

September 29, 2022

**APM 22-10**

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

**FROM:** Alanna McCargo, President

**SUBJECT:** Buyout Authority for Loans Impacted by Hurricane Fiona and Hurricane Ian for Single-family Issuers

President Biden has declared major disaster areas in the Commonwealth of Puerto Rico as a result of Hurricane Fiona and the State of Florida as a result of Hurricane Ian.

Chapter 34, Part 2 § B of the Mortgage-Backed Securities Guide, HUD Handbook 5500.3, Rev-1 (“MBS Guide”) provides, at Ginnie Mae’s discretion, for expanded loan buyout authority in the event of a presidentially-declared major disaster, for the purpose of supporting Issuers in offering relief to impacted borrowers (including relief in the form of late fee waivers, forbearance periods, loan modifications, and foreclosure moratoriums) to the extent permissible under the guidelines of the federal agency guaranteeing or insuring each loan.

To provide Issuers with the requisite flexibility to craft and implement the disaster relief strategy best suited for borrowers affected by Hurricane Fiona and Hurricane Ian, Ginnie Mae will permit Issuers to buy out loans that meet the following eligibility requirements:

1. the property securing the loan has been damaged and is located within a designated disaster area; or
2. the borrower is experiencing economic hardship related to the designated disaster, as established by the underlying insuring or guaranteeing agency.

Loans meeting the eligibility requirements identified above, may be bought out under this disaster provision, in accordance with the process described in Chapter 34, Part 2 §B, even if they are otherwise not eligible for buyout under Chapter 18. Issuers should obtain information on the designated disaster areas for Hurricane Fiona and Hurricane Ian directly from the Federal Emergency Management Agency at [www.fema.gov/disasters](http://www.fema.gov/disasters). If major disaster areas are declared by the President in additional states as a result of Hurricane Fiona and Hurricane Ian, affected areas would be covered by this APM.



Issuers must request and obtain prior written approval from Ginnie Mae to buy out eligible loans. Issuers should submit their request electronically using the Disaster Relief Buyout Request Letter in the form prescribed in Appendix XI-5 of the MBS Guide. Issuers must include all required loan-level information identified in Appendix XI-5 for each loan the Issuer is requesting approval from Ginnie Mae to buy out.

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.

The executed Disaster Relief Buyout Request Letter, including the required loan-level information, and any accompanying attachments must be legible and submitted in Portable Document Format ("PDF") via email to either [HFDAbuyout@hud.gov](mailto:HFDAbuyout@hud.gov) for eligible loans associated with Hurricane Fiona, or to [HINDAbuyout@hud.gov](mailto:HINDAbuyout@hud.gov) for eligible loans associated with Hurricane Ian. Ginnie Mae will review the requests, and in its sole discretion, will approve or reject the request in whole, or in part, by responding to the email requesting approval. The loan buyout authority extended under this memorandum will expire on March 31, 2023.

A loan that is bought out under the authority of this disaster relief provision will be eligible for re-pooling only if it has successfully undergone a loan modification in compliance with the guidelines of the applicable federal agency guaranteeing or insuring the loan, and meets Ginnie Mae's pooling parameters in Chapter 9, as well as modification requirements in Chapter 24 of the MBS Guide.

Multifamily Issuers facing substantial economic hardships as a result of Hurricane Fiona or Hurricane Ian should contact their Ginnie Mae Account Executive directly to assess potential relief options under Multifamily program.

If you have questions, please contact your Account Executive in the Office of Issuer and Portfolio Management directly.



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