



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

June 25, 2009

APM 09-12

MEMORANDUM FOR: All Participants in Ginnie Mae Programs
FROM: Thomas R. Weakland, Acting Executive Vice President
SUBJECT: Pooling Parameters for High Balance Loans

Ginnie Mae would like to clarify its policy with regard to new ceiling levels for eligible forward market loans that are pooled into Ginnie Mae I and II mortgage-backed securities (“MBS”). Pursuant to the American Recovery and Reinvestment Act (“ARRA”) of 2009, the Federal Housing Administration (“FHA”) has been granted authority to insure certain eligible mortgage loans of up to \$729,750. The ceiling of \$729,750 temporarily replaces the prior ceiling of \$625,500, and will remain in effect for eligible mortgage loans for which credit is approved through December 31, 2009. On January 1, 2010, the loan ceiling will change back to the limit under the National Housing Act.

Ginnie Mae is continuing to implement the recommendations of the Securities Industry and Financial Markets Association (“SIFMA”) with regard to limiting High Balance Loans, as defined herein, to a de minimus amount of each pool, equal to or less than 10 percent of the original principal balance of the pool or loan package.

Ginnie Mae is pleased to announce the implementation of separate conforming balances for multiple unit properties, as described below.

High Balance Loan Levels

Any FHA, Department of Veterans Affairs (“VA”), Public and Indian Housing (“PIH”), and Rural Development (“RD”) single-family forward mortgage loan originated with a note date on or after October 1, 2008, and with an original principle balance (minus the amount of any upfront FHA mortgage insurance premium included in the principal balance) above the amounts below is defined as a “High Balance Loan.”

Units	Contiguous States, District of Columbia, Puerto Rico	Alaska, Guam, Hawaii, U.S. Virgin Islands
One-Unit	\$417,000	\$625,500
Two-Unit	\$533,850	\$800,775
Three-Unit	\$645,300	\$967,950
Four-Unit	\$801,950	\$1,202,925

FHA, VA, PIH and RD High Balance Loans are eligible for inclusion in Ginnie Mae pools, within the restriction described below for certain pool types.

Veterans Affairs Mortgage Loans

Pursuant to Ginnie Mae APM 07-11, issued on August 27, 2007, Ginnie Mae has no restriction on the maximum amount of a mortgage loan guaranteed by the VA. However, VA loans above the ceiling for High Balance Loans are subject to the pooling restriction described below for certain pool types. This policy supersedes the statement in APM 08-06, dated March 20, 2008, that VA loans may be pooled without regard to principal balance.

Standard Pooling Parameters for Eligible Mortgage Loans Originated During Calendar Year 2009

Following the passage and enactment of ARRA, the American Securitization Forum, a forum of SIFMA, clarified that good delivery guidelines allow for the standard TBA delivery of pools containing loans with balances above the conforming loan limit at a de minimus level of 10 percent of original pool balance (limited to loans originated on or after 10/1/2008, and delivered on or after 1/1/2009).

The 10 percent de minimus rule applies to the standard single-family pool prefixes, “X SF” for Ginnie Mae I pools and “M SF” for Ginnie Mae II pools and loan packages, and as described in the table below.

Multiple Unit Properties and Applicable High Balance Loans

In APM 09-08, “*GinnieNET* 11706 File Format Update”, dated March 13, 2009, Ginnie Mae adopted a new form HUD 11706 file format for all pools and loan packages delivered on or after March 28, 2009. With this new file format, Ginnie Mae is able to obtain information on the number of units in the property related to each mortgage loan in a pool. As listed above, mortgages related to one, two, three, and four unit properties each have a separate high balance dollar threshold. Ginnie Mae Mortgage-Backed Securities Guide, 5500.3, Rev 1 (“the Guide”) provided that all mortgages related to properties with more than one unit were defined as High Balance Loans, until such time as Ginnie Mae was able to obtain unit information for these loans. Pursuant to APM 09-08, and effective for all pools transmitted through *GinnieNET* with an issue date on or after April 1, 2009, Ginnie Mae has collected unit information on multiple unit dwelling loans, and any such loan that exceeds the thresholds listed above shall be considered High Balance Loans.

Multiple Issuer Pools

Issuers may deliver a High Balance Loan package into a multiple issuer Ginnie Mae II pool up to an amount equal to the 10 percent limitation described above. If an Issuer delivers a package with a cumulative principal balance of High Balance Loans in excess of 10 percent, the pool package will be rejected. Any excess High Balance Loans may be pooled without limit into “M JM” pools, as described below, or held for subsequent pooling.

Pooling in “M JM” Pools

Ginnie Mae will continue to make available for issuance pools designated “M JM” as multiple issuer jumbo loan pools. “M JM” pooling is available for all eligible single-family mortgage loans, including loans originated under the loan balance authority of the Economic Stimulus Act of 2008. Any single-family mortgage loan can be pooled in an “M JM” pool, and any High Balance Loans that cannot be pooled in TBA-eligible pools due to the 10 percent de minimus restriction may be pooled in an “M JM”, “M FS”, and/or “All ARM” pool types.

Summary Table of Eligible Pool Types for High Balance Loans (HBLs)

Pool Type	Limits
X SF	Aggregate amount of the issue date unpaid principal balance of the HBLs cannot exceed 10% of the original principal balance of the pool or loan package
M SF	Aggregate amount of the issue date unpaid principal balance of the HBLs cannot exceed 10% of the original principal balance of the pool or loan package. M SF pools and loan packages cannot contain both HBLs and buydown loans.
M JM	No HBL limit
M FS	No HBL limit
All ARMs	No HBL limit

Updates to the Guide will be made available under the “What’s New” section of Ginnie Mae’s website, www.ginniemae.gov and will be immediately incorporated to reflect these changes.

For additional assistance, Issuers may contact their Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-1535.