DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Government National Mortgage Association

24 CFR Parts 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, and 395

[Docket No. FR-2908-F-02]

RIN: 2503-AA07

GNMA—Streamlining Existing Regulations and Implementation of Issuer Eligibility and Integrity Reforms

AGENCY: Government National Mortgage Association, HUD.

ACTION: Final rule.

SUMMARY: The Government National Mortgage Association (the "Association" or "GNMA") is revising its regulations to remove references to terminated programs, place proper emphasis on the Association's current programs, remove obsolete references and simplify the language of all remaining sections.

In addition, this publication implements a revision to the regulations that prescribe the standards by which issuers are approved to participate in the Association's Mortgage-Backed Securities (MBS) program, and by which approved issuers maintain their approval status, which was initiated by a proposed rule published in 1993.

EFFECTIVE DATE: September 13, 1995.

FOR FURTHER INFORMATION CONTACT: Guy S. Wilson, Vice President, Government National Mortgage Association, Room 6151, 451 Seventh Street SW, Washington, DC 20410–9000, telephone (202) 401–8970. Hearing or speechimpaired individuals may call HUD's TDD number (202) 708–3649. (These telephone numbers are not toll free.)

SUPPLEMENTARY INFORMATION:

I. Background

A. Streamlining Existing Regulations

By the direction of the President, the Association performed a page-by-page review of its existing regulations to eliminate or revise those regulations that are outdated or otherwise in need of reform. The Association is revising the entirety of the GNMA rules, which are found in the 300 series in title 24 of the Code of Federal Regulations. This rule removes outdated parts and sections of parts to trim the Association's regulations to only those necessary to operate current programs. Other than as noted below, substantive changes are not intended by virtue of the revisions included herein.

The former 24 CFR parts 320, 330, 340, 350, 360 and 370 have been eliminated, because the programs formerly regulated under those sections have been abolished. The former 24 CFR part 380, Fiduciary Activities, has been moved to 24 CFR part 340. The former 24 CFR part 390, Guaranty of Mortgage-Backed Securities, has been moved to 24 CFR part 320, to reflect its status as the most active of the Association's programs. The former Part 395, Guaranty of Multiclass Securities, has been moved to Part 330 to reflect its status as a program that flows directly from the mortgage-backed securities program. The Bylaws of the Association are no longer published as an appendix to 24 CFR part 310, but will be kept current in the Office of the President of the Association and may be published in the GNMA I Mortgage-Backed Securities Guide and the GNMA II Mortgage-Backed Securities Guide (collectively, the "GNMA Guides").

With respect to these streamlining changes, the publication of a final rule without previous solicitation of public comment is justified, in accordance with 24 CFR part 10, because solicitation of public comment is unnecessary and would be contrary to the public interest. The types of changes being made are not controversial or substantive. It is in the public interest to have succinct regulations that reflect only the provisions needed to operate current programs. Therefore, solicitation of public comment before adoption of these changes is unnecessary, and the associated delay in effectiveness would be contrary to the public interest.

1. Part 300

Section 300.1

The reference to regional offices has been removed. All of the Association's business is conducted out of one office.

Section 300.3

The references to the Association purchasing, servicing and selling mortgages has been removed. The Association no longer conducts this business. A reference is added clarifying that the Association is commonly referred to as Ginnie Mae or GNMA.

Section 300.9

All references to carrying on the Association's business through the Federal National Mortgage Association (Fannie Mae) have been removed. None of the Association's business is carried out by Fannie Mae.

Section 300.11

This section has been added to notify the public of the authority of the officers

of the Association. This authority is set forth in the Bylaws of the Association, which were formerly published as an appendix to the regulations. This appendix is being removed, necessitating the addition of this section.

Section 300.13 (formerly Section 300.11)

This section has been streamlined by removing the laundry list of actions that may be undertaken by an attorney-infact for the Association. The section as rewritten provides that the Association may appoint attorneys-in-fact by publication in the **Federal Register** or by written document executed by the President of the Association and that such attorney-in-fact shall have the power outlined in the publication or appointment.

Section 300.17 (formerly Section 390.60)

This section has been moved from the former Subpart E, Miscellaneous Provisions, to Subpart A, General Provisions, in order to provide a better organizational structure to the regulations. It has also been revised to clarify that audits and examinations may be performed by designees of the Association.

2. Part 310

The Bylaws of the Association, formerly an appendix to Part 310, have been removed. The Bylaws will be maintained in the Office of the President of the Association and may be published in the GNMA I Mortgage-Backed Securities Guide and the GNMA II Mortgage-Backed Securities Guide.

3. Former Parts 320, 330, 340 and 350

These parts have been eliminated because the authority for the Association's Special Assistance Functions (implemented by Subchapter B of Chapter III, Special Assistance Functions, containing these parts) was repealed by section 483(a) of Pub. L. 98–181, approved November 30, 1983, 97 Stat. 1240.

4. Parts 360 and 370

These parts (contained in Subchapter C of Chapter III, Management and Liquidating Functions) have been eliminated because the Association no longer performs Management and Liquidating Functions.

5. Part 320 (formerly Part 390)

The former part 390 has been moved to this part to reflect its status as the most active of the Association's programs.