

## GLOSSARY

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<b>ACH</b>	Automated Clearing House or, when used as a verb, the act of automatically debiting an Issuer's central P&I custodial account through an Automated Clearing House to complete a financial transaction.
<b>AL</b>	The designation for a pool created under the Ginnie Mae II MBS Program backed by Participations related to 1-Yr adjustable rate HECM loans tied to the London Interbank Offered Rate (LIBOR) index. The cap structure for AL pools allows for up to a 2 percentage point annual interest rate change with a lifetime cap of not more than a five percent interest rate change.
<b>ARM</b>	The designation of a Ginnie Mae II MBS Program pool or loan package of adjustable rate mortgages, each with an amortization schedule that provides for changes in the amount of the monthly payments, based on annual adjustments to the interest rate.
<b>ARM Index</b>	Either the one-year CMT index or the one-year LIBOR index. The ARM index is generally used to reset interest rates on ARM securities. Ginnie Mae currently provides pooling options for both 1-Yr and hybrid ARM products.
<b>ARM Securities</b>	Securities backed by pools of adjustable rate mortgages.
<b>AF</b>	Five Year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 61 months, and no later than 63 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate or more than five percentage points higher or lower than the initial interest rate on the mortgage.
<b>AQ</b>	The designation for a type of multiple Issuer 1-Yr ARM pool or loan package formed under the Ginnie Mae II MBS program. The first interest adjustment date for each mortgage is at least 12 months but not more than 18 months after the first payment date for the mortgage, while the first interest adjustment date for the pool occurs 12 months after the issue date of the related securities. The issue date of the related securities is either January 1, April 1, July 1 or October 1.
<b>AR</b>	The designation for a type of custom ARM pool or multiple Issuer ARM pool or loan package formed under the Ginnie Mae II MBS Program for which (a) in the case of a custom pool, the first interest adjustment date for each mortgage is at least one month but not more than 18 months after the first payment date for the mortgage and the first interest

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adjustment date for the pool is from one to 15 months after the issue date of the related securities, and (b) in the case of a multiple Issuer pool or loan package, the first interest adjustment date for each mortgage is at least 12 months but not more than 18 months after the first payment date for the mortgage, and the first interest adjustment date for the pool is from 13 to 15 months after the issue date of the related securities.

### **AS**

Seven Year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 85 months, and no later than 87 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than two percentage points higher or lower than the prior year's rate or more than six percentage points higher or lower than the initial interest rate on the mortgage.

### **AT**

Three Year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 37 months, and no later than 39 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate or more than five percentage points higher or lower than the initial interest rate on the mortgage.

### **AX**

Ten Year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 121 months, and no later than 123 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than two percentage points higher or lower than the prior year's rate or more than six percentage points higher or lower than the initial interest rate on the mortgage.

### **Adjustment Date**

The date on which the interest rate changes for an adjustable-rate mortgage (ARM).

### **Advance**

The use of the Issuer's own corporate funds, or funds specifically borrowed pursuant to a Ginnie Mae approved pool advance agreement, to make a payment to security holders (in the case of Ginnie Mae I MBS), to enable the CPTA to make a payment to security holders (in the case of Ginnie Mae II MBS) or to pay tax obligations, insurance premiums, or other amounts due under the mortgage when the funds on deposit in any principal and interest custodial account, any escrow custodial account, or any other account related to the

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	pooled mortgages are insufficient to make the required payments.
<b>Assign in Blank</b>	Transfer of ownership rights in one or more pooled mortgages, or mortgages related to pooled Participations, from the Issuer to an unspecified party to be named at a later time.
<b>Assignment</b>	Transfer of a right, title, or interest in mortgages or Ginnie Mae securities, or the transfer instrument.
<b>Audit Guide</b>	The Consolidated Audit Guide for Audits of HUD programs, Handbook IG 2000.04.
<b>Basis Points</b>	A basis point represents 1/100 <sup>th</sup> of a percentage point. One hundred basis points, for instance, constitute 1%. Basis points are commonly referred to as “bps” and, for the purpose of this MBS Guide, “BP”.
<b>BD</b>	Designation for a Ginnie Mae I MBS Program pool of single-family, level payment mortgages that contains one or more buydown mortgages.
<b>BFP</b>	Bond Finance Program.
<b>Bond Financing Program</b>	A bond-financing program is typically administered by a municipality or state for the purpose of promoting homeownership in underserved areas. Bond Finance Programs typically assist borrowers who are unable to obtain financing through traditional channels.
<b>BP</b>	Basis Points.
<b>Business Day</b>	Generally, Monday through Friday from 8:00 a.m. to 4:00 p.m. Eastern time, excluding holidays as observed by Federal Reserve Banks, unless otherwise expressly stated by Ginnie Mae.
<b>Buydown Mortgage</b>	A single family mortgage whereby a portion of the funds are provided by a third party (other than the borrower or mortgagee), and are intended to reduce the borrower’s monthly payments during the early years of the mortgage.
<b>CD</b>	Concurrent Date Accounting Method.
<b>CL</b>	The designation for a pool that (a) consists of a single mortgage on a multifamily project under construction and that (b) backs securities created under the Ginnie Mae I MBS Program, with an interest rate that will also be the interest rate

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on the project loan securities into which the related construction loan securities will be converted.

**CMT**

See Constant Maturity Treasury.

**CPTA**

The Central Payment and Transfer Agent.

**CS**

The designation for a pool that (a) consists of a single mortgage on a multifamily project under construction and (b) backs securities created under the Ginnie Mae I MBS Program and with an interest rate that will differ from the interest rate on the project loan securities into which the related construction loan securities will be converted.

