

CHAPTER 3: SINGLE-FAMILY POOLS

PART A. DESCRIPTION OF SINGLE-FAMILY POOLS

This Chapter describes custodial requirements for the following pool types referred to hereinafter as “Single-Family Pools”. The Chapter in the Guide specifically pertaining to the individual programs is identified below.

Pool Type	Ginnie Mae MBS Guide
Single-Family, Level Payment Mortgages Pools	Chapter 24
FHASecure, Level Payment Mortgages	Chapter 33
Buy Down Mortgages Pools	Chapter 25
Adjustable Rate Pools	Chapter 26
Graduated Payment Mortgage Pools	Chapter 27
Growing Equity Mortgage Pools	Chapter 28
Serial Note Pools	Chapter 29

For purposes of this Manual, all of the above pool types are collectively referred to as “single-family.”

RESPONSIBILITIES

In accordance with the conditions of the Master Custodial Agreement, form [HUD-11715](#) ([Appendix III-4](#) of the Guide) (“form HUD11715”), and the certification required on the Schedule of Pooled Mortgages, form [HUD-11706](#) ([Appendix III-7](#) of the Guide) (“form HUD-11706”), and the Guide, the Issuer must deliver the documents set forth below to the document custodian at the premises indicated on the form [HUD-11706](#). At the discretion of the document custodian and the Issuer, documents may be delivered incrementally or after all required documents have been received for individual loan files. However, the Issuer may not collect all documents relating to an entire pool before forwarding the documents to the document custodian.

It is the document custodian’s responsibility to:

- Accept the documents when delivered;
- Ascertain that the documents relate to the loans listed on the related form [HUD-11706](#);
- Review documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters [11](#) and [13](#) of the Guide;
- Notify the Issuer of any documents received that require correction or completion before certification can be made; and
- Certify that the documents received satisfy the requirements of initial and final certification and, if necessary, recertification.

It is the Issuer’s responsibility to correct or resolve defects, or to provide the document custodian with adequate clarification for those defects that are not considered material.

Ginnie Mae may in its sole discretion, require Issuers who fail to meet certification or recertification deadlines to take action to mitigate Ginnie Mae’s risk exposure. Such action may include, but may not be limited to a letter of credit. For an Issuer subject to the letter of credit requirement or other mitigation

measure, the document custodian must indicate and attest to Ginnie Mae those loans that do not meet certification requirements.

PART B. INITIAL CERTIFICATION

By an “Initial Certification”, the document custodian certifies to Ginnie Mae that the Issuer has submitted the minimum loan, pool, or loan package documents required to allow a Ginnie Mae security to be issued. This Part B provides an overview of the Initial Certification procedures for pools submitted electronically through GinnieNET and in hard copy. This part also provides the list of pool and loan or loan package documents (“MBS Program Pool documents”) required for Initial Certification, and detailed review procedures the document custodian is required to perform on the MBS Program Pool documents to confirm their completeness and consistency.

Certifications may be performed by an employee who is not an officer of the Document Custodian if that employee has been specifically authorized by appropriate internal delegations of authority to do so. The Document Custodian must be able to provide evidence of such authorization upon the request of Ginnie Mae or its agent.

Section 1. Overview of Initial Certification Process for Pools Submitted Electronically through GinnieNET

