



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

THE GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

June 20, 2000

00-09

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Loans Modified to Facilitate Loss Mitigation

The Government National Mortgage Association ("Ginnie Mae") has permitted lenders to re-pool Federal Housing Administration ("FHA") loans modified as to interest rate, maturity, and to include arrearages under FHA's loss mitigation requirements since 1996. Ginnie Mae is now extending this option to loans guaranteed by the Department of Veterans Affairs ("VA") and the Rural Housing Service ("RHS") so that these borrowers have more loss mitigation opportunities, and comparable access to Ginnie Mae programs. Consequently, Ginnie Mae is pleased to announce that starting immediately, VA and RHS loans that have been modified to enable loss mitigation may be placed in Ginnie Mae pools.

Loans that are 90 days or more delinquent may be removed from pools and the unpaid balance paid to security holders in the month following the reporting month in which the loan is removed from the pool. Following removal from pools, FHA, VA, and RHS loans that have been modified within four years of their origination and have been brought current may be placed in either Ginnie Mae I or II pools. Ginnie Mae will permit the date of modification to be used as the loan origination date in the new pool.

FHA, VA, and RHS loans older than four years, removed from pools because of delinquency, modified for the purpose of loss mitigation and brought current may be pooled in Ginnie Mae II pools. The date of modification may be used as the loan origination date in the new pool.

If you have any questions, please contact your Ginnie Mae Account Executive at (202) 708-1535.

Attachments

