the accrual of premium on a Regular Security will be calculated using the Pricing Prepayment Assumptions. Under the Code, except as otherwise provided in Treasury regulations to be issued, amortized premium would be treated as an offset to interest income on a Regular Security and not as a separate deduction item. If a Holder makes an election to amortize premium on a Regular Security, such election will apply to all taxable debt instruments (including all REMIC regular interests) held by the Holder at the beginning of the taxable year in which the election is made, and to all taxable debt instruments acquired thereafter by such Holder, and will be irrevocable without the consent of the Service. Purchasers who pay a premium for the Regular Securities should consult their tax advisors regarding the election to amortize premium and the method to be employed.

Under the Contingent Payment Regulations, a secondary market purchaser of a Non-VRDI Security or an Interest Weighted Security at a premium generally would continue to accrue interest and determine adjustments on such Security based on the original projected payment schedule devised by the issuer of such Security. See "Certain United States Federal Income Tax Consequences — Original Issue Discount — Interest Weighted Securities and Non-VRDI Securities" herein. The Holder of such a Security would allocate the difference between its basis in the Security and the adjusted issue price of the Security as negative adjustments to the accruals or projected payments on the Security over the remaining term of the Security in a reasonable manner *(e.g.,* based on a constant yield to maturity).

Gain or Loss on Disposition

If a Regular Security is sold, the Holder will recognize gain or loss equal to the difference between the amount realized on the sale and his adjusted basis in the Security. Similarly, a Holder who receives a scheduled or prepaid principal payment with respect to a Regular Security will recognize income or loss equal to the difference between the amount of the payment and the allocable portion of his adjusted basis in the Security. Any such income will be treated as ordinary income, rather than capital gain, to the extent such income reflects OID that is not *de minimis*. The adjusted basis of a Regular Security generally will equal the cost of the Security to the Holder, increased by any OID or market discount previously includible in the Holder's gross income with respect to the Security, and reduced by the portion of the basis of the Security allocable to payments on the Security previously received by the Holder and by any amortized premium. Except to the extent that the market discount rules apply and except as provided below, any gain or loss on the sale or other disposition of a Regular Security generally will be capital gain or loss. Such gain or loss will be long-term gain or loss if the Security is held as a capital asset for more than one year.

If the Holder of a Regular Security is a bank, a mutual savings bank, a DB&L, or a similar institution described in section 582 of the Code, any gain or loss on the sale or exchange of the Regular Security will be treated as ordinary income or loss. In the case of other types of Holders, gain from the disposition of a Regular Security that otherwise would be capital gain will be treated as ordinary income to the extent that the amount actually includible in income with respect to the Security by the Holder during his holding period is less than the amount that would have been includible in income if the yield on that Security during the holding period had been 110% of a specified U.S. Treasury borrowing rate as of the date that the Holder acquired the Security. Although the relevant legislative history indicates that the portion of the gain from disposition of a Regular Security that will be recharacterized as ordinary income is limited to the amount of OID (if any) on the Security that was not previously includible in income, the applicable Code provision contains no such limitation.

The Code contains provisions that require the recognition of gain upon the "constructive sale of an appreciated financial position." These provisions do not apply to Classes of Certificates other than the Notional Classes. Investors in the Notional Classes should consult their own tax advisors with respect to the possible application of these provisions.

Tax Treatment of Residual Securities

Overview

Residual Securities will represent residual interests in the Trust REMIC or Trust REMICs to which they relate. A REMIC is an entity for United States federal income tax purposes consisting of a fixed pool of mortgages or other mortgage-backed assets (including Ginnie Mae Certificates, Underlying Certificates, Underlying Callable Securities and Underlying SMBS Securities) in which investors hold multiple classes of interests. To be treated as a REMIC, the Trust (or one or more segregated pools of Trust assets) must meet certain continuing qualification requirements, and a REMIC election must be in effect. See "— REMIC Qualification." A Trust REMIC generally will be treated as a pass-through entity for United States federal income tax purposes, *i.e.,* as not subject to entity-level tax. All interests in a Trust REMIC other than the Residual Securities must be regular interests, *i.e.,* Regular Securities or Pooling REMIC Regular Interests (as defined below). As described in "— Tax Treatment of Regular Securities" above, a regular interest generally is an interest whose terms are analogous to those of a debt instrument, and it generally is treated as such an instrument for United States federal income tax purposes. The Regular Securities will generate interest and OID deductions for the related Trust REMIC or, in the case of a Double REMIC Series, the Issuing REMIC (as defined below). As a residual interest, a Residual Security has a right to the income generated by the related Trust REMIC assets in excess of the amount necessary to service the related regular interests and pay such Trust REMIC's expenses. In a manner similar to that employed in the taxation of partnerships, Trust REMIC taxable income or loss will be determined at the Trust REMIC level, but passed through to the related Residual Holders. Thus, Trust REMIC taxable income or loss will be allocated *pro rata* to such Residual Holders, and each Residual Holder will report his share of Trust REMIC taxable income or loss on his own United States federal income tax return. Prospective investors in Residual Securities should be aware that the obligation to account for the Trust REMIC's income or loss will continue until all of the Regular Securities have been retired, which may not occur until well beyond the date on which the last payments, if any, on Residual Securities are made. In addition, because of the way in which REMIC taxable income is calculated, a Residual Holder may recognize "phantom income" *(i.e.,* income recognized for tax purposes in excess of income as determined under financial accounting or economic principles) which will be matched in later years by a corresponding tax loss or reduction in taxable income, but which could lower the after-tax yield to Residual Holders due to the lower present value of such loss or reduction.

A portion of the income of Residual Holders in certain Trust REMICs will be treated unfavorably in three contexts: (i) for United States federal income tax purposes and purposes of the AMT, it may not be offset by current or net operating loss ("NOL") deductions; (ii) it will be considered unrelated business taxable income ("UBTI") to tax-exempt entities; and (iii) it is ineligible for any statutory or treaty reduction in the 30% withholding tax otherwise available to a foreign Residual Holder.

In the case of Double REMIC Series, two REMICs will be formed from the assets of the Trust. The Trust Assets will constitute the principal assets of one of such REMICs (the "Pooling REMIC"). The regular interests in the Pooling REMIC will be uncertificated interests formed pursuant to the related Trust Agreement (the "Pooling

REMIC Regular Interests"). The Pooling REMIC Regular Interests will constitute the principal assets of the second REMIC (the "Issuing REMIC"). The Regular Securities will be the regular interests in the Issuing REMIC. The residual interest in the Pooling REMIC will be represented by a Class of Residual Securities, as will the residual interest in the Issuing REMIC. In some cases, as indicated in the Offering Circular Supplement, a Class of Residual Securities may represent the residual interest in both REMICs. Except where the context dictates otherwise, references in the discussion below to a Trust REMIC refer only to the Trust REMIC in which the Holder's Residual Security represents a residual interest. Prospective investors in Residual Securities relating to a Double REMIC Series should consult with their tax advisors with respect to the special considerations involved with such Residual Securities.

If so specified in the related Offering Circular Supplement, separate REMIC elections may be made with respect to the related Trust Assets or, in the case of a Double REMIC Series, multiple Pooling REMICs may be established. In such cases, if so specified in the related Offering Circular Supplement, a single Class of Residual Securities may represent the residual interest in such REMICs.

The concepts presented in this overview are discussed more fully below.

Taxation of Residual Holders

A Residual Holder will recognize its share of Trust REMIC taxable income or loss for each day during its taxable year on which it holds the Residual Security. The amount so recognized will be characterized as ordinary income or loss. If a Residual Security is transferred during a calendar quarter, Trust REMIC taxable income or net loss for that quarter will be prorated between the transferor and the transferee on a daily basis.

A Trust REMIC generally will determine its taxable income or net loss in a manner similar to that of an individual using a calendar year and the accrual method of accounting. Trust REMIC taxable income or loss generally will be characterized as ordinary income or loss and will consist of the Trust REMIC's gross income, including interest income and any original issue or market discount income on the Trust REMIC's assets (including temporary cash flow investments) and premium amortization on the Trust REMIC's Regular Interests less its deductions, including deductions for interest and OID expense on the Regular Interests, premium amortization and servicing fees on the Trust REMIC's assets, and the administration expenses of the Trust REMIC and the Regular Interests. However, the Trust REMIC may not take into account any items allocable to a "prohibited transaction." See "— Limitations on Offset or Exemption of REMIC Income — REMIC-Level Taxes." The deduction of Trust REMIC expenses by Residual Holders who are individuals is subject to certain limitations as described below in "Special Considerations for Certain Types of Investors-Individuals and Pass-Through Entities." Residual Holders should be aware that there are a number of ambiguities in the determination of interest, OID and premium on the Regular Securities and that some of these ambiguities may be resolved in a way that results in an acceleration of the income taxable to Residual Holders. See "Tax Treatment of Regular Securities" above.

The amount of the Trust REMIC's net loss with respect to a calendar quarter that may be deducted by a Residual Holder is limited to such Holder's adjusted basis in the Residual Security as of the end of that quarter (or time of disposition of the Residual Security, if earlier), determined without taking into account the net loss for that quarter. A Residual Holder's basis in its Residual Security initially is equal to the price paid for such Security. Such basis is increased by the amount of income recognized with respect to the Residual Security and decreased (but not below zero) by the amount of distributions made and the amount of net losses recognized with respect to that Security. The amount of the REMIC's net loss allocable to a Residual Holder that is disallowed under the basis limitation may be carried forward indefinitely, but may be used only to offset income with respect to the related Residual Security. The ability of Residual Holders to deduct net losses with respect to a Residual Security may be subject to additional limitations under the Code, as to which Holders should consult their tax advisors. A distribution with respect to a Residual Security is treated as a non-taxable return of capital up to the amount of the Residual Holder's adjusted basis in his Residual Security. If a distribution exceeds the adjusted basis of the Residual Security, the excess is treated as gain from the sale of such Residual Security.

Although the law is unclear in certain respects, a Residual Holder effectively should be able to recover some or all of the basis in its Residual Security as the Trust REMIC recovers the basis of its assets through either the amortization of premium on such assets or the allocation of basis to principal payments received on such assets. The

Trust REMIC's initial aggregate basis in its assets will equal the sum of the issue prices of all related Residual Securities and Regular Interests. In general, the issue price of a Regular Security of a particular Class is the initial price at which a substantial amount of the Securities of such Class is offered to the public. In the case of a Regular Interest of a Class not offered to the public in substantial amounts, the issue price is either the price paid by the first purchaser of such Interest or the fair market value of the property received in exchange for such Interest, as appropriate. The Trust REMIC's aggregate basis will be allocated among its assets in proportion to their respective fair market values.

The mortgage loans or Participations underlying the Trust Assets of certain Trust REMICs may have bases that exceed their principal amounts. Except as indicated in "Treatment by the Trust REMIC of Original Issue Discount, Market Discount, and Amortizable Premium," the premium on such loans will be amortizable under the constant yield method and the same prepayment assumptions used in pricing the Securities. It should be noted, however, that the law concerning the amortization of premium on mortgage loans or Participations is unclear in certain respects. See "Treatment by the Trust REMIC of Original Issue Discount, Market Discount, and Amortizable Premium." If the Service were to contend successfully that part or all of the premium on the assets underlying the Ginnie Mae Certificates of certain Trust REMICs is not amortizable, the Residual Holders would recover the basis attributable to the unamortizable premium only as principal payments are received on such assets or upon the disposition or worthlessness of their Residual Securities. The inability to amortize part or all of the premium could give rise to timing differences between the Trust REMIC's income and deductions, creating phantom income. Because phantom income arises from timing differences, it will be matched by a corresponding loss or reduction in taxable income in later years, during which economic or financial income will exceed Trust REMIC taxable income. Any acceleration of taxable income, however, could lower the after-tax yield to a Residual Holder, because the present value of the tax paid on that income will exceed the present value of the corresponding tax reduction in the later years. The amount and timing of any phantom income are dependent upon (i) the structure of the particular Trust REMIC, (ii) the prices at which Regular Securities and Residual Securities are sold, and (iii) the rate of prepayment on the mortgage loans or the Participations underlying the Trust REMIC's assets and, therefore, cannot be predicted without reference to a particular Trust REMIC.

Regulations regarding the United States federal income tax treatment of "inducement fees" received by transferees of noneconomic REMIC residual interests (i) provide tax accounting rules for the treatment of such fees as income over an appropriate period and (ii) clarify that inducement fees will be treated as income from sources within the United States. The rules set forth in the regulations apply to taxable years ending on or after May 11, 2004. Prospective purchasers of any Residual Security should consult with their tax advisors regarding the effect of these regulations.

A Residual Holder that is not the original purchaser of the Residual Security must report on its United States federal income tax return its daily share of the taxable income or loss of the related Trust REMIC for each day that such Holder owns the Residual Security, regardless of whether the price paid by such Holder was the same as the adjusted basis of the Residual Security in the hands of the original purchaser. Although the legislative history indicates that adjustments may be appropriate where that price differed from the original Holder's adjusted basis, current law does not provide for any adjustments.

Limitations on Offset or Exemption of REMIC Income

A portion of the Trust REMIC's taxable income may be subject to special (and unfavorable) treatment. That portion (known as "excess inclusion income") generally is any taxable income beyond that which the Residual Holder would have recognized had the Residual Security been a conventional debt instrument bearing interest at 120% of the applicable long-term federal rate (based on quarterly compounding) as of the date on which the Residual Security was issued. Excess inclusion income, which is intended to approximate phantom income, may result in unfavorable tax consequences for certain investors.

Generally, a Residual Holder's taxable income (or, if the Residual Holder is part of a consolidated filing group, the taxable income of the group) for any taxable year may not be less than such Holder's excess inclusion income for that taxable year. Excess inclusion income for a residual interest is equal to the excess of Trust REMIC taxable income for the quarterly period for such residual interest over the product of (i) 120% of the long-term applicable federal rate that would have applied to the residual interest if it were a debt instrument for United States federal income tax purposes on the Closing Date and (ii) the adjusted issue price of such residual interest at the beginning of such quarterly period. For this purpose, the adjusted issue price of a Residual Security at the beginning of a quarter is the issue price of the Residual Security, plus the amount of the daily accruals of Trust REMIC income (excluding excess inclusion income) for all prior quarters, decreased by any distributions made with respect to such Residual Security prior to the beginning of such quarterly period. If the Residual Holder is an organization subject to the tax on unrelated business income imposed by Code section 511, the Residual Holder's excess inclusion income will be treated as UBTI. In addition, under Treasury regulations yet to be issued, if a REIT or a RIC owns a Residual Security that generates excess inclusion income, a pro rata portion of the dividends paid by the REIT or the RIC generally will constitute excess inclusion income for the shareholders. With respect to variable contracts (within the meaning of section 817 of the Code), a life insurance company cannot adjust its reserve to the extent of any excess inclusion, except as provided in regulations. Finally, for purposes of the AMT, excess inclusion income cannot be offset by current losses or NOLs of a Residual Holder (although the Holder does not have to include in AMT income preference items for which the Holder received no benefit as a result of the foregoing restriction).