**Cap Structure**

See Interest Rate Cap Structure.

**Central Payment and Transfer Agent**

The institution that Ginnie Mae employs to act on its behalf in the performance of the following functions: to prepare central registry entries, to prepare certificates for certificated Ginnie Mae MBS, to maintain a record of securities ownership and transfer information, to cancel and re-register certificates tendered in good form by or on behalf of security holders, to debit Ginnie Mae II MBS Program Issuers' central P&I custodial accounts, to pay Ginnie Mae II security holders, to collect Ginnie Mae guaranty fees, and to perform other duties with respect to Ginnie Mae MBS.

**Central P&I Custodial Account**

Each Issuer must designate and maintain a P&I custodial account as its central P&I custodial account (which may be a separate account for each Program or a single account for both Programs) from which disbursements for investor payments and guaranty fees will be made.

**Central Registry**

The central registry is maintained by the CPTA for the purpose of registering the ownership of all Ginnie Mae MBS and also for maintaining an historical record of transfers of Ginnie Mae MBS.

**Certificated Security**

A Ginnie Mae MBS that is represented by a physical certificate.

**CD**

Concurrent Date Accounting Method.

**Change Date**

See Payment Change Date.

**Collection Agent**

The institution Ginnie Mae employs to collect guaranty fees from Issuers for both MBS I and MBS II programs. This function is performed by the CPTA.

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<b>Complete Transfer</b>	A Transfer of Issuer Responsibility for all Ginnie Mae pools in the Transferor Issuer's portfolio (All Pools Transfer).
<b>Compliance Review Agent</b>	The institution that Ginnie Mae employs to conduct compliance and special reviews of Ginnie Mae Issuers and custodians, and to analyze annual audited financial statements filed by all Ginnie Mae Issuers.
<b>Concurrent Date Accounting Method</b>	Under the Concurrent Date (CD) accounting method, loans are "paid up" through the payment due the same month as the issue date, and mortgage payments due one month after the issue date are the first payments due the pool.
<b>Constant Maturity Treasury</b>	Also known as the CMT, the Constant Maturity Treasury Index is the published weekly average yield of U.S. Treasury securities, adjusted to a constant maturity of one year. This index is published in the Federal Reserve Statistical Release, H.15, Selected Interest Rates, and is available on the internet at: <a href="http://www.federalreserve.gov/releases/h15#weekly">www.federalreserve.gov/releases/h15#weekly</a> .
<b>Contracted Security Purchaser</b>	The entity bound under contract with an Issuer to purchase all of the related Ginnie Mae construction loan securities with respect to a particular multifamily project.
<b>Contractual Agreement</b>	A contractual agreement, as amended from time to time, between Ginnie Mae and an Issuer that (a) establishes rights and obligations of each party under the terms of the Ginnie Mae II MBS Program with respect to an issuance of Ginnie Mae II MBS with an issue date prior to December 1, 1999 and (b) has not been superseded by a Guaranty Agreement.
<b>Conveyance Acknowledgment (Jurat)</b>	A formal declaration attached to or made part of an instrument used to effect a transfer of interest in real estate. The acknowledgment is made by the party that has executed the instrument before a duly authorized officer of the appropriate jurisdiction, typically a notary public.
<b>Custodial Funds</b>	All principal and interest collected on account of the mortgages and/or the property securing the mortgages and any other funds due to the security holder; any tax, insurance premium or other funds collected for the benefit of the mortgage or the property; and any unscheduled recoveries of principal.
<b>Custom Pool</b>	A pool formed pursuant to the Ginnie Mae II MBS Program that has a single Issuer and that does not contain a loan package.

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<b>Default</b>	A failure to comply with one or more covenants of the mortgage. A default can be monetary, as in the failure to make a payment when due, or non-monetary, as in a failure to comply with one or more other covenants of the mortgage.
<b>Defective Mortgage</b>	A mortgage (i) that cannot be insured or guaranteed by an agency of the Federal Government under a provision named in Section 306(g) of the National Housing Act, (ii) that has been refused by the insuring or guaranteeing agency, (iii) for which federal agency insurance or guaranty has been withdrawn, (iv) for which, in the case of GNMA II Single Family Level Payment MBS and HOPE for Homeowners (“H4H”) mortgage loans, FHA is prohibited from paying insurance benefits, whether or not the mortgage is insured; or (v) that does not comply with the terms of the related securities.
<b>Delinquency</b>	The failure to make a mortgage payment, or payments, when due.
<b>Delivery Date</b>	For (a) book entry securities, the date on which the CPTA registers ownership of the securities in the name of the depository on the central registry, and for (b) certificated securities held directly by a security holder, the date on which the CPTA releases the certificate or certificates to such security holder.
<b>Depository</b>	The registered holder for book-entry Ginnie Mae MBS, which is the Federal Reserve Bank of New York.
<b>Document</b>	Information delivered in hard copy (paper format) or information delivered electronically, as the context requires.
<b>Document Custodian</b>	A financial institution approved by Ginnie Mae that certifies and maintains the required documents for pooled mortgages or mortgages related to pooled Participations. The document custodian holds these documents for the life of a Ginnie Mae pool or loan package or until it is replaced by another institution.
<b>Eastern Time</b>	Wherever used herein, Eastern Time shall mean standard time in the 5 <sup>th</sup> time zone west of Greenwich, used in the Eastern United States.

