APPENDIX IV-7
FORM HUD 1734 - PROSPECTUS -
GINNIE MAE I MORTGAGE-BACKED SERIAL NOTES
(SINGLE-FAMILY MORTGAGES)

Applicability: Ginnie Mae I MBS Program only.

Purpose: To provide a standard form of prospectus for securities backed by SN pools.

Prepared by: Issuer, unless the pool is submitted by Ginnie*NET*.

Prepared in: Number of copies needed for distribution below. Issuer should reproduce this form HUD 1734 as needed.

Distribution: Each primary purchaser of securities from the issuer. If the issuer does not submit the pool by Ginnie*NET*, it must 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.

l. Initial aggregate principal amount of proposed issue, which must be no less than $2,500,000.

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

3. Full legal name of issuer.

4. Commitment number previously assigned by Ginnie Mae, followed by the suffix “X” and by the program suffix “SN.”

5. The first day of the month of issue.

6. The 15th day of the month next following the month of issue.

7. Maturity dates of first and last Serial Units in the pool.

8. Full legal name of transfer agent.

9. If one or more loans are buydowns, type the following statement on the “Annex — Special Disclosure,” which is attached to the prospectus.

   “Some or all of the pooled mortgages are level payment mortgages for which funds have been provided to reduce the borrowers’ monthly payments during the early years of the loans.”

10. If more than 10 percent of the pooled mortgages have maturities shorter than 20 years (see section 24-2(B)(3)(c) of the Ginnie Mae MBS Guide), type the following statement on the "Annex — Special Disclosure," which is attached to the prospectus.

> "This pool contains mortgages with maturities that differ from those required under Ginnie Mae's standard program requirements."

11. Enter on Schedule A the consecutive numbers of the Serial Units, beginning with "1," and the maturity date of each Serial Unit.

Prospectus
Ginnie Mae I
Serial Note Securities

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

OMB Approval No. 2503-0018 (Exp. 04/30/2004)

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② % Ginnie Mae I Mortgage-Backed Serial Notes
(Single-Family Mortgages)

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)

Issued by: ③

Ginnie Mae Pool No.: ④	First Payment Due: ⑥
Issue Date: ⑤	Scheduled Maturities Extending From: ⑦ To: ⑦
Depository: The Federal Reserve Bank of New York	Transfer Agent: ⑧

The securities offered hereby (the "Securities") provide for timely payment of interest on the fifteenth day of each month, except as stated herein, commencing in the month following the month of issuance, and principal on or before the maturity date of each Serial Unit represented by the Securities. Interest will accrue on the Securities at the per annum rate specified above. Principal distributions on the Securities will represent the aggregate of principal payments for the underlying pool of Mortgages described herein. On each payment date, such amounts will be allocated among the Securities in sequential order on the basis of the Serial Unit (or Units) represented by each Security. 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 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

Single-Family Mortgages

The Securities are based on and backed by a pool of mortgage loans (the "Mortgages") described below. The Issuer has represented that the Mortgages are single-family, level payment mortgages ("SF") insured by the Federal Housing Administration ("FHA") or guaranteed by the Department of Veterans Affairs ("VA"), the Rural Housing Service ("RHS") or the Secretary of Housing and Urban Development ("HUD"). The term "mortgage," as used herein, includes both a note and the mortgage or deed of trust by which it is secured.

The Issuer has also represented, except as otherwise disclosed in the "Annex—Special Disclosure" (the "Annex"), that (a) there is no age limitation on the first scheduled monthly payment for each Mortgage, (b) at least 80% of the original principal amount of the pool constitutes Mortgages that have maturities that are within 30 months of the maturity of the Mortgage with the latest stated maturity, (c) at least 90% of the original principal amount of the pool constitutes Mortgages that have original maturities of 20 years or more, (d) each Mortgage provides for repayment in equal monthly installments that are fully amortizing to maturity, (e) each Mortgage bears interest at a fixed rate of interest throughout the term thereof, which exceeds the interest rate of the Securities by 0.50%, and (f) no Mortgage is more than 60 days delinquent as to scheduled payments as of the Issue Date.

If any of the foregoing representations, or any other representation made by the Issuer, is incorrect with respect to any Mortgage, the Issuer may be required by Ginnie Mae to purchase the Mortgage from the pool. Additionally, if any 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.

If any Mortgage is also a buydown mortgage, the Issuer is required to state that fact in the Annex. A buydown mortgage is a single-family, level payment mortgage loan for which funds have been provided by someone other than the borrower to reduce the borrower's monthly payments during the early years of the loan. A buydown loan is based on an assessment that the borrower will be able to make higher payments in later years. Increases in the required monthly payments on such loans may result in a higher prepayment rate than that of non-buydown, single-family, level payment loans. Consequently, this may accelerate the payment of principal of the Securities.

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.

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.

An investor in the Securities will have the option, upon request in writing to the TA, to convert its ownership interest in its Security to an interest in designated sequential Securities evidencing lots of 25 Units each (e.g., a Security with 100 Units may be converted into four separate Securities each evidencing 25 sequentially numbered Units) or to separate designated sequential Securities each evidencing one Unit. Thereafter, such investor will have the option, upon written request to the TA, to convert its ownership interest in such Securities evidencing individual Units into a single Security evidencing a Security of 25 Units or its ownership interest in four Securities each evidencing 25 Units into a single Security.

