



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

THE GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

February 20, 2001

01-02

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Electronic Loan Guaranty Certificate

The Department of Veterans Affairs ("VA") issued Circular 26-99-20, dated November 29, 1999, announcing the availability of Electronic Data Interchange ("EDI") for eligible lenders to electronically submit VA loans for guaranty and receive an electronically generated Loan Guaranty Certificate ("LGC").

As a result of the above change, Ginnie Mae has implemented the following changes to its certification procedures regarding VA loans. Effective April 1, 2001, issuers using the above electronic procedure will no longer be required to provide a signed original LGC (VA Form 26-1899) to its document custodian. Instead, Ginnie Mae will allow the document custodian to accept direct electronic notification from the VA as evidence of guaranty.

The document custodian must be able to provide Ginnie Mae or its agent, upon request, a listing of the loans electronically guaranteed, as issued by the VA.

The document custodian must verify that the certificate number and certificate date have been included as part of the notification from VA. The custodian will also be required to verify additional information, as it currently does for the original LGC, as outlined in Chapter 3 of the Document Custodian Manual.

Revisions to Ginnie Mae Mortgage-Backed Securities Guide 5000.3 ("Guide"), which includes the Document Custodian Manual, Appendix V, will be available by April 1, 2001. You may also access the Guide through Ginnie Mae's website at www.ginniemae.gov.

Should you have any questions, please contact your Account Executive in the Office of Customer Service at (202) 708-1535.