

## CHAPTER 34. SPECIAL ASSISTANCE PROGRAMS

### PART 1. OVERVIEW OF CHAPTER

*Effective Date: 2017-10-04*

From time to time, Ginnie Mae may offer special assistance to Issuers in connection with initiatives by the President of the United States, the Congress, or Federal agencies.

This chapter describes the special assistance programs offered by Ginnie Mae and the terms and conditions under which such programs are made available to eligible Issuers.

### PART 2. DISASTER ASSISTANCE PROGRAMS

Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act), the President has the authority to declare a major disaster for any area that has been affected by damage of sufficient severity and magnitude to warrant major disaster assistance. When the President declares a major disaster, Ginnie Mae may, at its sole discretion, extend to Issuers one or more of the Disaster Assistance Programs identified in this MBS Guide, Ch. 34, Part 2. Ginnie Mae will announce through an All Participants Memorandum (APM) if Disaster Assistance Programs will be made available for a given major disaster as well as the expiration date for each program. These disaster assistance programs are not available until authorized by a Disaster APM.

#### Section A. Definitions

*Effective Date: 2017-10-04*

For purposes of the Disaster Assistance Programs identified in this chapter, the following definitions shall apply.

“Eligible Loan” means any single-family forward mortgage loan for which (1) the property securing the loan is located within a Designated Disaster Area, or (2) for which the borrower is experiencing economic hardship related to the designated disaster, as established by the underlying federal insuring or guaranteeing agency, including loans secured by properties outside a Designated Disaster Area.

“Eligible Month” means any month in which one or more of the Disaster Assistance Programs detailed in this MBS Guide, Ch. 34, Part 2 are available as described in the applicable Disaster APM.

“Designated Disaster Area” means the geographic region covered by a presidential declaration under the Stafford Act of a major disaster, also referred to as Presidentially-Declared Major Disaster Areas (PDMDA) that is the subject of a Disaster APM. For each PDMDA, Issuers may contact the Federal Emergency Management Agency (FEMA) to obtain information on the related counties and their corresponding declaration dates. This PDMDA information may be obtained directly from the FEMA website at [www.fema.gov/disasters](http://www.fema.gov/disasters) or by contacting their local FEMA office.

“Disaster APM” means an All Participants Memorandum that identifies the Presidential disaster declaration(s) underlying Ginnie Mae’s decision to activate and implement its Disaster Assistance Program(s), the specific Disaster Assistance Program(s) that will be made available for such disaster(s), and the expiration date for each Disaster Assistance Program.

“Qualifying Portfolio” means, an Issuer’s Ginnie Mae loan portfolio if five percent (5%) or more of its unpaid pool principal balance corresponds to loans located within the Designated Disaster Area, based on an Issuer’s most recent report of pool, loan package, and loan data in Ginnie Mae’s Reporting and Feedback System (“RFS”).

## **Section B. Disaster Relief Loan Buyout Authority Program**

*Effective Date: 2017-10-04*

- (1) Program Description. The Disaster Relief Loan Buyout Authority Program enables Issuers to buy out eligible loans, subject to Ginnie Mae approval, even if the loans are not delinquent, or do not otherwise meet the conditions for a buyout detailed under Ginnie Mae’s standard terms in MBS Guide, Ch. 14 or 18.
- (2) Program Requirements. Issuers must receive Ginnie Mae’s written permission to buy out loans under this provision. To request such permission, an Issuer must use the Transmittal Form Letter for Disaster Relief Buyout Requests (Appendix XI-05), in the manner prescribed by the relevant Disaster APM.

The Issuer must provide Ginnie Mae the loan-level information required by the form letter for each loan identified therein. Ginnie Mae may, at its sole discretion, approve or reject a request, in whole or in part.

The Disaster Relief Buyout Request Letter must be signed by an individual authorized to act on behalf of the Issuer, as listed in the Issuer’s current Form HUD 11702, who will certify on behalf of the Issuer that each loan listed in the request meets the eligibility requirements discussed above, and that the Issuer is buying out the loan in order to provide relief to the homeowner.

- (3) Buyout Amount. If an Issuer’s request is approved, the Issuer must buy the loans out of the pools for the unpaid principal balance of each loan, less any unreimbursed advances previously made by the Issuer.
- (4) Impact on Re-Pooling. A loan that is bought out under the authority of this disaster relief provision will be eligible for repooling only if it has successfully undergone a loan modification in compliance with the guidelines of the applicable federal agency guaranteeing or insuring the loan. The resulting loan modification must meet Ginnie Mae’s standard pooling parameters and documentation requirements for loan modifications.

