



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

February 4, 2005

APM 05-04

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael J. Frenz, Executive Vice President

SUBJECT: New Procedures for Drafting Principal and Interest Payments on Ginnie Mae II Securities

Effective April 2005, Ginnie Mae will no longer debit, via Automated Clearing House (ACH), issuers' designated principal and interest accounts for each pool or loan package for Ginnie Mae II securities. Instead, Ginnie Mae will execute one ACH debit for all Ginnie Mae II book-entry securities and one ACH transaction for all Ginnie Mae II certificated securities for each issuer. Where the amount of the pass-through payment exceeds the maximum dollar threshold for an ACH transaction (\$99,999,999.99) more than one ACH transaction will be executed in increments of \$90,000,000.00. This procedure will replicate the current procedure used for collecting Ginnie Mae I principal and interest payments.

Pre-collection notices will continue to be sent to issuers. For issuers who wish to utilize an automated reconciliation tool, a data tape similar to that provided for Ginnie Mae I ACH transactions will be made available for Ginnie Mae II ACH transactions for a fee.

The timing for executing the ACH payments will not change. Issuers must have sufficient funds in their designated principal and interest accounts in accordance with Chapter 15, Section 15-3, of the Ginnie Mae Mortgage Backed Securities Guide.

If you have any questions regarding this memorandum, please contact your Account Executive in the Office of Mortgage-Backed Securities at (202) 708-1535.