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# Ginnie Mae Compliance Reviews

*Multifamily Compliance Review Training*

*September 17, 2019*

# AGENDA

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- Overview of Training and Compliance Reviews
- The Field Review Lifecycle, Key Players and Documents
- Introduction to the Smart Compliance Solution
- Scheduling and the Advance Process
- The On-Site Review:
  - Entrance Conference
  - Cash
  - Collections
  - Liquidations
  - Endorsements
- Managing the On-Site Review
- Follow-up: Findings Resolution Plans and Final Reports
- Open Q&A

# OBJECTIVES

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- At the end of this training you should be able to:
  - ✓ **Understand** the types, purposes, and outputs of Ginnie Mae's compliance review process;
  - ✓ **Prepare** for compliance reviews in an effective manner;
  - ✓ **Identify** key documentation and personnel to be available to support the review;
  - ✓ **Coordinate** involvement of sub-contractors and subservicers in the review process; and
  - ✓ **Engage** in the follow-up process more efficiently and effectively to provide information to mitigate findings.

# TYPES OF COMPLIANCE REVIEWS

## Forward Issuer Review

- Single Family, Multifamily and Manufactured Housing Issuers
- On-site at Issuer or Issuer's Subservicer facility or conducted remotely
- Custom testing based on portfolio type (SF/MF/MH)
- Focuses on cash management, collections and loss mitigation, Agency endorsements, and additional custom testing for expanded reviews

## Reverse (HMBS) Issuer Review

- Home Equity Conversion Mortgage (HECM) Mortgage-Backed Securities (HMBS) Issuers
- On-site at Issuer, Issuer's Subservicer, Issuer's Participation Agent, and Issuer's Document Custodian
- Focuses on cash management and participation accounting
- Custom Document Custodial pool/loan level testing

## Document Custodian Review

- Ginnie Mae Document Custodians and can include multiple Issuers using the same Document Custodian
- On-site at the document custodial facility
- Focuses on evaluation of custodial facilities and financial security
- Individual Issuer portfolio evaluations at the Issuer, pool, and loan level

## RELATIONSHIPS WITH OTHER REVIEW TYPES

- A Document Custodian review may impact an Issuer if there are questions requiring clarification from the Issuer or if there are additional documents needed from the Issuer.
- HMBS compliance reviews will not be addressed in this training.
- Each portfolio type has its own compliance review requirements and may include testing that is not discussed in this training.

# THE COMPLIANCE REVIEW LIFECYCLE



Issuer is contacted by Field Review Contractor (FRC)	Issuer receives Advance letter	Entrance Conference	Exit Conference
<ul style="list-style-type: none"> <li>• Issuer verifies availability of staff</li> <li>• Issuer provides POC for activities</li> <li>• Issuer determines location of review</li> </ul>	<ul style="list-style-type: none"> <li>• Issuer receives log-in for SCS</li> <li>• Issuer reviews Advance letter</li> <li>• Issuer provides Advance documentation</li> <li>• Issuer receives sample selections</li> <li>• Issuer completes Advance Questionnaire in SCS</li> <li>• Issuer uploads requested documents into SCS</li> </ul>	<ul style="list-style-type: none"> <li>• Issuer monitors status reports</li> <li>• Issuer provides additional documentation or responds to questions</li> </ul>	<ul style="list-style-type: none"> <li>• Issuer responds immediately to high risk cash findings</li> <li>• Issuer monitors disagreement process</li> <li>• Issuer prepares and submits FRPs</li> </ul>
	Advance Letter Advance Questionnaire Sample Selections	<ul style="list-style-type: none"> <li>• Status Reports</li> <li>• Findings Worksheets</li> <li>• Draft Report</li> </ul>	<ul style="list-style-type: none"> <li>• Final Report</li> <li>• Final disposition communications</li> </ul>

# COMPLIANCE REVIEW AND A SUBSERVICER

- The Issuer is responsible for the performance of its subservicer.
- The compliance review is generally performed on-site at the subservicer; however, it is **STRONGLY** recommended that the Issuer actively participate in the review by
  - ✓ Providing a point of contact during the course of the review even if you can't attend the review;
  - ✓ Making the point of contact available to the review team and subservicer staff during the review; and
  - ✓ Providing oversight of the subservicer's responsiveness and response(s) during the review.

