Multifamily Virtual Issuer Training

Introduction to Ginnie Mae Reporting and Feedback System (RFS)

April 29, 2022
INTERACTION INSTRUCTIONS

Audio/Microphone/Actions:

Annotation
Bar:

Chat Box:
INTERACTION INSTRUCTIONS

Annotations:
- Rectangle
- Ellipse
- Arrow
- Line
- Check
- Star
- Cross

Audio:
- Join Audio via Phone Call
- Join Audio via Device Microphone
- AUDIO CONFERENCE
- Audio Conference Details

Actions:
- Raise Hand
- Agree
- Disagree
- Applaud
- Laugh
- Step Away
- Speak Louder
- Speak Softer
- Speed Up
- Slow Down

Chat Box:

Ginnie Mae
Our Guaranty Matters
Multifamily Issuer Training 3
SESSION 2 RECAP

What were your key takeaways from Session 2?
Do you have any unresolved questions?
(Use the whiteboard text annotation tool to respond)
Topics Covered in Session 2:

5. RFS Monthly Report of Pool and Loan Data
   - List the four types of RFS records
   - Explain how to edit records appropriately
   - Define which calculations are performed by RFS
   - Distinguish which fields an Issuer is responsible for reporting and editing

6. RFS Exception Feedback
   - Define common Exceptions messages and Summarization Alerts
   - Describe how to navigate the Exception Summary screen to view Exception Feedback
   - List steps to retrieve and download Exceptions Feedback file

7. Overview of Reporting Workflow
   - Describe two ways to report Pool and Loan level data
   - List when and which records are required to be reported
   - Describe how to report corrections
   - Explain how to confirm a file was uploaded successfully
AGENDA

1. Introduction
2. Reference Documentation
3. RFS Reporting Timelines
4. E-Notification
5. RFS Monthly Report of Pool and Loan Data
6. RFS Exception Feedback
7. Overview of Reporting Workflow
8. Additional Reporting Requirements
9. Cash and Reconciliations
Additional Reporting Requirements
OBJECTIVES: ADDITIONAL REPORTING REQUIREMENTS

Module Objectives

- List additional **monthly reporting requirements**
- List additional **quarterly reporting requirements**
- Explain the **timeline for additional reporting requirements**

What tasks should an Issuer be able to complete after training?

What new information will Issuers be exposed to?
## ADDITIONAL REPORTING REQUIREMENTS

<table>
<thead>
<tr>
<th></th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prepayment Penalty Reporting – completion by 4th business day</td>
</tr>
<tr>
<td>2</td>
<td>Monthly Reporting Certification – opens 10&lt;sup&gt;th&lt;/sup&gt; business day, completion by 14&lt;sup&gt;th&lt;/sup&gt; business day</td>
</tr>
<tr>
<td>3</td>
<td>Loan Matching and Suspense – Monthly</td>
</tr>
<tr>
<td>4</td>
<td>CAVS – Quarterly</td>
</tr>
<tr>
<td>5</td>
<td>WHFIT – Quarterly</td>
</tr>
<tr>
<td>6</td>
<td>Annual Financial Documents – Yearly</td>
</tr>
</tbody>
</table>
PREPAYMENT PENALTY REPORTING

Completion due by 4th Business Day

Navigation Overview

Use the tabbed links at the top of this page to navigate to the major functional areas of Multifamily RFS:

- Home
- Pool
- Loan
- Quarterly Verification
- Prepayment Penalty
- User Guide

The purpose and general content of each major functional area is described below.

Home

Clicking on this tab from any page will return you to this home page.

Pool

This tab takes you to the Pool Activity screen. From the Pool List screen you can see the submission status of an Edit Pool screen for any changes to normally static pool data (e.g., security rate, maturity date, etc.), drill down level for validation purposes.

Loan
PREPAYMENT PENALTY REPORTING

Completion due by 4th Business Day

---

1.0
Home Pool Loan Quarterly Verification Prepayment Penalty User Guide
Prepayment Penalty Activity Download

ABC Mortgage

Issuer ID

Pool ID
AM2519

Report Period
03/2022

Issuer ID:

Pool Issue Date: 04/01/2015

Prepayment End Date: 04/30/2025

Loan UPB: $2,735,567.16

Prepayment Penalty Amount: $

Payment Date (mm/dd/yyyy): mm/dd/yyyy

Save

Reported UPB (Field 23) prior to loan liquidation
PREPAYMENT PENALTY REPORTING

Completion due by 4th Business Day
MONTHLY REPORTING CERTIFICATION

Opens 10th Business Day
Completion due by 14th Business Day

---

**Exception Feedback**

- **Home**
- **Summary**
- **Exceptions**
- **Download**
- **User Guide**

**Issuer Summary**

<table>
<thead>
<tr>
<th>Issuer ID:</th>
<th>Report Period:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>03/2017</td>
</tr>
</tbody>
</table>

