

## **APPENDIX VI-8 EXCESS FUNDS AGREEMENT**

- Applicability:** Ginnie Mae I MBS Program only.
- Purpose:** To provide a form of agreement that may be used, in connection with Ginnie Mae I securities issued prior to July 1, 1980, to permit the issuer to use excess funds, as defined in this Agreement, in a principal and interest custodial account or a disbursement account in lieu of making advances from its own funds.
- Prepared by:** The issuer, but the issuer may not vary the provisions of the Agreement.
- Prepared in:** One original.
- Distribution:** Submit to Ginnie Mae's Office of Mortgage-Backed Securities.
- Instructions:** The Agreement must be executed on the issuer's behalf by an officer of the issuer named on Resolution of Board of Directors and Certificate of Authorized Signatures, form HUD 11702.

## EXCESS FUNDS AGREEMENT

Public reporting for this information collection is estimated to average less than 3 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to submit this form, unless it displays a valid OMB control number.

The information is required by Section 306(g) of the national Housing Act or by the Ginnie Mae Handbook, 5500.3, Rev. 1. The purpose is to provide a form of agreement that may be used, in connection with Ginnie Mae I securities issued prior to July 1, 1980, to permit the issuer to use excess funds, as defined in this agreement, in a principal and interest custodial account or a disbursement account in lieu of making advances from its own funds. The information will not be disclosed outside the Department without prior consent, except as required by law.

Date: \_\_\_\_\_

Issuer Name: \_\_\_\_\_

Full Address: \_\_\_\_\_

\_\_\_\_\_

Issuer ID Number: \_\_\_\_\_

List one pool number identifying a pool issued by this firm: \_\_\_\_\_

The named issuer (issuer) and the Government National Mortgage Association (Ginnie Mae), as parties to guaranty agreement(s) relating to the issuance of Ginnie Mae-guaranteed mortgage-backed securities, further agree as follows:

1. The issuer warrants that it is an eligible issuer of mortgage-backed securities and has established, under a valid guaranty agreement executed by Ginnie Mae, one or more mortgage pools composed of eligible single-family or mobile home loans.
2. In addition to the regularly scheduled payments of principal and interest, the issuer receives from time to time partial prepayments of principal, prepayments-in-full, and payments of scheduled installments of principal and interest, which may meet the definition of "excess funds" found in Section 15-5(A) of the Ginnie Mae Mortgage-Backed Securities Guide (MBS Guide).
3. Pursuant to the issuer's assignment, under section 3.01 of its guaranty agreement(s), of all its right, title and interest in and to the mortgages pooled under such agreement(s), Ginnie Mae is authorized to direct the use of all collections attributable to the pooled mortgages, including any excess funds.
4. By Ginnie Mae's authority and under such terms as Ginnie Mae may establish, the issuer may, in lieu of making advances from its own funds, withdraw from a principal and interest or disbursement custodial account excess funds attributable to one pool to the extent necessary to cover deficiencies in other pools sharing the same custodial account.

5. The issuer is responsible for the proper accounting of the amount of such withdrawals, and of the pools to which the excess funds relate, in accordance with any instructions that Ginnie Mae may provide. The issuer is further obligated to repay the amounts withdrawn at such time as their payment to the securities holders becomes due under the terms of its guaranty agreement(s) and outstanding securities.
6. The issuer is liable to Ginnie Mae for the restitution from its own funds of any excess funds withdrawn. The issuer's liability to Ginnie Mae shall continue even in the event Ginnie Mae should declare the issuer in default under its guaranty agreement(s). Violation of the terms of this agreement shall constitute an event of default under the issuer's guaranty agreement(s).
7. The terms of this agreement shall apply to all mortgage pools currently administered by the issuer and to such other pools established before July 1, 1980 as may come under its administration.

---

(Typed name of authorized  
officer who signs agreement)

---

(Signature of authorized officer)

---

(Title)

**Mail to:** Government National Mortgage Association  
Office of Mortgage-Backed Securities  
Room 6214  
451 Seventh Street, S.W.  
Washington, D.C. 20410