Please note that refinanced loans are not restricted as to pooling since a refinanced loan is a new loan and must only meet the eligibility loan criteria in the MBS Guide Ch. 9, Part 2 of this Guide.

## **Section C. Delinquency and Default Ratio Disaster Assistance Program**

*Effective Date: 2017-10-04*

- (1) Program Description. The MBS Guide, Ch.18, Part 3 provides the delinquency and default thresholds used by Ginnie Mae in determining whether to approve commitment authority requests, pool number requests, and Transfers of Issuer Responsibility. Under the Delinquency and Default Ratio Disaster Assistance Program, Ginnie Mae may, in its sole discretion, and upon request from an Issuer, exclude Eligible Loans from

calculations of delinquency and default ratios identified in the MBS Guide, Ch. 18, Part 3.

- (2) Program Requirements. When the program is made available pursuant to a Disaster APM, Issuers must request the exclusion of Eligible Loans directly from their assigned Account Executive. The Account Executive will instruct the Issuer how to submit necessary loan information, if any. Ginnie Mae will inform the Issuer in writing whether its request is approved, and if approved the expiration date of the exemption.

#### **Section D. Pass-Through Assistance Program**

**Effective Date: 2017-10-04**

- (1) Program Description. Under the Pass-Through Assistance Program, Ginnie Mae may assist Issuers with pass-through payments to investors if the Issuer has a Qualifying Portfolio in accordance with this MBS Guide, Ch. 34, Part 2. The specific and limited purpose of this program is to allow Issuers facing a temporary liquidity shortfall that is directly attributable to a major disaster to receive the benefit of the Ginnie Mae guaranty without the consequence of termination and extinguishment. Requests for assistance under this program should only be made by an Issuer as a “last resort.” A request for assistance is a basis for a default. In underwriting requests for assistance, Ginnie Mae will assess whether there are sufficient grounds to expect the timely repayment of governmental advance. This program is not intended to provide long-term financing , or to address the full extent of solvency issues that an Issuer might face as the result of a disaster.
- (2) Program Requirements. Issuers must request assistance within the timeline as provided in the applicable Disaster APM. The Disaster APM will also identify the Eligible Months for the Pass-Through Assistance Program.

Issuers may request Pass-Through Assistance only for a particular month. If an Issuer requires Pass-Through Assistance for multiple months, the Issuer must submit a request for each individual succeeding Eligible Month, as detailed below.

The terms of repayment for each month that Ginnie Mae extends Pass-Through Assistance are detailed further below.

Issuers may request assistance only after receiving the final pre-collection notice corresponding to the applicable reporting month.

The Issuer must request assistance in accordance with the following procedures:

- (a) Initial Application. For each Eligible Month for which assistance is requested, the Issuer will sign and submit, no earlier than the seventh 7<sup>th</sup> Business Day of each month, and at least three calendar days prior to that month’s remittance date or ACH date, the following:

a single copy of a Request for Disaster Assistance (Appendix XI-1) (a Request), properly executed by an authorized corporate official;

two copies of a Supervisory Agreement (Appendix XI-2), properly executed by an authorized corporate official;

a single copy of Wire Instructions to Transmit Funds to Issuer from Ginnie Mae (Appendix XI-3) that identifies the applicable P&I Custodial Account(s) that is (are) subject to master agreement(s) in the form prescribed by Ginnie Mae; and

A signed statement, on the Issuer's letterhead, articulating the Issuer's previous efforts in obtaining private financing for the subject shortfalls as well as the Issuer's plan for repaying any funds advanced by Ginnie Mae. Ginnie Mae may request additional supporting documentation.

The Issuer must send these documents electronically in PDF, and where applicable, in Excel format to [pida@hud.gov](mailto:pida@hud.gov). The Issuer must also send the original hard copy of each document by express mail to the Senior Vice President of the Office of Issuer & Portfolio Management Attention: Declared Disaster (see Summary of Addresses).

These documents are applicable under both the Ginnie Mae I MBS Program and the Ginnie Mae II MBS Program.

Ginnie Mae may request additional documentation to support the Issuer's signed statement.

Each of these documents must be signed by an individual authorized to act on behalf of the Issuer as listed in the Issuer's current Form HUD 11702.

(b) Ginnie Mae Determination. If Ginnie Mae approves the Request, it will execute the Supervisory Agreements and return one copy to the Issuer. Ginnie Mae will wire the requested advances directly into the Issuer's P&I custodial accounts at times that will enable the Issuer to make payments to security holders at the times specified in MBS Guide, Ch. 15. If Ginnie Mae denies the Request, it will notify in writing the Issuer of the denial.

