

APPENDIX IV-24
FORM HUD 11728-II - PROSPECTUS
GINNIE MAE II MORTGAGE-BACKED SECURITIES
(MANUFACTURED HOME LOANS, INCLUDING COMBINATION LOANS ON
MANUFACTURED HOMES AND LOTS)

- Applicability:** Ginnie Mae II MBS Program only.
- Purpose:** To provide a standard form of prospectus for securities backed by MH pools.
- Prepared by:** The CPTA. The CPTA prepares the prospectus for all Ginnie Mae MBS II MH pools submitted electronically through GinnieNET.
- Distribution:** Interested parties may obtain a copy of form HUD 11728-II through the CPTA by calling the Ginnie Mae Help Desk (see Addresses).

Prospectus
Ginnie Mae II
 Manufactured Home Loans

U.S. Department of Housing
 and Urban Development
 Government National Mortgage Association

\$ ①

② % Ginnie Mae II Mortgage-Backed Securities
 (Manufactured Home Loans, including
 Combination Loans on Manufactured Homes and Lots)

Guaranteed as to the Timely Payment of Principal and Interest
 by the Government National Mortgage Association
 (Backed by the Full Faith and Credit of the United States)

Issued by: ③

Ginnie Mae Pool No: ④	First Payment Due: ⑥
Issue Date: ⑤	Maturity Date: ⑦
Depository: The Federal Reserve Bank of New York	Central Paying and Transfer Agent ⑧

The securities offered hereby (the “Securities”) provide for the timely payment of principal and interest on the twentieth day of each month, except as stated herein, commencing in the month following the month of issuance. Interest will accrue on the Securities at the per annum rate specified above; installments of principal will be payable in relation to payments of principal on the underlying pool of loans described herein. The maturity date for the Securities is based on the loan with the latest maturity. See “Maturity, Prepayment, and Yield” herein for a discussion of certain significant factors that should be considered by prospective investors in the Securities offered hereby.

The Government National Mortgage Association (“Ginnie Mae”) guarantees the timely payment of principal and interest on the Securities. The Ginnie Mae guaranty is backed by the full faith and credit of the United States of America.

The Securities are exempt from the registration requirements of the Securities Act of 1933, as amended, and are “exempted securities” within the meaning of the Securities Exchange Act of 1934, as amended.

Ginnie Mae Guaranty

Ginnie Mae is a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development with its principal office at 451 Seventh Street, S.W., Washington, D.C. 20410. Timely payment of principal of and interest on the Securities is guaranteed by Ginnie Mae pursuant to Section 306(g) of the National Housing Act of 1934, as amended (the “National Housing Act”). Section 306(g) provides that “[t]he full faith and credit of the United States is pledged to the payment of all amounts which may be required

to be paid under any guaranty under this subsection.” An opinion, dated December 9, 1969, of William H. Rehnquist, Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed securities of the type offered hereby are authorized to be made by Ginnie Mae and “would constitute general obligations of the United States backed by its full faith and credit.”

Borrowing Authority—United States Treasury

Ginnie Mae, in its corporate capacity under Section 306(d) of the National Housing Act, may issue to the United States Treasury its general obligations in an amount outstanding at any one time sufficient to enable Ginnie Mae, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the Securities offered hereby. The Treasury is authorized to purchase any obligations so issued.

The Treasury Department has indicated that it will make loans to Ginnie Mae, if needed, to implement the aforementioned guaranty as stated in the following letter:

<p>The Secretary of the Treasury Washington</p>	<p>February 13, 1970</p>
<p>Dear Mr. Secretary:</p>	
<p>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.</p>	
<p>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 III of the National Housing Act.</p>	
<p>Sincerely, DAVID M. KENNEDY</p>	
<p>The Honorable George Romney Secretary of the Department of Housing and Urban Development Washington, D.C. 20410</p>	

Manufactured Home Loans

The Securities are based on and backed by a pool of secured loans (the “Loans”) described below. The Issuer has represented that each Loan is a manufactured home loan, or a combination loan secured by a manufactured home and a developed manufactured home lot acquired in a single transaction, that is insured by the Federal Housing Administration (“FHA”). The term “loan,” as used herein, may include one or more of the following: a note, a security instrument that secures the note or a retail installment sales contract.

The Issuer has also represented, except as otherwise disclosed in the “Annex — Special Disclosure,” that (a) the first scheduled monthly payment is on or after June 1, 2009, (b) at least

50% of the original principal amount of the pool constitutes Loans that have original maturities equal to that of the Loan with the latest maturity, (c) no Loan has a maturity that exceeds the term of any other Loan by more than 60 months, and (d) no Loan is more than 60 days delinquent as to scheduled payments as of the Issue Date. Except for the first and last scheduled payment, each Loan provides for repayment in equal monthly installments, sufficient to repay the Loan by its scheduled maturity.

