

June 29, 2020

APM 20-07

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Seth Appleton, Principal Executive Vice President

SUBJECT: Temporary Pooling Restrictions on Re-performing Loans

In supporting the borrower relief and loss mitigation options made available by the federal mortgage programs, Ginnie Mae seeks to ensure that transactional activity related to these options does not impair market confidence in Ginnie Mae securities. Two borrower relief options, FHA's National Emergency Standalone Partial Claim and USDA's Mortgage Recovery Advance, do not require that loans be bought out of pools in cases where the terms of the loan will not need to be modified. To ensure that loan buyout activity is aligned with borrower and MBS program interests, Ginnie Mae is implementing the pooling eligibility restrictions detailed below while continuing to provide for buyout transactions that are appropriate and necessary.

New Terms

Chapter 18 is incorporating three new terms, "Re-performing Loan", "Timely Payment", and "Delinquent" to define the new pooling eligibility requirements and to ensure that the same are not more restrictive than necessary. The term "Re-performing Loan" means a mortgage loan that is not more than 30 days Delinquent, that was previously bought out from a pool or loan package backing a Ginnie Mae MBS, and that retains the same rate and terms as the rate and terms associated with such loan on the date the loan was previously securitized in a Ginnie Mae MBS. The term "Delinquent" means a mortgage loan with a full monthly payment that is due but unpaid regardless of reason, including loans in forbearance that are not treated as delinquent for other credit or servicing purposes. The term "Timely Payment" means a full monthly mortgage payment made by a borrower no more than 30 calendar days from its scheduled due date.

New Pooling Eligibility Requirements for Certain Re-performing Loans

Effective immediately, any Re-performing Loan that entered into forbearance, of any type, regardless of duration, on or after March 1, 2020, and is bought out on or after July 1, 2020, as reflected in the Issuer's servicing system of record, is ineligible collateral for Ginnie Mae securities backed by any existing pool types. Re-performing Loans will be eligible collateral for securities backed by C RG pools, a new pool type being deployed by Ginnie Mae to securitize the Re-performing Loans affected by this memorandum **but only if**:

- (1) the borrower has made Timely Payments for the six (6) months immediately preceding the issuance month associated with the MBS, and



(2) the Issue Date of the MBS is at least 210 days from the last date the loan was Delinquent.

Ginnie Mae will issue a subsequent All Participants Memorandum announcing updates to these temporary restrictions. Please note that these temporary restrictions apply only to Re-performing Loans, and not to Modified Loans. “Modified Loans” which are mortgage loans that have undergone a rate and/or term modification pursuant to a duly executed loan modification agreement, may continue to be repooled without restriction, assuming they meet all other MBS Guide and Guaranty Agreement requirements.

Chapter 24 Part 2 § A (2) and Chapter 18 Part 3 § B (5) of the MBS Guide have been amended in accordance with this memorandum. If you have further questions, please contact your Account Representative in the Office of Issuer and Portfolio Management directly.



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