

### OVERVIEW OF CHAPTER

This Chapter addresses the following document custodian operational procedures:

- (A) *Release and Return of Documents (HUD-11708);*
- (B) *Early Pool Termination;*
- (C) *Pool Maturity;*
- (D) *Transfer of Document Custody upon Issuer Default;*
- (E) *Transactions that Trigger Recertification Requirements;*
- (F) *Relocation of Document Custodian;*
- (G) *Issuer Mergers;*
- (H) *Issuer Name Change;*
- (I) *Physical Security;*
- (J) *Inventory Accounting;*
- (K) *Missing Document Resolution;*
- (L) *Flow (Pre) Certification.*

### PART A. RELEASE AND RETURN OF DOCUMENTS

#### Section 1. Receiving Requests for Release of Loan Documents

Issuers may request from a document custodian the release of a loan file or document by submitting a Request for Release of Documents, form [HUD-11708](#) ([Appendix V-5](#) of the Guide) (“form HUD-11708”). The form [HUD-11708](#) must be signed by an authorized officer of the Issuer whose name appears on the Resolution and Certificate of Authorized Signatures, form [HUD-11702](#), (“HUD-11702”) found in [Appendix I-2](#) of the Guide. The Issuer is responsible for all information presented in the Request for Release of Documents, form [HUD-11708](#), regardless of whether the form reflects edits suggested by the document custodian.

The Issuer may use an electronic or computer-generated form [HUD-11708](#) provided that the format and substance of the computer-generated form are the same as the printed form [HUD-11708](#). If an electronic form is used, the Issuer must be able to reproduce, upon request by Ginnie Mae or its designee, a hard copy of the form.

For each request, the Issuer must identify the reason associated with its request by selecting the most applicable reason code from the six reason codes listed in the form [HUD-11708](#) and further described as follows:

- (a) Reason Code 1- Mortgage Paid in Full: Reason Code 1 applies when the Issuer has received and deposited funds on behalf of the mortgagor to pay the loan in full in accordance with [Chapter 16-9\(A\)](#) of the Guide.

## CHAPTER 7: OPERATIONAL PROCEDURES

---

**Note:** When a mortgage has been paid in full, the loan file pertaining to the mortgage must not remain in the possession of the document custodian. The Issuer must submit to the document custodian a form [HUD-11708](#) no later than thirty (30) days following the loan liquidation date.

- (b) Reason Code 2-Repurchase of Delinquent Loans: Reason Code 2 applies when the Issuer has used its own funds to repurchase the loan from the pool as result of delinquency as prescribed in Chapters [18-3\(B\)](#) and [16-9\(A\)](#) of the Guide. Reason Code 2 *may not* be used for requests submitted in connection with loss mitigation.
- (c) Reason Code 3-Foreclosure With Claim Payment: Reason Code 3 applies when the Issuer has received and deposited insurance/guaranty funds from FHA, VA, RHS, or PIH in accordance with [Chapter 16-9\(A\)](#) of the Guide *and* has liquidated the relevant loan from the pool.

**Note:** If state law requires the Issuer to have the original note before initiating foreclosure proceedings or shortly after the proceedings begin, the Issuer should submit a form [HUD-11708](#) using Reason Code 6, not Reason Code 3, to obtain the original note. The Issuer must also enter in the blank with Reason Code 6 the explanation “Initiating Foreclosure.”

- (d) Reason Code 4-Loss Mitigation: Reason Code 4 applies when the Issuer has repurchased the relevant loan from a pool under the conditions specified in [Chapter 18-3\(B\)](#) of the Guide and deposited funds in accordance with [Chapter 16-9\(A\)](#) of the guide with the express intention of performing loss mitigation procedures specified by FHA, VA, RHS, or PIH.
- (e) Reason Code 5-Substitution: Reason Code 5 applies either when the Issuer needs to remove a defective loan from a pool to be substituted with an eligible loan in accordance with [Chapter 14-8](#) of the MBS Guide, or when the issuer is correcting for an over-collateralization by means of loan substitution. The Issuer must obtain written approval from Ginnie Mae prior to submitting a form [HUD-11708](#) on the basis of Reason Code 5. The Issuer must include the written evidence of Ginnie Mae’s approval for the relevant substitution when submitting the form [HUD-11708](#) to the document custodian.
- (f) Reason Code 6-Other: Reason Code 6 applies (1) when a loan is liquidated from a pool for any reason that does not meet the requirements of Reason Codes 1 through 5; or (2) when the Issuer needs a loan document or file for a non-liquidation reason. The required procedures for submission of a form [HUD-11708](#) on the basis of Code 6 are contingent on the specific reason underlying the request and are described below.
  - (i) Liquidation-Related Requests under Reason Code 6: For all requests submitted in connection with a loan that is liquidated, the Issuer must provide in the form [HUD-11708](#) an explanation of the reason for requesting the loan documents. Loan documents or files requested for liquidation reasons under Reason Code 6 may or may not require Ginnie Mae approval, as follows:
    - (A) *Liquidation-Related Requests that Require prior Written Ginnie Mae Approval: Issuers must obtain prior written approval from Ginnie when the request relates to:*
      - (1) *The repurchase of a defective loan without a substitution; or*
      - (2) *Any other reason that is not expressly listed below in paragraph “(b) Liquidation-related requests that do not require prior written Ginnie Mae approval.*

