



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

August 15, 2008

APM 08-14

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael J. Frenz, Executive Vice President

SUBJECT: Securitization of Pilot Rural Development Construction Loans

Ginnie Mae is pleased to announce the securitization of the United States Department of Agriculture's Rural Development ("RD") Section 538 construction loans under the multifamily pilot construction loan program. This loan product will complement Ginnie Mae's existing multifamily securitization products and will enhance the availability of multifamily housing for low- and moderate-income families in rural areas.

Specific program requirements for the RD Section 538 loan program may be found in the Rural Housing Service Handbook HB-1-3565, *Guaranteed Rural Rental Housing Program Origination and Servicing Handbook*, and via the following link:

<http://www.rurdev.usda.gov/regs/hblist.html#hbw6>

Click on the following link for the Federal Register announcement for this pilot program:

http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?dbname=2008_register&position=all&page=21305

Ginnie Mae has also updated Chapter 32 of the Mortgage-Backed Securities Guide, 5500.3, Rev. 1, *Construction Pools – Special Requirements*.

At this time, Ginnie Mae will only pool RD construction loans authorized and approved under the Section 538 Pilot program. The maximum amount of the loan that can be securitized may not exceed 50% of the total development costs as certified by the Rural Housing Service on Form RD 3565-4, *Loan Note Guarantee (Multifamily Housing)*. Guarantees approved and issued in FY2007 and FY2008 are eligible for this pilot.

Questions regarding this memorandum may be addressed to your Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-2043.