Non-Recognition of Certain Transfers for United States Federal Income Tax Purposes

In addition to the limitations specified above, the REMIC Regulations provide that the transfer of a "noneconomic residual interest" to a United States person will be disregarded for tax purposes unless no significant purpose of the transfer was to impede the assessment or collection of tax. A Residual Security will constitute a noneconomic residual interest unless, at the time the interest is transferred, (i) the present value of the expected future distributions with respect to the Residual Security equals or exceeds the product of the present value of the anticipated excess inclusion income and the highest corporate tax rate for the year in which the transfer occurs and (ii) the transferor reasonably expects that the transferee will receive distributions from the Trust REMIC in amounts sufficient to satisfy the taxes on excess inclusion income as they accrue. If a transfer of a residual interest is disregarded, the transferor would continue to be treated as the owner of the Residual Security and thus would continue to be subject to tax on its allocable portion of the net income of the related Trust REMIC. A significant purpose to impede the assessment or collection of tax exists if the transferor, at the time of the transfer, either knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC *(i.e.,* the transferor had "improper knowledge"). Under the REMIC Regulations, a transferor is presumed not to have such improper knowledge if (i) the transferor conducted, at the time of the transfer, a reasonable investigation of the financial condition of the transferee and, as a result of the investigation, the transferor found that the transferee had historically paid its debts as they came due and found no significant evidence to indicate that the transferee would not continue to pay its debts as they come due, (ii) the transferee represents to the transferor that it understands that, as the Holder of a noneconomic residual interest, it may incur tax liabilities in excess of any cash flows generated by the interest and that it intends to pay the taxes associated with holding the residual interest as they become due, (iii) the transferee represents that it will not cause income from the noneconomic residual interest to be attributable to a foreign permanent establishment or fixed base (within the meaning of an applicable income tax treaty) of the transferee or another U.S. taxpayer, and (iv) the transferee satisfies either the formula test or the asset test described below.

Under the formula test, the transferor of a noneconomic residual interest generally will be presumed not to have improper knowledge if, in addition to meeting conditions (i), (ii) and (iii) above, the present value of the anticipated tax liabilities associated with holding the residual interest does not exceed the sum of the present values of (a) any consideration given to the transferee to acquire the interest, (b) the expected future distributions on the interest, and (c) any anticipated tax savings associated with holding the interest as the REMIC generates losses. For purposes of this calculation, the present values generally are calculated using a discount rate equal to the United States federal short-term rate for the month of the transfer.

Under the asset test, a transferor of a noneconomic residual interest generally will be presumed not to have improper knowledge if, in addition to meeting the conditions in (i), (ii) and (iii) above, (a) the transferee's gross assets exceed $100 million and its net assets exceed $10 million, (b) the transferee is an "eligible corporation" as defined in Treasury regulations section 1.860E-1(c)(6)(i) other than a foreign permanent establishment of a domestic corporation, (c) the transferee agrees in writing that any subsequent transfer of the residual interest will comply with the asset test, (d) the transferor does not know or have reason to know that the transferee will not honor the restrictions on subsequent transfers of the residual interest, and (e) a reasonable person would not conclude, based on the facts and circumstances known to the transferor, that the taxes associated with the residual interest will not be paid. Holders should consult their own tax advisors regarding the transfer of a Residual Certificate.

Ownership of Residual Interests by Disqualified Organizations

The Code contains three sanctions that are designed to prevent or discourage the direct or indirect ownership of a REMIC residual interest (such as a Residual Security) by the United States, any state or political subdivision thereof, any foreign government, any international organization, any agency or instrumentality of any of the foregoing, any tax-exempt organization (other than a farmers' cooperative described in section 521 of the Code) that is not subject to the tax on UBTI, or any rural electrical or telephone cooperative (each a "Disqualified Organization"). A corporation is not treated as an instrumentality of the United States or any state or political subdivision thereof if all of its activities are subject to tax and, with the exception of FHLMC, a majority of its board of directors is not selected by such governmental unit.

First, the REMIC status of any REMIC created after March 31, 1988 is dependent upon the presence of reasonable arrangements designed to prevent a Disqualified Organization from acquiring record ownership of a residual interest. Residual Securities are not offered for sale to Disqualified Organizations. Furthermore, (i) Residual Securities will be registered as to both principal and any stated interest with the Trustee (or its agent) and transfer of a Residual Security may be effected only by surrender of the old Residual Security and reissuance by the Trustee of a new Residual Security to the new Holder, (ii) the applicable Trust Agreement will prohibit the ownership of Residual Securities by Disqualified Organizations, and (iii) each Residual Security will contain a legend providing notice of that prohibition. Consequently, each Trust REMIC should be considered to have made reasonable arrangements designed to prevent the ownership of residual interests by Disqualified Organizations.

Second, the Code imposes a one-time tax on the transferor of a residual interest (including a Residual Security or an interest in a Residual Security) to a Disqualified Organization. The one- time tax equals the product of (i) the present value of the total anticipated excess inclusions with respect to the transferred residual interest for periods after the transfer and (ii) the highest marginal United States federal income tax rate applicable to corporations. Under the REMIC Regulations, the anticipated excess inclusions with respect to a transferred residual interest must be based on (i) both actual prior prepayment experience and the prepayment assumptions used in pricing the related REMIC's interests and (ii) any required or permitted clean up calls or required qualified liquidation provided for in the REMIC's organizational documents. The present value of anticipated excess inclusions is determined using a discount rate equal to the applicable federal rate that would apply to a debt instrument that was issued on the date the Disqualified Organization acquired the residual interest and whose term ends on the close of the last quarter in which excess inclusions are expected to accrue with respect to the residual interest. Where a transferee is acting as an agent for a Disqualified Organization, the transferee is subject to the one-time tax. Upon the request of such transferee or the transferor, the REMIC must furnish to the requesting party and to the Service information sufficient to permit the computation of the present value of the anticipated excess inclusions. For that purpose, the term "agent" includes a broker, nominee, or other middleman. The transferor of a residual interest (including a Residual Security or interest therein) will not be liable for the one-time tax if the transferee furnishes to the transferor an affidavit that states, under penalties of perjury, that the transferee is not a Disqualified Organization, and, as of the time of the transfer, the transferor does not have actual knowledge that such affidavit is false. The one-time tax must be paid by April 15th of the year following the calendar year in which the residual interest is transferred to a Disqualified Organization. The one-time tax may be waived by the Secretary of the Treasury if, upon discovery that a transfer is subject to the one-time tax, the Disqualified Organization promptly disposes of the residual interest and the transferor pays such amounts as the Secretary may require.

Third, the Code imposes an annual tax on any pass-through entity *(i.e.,* regulated investment company ("RIC"), REIT, common trust fund, partnership, trust, estate or cooperative described in Code section 1381) that owns a direct or indirect interest in a residual interest (including a Residual Security), if record ownership of an interest in the pass-through entity is held by one or more Disqualified Organizations. The tax imposed equals the highest corporate rate multiplied by the share of any excess inclusion income of the pass-through entity for the taxable year that is allocable to the interest in the pass-through entity held by Disqualified Organizations. The same tax applies to a nominee who acquires an interest in a residual interest (including a Residual Security) on behalf of a Disqualified Organization. For example, a broker that holds an interest in a Residual Security in "street name" for a Disqualified Organization is subject to the tax. The tax due must be paid by the fifteenth day of the fourth month following the close of the taxable year of the pass-through entity in which the Disqualified Organization is a record Holder. Any such tax imposed on a pass-through entity would be deductible against that entity's ordinary income in determining the amount of its required distributions. In addition, dividends paid by a RIC or a REIT are not considered preferential dividends within the meaning of section 562(c) of the Code solely because the RIC or REIT allocates such tax expense only to the shares held by Disqualified Organizations. A pass-through entity will not be liable for the annual tax if the record Holder of the interest in the pass-through entity furnishes to the pass- through entity an affidavit that states, under penalties of perjury, that the record Holder is not a Disqualified Organization, and the pass-through entity does not have actual knowledge that such affidavit is false.

If an "electing large partnership" holds a Residual Security, all interests in the electing large partnership are treated as held by disqualified organizations for purposes of the tax imposed upon a pass-through entity by section 860E(e) of the Code. An exception to this tax, otherwise available to a pass-through entity that is furnished certain affidavits by record holders of interests in the entity and that does not know such affidavits are false, is not available to an electing large partnership.

The Code and the REMIC Regulations also require that reasonable arrangements be made with respect to each REMIC to enable the REMIC to provide the Treasury and the transferor with information necessary for the application of the one-time tax described above. Consequently, the applicable Trust Agreement will provide for the Tax Administrator to perform such information services as may be required for the application of the one-time tax. If a Residual Holder transfers an interest in a Residual Security in violation of the relevant transfer restrictions and triggers the information requirement, the Tax Administrator may charge such Residual Holder a reasonable fee for providing the information.

Special Considerations for Certain Types of Investors

Dealers in Securities. Residual Holders that are dealers in securities should be aware that the Service has issued final regulations (the "Mark to Market Regulations") under section 475 of the Code relating to the requirement that a securities dealer mark to market securities held for sale to customers. This mark-to-market requirement applies to all securities of a dealer, except to the extent that the dealer has specifically identified a security as held for investment. The Mark to Market Regulations provide that, for purposes of this mark-to-market requirement, a Residual Security is not treated as a security and thus may not be marked to market. The Mark to Market Regulations apply to all Residual Securities acquired on or after January 4, 1995.

Tax-exempt entities. Any excess inclusion income with respect to a Residual Security held by a tax-exempt entity, including a qualified profit-sharing, pension, or other employee benefit plan, will be treated as UBTI. Although the legislative history and statutory provisions imply otherwise, the Treasury conceivably could take the position that, under pre-existing Code provisions, substantially all income on a Residual Security (including non-excess inclusion income) is to be treated as UBTI. See "— Tax Treatment of Residual Securities — Taxation of Residual Holders."

Individuals and Pass-Through Entities. A Residual Holder who is an individual, trust, or estate will be able to deduct its allocable share of the fees or expenses relating to servicing the assets or in some cases, the underlying assets, assigned to a Trust REMIC or administering the Trust REMIC under section 212 of the Code only to the extent that the amount of such fee, when combined with its other miscellaneous itemized deductions for the taxable year, exceeds 2% of its adjusted gross income. That same limitation will apply to individuals, trusts, or estates that hold Residual Securities indirectly through a grantor trust, a partnership, an S corporation, a common trust fund, or a nonpublicly offered RIC. A nonpublicly offered RIC is a RIC other than one whose shares are (i) continuously offered pursuant to a public offering, (ii) regularly traded on an established securities market, or (iii) held by no fewer than 500 persons at all times during the taxable year. In addition, that limitation will apply to individuals, trusts, or estates that hold Residual Securities through any other person (i) that is not generally subject to United States federal income tax and (ii) the character of whose income may affect the character of the income generated by that person for its owners or beneficiaries. In addition, Code section 68 currently provides that the amount of itemized deductions otherwise allowable for the taxable year for an individual whose adjusted gross income exceeds a certain amount will be reduced. In some cases, the amount of additional income that would be recognized as a result of the foregoing limitations by a Residual Holder who is an individual, trust, or estate could be substantial. Non-corporate Holders of Residual Securities also should be aware that miscellaneous itemized deductions, including allocable investment expenses attributable to the related Trust REMIC, are not deductible for purposes of the AMT. A Residual Holder's share of the expenses will generally be determined by (i) allocating the amount of such expenses for each calendar quarter on a *pro rata* basis to each day in the calendar quarter, and (ii) allocating the daily amount among the Holders in proportion to their respective holding on such day. Finally, persons holding an interest in a Residual Security indirectly through an interest in a RIC, common trust fund or one of certain corporations doing business as a cooperative generally will recognize a share of any excess inclusion allocable to that Residual Security.

Employee benefit plans. See "— Limitations on Offset or Exemption of REMIC Income"; "— Special Considerations for Certain Types of Investors — Tax-exempt entities" and "ERISA Considerations."

REITs and RICs. If the Residual Holder is a REIT and the Trust REMIC generates excess inclusion income, a portion of REIT dividends will be treated as excess inclusion income for the REIT's shareholders, in a manner to be provided by regulations. Thus, shareholders in a REIT that invests in Residual Securities could face unfavorable treatment of a portion of their REIT dividend income for purposes of (i) using current deductions or NOL carryovers or carry backs, (ii) UBTI in the case of tax-exempt shareholders, and (iii) withholding tax in the case of foreign shareholders (see "— Limitations on Offset or Exemption of REMIC Income — Foreign Residual Holders" below). Moreover, because Residual Holders may recognize phantom income (see "— Tax Treatment of Residual Securities — Taxation of Residual Holders"), a REIT contemplating an investment in Residual Securities should consider carefully the effect of any phantom income upon its ability to meet its income distribution requirements under the Code. The same rules regarding excess inclusion income will apply to a Residual Holder that is a RIC, common trust fund, or one of certain corporations doing business as a cooperative.

A Residual Security held by a REIT will be treated as a real estate asset for purposes of the REIT qualification requirements in the same proportion that the Trust REMIC's assets would be treated as real estate assets if held directly by the REIT, and interest income derived from such Residual Security will be treated as qualifying interest income for REIT purposes ("Qualifying REIT Interest") to the same extent. If 95% or more of a Trust REMIC's assets qualify as real estate assets for REIT purposes, 100% of that Trust REMIC's regular and residual interests (including Residual Securities) will be treated as real estate assets for REIT purposes, and all of the income derived from such interests will be treated as Qualifying REIT Interest. The REMIC Regulations provide that payments of principal and interest on the qualified mortgages held by a Trust REMIC that are reinvested pending distribution to the Holders of the related REMIC's Securities constitute real estate assets for REIT purposes. Multiple Trust REMICs that are part of a tiered structure (as in the case of a Double REMIC Series) will be treated as one REMIC for purposes of determining the percentage of the assets of each Trust REMIC that constitutes real estate assets. It is expected that at least 95% of the assets of a Trust REMIC will be real estate assets throughout the Trust REMIC's life. The amount treated as a real estate asset in the case of a Residual Security apparently is limited to the REIT's adjusted basis in the Security.

Partnerships. Partners in a partnership that acquires a Residual Security generally must take into account their allocable share of any income, including excess inclusion income, that is produced by the Residual Security. The partnership itself is not subject to tax on income from the Residual Security other than any excess inclusion income that is allocable to partnership interests owned by Disqualified Organizations.

Foreign Residual Holders. Residual Securities may not be transferred to a Non-U.S. Person.

