

**U.S. Department of Housing and Urban Development
Office of the Inspector General**

SPECIAL ATTENTION OF:

HUD-Ginnie Mae Issuers of Mortgage-Backed Securities

TRANSMITTAL

Handbook No: 2000.04, REV-2, CHG-8

Chapter Number: 6

Issued: January 30, 2009

1. This transmits pages 6-27 and 6-28, change 8, to Handbook 2000.04, REV-2, chapter 6, Consolidated Audit Guide for Audits of HUD Programs, HUD-Ginnie Mae Issuers of Mortgage-Backed Securities Audit Guidance.
2. **Summary:** The Office of Ginnie Mae Issuers of Mortgage-Backed Securities has changed its net worth requirements for the single-family, manufactured, and HUD mortgage-backed securities (HMBS) (reverse mortgages) issues. The new requirements were effective October 1, 2008.

The change to the guide is necessary to reflect new net worth requirements and to ensure that audits performed that cover the period on or after October 1, 2008, use the correct procedures.

3. Significant Changes:

- a. Paragraph 6-5 G 2a, page 6-27, the single-family net worth is increased to \$1,000,000.
- b. Paragraph 6-5 G 2b, page 6-28, the manufactured homes net worth is increased to \$1,000,000.
- c. Paragraph 6-5 G 2d, page 28, has been replaced with a new paragraph that includes a net worth requirement of \$1,000,000 for HMBS, which previously did not have a net worth requirement, and the statement regarding the adjustment to net worth based on inflation has been removed.
- d. The changes made on those pages are denoted by asterisks (for example, *All material instances of noncompliance..... *).

4. **Filing Instructions:** The attached pages 6-27 and 6-28, dated January 2009, are to be inserted into the chapter, and pages 6-27 and 6-28, dated April 2007, are canceled.

Remove

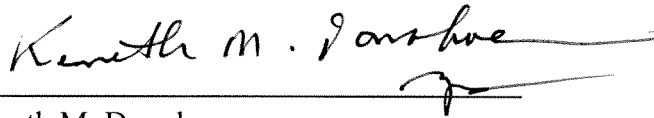
Chapter 6, pages 6-27 and 6-28, dated April 2007

Insert

Chapter 6, pages 6-27 and 6-28, dated January 2009

5. Effective Date:

The changes to the net worth audit requirements are effective for audits covering the period on or after October 1, 2008, the date HUD issued its revised procedures.



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Inspector General