

APM 19-07

December 31, 2019

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Seth Appleton, Principal Executive Vice President

SUBJECT: Implementation of the HMBS Investor Reporting Manual

To provide HMBS Issuers with additional guidance relating to monthly and annual reporting obligations, Ginnie Mae is hereby announcing the publication of its HMBS Investor Reporting Manual. Ginnie Mae is also revising Chapter 35 of the MBS Guide to provide expanded guidance in accordance with the content of the newly published manual. The MBS Guide changes addressed below will become effective on April 1, 2020 and will be reflected in an updated version of Chapter 35 published at that time.

Chapter 35 MBS Guide Updates

Ginnie Mae is modifying Chapter 35, Part 1 to remind issuers that FHA requirements, not the MBS Guide provisions, dictate whether Participations are permitted for any HECM Loan pooled into an HMBS.

Further, Ginnie Mae is revising Chapter 35, Part 5, Section A to establish the first (1st) day of the month that is subsequent to the loan closing date as the earliest date a Participation can be pooled for securitization. Please note that, HMBS Issuers may select, at their discretion, the timing and frequency of pooling Participations to be later than that date, so long as all other pooling requirements are met.

Chapter 35, Part 5, Section B has been revised to limit the overall number of Participations that can be associated with any single HECM loan to nine-hundred and ninety-nine (999).

Previously, the language in the MBS Guide allowed the Issuer to determine whether to establish an escrow account. Under changes made to Chapter 35, Part 7, Section G, Ginnie Mae will require Issuers to establish an escrow account in order to participate in the HMBS program and to execute Master Agreement (Appendix III-3), form HUD11720 for such account(s).

Under revisions to Chapter 35, Part 12, Section F, Ginnie Mae will require any HMBS Issuer approved on or after January 1, 2020, to select the last business day of the month as the monthly reporting cut-off date to ensure consistency across all HMBS program participants and with the provisions of the newly published HMBS Investor Reporting Manual.



HMBS Investor Reporting Manual

The HMBS Investor Reporting Manual referenced in this memorandum is effective immediately and may be accessed via the link below.

https://www.ginniemae.gov/issuers/program_guidelines/Pages/investor_reporting_manual.aspx

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.