APPENDIX IV-10
FORM HUD 1731 - PROSPECTUS
GINNIE MAE I MORTGAGE-BACKED SECURITIES
(CONSTRUCTION AND PERMANENT LOAN SECURITIES)

Applicability: Ginnie Mae I MBS Program only.

Purpose: To provide a standard form of prospectus for securities backed by CL or CS pools.

Prepared by: Issuer.

Prepared in: Number of copies needed for distribution below. Issuer should reproduce this form HUD 1731 as needed.

Distribution: Each principal purchaser of securities from the issuers. Submit one copy to the PPA at a time consistent with the pool processing time requirements set forth in Section 10-7 of the Guide for the type of pool involved.

Completion Instructions: The circled numbers on the attached form correspond to the numbers listed below.

<u>Cover</u>

1. Estimated aggregate original principal amount of proposed issue.

2. Interest rate, per annum, stated on the construction loan securities.

3. Interest rate, per annum, stated on the permanent project loan securities.

4. Section of the National Housing Act under which the mortgage is insured.

5. Full legal name of issuer.

6. Pool number of construction loan pool.

7. Pool number of project loan pool.

8. First day of month of first issue of construction loan securities.

9. The 15th day of the month next following the month of first issue.

10. The 15th day of the month next following the month determined by multiplying the FHA's estimate of construction time (Column 2, Item l4 of form HUD 92264 (Hospital) or Section G, Item 52 of form HUD 92264) by at least 200 percent. This may be set at a maximum of the permanent loan securities maturity date. <u>Note</u>: For purposes of this calculation, the month during which initial endorsement takes place must be counted as the first full month.

11. The 15th day of the month in which the maturity date of the permanent project loan occurs.

12. Full legal name of transfer agent.

Annex — Special Disclosure

The circled numbers on the attached form of annex correspond to the numbers listed below:

1. City and state in which the project is located.

2. Interest rate on loan during construction.

3. Construction period set forth in form HUD 92264. See 10 above.

4. Project net operating income divided by total debt service.

5. Mortgage loan amount divided by appraised value of the project.

6. First principal payment date on the permanent project loan specified in the mortgage.

7. Interest rate on the permanent project loan after final endorsement by FHA.

8. Term of permanent project loan.

9. If the project loan pool will be a PN pool or a non-level payment LS pool, insert the word "Attached" on the annex and attach to the prospectus following the annex, for each non-level payment mortgage, the narrative description required in Section 31-7(B) of the Guide. Otherwise, insert "N/A."

10. Insert the word "Attached" on the annex and attach to the prospectus following the annex a verbatim recitation of the voluntary prepayment provisions of the note. This must include any prepayment privilege or penalty. If there are no prohibitions against voluntary prepayment, so state.

11. Project net operating income divided by total debt service.

12. Mortgage loan amount divided by appraised value of the project.

13. If the first payment of principal on the permanent project loan securities will not be made on the 15th of the second calendar month following final endorsement of the loan by FHA, enter the deferred first principal payment date. Otherwise, enter "N/A."

14. For an LS pool, insert under "Other" the statement:

    "The pooled mortgage is a small loan."

Prospectus
Ginnie Mae I
Construction and Permanent Loan Securities

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

Estimated Amount $___1___

___2___% Ginnie Mae I Mortgage-Backed Securities
(Construction Loan Securities)
To Be Redeemed By
___3___% Ginnie Mae I Mortgage-Backed Securities
(Permanent Project Loan Securities)

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)

The securities offered pursuant to this prospectus (the "Securities") are based on and backed by a loan insured under FHA Section ___4___ (the "Loan"). The Loan is a construction loan that will be automatically converted into a permanent project loan at the time it is finally endorsed for insurance by the Federal Housing Administration ("FHA"). As of the first day of the month following the conversion, the Construction Loan Securities will be canceled, and the Permanent Project Loan Securities will be issued.

