

Prospectus
Ginnie Mae II
Adjustable Rate Mortgages

U.S. Department of Housing
and Urban Development
Government National Mortgage Association

\$ _____

% Initial Security Interest Rate
Ginnie Mae II Mortgage-Backed Securities
(Adjustable Rate Mortgages)

Guaranteed as to the Timely Payment of Principal and Interest
By the Government National Mortgage Association
(Backed by the Full Faith and Credit of the United States)

Issued by:

Index:	Ginnie Mae Pool No.:	First Payment Due:
Issue Date:	Maturity Date:	
Mortgage Interest and Security Interest Adjustment Date:	Security Payment Adjustment Date:	
Mortgage Payment Adjustment Date:	Security Margin:	
Depository: The Federal Reserve Bank of New York	Central Paying and Transfer Agent:	

The securities offered hereby (the “Securities”) provide for the timely payment of principal and interest on the twentieth day of each month, except as stated herein, commencing in the month following the month of issuance. Interest will accrue on the Securities at the initial per annum rate specified above until the first security interest adjustment date and thereafter at a per annum rate that will be adjusted annually as described in this prospectus; installments of principal will be payable in relation to payments of principal on the underlying pool of mortgages described herein. The maturity date for the Securities is based on the mortgage with the latest maturity. See “Maturity, Prepayment, and Yield” herein for a discussion of certain significant factors that should be considered by prospective investors in the Securities offered hereby.

The Government National Mortgage Association (“Ginnie Mae”) guarantees the timely payment of principal and interest on the Securities. The Ginnie Mae guaranty is backed by the full faith and credit of the United States of America.

The Securities are exempt from the registration requirements of the Securities Act of 1933, as amended, and are “exempted securities” within the meaning of the Securities Exchange Act of 1934, as amended.

Ginnie Mae Guaranty

Ginnie Mae is a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development with its principal office at 451 Seventh Street, S.W., Washington, D.C. 20410. Timely payment of the principal of and interest on the Securities is guaranteed by Ginnie Mae pursuant to Section 306(g) of the National Housing Act of 1934, as amended (the "National Housing Act"). Section 306(g) provides that "[t]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion, dated December 9, 1969, of William H. Rehnquist, Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed securities of the type offered hereby are authorized to be made by Ginnie Mae and "would constitute general obligations of the United States backed by its full faith and credit."

Borrowing Authority—United States Treasury

Ginnie Mae, in its corporate capacity under Section 306(d) of the National Housing Act, may issue to the United States Treasury its general obligations in an amount outstanding at any one time sufficient to enable Ginnie Mae, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the Securities offered hereby. The Treasury is authorized to purchase any obligations so issued.

The Treasury Department has indicated that it will make loans to Ginnie Mae, if needed, to implement the aforementioned guaranty as stated in the following letter:

The Secretary of the Treasury
Washington

February
13, 1970

Dear Mr. Secretary:

I wish to refer to your letter of November 14, 1969 asking whether the timely payment of principal and interest on mortgage-backed securities of the pass-through type guaranteed by the Government National Mortgage Association under Section 306(g) of the National Housing Act under its management and liquidating function is a function for which the Association may properly borrow from the Treasury.

It is the opinion of the Treasury Department that the Association may properly borrow from the Treasury for the purpose of assuring the timely payment of principal and interest on guaranteed pass-through type mortgage-backed securities as described in Chapter 3 paragraph 6 of the Mortgage-Backed Securities Guide dated December 1969. Accordingly, the Treasury will make loans to the Association for the foregoing purposes under the procedure provided in subsection (d) of Section 306 of Title III of the National Housing Act.

Sincerely,

DAVI
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KENN
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The Honorable George Romney
Secretary of the Department of
Housing and Urban Development
Washington, D.C. 20410

Adjustable Rate Mortgages

The Securities are based on and backed by a pool of mortgage loans (the “Mortgages”) described below. The Issuer has represented that the Mortgages are adjustable rate mortgages (“ARM”) insured by the Federal Housing Administration (“FHA”) or guaranteed by the Department of Veterans Affairs (“VA”). The term “mortgage,” as used herein, includes both a note and the mortgage or deed of trust by which it is secured.