Banks and certain other financial institutions. Residual Securities will be treated as qualifying real property loans and loans secured by interests in real property for DB&Ls in the same proportion that the assets of the Trust REMIC would be so treated. However, if 95% or more of the assets of a given Trust REMIC are qualifying assets for DB&Ls, 100% of that Trust REMIC's regular and residual interests (including Residual Securities) would be treated as qualifying assets. In addition, the REMIC Regulations provide that payments of principal and interest on the qualified mortgages held by a Trust REMIC that are reinvested pending their distribution to the Holders of the Securities will be treated as qualifying real property loans for DB&Ls. Moreover, multiple Trust REMICs that are part of a tiered structure will be treated as one REMIC for purposes of determining the percentage of the assets of each Trust REMIC that constitute qualifying assets for DB&L purposes. It is expected that at least 95% of the assets of any Trust REMIC will be qualifying assets for DB&Ls throughout the

Trust REMIC's life. The amount of a Residual Security treated as a qualifying asset for DB&Ls, however, cannot exceed the Holder's adjusted basis in that Residual Security.

Generally, gain or loss arising from the sale or exchange of Residual Securities held by certain financial institutions will give rise to ordinary income or loss, regardless of the length of the holding period for the Residual Securities. Those financial institutions include banks, mutual savings banks, cooperative banks, domestic building and loan institutions, savings and loan institutions, and similar institutions.

Disposition of Residual Securities

A Residual Holder will recognize gain or loss on the disposition of his Residual Security equal to the difference between the amount of proceeds (or the fair market value of any property) received and his adjusted basis in the Residual Security. If the Holder has held the Residual Security for more than the applicable holding period, such gain or loss generally will be characterized as long-term capital gain or loss. In the case of banks, Thrift Institutions, and certain other financial institutions, however, gain or loss on the disposition of a Residual Security will be treated as ordinary gain or loss, regardless of the length of the holding period. See "— Gain or Loss on Disposition" and "— Limitations on Offset or Exemption of REMIC Income — Special Considerations for Certain Types of Investors."

A special version of the wash sale rules will apply to dispositions of Residual Securities. Under that version, losses on dispositions of Residual Securities generally will be disallowed where, within six months before or after the disposition, the seller of such Securities acquires any residual interest in a REMIC or any interest in a taxable mortgage pool. Regulations providing for appropriate exceptions to the application of the wash sale rules have been authorized, but have not yet been promulgated.

Liquidation of the REMIC

A REMIC may liquidate without the imposition of entity-level tax only in a "qualified liquidation." A liquidation is considered a qualified liquidation if the REMIC (i) adopts a plan of complete liquidation, (ii) sells all of its non-cash assets within 90 days of the date on which it adopts the plan, and (iii) credits or distributes in liquidation all of the sale proceeds plus its cash (other than amounts retained to meet claims against it) to its Holders within the 90-day period. Under the REMIC Regulations, a plan of liquidation need not be in any special form. Furthermore, if a REMIC specifies the first day in the 90-day liquidation period in a statement attached to its final tax return, the REMIC will be considered to have adopted a plan of liquidation on that date.

Treatment by the Trust REMIC of Original Issue Discount, Market Discount, and Amortizable Premium

Original Issue Discount. Generally, a Trust REMIC's deductions for OID expense on its Regular Securities will be determined in the same manner as for determining the OID income of the Holders of such Securities as described in "Tax Treatment of Regular Securities — Original Issue Discount" above, without regard to the *de minimis* rule described in that section. It is also possible that special reporting rules may apply with respect to Ginnie Mae Certificates requiring OID accruals on the mortgage loans and Participations underlying those certificates to be reported on an aggregate basis.

Market Discount. In general, a Pooling REMIC or, in the case of a Series involving only a single Trust REMIC, that Trust REMIC (a "Single Trust REMIC") will be considered to have acquired the mortgage loans or Participations underlying its Trust Assets with market discount if the basis of the Trust REMIC in such mortgage loans or Participations is exceeded by their adjusted issue prices by more than a statutory *de minimis* amount. The Trust REMIC's aggregate initial basis in such mortgage loans or Participations (and any other assets transferred to the Trust REMIC on the Startup Day) equals the aggregate of the issue prices of the regular and residual interests in the Trust REMIC. That basis is allocated among the Trust REMIC's assets based on their relative fair market values, except in the case where the special reporting rules mentioned above with respect to the Ginnie Mae Certificates apply in which case market discount on the mortgage loans and Participations underlying those certificates will likely be determined on the basis of the aggregate basis and adjusted issue price of such assets. Any market discount that accrues on the mortgage loans or Participations underlying the Trust REMIC's Ginnie Mae

Certificates will be recognized currently as an item of Trust REMIC ordinary income. The amount of market discount income to be recognized in any period is determined in a manner generally similar to that used in the determination of OID, as if the mortgage loans or Participations had been issued (i) on the date they were acquired by the Trust REMIC and (ii) for a price equal to the Trust REMIC's initial basis in the mortgage loans or Participations. The Pricing Prepayment Assumptions will be used to compute the yield to maturity of the mortgage loans or Participations underlying a Trust REMIC's Ginnie Mae Certificates. Pooling REMIC Regular Interests are acquired by Issuing REMICs at original issue, and thus the market discount rules do not apply to them.

Premium. Generally, if the basis of a Pooling REMIC or a Single Trust REMIC in the mortgage loans or Participations underlying its Ginnie Mae Certificates exceeds the unpaid principal balances of those mortgage loans or Participations, such Trust REMIC will be considered to have acquired such mortgage loans or Participations at a premium equal to the amount of such excess. As stated above, such Trust REMIC's basis in the mortgage loans or Participations underlying its Ginnie Mae Certificates will equal the fair market value of such mortgage loans or Participations immediately after the transfer to the Trust REMIC or at such time prior to their transfer as is provided in Treasury regulations yet to be issued. Although not entirely clear, special reporting rules may apply with respect to Ginnie Mae Certificates requiring premium on the mortgage loans and Participations underlying those certificates to be determined and reported on an aggregate basis in a manner similar to that described above for OID and market discount. As described above under "Tax Treatment of Regular Securities — Amortizable Premium," such a Trust REMIC that holds its qualified mortgages as capital assets generally may elect under Code section 171 to amortize premium on the underlying mortgage loans or Participations under a constant interest method, to the extent such mortgage loans or HECMs related to such Participations were originated, or treated as originated, after September 27, 1985, which will include all mortgage loans or Participations underlying the Ginnie Mae Certificates eligible for inclusion in a Trust. All Pooling REMIC Regular Interests acquired by an Issuing REMIC will be treated as a single newly issued debt instrument in the hands of the Issuing REMIC, including for purposes of determining the amortization of premium, if any, by the Issuing REMIC.

REMIC-Level Taxes

A Trust REMIC may be subject to a number of taxes, including a 100% tax on its net income from any "prohibited transactions" and a 100% tax on certain contributions to the Trust REMIC after the closing date. In particular, in the case of a Trust REMIC holding HECM MBS, the tax law is not entirely clear on whether the net income recognized from the disposition of any Participation underlying such HECM MBS pursuant to a Mandatory Purchase Event or 98% Optional Purchase Event described under "The Ginnie Mae Certificates—General" would be subject to such "prohibited transactions" tax. Although it is generally unlikely that the "prohibited transactions" tax was intended to apply to this situation, to the extent the tax law remains unclear, with respect to any Trust REMIC holding HECM MBS, the related Sponsor will provide further assurance on the Closing Date that any such disposition of a Participation will not result in any net income to the Trust REMIC that would be subject to such tax by certifying that (i) the fair market value of each Participation underlying the related HECM MBS (*i.e.*, the Trust REMIC's basis in each Participation) is equal to or greater than the principal balance of such Participation, and (ii) the aggregate issue price of the Regular Securities backed by the related HECM MBS (*i.e.*, the Trust REMIC's aggregate basis in the Participations) is equal to or greater than the principal balance of the related HECM MBS. The imposition of taxes on a Trust REMIC that could affect distributions to Holders is not anticipated.

REMIC Qualification

The Trust or one or more designated pools of the assets of the Trust will qualify under the Code as a REMIC in which the Regular Securities and Residual Securities will constitute the "regular interests" and "residual interests," respectively, if a REMIC election is in effect and certain tests concerning (i) the composition of the Trust REMIC's assets and (ii) the nature of the Holders' interests in the Trust REMIC are met on a continuing basis. A loss of REMIC status could have a number of consequences for Holders. If, as the result of REMIC disqualification, the Trust were treated as an association taxable as a corporation, distributions on the Securities could be recharacterized in part as dividends from a non-includible corporation and in part as returns of capital. Alternatively, distributions on a Regular Security could continue to be treated as comprised of interest and principal notwithstanding REMIC disqualification, in which case a cash-basis Holder might not be required to continue to recognize interest and market discount with respect to the Security on the accrual basis. Under the first alternative, a loss of REMIC status would, and under the second alternative, a loss of REMIC status could cause the Securities and the associated distributions not to be qualified assets and income for the various purposes of DB&Ls and REITs described in the last paragraph under "Certain United States Federal Income Tax Consequences — General" above, although such a loss would not affect the status of the Securities as "government securities" for REITs. The Securities should continue to qualify as "government securities" for RICs, regardless of whether REMIC status is lost.

Tax Treatment of MX Securities

General

In the event that a Series provides for the issuance of one or more Classes of MX Securities, the arrangement pursuant to which the MX Classes are created, sold and administered (an "MX Pool") will be classified as a grantor trust under subpart E, part I of subchapter J of the Code. The REMIC Securities related to the MX Securities will be contributed to the MX Pool on the Closing Date and the MX Pool will issue the Modifiable Securities and the MX Securities. Regular Securities that have been exchanged for MX Securities (including any exchanges effective on the Closing Date) will be assets of the MX Pool and the related MX Securities will represent beneficial ownership of these interests in such Regular Securities. Regular Securities that may be but have not yet been exchanged for MX Securities will also be assets of the MX Pool and the related Modifiable Securities will represent beneficial ownership of such Regular Securities. A Holder of a Modifiable Security will be treated for tax purposes and in this discussion in the same manner as a Holder of the related Regular Security.

Tax Status

The MX Classes should be considered to represent "real estate assets" within the meaning of section 856(c)(4)(A) of the Code and assets described in section 7701(a)(19)(C) of the Code. Original issue discount and interest accruing on the MX Classes should be considered to represent "interest on obligations secured by mortgages on real property" within the meaning of section 856(c)(3)(B) of the Code. MX Classes will be "qualified mortgages" under section 860G(a)(3) of the Code for a REMIC.

Tax Accounting for MX Securities

An MX Class will represent beneficial ownership of an interest in one or more related Regular Classes. If it represents an interest in more than one Regular Class, a purchaser must allocate its basis in an MX Class among the interests in the Regular Classes in accordance with their relative fair market values as of the time of acquisition. Similarly, on the sale of such an MX Class, the Holder must allocate the amount received on the sale among the interests in the Regular Classes in accordance with their relative fair market values as of the time of sale.

The Holder of an MX Class must account separately for each interest in a Regular Class (there may be only one such interest). Where the interest represents a pro rata part of a Regular Class, the Holder of an MX Class should account for such interest as described under "— Tax Treatment of Regular Securities" above. Where the interest represents beneficial ownership of a disproportionate part of the principal and interest payments on a Regular Class (a "Strip"), the Holder will be treated as owning, pursuant to section 1286 of the Code, "stripped bonds" to the extent of its share of principal payments and "stripped coupons" to the extent of its share of interest payments on such Regular Class. Although the tax treatment of a Strip is unclear, the Tax Administrator intends to treat each Strip as a single debt instrument for purposes of information reporting. The Service, however, could take a different position. For example, the Service could contend that a Strip should be treated as a pro rata part of the Regular Class to the extent that the Strip represents a pro rata portion thereof, and "stripped bonds" or "stripped coupons" with respect to the remainder. An investor should consult its tax advisor regarding this matter.

A Holder of an MX Class should calculate OID with respect to each Strip and include it in ordinary income as it accrues, which may be prior to the receipt of cash attributable to such income, in accordance with a constant interest method that takes into account the compounding of interest. See "Tax Treatment of Regular Securities — Original Issue Discount" above. The Holder should determine its yield to maturity based on its purchase price allocated to the Strip and on a schedule of payments projected using a prepayment assumption, and then make periodic adjustments to take into account actual prepayment experience. With respect to a particular Holder, it is not clear whether the prepayment assumption used to calculate OID would be determined at the time of purchase of the Strip or would be the original prepayment assumption with respect to the related Regular Class.

If OID accruing with respect to a Strip, computed as described above, is negative for any period, the MX Holder will be entitled to offset such amount only against future positive OID accruing from such Strip, and the Tax Administrator intends to report income in all cases in this manner. Although not entirely free from doubt, such a Holder may be entitled to deduct a loss to the extent that its remaining basis would exceed the maximum amount of future payments to which the Holder is entitled with respect to such Strip, assuming no further prepayments of the Mortgages (or, perhaps, assuming prepayments at a rate equal to the prepayment assumption with respect to the related Regular Class). Although the issue is not free from doubt, all or a portion of such loss may be treated as a capital loss if the Strip is a capital asset in the hands of the Holder. An investor should consult its tax advisor regarding this matter.

An MX Holder will realize gain or loss on the sale of a Strip in an amount equal to the difference between the amount realized and its adjusted basis in such Strip. The seller's adjusted basis generally is equal to the seller's allocated cost of the Strip, increased by income previously included, and reduced (but not below zero) by distributions previously received. Except as described below, any gain or loss on such sale will be capital gain or loss if the MX Holder has held its interest as a capital asset and will be long-term if the interest has been held for the long-term capital gain holding period (more than one year). Such gain or loss will be ordinary income or loss (i) for a bank or thrift institution or (ii) to the extent income recognized by the Holder is less than the income that would have been recognized if the yield on such interest were 110% of the applicable federal rate under section 1274(d) of the Code.

If an investor exchanges a Regular Class for several MX Classes and then sells one of such MX Classes, the sale will subject the investor to the coupon stripping rules of section 1286 of the Code. The investor must allocate its basis in the exchanged Regular Class between the part of the Regular Class underlying the MX Class sold and the part of the Regular Class underlying the MX Classes retained in proportion to their relative fair market values as of the date of such sale. The investor is treated as purchasing the interest retained for the amount of basis allocated to such interest. The investor must calculate OID with respect to the retained interest as described above.

Although the matter is not free from doubt, an investor that acquires in one transaction a combination of MX Classes that may be exchanged for a Regular Class should be treated as owning the Regular Class.

Exchanges of MX Classes and Regular Classes

An exchange, as described under "Description of Securities — Modification and Exchange" herein, by a Beneficial Owner of (i) REMIC Securities for MX Securities, (ii) MX Securities for interests in the related REMIC Securities or (iii) MX Securities for other MX Securities will not be a taxable exchange. Such Beneficial Owner will be treated as continuing to own after the exchange the same combination of interests in the related REMIC Securities that it owned immediately prior to the exchange.