The Issuer must include the written evidence of Ginnie Mae’s approval for the relevant repurchase or release of loan documents when submitting the form [HUD-11708](#) to the document custodian.

---

## CHAPTER 7: OPERATIONAL PROCEDURES

---

- (B) *Liquidation-related requests that do not require prior written Ginnie Mae approval: Issuers may submit a form [HUD-11708](#) on the basis of Reason Code 6 without prior written approval for requests related to:*
- (1) *The taking of the mortgaged property by eminent domain or condemnation proceedings;*
  - (2) *The receipt of hazard and/or flood insurance claim proceeds to pay the loan in full; or*
  - (3) *For HMBS only, the occurrence of a mandatory or optional purchase event.*
- (ii) Non-Liquidation Requests under Reason Code 6: For all requests submitted in connection with a loan that is not being liquidated, the Issuer must provide in the form [HUD-11708](#) an explanation of the reason for requesting the loan documents and the date the Issuer expects to return the documents to the document custodian. Loan documents or files requested for non-liquidation reasons under Reason Code 6 may or may not require Ginnie Mae approval:
- (A) *Requests related to non-liquidated loans that require Ginnie Mae approval: Issuers must obtain written approval from Ginnie Mae when the request relates to:*
- (1) Transactions which trigger recertification requirements;
  - (2) Any other reason related to a non-liquidated loan that is not expressly listed below in paragraph “(b) Requests Related to Non-Liquidated Loans that Do Not Require Ginnie Mae Approval.”

The Issuer must provide to the document custodian a copy of the Ginnie Mae approval authorizing the release of the loan files. Ginnie Mae’s approval may consist of the transfer approval letter with pool exhibit and/or assignment agreement with pool exhibit provided by the issuer(s). Ginnie Mae’s written approval may be provided either in hard copy or electronically. The written Ginnie Mae approval may be used in lieu of an individual form [HUD-11708](#) in requesting the files to be transferred.

- (B) *Requests related to non-liquidated loans that do not require Ginnie Mae Approval: Non-Liquidation-related requests for document release that may be submitted on the basis of reason code 6 without prior Ginnie Mae approval include requests related to:*
- (1) Document correction;
  - (2) Initiation of foreclosure or litigation relating to borrower bankruptcy;
  - (3) Partial release of security;
  - (4) Release or grant of an easement;
  - (5) Release of gas, oil, or mineral rights;
  - (6) Release of chattel;
  - (7) Partition of the mortgaged property;
  - (8) Partial taking of the property by eminent domain or condemnation proceedings;
  - (9) Processing of a CEMA loan; or
  - (10) For Multifamily: Construction-to-Permanent Loan Conversions. These loans should not be included in the 90-day overdue report.

### **Section 2. Processing Requests for Release of Loan File or Document:**

- (a) Form Requirements: Document custodians must not release to an Issuer any document without first obtaining a complete and accurate form [HUD-11708](#) for the relevant individual loan or loan file for which a release is requested, unless the requirement for a form [HUD-11708](#) is expressly exempted by this Chapter. The document custodian must only accept the current version of form [HUD-11708](#).
-

