CHAPTER 15. PAYMENTS TO SECURITY HOLDERS

PART 1. OVERVIEW OF CHAPTER

Effective Date: 2026-11-03

This Chapter addresses an Issuer's monthly obligation under the Ginnie Mae I MBS Program to pay security holders of certificated securities and to also make available to the depository, as security holder of all book-entry securities, funds in the amount of the monthly payment due on such securities. This Chapter also addresses the Issuer's obligation under the Ginnie Mae II MBS Program to make sufficient funds available to the CPTA each month to pay security holders. The Chapter describes the required timing and computation of payments, the Issuer's obligation to advance, and the Issuer's ability to use excess funds and pool advance agreements. The Chapter also describes the mechanisms through which the depository or the CPTA, as applicable, withdraws funds deposited by the Issuer for use in paying the security holders and, in the case of the CPTA, the Ginnie Mae guaranty fee. Special requirements, as they relate to the pooling of Participations related to Home Equity Conversion Mortgage loans, can be found in MBS Guide, Ch. 35.

PART 2. GINNIE MAE I MBS PROGRAM: METHOD AND TIMING OF PAYMENTS TO SECURITY HOLDERS

The Issuer is obligated to pay to security holders of certificated securities and to deposit into the central P&I custodial account (which may be the same account used by the Issuer to make funds available for the payments on Ginnie Mae II MBS) funds sufficient to enable the depository, as security holder of all book-entry securities, to withdraw timely monthly payments of principal and interest on such securities. The Issuer is obligated to make the payments and deposits without regard to whether they will be able to recover those payments from liquidation proceeds, insurance proceeds, or late payments. The computation of these payments is described in MBS Guide, Ch. 15, Part 4.

Section A. Timing of Deposits, Withdrawals and Payments

Effective Date: 2026-11-03

(1) ACH Payments. Prior to 7:00 a.m. Eastern Time on the 15th calendar day of each month (or, if the 15th calendar day is not a business day, then the next business day), the Issuer must have in the central P&I custodial account "same day" or "good" funds for each of its Ginnie Mae I pools in the amount described in MBS Guide, Ch. 15, Part 4 below.

(2) The depository, as security holder of all book-entry securities, will debit an Issuer's central P&I custodial account, by separate ACH transaction for each pool, at or after 7:00 a.m. Eastern Time on the 15th calendar day of each month (or, if the 15th calendar day is not a business day, then the next business day).

(3) An Issuer of certificated securities may make payments to a security holder by electronic transfer or Fed wire, provided that it obtains the prior written approval of the security holder. If an Issuer begins to make such payments by electronic transfer, it must continue to do so while the securities are registered in the name of that security holder.

(4) Payment by Check: When a Ginnie Mae I MBS security holder holds a certificated security and is paid by check, the check must be received no later than the 15th calendar day of each month. Ginnie Mae strongly encourages each Issuer to use a single check

to pay a security holder who owns securities from two or more issuances for which the issuer is responsible.

Section B. Remittance Advice

Effective Date: 2026-11-03

Issuers that make payments directly to holders of certificated Ginnie Mae securities are required to submit remittance advice information to both, the relevant security holder(s) and Ginnie Mae as follows:

(1) Remittance Advice Information Required for Security Holders. Issuers are required to deliver to all certificated security holders remittance advice no later than the 15th calendar day of each month, such that it will be delivered to the security holder by the day on which the security holder is entitled to receive payment in accordance with MBS Guide, Ch. 15, Part 2. The remittance advice provided to the certificated security holders must include all the information identified in Form HUD-11714, which may be found in Appendix VI-10(B) of this Guide, or, in the case of holders of serial note securities, the information identified in Form HUD11714SN, which may be found in Appendix VI-11(B). The remittance advice information required by this Chapter may be provided to security holders in hard copy form or electronically as follows:

(a) Requirements for Hard Copy Submissions:

(i) Issuers may send remittance advice information to a security holder using hard copies of Form HUD-11714 or Form HUD11714SN, as applicable. Alternatively, Issuers may provide the remittance advice information in any other equivalent hard copy document, so long as such document contains all the information that would have been provided in the Form HUD-11714 or Form HUD-11714SN.

(ii) An Issuer that pays a security holder of certificated securities in more than one pool with a single check may either:

- send the security holder a separate Form HUD-11714, Form HUD11714SN, or their equivalent, for each individual pool; or
- a single document containing the remittance advice information required for all of the pools.