The Issuer has also represented, except as otherwise disclosed in the “Annex—Special Disclosure” (the “Annex”), that (a) at least 90 percent of the original principal balance of each ARM pool or loan package must consist of mortgages with 30 year maturities and (b) no Mortgage is more than 30 days delinquent as of the Issue Date.

The Issuer has also represented, in the case of a one-year ARM, that each Mortgage provides for an annual adjustment of the mortgage interest rate, indexed to either the Constant Maturity Treasury (CMT) index or the London Interbank Offered Rate (LIBOR) index. The index selected at issuance will remain the stated index for the life of the security. For hybrid ARMs, including three-, five-, seven- or ten-year initial interest rate periods, the annual adjustments will commence once those pre-determined periods have expired. The Mortgages have the same index, mortgage interest rate adjustment date, mortgage payment adjustment date and index reference date, which is the date of the published index used for calculating interest adjustments. Each Mortgage will also bear interest at an initial rate of interest that exceeds the initial security interest rate of the Securities, stated on the cover hereof, by at least 0.25% but not more than 0.75% until the first mortgage interest adjustment date, which is stated on the cover hereof.

Following the first mortgage interest adjustment date and each mortgage interest adjustment date thereafter, a new monthly payment will be calculated on each Mortgage, and this new amount will become effective in the month following the month of the adjustment. During the initial interest rate period, and during each successive twelve month period following the mortgage interest adjustment date, each Mortgage will provide for repayment in equal monthly installments that, if continued for the life of the Mortgage, would be fully amortizing to maturity.

Adjustment to the mortgage interest rates will be made in the same manner, described below, as adjustment to the interest rate on the Securities.

If any of the foregoing representations, or any other representation made by the Issuer, is incorrect with respect to any Mortgage, the Issuer may be required by Ginnie Mae to purchase the Mortgage from the pool. Additionally, if any Mortgage comes into default and continues in default for a period of 90 days or more, the Issuer is permitted to purchase it from the pool. In either event, the remaining principal balance of the Mortgage will be passed through to the Security Holders as an unscheduled recovery of principal. See “Maturity, Prepayment, and Yield” herein.

The pool may contain one or more Mortgages that constitute high balance mortgages. A high balance mortgage is a single-family mortgage loan originated with a note date on or after October 1, 2008, with a high loan balance as defined in the Ginnie Mae Mortgage-Backed Securities

Guide. There is no limit on the percentage of the original principal balance of the pool or the loan package that may consist of high balance mortgages.

Social Bonds

Based on certain attributes (i.e., collateral selection, targeted populations, use of proceeds, monthly reporting), prospective investors may deem the Securities “Social Bonds.”

Collateral selection is restricted by federal law. The Securities must be based on and backed by a pool of mortgage loans insured or guaranteed pursuant to mortgage insurance or guaranty programs of FHA, VA, RD, or HUD (the “Programs”) (see Single-Family Mortgages, above).

These Programs, authorized by Congress, have established guidelines to serve targeted populations in furtherance of their Congressional mandates. The government insurance or guaranties extended under the Programs reduce borrower credit risk, which promotes broader access to mortgage credit and/or less costly credit for borrowers in the targeted populations, thereby expanding homeownership access and/or homeownership affordability. In addition, the Ginnie Mae guaranty furthers the purpose of promoting access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas) by improving the distribution of investment capital available for residential mortgage financing.

The Securities thus are backed by residential mortgage loans extended to borrowers in accordance with Federal programs that promote more affordable and/or accessible homeownership for the Nation’s low-to-moderate income (“LMI”) borrowers, veterans, senior citizens, rural communities, and/or tribal, Alaska Native, and Native Hawaiian communities. The Securities, as modified pass-through mortgage-backed securities, provide for payments to Security Holders that represent (as further described herein) principal and interest payments made by the borrowers on these mortgage loans. In addition, the Securities’ issuance makes investment capital more readily available for residential mortgage financing. The Issuer(s) may use proceeds from the sale of the Securities as a source of capital to finance residential mortgage loans to members of targeted populations, in accordance with one or more of the Programs.

