



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

August 31, 2007

APM 07-12

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael J. Frenz, Executive Vice President

SUBJECT: Introducing the Home Equity Conversion Mortgage (HECM)
Mortgage-Backed Securities (HMBS)

Ginnie Mae is pleased to introduce the Home Equity Conversion Mortgage (HECM), Mortgage-Backed Securities (HMBS) program, effective September 1, 2007, and thereafter.

Ginnie Mae's HMBS are standardized mortgage-backed securities (MBS), which are collateralized by FHA insured HECM loans. The HMBS is a new class of Ginnie Mae security backed by HECM loan participations under the umbrella of the Ginnie Mae II Custom Program. On September 1, 2007, additional information on HMBS program and related updates to Ginnie Mae's Mortgage-Backed Securities Guide 5500.3, Rev. 1 ("MBS Guide") will be made available under the "What's New" section of Ginnie Mae's website at www.ginniemae.gov.

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.