



GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

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

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APM 10-10

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Theodore W. Tozer, President

SUBJECT: Ginnie Mae Pool Processing Steps and Related Timeframes

This All Participants Memorandum (“APM”) responds to industry questions regarding Ginnie Mae’s pool processing steps and related timeframes. In particular, Ginnie Mae has received questions focused on the period following initial certification by the document custodian and prior to issuance of the Ginnie Mae guaranteed mortgage-backed security (“MBS”).

This APM does not constitute a new policy, but restates existing requirements. Pursuant to Ginnie Mae MBS Guide 5500.3, Rev.1 (“Guide”), the Document Custodian Manual, Appendix V to the Guide, and the Guaranty Agreement, a Ginnie Mae Issuer is obligated to pool eligible mortgages, provide enumerated loan documents representing the collateral to the document custodian, and obtain sufficient commitment authority in order to issue a security. The document custodian is obligated to review the documents, provide an initial certification to Ginnie Mae that the pool is eligible for issuance, maintain continuous possession of the documents, and ensure that the mortgage loan documents are in the document custodian’s possession when the MBS is issued.

Ginnie Mae requirements are intended to ensure that no MBS is guaranteed unless the interests of any secured party in the mortgage loans backing the MBS have been released and the mortgage loan documentation is in the possession of the document custodian. For this reason, each secured party must complete a “Release of Security Interest” on HUD Form 11711A.

The Issuer must represent either that there are no liens on the mortgage loans, or that any liens are released upon issuance of the MBS, such that, upon the issuance of the MBS, only Ginnie Mae will have any ownership interest in and to the pooled mortgages. As part of the initial certification, the document custodian certifies that it has received this assurance. Once the document custodian initially certifies the pool, the pool processing timeline is initiated at 9:00 PM EST each business day. Because much of the MBS issuance process is automated, Ginnie Mae requires that the document custodian maintain continuous possession of the mortgage documents from the time that the initial certification is provided to Ginnie Mae’s Pool Processing Agent (“PPA”) until the security is issued.

After initial certification, the PPA confirms that the Issuer is in good standing and has sufficient commitment authority to issue the pool, debits the amount of commitment authority from the Issuer’s available commitment authority, and continues with pool processing to verify that the pool meets Ginnie Mae’s pooling requirements. After PPA approval is confirmed, the pool enters a pending status. Issuers have until 12:00 Noon EST of the business day after initial

certification by the document custodian to delete pools. After that time and prior to securitization, Issuers must notify the PPA in order to delete a pool. Pursuant to Section 7(A)(1) of the Document Custodian Manual, document custodians must obtain Ginnie Mae approval before returning documents to the Issuer.

The majority of pools are submitted to Ginnie Mae electronically through GinnieNET. The charts below reflect the pool processing steps and related timeframes for pools submitted by Issuers via GinnieNET.

Pool Processing Table for Ginnie Mae I and Ginnie Mae II Custom pools

Day 1 – Receive	Day 2 – Process	Day 3 – Settlement
<ul style="list-style-type: none"> At 9:00 PM pools that have been initially certified by the document custodian are downloaded from GinnieNET for processing New issue file with CUSIP information is sent to the FRBNY 	<ul style="list-style-type: none"> GinnieNET pools are retrieved and processed by BNY Mellon Commitment Authority is drawn down for each pool/loan package New Pool Processing Reports are generated and verified All exceptions are resolved or rejected by 12 noon Pools are approved and the delivery is created FRBNY broadcasts new CUSIP information to their customers on pools to be issued Central registry is updated¹ 	<ul style="list-style-type: none"> In the AM pools are delivered to the FRBNY (<i>or remains in holding file with the Issuer's designated settlement date</i>) For Multifamily Pools – the Multifamily database is updated Pools are settled through the FRBNY

Pool Processing Table for Ginnie Mae II Multiple Issuer Pools ²

Day 1 – Receive	Day 2 – Process	Day 3 – Process	Day 4 – Settlement
<ul style="list-style-type: none"> At 9:00 PM pools that have been initially certified by the document custodian are downloaded from GinnieNET for processing New issue file with CUSIP information is sent to the FRBNY 	<ul style="list-style-type: none"> GinnieNET pools are retrieved and processed by BNY Mellon Commitment Authority is drawn down for each pool/loan package New Pool Processing Reports are generated and verified All exceptions are resolved or rejected by 12 noon Loan packages are approved and multiple Issuer pool is generated FRBNY delivery file is created Central registry is updated³ 	<ul style="list-style-type: none"> In the early AM the new issue file is delivered to the FRBNY with the CUSIP for each multiple Issuer pool FRBNY broadcasts new CUSIP information to its customers on pools to be issued 	<ul style="list-style-type: none"> In the AM multiple Issuer pools (loan package pieces) are delivered to the FRBNY for settlement (<i>or remains in holding file with the Issuer's designated settlement date</i>) Pools are settled through the FRBNY

- All Ginnie Mae I and Ginnie Mae II custom pools are updated to the central registry on the first business day after initial certification.
- The process for Ginnie Mae II multiple Issuer pools will be identical to the process for Ginnie Mae I and Ginnie Mae II custom pools beginning with implementation of daily settlement of Ginnie Mae II multiple Issuer pools. This is expected to begin with November 2010 issuances.
- Under current Ginnie Mae procedures, all Ginnie Mae II multiple Issuer pools are updated to the central registry on the same day, which is two business days before settlement. If an Issuer's loan package was initially certified earlier in the process, the loan package will not be updated to the central registry on the first business day after initial certification.

Pursuant to Section 320.5(f) and (i) of Title 24 of the Code of Federal Regulations, Ginnie Mae considers a pool to be delivered, guaranteed, and issued only after the PPA updates the central registry. Only at that point, consistent with the Guaranty Agreement, does the Issuer convey all right, title and interest in the mortgage loans to Ginnie Mae.

In the event that Ginnie Mae defaults an Issuer, for those pools that have been recorded on the Ginnie Mae central registry, the PPA will complete delivery of the MBS. With respect to those pools that are not recorded on the Ginnie Mae central registry, Ginnie Mae will provide written confirmation to the defaulted Issuer and the document custodian that the security will not be issued. At that point, Ginnie Mae would no longer require that the mortgage documents be held by the document custodian. The document custodian's obligations would be determined by applicable law and whatever other agreements exist in connection with the loans.

For additional assistance, Issuers may contact their Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-1535.