
APPENDIX XI-2 SUPERVISORY AGREEMENT

OMB Approval No. 2503-0033 (Exp. 11/30/2008)

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The information is required by Section 306(g) of the national Housing Act or by the Ginnie Mae Handbook, 5500.3, Rev. 1. The purpose is to provide an issuer who has suffered from the effects of a natural disaster, to have Ginnie Mae step in and ensure the timely payment of to investors. The information will not be disclosed except as required by law.

This Supervisory Agreement (“Agreement”) is made and entered into as of _____, by and between _____ (hereinafter referred to as “Issuer”) and the Government National Mortgage Association, a body corporate organized and existing under the laws of the United States within the Department of Housing and Urban Development (hereinafter referred to as “Ginnie Mae”):

WHEREAS, Issuer has been the issuer of Mortgage-Backed Securities based on mortgage pools listed on the enclosed Exhibit A (each, a “Mortgage Pool”), guaranteed by Ginnie Mae pursuant to a Schedule of Subscribers and Ginnie Mae Guaranty Agreement or Schedule of Subscribers and Ginnie Mae Guaranty/Contractual Agreement (each, a “Guaranty/Contractual Agreement”) entered into between Ginnie Mae and Issuer, such Guaranty/Contractual Agreement being incorporated herein by reference; and

WHEREAS, as a direct result of the effects of the disaster described in All Participants Memorandum (“Memorandum”) _____ **(insert the number of the Memorandum announcing the availability of the requested disaster assistance)**. Issuer is unable to make the full payments due to the holders of the Mortgage-Backed Securities backed by the Mortgage Pools and has requested that Ginnie Mae advance certain payments to securities holders (“Payments”) in accordance with the terms of the Memorandum.

NOW THEREFORE, the parties hereto mutually undertake and agree as follows:

1. Issuer has submitted a written request to Ginnie Mae to advance Payments for the month of _____, in accordance with the instructions set forth in the Memorandum and in the Guide. Upon receipt of such request, and in accordance with the Memorandum, Ginnie Mae has wire-transferred funds directly into Issuer’s Principal and Interest Custodial Account to assure full and timely Payment to security holders. Ginnie Mae has made the Payment in order to comply with its guarantee obligations to the security holders.
 2. Issuer acknowledges that failure to make the full payment due to the security holders is an event of default under each applicable Guaranty/Contractual Agreement with Ginnie Mae and that upon such failure Ginnie Mae is entitled to complete the extinguishment of any redemption, equitable, legal or other right, title and interest of Issuer in each Mortgage Pool (hereinafter referred to as “Termination of Issuer Status”). The parties have conferred in an effort to remedy and correct the default pursuant to the authority of 12 U.S.C. § 1721 *et seq.*, the applicable Ginnie Mae Guaranty/ Contractual Agreements, and Section 34-2(B) of the Ginnie Mae Mortgage-Backed Securities Guide 5500.3.
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3. Ginnie Mae has advanced the Payment on behalf of Issuer on the following terms and conditions. The Payment shall be repaid in full to Ginnie Mae, together with interest on the Payment at the annual rate of _____, within ninety (90) days of the date of Ginnie Mae's advance of the Payment. Repayment shall be made by wire transfer to Ginnie Mae in accordance with the wire instructions attached hereto. Timely repayment of the Payment plus accrued interest in accordance with the terms set forth herein shall be deemed a cure of the default under the Issuer's applicable Guaranty/Contractual Agreement with Ginnie Mae. Failure to repay the Payment and accrued interest in accordance with the terms set forth herein shall constitute an event of default under this Supervisory Agreement and a further default under each applicable Guaranty/Contractual Agreement between Issuer and Ginnie Mae, and shall constitute grounds for Ginnie Mae to complete the Termination of Issuer Status.
 4. For the term of this Agreement, Issuer shall continue as a Ginnie Mae issuer in accordance with the Ginnie Mae Mortgage-Backed Securities Guide, 5500.3 (the "Guide") and each applicable Guaranty/Contractual Agreement, including but not limited to the responsibilities referenced below. At any time until this Agreement expires pursuant to Paragraph 7, Ginnie Mae may complete the Termination of Issuer Status if Issuer fails to perform properly its responsibilities pursuant to the Guide, or any applicable Guaranty/Contractual Agreement, except as provided herein. Upon expiration of this Agreement, if (i) Issuer has fully complied with the terms of this Agreement, the Guide and each applicable Guaranty/Contractual Agreement between Issuer and Ginnie Mae, and (ii) Ginnie Mae has not effected a Termination of Issuer Status, the Issuer shall be deemed restored to the status Issuer held immediately prior to the actions giving rise to this Agreement.
 5. To the extent that the terms and conditions of the Guide or any applicable Guaranty/Contractual Agreement conflict with or are inconsistent with the terms of this Agreement, the terms and conditions of this Agreement shall govern.
 6. Issuer shall not assign or delegate any of its rights or responsibilities under this Agreement without the prior consent of Ginnie Mae.
 7. This Agreement shall continue in effect until the earlier to occur of the following: (a) Issuer has repaid the Payment to Ginnie Mae; and (b) any date specified by Ginnie Mae at its convenience after delivery of written notice to Issuer from Ginnie Mae that this Agreement shall be terminated and that Ginnie Mae will complete the Termination of Issuer Status. However, if this Agreement terminates pursuant to (b) above, Issuer's obligations to repay the Payment to Ginnie Mae shall survive until such obligation is satisfied in full.
 8. Issuer complies with and shall continue during the term of this Agreement to comply with the requirements of Section 2-7 of the Ginnie Mae Guide with regard to fidelity bond and errors and omissions insurance coverage.
 9. Nothing in this Agreement shall constitute a waiver or release by Ginnie Mae of any claim or any right to proceed or to recover any damages from Issuer relating to any existing or future facts or circumstances.

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- 10. Issuer agrees to execute all documents and undertake all actions reasonably necessary to effect the intent and terms of this Agreement.
 - 11. This Agreement may be modified or amended only by written agreement of the parties hereto.

GOVERNMENT NATIONAL MORTGAGE
ASSOCIATION

By: _____

Name: _____

Title: _____

Date: _____

(Issuer)

By: _____

Name: _____

Title: _____

Date: _____