Each Loan bears interest at a fixed rate per annum. The highest such rate included in the pool may not exceed the lowest such rate by more than 1.50% per annum. Each Loan will bear interest at a rate of at least 3.25% (but not more than 4.75%) above the interest rate borne by the Securities.

If any of the foregoing representations, or any other representation made by the Issuer, is incorrect with respect to any Loan, the Issuer may be required by Ginnie Mae to purchase the Loan from the pool. Additionally, if any Loan comes into default and continues in default for a period of 90 days or more, the Issuer is permitted to purchase it from the pool. In either event, the remaining principal balance of the Loan will be passed through to the Security Holders as an unscheduled recovery of principal. See “Maturity, Prepayment, and Yield” herein.

Book-Entry Registration

The Securities will be issued and maintained in uncertificated (book-entry) form only. The Securities may be transferred only on the book-entry system of the Depository. Ginnie Mae guarantees only that payments will be made to the Depository in whose name the Security is registered.

Investors in book-entry Securities will ordinarily hold such Securities through one or more financial intermediaries, such as banks, brokerage firms, and securities clearing organizations. An investor in a Security held in book-entry form may transfer its beneficial interest only by complying with the procedures of the appropriate financial intermediary and must depend on its financial intermediary to enforce its rights with respect to a book-entry Security.

Payments of Principal and Interest

The Securities will provide for payments to Security Holders to be made by the CPTA using funds provided by the Issuer. Payments of principal and interest are required to be made to registered holders of the Securities in monthly installments by the twentieth calendar day of each month (or, in the case of payments on book-entry Securities, if such twentieth day is not a business day, on the next following business day). The first such payment is required to be made on such day in the month following the month in which the Issue Date occurs.

Amounts payable on each Security in respect of interest on each monthly payment date will equal the product of (i) one-twelfth of the interest rate specified on the cover page hereof, and (ii) the remaining principal balance of such Security at the end of the prior month. Principal payments on each monthly payment date will equal the sum of (i) all scheduled principal payments due on the Loans on the first day of the month immediately preceding the month of such payment date, and (ii) all unscheduled payments (including prepayments) and other recoveries received on the Loans during the preceding month. The maturity date for the

Securities is set forth on the cover page hereof and is based on the latest maturity date of any Loan included in the pool.

The Issuer is required to make available to the CPTA the full amount described above prior to each monthly payment date regardless of whether sufficient amounts have been collected on the Loans.

Monthly payments on the Securities will be allocated among the holders of each Security in the proportion that the original principal amount of such Security bears to the aggregate original principal amount of the Securities.

Monthly payments on Securities held in book-entry form will be paid to the Depository for allocation and payment to the investors in accordance with the Depository's procedures.

Monthly payments on Securities held in fully registered, certificated form will be paid to the Security Holder in whose name the Securities are registered on the last day of the month preceding the month in which the payment is made. Payments will be made by check or in such other manner as may be prescribed by Ginnie Mae. The CPTA will issue a single check (or otherwise consolidate payments) to each Security Holder each month for all payments due the Security Holder for all of its Ginnie Mae II securities. Final payment on a fully registered, certificated Security will be made only upon surrender of the outstanding certificate.

Denominations

The Securities will be issued in minimum dollar denominations representing initial principal balances of \$1,000 and in multiples of \$1 in excess thereof, including securities issued in conversion of Ginnie Mae I to Ginnie Mae II securities.

Servicing of the Loans

The suffix of the pool number on the cover hereof includes a "C," which indicates that the pool is a "custom" pool. This means that the Mortgages were all pooled by a single Issuer, who is named on the cover hereof and on each Security. The Issuer of a custom pool is responsible for servicing all of the Mortgages.

Under contractual arrangements between the Issuer and Ginnie Mae, an Issuer is responsible for servicing and otherwise administering the Loans that it contributed to the pool in accordance with FHA requirements, as applicable, Ginnie Mae requirements, and servicing practices generally accepted in the mortgage lending industry.

The monthly remuneration of the Issuer for its servicing and administrative functions with respect to each Loan (a) will depend on whether the Loan is insured by FHA and on whether it is secured by a manufactured home only or by a manufactured home and developed lot and (b) will be one-twelfth of an amount ranging between 3.25 percent to 4.75 percent of the outstanding principal amount of the Loan. The amount will be withheld by the Issuer out of interest payments collected on each Loan. Late payment fees and similar charges collected will be retained by the Issuer as additional compensation. The Issuer will pay (a) to Ginnie Mae monthly a guaranty fee of not more than one-twelfth of 0.30% of the outstanding principal amount of the Loans and (b) all other costs and expenses incident to the servicing of the Loans.