**Summary for Issuer ID:**

- **Last File Submission Date:** 0
- **Last Pool Submission Date:** 04/24/2017 17:08

<table>
<thead>
<tr>
<th>Pool Exceptions</th>
<th>Loan Exceptions</th>
<th>Delinquent Loans</th>
<th>Delinquent Loans Percentage</th>
<th>1 Month Delinquent</th>
<th>2 Months Delinquent</th>
<th>3+ Months Delinquent</th>
<th>Foreclosure</th>
<th>DQ2+</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0.0000%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0000%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>13</strong></td>
<td><strong>0.0000%</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reported Pools</th>
<th>Expected Pools</th>
<th>T &amp; I Funds</th>
<th>Other Funds</th>
<th>Guaranty Fee</th>
<th>Fixed Installment Constant</th>
<th>Unpaid Pool Principal Balance</th>
<th>Security Remaining Principal Balance</th>
<th>Principal Due Holders</th>
<th>Interest Due Holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>13</td>
<td>13</td>
<td>$839,762.63</td>
<td>$14,598.49</td>
<td>$447,891.65</td>
<td>$134,755,319.46</td>
<td>$134,614,538.29</td>
<td>$140,781.18</td>
<td>$378,648.35</td>
</tr>
<tr>
<td>II</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>13</strong></td>
<td><strong>$839,762.63</strong></td>
<td><strong>$14,598.49</strong></td>
<td><strong>$447,891.65</strong></td>
<td><strong>$134,755,319.46</strong></td>
<td><strong>$134,614,538.29</strong></td>
<td><strong>$140,781.18</strong></td>
<td><strong>$378,648.35</strong></td>
</tr>
</tbody>
</table>

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**Monthly Reporting Certification / Reported 11710D Data**

**Monthly Certification**
MONTHLY REPORTING CERTIFICATION

Must have a SecurID Token:

- **For Issuer user**, user ID must be a signor on form HUD 11702 Resolution of Board of Directors (approved in MAMS).
- **For Subservicer**, user must be a signor on their Issuer’s form HUD 11702 and must have form HUD-11707 Master Servicing Agreement (approved in MAMS).
## Ginnie Mae Loan Matching

### WHAT IS IT

RFS automated process; run “monthly”; electronically matches Issuer-reported loan data to the Agency “master” data

### EXAMPLES

- FHA *Multifamily Endorsement*
- RD (USDA RHS) *USDA RD Multifamily Endorsement Data*

Agency files received each month, matched to issuer reported loan data in RFS
Ginnie Mae Loan Matching – “Match Criteria”

Issuer Reported Loan Data (RFS Reporting) is matched to Agency Loan Data (Agency)

- Fields Matched:
  - Case Number* (Field 5 RFS “L” Record)
  - OPB (Field 10 RFS “L” Record) for Project Loans
  - Mortgage Rate for CL loans;

- Issuers must resolve “Non-Matches”

* Agency Case Number within 15 Digit Case Number
ACCESSING MATCHING AND SUSPENSE

The Enterprise Portal's Exception Feed tab includes a section titled "Matching and Suspense (MAS)."

Navigation:
- Home
- Summary
- Exception
- Download

The purpose of the "Matching and Suspense (MAS)" tab is described below:

Exceptions:
- This tab takes you to the Alert List screen which displays a Summary list of pool and loan exceptions, sorted by exception.

Summary:
- This tab takes you to the Issuer FA List screen whereby you can select an RFS Submission file to view the FA Data received, the FA Data in either Comma Separated Values (CSV) or XML Format, or select the link to access the Download Exception Details.
MAS errors are accessible on the “Downloads” tab
- There are 6 downloads on RFS
- 3 apply to Multifamily:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Download file</th>
<th>e-Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th BD</td>
<td>“Insurance” Match to 2 Agencies (Corrections can be made between the 1st and 10\textsuperscript{th} BD)</td>
<td>No</td>
</tr>
<tr>
<td>7th BD</td>
<td>Loan Various Suspense (for Data Changes)</td>
<td>Yes</td>
</tr>
<tr>
<td>10\textsuperscript{th} BD</td>
<td>Loan Matching Suspense (for Data Changes)</td>
<td>Yes</td>
</tr>
</tbody>
</table>
NON-MATCHING LOAN DOWNLOADS

Matching and Suspense (MAS)

Navigation Overview
Click on the tabs/links at the top of this page to navigate to different sections of RFS Matching and Suspense:
- Home
- Loan
- Suspense
- Matching Results
- Downloads
- About MAS
- User Guide
The purpose and general content of each major function:

Home
Click on this tab from any page to return to the home page.

Loan
Click on this tab to display the Loan Detail screen.

Suspense
Click on this tab to display the Suspense List screen.

