



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-9000

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

July 29, 2004

04-07

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Removal of Loan Age Limitation from Ginnie Mae Mortgage-Backed Securities Requirements

The purpose of this All Participants Memorandum (“APM”) is to announce the removal of the Ginnie Mae pooling requirement that mortgages backing single-family pools have a first scheduled monthly payment of principal and interest of no more than 48 months before the issue date of the securities.

Early in 2004, Ginnie Mae began requiring issuers to increase the frequency of loan level reporting. In addition, Ginnie Mae is expanding loan level information available to the investment community through the disclosure of additional data. As a result of these improvements in data timeliness and disclosure, Ginnie Mae investors now have access to more detailed information relating to the characteristics and performance of loans in Ginnie Mae pools.

With these improvements, Ginnie Mae believes that its 48-month age limitation is no longer necessary for newly-originated single-family pools. Therefore, for pools (or loan packages) with an issue date on or after September 1, 2004, issuers will be able to securitize loans with a first payment date more than 48 months before the issue date of the pool. **In order to avoid possible negative tax consequences for foreign investors, Ginnie Mae will not allow any loans originated prior to 1985 to be included in pool or loan packages.**

The following loan maturity requirements specified in Chapter 24-2(B)(3) of Ginnie Mae Guide 5500.3 will remain in effect to ensure that Ginnie Mae’s single-family pools remain homogeneous:

1. At least 80 percent of the original principal balance of each Ginnie Mae I pool and each Ginnie Mae II custom pool must be in mortgages with maturities within 30 months of the latest mortgage maturity; and
2. At least 90 percent of the original principal amount of each Ginnie Mae I pool and each custom pool and loan package submitted under the Ginnie Mae II MBS program must be in mortgages with maturities of 20 years or more. However, Ginnie Mae will allow

the mortgages in a pool or loan package to have a uniform maturity of less than 20 years if at least 90 percent of the original principal amount of the pool or loan package is in mortgages with the same original term (e.g., 15 years), that original term is the longest term of any loan in the pool or loan package, and certain special disclosure requirements are met.

If you have any questions regarding this announcement, please contact your Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-1535.