## CHAPTER 7: OPERATIONAL PROCEDURES

---

- (b) Verification Requirements and form HUD-11708 Corrections: Upon receipt of a Request for Release of Documents, the document custodian must verify that the related form [HUD-11708](#) is complete and accurate. If the information on form [HUD-11708](#) is materially correct, the document custodian may make minor corrections with the agreement and approval of the Issuer.
- (c) Permissible Reasons: The document custodian may rely on the Issuer's stated reason for requesting a loan file or documents without verification.
- (d) Required Form Fields: The document custodian must verify that the Issuer completed the following fields accurately in the relevant form [HUD-11708](#):
- Issuer institution full name, unabbreviated;
  - Issuer Ginnie Mae identification number;
  - Signature of authorized officer of the Issuer, whose name appears on the form [HUD-11702](#);
  - Document custodian full name, unabbreviated;
  - Individual loan file information:
    - Mortgagor complete name(s); and
    - Property address.
  - Pool number;
  - One of the six reason codes;
  - A listing of document(s) removed in the "Other" section, if the entire loan file is not requested;
  - Issuer loan number;
  - Settlement/Expected Return Date:
    - Mortgage Paid in Full – settlement date;
    - Repurchase of Delinquent Loan – settlement date;
    - Foreclosure With Claim Payment – best estimate of settlement date;
    - Loss Mitigation – settlement date; or
    - Substitution – estimated completion date;
    - Other – expected return/settlement date;
- (e) Document Custodian Signature and Acknowledgment Requirements: After reviewing the prepared form [HUD-11708](#) for completeness and consistency, the document custodian must record its Ginnie Mae document custodian identification number and sign and date (or electronically acknowledge) the form prior to releasing the requested loan file or documents to the Issuer.
- (f) Permissible use of facsimile signatures: Ginnie Mae permits the use of facsimile signatures on form [HUD-11708](#) by either the Issuer or document custodian, as long as the signatures are permissible under the Issuer or document custodian's corporate charter and bylaws, and the use of such signatures is authorized by a resolution duly enacted by the Issuer or document custodian's board of directors. Additional information for identification purposes may be added to the form [HUD-11708](#) if agreed upon by the Issuer and the document custodian.
- (g) Specific Release Procedures Applicable to the Different Reason Codes:
- (i) **Reason Codes 1 through 4**: Upon release of the loan file from the document custodian's possession and receipt of the form [HUD-11708](#), the document custodian must update the form [HUD-11706](#) to reflect removed files.

- (ii) **Reason Code 5:** The document custodian must verify that any form [HUD-11708](#) submitted to a document custodian with this reason code is accompanied by a copy of the letter from Ginnie Mae approving the substitution. The document custodian must not release a loan file if the form [HUD-11708](#) is not accompanied by the substitute loan file and a copy of the Ginnie Mae approval letter. Once the loan file is released to the Issuer, the document custodian must “line-out” the released loan file on the form [HUD-11706](#), and attach the page with the substitute loan to the form [HUD-11706](#) with the substitute loan. A loan file that has been released because of a substitution may not be returned to the same pool. The document custodian must retain the copy of the Ginnie Mae approval letter in the Pool Master File for the remaining life of the pool.
- (iii) **Reason Code 6:** For all requests submitted under Reason Code 6, the document custodian must ensure that the form [HUD-11708](#) contains an explanation of the reason for requesting the loan document or loan files. The document custodian must also ensure that the form [HUD-11708](#) is accompanied by the writing evidencing Ginnie Mae approval for the relevant transaction if such approval is required by [Part A, Section \(1\)\(f\), Reason Code 6-Other](#), of this Chapter.

For releases arising from liquidation-related requests, the document custodian must update form [HUD-11706](#) to reflect the removed files upon release of a loan file from the document custodian’s possession and receipt of the form [HUD-11708](#).

For releases arising from non-liquidation-related requests, the document custodian must list the loan in its non-liquidation inventory and track the documents in accordance with [Part J, Section \(5\), Non-Liquidation Release Inventory File](#). The document custodian must also ensure that the form [HUD-11708](#) contains the date the Issuer expects to return the documents to the document custodian.

- (h) **Permissible use of Electronic Version of form HUD-11706:** Ginnie Mae permits that form [HUD-11706](#) be maintained in an electronic medium, but the document custodian must be capable of producing a printout of form [HUD-11706](#) upon request by Ginnie Mae or its designee. If the custodian tracks releases electronically in the system of record, the custodian must be able to produce printouts of the form [HUD-11706](#) that reflect those releases (i.e. the printed form [HUD-11706](#) must reflect which items would have been “lined-out”).