Taxation of Foreign Holders of REMIC Securities and MX Securities

Regular Securities and MX Securities

Interest, including OID, paid on a Regular Security or MX Security to a Non-U.S. Person generally will be treated as "portfolio interest" and, therefore, subject to the discussion regarding recent legislation below, will not be subject to any United States withholding tax, provided that (i) such interest is not effectively connected with a trade or business in the United States of the Holder, and (ii) the Trustee (or other person who would otherwise be required to withhold tax) is provided with appropriate certification on Form W-8IMY or Form W-8BEN (or substitute form) signed under penalties of perjury that the beneficial owner of the Security is a Non-U.S. Person ("Foreign Person Certification"). If Foreign Person Certification is not provided, interest (including OID) paid on such a Security may be subject to a 30% withholding tax, the applicable treaty rate, or the then applicable rate for backup withholding. See "Backup Withholding."

A Holder of a Regular or MX Security who is not a U.S. Person and is seeking the protection of an income tax treaty with respect to the imposition of United States withholding tax generally will be required to obtain a taxpayer identification number from the Service in advance and to follow certain certification requirements establishing under penalties of perjury that such Holder is entitled to an exemption from United States withholding tax on interest from the Regular or MX Securities under a tax treaty between the United States and its country or residence. To claim this exemption, such Holder should submit a completed Form W-8BEN (or substitute form) with its name and address and taxpayer identification and the statement described above.

A Holder of a Regular or MX Security who is not a U.S. Person should be aware of recent legislation commonly known as the Foreign Account Tax Compliance Act ("FATCA") and related administrative guidance that impose a 30% United States withholding tax on certain payments (which would include interest payments in respect of Regular and MX Securities beginning July 1, 2014, and gross proceeds, including the return of principal, from the sale or other disposition, including redemptions, of such Securities beginning January 1, 2017) made to a non-United States entity that fails to take required steps to provide information regarding its "United States accounts" or its direct or indirect "substantial United States owners," as applicable, or to certify that it has no such accounts or owners. Various exceptions are provided under the legislation and related administrative guidance, including generally an exemption for "grandfathered obligations" issued before July 1, 2014 that are not materially modified on or after July 1, 2014. It is possible that certain MX Securities would be considered to be issued for this purpose on the date when they are purchased by a new holder, with the result that the exception for grandfathered obligations would not apply to those MX Securities in the hands of a holder who purchased them on or after July 1, 2014. Foreign investors should consult their own tax advisors regarding the application and impact of this legislation based upon their particular circumstances.

Prospective investors are strongly urged to consult their own tax advisors with respect to the withholding regulations governing payments on the Regular and MX Securities.

Residual Securities

Under each Trust Agreement, transfers of Residual Securities to Non-U.S. Persons generally will be prohibited.

The Treasury issued temporary regulations that may accelerate the time for withholding with respect to excess inclusions allocable to foreign investors in certain types of pass-through entities that hold the Residual Securities. The regulations are effective as to allocations of income on or after August 1, 2006. Prospective investors should consult their own tax advisors with respect to these regulations and their potential application to an investment in the Residual Securities.

Reporting and Tax Administration

Regular Securities

To the extent required by statute, regulation, or administrative ruling, reports will be made at least annually to Holders of record of Regular Securities and to the Service with respect to (i) interest paid or accrued on the Securities, (ii) OID, if any, accrued on the Securities, and (iii) information necessary to compute the accrual of any market discount or the amortization of any premium on the Securities.

Residual Securities

For purposes of United States federal income tax reporting and administration, a Trust REMIC generally will be treated as a partnership, and the related Residual Holders as its partners. A Trust REMIC will file an annual return on Form 1066 and will be responsible for providing information to Residual Holders sufficient to enable them to report properly their shares of the Trust REMIC's taxable income or loss, although it is anticipated that such information actually will be supplied by the Tax Administrator. The REMIC Regulations require reports to be made by a REMIC to its Residual Holders each calendar quarter in order to permit such Holders to compute their taxable income accurately. A person that holds a Residual Security as a nominee for another person is required to furnish those quarterly reports to the person for whom it is a nominee within 30 days of receiving such reports. A REMIC is required to file all such quarterly reports for a taxable year with the Service as an attachment to the REMIC's income tax return for that year. As required by the Code, a Trust REMIC's taxable year will be the calendar year.

Residual Holders should be aware that their responsibilities as Holders of the residual interest in a Trust REMIC, including the duty to account for their shares of the Trust REMIC's income or loss on their returns, continue for the life of the Trust REMIC, even after any principal and interest on their Residual Securities has been paid in full.

Under the REMIC Regulations, a Residual Holder must be designated as the REMIC's tax matters person ("TMP") if there is more than one such Holder. The TMP generally has responsibility for overseeing and providing notice to the other Residual Holders of certain administrative and judicial proceedings regarding the REMIC's tax affairs, although other Holders of the Residual Securities of the same REMIC would be able to participate in such proceedings in appropriate circumstances. Ginnie Mae will obtain from the Residual Holders an irrevocable appointment to perform the functions of each Trust REMIC's TMP. Unless otherwise indicated in the related Offering Circular Supplement, Ginnie Mae will assign its rights and obligations under such appointment to the Tax Administrator for the related Trust REMIC. The Tax Administrator for a Trust REMIC will prepare and file the Trust REMIC's United States federal and state income tax and information returns.

Temporary Treasury regulations provide that a Holder of a Residual Security is not required to treat items on its return consistently with their treatment on the Trust REMIC's return if a Holder owns 100% of the Residual Securities for the entire calendar year. Otherwise, each Holder of a Residual Security is required to treat items on its return consistently with their treatment on the Trust REMIC's return, unless the Holder of the Residual Security either files a statement identifying the inconsistency or establishes that the inconsistency resulted from incorrect information received from the Trust REMIC. The Service may assess a deficiency resulting from a failure to comply with the consistency requirement without instituting an administrative proceeding at the REMIC level. A Trust REMIC typically will not register as a tax shelter pursuant to Code section 6111 because it generally will not have a net loss for any of the first five taxable years of its existence. Any person that holds a Residual Security as a nominee for another person may be required to furnish the Trust REMIC, in a manner to be provided in Treasury regulations, with the name and address of such person and other specified information.

Backup Withholding

Under United States federal income tax law, a Holder may be subject to "backup withholding" under certain circumstances. Backup withholding may apply to a Holder who is a United States person if the Holder, among other things, (i) fails to furnish his social security number or other taxpayer identification number ("TIN") to the Trustee, (ii) furnishes the Trustee an incorrect TIN, (iii) fails to report properly interest and dividends, or (iv) under certain circumstances, fails to provide the Trustee or the Holder's securities broker with a certified statement, signed under penalties of perjury, that the TIN provided to the Trustee is correct and that the Holder is not subject to backup withholding. Backup withholding may apply, under certain circumstances, to a Holder who is a Non-U.S. Person if the Holder fails to provide the Trustee or the Holder's securities broker with a Foreign Person Certification. Backup withholding applies to "reportable payments," which include interest payments and principal payments to the extent of accrued OID, as well as distributions of proceeds from the sale of Regular Securities or Residual Securities. Backup withholding, however, does not apply to payments on a Security made to certain exempt recipients, such as tax-exempt organizations, and to certain Non-U.S. Persons. Holders should consult their tax advisors for additional information concerning the potential application of backup withholding to payments received by them with respect to a Security.

DUE TO THE COMPLEXITY OF THE UNITED STATES FEDERAL INCOME TAX RULES APPLICABLE TO HOLDERS AND THE CONSIDERABLE UNCERTAINTY THAT EXISTS WITH RESPECT TO MANY ASPECTS OF THOSE RULES, POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX TREATMENT OF THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF THE SECURITIES.

STATE, LOCAL AND FOREIGN TAX CONSIDERATIONS

In addition to the United States federal income tax consequences described in "Certain United States Federal Income Tax Consequences," potential investors should consider the state, local and foreign income tax consequences of the acquisition, ownership, and disposition of the Securities. State, local and foreign income tax law may differ substantially from United States federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state, locality or foreign country. Therefore, potential investors should consult their own tax advisors with respect to the various state, local and foreign tax consequences of an investment in the Securities.

ERISA CONSIDERATIONS

Distributions of principal and interest with respect to the Securities are guaranteed by Ginnie Mae. The Ginnie Mae Guaranty is supported by the full faith and credit of the United States of America.

A Department of Labor regulation (the "Regulation") provides that, if an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Code (each, a "Plan") acquires a "guaranteed governmental mortgage pool certificate," then, for purposes of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and the Code, the Plan's assets include the certificate and all rights with respect to the certificate under applicable law, but do not, solely by reason of the Plan's holding of that certificate, include any of the mortgages underlying the certificate. For purposes of the Regulation, a guaranteed governmental mortgage pool certificate is a certificate backed by, or evidencing an interest in, specified mortgages or participation interests in mortgages and with respect to which interest and principal payable pursuant to the certificate is guaranteed by the United States or an agency or instrumentality of the United States. The effect of the Regulation is that the Sponsor, the Trustee and other Persons providing services with respect to mortgages in the pool will not be subject to the fiduciary responsibility provisions of Title I of ERISA or to the prohibited transaction provisions of ERISA and the Code, merely by reason of the Plan's investment in a certificate. The Regular and MX Securities will qualify as "guaranteed governmental mortgage pool certificates" within the meaning of the Regulation.

Plan Investors should be aware that the Plan Asset Regulations does not relieve fiduciaries, other parties in interest, or disqualified persons from provisions of ERISA and the Code other than those indicated above, including, for example, the general fiduciary responsibility provisions of section 404 of ERISA and the requirement of section 401(a) of the Code that a qualified plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries. Plan Investors should consult with their advisors 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. Prospective Plan Investors also should be aware that because the Securities will not be rated by any rating agency, certain prohibited transaction exemptions that would otherwise be available will not apply to the purchase or holding of the Securities.

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.

Residual Securities 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 certain types of Securities. Any financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration or other federal or state agencies with similar authority should review any applicable rules, guidelines and regulations prior to purchasing any Securities. In addition, financial institutions should consult their regulators concerning the risk-based capital treatment of any Securities. Investors should consult their own legal advisors in determining whether and to what extent Securities constitute legal investments or are subject to restrictions on investment.

SECONDARY MARKET

There can be no assurance that a secondary market for the Securities in any Series will develop or, if a secondary market does develop, that it will provide the Holders of the Securities with liquidity of investment or that it will continue for the life of the Securities. Furthermore, because interests in each Trust are offered in multiple Classes, the liquidity of any Class may be less than it would be if only one Class of Securities were offered. Each Sponsor intends to establish a market in the Securities. No Sponsor, however, will be obligated to establish any market in the Securities or to maintain one if so established. For some Classes of Securities, no secondary trading market exists or is likely to develop. For that reason, investors must be able to bear the risks of their investment in such Securities for an indefinite period of time. See "Legal Investment Considerations" above for a description of other factors that may limit the liquidity of certain of the Securities.

APPENDIX I

CLASS TYPES*

The following list contains standard abbreviations used to describe certain class types. Definitions of the class types may be found in Appendix II. The definitions are not intended as descriptions of the material risks associated with any Class. For a discussion of the risks associated with particular class types, investors should see "Risk Factors — Class Investment Considerations" in the related Offering Circular Supplement.

Standard Abbreviation	Category of Class Definition
PRINCIPAL TYPES	
AD	Accretion Directed
AS	Accelerated Security
CC	Callable Class
CPT	Component
JMP	Jump
NAS	Non-Accelerated Security
NPR	No Payment Residual
NSJ	Non-Sticky Jump
NTL	Notional
PAC	PAC (or Planned Amortization Class)
PT	Pass-Through
SC	Structured Collateral
SCH	Scheduled
SEQ	Sequential Pay
SJ	Sticky Jump
STP	Strip
SUP	Support (or Companion)
TAC	TAC (or Targeted Amortization Class)
XAC	Index Allocation
INTEREST TYPES	
ARB	Ascending Rate
DLY	Delay
DIF	Differential
DRB	Descending Rate
EXE	Excess
FIX	Fixed Rate
FLT	Floating Rate
INV	Inverse Floating Rate
IO	Interest Only
NPR	No Payment Residual
PO	Principal Only
PZ	Partial Accrual
T	Toggle
WAC	WAC (or Weighted Average Coupon)
Z	Accrual

Standard Abbreviation	Category of Class Definition
OTHER TYPES	
SP Special	
HPT	HECM MBS Pass-Through Class
HSEQ	HECM MBS Sequential Pay Class
HWAC	HECM MBS Weighted Average Coupon Class
HZ	HECM MBS Accrual Class

APPENDIX II

GLOSSARY

The following list contains an abbreviated definition of certain capitalized terms used in this Base Offering Circular, in Offering Circular Supplements and in Trust Agreements for any Series. These definitions will apply unless otherwise specified in the text of the Base Offering Circular or an Offering Circular Supplement. The Trust Agreement and, if relevant, the MX Trust Agreement relating to a Series of Securities may contain a more complete definition of certain of the terms defined herein, and reference should be made to the applicable Trust Agreement or MX Trust Agreement for more complete definitions of all the terms.

98% Optional Purchase Event	The option of a Ginnie Mae Issuer to purchase all Participations related to any HECM to the extent that any borrower's request for an additional advance in respect of such HECM, if funded, together with the outstanding principal amount of such HECM is equal to or greater than 98% of the related Maximum Claim Amount.
Accelerated Security	A Security that is generally expected to receive principal payments more rapidly than the related Non-Accelerated Security during the period in which the Non-Accelerated Security is receiving limited or no principal payments.
Accountants	With respect to each Series, an accounting firm, designated in the related Sponsor Agreement, that is responsible for performing certain agreed-upon procedures relating to certain numerical information (a) in the Offering Circular and (b) on the Final Data Statement, Final Schedules and Supplemental Statement, if any.
Accounting Date	For any Class, with respect to each Distribution Date, the last day of the related Accrual Period.
Accretion Directed Class	A Class that is designed to receive principal distributions from interest accretions on specified Partial Accrual or Accrual Classes. Such a Class may also receive principal payments from principal paid in respect of Trust Assets.
Accredited Investor...................................	An "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D of the Securities Act of 1933.
Accrual Amount	With respect to each Series (or, if the Series is segregated into Security Groups, each Security Group) and each Distribution Date, the amount of interest accrued on any Partial Accrual Class or Accrual Class and not distributable as interest on such Class on that Distribution Date. When preceded by a Class designation (*e.g.*, the "Z Accrual Amount"), such amount with respect to the specified Partial Accrual Class or Accrual Class.
Accrual Class..	A Class on which interest accrues during any Accrual Period and the accrued interest (a) is added to its Class Principal Balance on each Distribution Date and (b) is not distributable as interest thereon until a later date or the occurrence of a specified future event, if ever.
Accrual Period	Unless otherwise provided in the applicable Trust Agreement, the Accrual Period relating to any Distribution Date will be (a) for Fixed Rate, Variable Rate and Delay Classes, the calendar month preceding

	the month of the Distribution Date or (b) for Floating Rate and Inverse Floating Rate Classes that are not Delay Classes, the period from the Distribution Date in the month preceding the month of the Distribution Date through the day preceding the Distribution Date.
Accrual Security	A Security of an Accrual Class or Partial Accrual Class.
Affiliate	With respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities (including, without limitation, partnership interests or interests of members of a limited liability company), by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.
Alternative Rate Event	The failure by the FHLB of San Francisco to publish COFI for a period of 65 calendar days.
Ascending Rate Class	Classes that have predetermined Interest Rates that increase one or more times on dates determined before issuance.
Asset Pool	For any Trust, a group of assets identified in the Trust Agreement or in Section 1.03 of the REMIC Standard Trust Provisions as comprising a Trust REMIC.
Available Combinations Schedule	The schedule entitled "Available Combinations" attached as a Schedule to an Offering Circular Supplement.
Base Offering Circular	The offering document containing basic information about Securities in general, to which, for each Series an Offering Circular Supplement relates.
BBA	British Bankers' Association.
BBA Interest Settlement Rate	The rate, expressed as a percentage per annum, for one-month U.S. Dollar deposits as it appears on the Dow Jones Telerate Service page 3750 (or such other page as may replace page 3750 on that service or such other service as may be nominated by the BBA for the purpose of displaying BBA Interest Settlement Rates) as of 11:00 a.m. London time on the related Floating Rate Adjustment Date.
Beneficial Owner	The beneficial owner of any Security.
Book-Entry Depository	The Federal Reserve Bank of New York or any other depository selected by Ginnie Mae to act in the equivalent capacity as the Federal Reserve Bank of New York.
Book-Entry Security	Any Security the beneficial ownership of which is reflected in book-entry form rather than certificated form through the facilities of the Book-Entry Depository.
Borrower	Any obligor on a Mortgage Note.
Business Day	A day other than (a) a Saturday or Sunday, (b) a day on which the

banking institutions in the State of New York are authorized or obligated by law or executive order to remain closed or (c) a federal legal public holiday as defined in 5 U.S.C. section 6103.

