Investor Reporting
Quarterly Webinar—
Review and Clearing
RFS Exceptions

June 23, 2022
REVIEW AND CLEARING RFS EXCEPTIONS

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REVIEW AND CLEARING RFS EXCEPTIONS

**Agenda**

1. Introduction
2. Reference Documents
3. Reporting and Correction Timeline
5. Most Common Pool Record Alerts
6. Most Common Loan Record Alerts
7. Matching and Suspense
8. Live Demo
9. Open for Questions
Introduction
OBJECTIVES: CLEARING RFS EXCEPTIONS

Webinar Objectives

Understand and effectively use Appendix VI-19 RFS Issuer Monthly Report of Pool and Loan Data

Utilize resources provided by Ginnie Mae

Determine why an exception generated and how to clear exception

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

What new information will Issuers be exposed to?
GENERAL INFORMATION

• **Issuers** are responsible for servicing mortgage pools and loan packages and the related securities within Ginnie Mae’s servicing guidelines.

• **The Reporting and Feedback System** is not an Accounting System, it is a Reporting System. RFS provides a select group of reports and information back to the issuer based on data reported by the issuer.

• Ginnie Mae does not have access to the Reporting and Feedback System to change your data and we cannot “see” the information reported on your file.

• Ginnie Mae does not know what information is on your servicing system.

• Issuer Support is not allowed to give “permission” to change loan terms after origination such as FIC or interest rate. Please contact your Ginnie Mae Account Executive for assistance.
Reference Documents
### REFERENCE DOCUMENTS

<table>
<thead>
<tr>
<th>DOCUMENT</th>
<th>DESCRIPTION</th>
<th>LINK</th>
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<tbody>
<tr>
<td>Ginnie Mae MBS Guide</td>
<td>The Ginnie Mae Mortgage-Backed Securities Handbook provides in-depth information about the Ginnie Mae I and Ginnie Mae II programs. It includes program information on many topics, including eligibility requirements, Issuer responsibilities, risks and liabilities, applications, pools, required forms, and other special requirements.</td>
<td><a href="http://www.ginniemae.gov/issuers/program_guidelines/Pages/mbs_guide.aspx">www.ginniemae.gov/issuers/program_guidelines/Pages/mbs_guide.aspx</a></td>
</tr>
<tr>
<td>Ginnie Mae Investor Reporting Manual</td>
<td>The Ginnie Mae Investor Reporting Manual is designed to be a supplement to the Ginnie Mae Mortgage-Backed Securities Handbook. It clarifies certain aspects of pool administration using instructions and examples, including sample forms. The Investor Reporting Manual illustrates many topics, including reconciliations, loan liquidations, due dates and reporting requirements.</td>
<td><a href="http://www.ginniemae.gov/issuers/program_guidelines/Pages/investor_reporting_manual.aspx">www.ginniemae.gov/issuers/program_guidelines/Pages/investor_reporting_manual.aspx</a></td>
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Reporting and Correction Timeline
Issuers must prepare and submit monthly reports of pool and loan data for each pool and loan package by the 2nd business day.

100% of pool and loan data must be reported by 7 pm ET on 2nd business day.

**COB – Close of Business: 7:00PM Eastern Time**

- **Beginning on 25th Calendar Day**
- **2nd Business Day**: Submit Accounting Data (Pool/Loan) to RFS by COB
  - Clear Critical Corrections
- **3rd Business Day**: Clear Critical Exceptions by COB
- **4th Business Day**: Clear Non-Critical Corrections
- **5th – 9th Business Day**: Clear Remaining Exceptions by COB
- **10th Business Day**
## SEVERITY LEVEL AND CORRECTION TIMEFRAME

<table>
<thead>
<tr>
<th>Severity Level</th>
<th>Correction Timeframe</th>
<th>Severity Description</th>
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<tbody>
<tr>
<td>E</td>
<td>Corrections to Pool and Loan Records as applicable; corrections on these exceptions are due no later than the 4th business day. <strong>Note:</strong> E-RFS111 Pool Record - No activity Reported must be cleared by 2(^{nd}) BD.</td>
<td>Record cannot be processed – Exceptions must be addressed in order to complete monthly reporting; resubmit data as applicable to the particular RFS message. Exceptions can occur on any Pool, Loan, Sensitive, or Various records.</td>
</tr>
<tr>
<td>C</td>
<td>Corrections must be addressed by the 4th business day. The severity level, “C”, is only associated with Pool and Loan reporting. <strong>Note:</strong> C-RFS204 Loan Record – No activity Reported must be cleared by 2(^{nd}) BD</td>
<td>Generally, these are exceptions related to remittance and/or disclosure data. These only occur on data related to Pool reporting and/or Loan reporting.</td>
</tr>
<tr>
<td>H</td>
<td>Corrections should be addressed by the 10th business day.</td>
<td>Exceptions related to Pool reporting and/or Loan reporting data.</td>
</tr>
<tr>
<td>M</td>
<td>Corrections should be addressed by the 10th business day.</td>
<td>Single Family Loan Matching and/or Suspense; corrections may require research, and therefore corrections could be made in the following reporting period</td>
</tr>
<tr>
<td>L</td>
<td>Corrections should be addressed by the 10th business day.</td>
<td>Exceptions can occur on any reporting of Pool, Loan, Sensitive, or Various records.</td>
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Appendix VI-19
The RFS Issuer Monthly Report of Pool and Loan Data (Appendix VI-19) document assumes that the reader is familiar with the Ginnie Mae MBS Guide 5500.3, and in particular, Chapters 14, 17, 19, related appendices, forms, APMs, and MPMs. Issuers must refer to these regulatory and policy documents for compliance guidance related to pool accounting and administration.