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<b>Effective Reporting Date</b>	<p>The date when Ginnie Mae's systems of record are changed to reflect the Transferee Issuer as the Issuer of record of the pools. It is also the date on which the Transferee Issuer becomes responsible for the monthly accounting and RPB reporting on the transferred pools. This date is always the first (1<sup>st</sup>) day of a month.</p> <p>For example, if the Effective Reporting Date is May 1, the Transferee Issuer is responsible for the monthly accounting and RPB reporting that is due on the 2<sup>nd</sup> business day of May.</p> <p>NOTE: This date usually follows the physical transfer of servicing functions by one month.</p>
<b>Electronic Transfer</b>	<p>A transfer of funds via electronic means as may be approved by Ginnie Mae from time to time, including but not limited to an ACH debit.</p>
<b>Eligible Non-Borrowing Spouse</b>	<p>An Eligible Non-Borrowing Spouse is a HECM mortgagor's spouse that is not obligated on the HECM loan, but was identified at closing and meets the requirements set forth by FHA in Mortgagee Letter 14-07 and any applicable subsequent FHA guidance. An Eligible Non-Borrowing Spouse is entitled to a deferral of the due and payable status resulting from the death of the last surviving mortgagor on the HECM loan provided he/she continues to satisfy the other FHA requirements on the loan.</p>
<b>Escrow Custodial Account</b>	<p>An account that the Issuer maintains with a financial institution for the deposit of escrowed funds to be used to pay taxes, insurance premiums, and any other amounts due on the mortgage, other than principal and interest.</p>
<b>Excess Funds</b>	<p>With respect to a monthly payment date for securities, any amount on deposit for a particular pool or loan package in a principal and interest custodial account that is in excess of the sum of the scheduled payments due for the pool or loan package in that month and unscheduled recoveries of principal, as defined in the Guide, required to be passed through to the related security holders in that month.</p>
<b>FB</b>	<p>Five year hybrid adjustable rate security. For Multiple Issuer pools, the initial security interest adjustment date must occur no sooner than 61 months, and no later than 63 months, after the issue date of the pool, and annually thereafter. For Custom pools, the initial security interest adjustment date must occur no sooner than 61 months, and no later than 63 months, after the first mortgage payment date, and annually thereafter. The adjusted interest rate may not be more than two percentage points higher or lower than the prior year's</p>

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rate or more than six percentage points higher or lower than the initial interest rate on the mortgage.

<b>FHA</b>	The Federal Housing Administration (“FHA”), an agency of the United States Department of Housing and Urban Development, whose mission is to promote and expand affordable housing opportunities for low and moderate income families throughout America.
<b>FIC</b>	Fixed Installment Constant (“FIC”) when referring to an individual mortgage or Fixed Installment Control when referring to a pool or loan package of mortgages.
<b>FL</b>	Five year hybrid adjustable rate security. For Multiple Issuer pools, the initial security interest adjustment date must occur no sooner than 61 months, and no later than 63 months, after the issue date of the pool, and annually thereafter. For Custom pools, the initial security interest adjustment date must occur no sooner than 61 months, and no later than 63 months, after the first mortgage payment date, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year’s rate or more than five percentage points higher or lower than the initial interest rate on the mortgage.
<b>FS</b>	The designation for a pool or loan package type consisting of single family, level payment loans created under the Ginnie Mae II MBS Program. Certain <i>FHASecure</i> loans may be included in this pool type.
<b>Factor</b>	For a given issue of securities and a particular month, the factor refers to the percentage of the original principal amount that will remain outstanding, once the scheduled monthly payment on the securities has been made.
<b>Fannie Mae</b>	The entity known as the Federal National Mortgage Association, (“Fannie Mae”). Fannie Mae is a government-sponsored enterprise that promotes liquidity in the secondary mortgage market by purchasing loans from lenders. Securities issued by Fannie Mae are not backed by the full faith and credit of the United States government.
<b><i>FHASecure</i></b>	<i>FHASecure</i> is the FHA program for loans not previously insured by the FHA that have refinanced into FHA-insured loans.
<b>Final Certification</b>	For any given pool or loan package, the certification by a document custodian that the loan documents delivered by an Issuer satisfy all requirements of the Guide.



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<b>Fixed Installment Constant</b>	With respect to a loan, the scheduled principal and interest due on that loan in a given month ("FIC").
<b>Fixed Installment Control</b>	The scheduled principal and interest due on a pool or loan package ("FIC") in a given month.
<b>Freddie Mac</b>	The entity known as the Federal Home Loan Mortgage Corporation ("Freddie Mac") is a government sponsored enterprise that promotes liquidity in the secondary mortgage market by purchasing loans from lenders. Securities issued by Freddie Mac are not backed by the full faith and credit of the United States Government.
<b>Full Participant (PIIT)</b>	An Issuer approved to acquire and/or transfer Issuer responsibility for pools at issuance as part of a PIIT transaction.
<b>Funds Custodian</b>	A financial institution approved by Ginnie Mae that maintains a P&I custodial account, or any escrow custodial account.
<b>GA</b>	The designation for a pool or loan package of single family growing equity mortgages whose monthly payments increase at a rate of 4 percent annually over the life of each loan.
<b>GD</b>	The designation for a pool or loan package of single family growing equity mortgages whose monthly payments increase annually at a rate and for a number of years acceptable to FHA or VA.
<b>GEM</b>	The designation for a growing equity mortgage, whereby the principal payment is increased by a specific amount each year.
<b>GP</b>	The designation for a pool or loan package of single-family graduated payment mortgages on which monthly payments increase annually for the first 5 years.
<b>GT</b>	The designation for a pool or loan package of single family graduated payment mortgages on which monthly payments increase annually for the first 10 years.
<b>Ginnie Mae</b>	The Government National Mortgage Association, also known as Ginnie Mae, is a wholly owned corporate instrumentality of the United States Department of Housing and Urban Development. Ginnie Mae guarantees securities based on and backed by pools of loans insured or guaranteed by the FHA, VA, RD and PIH. Securities guaranteed by Ginnie Mae are backed by the full faith and credit of the United States government.