Issued by: 5

Ginnie Mae Pool No. (Construction Loan Securities): 6	Ginnie Mae Pool No. (Permanent Project Loan Securities): 7
Issue Date: 8	First Interest Payment Due: 9
Maturity Date (Construction Loan Securities): 10	Maturity Date (Permanent Project Loan Securities): 11
Depository: The Federal Reserve Bank of New York	Transfer Agent: 12
Information concerning the project and the payment terms (including prepayment penalties, if any) of the Mortgage on which the Securities are based is set forth in "Annex — Special Disclosure."	

The Construction Loan Securities provide for timely payment of interest at the specified rate until the Construction Loan Securities mature. The Issuer is obligated to commence payments of interest on the Construction Loan Securities by the fifteenth calendar day of the month following the month of issue, except as stated below, and to continue such payments every month thereafter over the life of the Construction Loan Securities, whether or not such interest is collected by the Issuer.

The Permanent Project Loan Securities provide for timely payment of interest at the specified rate and scheduled installments of principal. The Issuer is obligated to commence payments of interest and any scheduled installments of principal on the Permanent Project Loan Securities by the fifteenth calendar day of the second month following the final endorsement of the permanent project loan for insurance by FHA and to continue such payments every month thereafter over the remaining life of the Mortgage, whether or not such interest and principal are collected by the Issuer. Scheduled installments of principal will become payable as provided herein under "Payments of Principal and Interest." 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 Construction Loan Securities and principal and interest on the Permanent Project Loan 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:

The Secretary of the Treasury
Washington

February 13, 1970

Dear Mr. Secretary:

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.

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.

Sincerely,
DAVID M. KENNEDY

The Honorable George Romney
Secretary of the Department of
Housing and Urban Development
Washington, D.C. 20410

Increases

At any time prior to final endorsement of the Mortgage by FHA, the original principal amount of the Mortgage is subject to reasonable increase because of a rise in construction costs or other reason acceptable to the Issuer, FHA and Ginnie Mae. In this event, the Issuer may sell additional Securities pursuant to this Prospectus in the amount of the increase. Such additional Securities will have equal priority and benefit without preference or distinction among Securities.

The Mortgage

The Securities are based on and backed by a single mortgage loan (the "Mortgage"). The Issuer has represented that the Mortgage is a multifamily Mortgage secured by a project under construction and insured by FHA. During the time the project is under construction and before the first day of the month following final endorsement of the Project by FHA (the "Construction Period"), the Securities will be Construction Loan Securities. Thereafter, they will be redeemed by the issuance of Permanent Project Loan Securities. The construction time anticipated by FHA for the project is set forth in the "Annex — Special Disclosure" (the "Annex") The maturity date of the Construction Loan Securities, which is set forth on the cover page hereof, has been estimated by allowing at least 200% of the construction time anticipated by FHA, with a maximum of the permanent loan securities maturity date. The term "mortgage," as used herein, includes both a note and the mortgage or deed of trust by which it is secured.

Except as otherwise disclosed in the Annex, the Issuer has represented that with respect to the Construction Loan Securities:

1. If the Ginnie Mae Pool Number set forth for the Construction Loan Securities on the cover bears the suffix CL, (a) the Mortgage, prior to final endorsement by FHA, will bear interest at the fixed rate of interest stated in the Annex, and (b) the interest rate payable on the Construction Loan Securities will also be the interest rate payable on the Permanent Project Loan Securities for which they are redeemed.

2. If the Ginnie Mae Pool Number set forth for the Construction Loan Securities on the cover bears the suffix CS, (a) the Mortgage, prior to final endorsement by FHA, will bear interest at the fixed rate of interest stated in the Annex, and (b) the interest rate payable on the Construction Loan Securities will differ from the interest rate payable on the Permanent Project Loan Securities for which they are redeemed.

The Issuer has also represented that the Permanent Project Loan Securities, when issued, will be based on and backed by a multifamily Mortgage secured by a completed project and insured by FHA. In addition, except as otherwise disclosed in the Annex, the Issuer has represented that:

1. If the Ginnie Mae Pool Number set forth for the Permanent Project Loan Securities on the cover bears the suffix PL, then following final endorsement by FHA (a) the Mortgage will provide for repayment in equal monthly installments that are fully amortizing to maturity, (b) the Mortgage will bear interest at the fixed rate of interest stated in the Annex throughout the term thereof, and (c) the Mortgage may be prepaid as stated in the Annex.

