



550 12th Street, SW, Third Floor  
Washington, DC 20024  
(202) 708-1535

MPM 16-01

January 27, 2016

MEMORANDUM FOR: All Participants in Ginnie Mae Multiclass Securities Program

FROM: Theodore W. Tozer, President

SUBJECT: Notice Regarding Ginnie Mae Reviews of Collateral Modifications of Multifamily and Healthcare Loans Backing Ginnie Mae MBS in REMICs

The purpose of this Multiclass Participants Memorandum (MPM) is to notify Real Estate Mortgage Investment Conduit (REMIC) Sponsors that Ginnie Mae will no longer review collateral modifications of multifamily and healthcare loans in Ginnie Mae mortgage-backed securities (MBS) that back Ginnie Mae REMIC Trusts. For purposes of this MPM, healthcare loans do not include FHA Section 242 hospital loans, which remain subject to the requirements in MPM 11-04. Collateral modifications include, but are not limited to, partial releases of secured property and the addition of real property as mortgage collateral, including modifications necessitated by the origination of some FHA Section 241(a) supplemental loans (241 loans). This policy is effective as of December 30, 2015 - see All Participants Memorandum (APM) 15-22, available on the Ginnie Mae website at [www.ginniemae.gov](http://www.ginniemae.gov).

Section 241(a) of the National Housing Act authorizes supplemental loans to finance repairs, additions, and improvements to multifamily projects and healthcare facilities insured by FHA. The 241 loans are subordinated to the existing first lien FHA-insured loans, the bulk of which are securitized into Ginnie Mae MBS and then placed into REMICs. Some 241 loans require collateral modifications of the first lien loan documents to allow expansion of the existing insured project sites to accommodate new construction.

Ginnie Mae requested IRS clarification of the tax consequences of collateral modifications to multifamily and healthcare loans that collateralize Ginnie Mae MBS held by Ginnie Mae REMIC Trusts. The IRS provided Ginnie Mae such clarification in a general information letter and, as a result, Ginnie Mae will no longer conduct independent reviews of these collateral modifications.

Sponsors of Ginnie Mae Multifamily REMIC Pass-Through Securities are reminded that loans backing MBS to be placed in REMICs must be eligible for REMIC pooling,



Mailing Address  
451 Seventh Street SW, B-133  
Washington, DC 20410

including the requirement that the loans be principally secured by real property, in accordance with IRS regulations and Ginnie Mae requirements.

Please call Ginnie Mae's Office of Capital Markets at (202) 475-7820 with any questions or comments regarding this announcement.