



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

April 15, 2011

APM 11-06

MEMORANDUM FOR: All Participants in Ginnie Mae Programs
FROM: Theodore W. Tozer, President
SUBJECT: Home Equity Conversion Mortgage-Backed Securities (HMBS) -
Changes to the Servicing Fee Margin

Ginnie Mae is changing the Servicing Fee Margin for the HECM mortgage-backed securities (HMBS) program. Currently, Issuers have the option of choosing from two servicing compensation methods for the HECM, a monthly flat servicing fee or a basis point strip of the interest. Effective July 1, 2011 and forward, Issuers must select the basis point strip, with a minimum Servicing Fee Margin of 36 basis points, which includes Ginnie Mae’s six basis point Guaranty Fee.

Current Servicing Compensation Methods	Effective for July 1, 2011 and Forward
1. Monthly Flat Servicing Fee (6-75* bps)	1. No longer an option
2. Basis point Servicing Fee (25-75 bps)	2. Basis point Servicing Fee (36-150 bps)

*correction 4/19/11 changed 25 bps to 75 bps

The new spread between the note rate and the rate at which the HMBS participation accrues interest, must be at least 0.36 percent (36 bps), but no more than 1.50 percent (150 bps), including the six bps for the Ginnie Mae Guaranty Fee.

The applicable changes to Ginnie Mae Mortgage-Backed Securities Guide 5500.3, Rev. 1 (Guide), will be posted under the “What’s New” section of Ginnie Mae’s website at www.ginniemae.gov prior to June 1, 2011. These changes will be officially incorporated into the Guide on July 1, 2011.

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