# COMPLIANCE REVIEW AND A SUB-CONTRACTOR

- Servicing functions that are outsourced to a sub-contractor may require that the sub-contractor interact with the review team. For example:
  - ✓ Default and loss mitigation options may be outsourced to a third party. Those records will be needed for review by the review team; and
  - ✓ Escrow administration may be handled by a third party. Those records will be needed for review by the review team as well.



# RESULTS OF THE COMPLIANCE REVIEW

- Draft Report
  - ✓ A draft report is issued at the conclusion of the compliance review that summarizes the results of the review
- Finding Worksheet(s)
  - ✓ A Finding Worksheet is generated for each instance of non-compliance noted during the review
  - ✓ The Finding Worksheet provides the details of the finding issued and provides the Issuer with an opportunity to agree or disagree with the finding and the next steps required
  - ✓ The Finding Worksheet is signed by the Issuer or its designee

**!** Findings are communicated to the Issuer during the course of the review. Monitoring the findings as they are communicated will prepare the Issuer for the finding identified in the Draft Final Letter and the Finding Worksheet.

# FINDINGS RISK SEVERITY

Risk Severity	Risk Severity Criteria
High	<ul style="list-style-type: none"><li>• Poses risk to Ginnie Mae of non-timely or inaccurate payments to security holders</li><li>• Poses risk of Issuer default and extinguishment by Ginnie Mae</li><li>• Poses risk to Ginnie Mae of losses in the event of default and extinguishment</li><li>• Represents significant internal controls procedural deficiency that, if not addressed, could disrupt management and transfer of the portfolio if Ginnie Mae were to assume the portfolio as a result of a default and extinguishment</li></ul>
Medium	<ul style="list-style-type: none"><li>• Represents a failure to administer the portfolio that could, if not addressed, negatively affect its future value</li><li>• Represents operational deficiencies that could lead to unreliable reporting of data to Ginnie Mae</li><li>• Represents issues of non-compliance that hinder the efforts of Ginnie Mae to provide proper oversight</li></ul>
Low	<ul style="list-style-type: none"><li>• All procedural findings that are not categorized as high or medium risk</li></ul>



# Scheduling

# COMPLIANCE REVIEW SCHEDULING

- Reviews are scheduled by the Field Review Contractor (FRC) at the request of Ginnie Mae
- General rules to determine review frequency
  - ✓ Probationary Issuers: Three (3) reviews scheduled within 24 months following issuance of the first pool
  - ✓ All other Issuers: Review scheduled at least once every three (3) years
    - Reviews could be more frequent based on the risk profile of the Issuer
- Factors that may trigger more frequent reviews
  - ✓ Larger Issuers are reviewed more frequently
  - ✓ Issuers with high risk findings from previous reviews may be reviewed more frequently

# COMPLIANCE REVIEW SCHEDULING

- Initial Contact
  - ✓ The FRC Advance Team contacts the point-of-contact according to Ginnie Mae's records
  - ! Keep your Account Executive informed as to the point-of-contact for compliance reviews so that the right person is contacted.
- Initial contact typically occurs from 1 to 2 months in advance of the proposed review date.



# The Advance Process

# THE ADVANCE PROCESS

- The following information will be requested by the Advance Team:
  - ✓ Additional points-of-contact, if any
  - ✓ Portfolio type(s) i.e., Ginnie Mae I, Ginnie Mae II, multifamily, single family, manufactured housing
  - ✓ Parking locations
  - ✓ Servicing system/service bureau
  - ✓ Dress code
  - ✓ Office hours
  - ✓ Confirmation of the timing of the review
  - ✓ Subservicer information, if applicable
  - ✓ Number and types of bank accounts i.e., collection clearing, lockbox, special escrow, custodial, etc.)