(c) Computation of Available Pass-Through Assistance

The Issuer will compute the amount of the advance requested from Ginnie Mae for each eligible month as follows:

(a) Determine the total amount necessary to make payments to security holders that will be required for the Eligible Loans in the Eligible Month that is the subject of the request.

Determine the total amount of funds available to the Issuer to satisfy the amount computed in paragraph (i), including borrower collections for the applicable month and any Issuer funds being applied to meet advance obligations.

Subtract the amount computed in paragraph (ii) above from the amount computed in paragraph (i) above. The balance is the amount of Ginnie Mae advance assistance (eligible assistance) that the Issuer will be eligible for in the Eligible Month that is the subject of the request.

The computations in paragraphs (i), (ii), and (iii) above, must be reflected in the corresponding fields of the executed Request for Disaster Pass-Through Assistance, Appendix XI-01.

- (3) **Repayment Responsibility.** An Issuer that receives an eligible advance from Ginnie Mae will be obligated to repay it to Ginnie Mae according to the terms set forth in the applicable Supervisory Agreement. The applicable interest rate is the rate that Ginnie Mae pays for its monthly borrowing from the Treasury Department during the month of the related eligible advance. Issuers should use Ginnie Mae Payment Instructions in MBS Guide, Ch. 6 to make the required repayments. Although the specified repayment dates and the associated Supervisory Agreements are not expected to be extended, they may be extended in the sole discretion of the President of Ginnie Mae.
- (4) **Default Status.** Under the applicable Supervisory Agreement, the Issuer will be considered in default under the governing Guaranty Agreement or Contractual Agreement. If Ginnie Mae executes the Supervisory Agreement, Ginnie Mae will forbear from exercising its right to extinguish the Issuer's rights and will allow the Issuer to remedy its default by repaying each eligible advance to Ginnie Mae, together with required interest, within 90 days of the date of Ginnie Mae's payment of that eligible advance. Execution of the Supervisory Agreement does not obligate Ginnie Mae to forbear from exercising its rights in the event of a default by the Issuer for a basis other than a default due to the Issuer's request for eligible advances.

Although an Issuer will be in default as a result of its request for eligible advances pursuant to this chapter, the Issuer's ability to obtain commitments, issue securities, or transfer Issuer responsibility will not be affected so long as it complies with the Supervisory Agreement executed by Ginnie Mae and all other applicable Ginnie Mae I and Ginnie Mae II MBS Program requirements. If Ginnie Mae denies the Request, the Issuer's ability to obtain commitments, issue securities, or transfer Issuer responsibility may be affected.

### **Section E. Pass-Through Assistance Program Related to COVID-19 for Single Family Issuers**

**Effective Date: 2020-04-10**

- (1) **Program Description.** Under the Pass-Through Assistance Program Related to COVID-19, Ginnie Mae may assist Issuers under the Single-Family program with pass-through payments to investors if the Issuers are facing a temporary liquidity shortfall directly attributable to the national emergency declared by the President on March 13, 2020 (PTAP/C19). PTAP/C19 will assist these Issuers with their obligations under the Ginnie Mae program without the consequence of termination and extinguishment. Neither a request for assistance, nor the actual provision of assistance under this program, will, in and of itself, constitute a basis for default. An Issuer should make a request for PTAP/C19 only as a "last resort." Ginnie Mae will assess whether there are sufficient grounds to expect the timely repayment of any PTAP/C19 advance. This program is not intended to address the full extent of solvency issues that an Issuer might face as a result of COVID-19.
- (2) **Program Requirements.** Issuers may request PTAP/C19 assistance only once per month to cover shortfalls on the principal and interest (P&I) due to mortgage-backed security (MBS) holders the month that the request is made. PTAP/C19 funds may be used only to cover shortfalls in the P&I owed to MBS security holders associated with loans that are delinquent, which includes loans in forbearance, as of the date that each request for

assistance is submitted. PTAP/C19 funding may not be used to cover other Issuer operational or servicing costs.

