

October 4, 2017

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael Bright, Acting President

SUBJECT: Availability of Disaster Pass-Through Assistance and
Delinquency Ratio Exemptions for Qualifying Portfolios

When the President declares a major disaster, Ginnie Mae has the discretion to provide Issuers with optional, special assistance. Ginnie Mae's Disaster Assistance Programs are described in Chapter 34 of the Mortgage-Backed Securities Guide, HUD Handbook 5500.3, Rev-1 ("MBS Guide"). As described in Section 34-2 of the MBS Guide, when Ginnie Mae opts to make available its disaster assistance programs, Ginnie Mae will issue an All Participants Memorandum informing Issuers about the availability of these options for specific major disasters, the eligibility requirements, the application process, and the expiration date for each program.

Effective immediately, Ginnie Mae will accept Issuer applications under its Delinquency and Default Ratio Exclusion Program, in Section 34-2(C) of the MBS Guide, and its Pass-Through Assistance Program, in Section 34-2(D) of the MBS Guide for qualifying portfolios impacted by the major disasters declared by President Trump due to Hurricanes Harvey, Irma, or Maria. The applications for assistance under each program should be prepared and submitted in accordance with the requirements of Section 34-2 of the MBS Guide, which has been updated in accordance with this memorandum.

As a reminder, the pass-through advancing assistance detailed in Section 34-2 has a specific and limited purpose: to allow Issuers facing a temporary liquidity shortfall that is directly attributable to a disaster to receive the benefit of the Ginnie Mae guaranty without the consequence of termination and extinguishment. This assistance is not intended to provide long-term financing, or to address the full extent of solvency issues that an Issuer might face as the result of a disaster.

Ginnie Mae will underwrite requests for assistance with particular attention to two considerations noted in Section 34-2:

- 1) Whether the request for a governmental advance constitutes a "last resort."
- 2) Whether there are sufficient grounds to expect that a governmental advance would be repaid within 90 days.



Applications for assistance that, in Ginnie Mae's sole discretion, do not affirmatively meet these two tests, will not be approved.

For the purpose of meeting the "Qualifying Portfolio" criteria noted in Chapter 34-2(A), Issuers may aggregate eligible loans from the Hurricane Harvey, Hurricane Irma, and Hurricane Maria disasters. Ginnie Mae will accept applications under these two programs through October 2018, for the monthly reporting periods between September 2017 and September 2018.

Please contact your Ginnie Mae Account Executive in the Office of Issuer and Portfolio Management directly or at (202) 708-1535 with any questions you may have.