



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

THE GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

May 1, 2002

02-10

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Serial Note Securities

On March 23, 2002, all remaining Ginnie Mae securities were successfully moved from the Depository Trust & Clearing Corporation (DTCC) to the Federal Reserve. The purpose of this memorandum is to announce a “one-time window” for holders of serial note securities to convert their physical serial note certificates to book-entry form at a reduced cost, and to establish a date when all Ginnie Mae serial note securities will be required to be issued in book-entry form.

Conversion of Physical Certificates to Book-Entry Form

To encourage security holders to convert their physical certificates to book-entry form, Ginnie Mae will cover the cost of additional CUSIP numbers needed to convert existing serial note securities held in physical form to book-entry form, during the months of May, June, and July 2002. The additional CUSIP numbers are needed to break out each pool into lots and units as provided for in the new serial note process, which was implemented as part of the conversion of Ginnie Mae securities to the Federal Reserve. See Ginnie Mae All Participants Memorandum 01-20, dated August 22, 2001, for additional information on the new serial note process. Investors will continue to be required to pay the Ginnie Mae security transfer fee (currently \$15) per pool/per submission. When transfers take place outside the identified window, investors will be required to pay for both the additional CUSIP numbers (currently \$4 per CUSIP number) and the Ginnie Mae transfer fee per pool/per submission.

In anticipation of a large volume of transfers taking place during this period, investors are required to submit their requests for conversion based on the following schedule:

Coupon Rate	Time Frame
6 ½ and below	May 1 thru June 14, 2002
above 6 ½	June 15 thru July 31, 2002

The procedures for submitting requests to convert serial note certificates to book-entry form are as follows:

The investor shall send an e-mail to Ginnie Mae's Central Paying and Transfer Agent, JPMorgan Chase at ginniemae@chase.com, advising Ginnie Mae of their intent to convert existing physical certificates to book-entry form. The e-mail is to be sent at least five business days prior to the date the physical securities are to be transferred to book-entry form. Subject matter address on the e-mail is to be titled: "Transfer of Serial Note Securities to Book-Entry Form." In addition, the e-mail must contain the pool numbers of the pools being transferred, number of units to be converted in each pool, and the date each pool is to be converted to book-entry form.

The day before the serial note certificates are to be converted to book-entry form, the investor shall deliver the physical certificates to JPMorgan Chase, 55 Water Street, Room 506, New York, NY 10041-0199, for processing. When the securities are delivered to JPMorgan Chase, the investor must include complete delivery instructions as follows:

Dealer/Investor Name
 Clearing Bank ABA
 Dealer/Investor Sub-Account
 Contact Name
 Phone Number of Contact Name

Issuance of Serial Note Securities in Book-Entry Form

Effective August 1, 2002, all serial note securities will be required to be issued in book-entry form. Investors will continue to have the option to obtain a physical certificate on existing serial note securities held in book-entry form by contacting their broker/dealer.

Additional Information

For any questions regarding this memorandum, issuers should contact their Single-Family Account Executive at (202) 708-1535.