

May 20, 2024

**APM 24-07**

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

**FROM:** Sam Valverde, Acting President

**SUBJECT:** Commingling Digital Collateral with Paper Collateral in Ginnie Mae Pools

In July of 2020, Ginnie Mae implemented its Digital Collateral Program Pilot to support the Department of Housing and Urban Development's (HUD) Strategic Plan with respect to modernization and digitization of Ginnie Mae's Mortgage-Backed Securities (MBS) program, as well as to respond to industry requests to optimize Issuer digital environments and align with current industry practices. During this time, Ginnie Mae refined processes to monitor growth in the new program and opened the program to allow any Issuer to apply to participate in June of 2022. To promote liquidity and increase participation in the Digital Collateral Program, Ginnie Mae will permit the securitization of Digital Collateral into the same pools as its traditional paper collateral (commingling) effective with June 1, 2024 issuances.

Only Issuers who are separately approved for participation in the Digital Collateral Program (elssuers) are eligible to deliver Digital Collateral into Ginnie Mae MBS. elssuers who wish to commingle must continue to abide by all established pooling parameters for all pooled loans, which includes additional existing parameters for eNotes within the commingled pool. In addition, as announced in Modernization Bulletin No. 34 in December 2023, all elssuers must utilize the eNote indicator within Ginnie Mae's pooling issuance system SFPDM to indicate whether or not a pooled loan is an eNote. Additionally, elssuers must utilize an approved eCustodian for any pools that contain Digital Collateral.

Digital Collateral, which consists of mortgage loans where the promissory notes are Eligible eNotes, will continue to be eligible for the same pool types for which they are currently eligible, as published in Ginnie Mae's Digital Collateral Guide, (eGuide) which is Appendix V-07 of the Ginnie Mae Mortgage-Backed Securities Guide 5500.3, Rev-1 (MBS Guide). An updated eGuide reflecting this change will be published prior to June 1, 2024 and will provide further updates.

If you have any additional questions about the content of this Memorandum, please contact your Account Executive in the Office of Issuer and Portfolio Management directly.

