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APM 15-11

July 20, 2015

To: All Participants in Ginnie Mae Programs

From: Theodore W. Tozer, President

Subject: Prior Approval and RFS Testing Requirements for Transfer of Servicing Responsibilities

Ginnie Mae has noticed an increasing number of Issuers performing transfers of their servicing responsibilities or making changes to their servicing platforms that are causing Reporting and Feedback System (RFS) problems. A transfer of servicing responsibilities occurs when Issuers that perform servicing in-house move servicing responsibilities to a subservicer, or when Issuers that already use a subservicer move servicing to a different subservicer or move servicing in-house. Effective servicing as well as accurate and timely reporting are critical components of the Ginnie Mae Mortgage-Backed Securities Program. Ginnie Mae is enhancing its policy concerning transfers and other changes of servicing to ensure that, at all times, Issuers have the capacity and oversight controls necessary to meet their obligations under the Ginnie Mae Mortgage Backed Securities Program.

### **Transfers Involving Subservicers are Subject to Prior Ginnie Mae Approval**

Section 21-7 of the Mortgage-Backed Securities Guide, 5500.3, Rev.1 (MBS Guide), requires Issuers to obtain Ginnie Mae's written approval before transferring the performance of servicing responsibilities to a subservicer, or alternatively, from one subservicer to another.

Effective immediately, any Issuer that wishes to transfer the performance of its servicing responsibilities from a subservicer to an in-house servicing department must also obtain Ginnie Mae's written approval before implementing the relevant servicing transfer. Section 21-7 of the MBS Guide has been updated to reflect this requirement.

### **RFS Testing**

Effective September 1, 2015, any Issuer who makes a change to how it performs its servicing responsibilities, including a change to reporting systems, is required to conduct RFS testing. The following are examples of the types of changes in an Issuer's servicing that will require RFS testing:



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- moving all or a portion of its in-house servicing to a subservicer;
- moving all or a portion of its servicing from a subservicer to another subservicer;
- moving all or a portion of its servicing in-house from a subservicer; and
- implementing any change to its in-house servicing platform that has the potential to impact the format or accuracy of the data reported to RFS.

The applicable changes have been made to Sections 17-4 and 21-7 of the MBS Guide and are effective immediately.

If you have any questions regarding this announcement, please contact your Account Executive in the Office of Issuer and Portfolio Management directly or at (202) 708-1535.