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APM 16-03

April 15, 2016

To: All Participants in Ginnie Mae Programs  
From: Theodore W. Tozer, President  
Subject: Curtailment of the Targeted Lending Initiative

As part of its core mission, Ginnie Mae supports affordable housing by channeling global capital into the nation's housing markets. In 1997, Ginnie Mae implemented the Targeted Lending Initiative (TLI) for the purpose of incenting lending in certain underserved communities through a reduced guaranty fee. Recently, Ginnie Mae undertook a program evaluation of TLI in connection with the ongoing modernization of Ginnie Mae's securitization platform.

The result of this evaluation indicated that the reduced guaranty fee offered under TLI did not have a meaningful impact on overall lending patterns. In light of the significant investment that would have been required to update and maintain TLI for the modernized securitization platform and the cost of the reduced guaranty fee, Ginnie Mae determined that it could not justify continuance of this program. Consequently, Ginnie Mae will discontinue TLI effective with October 1, 2016 issuances to focus its limited resources on efforts that have a more direct impact on Ginnie Mae's core mission activities.

All securities with an issuance date of September 1, 2016 or earlier will continue to be evaluated for and receive a guaranty fee discount under the TLI program, if eligible. All securities that are eligible for the TLI guaranty fee discount as of September 2016 will continue to receive the TLI discount for the life of the associated pool or loan package.

Effective with October 1, 2016 issuances and thereafter, Ginnie Mae will cease analyzing whether the loans submitted as collateral for any new pool or loan package qualify for TLI. Ginnie Mae will also cease extending any guaranty fee discounts based on the percentage of TLI qualifying loans that comprise those pools or loan packages. The following table summarizes the impact of the aforementioned changes.



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<b>Security Issuance Date</b>	<b>Impact of TLI Curtailment</b>
Existing securities eligible for TLI Discount as of April 15,2016	None. If security qualifies for a TLI discount, it will retain the discount for the life of the associated pool or loan package
New securities with an Issuance date of September 1, 2016 or earlier	If the pool or loan package meets one of the composition percentage thresholds in Chapter 33-2, the associated security will receive the corresponding TLI discount for the life of the pool or loan package.
New securities with an issuance date of October 1, 2016 or later	All securities will be ineligible for a TLI related discount.

Chapters 6, 10, 24 and 33 of the Mortgage-Backed Securities Guide 5500.3, Rev. 1 (MBS guide) will be updated in accordance with this APM. Appendix III-10 of the MBS Guide will be retired and reserved effective October 1, 2016.

If you have any questions regarding this announcement, please contact your Account Executive in the Office of Issuer and Portfolio Management directly, or at (202) 708-1535.