



GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

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

February 11, 2009

APM 09-07

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Thomas R. Weakland, Acting Executive Vice President

SUBJECT: Updates Regarding the Servicemembers Civil Relief Act

This announcement addresses three changes to Ginnie Mae policies and procedures relating to the Servicemembers Civil Relief Act (“SCRA”). The first change is to extend the interest forgiveness period for eligible SCRA borrowers for one year past their official end of duty. The second change relates to Privacy Act Compliance procedures, and the third is the introduction of enhanced Web Issuer Information System (Web IIS) maintenance procedures.

**Policy Change as a Result of the Housing and Economic Recovery Act of 2008**

On July 30, 2008, the Housing and Economic Recovery Act of 2008 (“HERA”) was enacted. The HERA amended the SCRA to extend the period for interest forgiveness for eligible SCRA borrowers by one year past their official end of duty. Therefore, Ginnie Mae is temporarily extending the period for which it reimburses Issuers for SCRA shortfalls to include an additional 12 months past the SCRA borrower’s official end of duty. This extended reimbursement period is effective through December 31, 2010. As a result, any loan for which a borrower is on active duty on or after July 30, 2008, and the borrower’s active duty ends prior to December 31, 2010, will be eligible for reimbursement for an additional 12 months past the borrower’s official end of duty date. Any loan for which the borrower’s active duty ends on or after December 31, 2010, is not eligible for the additional one-year reimbursement period, unless extended by Ginnie Mae. After the expiration of the extended reimbursement period, Issuers must continue to comply with the SCRA interest forgiveness provisions; and fund out of the Issuers’ corporate funds any shortfall necessary to ensure timely payment to security holders.

**Privacy Act Compliance**

To comply with and adhere to requirements outlined in the Privacy Act of 1974, as well as other federal mandates enacted to protect the private information of individuals, Ginnie Mae is implementing changes to SCRA processes and procedures. To provide adequate protection and reduce associated risks to a borrower’s Personally Identifiable Information (PII), as well as to sensitive financial data, Ginnie Mae will no longer return the denied eligibility packages to Issuers.

To facilitate corrections and resubmissions of denied requests, each Issuer will now receive the following:

- A cover letter indicating that the request for eligibility was processed; and
- A spreadsheet that describes the denied requests for eligibility for that month. The spreadsheet will contain the following information:
  - Issuer number;
  - Pool number;
  - Last six digits of the Issuer's internal loan number; and
  - Reason for denial.

Issuers must send an original signature page and copies of all necessary documents with each resubmission.

### **Web IIS Maintenance Procedures**

Ginnie Mae now requires Issuers to monitor all SCRA pending or denied requests in the Web IIS application. If the status indicator reports a pending eligibility or denied request for eligibility or reimbursement, the Issuer should correct and resubmit the request for eligibility, or else delete the record from the database.

To assist in these efforts, Issuers are encouraged to use the download function that is available in Web IIS via e-Access. This function creates a separate file for each Issuer by status and provides information about the request that is either pending or denied. The SCRA User Guide provides detailed instructions on accessing the download function.

Pending or denied status requests dated prior to December 31, 2008, will be removed on March 31, 2009. Therefore, Issuers have until March 31, 2009, to delete or correct any outstanding eligibility or reimbursement requests. Effective July 1, 2009, Ginnie Mae will institute a maintenance update in which outstanding pending or denied status requests will be removed on a quarterly basis.

Chapter 34 of Ginnie Mae Mortgage-Backed Securities Guide 5500.3, Rev. 1 has been updated and is available under the "What's New" section of Ginnie Mae's website at [www.ginniemae.gov](http://www.ginniemae.gov). For additional assistance, Issuers may contact the SCRA hotline at (703) 251-1660.