(b) Requirements for Electronic Transmission:

(i) An Issuer may provide the remittance advice information required by this Chapter by electronic media, but only if the security holder requests the information in electronic media and efficiencies can be realized. Issuers must maintain records substantiating individual remittances to security holders. Accessible forms may include either paper or electronic media.

(ii) An Issuer that makes a single electronic payment to, a security holder holding certificated securities in more than one pool for which the Issuer is responsible, may either:

- send the security holder the remittance advice information for each pool individually; or,

- a single electronic file containing the remittance advice information required for all of the pools.

(2) Remittance Advice Information Required by Ginnie Mae. Issuers making payments directly to holders of certificated securities, in accordance with MBS Guide, Ch. 15, Part 2, are required to report to Ginnie Mae the remittance advice data identified in Appendix VI-10(A) and, for serial notes, in Appendix VI-11(A). The required remittance advice data must be submitted through the Reporting and Feedback System (RFS), which is accessible in GMEP. Appendix VI-10(A) and VI-11(A) contain the instructions and file layouts needed to complete the monthly reporting of remittance advice data. The reporting of remittance advice data in RFS is due no later than the eighth business day of each month.

Section C. Undelivered Payments and Outstanding Checks

Effective Date: 2026-11-03

Payments to security holders that cannot be delivered or are never presented for payment are to remain in the account from which the funds were disbursed. The Issuer must make all reasonable efforts to locate these security holders, and document such efforts. Unclaimed funds are not “excess funds” as defined in MBS Guide, Ch. 15, Part 5, § A below and may not be used in lieu of advances.

The funds resulting from undelivered payments to security holders and accumulated over a six-month period must be made payable to Ginnie Mae and sent to the CPTA (see Addresses) pending a claim from the owner. The CPTA must receive the funds within 30 days of the close of the six-month period.

The funds transfer to the CPTA must be accompanied by a letter from the Issuer, providing the Issuer’s Ginnie Mae ID number and, in hard copy, the Issuer’s Monthly Remittance Advice, form HUD 11714 (Appendix VI-10) or, in the case of an SN pool, the Issuer’s Monthly Serial Note Remittance Advice, form HUD 11714SN (Appendix VI-11), for each month’s undelivered payments to security holders. The submission must include the security holder’s EIN (Social Security Number).

The procedures for honoring claims on funds previously sent to the CPTA require that the Issuer examine the documents submitted by the claimant and either accept or reject the claim. If approved, the Issuer will notify the CPTA in writing that the claim is valid (see Addresses). The CPTA will verify that the funds were previously received from the Issuer and, with Ginnie Mae’s approval, remit the applicable funds back to the Issuer for payment to the claimant.

Section D. Incorrect Payment to Prior Security Holders

Effective Date: 2026-11-03

If for any reason a prior security holder is paid in lieu of the actual security holder of record, the Issuer is obligated to use its own funds to honor valid claims by security holders. It is the Issuer’s responsibility, not the security holder’s, to seek recovery from the party that was incorrectly paid. Payment due the security holder cannot be delayed pending recovery from the party that was incorrectly paid.

Section E. Advances
Effective Date: 2026-11-03

If necessary to cover shortfalls in collections, the Issuer must advance its own funds into P&I custodial accounts in order to effect full and timely payment of all amounts due security holders. Such advances must be deposited into such accounts by the time and date specified in MBS Guide, Ch. 15, Part 2, § A(1) above.

PART 3. GINNIE MAE II MBS PROGRAM: METHOD AND TIMING OF PAYMENTS TO SECURITY HOLDERS

The Issuer is obligated to deposit into the central P&I custodial account (which may be the same central P&I custodial account used by the Issuer to make payment or funds available for the payments on Ginnie Mae I MBS) funds sufficient to enable the CPTA to make timely monthly payments of principal and interest to the security holders of record as described in the applicable Guaranty Agreement and in this Chapter. The Issuer is obligated to make this deposit without regard to whether they will be able to recover the amount of the deposit from liquidation proceeds, insurance proceeds, or late payments. The computation of these payments is described in MBS Guide, Ch. 15, Part 4 or Ch. 35, Part 11.

Section A. Timing of Deposits and Withdrawals
Effective Date: 2026-11-03

(1) Certificated Securities

(a) With respect to certificated securities, prior to 7:00 a.m. Eastern Time on the 19th calendar day of each month, the Issuer must have in the central P&I custodial account “same day” or “good” funds for each of its Ginnie Mae II pools and loan packages in the amount described in MBS Guide, Ch. 15, Part 4 below. If the 19th calendar day is not a business day, then the applicable date must be the 20th calendar day. If the 20th calendar day also is not a business day, then the applicable date must be the business day immediately preceding the 19th calendar day of the month.

