



Ginnie Mae

Our Guaranty Matters

**Overview of Pooling and
Investor Reporting
Requirements Transcript**



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1. Introduction

1.1 Overview of Pooling and Investor Reporting Requirements



1.2 Module Purpose

Welcome to the Overview of Pooling and Investor Reporting Requirements course. The purpose of this module is to present the requirements for pooling and investor reporting.

Learning Objectives

Learning Objectives:

- Identify the requirements for Pools
- Identify the requirements for Investor Reporting

1.3 Navigation Tutorial

[The navigational tutorial is applicable to the on-line training only.]

2. Pooling Requirements

2.1 Overview of Pooling

Each issuance of securities must be backed by a separate pool of mortgages or, in the case of some pools, a single mortgage. Except as otherwise specified, each mortgage must comply with the following requirements.

The mortgage must be, and must remain, insured or guaranteed under federal law. It must meet the specific requirements in the MBS Guide.

Finally, the mortgage must at all times comply with the requirements for obtaining and maintaining such insurance or guaranty. The insurance or guaranty must be maintained pursuant to the loan agency requirements

Statutes

Each mortgage must be and remain, insured or guaranteed under one of the following:

- National Housing Act of 1934
- Housing Act of 1949, Title V, Farm Housing
- Servicemen's Readjustment Act of 1944 (commonly known as the G.I. Bill)
- Title 38, United States Code (U.S.C.) Chapter 37, Housing and Small business Loans
- Housing and Community Development Act of 1992, §184, Loan Guarantees for Indian Housing

MBS Guide

Specific requirements in the MBS Guide include:

- Single-Family (SF) pool or loan package - [Chapter 24](#)
- Manufactured homes - [Chapter 30](#)
- Multifamily MBS - [Chapter 31](#) and [Chapter 32](#)
- Special Assistance Programs - [Chapter 34](#)
- Home Equity Conversion Mortgage-Backed Securities (HMBS) - [Chapter 35](#)

2.2 Important Date Requirements

As of the pooling date, no more than one (1) monthly payment on the pooled mortgages can be due and unpaid. Single-Family (SF) Modified loans must also be current at pooling. For manufactured home loans, no loan may be more than 15 days delinquent, and each project loan and construction loan must be current, as of the issuance date of the related securities.

At the time the assignments to Ginnie Mae become effective, the pooled mortgages must not be subject to any security interest or encumbrance arising from any previous or future assignment, pledge, hypothecation (monetary pledge), or transfer of the Issuer's right, title, and interest in and to the mortgages.

2.3 Pool and Loan Package Requirements

You may recall there is distinction between the two Ginnie Mae MBS Programs besides their payment mechanism and payment date. The Ginnie Mae I MBS Program is for the

issuance of securities backed by Single-Family or Multifamily loans. The Ginnie Mae II MBS Program is for the issuance of securities backed by Single-Family loans (MBS) and also contains special provisions for the issuance of HMBS.

As noted in the MBS Guide, Chapter 9, Part 3, each pool and loan package must meet the following requirements around the number of Issuers per pool, first payment date, maturity date, and number of loans.

Let's examine how each Ginnie Mae Program handles the pool and loan package requirements.

Additional requirements and exceptions, if any, for particular pool types can be found in the MBS Guide, Chapters 24 through 32 and Chapter 35. These chapters also contain additional mortgage loan requirements.

Number of Issuers Per Pool

Ginnie Mae I MBS Program

- Each pool must be originated and administered by a single Issuer, who markets all of the related securities.

Ginnie Mae II MBS Program

An Issuer may participate by issuing a custom pool or by participating in the issuance of a Multiple Issuer Pool (MIP).

- The custom pool must be originated and administered by a single Issuer, who markets all of the related securities.
- A MIP is a single pool in which one or more Issuers participate.
 - The mortgages submitted by each participating Issuer are referred to as a loan package.
 - The combined loan packages are used to back a single issuance of securities. An Issuer that pools a loan package designates at the time of submission that it wishes to participate in a multiple Issuer pool.
 - Each participating Issuer originates and is responsible for administering only the loan package that it submits and for marketing securities in an amount equal to the original principal amount of the loan package that it contributes to the multiple Issuer pool.

First Payment Date

Ginnie Mae I MBS Program

- The first payment due security holders will be made 45 days from the issuance date.

Ginnie Mae II MBS Program

- The first payment due security holders will be made 50 days from the issuance date for loans pooled in MBS securities, and for Home Equity Conversion Mortgage Securities (HMBS) on a date pursuant to event conditions described in *MBS Guide*, [Chapter 35](#).

Maturity Date

Ginnie Mae I MBS Program

- The maturity date of the securities is the 15th day of the month in which the underlying pooled mortgage with the latest maturity expires.