Calculated Certificate Factor .... With respect to any Trust MBS (other than Trust MBS that consist of Ginnie Mae Platinum Certificates) for which a Certificate Factor is not available on the Certificate Factor Date, a factor calculated by the Trustee for such date by assuming receipt of all scheduled principal and interest on such Trust MBS and taking into account actual receipts through the applicable Ginnie Mae Certificate Payment Date during the month preceding the month of calculation. For purposes of that calculation, the Trustee shall assume that such Trust MBS represents a single mortgage loan that amortizes on a level installment basis and has the following characteristics: (a) a principal balance equal to the outstanding principal balance of the Trust MBS, (b) a remaining term to maturity equal to the period from the date of calculation to the Maturity Date of such Trust MBS and (c) an interest rate equal to the Certificate Rate of such Trust MBS plus 0.50% (in the case of a Ginnie Mae I Certificate), 1.50% (in the case of a Ginnie Mae II Certificate issued prior to July 1, 2003) or 0.75% (in the case of a Ginnie Mae II Certificate issued on or after July 1, 2003). With respect to securities that are backed by HECM MBS, any additional assumptions considered in calculating this factor which shall be set forth in the related trust agreement.

Call Class .... Any Class of Ginnie Mae Guaranteed Callable Pass-Through Security denominated as a Call Class.

Callable Class .... Any REMIC Security for which the underlying Trust Assets consist of Underlying Callable Securities.

Callable Class Security .... Any Ginnie Mae Guaranteed Callable Pass-Through Security denominated as a Callable Class Security and guaranteed by Ginnie Mae under the Ginnie Mae Multiclass Securities Program.

Callable Standard Trust Provisions .... With respect to each Callable Trust, the standard trust provisions in effect as of the date of the related trust agreement and incorporated by reference therein.

Callable Trust .... A trust created pursuant to a trust agreement for the purpose of issuing Call and Callable Class Securities.

Certificate Factor .... With respect to each Trust MBS or Underlying Callable Security and each Certificate Factor Date, the factor for such date.

Certificate Factor Date............................... With respect to each Distribution Date and any Ginnie Mae I Certificate and Ginnie Mae II Certificate, the seventh Business Day of the month in which such Distribution Date occurs. With respect to each Distribution Date and any Underlying Callable Security, the Business Day during the month in which such Distribution Date occurs on which the Certificate Factor therefor is published.

Certificate Guaranty Agreement................ With respect to each Ginnie Mae MBS Certificate, an agreement under which, among other things, (a) with respect to Ginnie Mae MBS Certificates other than HECM MBS, the related Ginnie Mae Issuer has agreed to advance its own funds in order to make timely payments on the Ginnie Mae MBS Certificates, even if the amounts received on the underlying Mortgage Loans are less than required to make these payments, (b) with respect to HECM MBS, the related Ginnie Mae Issuer has agreed to pay out of its own corporate funds in certain circumstances in order to make timely payments on the HECM MBS and (c) Ginnie Mae has agreed to guarantee payments on the Ginnie Mae MBS Certificates.

Certificate Rate.. For any Distribution Date and as to any Trust MBS, the per annum interest rate payable on the Trust MBS on the applicable Ginnie Mae Certificate Payment Date. For any Distribution Date and as to any Underlying Certificate, the per annum interest rate payable on such Underlying Certificate on the applicable Underlying Certificate Payment Date. For any Distribution Date and as to any Underlying Callable Security, the per annum interest rate payable on such Underlying Callable Security on the applicable Ginnie Mae Certificate Payment Date. For any Distribution Date and as to any Underlying SMBS Security, the per annum interest rate payable on such Underlying SMBS Security on the applicable Underlying SMBS Security Payment Date.

Certificated Security .... With respect to each Trust or MX Trust, as applicable, a Security represented by one or more physical certificates that is not a Book-Entry Security.

Class .... As to any Trust REMIC, all of the Securities that together represent one of the Regular Interests in the Trust REMIC or all of the Securities that together represent the Residual Interest in such Trust REMIC. As to any MX Trust, all MX Securities or Modifiable Securities sharing the same designation. As to any Callable Series, all of the securities sharing the same designation. As to any SMBS Trust, all SMBS Securities sharing the same designation. The Trust Agreement, MX Trust Agreement or SMBS Trust Agreement, as applicable, shall specify, the designations, Original Class Principal Balances (if any), original Class Notional Balances (if any), Interest Rates (if any) and other specific characteristics of each Class of Securities.

Class Factor .... With respect to each Class, a number truncated to eight decimal places calculated by the Trustee and published or otherwise made available to investors on or about one Business Day preceding each Distribution Date 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 any distribution of principal to be made on the Securities (and any addition to the Class Principal Balance of any Accrual Class or Partial Accrual Class) on that Distribution Date.

Class Notional Balance.............................. The balance used as a reference to calculate the amount of interest due on a Notional Class.

Class Principal Balance .... As to any Class other than a Notional Class as of any Distribution Date, the Original Class Principal Balance of that Class less all payments of principal previously allocated to that Class (plus amounts, if any, added to the Class Principal Balance) on previous Distribution Dates, except as otherwise provided in the related

	Offering Circular and Trust Agreement or MX Trust Agreement, as applicable.
Class R Security	A Security that represents a Residual Interest in a Trust REMIC.
Class RI Security	A Security that represents a Residual Interest in an Issuing REMIC.
Class RP Security	A Security that represents a Residual Interest in a Pooling REMIC.
Class RR Security......................................	A Security that represents a Residual Interest in two or more Trust REMICs.
Class Type	An Interest Type, Principal Type or Other Type.
Closing Date	For each Series, the date upon which the Sponsor, pursuant to the Trust Agreement or MX Trust Agreement, as applicable, deposits the Trust Assets in the Trust or MX Trust, as the case may be, in exchange for the Securities and settles for the Securities.
Closing Documents....................................	With respect to each Series, those documents, specified in the related Sponsor Agreement, that are to be executed by the parties to the transaction on or before the Closing Date.
Code...	The United States Internal Revenue Code of 1986, as amended.
COFI	The weighted average cost of funds for member savings institutions of the Eleventh Federal Home Loan Bank District.
COFI Class	A Class bearing interest at a rate determined by reference to COFI.
Combination	Any permitted combination of REMIC and/or MX Securities set forth in an Available Combinations Schedule.
Component	With respect to any Component Class, one of the component parts of such Class. The Components of a Component Class may have different principal and/or interest distribution characteristics, but together they constitute a single Class and are not separately transferable from the related Class. Each Component may be categorized according to one or more Class Types.
Component Class.......................................	A Class composed of Components.
Component Principal Balance	As to any Component other than any Notional Component as of any Distribution Date, the Original Component Principal Balance of that Component less all principal previously allocated to that Component (plus Accrual Amounts, if any, added to the Component Principal Balance) on previous Distribution Dates, except as otherwise provided in the related Offering Circular and Trust Agreement.
Corporate Trust Office...............................	With respect to a Series, the meaning specified in the related Trust Agreement.
Co-Sponsor	With respect to a Series, the Person, identified in the Sponsor Agreement, with whom the Sponsor has entered into an agreement pursuant to which the Co-Sponsor at its election may distribute certain of the Securities.

Co-Trust Counsel	With respect to a Series, a law firm, identified in the Sponsor Agreement, whom the Sponsor has retained to perform legal work assisting Trust Counsel in the discharge of Trust Counsel's responsibilities.
Current Interest Classes	A Class that bears interest and is not an Accrual or Partial Accrual Class.
CUSIP Number	A unique nine-character designation assigned by the CUSIP Service Bureau to each Class.
Delay Class	A Class for which there is a delay between the end of its Accrual Period and the related Distribution Date.
Depository	The Book-Entry Depository or Trust Asset Depository, as the context requires.
Descending Rate Class	A Class that has predetermined Interest Rates that decrease one or more times on dates determined before issuance.
Differential Class	A Class with Interest Rates that are equal to the difference between two specified indices.
Disqualified Organization	Either (a) the United States, (b) any state or political subdivision thereof, (c) any foreign government, (d) any international organization, (e) any agency or instrumentality of any of the foregoing, (f) any tax-exempt organization (other than a cooperative described in Section 521 of the Code) that is exempt from United States federal income tax unless that organization is subject to tax under the unrelated business taxable income provisions of the Code, (g) any organization described in Section 1381(a)(2)(C) of the Code, or (h) an "electing large partnership" as defined in Section 775 of the Code or (i) any other entity identified as a disqualified organization by the REMIC Provisions. A corporation will not be treated as an instrumentality of the United States or any state or political subdivision thereof if all of its activities are subject to tax and, with the exception of Freddie Mac, a majority of its board of directors is not selected by that governmental unit.
Distribution Amount	With respect to each Series (or, if the Series is segregated into Security Groups, each Security Group) and each Distribution Date, the sum of the Principal Distribution Amount (less principal, if any, payable to the Trustee as a Trustee Fee), the Interest Distribution Amount and the Accrual Amount(s), if any, for the Series (or Security Group).
Distribution Date	The date specified in the Trust Agreement or MX Trust Agreement, as applicable, relating to each Series (or Security Group) upon which distributions are required to be made to Holders of Securities of such Series (or Security Group).
Double REMIC Series	A Series that provides for an Issuing REMIC and one or more Pooling REMICs.
Due and Payable Purchase Event	The option of any Ginnie Mae Issuer to purchase all Participations

related to a HECM that becomes, and continues to be, due and payable in accordance with its terms.

e-Access .... Ginnie Mae's Multiclass Securities e-Access, a database of information relating to the Ginnie Mae Securities and Ginnie Mae Platinum Certificates located on Ginnie Mae's website at http://www.ginniemae.gov.

Effective Range .... With respect to any PAC, Scheduled or TAC Class or Component, the range of constant prepayment rates for which such Class or Component adheres to its schedule of Scheduled Principal Balances.

Eligible Certificates .... Any Ginnie Mae Securities, as well as any Fannie Mae Securities or Freddie Mac Securities that are held in book-entry form.

ERISA .... The Employee Retirement Income Security Act of 1974, as amended.

Excess Class .... A Class that receives any principal and interest paid on the underlying Trust Assets in excess of the amount of the prescribed principal and interest required to be paid on all Classes in the Series.

Fannie Mae .... The Federal National Mortgage Association.

Fannie Mae Securities .... Any securities previously issued and guaranteed by Fannie Mae that evidence beneficial ownership interests in Ginnie Mae Certificates.

Fedwire Book-Entry System...................... The book-entry system for securities operated and maintained by the U.S. Federal Reserve Banks.

FHA .... The Federal Housing Administration.

FHA Loans .... Residential mortgage loans insured by FHA.

FHLB of San Francisco .... The Federal Home Loan Bank of San Francisco.

Final Data Statement .... With respect to each Series, the final list of Trust Assets to be included in the related Trust. This Final Data Statement will be prepared on the basis of a document in computer-readable format furnished to the related Accountants, Financial Advisors and Trustee by the Sponsor.

Final Distribution Date .... As to each Class, the Distribution Date, set forth in the related Trust or MX Trust Agreement, as applicable, on or before which the final payment due on that Class will be made. With respect to each Pooling REMIC Regular Interest, the Final Distribution Date shall be the latest of the Final Distribution Dates of the corresponding Security or Securities.

Final Schedule .... With respect to any PAC, Scheduled or TAC Class or Component, a final schedule of Scheduled Principal Balances, which schedule will be attached to the related Trust Agreement or MX Trust Agreement.

Final Structure Date................................... The date by which the Sponsor must submit a final Securities Structure to Ginnie Mae.

