

**APM 20-03**

April 10, 2020

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

**FROM:** Seth Appleton, Principal Executive Vice President

**SUBJECT:** Availability of Pass-Through Assistance Program for Participants in Ginnie Mae's Single-Family MBS Program

In response to the National Emergency declared by the President on March 13, 2020, in connection with COVID-19, Ginnie Mae has revised and expanded the Issuer assistance programs in Chapter 34 of the Mortgage Backed Securities Guide ("MBS Guide"), including the Pass-Through Assistance Program ("PTAP"). These revisions and expansions are contained in Chapter 34, Part 2, Section E, which explains the terms and conditions applicable to the PTAP that is specifically authorized for use in response to the COVID-19 National Emergency ("PTAP/C19").

This All Participants Memorandum ("APM") announces PTAP/C19 assistance for Issuers under the Single-Family program, effective immediately upon publication. The purpose of PTAP/C19 is to honor the statutory duty Ginnie Mae has to pay timely and in full principal and interest payments due Mortgage-Backed Security (MBS) holders while minimizing any disruptions that may occur in the mortgage servicing market as a result of COVID-19. PTAP/C19 will also support Issuers in their administration of borrower relief measures, such as extended forbearance and moratoriums on foreclosures and evictions, announced by the federal agencies providing the mortgage insurance or guaranty. Assistance rendered under PTAP/C19, as provided for below and in Chapter 34, is to be considered an extraordinary measure, for use when other resources have been exhausted and with the requirement of full repayment by the Issuer.

Extension of assistance under PTAP/C19 will be made through a Request for Pass-Through Assistance Related to COVID-19 and Repayment Agreement ("Request and Repayment Agreement"), and subject to a Master Supervisory Agreement which will govern the terms of any PTAP/C19 assistance. Assistance advanced by Ginnie Mae will bear a fixed rate of interest. The rate that will apply to a given month's pass-through assistance to all Issuers will be posted on Ginnie Mae's website on the second business day of each month. Neither a request for assistance, nor the actual provision of assistance, under this program will, in and of itself, constitute a basis for default under the Ginnie Mae Guaranty Agreement, but any breach of the Master Supervisory Agreement or related Request and Repayment Agreements will constitute an event of default under the Master Supervisory Agreement and related Request and Repayment Agreements, the MBS Guide and the Guaranty Agreement.



Third-party financiers of Ginnie Mae principal and interest (P&I) servicing advances should note that, as stated in the Master Supervisory Agreement, in the event of Issuer default repayment of third-party financed servicing advances is subordinate to repayment of Ginnie Mae under the Master Supervisory Agreement Requirements for Requesting PTAP/C19 Assistance.

Issuers may request PTAP/C19 assistance only once per month to cover shortfalls on the P&I due mortgage-backed security (MBS) holders for the month the request is made. For example, PTAP/C19 requests submitted in May 2020 must relate to the funding needed for the May 2020 MBS investor remittances. PTAP/C19 funds may be used only to cover shortfalls in the P&I owed to MBS security holders associated with loans that are delinquent, which includes loans in forbearance, as of the date that each request for assistance is submitted. PTAP/C19 funding may not be used to cover other Issuer operational or servicing costs.

The specific requirements governing the request, acceptance, and provision of PTAP/C19 assistance, including document submission requirements, have been incorporated into Chapter 34, Part 2, Section E, of the MBS Guide, Appendix XI-01A, and Appendix XI-02A, and are effective immediately. Notwithstanding the PTAP/C19 documentation deadlines in Chapter 34, Ginnie Mae will allow Issuers seeking PTAP/C19 assistance for the Ginnie Mae II investor remittance due on April 20, 2020, to submit a request by 11:59 pm eastern standard time on April 13, 2020. If you have any questions regarding this announcement, please contact your Account Executive in the Office of Issuer and Portfolio Management directly.