# THE ADVANCE PROCESS

- The advance letter includes
  - ✓ Date of the compliance review
  - ✓ Duration of the compliance review – the maximum length of the review
- ! Actual review time will be based on testing progress and availability of information
- Pre-selected pools and tests months to be reviewed
- Documentation to be provided in advance of the compliance review
- Documentation to be provided on-site



# THE ADVANCE PROCESS

- Tips for reviewing the Advance letter
  - ✓ Review the scope
    - Does the request relate to the pre-selected pools?
    - Does the request relate to the type of review to be conducted?
    - Is the request for the entire portfolio?
    - What is the test month and the test period?
    - Can the requested information be provided prior to the dates in the Advance letter?
  
- ! Don't hesitate to contact the Advance Team if you have any questions or need clarification.

# THE ADVANCE PROCESS

## Information to be provided at least one (1) week prior to the review ...

1. Forms HUD-11710 or successor forms
2. RFS Exception Feedback Summary Screen
3. Mortgage loan trial balance as of the test month reporting cutoff date
4. A flow chart of all bank accounts through which funds for loans in Ginnie Mae pools flow
5. Signature Cards for all bank accounts with Ginnie Mae Funds
6. Bank statements and reconciliation support
7. Special Escrow Accounts and reconciliations, if applicable
8. List of all loans that have had a claim paid, outstanding, or denied to include the pool number, loan number, and the insuring Agency that are in the Ginnie Mae portfolio at the time the claim was filed or received within the last 12 months, ending with the test month, to include pool number and loan number
9. List of all loans that have been liquidated from Ginnie Mae pools with pool number, loan number, liquidation code, and date of liquidation within the last 12 months
10. List of delinquent loans as of the test month reporting cutoff date to include pool number, loan number, loan type, last paid installment date, and loan status, i.e., pending modification, bankruptcy, foreclosure, forbearance, or other loss mitigation
11. List of all loans that have been assigned and/or repossessed, sold and foreclosed within the last 12 months
12. List of all loans refinanced by the Issuer and the Issuer held both the refinanced loan and the loan with the revised terms (Expanded Review only)
13. A list of all cash-out refinances, to include loan number, pool number, and pool issue date for the cash-out refinance within the last 12 months (Expanded Review only)
14. A list of all active Ginnie Mae loans with a “703” ADP code
15. A list of non-liquidation loans released by the Document Custodian

# THE ADVANCE PROCESS

## Information to be provided by the Entrance Conference ...

### Sample selection responses

16. Internal records supporting reported P&I on Forms HUD-11710As or successor form (i.e., GNMA pool reconciliation of principal and calculation of minimum cash required report)
17. Corporate advance ledger
18. Forms HUD-11714, if applicable
19. Cancelled security holder check (plus internal policies governing identification and proper handling of un-cleared or returned funds)
20. Pre-Collection Remittance Notices
21. List of claims for which offsets have occurred for loans that remain in a Ginnie Mae pool
22. Written procedures for claims filing and monitoring processes
23. A copy of all agency indemnification agreements
24. Forms HUD-11710E or successor form for loans in pre-selected pools during the test month and for the selected claims and liquidations
25. Written procedures governing modification agreements and handling of bankruptcies
26. Written procedures for handling foreclosures and assignments (plus tracking logs associated with these actions)
27. Proof of annual recertification for all lettered accounts
28. Evidence of recertification for Forms HUD-11702
29. HUD-11705
30. HUD-11707
31. HUD-11715
32. HUD-11709, and HUD-11720
33. GinnieNet Secure Token ID
34. Issuer's Taxpayer Identification Number (TIN)

# THE ADVANCE PROCESS

- Advance Questionnaire
  - ✓ Advance questionnaire is the first testing performed by the review team
  - ✓ Advance questionnaire is comprised of numerous questions spanning miscellaneous topics, mostly operational and not related to the pool or loan level testing
  - ✓ Coordination between the Issuer and subservicer is required to complete the questionnaire if a subservicer is used