Ginnie Mae II MBS Program

- The maturity date of the securities is the 20th day of the month in which the underlying pooled mortgage with the latest maturity expires.

Number of Loans

Ginnie Mae I MBS Program

- As of the date of issuance,
 - Each Single-Family (SF), Buydown (BD), Graduated Payment Mortgage (GPM), and Growing Equity Mortgage (GEM) pool must include at least 3 loans
 - Each Serial Note (SN) and Manufactured Homes (MH) pool must include at least 8 loans
 - No loan may represent more than 20 percent of the original amount of an MH or SN pool.
- As of the date of issue, each Multifamily (MF) pool must include the number of loans specified in the [MBS Guide, Chapter 31](#) for Project Loan Pools (pools with the suffix of PL, PN, LM, LS, or RX) or [Chapter 32](#) for Construction Loan Pools.

Ginnie Mae II MBS Program

- Each SF, RG, ARM, GPM, and GEM MBS pool must include at least 3 loans.
- Each MH pool must include at least 8 loans.
- HMBS custom pool requirements are discussed in [MBS Guide, Chapter 35](#)
- The ET pool type is only a one-loan minimum and \$25,000 pool. ET is also exempt from the test for homogeneity, so the pool life does not have to meet the 80/90 rule. Custom ET pools may include modified loans between 361 and 480 months.

2.4 Requirements Applicable to All Pools and Loan Packages

Ginnie Mae maintains key dates for security issuance in its interactive Pool Dates Calendar on ginniemae.gov. You will find reporting deadlines and events specific to Issuers.

The MBS Guide, Chapter 10 provides clarification on the requirements applicable to all pools and loan packages. Importantly, before submitting the pool or loan package for approval, an Issuer must have Commitment Authority to guarantee securities in an amount equal to or greater than the securities the Issuer plans to issue and a valid, pre-assigned pool number.

If Ginnie Mae grants the Issuer authority to issue securities, the Issuer must first determine whether to issue securities in the Ginnie Mae I MBS Program or the Ginnie Mae II MBS Program. Next, the Issuer selects an appropriate method for submitting the pool or loan package (i.e., electronically). Third, the Issuer assembles the required data. Depending on the method of submission selected, the Issuer must either already have on file the Master Agreement documents with the Pool Processing Agent (PPA) or submit them to the PPA with the pool or loan package.

Finally, the Issuer submits the loan documents to the Document Custodian for initial certification before the pool can be issued as an MBS.

Unlike initial certification, final certification is technically not a pooling requirement for issuance. Final certification requires Issuers to prove that all of the trailing documents are in the loan file at the Document Custodian facility. Issuers are allowed up to one year before they have to perform final certification.

2.5 PPA Review and Final Certification

The Pool Processing Agent (PPA) reviews and verifies the pool or loan package data and either approves or rejects the pool or loan package. If the documentation is acceptable and the pool or loan package is approved, the PPA instructs the Central Payment and Transfer Agent (CPTA) to prepare for issuance of the securities. The PPA and CPTA roles are basically performed as electronic edits inside the system with very little human involvement, unless the edits kick pools out for some infraction. Their roles support the securitization platform for Ginnie Mae and oversee the process to ensure all pooling/issuance requirements are met.

Within 12 months following issuance of the securities, the Issuer must provide all documents necessary for final certification by the Document Custodian for each mortgage listed on the Schedule of Pooled Mortgages (form HUD 11706), or the Schedule of Pooled Participations and Mortgages (form HUD 11706H), all documents necessary for final certification by the Document Custodian.

Note: The 11705 and 11706 forms are used for all forward market pooling (MBS). The 11705H and 11706H forms are assigned specifically for the reverse market (HECM) loans pooled into our HMBS.

2.6 Knowledge Check 1

Which of the following are requirements for pools?

- A. Pre-assigned pool number
- B. Master Agreement documents
- C. Commitment Authority
- D. Final Certification

Feedback:

Pool Requirements include:

Pre-assigned pool number

Master Agreement documents

Commitment Authority

Final Certification

3. Investor Reporting Requirements

3.1 Overview of Investor Reporting Requirements

Issuers of MBS have the primary responsibilities to service the pooled mortgages and administer the related securities in accordance with the applicable Guaranty Agreement and the MBS Guide. While Issuers are responsible for the servicing of their pool collateral, Pool Issuance and Immediate Transfer (PIIT) pools are required to be serviced by the Issuer taking possession at point of immediate transfer upon issuance.

In addition to establishing and maintaining proper P&I and escrow custodial accounts, they must ensure funds are sufficient to ensure timely payment. They also have reporting requirements that must be met on time. The Issuer must also ensure a subcontract servicer (if applicable) is in compliance with all applicable guidelines and reporting requirements.