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<b>Ginnie Mae MBS Program</b>	The Ginnie Mae I MBS Program or the Ginnie Mae II MBS Program.
<b>Ginnie Mae I MBS</b>	MBS issued pursuant to the Ginnie Mae I MBS Program.
<b>Ginnie Mae I MBS Program</b>	The mortgage-backed securities program in which the timely payment of principal and interest on the securities is guaranteed by Ginnie Mae. Issuers are required to pay security holders of certificated securities directly, and to make funds available for payment to the depository, as security holder of all book-entry securities. The payment date is the 15th of the month (or, in the case of payment by electronic funds transfer, if the 15th is not a business day, the next business day).
<b>Ginnie Mae II MBS</b>	MBS issued pursuant to the Ginnie Mae II MBS Program.
<b>Ginnie Mae II MBS Program</b>	The mortgage-backed securities program in which the timely payment of principal and interest on the securities is guaranteed by Ginnie Mae. The CPTA transmits all Issuer payments to security holders. The payment date is the 20th of the month (or, in the case of payment by electronic funds transfer, if the 20th is not a business day, the next business day).
<b>Ginnie Mae Transferee</b>	Any person or entity to which Ginnie Mae transfers or assigns a mortgage or any rights or benefits related to a mortgage.
<b>Ginnie Participation</b>	Any Participation pooled in a Ginnie Mae HMBS pool.
<b>GinnieNET</b>	Ginnie Mae's electronic MBS pool submission computer network system, maintained by Ginnie Mae's PPA and detailed in the <i>GinnieNet</i> Guide. Notwithstanding any reference in this Guide to any particular version of <i>GinnieNET</i> (e.g., such as <i>GinnieNET</i> 7.1), the applicable version of <i>GinnieNET</i> will be that version specified from time to time by Ginnie Mae in an All Participants Memorandum distributed to Issuers.
<b>GinnieNET Issuer Guide</b>	The <i>GinnieNET</i> Issuer Guide contains information on requirements for Issuers and document custodians who use Ginnie Mae's electronic MBS pool submission computer network system, as amended from time to time. The <i>GinnieNET</i> Guide can be obtained from <i>GinnieNET</i> Customer Service.
<b>Graduated Payment Mortgage</b>	A loan whose monthly payments increase annually for a period of years.

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<b>Growing Equity Mortgage</b>	A mortgage whose monthly payments increase annually at a predetermined rate for a period of years or over the life of the loan.
<b>Guaranty Agreement</b>	The contract between Ginnie Mae and an Issuer that establishes the rights and obligations of each party in connection with (a) a Ginnie Mae I MBS pool and the related securities and (b) if the related securities have an issue date after November 1, 1999, a Ginnie Mae II MBS pool and the related securities. In addition, if an Issuer issues, under either Ginnie Mae MBS Program, securities with an issue date after November 1, 1999, the term “Guaranty Agreement” includes the contract that establishes thereafter the rights and obligations of each party in connection with each Ginnie Mae II MBS pool backing Ginnie Mae II MBS with an issue date on or prior to November 1, 1999. In any case in which a contractual agreement remains in effect with respect to a Ginnie Mae II MBS pool and the related securities, the use of the term “Guaranty Agreement” with respect to the pool or related securities shall be construed, unless the context otherwise requires, as though it said “Contractual Agreement.”
<b>Guaranty Fee</b>	For each issue of MBS, a monthly fee paid by each Issuer to Ginnie Mae for Ginnie Mae’s full faith and credit guaranty.
<b>Guide</b>	Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3, Rev. 1, as hereafter amended.
<b>HECM</b>	See Home Equity Conversion Mortgage.
<b>HMBS</b>	See Home Equity Conversion Mortgage Security.
<b>HMBS Issuer Monthly Report</b>	A report required by Ginnie Mae for each Reporting Period covering an HMBS Issuer’s servicing activities, including the specific Loan, Pool, and Participation data identified in Appendix VI-17 of this Guide.
<b>HUD</b>	United States Department of Housing and Urban Development.
<b>Home Equity Conversion Mortgage (HECM)</b>	A home equity conversion mortgage (HECM) loan, also commonly referred to as a “reverse mortgage,” is an FHA-insured mortgage designed specifically to permit senior citizens to convert the home equity of their principal residence into cash.

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**Home Equity Conversion  
Mortgage Participation  
(Participation)**

A Participation is that portion of a HECM loan that has been pooled by the Issuer. Participations may include advances made to borrowers, certain servicing fees, MIP, accrued interest (which may include certain servicing fees and guaranty fees) and closing costs.

**Home Equity Conversion  
Mortgage Payment to  
Security Holders**

All HMBS payments to security holders reflect unscheduled recoveries of principal and interest under the HECM loan and a payment to the HECM loan would result in a pro rata distribution to all holders of interests in such HECMs.

**Home Equity Conversion  
Mortgage Pool to  
Security Balance**

For the Ginnie Mae HMBS Program, the pool balance includes all underlying Participation balances, and this amount must equal the security balance. This means, for instance, that at the end of each reporting period, the sum of the Participations' remaining principal balances must equal the remaining principal balance of the HMBS security.