(b) With respect to certificated securities, the CPTA will debit an Issuer’s central P&I custodial account, at or after 7:00 a.m. on the 19th calendar day of each month. If the 19th calendar day is not a business day, then the applicable date must be the 20th calendar day. If the 20th calendar day also is not a business day, then the applicable date must be the business day immediately preceding the 19th calendar day of the month. The amount debited will reflect the total indicated on the final pre-notification advice sent by the CPTA on the 7th of the month.

(2) Book-Entry Securities

(a) With respect to book-entry securities, prior to 7:00 a.m. Eastern Time on the 20th calendar day of each month (or if the 20th is not a business day, the next business day), the Issuer must have in the central P&I custodial account “same day” or “good” funds for each of its Ginnie Mae II pools or loan packages in the amount described in MBS Guide, Ch. 15, Part 4 below or in Ch. 35, Part 11.

(b) With respect to book-entry securities, the CPTA will debit an Issuer’s central P&I custodial account at or after 7:00 a.m. Eastern Time on the 20th calendar day of

each month (or if the 20th is not a business day, the next business day). The amount debited will reflect the total indicated on the final pre-notification advice sent by the CPTA on the 7th calendar day.

Section B. Payments and Remittance Advice

Effective Date: 2026-11-03

The CPTA will, by check dated the 20th of the month, pay the security holders in whose names all certificated securities are registered on the last day of the month preceding the month in which the payment is made. The CPTA will mail each check prior to 10:00 a.m. Eastern Time on the day the CPTA debits the Issuer's central P&I custodial account and will include with each check a Remittance Advice, prepared by the CPTA, in the form set forth in Appendix VI-15. The CPTA will also, at or after 8:30 a.m. Eastern Time on the 20th day of each month (or, if the 20th is not a business day, the next business day) remit by electronic transfer or fed wire to the depository, as security holder of all book-entry securities, the amount due for that month on stated securities, accompanied by an electronic copy of the Remittance Advice. The Issuer is not responsible for preparing the Remittance Advice.

Section C. Advances

Effective Date: 2026-11-03

If necessary to cover shortfalls in collections, the Issuer must advance its own funds into the central P&I custodial account in order to enable the CPTA to effect timely payment of all amounts due security holders. Such advances must be made prior to that prescribed in MBS Guide, Ch. 15, Part 3, § A(2). Scheduled interest due on a buydown mortgage includes amounts scheduled to be collected from both the mortgagor and the provider of the buydown funds. Issuers are responsible for making advances and for losses that may arise as a result of fund shortfalls from either of these sources.

PART 4. BOTH GINNIE MAE I AND II MBS PROGRAMS: COMPUTATION OF PAYMENT OR DEPOSIT

In most cases, the Issuer's monthly payment to security holders (Ginnie Mae I MBS Program) or deposit to the central P&I custodial account (both Ginnie Mae MBS Programs) must consist of three elements: interest, scheduled principal and unscheduled recovery of principal, computed as described below. Exceptions, if any, to particular pool types can be found in MBS Guide, Ch. 24 through 32 and Ch. 35. Further explanations are provided in the Issuer's Monthly Accounting Report, form HUD 11710-A (Appendix VI-4).

Section A. Interest

Effective Date: 2016-07-01

Interest due on the securities each month is computed as one-twelfth the annual interest rate payable on the securities, multiplied by the remaining principal balance of the securities at the end of the prior month.

Section B. Scheduled Principal

Effective Date: 2026-11-03

Generally, scheduled principal payments due on the securities each month are the scheduled amounts of principal due on the pooled mortgages (a) for concurrent date pools, on the first day of the month in which the principal payments on the securities are due, or (b) for internal reserve

pools, on the first day of the month preceding the month in which the principal payments on the securities are due.

Scheduled mortgage payments collected in advance of their due dates are to be retained by the Issuer in the P&I custodial account for payment to security holders or deposited into the central P&I custodial account, as appropriate, during the month in which the payments are required to be passed through to security holders.

Section C. Unscheduled Recovery of Principal

Effective Date: 2026-11-03

In addition to the regular monthly scheduled principal payments referred to in MBS Guide, Ch. 15, Part 4, § B, each monthly payment to security holders or deposit to the central P&I custodial account must include all unscheduled recoveries of principal received by the Issuer or due through the monthly reporting cut-off date (see, MBS Guide Chapter 17, Part 3) preceding the day on which principal payments on the securities are due.

(1) Unscheduled recoveries of principal are proceeds received in connection with or that become due on the mortgage or the property securing the mortgage, other than scheduled principal and interest payments and miscellaneous collections, defined below.