Matching Results
Mouse over this tab to view a list of available search screens and click on one of the following links:
- Insurance Matching
  - Insurance Matching Results
  - Insurance Fields Not Matched
RFS LOAN MATCHING SUSPENSE NOTIFICATION

Issuer #: 9225
Date Created: 4/14/2017 1:13:19 PM
Reference #: 840685
Notice Type: Loan Processing
Subject: RFS Suspense Download
Message:
Suspended records for the March reporting period are now available to view and download from the Ginnie Mae RFS Matching and Suspense (MAS) module. Instructions to view Suspense Items and download the Suspense List are found in Section 5.2 and Section 7.4 respectively of the MAS User Guide. Click on the MAS Suspense tab to view suspended records. Click on Suspense under the Download tab and follow the instructions to download the Suspense List. Review the items, mark the records with an A to accept or an R to reject in the appropriate column, and return it in spreadsheet format only to GinnieMaeSuspense@deloitte.com no later than 9:00 AM EST on the 2nd to last Business Day of April.

Read By:
Date Read:
MAS exceptions are accessible on the “Downloads” tab

- There are 6 downloads on RFS
- 3 apply to Multifamily:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Download File or Letter</th>
<th>E-Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>After 6th BD and 10th BD</td>
<td>“Insurance” Match 2 Agencies (Corrections can be made between the 1st and 10th BD)</td>
<td>No</td>
</tr>
<tr>
<td>After 6th BD 10th BD</td>
<td>Match to Terminate FHA and RD (RHS)</td>
<td>Yes – N/A for MF</td>
</tr>
<tr>
<td>After 6th BD 10th BD</td>
<td>Loan Match Suspense (for Data Changes)</td>
<td>Yes</td>
</tr>
<tr>
<td>After 6th BD 10th BD</td>
<td>Aged Matching Monthly</td>
<td>Yes – N/A for MF</td>
</tr>
<tr>
<td>5th BD</td>
<td>Aged Terminated Matching</td>
<td>Yes – N/A for MF</td>
</tr>
<tr>
<td>7th BD</td>
<td>Various Suspense (for Data Changes)</td>
<td>Yes – N/A for MF</td>
</tr>
<tr>
<td>Before reporting period close (Around 25th CD)</td>
<td>3rd Match Available to download</td>
<td>No</td>
</tr>
<tr>
<td>As Applicable</td>
<td>Monitoring Letters…..</td>
<td>Yes – N/A for MF</td>
</tr>
</tbody>
</table>
Custodial Account Verification “CAVS”
MBS Guide Chapter 16-8 Custodial Institution Ratings.
RFS Menu Item, Select Quarterly Verification from the Pool Accounting – Multifamily module

Issuer must submit a verification between the 6th and the 15th business day of March, June, September and December stating funds custodian meets the requirements specified above.

Must be reported to RFS by online data entry or file upload.

Separate verification for each fund custodian pursuant to Master Agreement for Servicer’s Principal and Interest Custodial Account, form HUD 11709.

Separate verification for each fund custodian pursuant to Master Agreement for Servicer’s Escrow Custodial Account, form HUD 11720.
QUARTERLY VERIFICATION

Navigation Overview

Use the tabbed links at the top of this page to navigate to the major functional areas of Multifamily RFS:

- Home
- Pool
- Loan
- Quarterly Verification
- Prepayment Penalty
- User Guide
Instructions for Verification Records

1. This screen is the starting point for custodial account verification reporting.

RFS “pre-populates” custodial account records based on the Issuer’s monthly Pool Reports to RFS. The next screen will show records that are “pre-populated”; records that have been previously created for this period by the Issuer, and it will show any records uploaded for this period by the Issuer.

2. Make sure the Issuer ID is correct;
   1. Select the current Reporting Quarter from the Drop Down;
   2. Click GO.

3. The next screen allows data entry of custodial account verification records.
   1. To enter data for an existing record, select the record and on the edit screen enter the custodial account verification data.
   2. To enter a new record, click on “New Quarterly Verification Record”. Select the “Account Type” and enter the custodial account verification data.
   3. To delete a record, click on “Delete”. Only the editable data fields will be deleted.

If additional instruction is needed, download the User Guide. Select “User Guide” from the top menu bar on this page.
Widely Held Fixed Investment Trust (WHFIT) Reporting

- Reported through GMEP, RFS Menu item, Select “WHFIT” or file upload.
- Additional information in FAQs – subcategory – WHFIT
- WHFIT tax information is to be submitted by the 10th calendar day of the month – corrections due by 15th calendar day

<table>
<thead>
<tr>
<th>Report Months</th>
<th>Quarterly Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>January, February, March</td>
<td>Due April 10th, corrections by the 15th</td>
</tr>
<tr>
<td>April, May, June</td>
<td>Due July 10th, corrections by the 15th</td>
</tr>
<tr>
<td>July, August, September</td>
<td>Due October 10th, corrections by the 15th</td>
</tr>
<tr>
<td>October, November, December</td>
<td>Due January 10th, corrections by the 15th</td>
</tr>
</tbody>
</table>

Appendix VI-18 Widely Held Fixed Investment Trust
https://ginniemae.gov/issuers/program_guidelines/MBSGuideAppendicesLib/Appendix_VI-18.pdf
WHFIT TAX REPORTING – A MODULE OF RFS

Ginnie Mae
Enterprise Portal

Home My Profile RFS File Upload IPMS

Pool Accounting

1.0

Pool Accounting - Single Family
Pool Accounting - Multifamily

Navigation Center

Use the tabs to access the major functional areas of Single Family (SF) Pool Accounting.

