



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

February 4, 2005

APM 05-03

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael J. Frenz, Executive Vice President

SUBJECT: Securitization of RHS Section 538 Multifamily Loans

Ginnie Mae is pleased to announce securitization of the United States Department of Agriculture's Rural Housing Service ("RHS") Section 538 loans. This loan product will complement existing Ginnie Mae multifamily securitization products and will enhance the availability of multifamily housing for low- and moderate-income families in rural areas.

Specific program requirements for the RHS Section 538 loan program may be found in RHS Handbook HB-1-3565, Guaranteed Rural Rental Housing Program Origination and Servicing Handbook, and via the following link:

<http://www.rurdev.usda.gov/regs/hblist.html> - hbw6

At this time, Ginnie Mae will only pool completed project loans authorized under the Section 538 Guaranteed Rural Rental Housing Program. The maximum amount of the loan that can be securitized may not exceed 50% of the total development costs as certified by RHS on Form RD 3565-4, Loan Note Guarantee (Multifamily Housing). GinnieNET version 6.0 will accept RHS pools beginning with February issuances. Pools must be settled after February 18, 2005. See Chapter 31 of the Ginnie Mae Mortgage-Backed Securities Guide for further details.

Questions regarding this memorandum may be addressed to your Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-2043.