Unscheduled recoveries of principal include, but are not limited to, the following:

(a) curtailments (excluding scheduled payments made in advance of their due dates, which the Issuer is to hold in the P&I custodial account and either pay to security holders or deposit in the central P&I custodial account, as appropriate, in connection with the scheduled security payment date);

(b) mortgage or title insurance and mortgage guaranty claim settlement proceeds;

(c) hazard insurance and condemnation proceeds, to the extent not used to repair the collateral;

(d) proceeds from foreclosure or repossession sales and any payments received in lieu of foreclosure or collateral repossession;

(e) any principal amount of a mortgage finally discharged by a bankruptcy court;

(f) proceeds from any disposal or transfer of a pooled mortgage, except for authorized transfers of Issuer responsibility or pledges of servicing;

(g) payment from the Issuer's own funds as required in (b) below; and

(h) all other payments or proceeds that reflect the recovery of principal on a mortgage

The entire amount of any such payment, whether or not actually received by the Issuer, will be considered an unscheduled recovery of principal.

(2) Unscheduled recoveries of principal must, as appropriate, be passed through to security holders or deposited into the central P&I custodial account in their entirety, as noted above, so long as funds are due under the security, except as specifically approved in the instructions to the Issuer's Monthly Accounting Report, form HUD 11710-A (Appendix VI-4); advances previously made by the Issuer may not be recovered from

these funds until the security holders have been paid in full. Any deduction from an unscheduled recovery of principal made by third parties must be replaced by the Issuer prior to pass through or deposit.

Section D. Payment Based on Remaining Principal Balances
Effective Date: 2026-11-03

Notwithstanding MBS Guide, Ch. 15, Part 4, § B and C, the payments of principal to security holders in each month must be based on the RPB reported for the related pool in that month, as corrected through the close of business on the fourth business day of the month.

Inaccurate RPB reporting is considered a failure by the Issuer to remit timely and accurate payment to securities holders. Issuers who report incorrect RPBs may be subject to default and/or other sanctions.

Section E. Escrow and Miscellaneous Collections
Effective Date: 2026-11-03

The following escrow and miscellaneous collections are not recoveries of principal:

(1) mortgage insurance premiums;

(2) tax payments;

(3) hazard insurance payments;

(4) special charges related to servicing;

(5) late charges;

(6) ground rents;

(7) special assessments;

(8) water rents;

(9) attorney's fees; and

(10) any funds to repay the Issuer's expenditures under the terms of the mortgage to complete construction, pay for security services, or prevent waste.

Section F. Losses Associated with the Removal of a Loan from the Pool
Effective Date: 2026-11-03

To the extent that the remaining principal balance of a mortgage has not been recovered by the Issuer at the time of:

(1) final payment of the mortgage insurance or guaranty claim proceeds, or other final disposition of a claim by the insuring or guaranteeing federal agency; or

(2) the withdrawal of a defective loan from the pool; or

(3) any other complete liquidation or disposition of the mortgage or the mortgaged property (including, but not limited to, completion of foreclosure or any other act by which the

mortgage is no longer in its pool or no longer provides backing for the securities related to that pool);

the monthly payment to security holders or deposit in the central P&I custodial account, as appropriate, following the month in which an action described in 1, 2, or 3 (whichever comes first) is taken shall include an amount, to be paid from the Issuer's own funds, that, with respect to the amount owed on the related securities, will reduce the RPB of the mortgage to zero.

Section G. Security Holders

Effective Date: 2026-11-03

If there is more than one security holder in a pool, the payment due each security holder is based on the pro rata share percentage of each security holder multiplied by the total required payment. (see, MBS Guide Chapter 15, Part 4) The pro rata share percentage is the original principal amount of the security holder's securities divided by the original principal amount of the entire pool, carried out to eight decimal places.

PART 5. EXCESS FUNDS AND POOL ADVANCE AGREEMENTS

Issuers of pools containing more than one loan may use "excess funds" in lieu of their own funds to make necessary advances. Alternatively, Issuers may enter into a Pool Advance Agreement with a financial institution. Excess funds and Pool Advance Agreements are described below.

Section A. Excess Funds

Effective Date: 2026-11-03

Excess funds are:

(1) unscheduled recoveries of principal on pooled mortgages received during the current month that are to be passed through with the following month's payment; and

(2) early receipts of scheduled payments.

For purposes of making payment in a particular month on internal reserve pool securities, scheduled payments on the mortgages are not excess funds if they are due on or before the first day of that month.

