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APM 15-13

August 18, 2015

To: All Participants in Ginnie Mae Programs

From: Theodore W. Tozer, President

Subject: Document Custodian's Certification of Form HUD 11708 Releases

Ginnie Mae hereby announces a revision to its policies regarding the documents required to be present for Final Certification and Recertification of pools and loan packages. Effective immediately, and subject to the requirements herein, Document Custodians may finally certify, or recertify, pools from which some loan files have been released back to the Issuer for reasons related to bankruptcy, foreclosure or loss mitigation.

Historically, the Ginnie Mae Document Custody Manual, Appendix V-1 to the Mortgage Backed Securities Guide 5500.3 REV.1 (MBS Guide), has required that Document Custodians verify all required documents are physically present at the Document Custodian in order for a pool or loan package to be eligible for final certification and/or recertification. This policy has created challenges for Issuers when loan documents have been released via 11708 prior to final certification and/or recertification in order to accommodate borrower foreclosures, bankruptcies and loss mitigation activities. Due to circumstances beyond the Issuer's control, released files may not available for return to the custodian in time for final certification or recertification. Consequently, in these instances, pools and/or loan packages would not be eligible for certification within Ginnie Mae's prescribed time-frame.

Therefore Ginnie Mae will permit final certification or recertification in a circumstance where a single family loan file has been released due to a non-liquidation reason related to bankruptcy, foreclosure or loss mitigation, when an Issuer substitutes written certification to that effect, an 11708, and all documents were present and reviewed by the document custodian prior to the file's release. This Issuer's written certification must include the following elements:

- Be prepared on Issuer's letterhead;
- Include the reason(s) why the files cannot be returned to the custodian (bankruptcy, foreclosure, or loss mitigation) prior to the final certification due date;
- Identify the name of the person or entity in possession of the file;
- Be signed by a representative of the entity in possession of the file;
- Identify the Issuer loan number, pool number, and borrower(s) last name(s);
- Include the following language "I certify that I have not knowingly or willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry. 18 U.S.C. 1001 provides that whoever does so within the jurisdiction of any



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department or agency of the United States shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.” and

- Be signed by a person authorized to sign for and on behalf of the Issuer and whose signature appears on the form HUD-11702.

Issuers may reference multiple loans on one attestation provided that the loans involved all reside in the same pool and are held by the same Document Custodian. Document Custodians must maintain all written certifications in the pool master file. These certifications may be reviewed and verified as part of Ginnie Mae’s compliance review of the Issuer or Document Custodian.

The Document Custodian procedures described in this APM have been incorporated into the recently revised and published Document Custody Manual, Appendix V-1 of the MBS Guide (Revised Manual) that will become effective January 1, 2016. Effective with the publication of this APM, Custodians may accept HUD-11708 releases for the above described circumstances and follow the review procedures contained in the Revised Manual, Chapter 3, Sections 3(D) and 3(E).

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.