# Introduction to the Smart Compliance Solution (SCS)

*Powered By:*



# INTRODUCTION TO THE SMART COMPLIANCE SOLUTION

- Next steps after the initial contact by the Advance Team:
  - ✓ You will receive two (2) emails from Intellimime
- ! If you do not receive the emails, check your Spam or Junk folders
- The first email will contain information and instructions for you to log-in to the Smart Compliance Solution
- The second email will be the advance letter and will arrive no later than three (3) weeks prior to your scheduled review

# INTRODUCTION TO THE SMART COMPLIANCE SOLUTION

- The Smart Compliance Solution (SCS), is powered by IntelliMime, a division of Concentrance Consulting Group, Inc. (Concentrance)
- Concentrance is a sub-contractor to PwC Public Sector (PwC)
- SCS is a cloud-based solution that:
  - facilitates the Ginnie Mae Issuer and Document Custodian compliance review process.
  - simulates the inductive and deductive reasoning of experts to guide consistent decision outcomes amongst compliance review team members.
- The SCS is hosted in a FedRAMP compliant environment and its security is set to NIST Government Standards.
- The document artifacts and information that you provide are housed in the SCS and are encrypted instantaneously upon submission to the SCS.

# DEMONSTRATION





# The On-Site Review

# THE ON-SITE REVIEW

## Cash Management

- Reconciliation of Mortgage Collateral to Securities Outstanding
- Test of Expected P&I
  - ✓ Service Fee Testing
  - ✓ Prepayment Fee Testing
  - ✓ Delinquent Fee Testing
  - ✓ Liquidation Fee Testing
  - ✓ Fixed Installment Control Testing
- P&I Custodial Account Testing
- P&I Disbursement Account Testing
- T&I Custodial Account Testing
- Special Escrow Account Testing (if applicable)
- Collection and Disbursement Clearing Account Testing
- Issuer Corporate Advance/Recovery Testing
- Guaranty Fee Testing (if applicable) and Annual Recertification

## Delinquency

- Collections and Reporting Processes for Delinquent Loans
- Agency Claims Processing

## Liquidations

- Liquidation Processing
- Refinances and Net Funded Loans
- Cash-out Refinances

## Endorsements

- Agency Terminated Endorsements
- Agency Endorsement Matching
- Evidence of Clear Title at Time of Pooling

# THE ON-SITE REVIEW

- Entrance Conference
  - ✓ Serves as the formal kickoff of the on-site testing portion of the review.
  - ✓ Any potential areas of concern noted prior to the entrance conference will be discussed
  - ✓ Key missing documentation will be discussed
  - ✓ Logistics of the review will be finalized
  - ✓ The anticipated duration of the review will be discussed based on the documentation already provided.

# THE ON-SITE REVIEW

- In scheduling the entrance conference, consider
  - ✓ Who will represent you as the Issuer and the servicer (if applicable)?
  - ✓ Will there be a dial-in number?
  - ✓ What sort of questions do you have?
  - ✓ Are there any unique items that should be discussed with the review team, i.e., transfer of the portfolio, change in servicer, special arrangements with Ginnie Mae?
  - ✓ Who should receive status updates?
  - ✓ With whom will the status updates be shared?
  - ✓ To whom will the draft report containing the review results be addressed?



# CASH MANAGEMENT TESTING

# CASH MANAGEMENT TESTING

## Objectives

- Evaluate how an Issuer handles funds that are remitted from borrowers and passed through to security holders.
- Assess the accuracy reporting

## Areas of Testing

- Reconciliation of Mortgage Collateral to Securities Outstanding
- Test of Expected P&I
- Service Fee and Guaranty Fee Testing
- Fixed Installment Control Testing
- Custodial and Clearing Account Testing
- Issuer Corporate Advance/Recovery Testing
- Recertification of master agreements
- Movement and disbursement of escrow funds
- Special Escrow Testing, if applicable