### Section 3. Release of Documents and Certification Considerations

- (a) **Transfer of Documents.** The loan file or documents transferred to the Issuer or its designee must be accompanied by a written copy or electronic confirmation of the signed and dated form [HUD-11708](#). When the Issuer requests loans from the document custodian using form [HUD-11708](#), the Issuer is responsible for appropriate insurance coverage to insure against any loss or damage to the files in transit. Original forms [HUD-11708](#) for loan files requested for a non-liquidation reason under reason code 6 for purposes of transfer or sale must be retained in the related loan file or Pool Master File.
- (b) **Effect of missing or released documents on certification.** In no case may a pool be initially certified with missing or released documents or loan files.
- (c) **Requests for Release of Documents after initial certification.** Approval from Ginnie Mae must be obtained anytime an Issuer requests a pool back from the document custodian after the document custodian has provided an initial certification via GinnieNET, but prior to the actual pool processing by the PPA. The Issuer is responsible for notifying Ginnie Mae in these cases, and for obtaining the required approval from Ginnie Mae. Once Ginnie Mae grants authorization

to the document custodian, the document custodian may then return the pool documents to the Issuer. A form [HUD-11708](#) is not required to return a pool that was never issued.

### Section 4. Return Procedures

When a released loan file is returned to the document custodian by the Issuer, the document custodian must perform the following procedures to properly execute the return of form [HUD-11708](#):

- (a) Match the original form [HUD-11708](#) to the applicable loan file or documents;
- (b) Review the returned file or documents to determine that all applicable loan documents are returned and meet the requirements for certification as outlined in this Manual;
- (c) Sign and date the bottom of the copy of the form [HUD-11708](#) (either in hard copy or electronically) that is being returned by the Issuer;
- (d) Update the form [HUD-11706](#) as necessary;
- (e) If releasing a loan file using a hard copy form [HUD-11708](#), forward the executed returned form [HUD-11708](#) to the Issuer.

The document custodian is not required to retain a copy of the returned form [HUD-11708](#).

### PART B. EARLY POOL TERMINATION

In the event of a pool termination, Ginnie Mae will notify the document custodian directly, in writing, authorizing the release of all remaining mortgage documents. Upon receipt of the written authorization, the document custodian must release all loan documents relating to the terminated pool to the Issuer.

### PART C. POOL MATURITY

After verifying that the security balance of the pool is zero, through at least the annual reconciliation of pools, the document custodian should notify the Issuer. It will be the Issuer's responsibility to request the Master Pool File from the document custodian after verification that all loans have been liquidated. If a loan file was requested in error, the Issuer must return to the document custodian the loan documents along with the Master Pool File.

Loan files requested in error by the Issuer must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents after 90 days. The notification must be in writing and be documented in the inventory or file. The Issuer must also maintain a non-liquidation release inventory. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) of the violation.

### PART D. TRANSFER OF DOCUMENT CUSTODY BY GINNIE MAE

Upon notification to the document custodian by Ginnie Mae that an Issuer in the MBS Program has been placed in formal default status or if, for any reason, Ginnie Mae determines that the safety or security of loan documents is in jeopardy, the document custodian must comply with all written instructions from Ginnie Mae including, but not limited to, surrendering custody and delivering to Ginnie Mae or its designee all related documents, or otherwise abiding by all the terms contained in the Master Custodial Agreement, form [HUD-11715](#), ([Appendix III-4](#) of the Guide) ("form HUD-11715").

---

**PART E. TRANSACTIONS THAT TRIGGER RECERTIFICATION REQUIREMENTS**

The following transactions trigger the need for document custodians to perform a recertification.

**Section 1. Transfer of Issuer Responsibility.**

- (a) For transfers of issuer responsibility, where there is a change in the document custodian, the following documents are required to be provided to and be held by the recipient document custodian:
- (i) Approval Letter;
  - (ii) Assignment Agreement;
  - (iii) Exhibit A;
  - (iv) Form [HUD-11702](#) provided by the Issuer
  - (v) Issuer Master File: Documents related to the pools and loans being transferred.
  - (vi) Forms [HUD-11711B](#) and [HUD-11711A](#), if required
  - (vii) [HUD-11706](#), or trial balance