An Issuer must request assistance in accordance with the following procedures:

- a. Required Documents for Initial Application for Assistance. Issuers will be required to execute and submit the following documents on the date that the first monthly request for Ginnie Mae assistance is made under PTAP/C19.
  - (i) A single copy of the Request for Pass Through Assistance Related to COVID-19 and Repayment Agreement, Appendix XI-01A of the MBS Guide (Request and Repayment Agreement), properly executed by an authorized corporate official identified in the form HUD 11702 for the Issuer. Appendix XI-01A provides instructions for the Issuer to compute the maximum amount of assistance available for the upcoming Ginnie Mae I and Ginnie Mae II MBS remittances. The maximum monthly assistance amount is based on the sum of the P&I remittance due investors on loans for which the Issuer did not receive a full monthly payment from the borrower, regardless of the reason for the missed payment.
  - (ii) Two copies of the Master Supervisory Agreement, Appendix XI-02A of the MBS Guide, properly executed by an authorized corporate official. The Master Supervisory Agreement with any attachments will provide the terms applicable to all advances received from Ginnie Mae under this program and the corresponding Request and Repayment Agreements.
  - (iii) A signed statement, on the Issuer's letterhead, articulating the Issuer's previous efforts in obtaining private financing or other assistance for the subject shortfalls as well as the Issuer's plan for repaying any funds advanced by Ginnie Mae. Ginnie Mae may request additional supporting documentation.
- b. Required Documents for Subsequent Applications for Assistance. Once an Issuer receives PTAP/C19 funding from Ginnie Mae for an initial remittance cycle, for subsequent cycles for which assistance is sought, the Issuer will only be required to submit a new Request and Repayment Agreement and any other supporting documentation required by the Master Supervisory Agreement, or otherwise requested by Ginnie Mae. The original Master Supervisory Agreement will govern all subsequent advances made by Ginnie Mae to the Issuer under Request and Repayment Agreements. Ginnie Mae's approval and execution of any Request and Repayment Agreement does not constitute approval of PTAP/C19 requests for months other than the month in which each such request is submitted. Ginnie Mae shall evaluate each PTAP/C19 request in the month requested and retains sole discretion to approve or reject requests submitted in subsequent months.

All PTAP/C19-related documents that require a signature must be signed by an officer of the Issuer listed on the Issuer's Resolution of Board of Directors and

Certificate of Authorized Signatures, Form HUD 11702, in effect as of the date the corresponding Request and Repayment Agreement is submitted.

- c. **Monthly Deadline for Requests.** All requests for PTAP/C19, including the required documents identified in bullets (a) and (b) above, must be submitted no earlier than the fifth (5th) business day of the month and no later than the sixth (6th) business day of each month. In cases where Ginnie Mae requires additional information from the Issuer, including the Issuer's financial data, such additional documentation must be provided within the timeline identified by Ginnie Mae in the Master Supervisory Agreement, or as otherwise required by Ginnie Mae in writing. A failure to submit the documents timely and accurately may result in an automatic rejection of the request.
  - d. **Submission of Request.** All documents required for a PTAP/C19 request must be submitted via email to [PTAP@hud.gov](mailto:PTAP@hud.gov) by the deadlines provided above. The email subject line must include the Issuer ID, Issuer Name, and the month and year of the request. Issuers must also retain physical copies of the Master Supervisory Agreement and Request and Repayment Agreements bearing the wet signatures, which must be mailed to Ginnie Mae upon request.
  - e. **Notification of Approval.** Ginnie Mae will notify the Issuer in writing about its determination to approve or reject the request for assistance no later than one business day prior to the date that the corresponding monthly remittance payment is due, which may differ depending on whether the Issuer requested assistance Ginnie Mae I, Ginnie Mae II, or both.
  - f. **Upon approval of any Request and Repayment Agreement,** Ginnie Mae shall also execute the Request and Repayment Agreement, provide a copy of said Agreement to the Issuer, and inform the Issuer in writing that such request has been approved.
  - g. **After the Issuer and Ginnie Mae have executed the Request and Repayment Agreement,** and no later than the date the corresponding monthly remittance is due, Ginnie Mae shall deposit the approved Payment via ACH transfer directly into Central P&I Custodial Account identified in the Form HUD 11709 and Form HUD 11709A in effect for the Issuer on the date the Issuer submitted the Request and Repayment Agreement. Ginnie Mae shall make this Payment in order to comply with its guaranty obligations to the MBS holders.
- (3) **Repayment of Funds Received Under PTAP/C19.** Each monthly disbursement made by Ginnie Mae under PTAP/C19 will be governed by the terms of the Master Supervisory Agreement (Appendix XI-02A), and the terms of all related Request and Repayment Agreements (Appendix XI-01A). The Ginnie Mae advance associated with each Repayment Agreement, together with interest, will be due on the last calendar day of the month that is the seventh month from the month in which the corresponding investor remittance was made, or on July 30, 2021, whichever is earlier. If the last calendar day of the month falls on a weekend or a public holiday, the payment will be due on the last business day before this last calendar day of the month. For example, Ginnie Mae funds advanced under PTAP/C19 to cover May 2020 investor remittances are due December 31, 2020.