## CASH MANAGEMENT TESTING

### Source Documentation

- Bank statements and reconciliations
- Forms HUD-11710A or successor forms
- RFS Exception Feedback Summary Screen
- Forms HUD-11709 and HUD-11720
- Advance and recovery log (including excess funds tracking)
- Trial balance, including loan numbers
- Deposit and disbursement selection documentation
- Loan payment history and escrow analysis selection documentation
- Signature Card

# CASH MANAGEMENT TESTING

## Things to Know – Bank Accounts

- Know the account structure through which funds for Ginnie Mae flow. Be familiar with claims, payoffs, escrow disbursements, and any additional accounts beyond the standard collections clearing and custodial accounts
- Know how funds move through the accounts. Funds tracing must be clear with respect to movement from clearing accounts through the remittance or disbursement. A walkthrough may be needed for clarity.
- Know the acceptable styling for bank accounts. Signature cards often will have full account titles that cannot be displayed on bank statements. Be aware of the abbreviations that have been approved by Ginnie Mae.
- Know the requirements for recertification of master agreements. Evidence of annual recertification from either BNY Mellon or a screen print from the Ginnie Mae MAMS system is acceptable.
- Know how initial escrow funds are applied to a loan after the pool has been issued.



## CASH MANAGEMENT TESTING

### Things to Know – Other Cash Testing

- Know the requirements for the advance, recovery, and excess funds tracking logs. If these are separate logs, each should be provided.
- Know how service fees are calculated. Be prepared to provide a loan-level breakdown of service fees for a given month.
- Know the reporting cutoff date and if there have been any reconciliation issues between your internal records and data reported to Ginnie Mae.

# CASH MANAGEMENT TESTING

## Common Issues

- Timely funding of escrows following pool issuance
- Bank overdrafts
- Reconciling items that are aged greater than three (3) months
- Over/under-collateralized pools
- Account styling
- Annual recertifications
- Taxpayer identification number

# DELINQUENCY TESTING

## Objective

- Evaluate the effectiveness of the Issuer's default management practices and procedures

## Areas of Testing

- Delinquent loans
- Foreclosures
- Bankruptcies
- Claims
- Agency reporting

# DELINQUENCY TESTING

## Source Documentation

- Collection notes
- Property inspection
- Multifamily Delinquency and Default Reporting (MDDR) System
- Form HUD-92426, Multifamily Default Status Report
- Evidence of loss mitigation offered and evaluated
- Bankruptcy notes and proof of claim in bankruptcy
- Letter logs
- Neighborhood Watch for selected loans
- Evidence of MIP payment
- Evidence of hazard insurance coverage
- Audited financial statements
- Status of UCCs

# DELINQUENCY TESTING

## Things to Know

- Know how your default management activities are documented, i.e., collection notes/logs, codes used, and how events are time stamped.
- Know that multiple areas for the same loan will be reviewed. For example, if a loan is delinquent, the borrower files for bankruptcy, and the loan is ultimately foreclosed, all of that activity will be reviewed. Support for that activity in the form of loss mitigation and workout notes, contact logs, and inspection reports should be provided.
- Know how your system works if default management activity is documented online. A walkthrough of the system may be requested by the review team.

## Common Issues

- Default management timelines
  - ✓ Timely referral to foreclosure
  - ✓ Timely foreclosure
- Timely receipt and movement of claim payments
- Insufficient documentation maintained or provided regarding selected loans
- Active hazard insurance during the test period



# LIQUIDATIONS TESTING

# LIQUIDATIONS TESTING

## Objective

- Evaluate Issuer management and reporting of liquidated loans

## Areas of Testing

- Liquidated loans
- Refinanced loans
- Net funded loans
- Cash-out refinance loans



# LIQUIDATIONS TESTING

## Source Documentation

- Form HUD-11710E or successor form
- Evidence of funds receipt for liquidation, i.e., wire transfer internal corporate funds movement, borrower check, or claim payment advice
- Evidence of deposit of liquidation funds into custodial account
- Evidence of Ginnie Mae approval for any loan liquidated with a Reason Code 5 or 6
- Form HUD-11708