The information provided in the RFS Issuer Monthly Report of Pool and Loan Data (Appendix VI-19) document is not intended to establish or change Ginnie Mae policy, regulations, or accounting guidelines as defined in the Ginnie Mae Mortgage Backed Securities (MBS) Guide with which all issuers must comply.

Each Issuer must submit pool and loan level data on a monthly basis, and this data must reconcile with RFS Issuer Monthly Report of Pool and Loan Data (Appendix VI-19), for the applicable reporting month. Appendix VI-19 provides technical guidance and record layout specifications for the submission of monthly pool and loan data.

After processing the reported monthly pool and loan data, RFS will provide the Issuer with feedback relating to certain exceptions to the data. RFS exceptions are identified and described in Appendix VI-19. Issuers must address these RFS exceptions in accordance with Appendix VI-19 and as required by Ginnie Mae’s servicing guidelines.
Appendix VI-19 is used by an Issuer to complete monthly reporting as required by Chapter 17 Pool, Loan Package, and Loan Accounting and Reporting. Provides technical guidance and provides the Issuer with feedback relating to certain exceptions to the data.

This document provides information to Issuers and servicers about Ginnie Mae’s requirements for monthly pool and loan level reporting. Its focus is specifically on “post origination and settlement” pool (and loan package) and loan-level Single-Family and Multifamily reporting.
POST ORIGINATION AND SETTLEMENT

- Data reported on form HID 11705 Schedule of Subscribers and Ginnie Mae Guaranty Agreement and on form HUD 11706 Schedule of Pool Mortgages is used to populate Opening Pool/Loan Balances as shown below. The data from these forms roll to the Pool and Loan Record and may be used in determining RFS exceptions.

Examples:

- Pool Record: Opening FIC, Opening Security RPB, Security Interest Rate, Pool Mortgage Rate and Bank Account Information

- Loan Record: OPB, FIC, Loan Interest Rate, First Payment Date and Maturity Date and Borrower information
Pool Record
This record contains data elements related to the Ginnie Mae pool, including the Security RPB; one record reports on one pool.

A file would typically have one pool record for each pool reported by the Issuer.

It is not mandatory that a submission file always have Pool Records.
REPORTING POOL DATA:

- Each file layout is followed by the definitions of each field in the record layout. The definitions are numbered to correspond to the file layout. The definitions are followed by Exception Messages that may occur if business rules are not observed.

- *Italicized* Exception Messages result from inconsistencies between pool-and loan-level reporting. These exceptions may occur when the loans are summarized to the pool-level.
MOST COMMON POOL EXCEPTIONS

Pool Record

Field 2 Pool ID
• E-RFS111 Pool ID no activity reported this period
  ➢ Pool number/data not included on the reporting file
  ➢ Pool number was incorrectly reported (numbers transposed)

Field 3 Adjust FIC
• H-POOL054 should equal the difference between the opening and closing Fixed Installment Constant (FIC) for the pool minus the FIC for loans liquidated during the reporting period
  ➢ Ending FIC reported on Pool record does not agree to Opening FIC (minus liquidation)
• H-POOL055 should not be specified for a fixed rate pool
  ➢ FIC adjustment reported for fixed rate pool

Field 4 Pool FIC
• C-POOL104 Pool FIC should equal the sum of the Loan FICs for non-ARM, non-GEM/GPM pools
  ➢ Ending FIC reported on Pool record does not agree to reported loan FIC
  ➢ 100% of loans not reported
  ➢ Loan FIC changed from previous month reporting for Non-ARM pool

Field 10 Security RPB
• C-POOL452 Security RPB should equal prior month Security Remaining Principal Balance minus (Total Principal or Serial Notes).
  ➢ Opening RPB minus Principal remittance does not equal Ending Security Remaining Principal Balance
• C-POOL453 Security RPB should equal prior month Security Remaining Principal Balance plus current months draws for construction loans unless there was a liquidation (MF only)
  ➢ Construction draw not reported or amount reported is incorrect
This loan-level record contains data elements related to the loans associated with the pool records (one record for each loan). A file would have one loan record for each loan reported by the Issuer.

