



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

September 28, 2001

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: (1) Effective October 1, 2001, All Ginnie Mae I Securities, Held in Depository Form, Shall be Made by Automated Clearing House (ACH) Debit
(2) Conversion of Ginnie Mae Securities to the Federal Reserve to be Re-scheduled
(3) Use of GinnieNET 2020, Version 5.4, Required by October 1, 2001

1. Ginnie Mae Depository to be paid by ACH Debit

Issuers are reminded that all Ginnie Mae I payments, for securities held in depository form, shall be made by Automated Clearing House (ACH) debit beginning with the October 15, 2001 payment. By now, issuers should have submitted form HUD 11709A (revised 8/2001), ACH Debit Authorization to Ginnie Mae's agent, The Chase Manhattan Bank. If Ginnie Mae I and II payments will be made from two different issuer's accounts, the issuer must submit two forms, checking the box for Ginnie Mae I or Ginnie Mae II, as appropriate. Issuers servicing both Ginnie Mae I and Ginnie Mae II pools can only have a total of two designated ACH accounts per issuer number. Ginnie Mae recommends that issuers use one of the accounts for their Ginnie Mae I Program activity (principal and interest payments, multifamily prepayment penalties and guarantee fees) and the other account for their Ginnie Mae II Program activity (principal and interest payments and guarantee fees). See Attachment 1 for a copy of the revised form HUD 11709A.

2. Conversion of Ginnie Mae Securities to be Re-scheduled

Due to the World Trade Center tragedy, the schedule for the conversion of Ginnie Mae securities from The Depository Trust & Clearing Corporation ("DTCC") to the Federal Reserve Banks and the rollout of new functionalities (fail tracking, interim accounting, and repo tracking) on the Federal Reserve's Fed-wire system is being modified. The Ginnie Mae Conversion Task Force is still working out the details on the revised schedule. The revised schedule will be published on the Bond Market Association's and Ginnie Mae's WEB pages at Bondmarkets.com and Ginniemae.gov,

respectively. Until the conversion takes place, all Ginnie Mae securities will continue to be settled at DTCC.

3. GinnieNET 2020, Version 5.4

Effective October 1, 2001, All Ginnie Mae issuers are required to use GinnieNET 2020, Version 5.4 (“Version 5.4”). By now you should have received and installed Version 5.4. Version 5.4’s pool processing module requires both Federal Reserve clearing bank information and DTCC contra account information in order to submit pools for issuance of Ginnie Mae securities. Since the conversion is being re-scheduled, the clearing bank information will not be required at this time. Issuers are instructed to install the attached GinnieNET Fed Conversion Disabler Disk in order to disable the Federal Reserve clearing bank information screen. At a later date, you will receive updated GinnieNET software to accommodate the revised conversion schedule. If you have any questions regarding the installation of either Version 5.4 or the GinnieNET Fed Conversion Disabler Disk, please contact the GinnieNET Hotline at 1-800-234-4662.

If you have any questions or concerns relating to other matters covered in this notice, please contact Tom Weakland, Vice President, Office of Program Administration, at (202) 708-2884, extension 4915, or your Account Executive in the Office of Customer Service at (202) 708-1535 or the Office of Multifamily Programs at (202) 708-2043.

Attachments

- (1) Form HUD-11709-A – ACH Debit Authorization
- (2) Telephone 1-800-234-4662 for Disabler Disk