



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

THE GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

June 27, 2002

02-16

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Policy Clarification for Repurchase of Loans

This announcement clarifies the circumstances under which loans repurchased from pools for loss mitigation as stated in Chapter 18-3(B)(1) of the Ginnie Mae Mortgage-Backed Securities Guide 5500.3 (Guide) may be re-pooled. Ginnie Mae is changing the procedures pertaining to the buyout and re-pooling of single-family loans in Ginnie Mae pools. This change is effective only for loans placed in pools with an issue date on or after August 1, 2002, and reaffirms Ginnie Mae's commitment to FHA's Loss Mitigation program.

Pursuant to Chapter 18-3(B)(1) of the Ginnie Mae Guide, issuers may, at their option and without Ginnie Mae's prior authorization, repurchase any pooled loan for an amount equal to 100 percent of the loan remaining principal balance, less the principal payments advanced by the issuer on the loan, when at least one missed payment remains uncured for four consecutive months.

Loans repurchased under this paragraph **may not** be re-pooled into a new Ginnie Mae security except in the following circumstances:

- The repurchased loan becomes current and remains current for six consecutive months; or
- The loan has undergone formal loss mitigation and is otherwise eligible to be placed in a Ginnie Mae pool. Formal loss mitigation involves loan modification, partial claims, and special forbearance.

A repurchased loan may only be re-pooled once, even if the loan is sold to a different issuer. The current pooling requirements are applicable to pools issued prior to August 1, 2002, for re-pooling of loans.

Should you have any questions, please contact your Ginnie Mae Account Executive at (202) 708-1535.

Attachment