HUD-11708

- (b) For transfers of issuer responsibility where there is no change in the document custodian, the document custodian may transfer the following pool documents and tracking to the new issuer in their system of record upon receipt of the transfer approval documents from the issuer.
- (i) Approval Letter;
  - (ii) Assignment Agreement;
  - (iii) Exhibit A;
  - (iv) Form [HUD-11702](#) provided by the Issuer
  - (v) Issuer Master File: Documents related to the pools and loans being transferred.
  - (vi) Forms [HUD-11711B](#) and [HUD-11711A](#), if required
  - (vii) Form [HUD-11706](#), or trial balance
  - (viii) Form [HUD-11708](#)

**Section 2. Pools Issued for Immediate Transfer (PIIT) transactions.**

For PIIT transactions, the Transferor is required to identify and enter their Document Custodian's Identification Number at the time of pool submission through *GinnieNET*. The Transferee Issuer will enter their Document Custodian Identification Number at time of acceptance of the transferred Pool.

- (a) For PIIT transactions where there is a change in the document custodian, the following documents are required to be provided to and be held by the recipient document custodian:
- (i) Assignment Agreement;
  - (ii) Exhibit A;
  - (iii) Form [HUD-11702](#) provided by the Issuer;
  - (iv) Issuer Master File: Documents related to the pools and loans being transferred;
  - (v) Forms [HUD-11711B](#) and [HUD-11711A](#), if required;
  - (vi) Form [HUD-11706](#), or trial balance; and
  - (vii) Form [HUD-11708](#)
- (b) For PIIT transactions where there is no change in the document custodian, the document custodian may transfer the following pool documents and tracking to the new issuer in their system of record upon receipt of the transfer approval documents from the issuer.
- (i) Assignment Agreement;
  - (ii) Exhibit A;
  - (iii) Form [HUD-11702](#) provided by the Issuer;
  - (iv) Issuer Master File: Documents related to the pools and loans being transferred;
  - (v) Forms [HUD-11711B](#) and [HUD-11711A](#), if required;
  - (vi) Form [HUD-11706](#), or trial balance; and

(vii) Form [HUD-11708](#)

**Section 3. Transfer of document custodians, without an accompanying change in issuer.**

- (c) General Considerations. Under this procedure, Issuers have the option to either transfer some or all of their pools. To request a transfer of pools, Issuers are required to submit the information using the GinnieNET certification module.
- (d) Acceptability of Copies. Copies of documents related to the pools and loans being transferred are acceptable if the existing document custodian will retain pools for which the original documents must be retained.
- (e) Document Requirements. In transfers of document custodian without a change in Issuer, the following documents are required by the recipient document custodian:
  - (i) Assignment Agreement;
  - (ii) Exhibit A;
  - (iii) Form [HUD-11702](#) provided by the Issuer
  - (iv) Issuer Master File: Documents related to the pools and loans being transferred.
  - (v) Forms [HUD-11711B](#) and [HUD-11711A](#), if required
  - (vi) Form [HUD-11706](#), or trial balance
  - (vii) Form [HUD-11708](#)

**Section 4. Exceptions**

- (a) For pools issued more than 3 years from the transfer date, the form 11711B and form [HUD-11711A](#) are not required, but should be transferred if available.
- (b) Final certification satisfies the recertification requirement in pools that are less than one year old.

All Issuer and Custodian relationships must be evidenced by a form [HUD-11715](#).

For all transfers of document custody, the new document custodian has the responsibility to determine that all required documents pertaining to all mortgages in each pool have been received.

**Note:** Document custodians are not required, at any time, to send confidential documents that are unique to the Issuer-custodian relationship to a subsequent document custodian in a transfer.

**PART F. RELOCATION OF DOCUMENT CUSTODIAN**

Ginnie Mae's approval must be received before a document custodian may move documents to a new location. The information that must be provided to Ginnie Mae includes the current address of where the documents are located, the address of the proposed new location, and a listing of the pools to be moved and the affected Issuers. An appropriate amount of in-transit insurance coverage must be in force to indemnify against any loss or damage to the files in transit to the new permanent storage location. The document custodian is responsible for obtaining insurance coverage to insure against any loss or damage to the files in transit.

It is the document custodian's responsibility to determine, following the transfer or merger of physical custodial facilities, that all required pool and loan documents pertaining to each Issuer's pool have been received in the new (relocated) facility.

