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APM 14-20

December 18, 2014

To: All Participants in Ginnie Mae Programs

From: Theodore W. Tozer, President

Subject: Different Interest Rate Change Dates Allowed in HMBS Annual ARM Pools

Ginnie Mae is committed to addressing industry needs and consulting its program participants. Taking home equity conversion mortgage (HECM) industry feedback into consideration, Ginnie Mae has decided to permit annual adjustable rate HECM pools (annual ARM HMBS) to contain Participations with different interest rate adjustment dates. The Participations in a pool must have the same adjustment date as the individual HECM loans to which they are related, an interest rate that adjusts on an annual basis, and a rate adjustment that will take place within twelve months following the month of pool issuance. This policy change is effective with January 1, 2015 issuances and thereafter for both Constant Maturity Treasury (CMT) and London Interbank Offered Rate (LIBOR) index-based loan pools.

Note this policy change does not apply to monthly adjustable rate HECM pools. All Participations in monthly ARM HMBS must continue to have the same interest rate adjustment date - the first day of the month - and a rate adjustment that will take place the first day of the month immediately following pool issuance.

Applicable changes to Section 35-6(J)(1) of Chapter 35, the *Adjustment Date* data field in Appendix III-28, HMBS Pooling – Import File Layouts, and Appendix IV-30, the HMBS Adjustable Rate Prospectus Supplement, in the Ginnie Mae Mortgage-Backed Securities Guide 5500.3, REV-1 (MBS Guide) will be made effective January 1, 2015. The mortgage record layout M11 with the revised definition of the *Adjustment Date* has been excerpted from Appendix III-28 and is attached.

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.

Attachment:  
Attachment A: Revised mortgage record layout



Mailing Address  
451 Seventh Street SW, B-133  
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**ATTACHMENT A**

**APPENDIX III-28, HMBS POOLING – IMPORT FILE LAYOUTS  
MORTGAGE RECORD LAYOUT (11706)**

**M11**

<b>N o.</b>	<b>Field Name</b>	<b>Type</b>	<b>Length</b>	<b>Dec. Places</b>	<b>Start</b>	<b>End</b>	<b>Format</b>
1	Record Type	Alphanumeric	3		1	3	M11
2	Initial Change Date	Date	8		4	11	YYYYMMDD
3	Index Type	Alpha	5		12	16	
4	Adjustment Date (Annual/Monthly Reset Date)	Date	8		17	24	YYYYMMDD
5	Type of ARM Note	Alphanumeric	14		25	38	
6	-Periodic Interest Rate Change Cap	Alphanumeric	2		39	40	
7	Filler	Spaces	2		41	42	
8	Lifetime(+/-) Interest Rate Cap	Alphanumeric	2		43	44	
9	Filler	Spaces	36		45	80	

1. Record Type - Always M11
2. Initial Change Date- The first change date on the note
3. Index Type- The type of ARM index being used. It will be either CMT (Constant Maturity Treasury) or LIBOR (London Interbank Offered Rate).
4. Adjustment Date (Annual/Monthly Reset Date) - The first date after the Pool Issue Date on which the interest rate on the HECM related to the Participation pooled will adjust. For monthly adjustable HECMs the date must be the first day of the month immediately following pool issuance. For annually adjustable HECMs, the date must be the first day of a month within twelve months following the month of pool issuance.
5. Type of ARM Note - The type ARM loan, i.e., with a Monthly or Annual adjustable interest rates
6. Periodic (+/-) Interest Rate Change Cap- A cap that limits the periodic interest rate increase or decrease of the loan. The value is “2” for 1-Year adjusting loans. This field is not required for monthly adjusting loans. .
7. Filler
8. Lifetime Cap / Maximum Interest Rate- A cap that limits the lifetime interest rate increase over the life of the loan. The value is “5” for 1-Year adjusting loans; and for monthly adjusting loans in the maximum interest rate stated on the note.
9. Filler