- (4) Seniority of Obligations to Repay Funds Received Under PTAP/C19. Third-party financiers of Ginnie Mae P&I servicing advances should note that, in the event of Issuer Default, repayment of third-party financed servicing advances is subordinate to repayment of advances made by Ginnie Mae under PTAP/19 as provided under the Master Supervisory Agreement Requirements, Appendix XI-02A.
- (5) Default Status. While neither a request for assistance under PTAP/C19, nor the actual provision of assistance, will, in and of itself, constitute a basis for default under the Guaranty Agreement, any default under the Master Supervisory Agreement (Appendix XI-02A in the MBS Guide), related Repayment Agreements, or any other terms of the Guaranty Agreement will constitute an event of default under the MBS Guide and the Guaranty Agreement.

## **Section F. Pass-Through Assistance Program Related to COVID-19 for Multifamily Issuers**

**Effective Date: 2020-05-04**

- (1) Program Description. Under the Pass-Through Assistance Program Related to COVID-19, Ginnie Mae may assist Issuers under the Multifamily program with pass-through payments to investors if the Issuers are facing a temporary liquidity shortfall directly attributable to the national emergency declared by the President on March 13, 2020 (PTAP/C19). PTAP/C19 will assist these Issuers with their obligations under the Ginnie Mae program without the consequence of termination and extinguishment. Neither a request for assistance, nor the actual provision of assistance under this program, will, in and of itself, constitute a basis for default. An Issuer should make a request for PTAP/C19 only as a “last resort.” Ginnie Mae will assess whether there are sufficient grounds to expect the timely repayment of any PTAP/C19 advance. This program is not intended to address the full extent of solvency issues that an Issuer might face as a result of COVID-19.
- (2) Program Requirements. Issuers may request PTAP/C19 assistance only once per month to cover shortfalls on the principal and interest (P&I) due to mortgage-backed security (MBS) holders the month that the request is made. PTAP/C19 funds may be used only to cover shortfalls in the P&I owed to MBS security holders associated with loans that are in forbearance as of the date that each request for assistance is submitted. PTAP/C19 funding may not be used to cover other Issuer operational or servicing costs. Issuers seeking PTAP/C19 assistance for Single Family and Multifamily pools and loan packages must submit requests under each program. Issuers will need to submit and execute two sets of the Request and Repayment Agreement as well as the Master Supervisory Agreement, the set that corresponds to Single Family (Appendix XI-01A and Appendix XI-02A) as well as the set that corresponds to Multifamily (Appendix XI-01B and Appendix XI-02B). The submission of these documents must satisfy the requirements associated with each program, including submission deadlines delineated in this Chapter.

An Issuer must request assistance in accordance with the following procedures:

- (a) Required Documents for Initial Application for Assistance. Issuers will be required to execute and submit the following documents on the date that the first monthly request for Ginnie Mae assistance is made under PTAP/C19.

- (i) A single copy of the Request for Pass Through Assistance Related to COVID-19 and Repayment Agreement, Appendix XI-01B of the MBS Guide (Request and Repayment Agreement), properly executed by an authorized corporate official identified in the Issuer's Resolution of Board of Directors and Certificate of Authorized Signatures, Form HUD 11702 (Form HUD 11702) for the Issuer. Appendix XI-01B provides instructions for the Issuer to compute the maximum amount of assistance available for the upcoming remittances. The maximum monthly assistance amount is based on the sum of the P&I remittance due investors on loans for which the Issuer did not receive a full monthly payment from the borrower, regardless of the reason for the missed payment.
  - (ii) A single copy of the Master Supervisory Agreement – Multifamily Program, Appendix XI-02B of the MBS Guide, properly executed by an authorized corporate official identified in the Form HUD 11702 for the Issuer. The Master Supervisory Agreement – Multifamily Program with any attachments will provide the terms applicable to all advances received from Ginnie Mae under this program and the corresponding Request and Repayment Agreements.
  - (iii) A signed statement, on the Issuer's letterhead, articulating the Issuer's previous efforts in obtaining private financing or other assistance for the subject shortfalls as well as the Issuer's plan for repaying any funds advanced by Ginnie Mae. Ginnie Mae may, in its sole discretion, request additional supporting documentation.
- (b) Required Documents for Subsequent Applications for Assistance. Once an Issuer receives PTAP/C19 funding from Ginnie Mae for an initial remittance cycle, for subsequent cycles for which assistance is sought, the Issuer will only be required to submit a new Request and Repayment Agreement and any other supporting documentation required by the Master Supervisory Agreement, or otherwise requested by Ginnie Mae, in its sole discretion. The original Master Supervisory Agreement executed as part of this PTAP/C19 will govern all subsequent advances made by Ginnie Mae to the Issuer under Request and Repayment Agreements. Ginnie Mae's approval and execution of any Request and Repayment Agreement does not constitute approval of PTAP/C19 requests for months other than the month in which each such request is submitted. Ginnie Mae shall evaluate each PTAP/C19 request in the month requested and retains sole discretion to approve or reject requests submitted in subsequent months.

