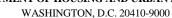
## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT





October 2, 2002

02 - 22

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Accurate and Timely Reporting of Remaining Principal Balances and Multifamily Pool Prepayment Penalties

The purpose of this memorandum is to modify and strengthen the sanctions imposed for inaccurate and untimely reporting of Remaining Principal Balances (RPBs) and multifamily prepayment penalties.

As a result of Ginnie Mae's ACH debiting of security holder payments, it is imperative that the reporting of RPB and prepayment penalties be correct. (See All Participants Memorandum 01-18 and 01-20). Effective immediately, issuers that fail to report their RPBs accurately and timely will be subject to the penalties enumerated in Chapter 23 of the Ginnie Mae Mortgage-Backed Securities Guide 5500.3 ("Guide"). In addition, multifamily issuers must report the dollar amount of multifamily prepayment penalties and the related pool number for the month of payoff via GinnieNet, so that the amount of the prepayment penalty may be included in the ACH debit of the issuer's designated account.

Issuers are reminded that failure to remit timely and accurate payment of all funds due security holders is a violation of Section 15-2 of the Guide and a breach of Article VI, Section 6.01 of the Guaranty Agreements, and may subject the issuer to the sanctions identified in Chapter 23 of the Guide, including declaration of default. Attached are amended pages to the Guide.

If you have any questions regarding this memorandum, please contact your Account Executive in the Office of Mortgage-Backed Securities, Single Family/Manufactured Housing Division at (202) 708-1535, or Multifamily Division at (202) 708-2043.

Attachment

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES GUIDE 5500.3

## Change 18

CHAPTERS	REMOVE PAGES	INSERT PAGES
Chapter 15	11 and 12	same
Chapter 17	1 and 2	same
Chapter 19	1,2,5,and 6	same
Chapter 31	21 and 22	same