Home
Pool
Loan
Quarterly Valuation
Remittance Advice
User Guide

The purpose of this tab is to provide access to the major functional areas of Single Family (SF) Pool Accounting.

Clicking on this tab from any page will return you to this home page.

Home

The purpose of this tab is to provide access to the major functional areas of Single Family (SF) Pool Accounting.

Pool

This tab takes you to the Pool Activity screen. From the Pool List screen you can see the submission changes to normally static pool data (e.g., security rate, maturity date, etc.), drill down to individual

Widely Held Fixed Investment Trust (WHFIT)
Navigation Overview
Click on the tab/links at the top of this page to navigate to the major functional areas of RFS WHFIT.

- Home
- Issuer
- Reports
- About WHFIT
- User Guide.

The purpose and general content of each major functional area are described below.

Home
Click on this tab from any page to return to the Home page.

Issuer
Click on this tab to display the Monthly Reporting screen.

Reports
Click on this tab to access the WHFIT reports and select the following reports to view:
- Summary Report
- Exception Report.

About WHFIT
Click on this tab to display the RFS software version for WHFIT.

User Guide
Click on this tab to download or view the RFS WHFIT User Guide.
Files must be uploaded through RFS File Upload.

Issuers must submit annual financial statements and related documents in accordance with Chapter 3 of the MBS Guide. Such documents must be reported in accordance with Appendix VI-20 of the MBS Guide.

Financial Documents are submitted via the Ginnie Mae Enterprise Portal (GMEP). In accordance with Chapter 3. Documents are due within 90 days of the Issuer’s fiscal year-end.

Instructions for electronic submission of the documents through GMEP are available in Appendix VI-20 of the Ginnie Mae Mortgage-Backed Securities Guide.

https://ginniemae.gov/issuers/program_guidelines/MBSGuideAppendicesLib/Appendix_VI-20.pdf

Documents must be in PDF format. Detailed instructions for File Naming are provided in Appendix VI-20.

GMEP FILE UPLOAD Function is used to upload the documents. Select the “IPA Files” radio button on the File Upload Menu Page.
FILE UPLOAD VIA GMEP

Select File Type:
- Custodial Account Verification
- Federal Home Loan Supplemental
- HRA Files
- IPA Files
- Matching and Suspense file
- MF Prepayment Penalty
- PFI-CAA
- Pool Accounting Files
- Remittance Advice
- Service Members Civil Relief Act Files
- WHFIT Files
- Supplemental Forbearance File

[Image of file upload interface]
ACTIVITY

Polling Questions:

1. Which screen do you use to complete the Monthly Report Certification?
   a) RFS Monthly Summary
   b) Pool Activity Screen
   c) WHFIT Screen
   d) Annual Financial Documents screen

2. When are Annual Financial Documents due?
   a) Yearly
   b) Quarterly
   c) 6 months after fiscal year-end
   d) 90 days after fiscal year-end

3. When does an issuer receive notice on Terminated loans?
   a) 3rd business day
   b) 7th business day
   c) 10th business day
Please return to complete the second half of today’s session after a 10-minute break.
OBJECTIVES: CASH AND RECONCILIATIONS

Module Objectives

**CASH**
- Describe how to report **Cash on Hand** in the appropriate bank account
- Describe how to **update Master Agreements**

**RECONCILIATION**
- Explain how and when to submit **Custodial Account Verification**
- Explain the **reconciling requirements** (outside of RFS)
- Explain **Pool to security and test of cash process**

What tasks should an Issuer be able to complete after training?
What new information will Issuers be exposed to?
THE RECONCILING TRIANGLE

Reconciliation of Cash in P&I and T&I Accounts

Reports to Ginnie Mae

Internal Service Records

Bank Account Statements
KEYS TO QUALITY REPORTING:

- **Chapter 16 Custodial Accounts**
- **Program Knowledge**
- **Reconciliations**
- **Tests**
- **Internal Controls**
CASH MANAGEMENT

- Ginnie Mae’s Access to Draft Funds
- Custodial Account Requirements
- P&I Shortfalls
- Test of Expected P&I
- Reconciliation of Mortgage Collateral to Securities Outstanding
- Bank Reconciliation
- Miscellaneous
Ginnie Mae Access to Custodial Accounts

Important that all Ginnie Mae Issuers ensure that they do not have restrictions in place that would impact Ginnie Mae's ability to draft funds from the central P&I custodial accounts on the 15th calendar day of each month.

