

December 4, 2020

**APM 20-15**

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

**FROM:** Eric Blankenstein, Executive Vice President and Chief Operating Officer

**SUBJECT:** C RG Pool Type Implementation for Single Family Securities

In APM 20-07, Ginnie Mae established new pooling eligibility requirements for Re-Performing Loans bought out on or after July 1, 2020 and announced that it would introduce a new pool type to securitize the Re-Performing Loans restricted from securitization by APM 20-07. This memorandum implements the new C RG Pool type effective for MBS with an Issue Date of February 1, 2021, and after.

#### **New C RG Pool Parameters**

The C RG Pool is a Ginnie Mae II custom pool that must be composed exclusively of Re-Performing Loans. Other than this Re-Performing Loan composition requirement, the parameters for a C RG Pool are identical to the pooling parameters applicable to Ginnie Mae II Custom Single Family (C SF) Pools, including for example, minimum pool and loan package volumes, mortgage maturity requirements, and the homogeneity rules in Chapter 24, Part 2, § B of the MBS Guide.

#### **New Loan Purpose Code 5 – Reperforming Loans and Applicable Pooling Restrictions**

Ginnie Mae is implementing a new Loan Purpose Code in GinnieNET to enforce the C RG Pool parameters and the other pooling restrictions announced in APM 20-07. Except as provided below, all Re-Performing Loans as defined in Chapter 18 of the MBS Guide must be securitized into C RG Pools and identified under Loan Purpose Code “5 – Re-Performing Loan RG” at the time of submitting the loan data into GinnieNET. By way of reminder, Re-Performing Loans are eligible for securitization only if: “(1) the borrower has made Timely Payments for the six (6) months immediately preceding the issuance month associated with the MBS, and (2) the Issue Date of the MBS is at least 210 days from the last date the loan was Delinquent.”

Re-Performing Loans are not eligible for securitization into any other Ginnie Mae I or Ginnie Mae II pool type, with the exception of Re-Performing Loans bought out prior to July 1, 2020 and Re-Performing Loans where the borrower had entered into forbearance prior to March 1, 2020. Re-Performing Loans that were bought out prior to July 1, 2020 as well as Re-Performing Loans associated with forbearance agreements granted prior to March 1, 2020 are excluded



from the restrictions of APM 20-07 and may be delivered into any available Ginnie Mae pool without restriction, including C RG pools.

The Loan Purpose Code used when pooling a Re-Performing Loan that falls within one of these two exclusions depends on the designated pool type. If the loan is being delivered into any Ginnie Mae I or Ginnie Mae II pool, other than the C RG Pool, the loan must be identified by the same Loan Purpose Code which would have applied to the loan prior to the publication of APM 20-07 (i.e. Purchase, Loan Modification, etc.), and must not be identified by Loan Purpose Code 5. If the Issuer decides to pool a Re-Performing Loan that falls into one of the exclusions into a C RG pool, then it must use Loan Purpose Code 5 at the time of pooling.

### **GinnieNET Loan and Pool Data Delivery Requirements for C RG Pool**

Issuers that import loan data into GinnieNET must ensure that their file layout supports inserting “RG” into the file layout position designated for the Pool Type as well as a “5” in the file position designated for the Loan Purpose Code associated with each loan. Similarly, Issuers that rely on manual data entries must ensure that Loan Purpose Code 5 is selected for any Re-Performing Loan when constructing the Form HUD 11706, Schedule of Pooled Mortgages in GinnieNET, as applicable to the C RG pool. Ginnie Mae will not accept hard copy submissions for C RG Pools. GinnieNET will accept submission of C RG pools beginning on January 19<sup>th</sup> for securities with an Issue Date of February 1, 2021, and thereafter. Issuers may refer any questions relating to the requisite GinnieNET file layout to the Ginnie Mae helpdesk at 1-833-GNMA HELP or by contacting [ginniemae1@bnymellon.com](mailto:ginniemae1@bnymellon.com).

Consistent with this memorandum, Ginnie Mae is updating Chapter 18, Part 3 § B(6) of the MBS Guide to address questions received since the publication of APM 20-07 relating to pooling restrictions on Re-Performing Loans. Ginnie Mae is also updating Chapter 1, Part 3, § B(2), Chapter 9, Part 2, §§ B, C, and D, Part 3, §§ D and G, Chapter 24, Part 2, § A(3), and Appendix IV-20. All MBS Guide updates referenced here are effective immediately.

Any act that is not in compliance with the pooling restrictions or the data submission requirements as set forth in the MBS Guide constitutes a violation of the terms of the Guaranty Agreement and is therefore grounds for Issuer sanctions under the MBS Program. If you have any additional questions about the content of this memorandum, please contact your Account Executive in the Office of Issuer and Portfolio Management.



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