Ginnie Mae updates the reported data on collateral characteristics and attributes for each MBS on a monthly basis.

Based on the attributes discussed above (i.e., collateral selection, targeted populations, use of proceeds, monthly reporting) or other factors, prospective investors may determine that the Securities are “Social Bonds”; however, they must reach their own conclusions in this regard.

Book-Entry Registration

The Securities initially will be issued and maintained in uncertificated, book-entry form. Subsequent to closing, an investor may request that its book-entry Security be issued in certificated form. So long as they are maintained in book-entry form, the Securities may be transferred only on the book-entry system of the Depository. In the case of the book-entry

Securities, Ginnie Mae guarantees only that payments will be made to the Depository in whose name the Security is registered.

Investors in book-entry Securities will ordinarily hold such Securities through one or more financial intermediaries, such as banks, brokerage firms, and securities clearing organizations. An investor in a Security held in book-entry form may transfer its beneficial interest only by complying with the procedures of the appropriate financial intermediary and must depend on its financial intermediary to enforce its rights with respect to a book-entry Security.

Certificated Registration

By request made through the Issuer or a securities dealer, accompanied by a transfer fee, an investor in book-entry Securities may receive from the central paying and transfer agent (“CPTA”) for the Securities a Security in fully registered, certificated form.

Securities held in fully registered, certificated form will be fully transferable and assignable, but only on the security register maintained by the CPTA (the “Security Register”). A Security Holder of a fully registered, certificated Security or its designated representative may transfer ownership or obtain a denominational exchange of its Security on the Security Register upon surrender of the Security to the CPTA at its Ginnie Mae transfer window, or through the mail, if the Security is duly endorsed by the Security Holder using the form of assignment on the reverse side thereof or any other written instrument of transfer acceptable to Ginnie Mae. A service charge in an amount determined by Ginnie Mae will be imposed for any registration of transfer or denominational exchange of a Security, and payment sufficient to cover any tax or governmental charge in connection therewith will also be required.

Payments of Principal and Interest

The Securities will provide for payments to Security Holders to be made by the CPTA using funds provided by the Issuer. Payments of principal and interest are required to be made to registered holders of the Securities in monthly installments by the twentieth calendar day of each month (or, in the case of payments on book-entry Securities, if such twentieth day is not a business day, on the next following business day). The first such payment is required to be made on such day in the month following the month in which the Issue Date occurs.

Amounts payable on each Security in respect of interest on each monthly payment date will equal the product of (i) one-twelfth of the interest rate determined as described herein, and (ii) the remaining principal balance of such Security at the end of the prior month. Principal payments on each monthly payment date will equal the sum of (i) all scheduled principal payments due on the Mortgages on the first day of the month of such payment date and (ii) all unscheduled payments (including prepayments) and other recoveries received on the Mortgages during the preceding month. The maturity date for the Securities is set forth on the cover page hereof and is based on the latest maturity date of any Mortgage included in the pool.

The Issuer is required to make available to the CPTA the full amount described above prior to each monthly payment date regardless of whether sufficient amounts have been collected on the Mortgages.

Monthly payments on the Securities will be allocated among the holders of each Security in the proportion that the initial principal amount of such Security bears to the initial aggregate principal amount of the Securities.

Monthly payments on Securities held in book-entry form will be paid to the Depository for allocation and payment to the investors in accordance with the Depository's procedures.

Monthly payments on Securities held in fully registered, certificated form will be paid to the Security Holder in whose name the Securities are registered on the last day of the month preceding the month in which the payment is made. Payments will be made by check or in such other manner as may be prescribed by Ginnie Mae. The CPTA will issue a single check (or otherwise consolidate payments) to each Security Holder each month for all payments due the Security Holder for all of its Ginnie Mae II securities. Final payment on a fully registered, certificated Security will be made only upon surrender of the outstanding certificate.

