



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

THE GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

October 2, 2002

02-22

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Accurate and Timely Reporting of Remaining Principal Balances and
Multifamily Pool Prepayment Penalties

The purpose of this memorandum is to modify and strengthen the sanctions imposed for inaccurate and untimely reporting of Remaining Principal Balances (RPBs) and multifamily prepayment penalties.

As a result of Ginnie Mae's ACH debiting of security holder payments, it is imperative that the reporting of RPB and prepayment penalties be correct. (See All Participants Memorandum [01-18](#) and [01-20](#)). Effective immediately, issuers that fail to report their RPBs accurately and timely will be subject to the penalties enumerated in [Chapter 23](#) of the Ginnie Mae Mortgage-Backed Securities Guide 5500.3 ("Guide"). In addition, multifamily issuers must report the dollar amount of multifamily prepayment penalties and the related pool number for the month of payoff via GinnieNet, so that the amount of the prepayment penalty may be included in the ACH debit of the issuer's designated account.

Issuers are reminded that failure to remit timely and accurate payment of all funds due security holders is a violation of Section 15-2 of the Guide and a breach of Article VI, Section 6.01 of the Guaranty Agreements, and may subject the issuer to the sanctions identified in Chapter 23 of the Guide, including declaration of default. Attached are amended pages to the Guide.

If you have any questions regarding this memorandum, please contact your Account Executive in the Office of Mortgage-Backed Securities, Single Family/Manufactured Housing Division at (202) 708-1535, or Multifamily Division at (202) 708-2043.

Attachment

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES GUIDE 5500.3

Change 18

CHAPTERS

REMOVE PAGES

INSERT PAGES

Chapter 15
Chapter 17
Chapter 19
Chapter 31

11 and 12
1 and 2
1,2,5,and 6
21 and 22

same
same
same
same