Financial Advisor .... The entity, chosen by Ginnie Mae, that serves as financial advisor to

	Ginnie Mae in connection with the Ginnie Mae Multiclass Securities Program. The name and address of the current Financial Advisor is contained in the Ginnie Mae Multiclass Securities Guide in the document entitled "Ginnie Mae REMIC Transaction Participants."
Fixed Rate Class	A Class with an Interest Rate that is fixed throughout the life of the Class.
Floating Rate Adjustment Date	With respect to REMIC Securities or MX Securities, if any, that evidence beneficial ownership interest in Trust MBS, unless otherwise provided in the related Trust Agreement, as to any Accrual Period (after the initial Accrual Period), the second business day before that Accrual Period begins, or, in the case of a COFI Class that is also a Delay Class, the second business day of that Accrual Period. With respect to one or more Securities that evidence a beneficial ownership interest in an Underlying Certificate, unless otherwise provided in the related Trust Agreement, as to any Accrual Period (after the initial Accrual Period), the business day on which the Certificate Rate for such Underlying Certificate is determined. For this purpose, "business day" means a day on which banks are open for dealing in foreign currency and exchange in New York City or London.
Floating Rate Class	A Class with an Interest Rate that is reset periodically based on an index and that varies directly with changes in that index.
Freddie Mac	The Federal Home Loan Mortgage Corporation.
Freddie Mac Securities	Any securities previously issued and guaranteed by Freddie Mac that evidence beneficial ownership interests in Ginnie Mae Certificates.
Ginnie Mae	The Government National Mortgage Association.
Ginnie Mae Certificate	A Ginnie Mae I Certificate or Ginnie Mae II Certificate.
Ginnie Mae Certificate Payment Date	For any Trust MBS, the day of each month on which payment is required to be made to the holder of that Trust MBS.
Ginnie Mae Guaranty	The guaranty of Ginnie Mae with respect to the timely payment of all principal and interest on each Security in accordance with the terms of that Security as set forth in the related Trust Agreement. The Ginnie Mae Guaranty is set forth on each Certificated Security. The Ginnie Mae Guaranty does not extend to the payment of Prepayment Penalties or to the payment of any premium included in any Redemption Price for a Callable Class Security.
Ginnie Mae Guaranty Payment	Any payment made by Ginnie Mae pursuant to the Ginnie Mae Guaranty.
Ginnie Mae HREMIC Guide	Part VII of the Ginnie Mae Multiclass Securities Guide.
Ginnie Mae I Certificate	A Ginnie Mae I MBS Certificate or a Ginnie Mae Platinum Certificate backed by Ginnie Mae I MBS Certificates.
Ginnie Mae I MBS Certificate	A certificate, directly or indirectly, backed by a pool of single-family Mortgage Loans, guaranteed by Ginnie Mae pursuant to a Certificate

	Guaranty Agreement and issued pursuant to the Ginnie Mae I Program.
Ginnie Mae I Program	The program governed by the provisions contained in Ginnie Mae Handbook 5500.3 or its successor.
Ginnie Mae II Certificate	A Ginnie Mae II MBS Certificate or a Ginnie Mae Platinum Certificate backed by Ginnie Mae II MBS Certificates.
Ginnie Mae II MBS Certificate	A certificate backed by a pool of single-family Mortgage Loans or a pool of Participations related to HECMs, guaranteed by Ginnie Mae pursuant to a Certificate Guaranty Agreement and issued pursuant to the Ginnie Mae II Program.
Ginnie Mae II Program	The program governed by the provisions contained in Ginnie Mae Handbook 5500.3 or its successor.
Ginnie Mae Issuer	A Person who has issued a Ginnie Mae MBS Certificate or a Ginnie Mae Platinum Certificate or such Person's successors and assigns.
Ginnie Mae Issuer Purchase Event	Any Due and Payable Purchase Event, Mandatory Purchase Event or 98% Optional Purchase Event.
Ginnie Mae MBS Certificate	Any Ginnie Mae I MBS Certificate or Ginnie Mae II MBS Certificate.
Ginnie Mae Multiclass Securities Guide	The Ginnie Mae Multiclass Securities Guide, as amended from time to time, which includes the Ginnie Mae REMIC Guide in Parts I and II, the Ginnie Mae Platinum Guide in Part III, the Ginnie Mae Multifamily Guide in Part IV, the Ginnie Mae Callable Securities Guide in Part V, the Ginnie Mae SMBS Guide in Part VI and the Ginnie Mae HREMIC Guide in Part VII.
Ginnie Mae Multiclass Securities Program	The program established by Ginnie Mae pursuant to Section 306(g) of the National Housing Act, as amended, for the issuance of Securities.
Ginnie Mae Multifamily Guide	Part IV of the Ginnie Mae Multiclass Securities Guide.
Ginnie Mae Platinum Certificate	One of the certificates issued by the Ginnie Mae Platinum Trust guaranteed by Ginnie Mae pursuant to a Ginnie Mae Platinum Guaranty Agreement and transferred to a depositor of the Ginnie Mae Platinum Trust in exchange for the Ginnie Mae MBS Certificates transferred to the Ginnie Mae Platinum Trust by the depositor.
Ginnie Mae Platinum Guaranty Agreement	With respect to a series of Ginnie Mae Platinum Certificates, the agreement pursuant to which Ginnie Mae guarantees the timely payment of principal and interest on the Ginnie Mae Platinum Certificates in accordance with their terms.
Ginnie Mae Platinum Guide	Part III of the Ginnie Mae Multiclass Securities Guide.
Ginnie Mae Platinum Trust	The trust, formed pursuant to a trust agreement, that issues Ginnie

	Mae Platinum Certificates.
Ginnie Mae REMIC Guide	Parts I and II of the Ginnie Mae Multiclass Securities Guide.
Ginnie Mae REMIC Security	A Ginnie Mae Guaranteed REMIC Pass-Through Security.
Ginnie Mae REMIC Trust	A trust created pursuant to a Trust Agreement for the purpose of issuing Ginnie Mae REMIC Securities.
Ginnie Mae Security	Any Ginnie Mae REMIC Security, Modifiable Security or MX Security.
Government Loans	Collectively, FHA Loans, VA Loans, RD Loans and HUD Loans.
Guaranty Agreement	With respect to each Series, the agreement pursuant to which Ginnie Mae guarantees the timely payment of principal and interest on the Securities in accordance with their terms.
Guide	The Ginnie Mae Multiclass Securities Guide.
HECM	A home equity conversion mortgage loan, also referred to as a "reverse mortgage loan," insured by FHA.
HECM MBS	A Ginnie Mae II MBS Certificate, backed by a pool of Participations related to HECMs, guaranteed by Ginnie Mae pursuant to a Certificate Guaranty Agreement and issued pursuant to the Ginnie Mae II Program.
HECM MBS Accrual Class	A HECM MBS Accrual Class ("HZ") is a Class that is backed in whole or in part by Trust Assets consisting of HECM MBS on which interest accrues during any Accrual Period and all or a portion of the accrued interest is (a) distributable as interest up to the amount available in respect of the underlying HECM MBS and (b) added to its Class Principal Balance on each Distribution Date to the extent that there is not available cash flow from the Trust Assets to distribute the total accrued interest. There are no Accretion Directed Classes associated with any HECM MBS Accrual Class.
HECM MBS Base Prospectus	The offering document containing basic information about HECM MBS in general, to which for each issuance of HECM MBS a HECM MBS Prospectus Supplement relates.
HECM MBS Pass-Through Class	A HECM MBS Pass-Through Class ("HPT") is a Class that is backed in whole or in part by Trust Assets consisting of HECM MBS that either individually or together with other Classes receives on each Distribution Date all, or substantially all, of the principal and/or interest payments received on the related Trust Assets and that is not a Strip or HECM MBS Sequential Pay Class.
HECM MBS Prospectus Supplement	The supplement to the HECM MBS Base Prospectus that contains detailed information regarding the characteristics of a particular issuance of HECM MBS and information regarding the underlying Participations and the related HECMs.
HECM MBS Rate	With respect to any HECM MBS and as of any distribution date, the weighted average of the Participation Interest Rates of the

Participations underlying the HECM MBS.

HECM MBS Sequential Pay Class............ A HECM MBS Sequential Pay Class (" HSEQ") is a Class that is backed in whole or in part by Trust Assets consisting of HECM MBS that receives distributions of principal in a prescribed sequence, that do not have predetermined schedules and that generally are designed to receive distributions of principal continuously from the first Distribution Date on which they receive principal until they are retired. A HECM MBS Sequential Pay Class may receive principal distributions concurrently with one or more other HECM MBS Sequential Pay Classes.

HECM MBS Weighted Average Coupon Class .... A HECM MBS Weighted Average Coupon Class ("HWAC") is a Class that is backed in whole or in part by Trust Assets consisting of HECM MBS and whose Interest Rate is based on or determined by reference to a Weighted Average Coupon Rate, as described in the related Offering Circular Supplement.

HMBS-Backed Class................................ A Ginnie Mae Security, backed by Trust Assets all or a portion of which consist of HECM MBS.

Holder... Any person whose name appears on the books and records of the Registrar as the record holder of a Security. Notwithstanding the foregoing, where used under "Certain United States Federal Income Tax Consequences" in the Offering Circular, the term "Holder" refers to "Beneficial Owners" of Securities, regardless of whether the Beneficial Owner is also the registered Holder, except where the context requires otherwise.

HUD .... The United States Department of Housing and Urban Development.

HUD Loans... Residential mortgage loans guaranteed by HUD pursuant to Section 184 of the Housing and Community Development Act of 1992.

Increased Minimum Denomination Class .... A Class designated as such in the Trust Agreement or MX Trust Agreement, if applicable, which is to be offered and sold in higher minimum denominations than $1,000.

Index Allocation Class.............................. A Class whose principal distribution allocations are based on the value of an index.

Information Agent .... BNY Mellon or another Person designated by Ginnie Mae, that will, among other things, (a) provide information about the factors on the Trust Assets to the Trustee of the Trust that owns those Trust Assets, (b) make certain information about the Securities available to the public (by posting it on e-Access) and forward that information to Ginnie Mae and the Holders as provided in the Standard Trust Provisions and (c) keep and furnish to investors, upon request, copies of any Underlying Certificate Disclosure Documents relating to any Underlying Certificates, the Underlying SMBS Security Disclosure Documents related to any Underlying SMBS Securities and disclosure documents related to any Underlying Callable Securities.

Interest Distribution Amount..................... With respect to each Series (or, if the Series is segregated into Security Groups, each Security Group) and each Distribution Date, the aggregate interest accrued at the Interest Rate of each related Class for the applicable Accrual Period excluding any related Accrual Amount.

Interest Only Class....................................	A Class that (a) does not have a Class Principal Balance (other than a Class Notional Balance) and is entitled to payments of interest only (and may be entitled to Prepayment Penalties, if applicable) or (b) has only a nominal Class Principal Balance and a disproportionately high Interest Rate.
Interest Only Security................................	A Security of an Interest Only Class.
Interest Rate...	As of any date of determination and with respect to each Class or Pooling REMIC Interest, the annual interest rate on that Class or Pooling REMIC Interest or determined in accordance with the related Trust Agreement or MX Trust Agreement, as applicable.
Interest Type..	With respect to a Security, the category of its interest payment allocation, as identified in Appendix I of the Base Offering Circular.
Inverse Floating Rate Class.......................	A Class with an Interest Rate that is reset periodically based on an index and that varies inversely with changes in that index.
Issue Date	The date of issuance of a Trust MBS or an Underlying Certificate or an Underlying SMBS Security.
Issuing REMIC..	With respect to a Trust Agreement that provides for the issuance of a Double REMIC Series, the Trust REMIC that holds the Pooling REMIC Regular Interests issued by one or more Pooling REMICs.
Jump Class...	A Class for which the principal distribution priorities change upon the occurrence of multiple "trigger" events or any Class for which the jump condition fails to satisfy the requirements for the Non-Sticky Jump Class or Sticky Jump Class designations. A Jump Class "jumps" to its new priority on the first Distribution Date when any of the related trigger conditions are met as further described in the related Offering Circular Supplement.
Legal Advisor	With respect to each Series, a law firm designated by Ginnie Mae to act as legal advisor to Ginnie Mae. The names and addresses of the current Legal Advisors are contained in the Ginnie Mae REMIC Guide in the document entitled "Ginnie Mae REMIC Transaction Participants."
LIBOR..	The arithmetic mean of the London interbank offered quotations for Eurodollar deposits with a maturity of one month, or, if so specified in the related Trust Agreement or MX Trust Agreement, as the case may be, and the Offering Circular Supplement, a maturity of three months, one year or some other specified duration.
LIBOR Class	A Class bearing interest at a rate determined by reference to the applicable LIBOR.
Mandatory Purchase Event........................	The obligation of the Ginnie Mae Issuer 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.

Maturity Date — With respect to a Trust MBS, the final Ginnie Mae Certificate Payment Date for such Trust MBS. With respect to an Underlying Certificate, the final Underlying Certificate Payment Date for such Underlying Certificate. With respect to an Underlying Callable Security, the final Underlying Callable Security Payment Date for such Underlying Callable Security. With respect to an Underlying SMBS Security, the final Underlying SMBS Security Payment Date for such Underlying SMBS Security.

Maturity Event — With respect to any HECM, the occurrence of any of the following events: (i) a borrower dies and the property is not the principal residence of at least one surviving borrower, (ii) a borrower conveys all of his or her title in the mortgaged property and no other borrower retains title to the mortgaged property, (iii) 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, (iv) 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 (v) 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).

Maximum Claim Amount — With respect to any HECM, the lesser of the appraised value of the property, the sales price of the property being purchased or the national mortgage limit, as determined in accordance with FHA guidelines.

Modifiable Class — Each Class issued in respect of an MX Trust that may be exchanged for proportionate interests in a related MX Class or Classes but is not itself identified as an MX Class in the Available Combinations Schedule. Each Modifiable Class relates to a Class of REMIC Securities with the same designation (for example, a Modifiable Class designated Class A corresponds to the Class of REMIC Securities designated Class A).

Modifiable Securities — Any Ginnie Mae Guaranteed Grantor Trust Pass-Through Security relating to a Modifiable Class that is issued pursuant to the Ginnie Mae Multiclass Securities Program.

Monthly Information — With respect to each Series, the information, such as the Class Factors and Interest Rates, posted on e-Access on a monthly basis.

Mortgage — A first-lien, one- to four-family residential mortgage, either insured or guaranteed by FHA, RD or VA, that underlies a Ginnie Mae Certificate.

Mortgage Loan — With respect to each Trust Asset other than Trust Assets consisting of HECM MBS, each of the mortgage loans in the pool or pools underlying such Trust Asset or with respect to each Trust Asset consisting of HECM MBS, each of the HECMs as to which the Participations underlying such Trust Asset relate.

Mortgage Note	The instrument evidencing the debt underlying the related Mortgage.
Mortgage Rate	With respect to any Mortgage Loan, the per annum interest rate on the related Mortgage Note.
Mortgaged Property	The one- to four-family residential property, including a condominium, located in any one of the 50 states, the District of Columbia or any U.S. territory, commonwealth or possession, securing or the subject of a Mortgage Loan.
MX Class	Each class issued in respect of an MX Trust that may be exchanged for proportionate interests in related Classes of Modifiable Securities.
MX Security	Any Ginnie Mae Guaranteed Grantor Trust Pass-Through Security issued pursuant to the Ginnie Mae Multiclass Securities Program in respect of an MX Class.
MX Standard Trust Provisions	With respect to each MX Trust, the standard trust provisions in effect as of the date of the related MX Trust Agreement and which are incorporated therein by reference.
MX Trust	A trust that is established to hold one or more REMIC Securities and issue one or more Modifiable Securities and/or MX Securities.
MX Trust Agreement	An agreement between the Sponsor and the Trustee that identifies and establishes an MX Trust.
MX Trust Asset	As to any MX Trust, any Ginnie Mae REMIC Securities conveyed thereto by the related Sponsor.
Nonpermitted Transferee	Any Person that acquires an Ownership Interest in a Transfer that is considered null and void by the Trustee under the Trust Agreement.
Non-Accelerated Security	A Security that is designed to receive limited or no principal prepayments prior to a designated date and thereafter such Security is entitled to receive a gradually increasing percentage of principal prepayments in subsequent months.
Non-HECM MBS Certificates	Any Trust MBS other than HECM MBS.
Non-HECM MBS Ginnie Mae II Certificates	Any Ginnie Mae II Certificates other than HECM MBS.
Non-U.S. Person	A Person other than a U.S. Person.
No Payment Residual Class	A Class that is designed to receive no distributions of principal or interest.