**Home Equity Conversion  
Mortgage Security  
(HMBS)**

A financial obligation secured by a pool of Participations related to HECMs.

**Home Equity Conversion  
Mortgage Security Pool  
of Collateral (HMBS Pool  
of Collateral)  
Hybrid ARM**

Each HMBS is backed by multiple Participations which collectively operate as the pool's collateral.

An adjustable rate mortgage with an initial fixed rate period of either three, five, seven or ten years. After the initial fixed rate period, the mortgage interest rate and P&I payments will be adjusted annually.

**IA**

Independent Auditor.

**IPMS**

Integrated Pool Management System.

**Independent Auditor**

An auditor that meets the auditor qualifications of Government Auditing Standards, including the qualifications relating to independence and continuing professional education. Additionally, the audit organization must meet the quality control standards of Government Auditing Standards.

**Initial Certification**

For a pool or loan package, a certification by a document custodian to Ginnie Mae that the documents that have been delivered to it by the Issuer satisfy the requirements of the Guide to the extent necessary for issuance of securities.

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### **Integrated Pool Management System**

A system established by Ginnie Mae to manage the disbursement of congressionally authorized commitment authority to guarantee mortgage-backed securities under the Ginnie Mae MBS Programs. The Issuer requests commitment authority, which is aggregated, as approved, and is referred to as a commitment authority account or “line.” As an Issuer issues approved securities backed by pools of mortgages, Ginnie Mae enters the amount of securities issued into the automated commitment file and the commitment line is automatically drawn down.

### **IR**

Internal Reserve Accounting Method.

### **Interest Rate Cap Structure**

The interest rate cap structure for adjustable rate mortgage loans generally provides the borrower with protection from large interest rate swings. Typically, there are two types of interest rate caps – annual and life-of-the loan. Annual interest rate caps limit the extent to which the loan’s interest rate can increase (or decrease) in any given year. Life-of-the-loan caps limit the maximum (or minimum) increase in the note’s interest rate which the borrower will be obligated to pay throughout the term of the loan. Ginnie Mae will guarantee several FHA-insured adjustable rate mortgage products, including a 1-yr ARM and four additional hybrid ARM products. Hybrid ARMs offer an initial interest rate that remains static for the first 3-, 5-, 7- or 10-years and then adjust annually once the initial rate period has expired. The 1-year ARM and 3-year hybrid ARM each have annual caps of one percentage point and life-of-the-loan caps that may not exceed 5 percentage points, even if the prevailing market rates do in fact exceed 5 percentage points. The 5-, 7- and 10-year hybrid ARM products have annual caps of two percentage points, with corresponding life-of-the-loan caps which may never exceed 6 percentage points.

### **Interest Rate Change Date, i.e., Initial Payment Change Date (ARM)**

The interest rate change date is that date which triggers a rate change and payment amount change on an adjustable rate mortgage (ARM). The security adjustment date occurs at the same time as the mortgage change date.

### **Internal Reserve Accounting Method**

Under the Internal Reserve (IR) method, loans are “paid up” through the payment due one month before the date of issue. All mortgage payments due on or after the pool issue date are collections due the pool. Since security holders are not paid until the 15<sup>th</sup> or 20<sup>th</sup> of the month following the month of issue, two months of mortgage collections may be available before securities holders are paid. The IR method of pool administration leaves approximately a one-month cash cushion, or reserve, in the pool bank account.

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<b>Issue Date</b>	The date from which an MBS issued under a Ginnie Mae MBS program accrues interest. The issue date is always the first calendar day of the month of issue.
<b>Issuer</b>	A business organization that, having met certain criteria established by Ginnie Mae, has been approved by Ginnie Mae to issue securities guaranteed by Ginnie Mae.
<b>Jurat</b>	See “Conveyance Acknowledgment.”
<b>LIBOR</b>	See London Interbank Offered Rate.
<b>LM</b>	The designation for a pool created under the Ginnie Mae I MBS Program and consisting of (A) a single project loan with a first scheduled payment date more than 24 months before the issue date of the securities or (B) a single project loan that has been modified by the FHA after final endorsement.
<b>LS</b>	The designation for a pool created under the Ginnie Mae I MBS Program and consisting of one or more project loans, each of which is secured by a lien on a small project as determined by FHA and has a first scheduled payment date no more than 24 months before the issue date of the securities and none of which has been modified subsequent to FHA’s final endorsement.
<b>Level Payment</b>	A loan payment (fixed installment control) that remains constant over the life of the loan.
<b>Limited Participant</b>	An Issuer approved to transfer Issuer Responsibility for pools in a PIIT transaction.
<b>Loan Package</b>	A group of mortgages that is submitted through GinnieNET, and is designated by the Issuer to be included in a multiple Issuer pool under the Ginnie Mae II MBS Program.
<b>London Interbank Offered Rate</b>	Commonly referred to as LIBOR, it is the designation of the London Interbank Offered Rate. It is the average of interbank offered rates for U.S. dollar-denominated deposits of a stated maturity. The LIBOR index may be used as a base index for setting rates of some adjustable rate mortgages. The index is published in the Money Rates Section of <i>The Wall Street Journal</i> .
<b>MAMS</b>	Master Agreement Management System.
<b>MBS</b>	Mortgage-backed securities.
<b>MBS Program Pool</b>	A Pool and/or Loan Package that backs an MBS issued under any of the the Ginnie Mae MBS Programs.