- (a) The Issuer submits and the document custodian receives the MBS Program Pool documents as required in [Part B, Section \(3\), Required Documents for All Single Family MBS Program Pools](#), and if applicable, [Part B, Section \(4\), Additional Required Documents for Modified Loans](#), or [Part B, Section \(5\), Additional Required Documents for Consolidation, Extension & Modification Agreement \(NY CEMA\)](#) of this Chapter.
- (b) The document custodian retrieves the relevant Schedule of Pooled Mortgages (“[Appendix III-07](#) of the Guide) (“form [HUD-11706](#)”) from GinnieNET and prints it.
- (c) The document custodian reviews the loan documents in accordance with [Part B, Section \(6\), Document Review Procedures for Initial Certification](#), of this Chapter, verifies the information in the form [HUD-11706](#), and determines whether to provide an Initial Certification or reject the pool. If the document custodian decides to provide an Initial Certification for the pool, the custodian will execute and transmit the Initial Certification via GinnieNET following the instructions in the [GinnieNET Custodian Guide](#).
- (d) The document custodian transmits the certification or rejection over the GinnieNET system.
- (e) The document custodian places the loan documents in safekeeping.
- (f) Upon completing the initial certification, the document custodian prints out a copy of the form [HUD-11706](#) and places it in the pool master file. The form [HUD-11706](#) placed in the master file must reflect the wet signature of the employee of the Document Custodian who authorized the GinnieNET submission, except that, the form [HUD-11706](#) may be placed in the master file without a wet signature if it is accompanied by a printout of the GinnieNET Host communications results Report containing the File Transmission Number (“FTN”) for the relevant certification.

Section 2. Overview of Initial Certification Process for Pools Submitted in Hard Copy

- (a) The Issuer submits and the document custodian receives in hard copy the relevant form [HUD-11706](#) as well as the MBS Program Pool documents required by [Part B, Section \(3\), Required Documents for All Single Family MBS Program Pools](#), and if applicable, [Part B, Section \(4\),](#)

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[Additional Required Documents for Modified Loans](#), or [Part B, Section \(5\), Additional Required Documents for Consolidation, Extension & Modification Agreement \(NY CEMA\)](#) of this Chapter.

- (b) The document custodian reviews the submission in accordance with [Part B, Section \(6\), Document Review Procedures for Initial Certification](#), of this Chapter . If the documents are in order the document custodian makes its Initial Certification on the back of the form [HUD-11706](#). If the form [HUD-11706](#) consists of more than one page, the original signature need only be affixed to the last page.
- (c) The Document Custodian's Initial Certification must be made by the original signature of an authorized employee of the Document Custodian. If the Schedule of Pooled Mortgages consists of more than one page, the original signature need only be affixed to the last page.
- (d) After signing the Initial Certification, the document custodian places the loan documents and copies of the pool submission documents in safekeeping and, based on the Issuer's instructions, sends the pool or loan package submission documents and the original certification to the PPA. All pool or loan package submission documents required in connection with an Initial Certification must be submitted to the PPA as a complete package.
- (e) The document custodian must deliver a copy of the signed form [HUD-11706](#) evidencing Initial Certification to the Issuer and place the original signed [HUD-11706](#) in the pool or loan package master file.

Section 3. Required Documents for all Single Family MBS Program Pools

For initial certification, the document custodian must obtain from the Issuer the following properly executed pool and loan documents:

- (a) Form [HUD-11706](#);
- (b) Certification and Agreement, form [HUD-11711B](#) ([Appendix III-5](#) of the Guide) ("form [HUD-11711B](#)") (in paper or electronic form). If the form [HUD-11711B](#) indicates a second party interest in any pooled mortgage, at least one original Release of Security Interest, form [HUD-11711A](#) ([Appendix III-5](#) of the Guide) ("form [HUD-11711A](#)"), is required. If there are no second party interests in the pooled mortgages, a form [HUD-11711A](#) is not required;
- (c) The original note or other evidence of indebtedness (including documents required for modified loans) endorsed in blank and without recourse by the pooling Issuer. In all cases, the last endorsement is required to be made by the pooling Issuer in blank and without recourse. Ginnie Mae requires that the chain of endorsements from the originator of the loan to the pooling Issuer of the note be complete; and
- (d) If the Issuer did not originate the loan, all recorded intervening assignment(s) in the loan file must document a complete chain of title from the originating mortgagee to the pooling Issuer.
 - (i) If the loan is registered with MERS, the Issuer must provide a complete chain of intervening assignments from loan origination up to and including the assignment to MERS. If the loan was originated with MERS as the Original Mortgagee ("MOM"), no intervening assignments will be required as long as the loan remains registered with MERS.
 - (ii) If the loan is not registered to MERS, all intervening assignments from the originator to the pooling issuer must be complete. If the intervening assignments provide recording information, verify that the information is complete.

