

# GINNIE MAE ISSUER OUTREACH

July 19, 2012

# Purpose

---

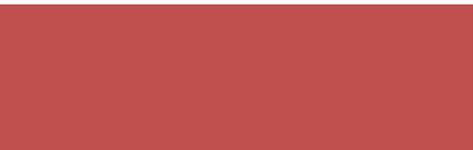
- Please note that the intention of this call is to discuss recently published updates and to solicit Issuer feedback on potential program changes or projects.
- Potential program changes or projects discussed today are preliminary and subject to change.

# Agenda

---

- Review of recent APM's
- ULDD Update
- Field Review Changes

# RECENT APM'S



# APM 12-07 - Single Family Data Elements

- Loan to Value Definition

Data Element Name	Updated Definition
Loan to Value Ratio Percent	<i>The ratio (expressed as a percent) of the Original Principal Balance including any financed mortgage insurance premium to either; (i) in the case of a purchase money loan, the lower of the property's sale price of appraised value at origination, or (ii) in the case of a refinancing loan (non-streamline), the appraised value at the time of refinancing. In the case of a streamlined refinance, a value of zero may be entered.</i>
Combined Loan to Value Ratio Percent	<i>The ratio (expressed as a percent) of the Original Principal Balance including any financed mortgage insurance premium plus all subordinate mortgages to either; (i) in the case of a purchase money loan, the lower of the property's sale price of appraised value at origination, or (ii) in the case of a refinancing loan (non-streamline), the appraised value at the time of refinancing. In the case of a streamlined refinance, a value of zero may be entered.</i>

- RD loans are based on the appraised value.

# LTV Calculation Example

- Example:

Sales price: \$83,500

Appraised Value: \$82,500

Base Loan Amount without MIP: \$79,612

Total Loan with financed MIP: \$80,408

LTV on Base Loan Amount (without MIP):

$$\$79,612 / \$82,500 = 96.499\%$$

LTV on Total Loan Amount (with financed MIP):

$$\$80,408 / \$82,500 = 97.464\%$$

Value Delivered should be 97.464%

# APM 11-12 – Determining Loan Eligibility at Pool Issuance

- Strengthening GinnieNET edits
- Last Paid Installment Due Date will have additional GinnieNET edits, effective for September 1, 2012 issuances and forward.
- FAQ on APM 11-12 can be found at the link below.
  - [http://www.ginniemae.gov/issuers/loanstatus\\_faq.asp?Section=Issuers](http://www.ginniemae.gov/issuers/loanstatus_faq.asp?Section=Issuers)

# APM 12-08 - Advance Publication of CUSIP and Pool Numbers

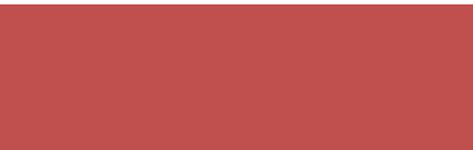
- Issuance of Multiple Issuer Pools is now available on our website.
- Prospective numbers can be found
  - <http://www.ginnienet.net/ProspectiveMIP/SelectCriteria.aspx>
- Current month activity can be found
  - <http://www.ginniemaegov/issuers/poolnum2012.asp?Section=Issuers>
- The Finalized List with the actual totals for each issued MIP will be published on the third business day prior to the end of that Issue Month

# APM 12-09 - Electronic Submissions of Audited Financials and Insurance Documents

- Effective June 1, 2012, Issuers may submit Insurance and Annual Audited Financial Documents electronically.
  - Instructions can be found [Appendix VI-20](#)
- Effective January 1, 2013, All Issuers will be required to submit their financials electronically.
- Paper submissions should be sent to:

Ginnie Mae Financial Report Review Agent  
Special Projects Group  
4201 Wilson Boulevard, #110-#368  
Arlington, VA 22203

# UNIFORM LOAN DATA DELIVERY



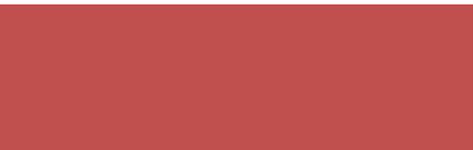
# Uniform Loan Data Delivery

- Efforts to assess issuer readiness are underway.
- Architecture Design is being finalized.
- Mapping efforts continue:
  - Leveraging GSE ULDD File format and MISMO to be consistent with industry standards
  - XML file format will encompass Form 11705-11706 data requirements (but not all of GSE ULDD requirements)
  - Some additional elements will be added to support Ginnie Mae business processes.
  - Ginnie Mae will use MISMO version 3.0 or higher.