**PART G. ISSUER MERGERS**

---



Ginnie Mae does not require recertification, intervening assignments or note endorsements when there is a merger of Issuers and the document custodian does not change. All mergers require prior written approval from Ginnie Mae. A copy of the merger documents and Ginnie Mae approval letter must be placed in the Issuer Master File. The surviving entity must be a party to form [HUD-11715](#) along with the document custodian.

### **PART H. ISSUER NAME CHANGE**

In the event of an Issuer name change, Issuers are required to provide the document custodian with a copy of the appropriate corporate resolution and a copy of the form [HUD-11702](#). The Issuer is required to provide the resolution within thirty (30) days of a name change, and the resolution must be maintained by the document custodian in the Issuer Master File. The Issuer and the Document Custodian are also required to execute a new Master Custodial Agreement, form [HUD-11715](#), in GMEP. The document custodians may retrieve the new Master Custodial Agreement from the portal. Issuers are not required to prepare new assignments because of a name change.

### **PART I. PHYSICAL SECURITY**

Ginnie Mae has determined that certain requirements must be met by document custodians to ensure that a secure and accessible storage facility is provided for the retention of pool and loan documents. These requirements are:

#### **Section 1. Permanent Location Requirement.**

All documents for a single pool must be retained in a single permanent storage location. The name, address, and Ginnie Mae identification number of the document custodian must be specified on the final page of the applicable form [HUD-11706](#).

The address at which the documents are held must be the last address of record reported in writing to Ginnie Mae.

#### **Section 2. Required Controls**

Adequate controls and safeguards must be provided to protect documents from hazards and unauthorized access.

#### **Section 3. Fire Resistance Requirements.**

A fire resistant depository for all Ginnie Mae pool documents is required.

All document custodial facilities must provide for two (2) hours of fire protection, which must be attested to by a written statement from the insurance company of the document custodian, the fire marshal of the applicable jurisdiction, or an independent qualified fire protection contractor. This statement of compliance must be retained by the document custodian and be available for inspection by Ginnie Mae or its designee.

This statement of compliance must be updated upon any significant change in the facility and made available for inspection by Ginnie Mae or its designee.

The fire-resistant storage must have adequate access controls to ensure the safety and security of the custody documents and loan files. The access controls may be either in (1) an electronic form, such as requiring one employee using a security card reader to gain entry to the vault; or (2) a manual form requiring two employees to be present whenever the vault is entered.

It is the Issuer's responsibility to reconstruct the loan files in the event of a disaster. Responsibility of the document custodian to the Issuer depends on the contractual agreement between the Issuer and the document custodian.

### **Section 4. Disaster Recovery Plan Requirement**

A disaster recovery plan that documents, at a minimum:

- (a) The recovery of the electronic tracking system utilized by the document custodian (both data and reports);
- (b) The relocation/restoration of the document custodial facilities to ensure continuing ability to perform required custodial functions;
- (c) Additional requirements for the testing and maintenance of the plan;
- (d) Procedures for notifying both the Issuer(s) and Ginnie Mae of a disaster within 24 hours of the disaster; and
- (e) Certification testing which provides for the disaster recovery plan to be tested annually and acknowledged by an independent party (i.e., Internal Audit or an Independent Auditor). Such acknowledgement must state that the test was completed successfully; or if the facility failed the test, the date the successful test was completed.

## **PART J. INVENTORY ACCOUNTING**

The document custodian must maintain control of pool and loan documents for the life of the pool. Custodial control is critical for preserving the collateral interests of the Issuer, security holders and Ginnie Mae. This section describes specific inventory accounting requirements that must be followed for each Issuer for which the document custodian is responsible with respect to:

- Issuer Master File;
- Issuer Custodial Register;
- Pool Master File;
- Annual Physical Inventory; and
- Non-liquidation Release Inventory/File.

### **Section 1. Issuer Master File**

For each Issuer, the document custodian must maintain an Issuer Master File that includes at least the following information:

- (a) Issuer custodial register (described below);
- (b) Initial or subsequent form [HUD-11715](#)(s);
- (c) Any blanket legal opinions;
- (d) Copy of an Issuer's corporate resolution for a name change;
- (e) Any other applicable Issuer level documents in the document custodian's possession;
- (f) Copies of any Issuer's corporate resolution(s) and/or legal opinion(s) relating to custodial matters (i.e., use of facsimile signatures); and

(g) Copy of form [HUD-11702](#).

