



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

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

September 16, 2004

APM-04-15

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Clarification of Buyout Authorization for Loans in Areas Declared
Disasters by Presidential Order Due to Natural Disasters

This memorandum provides additional detail with respect to the repurchase of non-delinquent loans on properties damaged in areas identified in Presidential declarations.

Ginnie Mae's prior written approval is required for the repurchase of any loan out of a Ginnie Mae pool for any reason that is not specifically authorized in the Ginnie Mae Guide ("Guide"). Specifically, with regard to repurchase of non-delinquent loans on properties that have experienced damage as a result of disasters covered by past All Participant Memoranda ("APMs") regarding Presidentially declared disasters, issuers must provide evidence of damage to properties that Ginnie Mae will determine acceptable on a case-by-case basis. Further, in order to be eligible to buy a non-delinquent loan on a damaged property out of a Ginnie Mae pool, the issuer must have five percent or more of its entire Ginnie Mae portfolio located within the designated area(s) covered by the pertinent APM. The ability of issuers to repurchase loans in disaster areas will expire six months from the date the disaster was declared. Ginnie Mae will continue to allow the repurchased loans to be re-pooled only if they are modified and continue to be insured or guaranteed by FHA, VA, RHS, or PIH (refinanced loans must meet the eligibility criteria in the Guide).

The format of the buyout request letter is in Appendix XI-5 of the Guide. The buyout request letter must specify the declared disaster and a detailed description of the damage caused by the natural disaster. Ginnie Mae will consider each request for approval on a case-by-case basis.

Requests for buyout authority shall be sent to:

Vice President
Office of Mortgage-Backed Securities
Ginnie Mae
Declared Disaster [Enter Name of Disaster]
451 7th Street, SW, Room B-133
Washington, DC 20410

If an issuer has any questions regarding the issues addressed by this APM, they may contact their Account Executive at (202) 708-1535.