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<b>MBS Program Pool Documents</b>	Documents required by this Guide for certification of a Pool or Loan Package serving as collateral for a Ginnie Mae MBS, including the individual loan documents that pertain to such Pool or Loan Package, as well as any documents required to be maintained by a Document Custodian for each Pool or Loan Package.
<b>MERS</b>	Mortgage Electronic Registrations System, Inc.
<b>MH</b>	The designation for a pool or loan package type consisting of manufactured home loans (mobile home loans).
<b>MIN</b>	The mortgage identification number assigned to a mortgage registered with MERS.
<b>ML</b>	The designation for a pool created under the Ginnie Mae II MBS Program backed by Participations related to monthly adjustable rate HECM loans tied to the London Interbank Offered Rate (LIBOR) index, with a lifetime cap structure determined by the Issuer.
<b>MOM</b>	A designation indicating that, with respect to the designated mortgage, MERS is the original mortgagee of record.
<b>Mortgage</b>	Any mortgage identified and described in the Schedule of Pooled Mortgages, or the Schedule of Pooled Participations and Mortgages, whether submitted in hard copy or electronically. As used in the applicable Guaranty Agreement or Contractual Agreement and in the Guide, the term “Mortgage” shall be construed to include a security instrument, together with the obligation secured thereby, the title evidence, and all other documents, instruments, and other papers pertaining thereto, and the transaction(s) to which they relate, and all claims, funds, payments, proceeds, recoveries, property, monies, or assets related in any way thereto, including but not limited to any and all mortgage insurance or loan guaranty claim proceeds, hazard insurance proceeds, payments by borrowers, refunds, rents, foreclosures or sales proceeds, and escrowed items. For HMBS pools, the term “Mortgage” shall also be construed to include, but not be limited to, payments made to, on behalf of, or by the mortgagors in respect of the Mortgages after the Issue Date of the MBS, and all unscheduled recoveries of principal received on the Mortgages after the Issue Date.
<b>Mortgage-Backed Security</b>	A financial obligation secured by a pool of mortgages.
<b>Mortgage Electronic Registration System, Inc.</b>	A Delaware corporation that has developed an electronic registration system for real estate secured loans. MERS

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	serves as the mortgagee of record for any loan registered on its system. All subsequent transfers of a registered mortgage to other members of MERS take place on the system without the need for additional assignment or recordation.
<b>Mortgage Insurance Premium (MIP)</b>	Mortgage insurance premiums are paid by the mortgagee to FHA on all FHA-insured Mortgages. The FHA insures mortgagees against certain losses on the insured mortgages.
<b>Mortgage Margin</b>	The amount, stated in basis points, that is added to the ARM Index for an ARM loan in order to determine the interest rate on the loan.
<b>Mortgage Pool</b>	A pool or loan package of mortgages that may be sold as a unit in the secondary mortgage market or used to back securities that are sold in the capital market.
<b>Multiple Issuer Pool</b>	A pool that consists of one or more loan packages with similar characteristics and backs a single issuance of securities under the Ginnie Mae II MBS Program.
<b>Non-Surviving Issuer</b>	In a merger of a Ginnie Mae approved Issuer with another entity, where the Issuer that is currently responsible for loans pooled in Ginnie Mae-backed MBS will not be the surviving entity as a result of the merger, that Issuer is the Non-Surviving Issuer. The Non-Surviving Issuer must initiate the pool transfer request in connection with the anticipated merger.
<b>OMHAR</b>	The Office of Multifamily Housing Assistance Restructuring within HUD. OMHAR administers the Mark-to-Market Program.
<b>PIH</b>	The Office of Public and Indian Housing within HUD. PIH administers the section 184 program.
<b>PIIT</b>	Pool Issuance and Immediate Transfer. A transfer of Issuer Responsibility immediately upon issuance of a pool or loan package.
<b>PIIT Acquisition Authority</b>	The specified maximum dollar amount of Ginnie Mae guaranteed MBS, in the various pool types, that a Full Participant is authorized to acquire under the PIIT program.
<b>PL</b>	The designation for a pool created under the Ginnie Mae I MBS Program and consisting of a single, level payment project loan that has a first scheduled payment date no more than 24 months before the issue date of the securities, and that has not been modified subsequent to FHA's final endorsement.



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<b>PN</b>	The designation for a pool created under the Ginnie Mae I MBS Program and consisting of a single, non-level payment project loan that has a first scheduled payment date no more than 24 months before the issue date of the securities and that has not been modified subsequent to FHA's final endorsement.
<b>PPA</b>	The Pool Processing Agent.
<b>Partial Transfer</b>	A Transfer of Issuer Responsibility for select pools from the Transferor Issuer's portfolio. The selected pools to be transferred must be listed and identified in the pool transfer request submitted in the Pool Transfer System.
<b>Participation</b>	A Participation is an interest in the principal balance of a HECM loan that has been pooled into an HMBS pool (i) that does not represent interests backing any other pooled Participation and(ii) that has an original principal amount and Participation interest rate as shown in the Schedule to the applicable Guaranty Agreement. The outstanding principal balance of a HECM loan may include funds provided by the Issuer on behalf of mortgagors including, for instance, funds to pay taxes and insurance, servicing fees, mortgage insurance premium (MIP) payments and interest accruing on the HECM note, a portion of which may be attributed to the Ginnie Mae guaranty fee.
<b>Pool</b>	Generally, with respect to the Ginnie Mae I MBS Program, a group of mortgages that forms a pool, and with respect to the Ginnie Mae II MBS Program, (a) a group of mortgages that forms a custom pool and (b) one or more loan packages that in turn form a multiple Issuer pool. The word "pool" may also be used to refer to all the mortgages backing a single issuance of securities. With respect to HMBS pools in the Ginnie Mae II MBS Program, a group of Participations that forms a Custom pool.
<b>Pool Processing Agent</b>	The institution that Ginnie Mae employs to review pool and loan package document submissions prior to issuance of Ginnie Mae securities and to maintain records of both initial and final certifications.
<b>Prepayment in Full</b>	The tender by or on behalf of the mortgagor to the Issuer of all funds due under the note, other than by a scheduled monthly payment, with satisfaction and cancellation of the note and release of the recorded mortgage, except as otherwise permitted under New York State law with respect to multifamily and single family mortgages, and under Maryland State law with respect to multifamily mortgages.