2. If the Ginnie Mae Pool Number set forth for the Permanent Project Loan Securities on the cover bears the suffix PN, then following final endorsement by FHA (a) the Mortgage will provide for repayment in unequal monthly installments as stated in the Annex, (b) the Mortgage will bear interest at the fixed rate of interest stated in the Annex throughout the term thereof, and (c) the Mortgage may be prepaid as stated in the Annex.

3. If the Ginnie Mae Pool Number set forth for the Permanent Project Loan Securities on the cover bears the suffix LS, then following final endorsement by FHA (a) the Mortgage may provide for repayment in equal monthly installments that are fully amortizing to maturity or it may provide for repayment in unequal monthly installments as stated in the Annex, (b) the Mortgage will bear interest at the fixed rate of interest stated in the Annex throughout the term thereof, and (c) the Mortgage may be prepaid as stated in the Annex.

If any of the foregoing representations, or any other representation made by the Issuer, is incorrect with respect to the Mortgage, the Issuer may be required by Ginnie Mae to purchase the Mortgage from the pool. Additionally, if the Mortgage 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 Mortgage 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 initially will be issued and maintained in uncertificated, book-entry form. Subsequent to closing, however, an investor may request that its Security be issued in certificated form. So long as they are maintained in book-entry form, the Securities may be transferred only on the book-entry system of the Depository. In the case of the book-entry Securities, 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.

Certificated Registration

By request made through the Issuer or a securities dealer, accompanied by a transfer fee, an investor in book-entry Securities may receive from the transfer agent ("TA") for the Securities a Security in fully registered, certificated form.

Securities held in fully registered, certificated form will be fully transferable and assignable, but only on the security register maintained by the TA (the "Security Register"). A Security Holder of a fully registered, certificated Security or its designated representative may transfer ownership or obtain a denominational exchange of its Security on the Security Register upon surrender of the Security to the TA at its Ginnie Mae transfer window, or through the mail, if the Security is duly endorsed by the Security Holder using the form of assignment on the reverse side thereof or any other written instrument of transfer acceptable to Ginnie Mae. A service charge in an amount determined by Ginnie Mae will be imposed for any registration of transfer or denominational exchange of a Security, and payment sufficient to cover any tax or governmental charge in connection therewith will also be required.

Payments of Principal and Interest

Under the Ginnie Mae Construction Loan Securities program, the Issuer is authorized to issue Securities in an amount equal to the FHA approved mortgage amount. Accordingly, the actual principal amount of the Securities is expected to increase as advances are approved and insured by FHA.

The Issuer is required to pay interest to registered holders of the Construction Loan Securities in monthly installments by the fifteenth calendar day of each month, except as stated below, with the first such payment to be made by the fifteenth calendar day of the first month following the month in which the Issue Date occurs.

Amounts payable on each Construction Loan 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.

The maturity date of Construction Loan Securities already issued may be extended at the request of the Issuer with the prior written approval of Ginnie Mae, but only with the written approval of the appropriate parties as required by the Ginnie Mae Handbook 5500.3, Rev. 1.

If the amount of the Mortgage upon project completion is less than the outstanding principal amount of the Construction Loan Securities, the Issuer is required to prepay the difference to the Security Holders when the Permanent Project Loan Securities are issued in redemption of the Construction Loan Securities.

If the Mortgage is liquidated, or Permanent Project Loan Securities cannot be issued by the maturity date of the Construction Loan Securities and the maturity date is not extended, the Issuer must retire the Construction Loan Securities by the payment of cash to the Security Holders. Because an extension of the maturity date of Construction Loan Securities may require the consent of all Security Holders, a Security Holder that wishes to continue its investment in the Securities may receive prepayment in full if another Security Holder declines to agree to a maturity date extension.