All PTAP/C19-related documents that require a signature must be signed by an officer of the Issuer listed on the Issuer's Resolution of Board of Directors and Certificate of Authorized Signatures, Form HUD 11702, in effect as of the date the corresponding Request and Repayment Agreement is submitted.

- (c) Monthly Deadline for Requests. All requests for PTAP/C19, including the required documents identified in bullets (a) and (b) above, must be submitted no earlier than the fifth (5th) business day of the month and no later than the sixth (6th) business day of each month. In cases where Ginnie Mae requires

additional information from the Issuer, including the Issuer's financial data, such additional documentation must be provided within the timeline identified by Ginnie Mae in the Master Supervisory Agreement – Multifamily Program, or as otherwise required by Ginnie Mae in writing. A failure to submit the documents timely and accurately may result in an automatic rejection of the request.

- (d) **Submission of Request.** All documents required for a PTAP/C19 request must be submitted via email to [PTAP@hud.gov](mailto:PTAP@hud.gov) by the deadlines provided above. The email subject line must include the Issuer ID, Issuer Name, and the month and year of the request. Issuers must also retain physical copies of the Master Supervisory Agreement – Multifamily Program and Request and Repayment Agreements bearing the wet signatures, which must be mailed to Ginnie Mae upon request.
  - (e) **Notification of Approval.** Ginnie Mae will notify the Issuer in writing about its determination to approve or reject the request for assistance no later than one business day prior to the date that the corresponding monthly remittance payment is due.
  - (f) **Upon approval of any Request and Repayment Agreement,** Ginnie Mae shall also execute the Request and Repayment Agreement, provide a copy of said Agreement to the Issuer, and inform the Issuer in writing that such request has been approved.
  - (g) **After the Issuer and Ginnie Mae have executed the Request and Repayment Agreement,** and no later than the date the corresponding monthly remittance is due, Ginnie Mae shall deposit the approved Payment via ACH transfer directly into Central P&I Custodial Account identified in the Form HUD 11709 and Form HUD 11709-A in effect for the Issuer on the date the Issuer submitted the Request and Repayment Agreement. Ginnie Mae shall make this Payment in order to comply with its guaranty obligations to the MBS holders.
- (3) **Repayment of Funds Received Under PTAP/C19.** Each monthly disbursement made by Ginnie Mae under PTAP/C19 will be governed by the terms of the Master Supervisory Agreement – Multifamily Program (Appendix XI-02B), and the terms of all related Request and Repayment Agreements (Appendix XI-01B). The Ginnie Mae advance associated with each Repayment Agreement, together with interest, will be due on the last calendar day of the month that is the twelfth month from the month in which the corresponding investor remittance was made, or on December 31, 2021, whichever is earlier. If the last calendar day of the month falls on a weekend or a public holiday, the payment will be due on the last business day before this last calendar day of the month. For example, Ginnie Mae funds advanced under PTAP/C19 to cover May 2020 investor remittances are to be repaid to Ginnie Mae no later than May 31, 2021.
- (4) **Seniority of Obligations to Repay Funds Received Under PTAP/C19.** Third-party financiers of Ginnie Mae P&I servicing advances should note that, in the event of Issuer Default, repayment of third-party financed servicing advances is subordinate to

repayment of advances made by Ginnie Mae under PTAP/19 as provided under the Master Supervisory Agreement Requirements, Appendix XI-02B.

