

September 24, 2020

APM 20-13

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Eric Blankenstein, Executive Vice President and Chief Operating Officer

SUBJECT: Notification regarding Loans after Deferment Loss Mitigation

In support of the relief and loss mitigation options made available to borrowers affected by COVID-19, VA Circular [26-20-33 "Deferment as a COVID-19 Loss Mitigation Option for CARES Act Forbearance Cases"](#) clarifies the circumstances under which a deferment may be exercised as a loss mitigation option after a forbearance period. In light of this circular, Ginnie Mae is hereby reminding Issuers that existing MBS Program requirements may impact the pooling eligibility of loans where a deferment is exercised as a loss mitigation option or as part of an informal workout agreement.

Considerations for Pooled Loans

For any pooled loan, the deferment loss mitigation option can be exercised without repurchasing the loan from the pool. Repurchasing the loan from the pool prior to exercising the deferment will subject the loan to existing re-pooling restrictions. Once a deferment is exercised, Ginnie Mae allows the Issuer to treat the loan as current for investor accounting as well as pool and loan reporting purposes. Any new delinquency that occurs after the deferment must be treated as a regular delinquency going forward.

Considerations for Non-Pooled Loans

Any loan that is not pooled at the time the deferment option is exercised becomes a Re-Performing Loan within the meaning of Chapter 18 of the MBS Guide and is subject to the restrictions announced in APM 20-07. Please note that Ginnie Mae's MBS Program pooling eligibility requirements prohibit Issuers from delivering mortgages that combine the deferment option with a loan modification. For example, a loan modification agreement that reflects the deferment as a lump sum payment due at maturity is not considered a level-payment loan and is therefore ineligible for inclusion in any Ginnie Mae single-family MBS.

Chapter 24 Part 2 § A (2) has been modified in accordance with this memorandum and is effective immediately. If you have further questions, please contact your Account Executive in the Office of Issuer and Portfolio Management directly.