Custodial Agent

The underlying loan documentation for the Loans will be held in custody by a document custodian acceptable to Ginnie Mae.

Termination of Pool Arrangement

If the Loans constitute a custom pool, the pool arrangement may be terminated at any time prior to the maturity date of the Securities, provided that the Issuer and all holders of the outstanding Securities have entered into an agreement for such termination. Upon formal notification with satisfactory evidence that all parties to the termination agreement have concurred, and return of all certificated Securities to Ginnie Mae for cancellation, the guaranty will be terminated.

Federal Income Tax Aspects

A Security Holder generally will be treated as owning a pro rata undivided interest in each of the Loans. Accordingly, each Security Holder will be required to include in income its pro rata share of the entire income from the Loans, including interest (without reduction for servicing fees, to the extent those fees represent reasonable compensation for services) and discount, if any. The income must be reported in the same manner and at the same time as it would have been reported had the Security Holder held the Loans directly.

A Security Holder will generally be entitled to deduct its pro rata share of servicing fees, to the extent those fees represent reasonable compensation for services. However, an individual, trust, or estate that holds a Security directly or through a pass-through entity (e.g., a partnership) must treat servicing fees as miscellaneous itemized deductions, which are deductible only to a limited extent in computing taxable income and which are not deductible in computing alternative minimum taxable income.

Interest paid on the Securities will qualify as portfolio interest. Consequently, payment of interest to a Security Holder who is a non-resident alien or a foreign corporation will not be subject to withholding tax provided that the Security Holder properly certifies to the withholding agent the Security Holder's status as a foreign person.

Ginnie Mae does not allow any loan originated prior to June 1, 2009 to be included in pools issued on or after October 1, 2010.

THE FOREGOING REPRESENTS ONLY A SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES RELATED TO AN INVESTMENT IN A SECURITY.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX TREATMENT OF THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF A SECURITY.

Maturity, Prepayment, and Yield

An investor considering a purchase of the Securities should consider the following factors.

1. The rate of principal payments (including prepayments) of the Loans underlying the Securities will affect their weighted average lives and the yields realized by investors in the Securities. The Loans do not contain “due-on-sale” provisions. Any Loan may be prepaid in full or in part at any time without penalty. The rate of payments (including prepayments and recoveries in respect of liquidations) on the Loans depends on a variety of economic, geographic, social, and other factors, including prevailing market interest rates. The rate of prepayments with respect to loans similar to the Loans has fluctuated significantly over the years. Also, there is no assurance that prepayment patterns for the Loans will conform to patterns for conventionally-financed, fixed-rate loans. In general, if prevailing loan interest rates fall materially below the stated interest rates on the Loans (giving consideration to the cost of refinancing), the rate of prepayment of those Loans would be expected to increase. If loan interest rates rise materially above the stated interest rates on the Loans, the rate of prepayment of those Loans would be expected to decrease.

2. Following any Loan default and the subsequent liquidation of the property securing the loan, Ginnie Mae guarantees that the principal balance of the Loan will be paid to Security holders. As a result, defaults experienced on the Loans will accelerate the distribution of principal of the Securities. Prepayments may also result from the repurchase of any Loan as described herein.

3. The yields to investors will be sensitive in varying degrees to the rate of prepayments (including liquidations and repurchases) on the Loans. In the case of Securities purchased at a premium, faster than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields. In the case of Securities purchased at a discount, slower than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.

4. Rapid rates of prepayments on the Loans are likely to coincide with periods when prevailing interest rates are lower than the interest rates on the Loans. During such periods, the yields at which an investor may be able to reinvest amounts received as principal payments on the investor’s Securities may be lower than the yield on those Securities. Slow rates of prepayments on the Loans are likely to coincide with periods when prevailing interest rates are higher than the interest rates on the Loans. During such periods, the amount of principal payments available to an investor for reinvestment at such high rates may be relatively low.

5. It is highly unlikely that the Loans will prepay at any constant rate until maturity or that all of the Loans will prepay at the same rate at any one time. The timing of changes in the rate of prepayments may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor’s expectation. In general, the earlier a prepayment of principal on the Loans, the greater the effect on an investor’s yield. As a result, the effect on an investor’s yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Issue Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

6. The effective yield on any Security will be less than the yield otherwise produced by its stated interest rate and purchase price because interest will not be paid to the Security Holder until the twentieth calendar day of the month following the month in which interest accrues on the Security.

Annex
Special Disclosure

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