



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

May 16, 2003

03-12

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Revised Procedures for Extending the Maturity Date of Construction Loan Pools

This memorandum clarifies procedures for extending the maturity date of construction loan ("CL/CS") pools announced in APM 02-28.

Clarification of All Participants Memorandum 02-28 ("APM 02-28"), "Revised Procedures for Extending the Maturity Date of Construction Loan Pools", dated December 31, 2002

With respect to CL/CS pools issued **on or after January 1, 2003**, the maturity date may be extended at the request of the Ginnie Mae issuer upon satisfaction of the following conditions, and subsequent approval of Ginnie Mae. To request an extension of the maturity date of these CL/CS pools, issuers must e-mail Ginnie Mae's Pool Processing Agent ("PPA") at ginniemae@chase.com. In addition, issuers are required to submit a letter to the PPA from the contracted security purchaser (the entity bound under contract with the issuer to accept all CL issuances), consenting to the extension. A transmittal letter containing the pool number, current maturity date of the pool, and new maturity date of the pool must accompany the request. The e-mail must be sent at least two weeks prior to the expiration of the maturity date of the related CL/CS pool to allow sufficient time for processing. A revised Form HUD 11705, Schedule of Subscribers, must also be submitted. CL/CS pools that mature prior to conversion or completion of the extension process will automatically be terminated from the Federal Reserve's system, requiring the issuer to retire the security by cash payment to the security holder at the next payment date.

With respect to CL/CS pools issued **prior to January 1, 2003**, the maturity date may be extended at the request of the Ginnie Mae issuer upon satisfaction of the following conditions, and subsequent approval of Ginnie Mae. To request an extension of the maturity date of a CL/CS pool, issuers must e-mail Ginnie Mae's PPA at ginniemae@chase.com. In addition, the issuer must submit letters to the PPA from the holders of all related, outstanding CL/CS pools consenting to the proposed extension. A transmittal letter containing the pool number, current maturity date of the pool, and new maturity date of the pool must accompany the request. The e-mail must be sent at

least two weeks prior to the expiration of the maturity date of the related CL/CS pool to allow sufficient time for processing. A revised Form HUD 11705, Schedule of Subscribers, must also be submitted. CL/CS pools that mature prior to conversion or completion of the extension process will automatically be terminated from the Federal Reserve's system, requiring the issuer to retire the security by cash payment to the security holder at the next payment date.

As a reminder, with regard to new issuances, issuers may set the CL/CS maturity date from a minimum of 200% of FHA's estimate of the construction time, to a maximum of the permanent loan securities maturity date. By matching the CL/CS maturity with the permanent loan securities maturity, issuers can eliminate the need for extending maturity dates for CL/CS certificates.

Questions regarding this memorandum should be addressed to your Multifamily Account Executive at (202) 708-2043.