

MISMO Issuer Outreach Call

March 26, 2015



Agenda

- MISMO
 - MISMO Adoption Overview
 - PDD Implementation Guide
 - PDD Implementation Guide – Updates
 - PDD Quick Guide Walkthrough – Modified Loans
- Single Stream Investor Reporting
 - Overview
 - Value Proposition
 - Project Details

MISMO Adoption

Overview

MISMO Adoption Overview

What is MISMO?

The **Mortgage Industry Standards Maintenance Organization** (MISMO) sets the industry standard that enables the mortgage industry to share data among its partners. This standard includes:

- An *XML architecture* that encompasses data related to the complete life cycle of a mortgage loan
- A *data dictionary* that provides business definitions and element names related to the same

MISMO Adoption Objective

Ginnie Mae has adopted the MISMO standard to create the Pool Delivery Dataset (PDD) to better align to industry standards, improve data quality, and improve the Issuer's delivery experience. The following are changes to the electronic process for submitting loan and pool data to Ginnie Mae:

- *Moving from flat file deliveries to XML format*
- *Developing a new MISMO Compliant Single Family Pool Delivery Module (SFPDM)*

Call Objective

Overview of the Pool Delivery Dataset

Review updates to the PDD Implementation Guide

Review Loan Modification Quick Guide

Key Implementation Dates:

The following table highlights high-level milestones for the MISMO Adoption project.

Key Dates	Milestone Description
6/30/2014	Ginnie Mae Released Technical Specifications to Issuers
6/30/2015	Issuer Training & Testing Begins
1/31/2016	Ginnie Mae Releases the New Single Family Pool Delivery Module

Pool Delivery Dataset: Implementation Guide

PDD Technical Implementation Resources



PDD Implementation Guide



Appendix A

XML Data Requirements



Appendix B

Usage Scenarios



Appendix C

XML Samples



Appendix D

XML Data Reference



Appendix E

XML Schema Definition



Appendix F

Legacy to MISMO Translation



Quick Guides



Frequently Asked Questions

PDD Implementation Guide

Updates

PDD Implementation Guide Updates

The following changes have been made to the PDD documentation and were communicated via a News & Notes release on February 6, 2015.



Net New Data Points

Information has been added to the Implementation notes to clarify how Issuers should report required Net New data points.

Down Payment

The cardinality of Down Payment has been modified to allow for reporting multiple down payments.



ARM Look-Back

The Consumer Financial Protection Bureau (CFPB) has modified guidelines regarding look-back period for Adjustable Rate Mortgages. This change was previously announced for GinnieNET, and now is referenced in the Pool Delivery Dataset.

Business Names

A Business Names column has been added to the PDD to provide clarity and traceability on how data point names may be displayed.



ARM Lookback Period Adjustment

InterestandPaymentAdjustmentIndexLeadDaysCount was added to the PDD, and NoteDate was updated to map directly to the legacy data point “Loan Origination Date”

MISMO Data Point	Legacy GinnieNET Data Point
InterestandPaymentAdjustmentIndexLeadDaysCount	ARM Lookback Period
NoteDate	Loan Origination Date

InterestandPaymentAdjustmentIndexLeadDaysCount:

The number of days prior to an interest rate effective date used to determine the date for the index value when calculating both a new interest rate and a principal and interest payment.

The ARM Lookback related changes to the implementation guide are located in the PDD Implementation Guide: Appendices.

PDD Business Names

A new column and corresponding column description were added to Appendices A and D to provides business names for each data point. The business names groupings will be utilized in the user interface to provide a cleaner user experience.

MISMO Name	Business Name
Data Point MISMO Name	[Top Level Group] [Next Level Group] Business Name
ACHBankAccountPurposeType	[ACH] [Bank Account] Purpose Type

Data points with repeated terms may be grouped together when being represented on screens and reports. The repeated term is represented in brackets. Highest level groupings are represented in **RED**, with second level grouping represented in **BLUE**.

Down Payment Cardinality

The cardinality of the DOWN_PAYMENT container has been edited in the Appendix D cardinality tab, affecting sort IDs 51, 52, and 53. Additional guidance has been added to the implementation notes describing how Issuers can break a Down Payment down into its multiple sources.

