



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

August 27, 2007

APM 07-11

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael J. Frenz, Executive Vice President

SUBJECT: Elimination of VA Loan Limit at Pooling

Ginnie Mae is pleased to announce that it is eliminating the restriction on the size of mortgage loans guaranteed by the Department of Veterans Affairs (VA) that can be pooled in mortgage-backed securities guaranteed by Ginnie Mae. Effective with pools issued on or after September 1, 2007, Ginnie Mae will no longer limit the size of VA loans to the maximum original loan amount for conforming loans. Conforming loans are mortgage loans that meet the purchase criteria of Fannie Mae or Freddie Mac, pursuant to Section 302(b)(2) of the National Housing Act, and Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act, respectively.

Ginnie Mae expects that this change will expand the availability of low-cost financing and increase homeownership opportunities for America's veterans and their families, particularly in high-cost areas. Ginnie Mae will continue to require that the amount of the borrower's cash down payment, plus the amount of the available VA guaranty, be equal to at least 25% of the lesser of the purchase price or the Certificate of Reasonable Value.

GinnieNET currently contains a pooling edit for VA loans against the conforming loan limit of \$417,000.00 (\$625,500.00 for properties located in Alaska, Hawaii, Guam, and the U.S. Virgin Islands). If a VA loan fails this edit, a warning message will be sent back to the issuer for correction. After September 1, 2007, issuers may still receive warning edits regarding VA loan amounts; however, no further action is necessary. Once Ginnie Mae completes testing for this change, the warning edit sent back to the issuer will be eliminated.

Additional information related to the pooling of VA loans may be found in Chapter 24, Section 2(a)(3) of Ginnie Mae Mortgage-Backed Securities Guide 5500.3, Rev. 1, which can be accessed online at www.ginniemae.gov. For additional assistance, issuers may contact their Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-2043.