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APM 17-02

September 21, 2017

MEMORANDUM FOR: All Participants in Ginnie Mae Programs
FROM: Michael Bright, Acting President
SUBJECT: Buyout Authority for Loans Impacted by Hurricane Harvey and Hurricane Irma for Single-Family Issuers

Chapter 34-2 of the Mortgage-Backed Securities Guide, HUD Handbook 5500.3, Rev-1 (“MBS Guide”) provides for expanded loan buyout authority for the purpose of supporting Issuers in offering relief to borrowers impacted by natural disasters, 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 Harvey and Hurricane Irma, 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 federal insuring or guaranteeing agency.

Loans meeting the eligibility requirements identified above, may be bought out under this disaster relief provision even if they are not otherwise eligible for buyout under Chapter 18 of the MBS Guide. Issuers should obtain information on the designated disaster areas for Hurricane Harvey and Hurricane Irma directly from the Federal Emergency Management Agency (FEMA) at www.FEMA.gov/disasters.

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 buyout.



Mailing Address
451 Seventh Street SW, B-133
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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 HHDABuyout@hud.gov for eligible loans associated with Hurricane Harvey, or to HIDABuyout@hud.gov for eligible loans associated with Hurricane Irma. 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, 2018.

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. Please consult the Federal Housing Administration, the Office of Public and Indian Housing, Department of Veterans Affairs' Loan Guaranty Service, or the United States Department of Agriculture Rural Development's Rural Housing Service directly to assess the forms of disaster relief available for borrowers and loan modification requirements under each of those programs.

The Disaster Relief Buyout Request Letter and instructions in Appendix XI-5 of the MBS Guide have been modified in accordance with the content of this memorandum and are effective immediately. Ginnie Mae will publish corresponding updates to Chapter 34 of the MBS Guide separately.

Multifamily Issuers facing substantial economic hardships as a result of Hurricane Harvey or Hurricane Irma should contact their Ginnie Mae Account Executive directly to assess potential relief options under the Multifamily Program.

Please contact your Ginnie Mae Account Executive in the Office of Issuer and Portfolio Management directly or at (202) 708-1535 with any questions you may have.