

GINNIE MAE MULTICLASS SECURITIES PROGRAM

Government National Mortgage Association



MULTICLASS SECURITIES GUIDE

**Part VII: Ginnie Mae HREMIC Transactions:
HREMIC Transaction Documents**

March 1, 2020

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MULTICLASS SECURITIES GUIDE
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* For multifamily transactions, additional transaction documents found in Parts I and II of the Multiclass Securities Guide must be delivered, including the Sponsor Agreement, Transfer Affidavit, Closing Flow of Funds Instruction Letter, Supplemental Statement, if applicable, REMIC Trust Agreement, MX Trust Agreement, if applicable, Trustee’s Receipt and Safekeeping Agreement and the Issuance Statement. In addition, opinions of counsel found in Part II of the Multiclass Securities Guide must be delivered, including the Transaction Opinion, Sponsor Opinion, relevant Tax Opinions, Trustee’s Opinion and Opinion of HUD General Counsel.

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* For HREMIC transactions, additional transaction documents found in Parts I and II of the Multiclass Securities Guide must be delivered, including the Sponsor Agreement, Transfer Affidavit, Closing Flow of Funds Instruction Letter, Supplemental Statement, if applicable, REMIC Trust Agreement, MX Trust Agreement, if applicable, Trustee’s Receipt and Safekeeping Agreement and the Issuance Statement. In addition, opinions of counsel found in Part II of the Multiclass Securities Guide must be delivered, including the Transaction Opinion, Sponsor Opinion, relevant Tax Opinions, Trustee’s Opinion and Opinion of HUD General Counsel.

GENERAL OVERVIEW: HREMIC TRANSACTIONS

INTRODUCTORY STATEMENT

Ginnie Mae provides for the guarantee of REMIC (and MX) Securities backed by HECM MBS (“HREMICs”) under the Ginnie Mae Multiclass Securities Program. HECM MBS are Ginnie Mae II MBS that are backed by participation interests in advances made to borrowers and related amounts in respect of home equity conversion mortgages (or HECMs).

The requirements of the Ginnie Mae Multiclass Securities Program are set forth in the Ginnie Mae Multiclass Securities Guide (the “Guide”), which consists of seven parts. Refer to Part I of the Guide for an introduction to, and transaction guidelines for, the Ginnie Mae Multiclass Securities Program generally. This Part VII of the Guide relates to the issuance of a Ginnie Mae HREMIC Security and provides for modifications of the transaction guidelines for such issuance. Capitalized terms that are used but not defined herein have the meanings ascribed thereto in the Glossary contained in Part I of the Guide.

GINNIE MAE HREMIC TRANSACTION DOCUMENTS

Part I of the Guide contains under Heading C., entitled GINNIE MAE REMIC AND MX TRANSACTION DOCUMENTS, a selection of the forms of documents specifically for use in Ginnie Mae REMIC and MX transactions. Part I of the Guide includes the Glossary, Standard Sponsor Provisions and the forms of Sponsor Agreement, Transfer Affidavit and Closing Flow of Funds Letter for REMIC transactions. The forms for the remainder of the documents required to complete single family Ginnie Mae REMIC and MX transactions are included in Part II of the Guide, and most of those forms will be applicable to Ginnie Mae HREMIC transactions. Part II of the Guide includes the REMIC Standard Trust Provisions, MX Standard Trust Provisions and the forms of Closing Checklist, REMIC Trust Agreement, MX Trust Agreement, Trustee’s Receipt and Safekeeping Agreement, Issuance Statement, Transaction Opinion, Sponsor’s Opinion, Tax Opinions, and Trustee’s Counsel’s Opinion for REMIC transactions. These documents apply to all REMIC transactions, regardless of whether the transaction is a single family or HREMIC transaction. Unless otherwise explicitly specified to the contrary, the documentation and fees for a single family REMIC transaction will apply to all HREMIC transactions.

For issuances of HREMIC Securities, the related transaction parties are required to use the forms of documents specifically related to HREMIC transactions contained in this Part VII in lieu of the forms specified in Part I or Part II of the Guide. Any changes to any transaction documents will require prior approval by Ginnie Mae and Ginnie Mae’s Legal Advisor for the HREMIC transaction.

This Part VII also provides information regarding important Ginnie Mae policy regarding HREMIC Trusts.

GINNIE MAE POLICIES REGARDING HREMIC SECURITIES

In connection with offerings of Ginnie Mae HREMIC Securities, Ginnie Mae has determined that:

- Each HREMIC Security issued will be deemed an Increased Minimum Denomination Class and, thus, will be required to be issued in a minimum denomination that results in a minimum purchase price of \$100,000.
- Given the unique properties of HECMs, Ginnie Mae must approve all novel HREMIC structures at least one month prior to the deal cycle in which the Sponsor intends to use the novel structure. Ginnie Mae has approved the specific structures of HREMIC Securities detailed in the form of HREMIC Offering Circular Supplement included in this Part VII. As Ginnie Mae approves additional deal structures, the HREMIC Offering Circular Supplement template may not be updated to reflect those structures. It is the responsibility of the Sponsor to ensure that all HREMIC deal structures have been approved by Ginnie Mae prior to the Final Structure Date in the month the Sponsor intends to use the deal structure.

**FORM OF OFFERING CIRCULAR SUPPLEMENT
FOR HREMIC TRANSACTIONS**