MISMO Data Point Name	Value
DownPaymentAmount	30,000
DownPaymentFundsType	CashOnHand
DownPaymentAmount	20,000
DownPaymentFundsType	GiftFunds

In an example Scenario, a borrower provides a \$50,000 down payment. \$30,000 of the down payment is paid for with cash, while the remaining \$20,000 comes from a gift the borrower has received. The down payment data fields would be reported as above.

Aged Loan Guidance

The implementation notes of Appendices A and D have been modified to clarify that required and conditionally required Net New data points must be included in submitted pools as of July 31st, 2015.

MISMO Data Point Name	PDD Implementation Notes
LoanModificationEffectiveDate	<p>Provide the effective date of the modification if a loan within a pool is a modified loan.(i.e. the date of the modified note)</p> <p>Required and conditionally required Net New Data Points must be provided for all loans with NoteDate greater than July 31, 2015. During a transitional period post go-live, not providing this data point for applicable loans will provide a warning, not a fatal error.</p>

Required Net New Data Points:

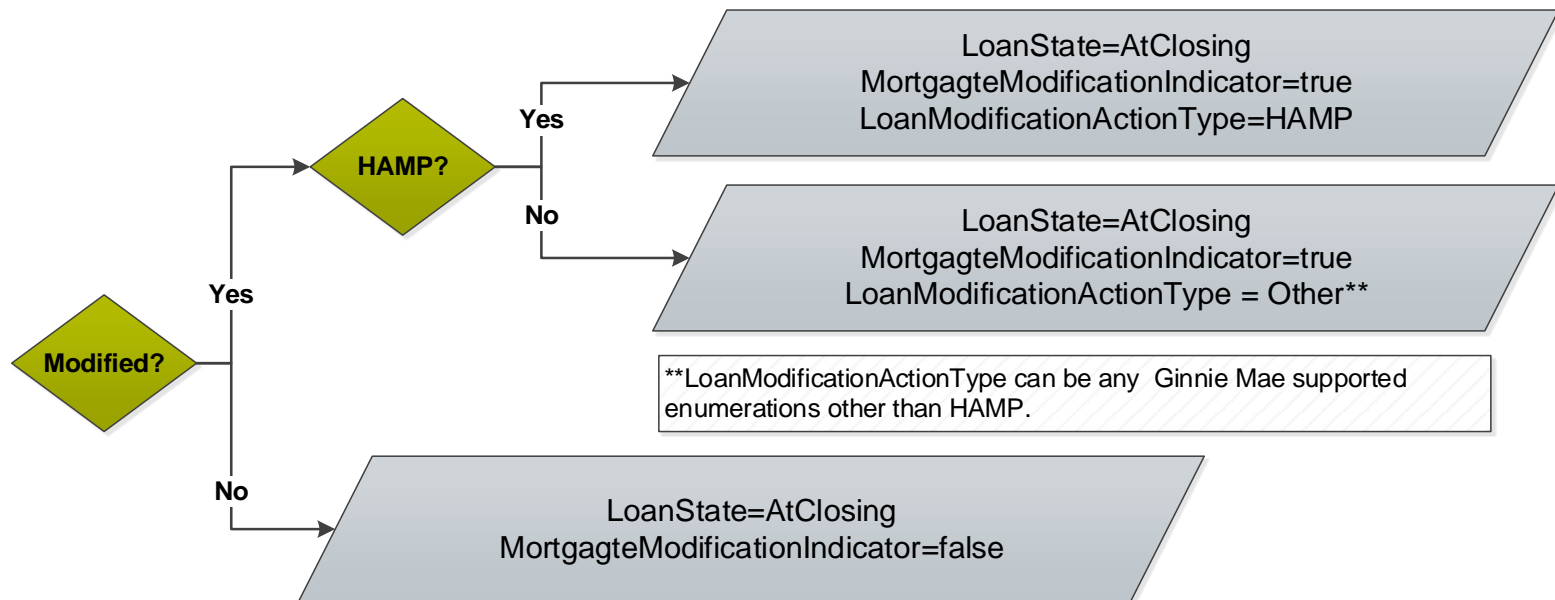
ConstructionMethodType • AmortizationType • DownPaymentAmount •
LoanModificationEffectiveDate • SuffixName

PDD Quick Guide

Modified Loans

PDD Quick Guide - Loan Modification

The purpose of the Quick Guide is to offer Issuers additional guidance for implementation of the PDD. The Loan Modification Quick Guide offers focused information on data points such as the flow chart below for understanding the legacy data point loan purpose.