- Ensure the financial institution has not placed ACH debit block.
- Issuer also have in place a process for communicating with Ginnie Mae and its Central Paying and Transfer Agent, currently the Bank of New York Mellon, if any issues arise or are identified.
- This includes available funds for Guaranty Fee draft.
- 1 business day prior to draft, confirm account is fully funded and there are not any holds or system limitations.
- Day of scheduled collection, confirm funds have been swept from designated account. If draft has not occurred, contact the custodial bank directly for inquiries and also provide its Ginnie Mae Account Executive the plan enacted to remedy the collection failure.
COLLECTIONS CLEARING ACCOUNT

Optional

Used for Ginnie Mae and non-Ginnie Mae funds

Transfer to P&I and T&I accounts within 1 business day

Recover Corporate Advances provided excess funds restored to Custodial Account

Zero Balance Account
### P&I Custodial Bank Account Requirements

<table>
<thead>
<tr>
<th></th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ginnie Mae funds only</td>
</tr>
<tr>
<td>2</td>
<td>Single non-interest bearing Custodial Account</td>
</tr>
<tr>
<td>3</td>
<td>May contain funds for more than one pool</td>
</tr>
<tr>
<td>4</td>
<td>Form HUD 11709 must exist for each account</td>
</tr>
<tr>
<td>5</td>
<td>Maintained at financial institution capable of ACH</td>
</tr>
<tr>
<td>6</td>
<td>Bank reconciliation completed timely</td>
</tr>
<tr>
<td>7</td>
<td>Meet bank rating requirements</td>
</tr>
<tr>
<td></td>
<td>Requirement</td>
</tr>
<tr>
<td>---</td>
<td>-------------</td>
</tr>
<tr>
<td>1</td>
<td>May use separate disbursement account</td>
</tr>
<tr>
<td>2</td>
<td>Non-interest bearing account</td>
</tr>
<tr>
<td>3</td>
<td>Zero balance account</td>
</tr>
<tr>
<td>4</td>
<td>Maintained at financial institution capable of ACH</td>
</tr>
<tr>
<td>5</td>
<td>Ginnie Mae Funds only</td>
</tr>
<tr>
<td>6</td>
<td>Only one Ginnie Mae Issuer ID# per account</td>
</tr>
<tr>
<td>7</td>
<td>Form HUD 11709 must exist for each account</td>
</tr>
</tbody>
</table>
## T&I Custodial Bank Account Requirements

1. Account may be interest bearing
2. Ginnie Mae funds only
3. Form HUD 11720 must exist for each account
4. Bank reconciliation completed timely
5. Separate escrow custodial account for FHA section 203(k) funds
6. Separate escrow custodial account for any other funds are required to be held pursuant to FHA and RD requirements
CUSTODIAL BANK RATING REQUIREMENTS

CAV – Custodial Account Verification

An Issuer must maintain P&I custodial accounts at insured depository institutions (funds custodians) that meet the rating requirements adopted by Ginnie Mae.

- Aggregate principal and interest payments due from borrowers is equal to/greater than $100,000 in any one month as measured by the fixed installment control.

- Project loan escrow accounts, whether required by FHA, RD or Ginnie Mae, for any project equal to or exceeding $100,000 are also subject to these requirements.
Agency Rating Requirement: The institution must have a rating that meets at least one of the following criteria:

- Institutions with assets of $30 billion or more either:
  - Short-term issuer rating by S&P of “A-3” (or better). If above not available, Long term issuer rating of “BBB-” (or better)
  - Short-term bank deposit rating by Moody’s of “P-3” (or better). If not available, Long term bank deposit rating of “Baa3” (or better)

- Institutions with assets less than $30 billion:
  - 125 (or better) by IDC, or
  - C+ (or better) by Kroll
CUSTODIAL BANK RATING REQUIREMENTS

If a depository institution satisfies:

1. **The Insured Accounts Requirement**: the institution must have accounts that are insured by the FDIC or the NCUSIF

2. **The Regulator Rating Requirement**: the institution must be rated as “well capitalized” by its federal or state regulator

3. Has a rating that meets or exceeds at least one of the Agency Rating Requirements specified

It will be acceptable as a funds custodian even if it is rated by another organization below the minimum level specified.

