

APM 25-02

May 1, 2025

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Joseph M. Gormley, Principal Executive Vice President

SUBJECT: Buydown and High Balance Loan Eligibility

Ginnie Mae allows Issuers to issue and settle their multiple issuer loan packages throughout the month on a flow basis. While this provides Issuers flexibility, this means that trades have already settled prior to the finalization of the Multiple Issuer Pool (MIP). Recent market conditions have led to an increase in Buydown Loans. Effective May 19, 2025, to ensure the MIPs do not contain Buydown Loans at a rate greater than ten percent (10%) of the aggregate original principal balance of the MIP, Ginnie Mae is temporarily revising requirements to apply the ten percent (10%) limit at the loan package level.

Ginnie Mae's guidance regarding Buydown Loans and High Balance Loans with respect to loan packages within the MIP (M SF) will be as follows:

- Buydown Loans may not exceed ten percent (10%) of the aggregate original principal balance of the loan package.
- High Balance Loans may not exceed ten percent (10%) of the aggregate original principal balance of the loan package.
- If a loan is both a Buydown Loan and a High Balance Loan, the loan will count against the ten percent (10%) limit of each requirement.

The above guidance related to loan packages with buydowns within the MIP (M SF), is anticipated to be in effect for approximately six to nine months. Additional guidance will be provided that will apply buydown limits to only non-standard buydowns, as described by The Securities Industry and Financial Markets Association (SIFMA).

Additionally, Ginnie Mae is correcting the eligibility requirements for buydown mortgage pools (C BD and X BD) to reflect that High Balance Loans are eligible collateral.

The applicable guidance in the Mortgage-Backed Securities Guide 5500.3, Rev-1 ("MBS Guide") has been updated to reflect these changes. Changes were made to: Chapters 9, 24, and 25; appendices IV-04 (HUD 11717) and IV-20 (HUD 11717-II); and the Glossary.

If you have any questions regarding this announcement, please contact your Account Executive in the Office of Issuer and Portfolio Management.