## Common Issues

- Missing or non-timely Form HUD-11708
- Non-timely movement of funds into custodial account
- Incorrect liquidation codes, specifically for short sales claims, and loss mitigation
- No written approval for Reason Code 5 or 6 liquidation



# ENDORSEMENT TESTING

# ENDORSEMENT TESTING

## Objective

- Evaluate the existence of Agency insurance or guaranty on the Ginnie Mae portfolio

## Area of Testing

- Terminated loans

# ENDORSEMENT TESTING

## Source Documentation

- Issuer internal reporting screens showing loan profile data reported to Ginnie Mae (i.e., borrower name, address, original principal balance (OPB), unpaid principal balance (UPB), maturity date, interest rate, term)
- Loan note
- Federal Housing Administration (FHA) Neighborhood Watch
- FHA lender query by case number report
- Mortgage Insurance Certificate (MIC)/Loan Note Guaranty (LNG)/Loan Guaranty Certificate (LGC)



# Managing the Review

- **Status Reports**

- ✓ At least one status report issued per day of testing to include:
  - Preliminary Findings – Findings the review team believes the testing completed has indentified. This list may change as information is provided to the review team.
  - Pending Documentation – Documentation that has been requested but not yet received by the review team. Findings may be issued even if the documentation is provided at a later date.
  - Outstanding Questions – Questions the review team has identified related to the material provided. Responses to the questions may result in findings changing, added, or removed.

- Using the Status Reports
  - ✓ Status reports may be used to involve key personnel as to the current status of the review
  - ✓ Status reports provide an opportunity to confirm with the review team the documentation that is still outstanding, or obtain clarification as to the request being made
  - ✓ Face-to-face meetings with the review team are recommended to allow for discussion
  - ✓ Status reports may be updated multiple times daily depending on the pace of the review and updates to the status of documentation previously provided



# MANAGING THE REVIEW

- **Documentation Deadlines**
  - ✓ Deadlines will be established by the review team for receipt of documentation that can be considered for testing and incorporated into the draft report. Documentation submitted after the deadline will be provided to the follow-up team, but may not affect the findings issued by the review team.
  - ✓ Changes to the draft report cannot be made in the exit conference. Amended draft reports may be provided if error are noted after the exit conference as a result of the quality control review.
  - ✓ The review may conclude prior to the anticipated end date even if all documentation has not been provided to the review team. This will be done if there has been sufficient time to provide the documentation and time on-site is not being used efficiently.



# The Exit Conference

## Purpose

- Closes the on-site portion of the review and finalizes the results of the testing with the Issuer in order to begin the Follow-Up process.
- Provides the Issuer or its designee with the following:
  - ✓ Draft Report containing the results of the review
  - ✓ Findings Worksheet(s) for each specific finding issued during the review
- Items to consider to prepare for the Exit Conference:
  - ✓ Who should attend?
  - ✓ To whom should the reports be addressed?
  - ✓ Who should represent the Issuer?
  - ✓ What are the key items requiring clarification?

## Preparation

- The following tasks should be completed prior to the Exit Conference:
  - ✓ The representative who will sign the Findings Worksheets should be identified.
  - ✓ The contact information to whom the reports should be address should be provided to the review team lead.
  - ✓ Attendees at the Exit Conference should be identified and kept informed of the review progress and possible findings.
  - ✓ Any finding(s) to which the Issuer plans to disagree should be identified and the basis for the disagreement(s) should be prepared.
  - ✓ Any concerns about descriptive language in the findings should be prepared.