This figure describes the process of determining what data points are required when submitting a modified loan, with particular attention to describing whether the modification was part of a government modification program such as HAMP.

Overview

Streamlined Investor Reporting Objective

Ginnie Mae is undertaking an effort to streamline investor reporting by eliminating redundancies in current reporting processes. These redundancies will be eliminated through the retirement of the monthly investor reporting component of GinnieNET.

Current Reporting Process		Streamlined Reporting Process
Remaining Principal Balances (RPB) Reporting through GinnieNET and RFS	→	Reporting through RFS (Existing Process)
11710D Issuer Summary Report reported through GinnieNET	→	RFS Certification (New Screen)
Multifamily Prepayment Penalty reported through GinnieNET	→	Reporting through GMEP (New Screen)
Quarterly Custodial Account Verification reported through GinnieNET	→	Reporting through GMEP (New Screen)
11714 Remittance Advice reported through GinnieNET	→	Reporting through GMEP (New Screen)

Value Proposition

Ginnie Mae's effort to streamline investor reporting will produce significant value for both Ginnie Mae and its Issuers.

Eliminates dual reporting and dual reconciliation for RPB; also eliminates other text file interfaces between Ginnie Mae systems

Consolidates reporting "work flow" for Issuer reporting; Uses RSA Token instead of Finger Print Scan

Reduces operational risks by eliminating one of two redundant reporting workflows

Combines Issuer certification of data reporting in the same Ginnie Mae system in which the data is captured

Increased operational efficiency and reporting accuracy for Issuers and Ginnie Mae

Impacts All Issuers

➤ Legacy GinnieNET
(Migrated or Eliminated)

Investor Reporting
“Migration”

✓ GMEP/RFS
(New or No Change)

Reporting and Related	Current State	Future State	What is Changing
RPB Reporting	<ul style="list-style-type: none"> ✓ Reported to RFS Pool Report ➤ Reported to GinnieNET/MDM 	<ul style="list-style-type: none"> ✓ Reported to RFS Pool Report 	<ul style="list-style-type: none"> ✓ Continue to Report to RFS Pool Report ✓ No Change to RFS Reporting ➤ No longer Report RPB to GinnieNET ✓ No change to Issuer/Servicer Systems*
Monthly Reporting Certification (11710D)	<ul style="list-style-type: none"> ➤ Report Due 4th BD ➤ Reported to GinnieNET ➤ Finger Print Scan ➤ Data Interface to RFS for Exceptions 	<ul style="list-style-type: none"> ✓ Report Due 4th BD ✓ GMEP/ Screen Certification ✓ RSA Token 	<ul style="list-style-type: none"> ➤ 11710D Retired; No Summary Report ✓ Issuer Certification of Reporting in GMEP ✓ Certification Due 5th BD ✓ Eliminates Finger Print Scan for this. ✓ No change to issuer/Servicer System; the point of data entry is changing*
Quarterly Custodial Account Verification	<ul style="list-style-type: none"> ➤ Reported to GinnieNET 	<ul style="list-style-type: none"> ✓ GMEP/Screen; File Upload 	<ul style="list-style-type: none"> ✓ Report Custodial Quarterly Account Verification to GMEP ✓ No change in data reported; schedule ✓ No change to Issuer/Servicer System; the point of data entry is changing*