Payments of Principal and Interest - Serial Units

The Issuer is required to pay interest and principal in increments of $25,000 to registered holders of the Securities in monthly installments by the fifteenth calendar day of each month, except as stated below, with the first such payment to be made on the fifteenth calendar day of the first month following the month in which the Issue Date occurs.

Amounts payable on each 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 will be payable on each Security in one or more installments of $25,000. Each entitlement to a $25,000 principal payment is identified by number and is referred to herein as a "Serial Unit." A Security may represent more than one Serial Unit only if the related Serial Units are numbered consecutively. Payments of principal in integral multiples of $25,000 will be allocated to retire Serial Units *sequentially* in numerical order. For example, the first $25,000 of principal paid on the Mortgages will be allocated to Serial Unit number 1, the next $25,000 of principal to Serial Unit number 2 and so forth. Set forth on Schedule A is the maturity date of each Serial Unit.

On each monthly payment date, the aggregate amount of principal distributable in $25,000 increments on the Securities 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. Undistributed principal for any month (arising because principal is distributable only in $25,000 increments) will be carried forward and added to principal to be distributed in the next month.

The Issuer is required to pay to investors holding certificated Securities and make available to the Depository, as Security Holder of book-entry Securities, the full amount described above on each monthly payment date regardless of whether sufficient amounts have been collected on the Mortgages.

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

Each Serial Unit will be in the denomination of $25,000 except that the last Serial Unit may be in a denomination of more than $25,000 and less than $50,000. The Securities may be issued only in amounts that represent one or more whole Serial Units.

Servicing of the Mortgages

Under contractual arrangements between the Issuer and Ginnie Mae, the Issuer is responsible for servicing and otherwise administering the Mortgages in accordance with FHA, VA, or RHS requirements, as applicable, 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 retain from each interest payment collected on a Mortgage one-twelfth of 0.50% of the principal amount of such 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 not more than one-twelfth of 0.06% of the outstanding principal amount of the Mortgages and (b) all other costs and expenses incident to the servicing of the Mortgages.

Custodial Agent

The underlying loan documentation for the Mortgages 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 each of the Mortgages. Accordingly, each Security Holder will be required to include in income its pro rata share of the entire income from the Mortgages, 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 Mortgages 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.

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 rate of principal payments (including prepayments) of the Mortgages underlying the Securities will affect their weighted average lives and the yields realized by investors in the Securities. The Mortgages do not contain "due-on-sale" provisions. Any Mortgage may be prepaid in full or in part at any time without penalty. The rate of payments (including prepayments and recoveries in respect of liquidations) on the Mortgages depends on a variety of

economic, geographic, social, and other factors, including prevailing market interest rates. The rate of prepayments with respect to single-family mortgage loans has fluctuated significantly over the years. Also, there is no assurance that prepayment patterns for the Mortgages will conform to patterns for conventional fixed-rate mortgage loans. In general, if prevailing mortgage interest rates fall materially below the stated interest rates on the Mortgages (giving consideration to the cost of refinancing), the rate of prepayment of those Mortgages would be expected to increase. Conversely, if mortgage interest rates rise materially above the stated interest rates on the Mortgages, the rate of prepayment of those Mortgages would be expected to decrease.

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, defaults experienced on the Mortgages will accelerate the distribution of principal of the Securities. Prepayments may also result from the repurchase of any Mortgage as described herein.

3. No principal will be paid on a Serial Unit until all Serial Units with lower numerical designations have been paid in full. When all Serial Units with a lower numerical designation have been paid in full, all principal paid on the Mortgages will be allocated to the Serial Unit with the then lowest numerical designation. Serial Units that have lower numerical designations will have shorter weighted average lives; Serial Units that have higher numerical designations will have longer weighted average lives.

4. The yields to investors will be sensitive in varying degrees to the rate of prepayments (including liquidations and repurchases) on the Mortgages. 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.

5. Rapid rates of prepayments on the Mortgages are likely to coincide with periods when prevailing interest rates are lower than the interest rates on the Mortgages. During such periods, the yields at which an investor may be able to reinvest amounts received as principal payments on the investor's Securities may be lower than the yield on those Securities. Slow rates of prepayments on the Mortgages are likely to coincide with periods when prevailing interest rates are higher than the interest rates on the Mortgages. During such periods, the amount of principal payments available to an investor for reinvestment at such high rates may be relatively low.

6. It is highly unlikely that the Mortgages will prepay at any constant rate until maturity or that all of the Mortgages will prepay at the same rate at any one time. The timing of changes in the rate of prepayments may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor's expectation. In general, the earlier a prepayment of principal on the Mortgages, the greater the effect on an investor's yield. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Issue Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

7. 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 calendar day of the month following the month in which interest accrues on the Security.

Annex

Special Disclosure

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SCHEDULE A

Serial Unit No.	Maturity Date	Serial Unit No.	Maturity Date
	11		11