- (5) Default Status. While neither a request for assistance under PTAP/C19, nor the actual provision of assistance, will, in and of itself, constitute a basis for default under the Guaranty Agreement or Ginnie Mae regulations, any default under the Master Supervisory Agreement – Multifamily Program (Appendix XI-02B), related Repayment Agreements, or any other terms of the Guaranty Agreement will constitute an event of default under the MBS Guide, Ginnie Mae regulations, and the Guaranty Agreement.

### **PART 3. FEDERAL SERVICEMEMBERS CIVIL RELIEF ACT (SCRA) INTEREST SHORTFALL ASSISTANCE**

The federal Servicemembers Civil Relief Act (SCRA) provides that no obligation or liability bearing interest at a rate in excess of 6% a year incurred by a borrower before the borrower enters active military duty shall, during the borrower's period of active military duty and for one year thereafter, bear interest at a rate in excess of 6% a year. Once the borrower's period of active military duty and one year thereafter is over, the Issuer is permitted to collect the rate of interest provided for in the mortgage.

SCRA relief is an obligation between the Issuer and the borrower as established by statute (50 U.S.C. app. § 527). Ginnie Mae is authorized to reimburse Issuers for interest relief provided under the SCRA for the borrower's period of active military duty, and as set forth below for up to one year following the active duty period.

Ginnie Mae reimburses Issuers for interest forgiven under the SCRA for one year after a borrower's period of active military duty provided that the borrower was on active duty on or after July 30, 2008, as provided for in the Housing and Economic Recovery Act (HERA) of 2008.

Issuers must comply with the SCRA interest forgiveness provisions, and for any payment shortfalls that are not reimbursable, fund out of the Issuer's own corporate funds to ensure timely payment to security holders.

Issuers are reminded that the difference between the payment due on an eligible loan at the original interest rate and the payment due at the rate permitted by SCRA is not considered an advance by the Issuer, and therefore, cannot be funded by excess funds, as defined in MBS Guide, Ch. 15, Part 5, § A, or by any other funds in the related P&I custodial account. Moreover, SCRA does not permit Issuers to collect these payment shortfalls from the borrower at a later date. The shortfall must be funded each month entirely out of the Issuer's own corporate funds and deposited (a) in the case of Ginnie Mae I MBS, into the related P&I custodial account no later than the day of the month in which payment to security holders is due under the MBS Guide, Ch. 15, Part 2, § A or (b) in the case of Ginnie Mae II MBS, deposited into the central P&I custodial account no later than the day of the month in which the deposit is due under the MBS Guide, Ch. 15, Part 3, § A.

In order to receive reimbursement for an interest shortfall attributable to SCRA, the Issuer must demonstrate that the mortgage meets the eligibility criteria for interest shortfall assistance set forth herein and in SCRA and provide the documentation described below.

## Section A. Eligible Mortgages

**Effective Date: 2020-03-25**

In order for an Issuer to qualify for interest shortfall protection in connection with a mortgage:

- (1) The mortgage must have been obtained prior to the mortgagor's entry into active military service.
- (2) The Issuer must receive a written request for relief from the mortgagor or by someone with authority to make the request on the borrower's behalf, for example, the mortgagor's spouse or attorney. The mortgage must represent a contractual obligation of the mortgagor, either as sole mortgagor or co-obligor.
- (3) The Issuer must determine whether the mortgage satisfies the requirements herein and of SCRA and, if it does, the amount of the interest shortfall.
- (4) The Issuer must verify and document the date on which the mortgagor entered active military service, the date on which the mortgagor undertook the mortgage obligation and, if applicable, the date on which the mortgagor's period of active military duty ended.
- (5) The Issuer must submit to Ginnie Mae the loan eligibility information set forth in Appendix XI-06 in electronic form. Ginnie Mae will review the eligibility information before granting the Issuer approval to submit a request for reimbursement.
- (6) Loan eligibility information and claims for interest reimbursement must be submitted electronically via the SCRA application in the Ginnie Mae Enterprise Portal (GMEP).

If not already registered Issuers may request GMEP access by following the instructions outlined in Appendix III-29 of this Guide.

Issuers are reminded that the Loan Note Interest Rate (contract note rate) reported on the SCRA Loan Eligibility Request and Reimbursement Request must be consistent with the note rate reported to Ginnie Mae's Reporting and Feedback System (RFS) Issuer Monthly Report of Pool and Loan Data for the respective reimbursement ending quarters.

The file layout in Appendix XI-9 may be used to upload multiple SCRA requests.