Adjustments to Security Interest Rate

The index used to adjust the security interest rate on "AR", "AT", "AF", "AS", "AX," "FT" or "AQ" pools is the weekly average yield on United States Treasury securities, adjusted to a constant maturity of one year ("CMT"). The index used to adjust the security interest rate on "RL", "TL", "FL", "FB", "SL", "XL" and "QL" pools is the London Interbank Offered Rate ("LIBOR"). The LIBOR index is the average of interbank offered rates for one-year United States dollar-denominated deposits as calculated by the ICE Benchmark Administration (ICE) and published in *The Wall Street Journal*. With respect to each annual security interest adjustment date, the applicable index is the most recently available figure 45 days prior to the security interest adjustment date. The security margin, stated on the cover hereof, is added to the applicable index, and the result is rounded to the nearest 1/8th of one percentage point.

If this calculated interest rate is not more than one percentage point higher or lower than the current security interest rate for one-, three- and five-year ARMs with a "1/5" cap structure, it becomes the new security interest rate. If the calculated interest rate is more than one percentage point higher or lower than the current security interest rate, the security interest rate will be increased or decreased by one percentage point. The adjusted security interest rate may never be more than five percentage points higher or lower than the initial security interest rate stated on the cover hereof.

Similarly, if the calculated interest rate for five-, seven- or ten-year ARMs with a "2/6" cap structure is not more than two percentage points higher or lower than the current security interest rate, it becomes the new security interest rate. If the calculated interest rate is more than two percentage points higher or lower than the current security interest rate, the security interest rate will be increased or decreased by two percentage points. The adjusted security interest rate may never be more than six percentage points higher or lower than the initial security interest rate stated on the cover hereof.

Following a security interest adjustment date, the adjusted security interest rate will be reflected in the payments to Security Holders made on the next security payment adjustment date, stated on the cover hereof.

Denominations

The Securities will be issued in minimum dollar denominations representing initial principal balances of \$1,000 and in multiples of \$1 in excess thereof.

Servicing of the Mortgages

If the suffix of the pool number on the cover hereof includes a “C,” the pool is a “custom” pool, which means that the Mortgages were all pooled by a single Issuer, who is named on the cover hereof and on each Security. The Issuer of a custom pool is responsible for servicing all of the Mortgages.

If the suffix of the pool number on the cover hereof includes an “M,” the pool is a multiple Issuer pool, which normally means that the Mortgages consist of two or more “loan packages,” each contributed by a different Issuer (a multiple Issuer pool may contain only a single loan package in some cases). If the Mortgages constitute a multiple Issuer pool, the term “Multiple Issuer” appears on the cover hereof and on each Security, and each Issuer is named, and the portion of the pool it contributed is stated, on the “Annex — Special Disclosure.”

If the Mortgages constitute a multiple Issuer pool, each Security is backed by all of the Mortgages and not merely the Mortgages contributed by a single Issuer. Each Issuer, however, has undertaken to service only the Mortgages it contributed to the pool and to perform certain administrative duties only with respect to those Mortgages. No Issuer is responsible for performing such functions with respect to Mortgages contributed by another Issuer, and no Issuer is responsible for any act or omission of any other Issuer.

Under contractual arrangements between the Issuer and Ginnie Mae, an Issuer is responsible for servicing and otherwise administering the Mortgages that it contributed to the pool in accordance with FHA and VA requirements, as applicable, Ginnie Mae requirements, and servicing practices generally accepted in the mortgage lending industry.

As compensation for its servicing and administrative duties, an Issuer will be entitled to retain from each interest payment collected on a Mortgage that it contributed to the pool an amount equal to the product of one-twelfth times the difference between the interest rate on the Securities and the interest rate on the Mortgage (which difference will be not less than 0.25% or more than 0.75%) times the actual principal amount of such Mortgage. Late payment fees and similar charges collected will be retained by the Issuer as additional compensation. The Issuer will pay (a) to Ginnie Mae monthly a guaranty fee of not more than one-twelfth of 0.06% of the outstanding principal amount of such Mortgages and (b) all other costs and expenses incident to the servicing of such Mortgages.

Custodial Agent

The underlying loan documentation for the Mortgages will be held in custody by a document custodian acceptable to Ginnie Mae.

Termination of Pool Arrangement