It is incumbent on the Issuer to satisfy its investor reporting responsibilities. The MBS Guide, Chapter 17, details the monthly requirements for accounting, reporting, and attendant documentation for pools and loan packages as follows.

In the area of general account and record maintenance, Issuers are required to maintain all accounts and records relating to the pooled mortgages and securities. This account and record maintenance should conform with sound accounting practices. It should also enable Ginnie Mae or its representatives to examine and audit those accounts and records at any reasonable time.

In the area of Monthly reporting cut-off date, upon acceptance into the Ginnie Mae

program, Issuers are required to select a monthly reporting cut-off date.

Cut-Off Date

- The Issuer selects a monthly reporting cut-off date between the 25th calendar day of the month and the first business day of the following month.
- The monthly reporting cut-off date is also applicable to the Issuer's accounting and document retention responsibilities.
- The period beginning the day after a monthly reporting cut-off date and continuing through the next monthly reporting cut-off date is referred to as either the "reporting month" or "monthly reporting period."
- The monthly reporting cut-off date and monthly reporting period are used to determine payments to security holders and identify the pool and loan level data that must be reported to Ginnie Mae, including the Remaining Principal Balances (RPB).
- The Issuer's cut off date determines their "monthly reporting cycle" which may not coincide with calendar EOM.
- Activities that happen after the Issuer cut-off date apply to the Issuer's next monthly cycle, even if the calendar is still rolling through the same month.

3.2 Monthly Reporting Requirements

Each Issuer must execute and submit an Electronic Data Interchange System Agreement which must be received and acknowledged by the GinnieNET Customer Service unit prior to gaining access to the Ginnie Mae systems needed to report and certify the monthly pool and loan data.

Each Issuer must obtain access to the Reporting and Feedback System (RFS) to comply with the reporting and certification requirements. Issuers are required to report to Ginnie Mae the RFS Issuer Monthly Report of Pool and Loan Data. Data is due by 7:00 PM Eastern Time on the 2nd business day of each month.

After processing the reported monthly pool and loan data, RFS will provide the Issuer with feedback relating to certain exceptions to the data. Issuers are responsible for correcting or otherwise updating any inaccurate information to their corresponding pool, loan package, and loan data submitted in RFS.

3.3 Monthly Certification Requirements

For each monthly reporting period, each Issuer is required to certify the monthly pool and loan data reported to Ginnie Mae. This certification must be completed using the Monthly Reporting Certification screen located within the RFS.

This Certification may be done as early as the 10th business day of the month but no later than 7:00 pm Eastern Time on the 14th business day of the month.

Any changes or corrections will require the Issuer to recertify the pool and loan data no

later than the 14th business day of the month.

3.4 Knowledge Check 2

Which of the following are Issuer requirements for investor reporting?

- A. Maintain all accounts and records relating to the pooled mortgages and securities in accordance with sound accounting practices
- B. Execute and submit an Electronic Data Interchange System Agreement
- C. Inform Budget Analysts that they may establish a monthly reporting cut-off date
- D. Certify the monthly pool and loan data reported to Ginnie Mae

Feedback:

Issuer requirements for investor reporting include:

Maintain all accounts/records in accordance with sound accounting practices

Execute/submit Electronic Data Interchange System Agreement

Certify the monthly pool and loan data reported to Ginnie Mae

3.5 Additional Investor Reporting Requirements

On a quarterly basis, Issuers must submit the Custodial Accounts Verification Report between the 6th and 15th business day of March, June, September, and December.

Issuers must also submit the RFS Widely Held Fixed Investment Trust (WHFIT) information by the 10th calendar date (CD) of the January, April July, and October. Corrections are due by the 15th calendar day.

On an annual basis, Issuers must submit the financial statements in the Independent Public Accountant (IPA) module 90 days after the close of the Issuer Fiscal Year.

Their Master Agreements must be submitted by December 31st.

Note: Ginnie Mae provides the MWX Issuer Detail Report to the Issuer through e-Notification at the Issuer's Fiscal Year End.

4. Conclusion

4.1 Summary

The goal of this training module was to provide you with a high-level overview of the pooling and investor reporting requirements.

You learned that Issuers' requirements for pool and loan packages include providing the following documents: Pre-assigned Pool Numbers, Master Agreements, Commitment

Authority, and Initial and Final Certifications.

In addition to the Issuer's responsibilities, the PPA, the CPTA, and the Document Custodian all have roles in ensuring the requirements are met in accordance with the laws and Ginnie Mae policies.

You then explored the requirements that Issuers have to service the pooled mortgages and administer the related securities.

You learned about the investor reporting requirements including the monthly, quarterly, and other reports and certifications to Ginnie Mae.

Objectives

- Identify the requirements for Pools
- Identify the requirements for Investor Reporting