- (7) If a mortgagor has served multiple periods of active military duty, the Issuer must submit loan eligibility information for each such period of active duty.
- (8) The Issuer must maintain the request and other appropriate records in the mortgage loan file, and retain copies of each in the pool file, for review by Ginnie Mae or its agent.
- (9) Any relief made retroactively for loans subject to the April 4, 2012 National Mortgage Settlement with the United States for SCRA violations occurring prior to the date of such settlement is not eligible for reimbursement by Ginnie Mae.

## **Section B. Loan Buyout Authority**

*Effective Date: 2017-10-04*

Per FHA Mortgagee Letter 2001-22, if a lender permits mortgagors to postpone principal payments, the lender/Issuer, may, with Ginnie Mae's consent, buy the loans out of pools after it makes three principal payments on behalf of the mortgagor

## **Section C. Monthly Pool Accounting**

*Effective Date: 2017-10-04*

The Issuer must continue to account for each loan subject to the SCRA on the Issuer's Monthly Accounting Report, form HUD 11710-A (Appendix VI-4) and per the RFS Issuer Monthly Report of Pool and Loan Data. The procedures for reporting payments on eligible loans are set forth in Appendix XI-7.

## **Section D. Submission of Request for Loan Eligibility**

*Effective Date: 2017-10-04*

In order for an Issuer to obtain an interest rate relief reimbursement it must first receive a determination from Ginnie Mae that the relevant loan is eligible for reimbursement. The process for submitting an eligibility request is described in Appendix XI-06. An Issuer must request a loan eligibility determination during the servicemember borrower's SCRA relief eligibility period in order to qualify for reimbursement. The SCRA relief eligibility period encompasses a servicemember's active duty period plus an additional year

## **Section E. Submission of Request for Reimbursement**

*Effective Date: 2020-03-25*

The Issuer may submit requests for reimbursement only on a quarterly basis. Requests are to be submitted by February 10, May 10, August 10 and November 10. The Issuer must submit to Ginnie Mae certain reimbursement information for each approved eligibility request as prescribed by Appendix XI-08.

Effective for the August 10, 2015 request submission, in order to qualify for reimbursement an Issuer must submit all of its reimbursement requests for an eligible loan within two quarterly reimbursement request deadlines, as set forth above in this section, following the end of the month the borrower's SCRA relief eligibility period, as defined in MBS Guide, Ch. 34, Part 3 § D above, ended.

For example, if the borrower's relief eligibility period ended in September, the Issuer would have until February 10 to submit all of its requests for that borrower and still be reimbursed; and if the borrower's relief eligibility period ended in November, the Issuer would have until May 10 to submit all of its reimbursement requests.

## **Section F. Reimbursement**

*Effective Date: 2017-10-04*

When reimbursement is appropriate, the CPTA will reimburse the Issuer.

## **PART 4: FHA ADVANCE LOAN MODIFICATIONS**

To assist borrowers affected by the COVID-19 National Emergency, FHA has required Mortgagees to assess borrowers in COVID-19 forbearances for the Advance Loan Modification (ALM). If the borrower is deemed eligible, the Mortgagee must send a modification agreement to the borrower. Given the proactive nature of the ALM and the timelines associated with it, Ginnie Mae is streamlining its modification documentation requirements to support FHA's efforts to respond to the COVID-19 National Emergency and ongoing economic recovery.

For ALMs, Ginnie Mae will not require recording and title insurance, except as provided below. The Issuer is responsible for ensuring that the modified loan retains its first lien position and remains enforceable in accordance with its terms at the time of modification, throughout its modified term, and during any bankruptcy or foreclosure proceeding.

### **Section A. Loan Modification Agreement**

*Effective Date 2022-01-21*

Requirements for the ALM loan modification agreement

- The ALM loan modification agreement must be fully executed, signed by all borrowers, and in recordable form.
- The loan modification agreement does not have to be recorded unless the loan modification agreement provides for assignment of leases or rents; and/or
- The Issuer determines recordation is necessary to preserve an enforceable first lien position.

### **Section B. Title Insurance**

*Effective Date 2022-01-21*

A title insurance policy or endorsement is not required unless the loan modification agreement is recorded, and if so, the title insurance must meet the requirements of Chapter 24, Part 2, §A(2) of this Guide. If title insurance is present, the loan modification agreement must also be recorded.

### **Section C. Other required documentation**

*Effective Date 2022-01-21*

All requirements of Chapter 24, Part 2, §A(2), and Chapter 3 of the Document Custody Manual, Appendix V-01 to this Guide apply to ALMs except as provided in herein.

The Issuer must clearly identify the loan as an ALM for the document custodian.

The streamlined requirements below are effective for pool issuances through and including June 1, 2023.