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<b>Principal and Interest Custodial Account or P&amp;I Custodial Account</b>	The non-interest bearing account(s) that the Issuer maintains with a financial institution for the deposit of principal (including scheduled and unscheduled principal payments) and interest collected from mortgagors, or in connection with the related property, to be paid to security holders or made available to the CPTA for payment to security holders, as applicable.
<b>Principal Curtailment</b>	A reduction of less than all of the remaining principal balance of a loan, usually by partial prepayment of the loan, other than by a scheduled monthly payment.
<b>Program</b>	The Ginnie Mae I MBS Program or the Ginnie Mae II MBS Program, as applicable.
<b>Pro Rata Share Percentage</b>	With respect to a security holder, 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.
<b>QL</b>	One Year adjustable rate security. Initial security interest adjustment date must occur exactly 12 months after the issue date, which must be on January 1, April 1, July 1 or October 1. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate or more than five percentage points higher or lower than the initial interest rate on the security.
<b>RA</b>	The designation for a pool created under the Ginnie Mae II MBS Program, backed by Participations related to 1-Yr adjustable rate HECM loans tied to the Constant Maturity Treasury (CMT) index. The cap structure for RA pools allows for up to a 2 percentage point annual interest rate change and a lifetime cap of not more than a five percent interest rate change.
<b>RD</b>	Rural Development.
<b>RF</b>	The designation for a pool created under the Ginnie Mae II MBS Program backed by Participations related to fixed rate HECM loans.
<b>RL</b>	The designation for a type of custom ARM pool or multiple Issuer ARM pool or loan package. For a Custom pool, the initial security interest adjustment date must occur from one to 15 months after the issue date of the pool. For a Multiple Issuer pool or loan package, the initial security interest adjustment date must occur from 13 to 15 months after the issue date of the pool. The adjusted interest rate may not be more than one percentage point higher or lower than the

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<b>RM</b>	prior year's rate or more than five percentage points higher or lower than the initial interest rate on the mortgage. The designation for a pool created under the Ginnie Mae II MBS Program, backed by Participations related to monthly adjustable HECM loans tied to the Constant Maturity Treasury (CMT) index.
<b>RPB</b>	Remaining principal balance.
<b>RPB Report</b>	A monthly report of the RPB.
<b>RX</b>	The designation for a multifamily pool created under the HUD Mark-to-Market program administered by the Office of Multifamily Housing Assistance Restructuring, Ginnie Mae I MBS Program, and consisting of one or more project loans, each of which is secured by a lien on a project as determined by FHA and has a first scheduled payment date no more than 24 months before the issue date of the securities.
<b>Recertification</b>	For a pool or loan package of loans, a certification that the loan documents satisfy the requirements of the Guide following a transfer of Issuer responsibility or of document custodian responsibility or deregistration of a related mortgage from MERS.
<b>Related Parties Transfer</b>	A Transfer of Issuer Responsibility between related or affiliated Issuers as those terms are described in FAS-57.
<b>Remaining Principal Balance</b>	For a loan, pool, or loan package, the outstanding principal balance, as of a given date, that remains to be paid.
<b>Remittance Advice</b>	The monthly accounting schedule sent each month to security holders by the Issuer or CPTA, as applicable, that specifies the cash distribution (by principal and interest) being made that month on each security in an issuance of Ginnie Mae MBS.
<b>Reporting Cutoff Date</b>	With respect to a monthly payment date for securities, a day, established by the Issuer or Ginnie Mae, between the 25 <sup>th</sup> day of the prior month and the first day of the month of payment, inclusive.
<b>Reporting Month</b>	That time frame established by Ginnie Mae in which Issuers must submit specific servicing updates. Typically, the first day of the month through the last day, unless otherwise specified in writing by Ginnie Mae.
<b>Review Agent</b>	The institution Ginnie Mae employs to perform the processing and analysis of monthly accounting reports and quarterly loan level detail reports prepared for each outstanding pool, loan

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package, or loan, as appropriate, and to perform risk analysis of Ginnie Mae's Issuers.

### **Rural Development**

Rural Development is a unit within the US Department of Agriculture which administers rural business, cooperative housing, utilities and community development programs.

### **SF**

The designation for a pool or loan package type consisting of single family, level payment loans.

### **SL**

Seven year hybrid adjustable rate security. For Multiple Issuer pools, the initial security interest adjustment date must occur no sooner than 85 months, and no later than 87 months, after the issue date of the pool, and annually thereafter. For Custom pools, the initial security interest adjustment date must occur no sooner than 85 months, and no later than 87 months, after the first mortgage payment date, and annually thereafter. The adjusted interest rate may not be more than two percentage points higher or lower than the prior year's rate or more than six percentage points higher or lower than the initial interest rate on the mortgage.

### **SN**

The designation for a pool of single family, level payment mortgages that backs an issue of serial note securities, each unit of which is subject to sequential retirement by a single payment, subject to the amount of principal available each month for that purpose.