Non-Sticky Jump Class	A Class for which the principal distribution priorities change temporarily upon the occurrence of a single "trigger" event. A Non-Sticky Jump Class "jumps" to its new priority on each Distribution Date when the related trigger condition is met and reverts to its original priority (*i.e.,* does not "stick" to the new priority) on each Distribution Date when the related trigger condition is not met. Any trigger calculated with reference to a prepayment speed or schedule must be structured at a single PSA or CPR prepayment speed. No other vectors or schedules without a single structuring speed will qualify for the Non-Sticky Jump Class designation.
Notional Class	A Class that does not have a Class Principal Balance (but rather has a Class Notional Balance) and is entitled to payments of interest only (and may be entitled to Prepayment Penalties, if applicable).
Offering Circular	In connection with each offering of Ginnie Mae REMIC Securities, the Base Offering Circular therefor and the related Offering Circular Supplement. In connection with each offering of Ginnie Mae Guaranteed Callable Pass-Through Securities, the offering circular therefor. In connection with each offering of SMBS Securities, the Base Offering Circular therefor and the related Offering Circular Supplement.
Offering Circular Supplement	The supplement to the Base Offering Circular constituting a part of the Offering Circular.
One-Year LIBOR Index	An index, determined in accordance with the Ginnie Mae II Program, upon which changes in the Mortgage Rates on certain adjustable rate Mortgage Loans that back Ginnie Mae II MBS Certificates are based.
One-Year Treasury Index	An index, determined in accordance with the Ginnie Mae II Program, upon which changes in the Mortgage Rates on certain adjustable rate Mortgage Loans that back Ginnie Mae II MBS Certificates are based.
Opinion of Counsel	A written opinion of counsel, given by counsel reasonably acceptable to the addressee and Ginnie Mae, upon which Ginnie Mae is authorized to rely.
Optional Purchase Event	Any of the 98% Optional Purchase Event or the Due and Payable Purchase Event.
Original Class Principal Balance	As to each Class, the original principal amount of that Class of Securities, as set forth in the related Offering Circular Supplement and Trust Agreement or MX Trust Agreement, as applicable.
Original Component Principal Balance	As to each Component, the original principal amount of that Component, as set forth in the related Offering Circular Supplement and Trust Agreement or MX Trust Agreement, as applicable.
Other Type	With respect to a Security, the category of a characteristic other than principal or interest payment allocation, as identified in Appendix I of the Base Offering Circular.

Ownership Interest	Any ownership interest in a Residual Interest, including any interest in that Residual Interest as the Holder of the Residual Interest and any other interest in the Residual Interest, whether direct or indirect, legal or beneficial.
PAC or Planned Amortization Class	A Class that is designed to receive distributions of principal using a predetermined schedule derived by assuming two constant prepayment rates for the Mortgage Loans related to the Trust Assets. These two rates are the endpoints for the Structuring Range for the PAC Class. The endpoints must be at least 30 percentage points above and below the pricing speed. The PAC Classes in any Series or Security Group may be subdivided into different categories (*e.g.*, PAC I, PAC II) having different structuring ranges. The structuring range for a PAC I Class of a Series or Security Group usually is wider than the structuring range for a PAC II Class of such Series or Security Group, as applicable.
PAC Component	A Component that is designed to receive distributions of principal using a predetermined schedule derived by assuming two constant prepayment rates for the Mortgage Loans related to the Trust Assets. These two rates are the endpoints for the Structuring Range for the PAC Component. The endpoints must be at least 30 percentage points above and below the pricing speed. The PAC Component in any Series or Security Group may be subdivided into different categories (*e.g.*, PAC I, PAC II) having different structuring ranges. The structuring range for a PAC I Component of a Series or Security Group usually is wider than the structuring range for a PAC II Component of such Series or Securities Group, as applicable.
Partial Accrual Class	A Class on which interest accrues during any Accrual Period and (a) a portion of such accrued interest is added to its principal amount on each Distribution Date and is not distributable as interest until a later date or the occurrence of a specified future event, and (b) the Class receives distribution of the remainder as interest. The interest that accrues on such Classes but is not distributed to such Classes is distributed to certain Accretion Directed Classes or other Classes as principal.
Participating Affiliate	As specified in the Sponsor Agreement, an Affiliate of the Sponsor, which Affiliate is participating in the related transaction.
Participation	Any participation interests in advances made to borrowers of HECMs and other related amounts created pursuant to the issuance of a HECM MBS.
Participation Interest Rate	With respect to any Participation, the related interest rate.
Pass-Through Class	A Class that either individually or together with other Classes receive on each Distribution Date all or substantially all of the principal payments received on the related Trust Assets and that is not a Strip or Sequential Pay Class.
Paying Agent	The Book-Entry Depository or another Person appointed with Ginnie Mae's consent to act, pursuant to the Trust Agreement and, if applicable, the MX Trust Agreement, as paying agent.

Percentage Interest....................................	As to any Security or Pooling REMIC Interest, for purposes of allocating distributions, the percentage interest evidenced thereby in distributions required to be made on the related Class, that percentage interest being (a) set forth on the face of that Security or Pooling REMIC Interest or (b) equal to the percentage obtained by dividing the denomination of that Security or Pooling REMIC Interest, as applicable, by the aggregate of the denominations of all Securities or Pooling REMIC Interests, as applicable, of the related Class.
Periodic Rate Cap	With respect to a Trust MBS representing a Ginnie Mae II MBS Certificate backed by adjustable rate Mortgage Loans, the maximum permissible annual adjustment, upward or downward, in the Certificate Rate.
Permitted Transferee.................................	Any person that acquires an Ownership Interest through a Transfer that is not considered null and void by the Trustee under the Trust Agreement.
Person	Any individual, corporation, partnership, limited liability company, joint venture, trust (including any beneficiary thereof), unincorporated organization or government or agency or political division thereof.
Plan	An employee benefit plan subject to ERISA or Code section 4975.
Plan Asset Regulations	The Department of Labor regulations set forth in 29 C.F.R. § 2510.3-101, as modified by ERISA Section 3(42) and as amended from time to time.
Plan Investor	Any of the following: (a) a "benefit plan investor" that is described in or subject to the Plan Asset Regulations; (b) a plan or arrangement that is subject to Code section 4975; (c) a "governmental plan" as defined in section 3(32) of ERISA; (d) any plan or arrangement that is subject to any federal, state, or local law that is substantially similar to the Plan Asset Regulations, Code section 4975, or ERISA section 3(32); (e) any person acting on behalf of or utilizing the assets of any of the foregoing; and (f) any insurance company that is considered to be a Plan Investor pursuant to the following sentence. An insurance company is a Plan Investor unless all funds used by the insurance company in acquiring a Security were held by the insurance company in its general account, the insurance company will hold the Security in its general account, and the insurance company reasonably believes that its general account and the Security do not and will not constitute "plan assets" for purposes of ERISA and the Plan Asset Regulations.
Pooling REMIC	In the case of a REMIC Series in respect of multiple Trust REMICS (including a Double REMIC Series), a Trust REMIC that holds assets specified in the Trust Agreement, and issues Pooling REMIC Regular Interests.
Pooling REMIC Interest	Each of the Pooling REMIC Regular Interests and each Pooling REMIC Residual Interest.
Pooling REMIC Regular Interest..............	Each of the Regular Interests in a Pooling REMIC.

Pooling REMIC Residual Interest .... The Residual Interest in a Pooling REMIC.

Pooling REMIC Subaccounts .... In the case of a Double REMIC Series, the accounts established by the Trustee for tax purposes that represent the Pooling REMIC Regular Interests.

Prime Rate .... With respect to the Securities of any Series, the prime lending rate of major banks as published in *The Wall Street Journal* or, if not available from *The Wall Street Journa*l, as determined by the Trustee in accordance with the Trust Agreement.

Prime Rate Class.. A Class bearing interest at a rate determined by reference to the Prime Rate.

Principal Distribution Amount .... With respect to each Series (or if the Series is segregated into Security Groups, each Security Group) and each Distribution Date, the sum of (I) with respect to each Trust MBS (other than HECM MBS), the amount by which (a) the product of (i) the original principal amount of that Trust MBS and (ii) the Certificate Factor or Calculated Certificate Factor, as applicable, for the preceding Distribution Date exceeds (b) the product of (i) the original principal amount of the Trust MBS and (ii) the Certificate Factor or Calculated Certificate Factor, as applicable, for the current Distribution Date; (II) with respect to each HECM MBS, the amount described in the related Trust Agreement; and (III) with respect to each Underlying Certificate, Underlying Callable Security or Underlying SMBS Security, the amount by which (a) the product of (i) the original principal amount of that Underlying Certificate, Underlying Callable Security or Underlying SMBS Security and (ii) the Underlying Certificate Factor or Certificate Factor for the preceding Distribution Date exceeds (b) the product of (i) the original principal amount of the Underlying Certificate, Underlying Callable Security or Underlying SMBS Security and (ii) the Underlying Certificate Factor or Certificate Factor for the current Distribution Date; provided however, that the amount calculated pursuant to clause (II) is subject to adjustment pursuant to the applicable Trust Agreement in the event that Underlying Certificate Factors or Certificate Factors are unavailable in respect of any Distribution Date. (For the first Distribution Date, the product in clause (I) (a) or (II) (a) above shall be the principal amount of the Trust Asset as of the Closing Date.) The sum of the amounts so calculated for each Trust Asset conveyed to a Trust for a Series (or, if the Series is segregated into Security Groups, for each Trust Asset included in the related Trust Asset Group) is the Principal Distribution Amount for that Series (or Security Group(s)).

When preceded by a group designation (*e.g.*, the “Group 2 Principal Distribution Amount”), such amount for the specified Trust Asset Group.

Principal Only Class .... A Class with a fixed Interest Rate of zero.

Principal Only Security .... A Security of a Principal Only Class.

Principal Type .... With respect to a Security, the category of its principal allocation, as

	identified in Appendix I of the Base Offering Circular.
RD	The United States Department of Agriculture, Rural Development.
RD Loans	Residential mortgage loans insured by RD.
Record Date	For each Security, with respect to each Distribution Date, unless otherwise specified in the related Trust Agreement or MX Trust Agreement, if applicable, the last Business Day of the month immediately preceding the month in which that Distribution Date occurs.
Reference Banks	The four leading banks engaged in transactions in Eurodollar deposits in the international Eurocurrency market (a) with an established place of business in London, (b) whose quotations appear on the Reuters Screen LIBO Page on the Floating Rate Adjustment Date in question and (c) which have been designated as such by the Trustee and are able and willing to provide those quotations to the Trustee on each Floating Rate Adjustment Date. If any Reference Bank designated by the Trustee should be removed from the Reuters Screen LIBO Page or in any other way fails to meet the qualifications of a Reference Bank, the Trustee may, in its sole discretion, designate an alternative Reference Bank.
Register	The register maintained by the Registrar for the Holders with respect to each Trust and MX Trust.
Registrar	With respect to each Series the Trustee or any successor registrar appointed pursuant to the related Trust Agreement and MX Trust Agreement, as applicable.
Regular Class	A Class of Regular Securities.
Regular Holder	A Holder of a Regular Security.
Regular Interest	An interest in a Trust REMIC that is designated as a "regular interest" under the REMIC Provisions. In the case of a Double REMIC Series, the Regular Interests in the Pooling REMIC will be the Pooling REMIC Subaccounts.
Regular Security	Any Security that is a Regular Interest in a Trust REMIC.
REMIC	A real estate mortgage investment conduit within the meaning of section 860D(a) of the Code.
REMIC Provisions	Provisions of the United States federal income tax law relating to REMICs, which appear at Section 860A through 860G of Subchapter M of Chapter 1 of Subtitle A of the Code, and related sections, and regulations and administrative pronouncements promulgated thereunder, as the foregoing may be in effect from time to time.
REMIC Security	A Ginnie Mae REMIC Security.
REMIC Series	A series of Ginnie Mae REMIC Securities issued pursuant to a Trust Agreement and having the numerical or other designation specified in the related Trust Agreement.

REMIC Standard Trust Provisions	With respect to each Trust, the standard trust provisions in effect as of the date of the Trust Agreement and which are incorporated therein by reference.
Reserve Interest Rate	With respect to each Trust, the rate per annum that the related Trustee determines to be either (a) the arithmetic mean (rounding such arithmetic mean upwards, if necessary, to the nearest whole multiple of 1/16%) of the Eurodollar lending rates of the applicable maturity that the New York City banks selected by the Trustee are quoting, on the relevant Floating Rate Adjustment Date, to the principal London offices of leading banks in the London interbank market or (b) in the event that the Trustee can determine no such arithmetic mean, the lowest Eurodollar lending rate of the applicable maturity that the New York City banks selected by the Trustee are quoting on that Floating Rate Adjustment Date to leading European banks.
Residual Class	A Class representing the entire Residual Interest in one or more Trust REMICs.
Residual Holder	A Holder of a Residual Security.
Residual Interest	An interest in a Trust REMIC that is designated in the Trust Agreement as a “residual interest” under the REMIC Provisions.
Residual Security	Any Security that represents a Residual Interest in one or more Trust REMICs.
Reuters Screen LIBO Page	The display designated as page “LIBO” on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered quotations of major banks).
Scheduled Class	A Class that is designed to receive distributions of principal using a predetermined schedule, but that fits neither the definition of a PAC Class, nor the definition of a TAC Class.
Scheduled Component	A Component that is designed to receive distributions of principal using a predetermined schedule, but that fits neither the definition of a PAC Component, nor the definition of a TAC Component.
Scheduled Principal Balance	For any PAC, Scheduled or TAC Class or Component and any Distribution Date, an amount indicated for such Distribution Date on the Final Schedule.
Securities Structure	The structure of a particular Series, including, as applicable, the designation, Original Class Principal Balance or original Class Notional Balance, Interest Rate and Class Type of each Class, the priority of distributions among the Classes and any call rights related to a Class.
Security	A Ginnie Mae Guaranteed REMIC Pass-Through Security or an MX or Modifiable Security.