The Issuer is required to pay interest and any scheduled principal to registered holders of the Permanent Project Loan Securities in monthly installments by the fifteenth calendar day of each month. The first such payment of interest is required to be made by the fifteenth calendar day of the second month following final endorsement by FHA of the Permanent Project Loan. The first such payment of principal is required to be made by (a) the fifteenth calendar day the second month following final endorsement by FHA of the Permanent Loan or (b) if the payment of principal on the Permanent Project Loan is deferred, on the deferred first principal payment date set forth in the Annex, whichever is later. If the Issuer makes such payments by electronic transfer and the fifteenth day of the month is not a business day, payment will be made on the first business day following the fifteenth day of the month.

Amounts payable on each Permanent Project Loan 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 Mortgages on the first day of the month of such payment date, and (ii) all unscheduled payments (including prepayments) and other recoveries received on the Mortgages during the preceding month. The maturity date for the Permanent Project Loan Securities is based on the maturity date of the Mortgage.

The Issuer is required to pay the full amount described above on each monthly payment date regardless of whether sufficient amounts have been collected on the Mortgage.

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 initial aggregate original principal amount of the Securities.

Monthly payments on Securities held in book-entry form will be made available for Automated Clearing House (ACH) transfer on the fifteenth day of each month (or, if such day is not a business day, the first business day following such fifteenth day) 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, at the Issuer's election and with the consent of the Security Holder, by ACH transaction or other electronic transfer, or in such other manner as may be prescribed by Ginnie Mae. 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 $25,000 and in multiples of $1 in excess thereof.

Servicing of the Mortgage

Under contractual arrangements between the Issuer and Ginnie Mae, the Issuer is responsible for servicing and otherwise administering the Mortgage in accordance with FHA requirements, Ginnie Mae requirements, and servicing practices generally accepted in the mortgage lending industry.

As compensation for its servicing and administrative duties, the Issuer will be entitled to a servicing fee equal to the difference between the interest rate on the Mortgage and the interest rate on the Securities. The Issuer will retain from each interest payment collected on the Mortgage an amount equal to one-twelfth times the servicing fee times the actual principal amount of the Mortgage. 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 one-twelfth of 0.13% of the outstanding principal amount of the Mortgage and (b) all other costs and expenses incident to the servicing of the Mortgage.

Custodial Agent

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

Termination of Pool Arrangement

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 the Mortgage. Accordingly, each Security Holder will be required to include in income its pro rata share of the entire income from the Mortgage, 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 Mortgage 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 1985 to be included in pool or loan packages issued on or after September 1, 2004.

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 Mortgagor has the option to prepay the Mortgage on the terms described in the Annex. In general, if prevailing mortgage interest rates fall sufficiently below the stated interest rate on the Mortgage so that the cost of refinancing the Mortgage (including the cost of paying the prepayment premium) is less than the interest cost of the Mortgage, it can be expected that the Mortgagor will prepay the Mortgage.

2. Following any Mortgage default and the subsequent liquidation of the underlying mortgaged property, Ginnie Mae guarantees that the principal balance of the Mortgage will be paid to Security Holders. As a result, a default experienced on the Mortgage will accelerate the distribution of principal of the Securities. A prepayment may also result from the repurchase of the Mortgage or the refusal of any Security Holder to agree to an extension of the maturity date of the Construction Loan Securities 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 Mortgage. 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. 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 fifteenth day of the month following the month in which interest accrues on the Security.

ANNEX — SPECIAL DISCLOSURE

A. The Mortgage

1. Construction Loan

Location: 1

Interest Rate: 2

Construction Period set forth on Form HUD 92264: 3

Debt Service Coverage Ratio 4

Loan-to-Value Ratio 5

2. Permanent Project Loan

First Principal Payment Date Specified

in Mortgage: 6

Interest Rate: 7

Term of the Loan: 8

Description of Non-level Payment Provisions: 9

Mortgagor Prepayment Provision: 10

Debt Service Coverage Ratio 11

Loan-to-Value Ratio 12

B. The Permanent Project Loan Securities

Deferred First Principal Payment Date: 13

C. Other

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