June 17, 2022

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Alanna McCargo, President

SUBJECT: Opening of the Digital Collateral Program to New Applicants

Ginnie Mae initiated a pilot Digital Collateral Program (DCP) in July of 2020. During the pilot, approved participants (“eIssuers”) securitized over $8 billion of Ginnie Mae MBS backed by digital notes (“eNotes”). The DCP pilot was successful operationally and affirmed Ginnie Mae’s belief that providing for digitalization of the collateral underlying guaranteed securities provides greater efficiencies and security for homeowners and program participants. Ginnie Mae is therefore opening the program to new applicants beginning June 20th, 2022.

All active Ginnie Mae Issuers in good standing may apply to participate as eIssuers that securitize government-backed mortgages comprised of eNotes. The eligibility requirements, procedures for application, and participation requirements for the DCP for both eIssuers and eCustodians are detailed in the Digital Collateral Program Guide (eGuide), Appendix V-07 of the Mortgage Backed Securities Guide, HUD Handbook 5500.1, Rev.3 (MBS Guide). Both the eIssuer Application to Participate in the DCP and the eCustodian Application to Participate in the DCP are published as Appendix V-08 and Appendix V-09 of the MBS Guide, respectively, and are available on the Ginnie Mae website.

Please note that all Issuers seeking approval, will need to have an established relationship, evidenced by a duly executed Form HUD-11715 Master Custodial Agreement, with a Document Custodian that is also approved by Ginnie Mae to serve as an eCustodian. Interested Issuers and Document Custodians may submit their applications individually or jointly. All applications to participate in the Digital Collateral Program must be submitted to Ginnie Mae via email at DCPA@hud.gov -- no hard copy submissions will be accepted.

Ginnie Mae will begin reviewing applications on a rolling basis beginning on June 21, 2022. If applicants meet the eligibility and application requirements, they will initially be granted conditional approval. At that time, eIssuers and their eCustodian will need to complete a series of test eNote transactions with Ginnie Mae. Upon successful completion of the test transactions, Ginnie Mae will grant, in writing, full approval to participate in the DCP, along with eMortgage Issuance Authority.

The Digital Collateral Program Guide, Appendix V-07, was updated on May 23, 2022. Please ensure that you are reviewing the May 2022 release of the eGuide for full eligibility and
participation requirements. All questions or concerns about the DCP or this announcement may be sent to DCPA@hud.gov.

If you have further questions, please contact your Account Executive in the Office of Issuer and Portfolio Management directly, send an email to DCPA@hud.gov.