### **Sale Date**

The date that the Transferee and Transferor Issuers close on their purchase/sale transaction. This date must occur before the Effective Reporting Date.

### **Schedule of Pooled Mortgages**

Form HUD 11706, which provides a description of a pool or loan package of mortgages, including mortgagor's name; street, city, and state address of mortgaged property (including zip code); interest rate; original principal amounts; and remaining principal balances.

### **Schedule of Pooled Participations and Mortgages**

Form HUD 11706H, which provides a description of a pool, including information about the underlying Participations and related mortgages.

### **Scheduled Payments**

Monthly payments of principal and interest due to security holders under the terms of the applicable security, calculated in accordance with procedures set out in the Guide.

### **Schedule of Subscribers**

Schedule of Subscribers and Ginnie Mae Guaranty Agreement, form HUD 11705 or form HUD 11705H.

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<b>Section (§) 184 Loan</b>	A loan guaranteed by the Secretary of HUD under section 184 of the Housing and Community Development Act of 1992.
<b>Security Holder</b>	Any registered holder of securities issued pursuant to a Ginnie Mae MBS Program.
<b>Section 538</b>	Section 538 was established pursuant to Title V of the Housing Act of 1949. Section 538 is designed to increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between Rural Development, private lenders and public agencies.
<b>Security Holders Register</b>	A list maintained by the Issuer of the history of registered security holders of all securities for which the Issuer has responsibility for payments.
<b>Security Margin</b>	The amount, stated in basis points, that is added to the ARM Index for an ARM security in order to determine the interest rate on the security.
<b>Servicing Fee</b>	With respect to each pooled mortgage, the monthly fee payable to the Issuer, in an amount specified in the Guide, from the interest portion of each scheduled installment on the mortgage actually collected by the Issuer. With respect to HECMs, the fees that accrue to the Issuer for servicing the HECM pools and securities as set forth in Chapter 35.
<b>Servicing Rights</b>	Any rights that an Issuer has in the servicing of a pool or loan package of mortgages pursuant to 12 USC § 1721(g), the implementing regulations governing the applicable Ginnie Mae MBS Program, the applicable Guaranty Agreement, and this Guide.
<b>Servicing Transfer Date</b>	The date upon which the Transferee Issuer begins servicing the pooled loans. This is also the date the borrowers begin making their payments to the Transferee Issuer.  NOTE: This date usually precedes the Effective Reporting Date by one month so that the Transferee Issuer then has the servicing data from which the monthly accounting and RPB reporting are generated and for which the Transferee Issuer is responsible as of the Effective Reporting Date.
<b>Settlement Date</b>	The date on which payment is scheduled to be made to the Issuer by the purchaser of a newly issued Ginnie Mae MBS.
<b>Single Family Mortgages</b>	Mortgages on one- to four-family residential housing units insured or guaranteed under the FHA, VA, RHS, or § 184 programs.

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<b>Standard Transfer</b>	A Transfer of Issuer Responsibility between unrelated and unaffiliated Issuers.
<b>Subcontract Servicer</b>	An approved Ginnie Mae Issuer that, with Ginnie Mae's prior written approval, services the mortgages in a pool or loan package under a subcontract with the Ginnie Mae Issuer that is responsible for the pool or loan package.
<b>Submission and Submit</b>	A delivery of information in hard copy or paper form or a delivery of information in electronic form, as the context requires.
<b>Surviving Issuer</b>	In a merger of two legal entities where the surviving legal entity is or will become a Ginnie Mae approved Issuer, that entity is the Surviving Issuer.
<b>TL</b>	Three year hybrid adjustable rate security. For Multiple Issuer pools, the initial security interest adjustment date must occur no sooner than 37 months, and no later than 39 months, after the issue date of the pool and annually thereafter. For Custom pools, the initial security interest adjustment date must occur no sooner than 37 months, and no later than 39 months, after the first mortgage payment date, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate or more than five percentage points higher or lower than the initial interest rate on the mortgage.
<b>T&amp;I</b>	Tax and insurance, normally referring to escrows used to pay real estate taxes and hazard insurance premiums on mortgages included in pools or loan packages.
<b>Torrens Certificate</b>	A Certificate of property ownership issued by courts in some states. Originated by Sir Robert Torrens, an Australian land reformer, the Torrens system permits property transfers without the need, generally, for historical title searches, once the property is brought within the system.
<b>Transferee (Buying) Issuer</b>	The Ginnie Mae approved Issuer who receives or accepts a Transfer of Issuer Responsibility for Ginnie Mae pools. Sometimes referred to as the Buying Issuer.
<b>Transferor (Selling) Issuer</b>	The Ginnie Mae approved Issuer who sells or transfers its responsibility for Ginnie Mae pools to another entity. Sometimes referred to as the Selling Issuer.
<b>Uncertificated security</b>	A Ginnie Mae MBS that is not represented by a physical certificate. Uncertificated securities, also known as book-entry securities, are registered in the name of the depository.

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Ginnie Mae's depository is the Federal Reserve Bank of New York (FRBNY).

**Transfer Agent**

CPTA.

**VA**

United States Department of Veterans Affairs.

**XL**

Ten year hybrid adjustable rate security. For Multiple Issuer pools, the initial security interest adjustment date must occur no sooner than 121 months, and no later than 123 months, after the issue date of the pool, and annually thereafter. For Custom pools, the initial security interest adjustment date must occur no sooner than 121 months, and no later than 123 months, after the first mortgage payment date, and annually thereafter. The adjusted interest rate may not be more than two percentage points higher or lower than the prior year's rate or more than six percentage points higher or lower than the initial interest rate on the mortgage.