

March 26, 2024

APM 24-04

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Alanna McCargo, President

SUBJECT: Ginnie Mae Central Application for Issuer Insurance and Audited Financial Statement Submissions

Ginnie Mae is transitioning from the Independent Public Accounting (IPA) module in the Ginnie Mae Enterprise Portal (GMEP) to the new Ginnie Mae Central application (GMC) in MyGinnieMae. In a continued effort to further modernize elements of the Mortgage-Backed Securities Program, this system transition will allow for greater efficiencies for Issuers to submit the required fidelity bond, errors and omissions insurance and financial statements to Ginnie Mae.

New Requirements for Fidelity Bond and Errors and Omissions Insurance Submission

Effective with Issuer submissions on and after May 13, 2024, Issuers will be required to use GMC when submitting proof of their fidelity bond and errors and omissions (E&O) insurance and will no longer submit documentation to Ginnie Mae's Financial Reports Review Agent. In accordance with the updated language provided in Chapter 3, Part 6, § A & D of the Mortgage-Backed Securities Guide, 5500.1, Rev. 1 (MBS Guide), fidelity bond and E&O insurance submissions will no longer be required with the audited financial statement submissions. Issuers will now submit a full and valid copy of the fidelity bond and E&O insurance policies and any supporting documentation at the time the fidelity bond and/or E&O insurance policies are renewed, or new policies are obtained. Issuers must submit the required policy documentation within 30 days of obtaining or renewing their coverage.

During this submission process, an authorized signatory for the Issuer, which can be found on the Issuer's Form HUD-11702, must certify the fidelity bond and E&O insurance information being submitted. Issuers are no longer required to include an insurance certificate with their submission but have the option to do so if they so choose. Applicants seeking approval to become Ginnie Mae Issuers will continue to submit fidelity bond and E&O insurance policies as required by Chapter 2, Part 7 and Chapter 7 Part 4 of the MBS Guide as part of the application process.

New Requirements for Audited Financial Statement Submissions

Effective with Issuer submissions on and after May 13, 2024, Issuers will be required to use GMC to submit audited financial statements that are due 90 days after the end of the Issuer's fiscal year. At submission, audited financial statements must be certified by the Issuer's chief executive officer, chief financial officer, or equivalent. The officer completing the certification must also be listed on the Issuer's Form HUD 11702, Resolution of Board of Directors, and



Certificate of Authorized Signatures (HUD 11702), that is in effect as of the date of the certification. In the event an Issuer changes their fiscal year-end, Ginnie Mae will now require Issuers to notify their Account Executive in writing of a change in their fiscal year-end within five (5) business days from its decision to change its fiscal year-end date, per the updated guidance in Chapter 3, Part 7, § A of the MBS Guide.

Extension requests in accordance with the requirements of Chapter 3, Part 7 §C of the MBS Guide will no longer be accepted by letter. Effective on and after May 13, 2024, extension requests must be submitted through GMC. The extension request must be certified by the Issuer's chief executive officer, chief financial officer, or equivalent. Additionally, the officer completing the certification for any Ginnie Mae Issuer must also be listed on the Issuer's Form HUD 11702, that is in effect as of the date of the certification.

Accessing and Using the Ginnie Mae Central Portal

Issuers should review the revised Appendix VI-20 for instructions on submitting their fidelity bond and E&O insurance policy; insurance policy cancellation or termination notices; audited financial statements; and extension requests (if any). Detailed information on the submission process will be located in the Ginnie Mae Central Insurance and Financials User Manuals, which will be posted on Ginnie Mae's website at https://www.ginniemae.gov/issuers/issuer_training/Pages/modernization.aspx . Their availability will be announced via a Modernization Bulletin.

Ginnie Mae has revised Chapters 2 and 3, and Appendix VI-20 of MBS Guide to reflect these changes. Chapter 6 of the HUD Consolidated Audit Guide (Audit Guide) will be updated at a future date. Until the Audit Guide update takes place, the requirements in the MBS guide supersede the requirements in the Audit Guide if the requirements in these two documents conflict.

If you have any questions regarding the policy changes in this announcement, please contact your Account Executive in the Office of Issuer and Portfolio Management. If you have any technical questions regarding accessing GMC and/or user manuals, please email askGinnieMae@hud.gov .



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