It is not mandatory that a submission file always have Loan Records.
Reporting Loan Data:

- In RFS there is no separate reporting record for liquidations. The loan record is used to report one of two scenarios: a.) active loans or b.) active loans that are being liquidated in the current period.

- Instructions for reporting active Single-Family loans: Report data in fields 1 through 23 and field 29. RFS assumes that the loan record represents an active loan as of the end of the reporting period.

- Instructions for reporting active Multifamily loans: Report data in fields 1 through 23. RFS assumes that the loan record represents an active loan as of the end of the reporting period.
MOST COMMON LOAN EXCEPTIONS

Loan Record

Field 2 Unique Loan ID
- C-RFS204 Ginnie Mae Unique Loan ID no activity is reported this period
  - Loan number/data not included on the reporting file
  - Loan number reported with incorrect Pool number or loan number transposed

Field 23 Loan UPB
- C-LOAN655 Loan Unpaid Principal Balance is not consistent with other values reported on the loan record
  - Ending Loan balance does not agree to Opening balance plus/minus payments

Field 18 Install Interest / Field 19 Install Principal
- H-LOAN350 should be specified
- H-LOAN400 should be specified
  - LPI date changed and no payment was reported

Field 16 Prepaid Interest / Field 17 Prepaid Principal
- H-LOAN150 should be specified when Last Installment Paid Date is after the Reporting Period
- H-LOAN200 should be specified when Last Installment Paid Date is after the Reporting Period
  - LPI date is 1 or more months greater than current reporting month.

Field 14 Delinquent Interest / Field 15 Delinquent Principal
- H-LOAN250 should be specified when Last Installment Paid Date is prior to the Reporting Period
- H-LOAN300 should be specified when Last Installment Paid Date is prior to the Reporting Period
  - LPI date is 1 or more months less than current reporting month
Matching and Suspense
LOAN MATCHING AND SUSPENSE

- Exceptions such as MAT001 – MAT005 are part of the Matching and Suspense process and have a different method to resolve the exceptions. Please review the Loan Matching and Suspense webinar from November 17, 2021 for process to clear the exceptions.
  - [Ginnie Mae Loan Matching Webinar – YouTube](https://www.youtube.com/watch?v=example_video_id)

- MAT001 Case Number
- MAT002 Loan Original Principal Balance
- MAT003 Loan Interest Rate
- MAT004 Zip Code
- MAT005 Loan Maturity date

- Ginnie Mae has standardized its rules for reporting of FHA, FH1, VA, RHS (RD), PIH, and FMF assigned case numbers/loan numbers regarding its business applications. APM 02-17 **New Standards for Reporting Loan Information** provides detailed information on the reporting of case numbers/loan numbers to Ginnie Mae. Issuers can find additional information about specific technical implementation of the rules for each of Ginnie Mae's systems at [www.ginniemae.gov](http://www.ginniemae.gov).

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

Link to APM 02-17 New Standards for Reporting Loan Information
Multifamily
RFS204 Ginnie Mae Unique Loan ID no activity is reported this period
POOL453 Security RPB should equal prior month Security Remaining Principal Balance plus current months draws for construction loans unless there was a liquidation. (MF only)
POOL104 Pool FIC should equal the sum of the Loan FICs for non-ARM, non-GEM/GPM pools
POOL452 Security RPB should equal prior month Security Remaining Principal Balance minus (Total Principal or Serial Notes)

Single Family
RFS111 Pool ID no activity reported this period
RFS204 Ginnie Mae Unique Loan ID no activity is reported this period
POOL104 Pool FIC should equal the sum of the Loan FICs for non-ARM, non-GEM/GPM pools
POOL452 Security RPB should equal prior month Security Remaining Principal Balance minus (Total Principal or Serial Notes)
POOL054 should equal the difference between the opening and closing Fixed Installment Constant (FIC) for the pool minus the FIC for loans liquidated during the reporting period.
LOAN250 and 300 should be specified when Last Installment Paid Date is prior to the Reporting Period
LOAN150 and 200 should be specified when Last Installment Paid Date is after the Reporting Period
LOAN350 and 400 should be specified when Last Installment Paid Date is greater than last month
LOAN655 Loan Unpaid Principal Balance is not consistent with other values reported on the loan record
QUESTIONS & ANSWERS

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