

This publication will be used periodically to provide notifications and information about Ginnie Mae Modernization efforts. This is not a device to implement official policy changes to Ginnie Mae's Mortgage-Backed Securities (MBS) programs. If you have any comments or suggestions on how to make this publication more informative and helpful, please contact [askGinnieMae@hud.gov](mailto:askGinnieMae@hud.gov).

## Introduction of New HMBS, SOFR Annual Pool Type (H SA)

The Federal Reserve Bank's ARRC Committee has determined that LIBOR contracts will no longer be supported and will sunset legally, on June 30th, 2023. Pursuant to guidance published in [APM 23-07](#), beginning July 1, 2023, and for one year thereafter, Ginnie Mae will transition its adjustable rate, LIBOR-based programs to a new SOFR-based reference rate that will be announced by FHA in the coming months.

Ginnie Mae built a new 1-yr SOFR HECM pool type, SOFR Annual (SA), that will be available in GinnieNET on **July 1, 2023**. The new SOFR Annual (SA) pool type requires for each of its loans that Participation 1 is linked to the SOFR reference index on July 1, 2023. Ginnie Mae will keep the legacy HECM loans separate and distinct from the new 1-yr SOFR HECM product, to ensure that commingling is avoided. Remaining participations from legacy HECM loans that have transitioned from a LIBOR rate to a SOFR rate can only be included in new Annual (AL) or Monthly (ML) submissions.

The new SOFR H SA Pool type can be now created with \$250K or more pool amount either manually or by importing a file. If the Pool amount is less than \$250K, then the pool validation will fail.

Instructions on how to pool the new H SA pool type may be found in [QRC-IS-20 Pooling of HECM SOFR Pool Type](#) on [www.GinnieMae.gov](http://www.GinnieMae.gov). For assistance, please contact Ginnie Mae Customer Support at [askGinnieMae@hud.gov](mailto:askGinnieMae@hud.gov).

Ginnie Mae is a wholly owned government corporation within the U.S. Department of Housing and Urban Development. Ginnie Mae pioneered the mortgage-backed security (MBS), guaranteeing the very first security in 1970. An MBS enables a mortgage lender to aggregate and sell mortgage loans as a security to investors. Ginnie Mae securities carry the full faith and credit of the United States Government, which means that, even in difficult times, an investment in Ginnie Mae is one of the safest an investor can make.