Excess funds attributable to one pool or loan package may be used to cover deficiencies caused by delinquent loans in another pool or loan package only if the pools and loan packages involved share the same P&I custodial account. Excess funds must be accounted for either pool-by-pool and loan package-by-loan package, or by custodial account.

The Issuer must maintain a ledger that details (i) the net unrecovered Issuer advances to the P&I custodial account (Ginnie Mae I MBS Program) or to the central P&I custodial account (Ginnie Mae I and Ginnie Mae II MBS Program), (ii) the excess funds used in lieu of Issuer advances, and (iii) the net amount of excess funds outstanding during each month, i.e., the amount that has not been recovered either through corporate funds or from mortgage payments.

Excess funds could be remitted from either the P&I custodial account or a P&I custodial disbursement account.

Note: Funds in an escrow custodial account cannot constitute excess funds, because escrow funds collected in connection with a loan may be used only for the benefit of the mortgagor that made the payment. The Issuer must advance its own funds to cover payments due on a mortgage with a deficit escrow balance.

CAUTION: The Issuer must replace in the P&I custodial account excess funds used to make advances during a given month (a) in time to pay the security holders or deposit funds to the central P&I custodial account, as appropriate, and (b) before the Issuer recovers advances made from its own funds or pursuant to a Pool Advance Agreement.

Example:

> Issuer receives, on January 5th, $10,000 in FHA claims proceeds on a mortgage in Ginnie Mae pool X. Because that $10,000 is not required to be paid to security holders (claim proceeds are passed through in the month following the month of receipt), it is considered "excess funds" in January with respect to other pools sharing the same P&I custodial account. (see, MBS Guide Chapter 5, Part 2, § G)
>
> Issuer may use the $10,000 to cover collection shortfalls on other mortgages due to be passed through to security holders (in the case of certificated Ginnie Mae I MBS pools) or deposited in the central P&I custodial account (in the case of book-entry Ginnie Mae I MBS and all Ginnie Mae II pools) in January. However, the Issuer must replace the $10,000 on or before February 15th (in the case of Ginnie Mae I pools) or February 19th (in the case of Ginnie Mae II pools), when the February payment to security holders or deposit to the central P&I custodial account must be made. The Issuer must also replace the $10,000 before it can repay itself for any advances.

The Issuer is liable to Ginnie Mae at all times for the restitution of any excess funds withdrawn to cover advances. The Issuer's obligation to reimburse Ginnie Mae will remain even if Ginnie Mae declares the Issuer in default under its Guaranty Agreement and terminates its Issuer status.

Section B. Pool Advance Agreements

Effective Date: 2026-11-03

Under a Pool Advance Agreement (Appendix VI-1), the funds custodian must be irrevocably and unconditionally obligated to advance either to the P&I custodial account or to the central P&I custodial account, as appropriate, any amount necessary to cover shortfalls as stipulated in the agreement. If the Issuer uses a disbursement account separate from the pool P&I custodial account, the Pool Advance Agreement must cover that disbursement account. Ginnie Mae must have on record a Master Agreement for Servicer's Principal and Interest Custodial Account, form HUD 11709 (Appendix III-2) covering all pools affected by the Pool Advance Agreement.

(1) The Issuer must use the Ginnie Mae form of Pool Advance Agreement (Appendix VI-1). Copies of the agreement are available from Ginnie Mae's Office Issuer & Portfolio Management (see Addresses). No changes are permitted to be made to the form. The form of Pool Advance Agreement may not be retyped by the Issuer.

(2) The Ginnie Mae Pool Advance Agreement must be executed by both the Issuer and the funds custodian.

(3) The Ginnie Mae Pool Advance Agreement must be submitted in duplicate to Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses), for Ginnie Mae's

written approval no later than the first day of the month prior to the month in which the agreement will become effective. Both copies must contain original signatures.

(4) A Pool Advance Agreement for a Ginnie Mae I MBS internal reserve pool may cover only a disbursement account that is separate from the related P&I custodial account. A Pool Advance Agreement may be utilized for a Ginnie Mae II MBS MH pool or loan package only if the Issuer's central P&I custodial account is separate from the P&I custodial account for the pool or loan package.

The Issuer must receive Ginnie Mae's written consent to the Ginnie Mae Pool Advance Agreement prior to implementing the terms of the agreement.

Use of a Ginnie Mae Pool Advance Agreement does not diminish an Issuer's ultimate responsibility for all amounts due security holders, Ginnie Mae, or others as provided in this Guide, nor does it obligate Ginnie Mae in any way not otherwise specifically provided for in this Guide.