Due **between the 6th and the 15th business day** of March, June, September and December.
P&I COLLECTION SHORTFAILS

TEMPORARY SHORTFAILS:

- Late Payments from Mortgager
- Non-Sufficient Funds Check
- Incorrect Advance Calculation
METHODS OF FUNDING P&I SHORTFALLS

- **CORPORATE ADVANCES**
  - User Issuer Funds

- **EXCESS FUNDS**
  - Minimize Use of Issuer Funds

- **POOL ADVANCE AGREEMENT**
  - Uses Bank Funds
    - Guide 5500.3 Appendix VI-1
FUNDING P&I SHORTFALLS

CORPORATE ADVANCES

- Timing of Advances
  - Ginnie Mae I
- Recovery of Corporate Advances
- Documentation of Advances
FUNDING P&I SHORTFALLS

CORPORATE ADVANCES

Ginnie Mae I

P&I Bank balance at negotiable date

Less:
- Additional principal payments not passed through until the following month
- Liquidations not passed through until the following month
- Prepaid installments
- Guaranty fee owed to Ginnie Mae

= Adjusted bank balance
= Amount due security holders
= Overage (Shortage)
MBS Guide Chapter 15-5 Excess Funds

Excess funds are defined as:

- Unscheduled recoveries of principal on pooled mortgages received during the current month that are to be passed through with the following month’s payment
- Early receipt of scheduled payments
CORPORATE ADVANCES USING EXCESS FUNDS

Unapplied Funds and Service Fees

Pools Sharing Same Custodial Account
FUNDING P&I SHORTFALLS

CORPORATE ADVANCES using EXCESS FUNDS – Ginnie Mae I

P&I Bank balance at negotiable date

Less:
- Guaranty fees owed to Ginnie Mae (ACH on 10th calendar day
- = Adjusted bank balance
- Amount due security holders
- = Overage (Shortage)
**TEST OF EXPECTED P&I**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>✔</td>
<td>Required on every pool</td>
</tr>
<tr>
<td></td>
<td>Performed by the Issuer</td>
</tr>
<tr>
<td>☑</td>
<td>Provides Minimum Dollar Amount in P&amp;I Account</td>
</tr>
<tr>
<td></td>
<td>Total of all pool Cash Shortages Funded by the Issuer</td>
</tr>
<tr>
<td></td>
<td>May not net pools that have Cash Overages with pools that have Cash Shortages</td>
</tr>
</tbody>
</table>
# TEST OF EXPECTED P&I

## CUSTOMER ACCOUNT BALANCE AT CUT-OFF

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Principal and Interest</td>
<td>(Sum of L-Record Fields 16 and 17 for each prepaid loan in the pool)</td>
</tr>
<tr>
<td>Additional Principal Payments</td>
<td>(Sum of L-Record Field 20 for each loan in the pool)</td>
</tr>
<tr>
<td>Additional Principal Adjustment</td>
<td>(Sum of L-Record Field 21 curtailment adjustments for each current loan in the pool)</td>
</tr>
<tr>
<td>Liquidation Principal</td>
<td>(Sum of L-Record Field 28 for each liquidated loan in the pool prior to its liquidation)</td>
</tr>
<tr>
<td>Delinquent Service Fee</td>
<td>(Sum of L-Record Field 34 for each delinquent loan in the pool multiplied by the service fee rate divided by the mortgage interest rate)</td>
</tr>
<tr>
<td>Service Fee</td>
<td>(P-Record Field 5: Enter only if taken after cutoff date)</td>
</tr>
<tr>
<td>Fixed Installment on Liquidation</td>
<td>(Sum of L-Record Field 11 for each liquidated loan in the pool)</td>
</tr>
<tr>
<td>Delinquent Principal and Interest</td>
<td>(Sum of L-Record Fields 14 and 15 for each delinquent loan in the pool)</td>
</tr>
<tr>
<td>Prepaid Service Fee</td>
<td>(Sum of L-Record Field 16 for each prepaid loan in the pool multiplied by the service fee rate divided by the mortgage interest rate)</td>
</tr>
<tr>
<td>Service Fee from Liquidations</td>
<td>(Sum of L-Record Field 20 for each liquidated loan in the pool multiplied by the service fee rate divided by the mortgage interest rate, based on last interest installment on Monthly Liquidation Worksheet)</td>
</tr>
<tr>
<td>Subtotal (Expected P&amp;I Balance)</td>
<td></td>
</tr>
<tr>
<td>Reported P&amp;I Balance</td>
<td>(Field 12 of P-Record for pool)</td>
</tr>
<tr>
<td>Difference: Over/Short</td>
<td></td>
</tr>
</tbody>
</table>
**RECONCILIATION OF MORTGAGE COLLATERAL TO SECURITIES OUTSTANDING**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required on every pool</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Performed by the Issuer</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Pool of Loans is Collateral for Securities</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tolerance for Over/Under Collateralized Pools</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recoveries for Over Collateralized pools</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Over-collateralization** – adjusted pool principal balance is larger than the securities balance
- recover principal

**Under-collateralization** – adjusted pool principal balance is less than the securities balance
- remit principal

- $1.00 per loan per pool
- Maximum of $50.00 per pool

- May only recover principal amount greater than $100.00 from unscheduled principal
- Contact your assigned Account Executive for guidance
## RECONCILIATION OF MORTGAGE COLLATERAL TO SECURITIES OUTSTANDING