## Findings Worksheets

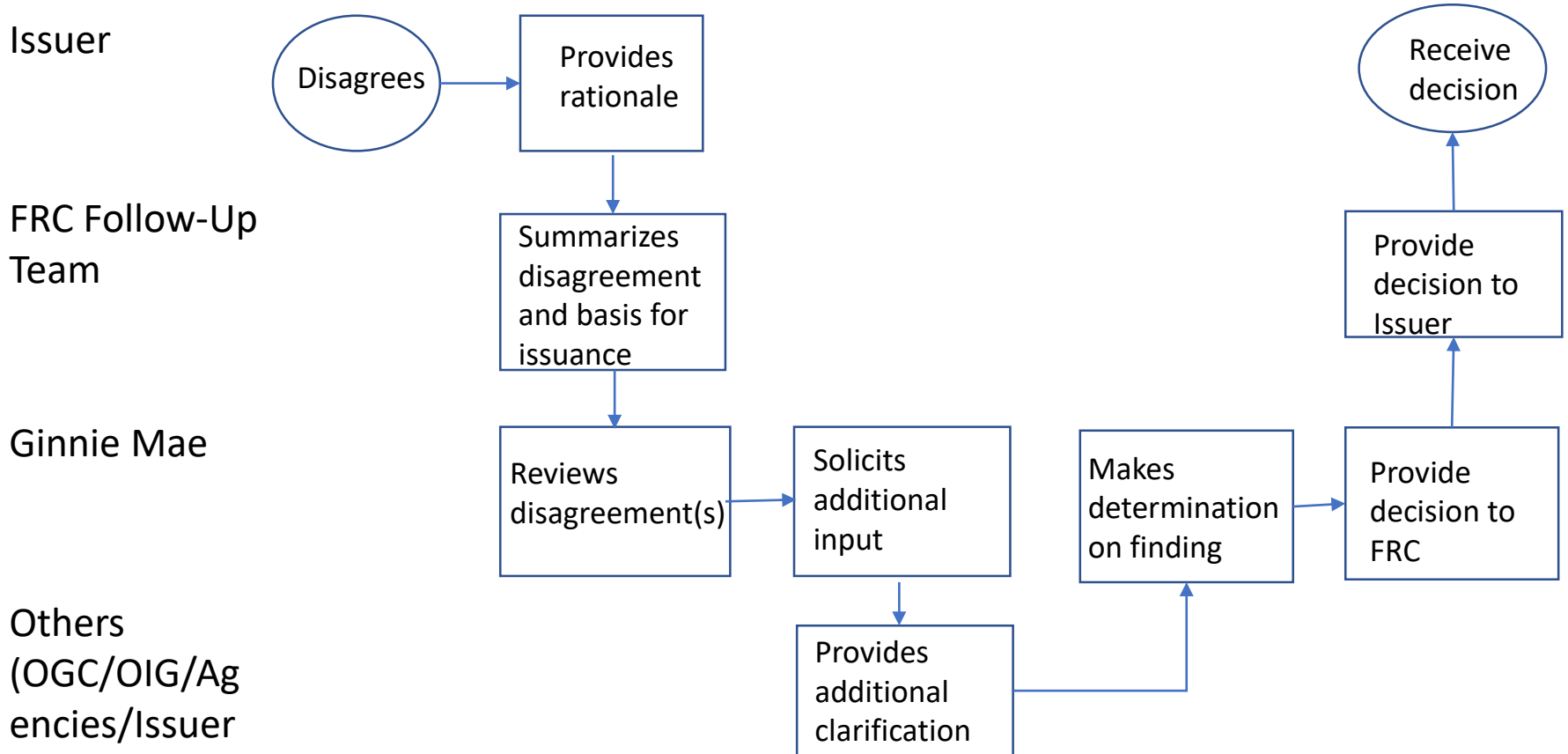
- The designated Issuer contact will be asked to mark a response to each finding:
  - ✓ **Agree:** The Issuer understands the finding and agrees that it is applicable in this instance.
  - ✓ **Agree with Conditions:** The Issuer understands the findings and believes it likely that the finding is correctly issued but would like to note potential mitigating factors.
  - ✓ **Disagree:** The Issuer believes the findings is incorrectly issued and has prepared, in writing, a basis for disagreement.