### **Section 2. Issuer Custodial Register**

For each Issuer, the document custodian must maintain a register or tracking system which includes at least the following information:

- (a) A listing of Ginnie Mae pools currently in custody, including pool identification numbers;
- (b) For each pool, both the actual and due dates for final certification and recertification; and
- (c) A count of the total number of Ginnie Mae pools in custody.

If any activity occurs, this register must be updated once a month. Monthly activity that must be recorded includes all pool certifications, transfer activity and liquidations.

The Issuer custodial register must be kept in the Issuer Master File and must be available for review by Ginnie Mae or its designee. If the Issuer custodial register is maintained in electronic medium, however, the document custodian must be capable of producing a hard copy of the register upon request by Ginnie Mae or its designee.

### **Section 3. Pool Master File**

For each pool covered under a form [HUD-11715](#), the document custodian must maintain a single Pool Master File that, at a minimum, must contain the following documents:

- (a) Form [HUD-11706](#) or trial balances; If the pool was issued prior to January, 1996, the form [HUD-11706](#) may have a different title and form number;
- (b) Certification and Agreement, form [HUD-11711B](#) (Appendix III-5 of the Guide) (“form HUD-11711B”), if required;
- (c) Release of Security Interest, form [HUD-11711A](#) (Appendix III-5 of the Guide) (“form HUD-11711A”), if required;
- (d) Original blanket intervening assignment(s), with a copy included in each individual loan file to which the blanket intervening assignment applies;
- (e) Original pool level waiver letter(s) from Ginnie Mae, if any; and
- (f) Forms [HUD-11708](#) with non-liquidation release codes may also be retained in the individual loan files for released loan documents. These forms may be retained in hard copy or electronically. If retained electronically, the document custodian must be able to reproduce the form upon request by Ginnie Mae or its designee.

### **Section 4. Annual Physical Inventory**

At least annually, the document custodian must perform an inventory of all pools held for each Issuer. At a minimum, the following procedures must be performed:

- (a) The pool numbers on the Issuer Custodial Register must be reconciled to a current Issuer-provided listing of pools; and

(b) The pool numbers on the Issuer Custodial Register must be reconciled to the Pool Master Files.

The document custodian must provide each Issuer it serves with a written summary of the results of the annual inventory. Any differences should be identified and resolved within one-hundred and twenty (120) days of submitting the inventory summary letter to the Issuers. Unresolved differences must be immediately reported by the document custodian to Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses).

### **Section 5. Non-liquidation Release Inventory/File**

The document custodian must maintain an inventory or file of all forms [HUD-11708](#) submitted on the basis of the non-liquidation reason code. If a file is maintained, copies of the forms [HUD-11708](#) be kept in chronological order by document release date. If an inventory is maintained, the following information must be included:

- (a) Pool number;
- (b) Issuer's loan number; and
- (c) Document release date.

The non-liquidation release inventory may be maintained in electronic medium; however, the document custodian must be capable of producing a hard copy of the inventory upon request.

Loan files or documents released to an Issuer for a non-liquidation release reason code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents after 90 days. The notification must be in writing and be documented in the inventory or file. The Issuer must also maintain a non-liquidation release inventory. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer & Portfolio Management of the violation. The document custodian may submit its report of loans overdue for return to Ginnie Mae on a monthly basis.

If an Issuer has failed to return the file within the prescribed 180 days, the document custodian must inform Ginnie Mae of the Issuer's violation. Notification by the document custodian should be sent to both Ginnie Mae's Office Issuer & Portfolio Management (see Addresses) and the Issuer documenting the violation and listing the dates of the earlier request to rectify the violation.

## **PART K. MISSING DOCUMENT RESOLUTION**

Lost or missing loan documents are documents that existed at some point, but cannot now be located by the Issuer after a thorough search, including searches by the document custodian and/or an agent, such as a foreclosure attorney or subcontract servicer. Note that the following discussion is not designed to be comprehensive and cannot be construed as a substitute for the advice of qualified legal counsel.

If Ginnie Mae HUD forms are missing from the pool Master File, these documents may be replaced with a copy of the missing document. Ginnie Mae will accept copies of the recorded Security Instrument and Intervening Assignments only if the originals have been lost and if the copies clearly show evidence of recordation. If any original note is missing, it may be replaced by a lost instrument bond. The document custodian must obtain a copy or original as appropriate of any missing document from the Issuer.