**POOL NUMBER:** ____________  
**REPORTING MONTH:** ____________

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Month end pool principal balance (Sum of Fields 23 on L-Records in the pool (except liquidated loans))</td>
<td>$</td>
</tr>
<tr>
<td>+ Prepaid installment principal (Sum of Fields 17 on all L-Records in the pool)</td>
<td>$</td>
</tr>
<tr>
<td>- Delinquent installment principal (Sum of Fields 15 on all L-Records in the pool)</td>
<td>$</td>
</tr>
<tr>
<td>- CD Pools Only: Scheduled Principal (Enter amount from Section 2.A. of Issuer’s Monthly Reconciliation of Pool and Loan Data Worksheet)</td>
<td>$</td>
</tr>
<tr>
<td>+ CD Pools Only: Liquidation Principal Installment (Enter principal portion of last installment reported on Issuer’s Monthly Liquidation Reconciliation Worksheet)</td>
<td>$</td>
</tr>
<tr>
<td>- CD Pools Only: Additional Principal Adjustments or FIC charge on GPM (Enter amount from Section 2.D. of Issuer’s Monthly Reconciliation of Pool and Loan Data Worksheet)</td>
<td>$</td>
</tr>
<tr>
<td>= Adjusted Pool Principal Balance</td>
<td>$</td>
</tr>
<tr>
<td>- Securities Principal Balance (Amount in Field 10 on the P-Record as entered by Issuer)</td>
<td>$</td>
</tr>
<tr>
<td>= Difference: Over / Short</td>
<td>$</td>
</tr>
</tbody>
</table>
**GINNIE MAE P&I ACCOUNT RECONCILIATION**

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**Sample Format**

Bank statement balance at cutoff date of ____________

$________________

Deposits in transit (total):

+________________

Outstanding checks (total):

- _____________

Adjustments (Explanation required):

- _____________

SUBTOTAL (Adjusted bank balance):

= _____________

LESS Reported P&I and Other Funds
(Sum of Fields 12 and 13 on the Pool Record as entered by Issuer)

- _____________

Unreconciled difference (explain):

= _____________

Explanation for “Adjustments” noted above:

Deposits in transit over thirty (30) days (date and amount):

Checks outstanding over thirty (30) days (date and amount):

Preparer: ______________  Date: __________

Reviewer: ____________  Date: __________
Bank account reconciliations must be completed within 30 days of the Issuer’s monthly reporting cut-off date for all accounts.

Detail must be available that list the P&I cash book balance for each pool/loan package that uses the custodial bank account as of issuer’s monthly cutoff.

- Balance at the end of the previous reporting month, plus the daily deposits related to the pool, minus disbursements for the pool, which equal the ending balance. This is known as Cash Flow Method.
  - This balance is reported on the Pool Record, Field 12 P&I Fund Balance.

All adjusting items on a reconciliation must be completely resolved during one of the next two reporting cycles.
T&I Reconciliation
## Sample Format

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank statement balance at cutoff date of _____________________________</td>
<td>$__________</td>
</tr>
<tr>
<td>Deposits in transit (total):</td>
<td>+__________</td>
</tr>
<tr>
<td>Outstanding checks (total):</td>
<td>-__________</td>
</tr>
<tr>
<td>Adjustments (Explanation required):</td>
<td>-__________</td>
</tr>
<tr>
<td>SUBTOTAL (Adjusted bank balance):</td>
<td>=__________</td>
</tr>
<tr>
<td>LESS Reported T&amp;I Funds (Field 11 on the Pool Record as entered by Issuer)</td>
<td>-__________</td>
</tr>
<tr>
<td>Unreconciled difference (explain):</td>
<td>=__________</td>
</tr>
</tbody>
</table>

Explaination for “Adjustments” noted above:

- Deposits in transit over thirty (30) days (date and amount):

- Checks outstanding over thirty (30) days (date and amount):

Preparer: _______________  Date: __________

Reviewer: _______________  Date: __________
Bank account reconciliations must be completed within **30 days** of the Issuer’s monthly reporting cut-off date for all accounts.

Funds that are required to be deposited in an escrow custodial account must be deposited within two (2) business days of the pool settlement date.

- The escrow balance for ALL loans in the pool is reported on the Pool Record, Field 11 T&I Escrow Balance.

All adjusting items on a reconciliation must be completely resolved during one of the next two reporting cycles.
## Pool Activity Screen

### Pool Accounting - Multifamily

#### Issuer ID

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer ID:</td>
<td>588844</td>
</tr>
</tbody>
</table>

#### Pool ID

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pool ID:</td>
<td>588844</td>
</tr>
</tbody>
</table>

#### Report Period

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Period:</td>
<td>05/2018</td>
</tr>
</tbody>
</table>

#### Type

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type:</td>
<td>RX CD X</td>
</tr>
</tbody>
</table>

#### Opening Security RFB

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Security RFB:</td>
<td>517693.04</td>
</tr>
</tbody>
</table>

#### Scheduled Principal

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled Principal:</td>
<td>1750.51</td>
</tr>
</tbody>
</table>

#### Curtailments

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curtailments:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Liquidations

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidations:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### RPB Adjustment

