

U.S. Housing and MBS Market

Ginnie Mae Extending Temporary Relief for Servicers

Extension of Temporary Relief from the Acceptable Delinquency Threshold Requirement

The Government National Mortgage Association (Ginnie Mae) announced yesterday it would be extending the temporary relief initiated in its [May 14, 2020 memo, Treatment of Mortgage Delinquency Ratios for Issuers Affected by COVID-19](#), from Dec. 31, 2020 to July 31, 2021.

Ginnie Mae made the announcement in a Dec. 7 [memo titled Extension of Temporary Relief from the Acceptable Delinquency Threshold Requirement](#).

The memo noted:

Ginnie Mae will continue to exclude any delinquencies occurring on or after April 2020 when calculating the delinquency ratios for the purposes of enforcing the provisions in Ch. 18, Part 3, §§ C & D. Ginnie Mae will provide this exclusion automatically through July 31, 2021 to Issuers that were compliant with Ginnie Mae's delinquency rate thresholds as demonstrated by their April 2020 investor accounting report, reflecting March 2020 servicing data. Issuers do not need to change any aspect of their monthly report to benefit from this exclusion and must continue to report loans in forbearance as delinquent in accordance with established procedures.

The recently announced extension should continue to provide relief to non-bank servicers, who [currently originate over 90% of loans](#) in Ginnie Mae MBS and have seen a significant build-up of forbearance-related delinquencies in their books.

Ginnie Mae Loans in Forbearance

According to the Dec. 4, 2020 [Black Knight forbearance survey](#), 1.1 million homeowners (9.2%) with FHA/VA loans (which are mainly pooled into Ginnie Mae MBS) are in forbearance plans. This figure declined by roughly 14,000 over the past week. The report notes that of the 2.76 million loans estimated in forbearance, 81% have had their terms extended at some point since March.

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