

December 4, 2020

**APM 20-16**

**MEMORANDUM FOR:** All Participants in Ginnie Mae Programs

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

**SUBJECT:** New Applicant Eligibility Requirements

The purpose of this Memorandum is to update Ginnie Mae Issuer eligibility requirements for new applicants to enable each applicant to better assess its readiness, to enhance the application process experience, and to facilitate greater understanding of the evaluation process. Effective immediately, Ginnie Mae is revising the MBS Guide to delineate in greater detail the corporate or entity-level qualifications as well as the staff experience requirements that each applicant must have at the time of the application.

### **Requirements for All Applicants**

Currently, the Guide contains minimum requirements with respect to the following: good corporate standing, FHA approval, the extent of corporate servicing experience, legal and physical office separation, staff experience levels, and staff composition. With this APM, Ginnie Mae is updating Chapter 2 Part 3 (1) to more specifically require applicants to have retained FHA approval for a minimum of three years. Ginnie Mae is also modifying Chapter 2 Part 6 to incorporate new paragraphs 1 and 2, which delineate additional specific requirements for all applying entities and their staff.

### **Requirements for Single-Family Applicants**

Ginnie Mae is also identifying additional factors assessed in determining whether a Single-Family applicant satisfies the corporate servicing experience requirement under Chapter 2, Part 6. Under the revisions, an applicant must have a minimum of two years of corporate servicing portfolio management experience with respect to both performing and non-performing loans. The applicant must also demonstrate that the size of the servicing portfolio met minimum monthly average unpaid principal balance requirement during the 12 consecutive months prior to application. For more information regarding the servicing experience requirements for Single-Family applicants, please see Chapter 2, Part 6 § (3)(a).

### **Requirements for Multifamily Applicants**

Chapter 2 Part 6 § (3)(b) updates requirements for Multifamily applicants. The revisions specify that the applicant must be an approved FHA Multifamily Accelerated Processing (“MAP”) lender



at the time of application. Moreover, the applicant must have a five-year history of FHA mortgage originations and a five-year history of performing its own FHA Multifamily servicing.

### **Effective Date**

The revised eligibility requirements apply to both new applications as well as applications that have been submitted to Ginnie Mae and are pending approval decision as of the publication of this APM. Any applicant that has submitted an application that is pending Ginnie Mae's approval as of the date of this APM may utilize one of the following two options if desired:

(1) Amend its application by submitting additional documentation by January 4, 2021. Any applicant who has submitted an application as of November 20, 2020 and wants to provide additional materials should email the Issuer Applications Processing Team at [USDeloitteGinnieMaeSFApplications@deloitte.com](mailto:USDeloitteGinnieMaeSFApplications@deloitte.com).

(2) Withdraw the application without prejudice. The applicant will be permitted to resubmit the application in the future without having to pay additional application fees.

Chapter 2 Part 3 (1) and Part 6 have been modified in accordance with this Memorandum. If you have further questions, please contact your Account Executive in the Office of Issuer and Portfolio Management directly.



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