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPB Adjustment:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Total Principal

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Principal:</td>
<td>1750.51</td>
</tr>
</tbody>
</table>

#### Cash Due Security Holder

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Due Security Holder:</td>
<td>4770.39</td>
</tr>
</tbody>
</table>

#### Int. Due Security Holder

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Int. Due Security Holder:</td>
<td>3019.88</td>
</tr>
</tbody>
</table>

#### Service Fee

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Fee:</td>
<td>88.88</td>
</tr>
</tbody>
</table>

#### Pool Mortgage Rate

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pool Mortgage Rate:</td>
<td>7.5000</td>
</tr>
</tbody>
</table>

#### Install Interest

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Install Interest:</td>
<td>3246.46</td>
</tr>
</tbody>
</table>

#### Security Int. Rate

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Int. Rate:</td>
<td>7.0000</td>
</tr>
</tbody>
</table>

#### Closing FIC

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing FIC:</td>
<td>4985.09</td>
</tr>
</tbody>
</table>

#### Adjustment to FIC

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment to FIC:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Liquidations-In-Full FIC

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidations-In-Full FIC:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Opening FIC

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening FIC:</td>
<td>4996.00</td>
</tr>
</tbody>
</table>

#### T & I Balance

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>T &amp; I Balance:</td>
<td>91899.08</td>
</tr>
</tbody>
</table>

#### P & I Balance

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>P &amp; I Balance:</td>
<td>0.05</td>
</tr>
</tbody>
</table>

#### Other Balance

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Balance:</td>
<td>0.05</td>
</tr>
</tbody>
</table>

#### Replacement Reserve

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement Reserve:</td>
<td>388902.25</td>
</tr>
</tbody>
</table>

#### Construction Principal

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Principal:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Last Update Date

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Update Date:</td>
<td>06/17/2020 14:37:43</td>
</tr>
</tbody>
</table>

#### Last Update By

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Update By:</td>
<td>I_christensen3</td>
</tr>
</tbody>
</table>

#### Last Pool Summarize Date

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Pool Summarize Date:</td>
<td>10/21/2020 15:58:39</td>
</tr>
</tbody>
</table>
## POOL ACTIVITY SCREEN

### Custodial Bank Information

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Account#</td>
<td></td>
</tr>
<tr>
<td>Escrow Account#</td>
<td></td>
</tr>
<tr>
<td>Replace Reserve Account#</td>
<td></td>
</tr>
<tr>
<td>Construction Loan Account#</td>
<td></td>
</tr>
<tr>
<td>Principal Bank ABA#</td>
<td></td>
</tr>
<tr>
<td>Escrow Bank ABA#</td>
<td></td>
</tr>
<tr>
<td>Replace Reserve Bank ABA#</td>
<td></td>
</tr>
<tr>
<td>Construction Loan Bank ABA#</td>
<td></td>
</tr>
</tbody>
</table>

### Pool Transfer History

- Save and Summarize Pool

---

*Image of POOL ACTIVITY SCREEN displaying fields for custodial bank information and pool transfer history.*
4. What is the time limit to complete Bank Reconciliation?
   a) 20 days from remittance
   b) 30 days from cutoff
   c) 60 days from month-end

5. When is an issuer required to submit Custodial Account Verification?
   a) Every month
   b) When the bank has $100,000 in deposits
   c) When the FIC equals $100,000 or more

6. What is the purpose of the Pool to Security Recon (Reconciliation of Mortgage Collateral to Security Outstanding)?
   a) I do not know
   b) Notifies issuers of collateral to security discrepancies
   c) Notifies issuers to fund the bank account
<table>
<thead>
<tr>
<th>BEST PRACTICES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>100% of Pool and Loan data reported by 2nd Business Day</strong></td>
</tr>
<tr>
<td><strong>All E and C level alerts related to the Pool and Loan record must be cleared no later than 7:00 pm (EST) on the 4\textsuperscript{th} Business Day</strong></td>
</tr>
<tr>
<td><strong>Consistency of data reported in RFS</strong></td>
</tr>
<tr>
<td><strong>Case number reported on Loan File should match case number reported at Origination</strong></td>
</tr>
<tr>
<td><strong>Issuers are fully responsible for meeting reporting timelines and accuracy of data reported by a sub-servicer</strong></td>
</tr>
<tr>
<td><strong>Adhering to established Cut-off date</strong></td>
</tr>
<tr>
<td><strong>Ensure the correct liquidation removal reason code is reported</strong></td>
</tr>
<tr>
<td><strong>Analyze and correct RFS edit exceptions per Severity Level requirements</strong></td>
</tr>
<tr>
<td><strong>Review E-Notification daily</strong></td>
</tr>
</tbody>
</table>
QUESTIONS & ANSWERS

Yolanda.T.Sease@hud.gov
christy.christensen@vdevcorp.com
gail.smith@vdevcorp.com
nancy.strickland@vdevcorp.com