# Uniform Loan Data Delivery

- Timeline
  - Ginnie Mae will engage a focus group consisting of Issuers and Service Bureaus for feedback on the new XML file format
  - Official roll-out of the new XML file format and initial implementation guidance will be shared with issuers no later than January 31, 2013.
  - Final implementation date has not been determined.
  - Once timelines are established, additional guidance and training will be provided.

# COMPLIANCE FIELD REVIEW CHANGES



# New Testing Areas

New Testing Area	New Scope
Escrow Disbursement Clearing Accounts	If Ginnie Mae funds from T&I or Special Escrow accounts pass through an Escrow Disbursement Clearing Account, Bank Statements and Reconciliations for these accounts will be tested.
Issuer Attestations	In addition to the previous re-certifications of Forms HUD 11709 and 11720, review teams will verify re-certifications of Forms HUD 11702 (upon changes) and 11715.
Refinances	In expanded reviews only, for refinanced loans where the Issuer had both the old loan and the newly refinanced loan in a Ginnie Mae pool, Issuers will be required to provide to the review team a list of such loans for additional sampling related to liquidations .
Forms HUD 11708	Issuers will be required to provide Forms HUD 11708 filed in support of liquidation testing.
Indemnification and Claim Off-set Agreements	Issuers will be required to provide copies of any agency indemnification agreements or disclose any offsets owed to agencies.
Manufactured Housing	Manufactured Housing Issuers will have customized compliance procedures related to MH portfolios especially related to Manufactured Housing Agency Claims.
HMBS Testing	HMBS Issuers will be included in the compliance review process.
GFee Testing	Issuers will be required to identify the deposit of GFees into P&I Custodial and/or P&I Disbursement Accounts in advance of Security Holder Remittances draft date.

# Increased Sample Size

Testing Area	Sample Size Change
Custodial Bank Accounts	While issuers will need to provide statements and reconciliations for all custodial bank accounts, only 4 P&I, 4 T&I, and 4 Special Escrow Accounts will be selected for custodial account testing.
Deposits and Disbursements	The number of deposits and disbursements selected for cash tracing purposes will increase from 3 to 5 selections (depending on review level) to 5 to 10 selections per account.
Escrow Analyses	The number of escrow analyses selected will decrease from a maximum of 125 to 60 for an entire portfolio.
Liquidations	The number of delinquent files selected for collections testing will increase to a sample size of 30 to 50 selections (dependent on review level and sample availability)
Collections	The number of delinquent files selected for collections testing will increase to a maximum of 50 selections. Collections information may be limited to actions within the previous 2 years to the test month.
Claims	The number of delinquent files selected for collections testing will increase to a sample size of 30 to 50 selections (dependent on review level and sample availability)

# Additional Changes

Testing Area	Revised Testing Process
New Review Levels	Reviews will change from “Basic/Special” to “Standard/Expanded” in terminology. Expanded reviews will include additional scope not incorporated in Standard reviews.
Security Holder Register Testing	No longer be a standard review element.
Endorsement Matching Testing	This testing will only be applied in expanded reviews.
High Risk Finding For Repeat High/Medium Findings	No longer an automatic high-risk finding assigned to recurring high and medium risk findings. Recurring findings will be individually identified.
Observations	Observations will no longer be included in the draft report with findings, but will be reported directly to Ginnie Mae.
Risk Levels	All findings have been evaluated for correct appropriate risk levels per Ginnie Mae determinations.
New Findings	To accommodate the new testing, some new findings have been identified, and redundant or obsolete findings have been removed.
Information Requests	More information will be requested in advance and findings will be issued for insufficient information, if information cannot be provided to the review team timely.
Timelines	Findings Resolution Plan timelines have been modified to bring reviews to an end quicker. Timelines for advance contact are also specified to guarantee notice to review participants and provide estimated review durations.

# QUESTION AND ANSWER

