

APPENDIX XII-6
THE SECRETARY OF THE TREASURY
WASHINGTON

Dear Mr. Secretary:

I wish to refer to your letter of November, 14, 1969 asking whether the timely payment of principal and interest on mortgage-backed securities of the pass-through type guaranteed by the Government National Mortgage Association under Section 306 (g) of the National Housing Act under its management and liquidating function is a function for which the Association may properly borrow from the Treasury.

It is the opinion of the Treasury Department that the Association may properly borrow from the Treasury for the purpose of assuring the timely payment of principal and interest on guaranteed pass-through type mortgage-backed securities as described in Chapter 3 paragraph 6 of the Mortgage-Backed Securities Guide dated December 1969. Accordingly, the Treasury will make loans to the Association for the foregoing purposes under the procedure provided in subsection (d) of Section 306 of Title 3 of the National Housing Act.

Sincerely,

/s/ David M. Kennedy
David M. Kennedy

The Honorable
George Romney
Secretary of the Department
of Housing and Urban Development
Washington, D.C. 20410