## Draft Report

- The draft report summarizes the results of the review. It is addressed to a representative identified by the Issuer and contains the following:
  - ✓ The Issuer name, Issuer ID, and contact information
  - ✓ The review level, start and end dates
  - ✓ A list of all findings issued and the details leading to their issuance (as discussed in the Findings Worksheets)
  - ✓ A summary of the follow-up process and contact information for conducting follow-up activities

# THE EXIT CONFERENCE

## Disagreed Findings





# Follow-Up



## FOLLOW-UP

- A Findings Resolution Plan (FRP) to mitigate findings noted during the compliance must be submitted.
- The Finding Resolution Plan has two components:

### **Correction/Mitigation of Identified Conditions**

- Description of the steps taken to correct the identified issues and mitigate the conditions causing issuance of the finding
- Additional supporting documentation reflecting the Issuer's internal correction/mitigation of the identified issues

### **Prevention of Recurrence of Identified Conditions**

- Description of the policies/procedures implemented to prevent the recurrence of conditions causing the finding of non-compliance
- Additional supporting documentation reflecting implementation of the policies/procedures described within the FRP (i.e., email communication of revised procedures to applicable staff, and training materials).

## Findings Mitigation Requirements

Finding Risk Level	Required Mitigation Timeline
High Risk – Cash Related	24 hours (1 calendar day)
High Risk	48 hours (2 business days)
Medium Risk	30 calendar days
Low Risk	90 calendar days

## Timeline for Submission of Findings Resolution Plans (FRPs)

Finding Category	FRP Submitted, Mitigated, and Closed
High Risk – Cash Related	1 calendar day
High Risk	7 calendar days
Medium Risk	30 days
Recurring Low Risk	45 calendar days

# FOLLOW-UP

Finding Status	Definition
OPEN	A finding issued in Draft Report which has not had its status otherwise changed
MITIGATED	A finding with an accepted FRP
DELETED	A finding which is considered removed from the Draft Report
NON-RECURRING	A non-recurring, low-risk finding which was not <b>MITIGATED</b> or <b>DELETED</b>
REFERRED	Any finding referred to Ginnie Mae for final resolution

## Referrals

- Findings may be referred to Ginnie Mae for two reasons:
  - ✓ The timeline for resolving the finding with the compliance review team has been exceeded
  - ✓ The nature of the finding has lead to an issue which only Ginnie Mae can resolve
- The Ginnie Mae Account Executive will work with you to finish resolving this finding, and will ultimately communicate the results of the finding to you and the review team
- The Ginnie Mae Account Executive will assist a Ginnie Mae Mortgage Banking Analyst to resolve referred/uncleared findings
- If a finding is referred and not resolved prior to a subsequent review, this may be noted in the subsequent review's report.

### Final Report

- Provided on letterhead, it finalizes all the findings summarized in the Draft Report
- Provided no later than 30 days after the Exit Conference
- Will indicate the status of all findings, even if the findings were deleted
- May be provided prior to all findings being mitigated. The follow-up process will continue even after the issuance of the Final Report.



# FINDINGS DATA

## TOP FIVE MOST COMMON FINDINGS

Finding Code	Risk Level	Description	% Of Reviews
400229	High	Account title of P & I Custodial Account(s) per bank signature card and/or Form HUD-11709 is incorrect.	25.00
400301	High	Account title of T & I Custodial Account(s) per bank signature card and/or Form HUD-11720 is incorrect.	21.42
510125	Medium	Loan(s) liquidated for which a Form HUD-11708 could not be provided.	14.29
150015	Low	Differences in excess of \$1.00 have been identified between the Adjusted Bank Balance and the Total Funds Other Than Escrow per the Exception Feedback Summary Screen.	14.29
510209	Medium	Authorized signers per Forms HUD-11702 do not agree to the SecurID Token Order Form.	10.71

## AVERAGE NUMBER OF FINDINGS PER ISSUER REVIEW



\* Represents compliance reviews conducted from September 2018 through August 2019





# QUESTIONS?