Security Group..	One of two or more groups into which the Securities of a Series may be segregated as described in the related Trust Agreement or MX Trust Agreement and Offering Circular Supplement.
Sequential Pay Class.................................	A Class that receives distributions of principal in a prescribed sequence, that do not have predetermined schedules and that generally are designed to receive distributions of principal continuously from the first Distribution Date on which they receive principal until they are retired. Sequential Pay Classes may receive principal distributions concurrently with one or more other Sequential Pay Classes.
Series	A series of Securities issued pursuant to the terms of a Trust Agreement and, if applicable, MX Trust Agreement and having the numerical or other designation specified in the related Trust Agreement and any related MX Trust Agreement.
Servicing Fee Margin	With respect to any HECM MBS, a rate specified in the related HECM MBS Prospectus Supplement.
Single REMIC Series................................	A Series that establishes one or more single tier Trust REMICs.
SMBS Security	A Ginnie Mae Guaranteed Stripped Mortgage-Backed Security.
SMBS Standard Trust Provisions	With respect to each Series, the SMBS Standard Trust Provisions in effect as of the date of the related SMBS Trust Agreement.
SMBS Trust	A trust created pursuant to an SMBS Trust Agreement for the purpose of issuing SMBS Securities.
SMBS Trust Agreement	An agreement between the Sponsor and the Trustee that identifies and establishes the Trust as a "grantor trust" for United States federal income tax purposes. Each SMBS Trust Agreement incorporates the related SMBS Standard Trust Provisions by reference and may modify, amend or supplement the conditions of such SMBS Standard Trust Provisions in any respect.
Special Class...	A Class with an Interest Type or a Principal Type not otherwise described in Appendix 1 of the Base Offering Circular. The particular payment characteristics of any such Class will be specified in the related Offering Circular Supplement.
Special Tax Consent	The written consent of a Residual Holder to any tax (or risk thereof) arising out of a proposed transaction or activity that may be imposed upon that Holder or that may affect adversely the value of that Holder's Residual Security.
Sponsor	With respect to any Trust or MX Trust, the Person, identified in the related Trust Agreement and any MX Trust Agreement, who establishes the Trust by (a) executing such Trust or MX Trust Agreement, and (b) depositing the appropriate Trust Assets in the Trust or MX Trust in exchange for the Securities.
Sponsor Agreement	An agreement, which incorporates by reference the related Standard Sponsor Provisions, pursuant to which, among other things, the Sponsor agrees, subject to certain conditions, to convey the Trust

Assets to the Trust and to purchase the Securities from the Trust, and Ginnie Mae agrees, subject to certain conditions, to guarantee the Securities.

Standard Sponsor Provisions	With respect to each Series, the Standard Sponsor Provisions in effect as of the date of the related Sponsor Agreement.
Standard Trust Provisions	The REMIC Standard Trust Provisions, the MX Standard Trust Provisions or the SMBS Standard Trust Provisions, as the context requires.
Startup Day	With respect to a Trust REMIC, the first date on which the Regular Interests and the Residual Interest in respect of such Trust REMIC are issued or such other date designated in the Trust Agreement as the startup day of the REMIC in accordance with Treasury Regulations Sections 1.860G-1(a)(4) and 1.860G-2(k).
Sticky Jump Class	A Class for which the principal distribution priorities change permanently upon the occurrence of a single "trigger" event. A Sticky Jump Class "jumps" to its new priority on the first Distribution Date when the related trigger condition is met and retains ("sticks" to) that priority until retired. Any trigger calculated with reference to a prepayment speed or schedule must be structured at a single PSA or CPR prepayment speed. No other vectors or schedules without a single structuring speed will qualify for the Sticky Jump Class designation.
Strip Class	A Class that receives a constant proportion, or "strip," of the principal payments on the underlying Trust Assets.
Structural Excess	As of any Distribution Date, (i) in the case of Trust REMIC that issues a Single REMIC Series the excess of (a) any amounts that would have been received on the Trust Assets included in such Trust REMIC for the current period based on the Structural Excess Assumptions over (b) amounts then due on the related Regular Securities, the allocable portion of the Trustee Fee then due, and the allocable portion of any other unpaid related administrative expenses of the Trust and (ii) in the case of one or more Pooling REMICs that relate to a Double REMIC Series, the excess of (a) any amounts that would have been received on the portion of Trust Assets held by each such Pooling REMIC for the current period based on the Structural Excess Assumptions over (b) amounts then due on the related Pooling REMIC Regular Interests, and the allocable portion of the Trustee Fee then due, and the allocable portion of any other unpaid related administrative expenses of the Trust.
Structural Excess Assumptions	The assumptions in respect of a Distribution Date that (a) no defaults or late payments occur on the Trust Assets and (b) the amount of principal received on the Trust Assets in the Accrual Period related to a Distribution Date is equal to the aggregate amount of principal to be distributed to Holders on such Distribution Date.
Structured Collateral Class	A Class that is designed to receive payments based on distributions of Underlying Certificates or Underlying SMBS Securities, as applicable.

Structuring Range	With respect to a PAC Class or Component or group of PAC Classes or Components or a Scheduled Class or Component or group of Scheduled Classes or Components, the range of constant prepayment rates that was used to calculate its Scheduled Principal Balances.
Structuring Rate	With respect to a TAC Class or Component or group of TAC Classes or Components, the constant prepayment rate that was used to calculate its Scheduled Principal Balances.
Supplemental Statement	A statement posted on e-Access showing any characteristics of the Securities that differ significantly from those shown in the Offering Circular.
Support Class	A Class that receives distributions of principal on any Distribution Date only if scheduled payments have been made on specified PAC, TAC and/or Scheduled Classes.
TAC or Targeted Amortization Class	A Class that is designed to receive distributions of principal using a predetermined schedule derived by assuming a single constant prepayment rate for the Mortgage Loans related to the Trust Assets.
TAC Component	A Component that is designed to receive distributions of principal using a predetermined schedule derived by assuming a single constant prepayment rate for the Mortgage Loans related to the Trust Assets.
Tax Administrator	With respect to a Trust, the Person designated in the related Trust Agreement or, as the case may be, MX Trust Agreement to perform certain tax administrative functions for such trust.
Tax Matters Person	The Person or Persons designated from time to time in the Trust Agreement to act as tax matters person (within the meaning of the REMIC Provisions) of a Trust REMIC.
Terms Sheet	With respect to each Series, the portion of the Offering Circular Supplement summarizing the basic terms of the transaction.
Toggle Class	A Class whose interest rate will change significantly at specified levels of the applicable index.
Transfer	Any direct or indirect transfer, sale or other form of assignment of any Ownership Interest.
Transfer Affidavit	An affidavit, in the form provided in the REMIC Standard Trust Provisions, required in connection with any Transfer from the related Transferor.
Transferee	Any Person who is acquiring an Ownership Interest.
Transferor	Any Person who is disposing of an Ownership Interest.
Treasury	The United States Treasury Department.
Treasury Index	Either (i) the auction average (investment) yield on three-month or six-month U.S. Treasury bills or (ii) the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one, three,

	five, seven or ten years or to some other constant maturity, in each case as specified in the related Trust Agreement.
Treasury Index Class	A Class bearing interest at a rate determined by reference to the applicable Treasury Index.
Treasury Regulations	The regulations, including proposed regulations and temporary regulations, promulgated under the Code from time to time.
Trust	A Ginnie Mae REMIC Trust.
Trust Agreement	An agreement between the Sponsor and the Trustee that identifies and establishes the Trust in respect of which Trust an election will be made to treat the assets of such Trust as one or more "real estate mortgage investment conduits" for United States federal income tax purposes. Each Trust Agreement incorporates the related REMIC Standard Trust Provisions by reference and may modify, amend or supplement the conditions of such REMIC Standard Trust Provisions in any respect.
Trust Asset	As to any Trust, any Trust MBS, Underlying Certificate, Underlying Callable Security or Underlying SMBS Security conveyed thereto by the related Sponsor.
Trust Asset Depository	Any depository institution acceptable to Ginnie Mae at which a Trust Asset Depository Account is established.
Trust Asset Depository Account	With respect to each Trust, to the extent required by the applicable Trust Agreement, a limited purpose account maintained by the Trustee at one or more Trust Asset Depositories, which account shall be credited with all distributions in respect of Trust Assets (other than Trust Assets maintained through the book-entry system of the Federal Reserve Bank of New York) held in the related Trust Asset Depository.
Trust Asset Group or Subgroup	One of two or more groups or subgroups into which the Trust Assets conveyed to a Trust may be segregated as described in the related Trust Agreement and Offering Circular Supplement. Each Trust Asset Group or Subgroup will be identified by numerical designation.
Trust Asset Payment Date	A Ginnie Mae Certificate Payment Date, Underlying Certificate Payment Date, Underlying Callable Security Payment Date or Underlying SMBS Security Payment Date, as the context requires.
Trust Counsel	With respect to each Series, the law firm, designated in the Sponsor Agreement as counsel to the related REMIC Trust and MX Trust, if any, responsible for preparing the Offering Circular and Closing Documents, for coordinating preclosing and closing and for providing certain Opinions of Counsel.
Trust Fund	The corpus of the Trust or MX Trust, as the case may be, established the Trust Agreement or MX Trust Agreement, as applicable, as further described in the respective agreements.
Trust MBS	As to any Trust or Callable Trust, any Ginnie Mae Certificates

conveyed thereto by the related Sponsor.

Trust REMIC	Any REMIC formed from an Asset Pool of a Trust.
Trustee	The person identified in a Trust Agreement or MX Trust Agreement as trustee for the related trust.
Trustee Fee	For each Series, with respect to each Distribution Date, the fee payable to the Trustee, as provided in the related Trust Agreement.
Trustee Fee Rate	The per annum fee rate, if any, designated in the Trust Agreement, at which the Trustee Fee accrues.
Underlying Callable Security	Any Ginnie Mae Guaranteed Callable Pass-Through Security denominated as a Callable Class Security and guaranteed by Ginnie Mae under the Ginnie Mae Multiclass Securities Program.
Underlying Callable Security Payment Date	For any Underlying Callable Security, the day of each month on which payment is required to be made to the Holder of that Underlying Callable Security.
Underlying Callable Series	A Series of Ginnie Mae Guaranteed Pass-Through Securities issued pursuant to a callable trust agreement and having the numerical or other designation specified in the related trust agreement.
Underlying Certificate	As to any Trust, any previously issued certificates, which directly or indirectly represent "regular interests" in a REMIC and evidence a direct or indirect beneficial ownership interest in a separate pool of Ginnie Mae Certificates.
Underlying Certificate Disclosure Documents	The prospectus, offering circular or other disclosure document pursuant to which an Underlying Certificate was offered.
Underlying Certificate Distribution Date	With respect to an Underlying Certificate, the day of each month on which distributions are required to be made to the holder of such Underlying Certificate.
Underlying Certificate Factor	With respect to each Underlying Certificate or Underlying SMBS Security, the factor provided by the related issuer, information agent or trustee for such Underlying Certificate or Underlying SMBS Security, as applicable.
Underlying REMIC Security	Any Ginnie Mae Securities conveyed to an MX Trust by a Sponsor pursuant to an MX Trust Agreement.
Underlying Series	As to each Underlying Certificate or Underlying SMBS Security, the related Series of Underlying Certificates or Underlying SMBS Securities.
Underlying SMBS Security	As to any SMBS Trust, any previously issued SMBS Security that is included in an SMBS Trust.
Underlying SMBS Security Payment Date	With respect to an Underlying SMBS Security, the day of each month on which distributions are required to be made to the Holder

of such Underlying SMBS Security.

Underlying Trust .... As to any Underlying Series, the related segregated Trust.

U.S. Person .... A Person that is (i) a citizen or resident of the United States, (ii) a corporation that is organized under the laws of the United States, any state thereof or the District of Columbia, including an entity treated as a corporation for United States federal income tax purposes, (iii) a partnership, including any entity treated as a partnership for United States federal income tax purposes (other than a partnership that is not treated as a United States person under any applicable Treasury Regulations) organized under the laws of the United States, any state thereof, or the District of Columbia none of the interests of which are owned, directly or indirectly through one or more pass through entities, by any person that is not a U.S. Person within the meaning of this paragraph, (iv) an estate that is subject to United States federal income taxation regardless of the source of its income, (v) a trust if a court within the United States is able to exercise primary supervisor over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of the trust (or to the extent provided in the applicable Treasury Regulations, certain trusts in existence on August 20, 1996, that are eligible to be treated as United States persons), or (vi) a foreign person who would be subject to United States federal income taxation on a net basis on income derived from the Residual Securities. The term "United States person" shall have the meaning ascribed to it in Section 7701 of the Code.

VA .... The United States Department of Veterans Affairs.

VA Loans .... Residential mortgage loans made to veteran borrowers under one of VA's loan guaranty programs.

Variable Rate Class .... A Class with an Interest Rate that varies on a basis other than an index.

Voting Rights .... The voting rights of the Securities.

WAC Class or Weighted Average Coupon Class .... A Class whose Interest Rate is (a) based on a Weighted Average Certificate Rate or Weighted Average Coupon Rate, or (b) determined by aggregating the accrued interest on the related Trust Assets, or, if an MX Class, the related REMIC Securities, expressed as a percentage of the current principal balance or notional balance of such Class, in each case as described in the related Offering Circular Supplement.

Weighted Average Certificate Rate .... For any Distribution Date, the per annum rate of interest equal to the average, expressed as a percentage, of the Certificate Rates of some or all Trust MBS in a Series (or designated Trust Asset Group or Groups), weighted on the basis of the respective current principal balances of such Trust MBS immediately following the Ginnie Mae Certificate Payment Date in the month preceding the month of that Distribution Date. Such average interest rate may be subject to certain additions, subtractions, multiples, caps, flows and governors.

Weighted Average Coupon........................ With respect to a Series (or, if the Trust MBS are segregated into Trust Asset Groups, the Trust MBS in a designated Trust Asset Group) and for any Distribution Date, the weighted average of the Mortgage Rates of the Mortgage Loans or Participation Interest Rates of the Participations underlying the Trust MBS, weighted on the basis of the respective current principal balances of those Mortgage Loans or Participations immediately following the applicable Ginnie Mae Certificate Payment Date in the month preceding the month of that Distribution Date.

Weighted Average Coupon Rate .... For any Trust REMIC and Distribution Date, the per annum rate of interest equal to the average, expressed as a percentage, of the interest rates on some or all of the Trust REMIC's "qualified mortgages" (as that term is defined in the REMIC Provisions), weighted on the basis of respective current principal balances of such qualified mortgages after giving effect to all payments of principal in the month preceding the month of that Distribution Date. Such average interest rate may be subject to certain additions, subtractions, multipliers, caps, floors and governors as permitted under the REMIC Provisions.

Weighted Average Life .... With respect to any Class, the average amount of time (in years) that will elapse from the date of its issuance until each dollar of principal has been repaid to the investor, determined by (a) multiplying the amount of the net reduction, if any, of the Class Principal Balance (or Class Notional Balance) of such Class from one Distribution Date to the next Distribution Date by the number of years from the Closing Date to such next Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the net reductions of the Class Principal Balance (or Class Notional Balance) of such Class referred to in clause (a).

Weighted Average Loan Age .... With respect to a Series (or, if the Trust MBS are segregated into Trust Asset Groups, the Trust MBS in a designated Trust Asset Group) and for any Distribution Date, the weighted average loan age (in months) of the Mortgage Loans underlying the Trust MBS, weighted on the basis of the respective current principal balances of those Mortgage Loans immediately following the applicable Ginnie Mae Certificate Payment Date in the month preceding the month of that Distribution Date.

Weighted Average Remaining Term to Maturity .... With respect to a Series (or, if the Trust MBS are segregated into Trust Asset Groups, the Trust MBS in a designated Trust Asset Group) and for any Distribution Date, the average of the remaining terms to maturity of the Mortgage Loans underlying the Trust MBS, weighted on the basis of the respective current principal balances of those Mortgage Loans immediately following the applicable Ginnie Mae Certificate Payment Date in the month preceding the month of that Distribution Date.

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