

December 16, 2020

APM 20-19

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

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

SUBJECT: Limited Extension to Securitization Deadline for LIBOR Based Home Equity Conversion Loans (HECM)

Ginnie Mae published APM 20-12, Ineligibility of LIBOR Products for Single-Class MBS, on September 21, 2020. APM 20-12 prohibited the securitization of new LIBOR-Based adjustable rate HECMs effective with HMBS issued on January 1, 2021 or later. After further consideration of the impact of the COVID-19 Pandemic on a lender's ability to close HECM transactions that were initiated prior to the publication of APM 20-12, Ginnie Mae is hereby extending the deadline for securitization of new LIBOR Based HECMs as follows.

Ginnie Mae will restrict the eligibility of new adjustable rate HECMs for securitization into any HMBS pool type that relies on LIBOR, including pool types "C AL" and "C ML," effective with HMBS issued on or after March 1, 2021. This means that the *first* participation of any LIBOR-Based HECM must be securitized into HMBS with an Issue Date of February 1, 2021 or earlier to remain eligible for securitization under Ginnie Mae's program. Subsequent Participations—that is participations other than the first participation—that are associated with a HECM loan that is backing HMBS with an Issue Date of February 1, 2021 or earlier will continue to be eligible for securitization without restriction until further notice.

Chapter 35 of the MBS Guide, 5500.3, Rev-1 has been amended in accordance with this memorandum. If you have any additional questions please contact your Account Executive in the Office of Issuer and Portfolio Management.