When a document custodian becomes aware that a required document is missing, it is the document custodian's responsibility to send the Issuer a written lost document notification immediately, not to exceed thirty (30) days after discovery, and request timely resolution by the Issuer. The written lost document notification to the Issuer must contain each of the following items:

- Pool number;
- Loan or case numbers;
- Mortgagor and Mortgagee names;
- Description of missing document;
- Date the document was discovered missing; and
- Possible reasons for the absence of the document, if known.

A copy of the document custodian's written notification must be placed and maintained in the Pool Master File. Additionally, at least quarterly the document custodian is expected to forward to the Issuer a listing of all documents that have been missing for ninety (90) days or more.

Upon review and acceptance, the document custodian must file the replacement document in the applicable loan file and delete the document from the original lost document notification that was sent to the Issuer.

The Issuer must make a timely submission of the replacement document. If the missing document relates to a loan in a pool that has not been finally certified, the Issuer must replace the document within twelve (12) months of security issuance.

If the pool has been finally certified, the loan document must be replaced within ninety (90) days of the date the written notice was sent to the Issuer by the document custodian. If the problem is not resolved within ninety (90) days, the document custodian must then notify Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses). The affected pools will be decertified, and the loan file will have to be corrected and the pool finally certified or recertified.

For missing note situations requiring a lost instrument bond with limited liability, the lost instrument bond with limited liability must be in the form prescribed by Ginnie Mae. A lost note affidavit is not acceptable. The lost instrument bond must be accompanied by the appropriate Power of Attorney and certification as required by the insurance or surety company. (See Appendix I of the Manual for the prescribed lost instrument bond with limited liability.) The lost instrument bond does not require an endorsement. The bond must be submitted to the document custodian for review and approval. The document custodian will review the bond and, if acceptable, place the lost instrument bond in the document custodial loan file to replace the missing note.

In those cases where the document custodian may not be able to resolve a discrepancy with the Issuer concerning the lost instrument bond, the document custodian must submit the lost instrument bond to Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) for a final determination. Pools that are past due for final certification or recertification require a letter of credit. The letter of credit does not automatically place the Issuer in compliance with Ginnie Mae's requirements. Letter of credit requirements are more specifically described in [Chapter 11](#) of the Guide. The document custodian's role in the letter of credit process is to reconcile with the Issuer the total number of pools and/or loans past due for certification. It should be understood that the document custodian cannot attest to any other figures noted (i.e., loan balances and the total amount of letter of credit), or to any other Ginnie Mae pools and/or loans held on behalf of the Issuer by other document custodians.

If at any time an error is discovered by a document custodian, the document custodian must notify the Issuer of the error for correction or resolution. If the error cannot be remedied, Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) must be notified after ninety (90) days.

It is the document custodian's responsibility to review documents for their consistency and completeness. It is the Issuer's responsibility to determine the materiality of errors and adequately explain the materiality to the document custodian.

### **PART L. FLOW (PRE) CERTIFICATION**

Document custodians may perform a preliminary review of Notes for completeness and consistency (and compare them) to an issuer's loan data file prior to the availability of the form [HUD-11706](#). Once such review is performed, the document custodian must lockdown the relevant loan data in its tracking system so that no further changes may be made to the respective loan data.

When the form [HUD-11706](#) from GinnieNET is made available but prior to initial certification, the document custodian is required to compare the loan data information on its tracking system to the information on the form [HUD-11706](#). The loan data comparison may be performed either manually or electronically to the document custodian's tracking system.

In addition, prior to initial certification, the document custodian must also ensure that the loan is not allocated in another pool or to another issuer.

CHAPTER 7: OPERATIONAL PROCEDURES

---

“Exhibit A”

Seller’s Name, ID No.

Buyer’s Name, ID No.

| Pool Number | Type (X, C, or M) | Unpaid Security<br>Principal Balance | Date of<br>Issue | Date Finally Certified/<br>Recertified |
|-------------|-------------------|--------------------------------------|------------------|--|
|-------------|-------------------|--------------------------------------|------------------|--|

Total No. of Pools

Grand Total \$  
As of Date

-----  
All documents held by (name of custodian) pertaining to the above Ginnie Mae mortgage pools have been released to (name of substitute custodian). The release was made to (name of individual representing substitute custodian) and was completed as of (date).

Authorized Signature, Custodial Institution

Date

Name of Custodial Institution, ID No.  
-----

This exhibit is provided for general information only. The content for this exhibit is generated through the Pool Transfer System (PTS).