Impacts MF Issuers or Ginnie I Issuers



Reporting and Related	Current State	Future State	What is Changing
MF Prepayment Penalty <i>Note: Applies to MF Pools with Prepay Penalty \$; approx. 20 to 60 records per month</i>	<ul style="list-style-type: none"> ➤ Reported to GinnieNET 	<ul style="list-style-type: none"> ✓ GMEP/Screen; File Upload 	<ul style="list-style-type: none"> ✓ Report Pre-Payment Penalty to GMEP ✓ No change in data reported ✓ The data entry point changes from GinnieNET to GMEP
Remittance Advice (11714) <i>Note: Applies to Ginnie I Certificated payments. Approx. 60 Issuers per month</i>	<ul style="list-style-type: none"> ➤ Reported to GinnieNET 	<ul style="list-style-type: none"> ✓ GMEP/Screen; File Upload 	<ul style="list-style-type: none"> ✓ Report 11714 to GMEP ✓ No change in data reported; schedule ✓ The data entry point changes from GinnieNET to GMEP

No Changes to Reporting Timeframes

RFS Pool/Loan
Reporting, include
RPB

Initial reporting 1st-2nd BD

Corrections due no later than 4th BD

Pre-Collection Notices

Initial notice disseminated on 3rd BD

Final notice disseminated on 6th BD

Factor A and B Files

4th BD for A file

6th BD for B file

P&I and G-Fee

Draft dates remain on the same schedule

RPB Reporting

What's Changing?

- Issuers no longer report RPB through GinnieNET, RFS Pool and Loan reporting remains the same (RPB is on the RFS Pool Record)
- GinnieNET RPB reporting will be disabled
- A failed edits report from GinnieNET will no longer be distributed to Issuers
- Issuers will continue to use RFS Exception Feedback which includes critical RPB exceptions; under current policy Issuers must clear all critical edits by 4th BD

What's the Benefit?

- Dual reporting is eliminated and dual Issuer feedback is eliminated
- Dual reconciliation is eliminated
- Single exception feedback process; single work flow for Issuers to correct exceptions
- Failed Edit Reports and Faxes are eliminated

Who's Impacted?

- All Issuers/Service providers; but only to drop the existing GinnieNET Process. There are no new reporting processes involved in this change.

Monthly Reporting Certification (11710D)

What's Changing?

- The 11710D reporting will be eliminated and replaced with certification
- A new certification section will be added to an existing RFS Pool Accounting Summary screen
- Certification section will require a RSA token user; Issuer User ID will be captured
- Eliminates the Finger Print Scanner for the Certification

What's the Benefit?

- Issuers no longer have to report the 11710D
- Leverages existing RSA token security; must be authorized signer on 11702
- Consolidates monthly reporting and allows for future reengineering from a common platform

Who's Impacted?

- All Issuers, but only one screen update, per Issuer per month

Multifamily Prepayment Penalty

What's Changing?

- Data collection will be migrated from GinnieNET to GMEP/RFS
- A new data entry screen will be added to an existing RFS Multifamily Pool Accounting screen
- A new file upload option will be added to the existing GMEP file upload

What's the Benefit?

- Consolidates Multifamily reporting
- Consolidates monthly reporting and allows for future reengineering from a common platform

Who's Impacted?

- Multifamily Issuers reporting prepayment penalties; Volume is approximately 50 transactions per month across approximately 20 MF Issuers

Custodial Quarterly Account Verification

What's Changing?

- Custodial Quarterly Account Verification data entry will be migrated from GinnieNET to RFS
- A new screen will be added to the current RFS menu
- Data can be entered online or uploaded
- Back-end CAVS processing will not be impacted

What's the Benefit?

- Consolidates monthly reporting and allows for future reengineering from a common platform

Who's Impacted?

- All Issuers

Remittance Advice (11714)

What's Changing?

- Remittance Advice (forms 11714 and 11714SN) will be migrated from GinnieNET to GMEP
- Data can be entered online or uploaded

What's the Benefit?

- Consolidates monthly reporting and allows for future reengineering from a common platform

Who's Impacted?

- Issuers making Ginnie I certificated payments

Questions?

Thank you for attending today's Outreach Call

- For Streamlined Investor reporting feedback or questions email GinnieMaeHelp@deloitte.com
- For Ginnie Mae Pool Delivery Dataset, feedback or questions email GinnieMaeMISMOProject@hud.gov