

CHAPTER 1: THE ROLE AND RESPONSIBILITIES OF THE GINNIE MAE DOCUMENT CUSTODIAN

PART A. THE GINNIE MAE DOCUMENT CUSTODIAN'S ROLE

The primary role of the document custodian is to make required pool certifications and maintain physical and custodial control of required pool and loan documents. These activities are performed on behalf of Issuers, Ginnie Mae and security holders for the life of the pooled mortgages, or until its custodial responsibilities are transferred by the Issuer to another document custodian or otherwise terminated.

The document custodian is required to certify to Ginnie Mae that the loans constituting the pools of mortgages (as collateral for Ginnie Mae securities) are represented by the documents placed in the document custodian's control. The document custodian performs this function through a process of pool certifications and recertifications. Custodial guidelines for the certification and recertification processes are described generally in [Chapter 11](#) and [Chapter 13](#) of the Guide. Exceptions and additional requirements, if any, for particular pool types are described in [Chapters 24 through 35](#) of the Guide.

The document custodian works under direct contract with the Issuer, but has a fiduciary responsibility to Ginnie Mae. While an Issuer may utilize more than one document custodian, each pool is required to have only one document custodian.

Because an Issuer is ultimately responsible for the safekeeping of Ginnie Mae custodial documents at all times, Ginnie Mae holds the Issuer responsible for any and all losses incurred because the document custodian fails to perform its fiduciary responsibilities. However, with respect to any specific loss Ginnie Mae may incur because of the absence of, or a defect in, a particular document, Ginnie Mae also has the right to be made whole by the document custodian if it breaches its fiduciary obligations to Ginnie Mae with respect to the mortgages involved in the loss. Therefore, Ginnie Mae expects the Issuer to establish appropriate methods of monitoring the financial viability and operational capabilities of any document custodian it uses to hold custodial documents for Ginnie Mae.

PART B. THE MASTER CUSTODIAL AGREEMENT

The Issuer of a pool must obtain the services of an eligible custodial institution to hold all required documents relating to pools that serve as collateral for Ginnie Mae securities. The document custodian is required to perform its duties on behalf of Issuers, security holders and Ginnie Mae for the life of each pool or, with Ginnie Mae's prior written approval, until its custodial responsibilities are transferred by the Issuer, or by Ginnie Mae, to another document custodian or otherwise terminated. It is the responsibility of the Issuer to select an eligible document custodian and enter into a Master Custodial Agreement, form [HUD-11715](#) ([Appendix III-4](#)) ("form HUD 11715") for the submission of pools to the Pool Processing Agent ("PPA") for securities issuance.

By January 1 of each year, the Issuer and document custodian must execute a renewal form [HUD-11715](#) which the Issuer must submit to the PPA, or else indicate to the PPA that no changes have been made to the existing agreement. The document custodian has no responsibility to verify that the renewal form [HUD-11715](#) was submitted by the Issuer to the PPA, or that the Issuer indicated that no changes were made to the existing agreement.

The form [HUD-11715](#) sets forth the role of both the Issuer and the document custodian in the Ginnie Mae Program. Once completed, form [HUD-11715](#) covers all pools held by the custodian for an Issuer.

The document custodian negotiates all compensation for the performance of its custodial duties directly with the Issuer as stipulated in the form [HUD-11715](#). The Issuer is responsible for paying custodial fees to the document custodian. Ginnie Mae has no obligation to pay any compensation to document custodians for services rendered.

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Pursuant to the form [HUD-11715](#), Ginnie Mae recognizes the document custodian as an agent of the Issuer. As the holder of collateral documents for Ginnie Mae securities, the document custodian's primary responsibilities are:

- Physical safekeeping of pool and loan documents;
- Certifying the completeness and consistency of the required pool and mortgage documents; and
- Maintaining physical and custodial control over the release and transfer of pool and loan documents.

PART C. SAFEKEEPING REQUIREMENTS

The document custodian is required to protect the pool and loan documents in its physical custody. Ginnie Mae requires the document custodian to take reasonable precautions to protect the documents from theft, misplacement, fire, or other calamity.

To fulfill this safekeeping obligation, the document custodian is required to store the documents in a secure, fire-resistant facility and to develop and enforce procedures that:

- Prevent unauthorized access to the documents; and
- Maintain control over all documents received.

Required insurance coverages, fire protection standards and other requirements are presented in Chapters 2 and 7 of this Manual.

PART D. CERTIFICATION PROCESS

There are four different types of loan programs that may be pooled as collateral for Ginnie Mae securities. These programs are administered and insured by the Federal Housing Administration (FHA), guaranteed by the Department of Veterans Affairs (VA), guaranteed by the Rural Housing Service (RHS), or guaranteed by the Secretary under Section 184 of the Housing and Community Development Act of 1992. Section 184 loans are administered by the Office of Public and Indian Housing (PIH), and include single family home mortgages, manufactured home loans, multifamily construction loans, project loans, and HECM loans.

Note, however, that only the single family loan pools, manufactured home loan pools, and HECM loan pools require both initial and final certifications. Construction loan pools and project loan pools do not require separate initial and final certifications. Instead, only the single certification made prior to the security issuance is required.

The document custodian is required to formally certify that the documents in its control completely represent the related loans and pools in accordance with Ginnie Mae requirements, and are consistent with the Schedule of Pooled Mortgages, form [HUD-11706](#) or form HUD- 11706H ([Appendix III-7](#) of the Guide) ("form HUD- 11706").

The document custodian's certification, denoted on the back of the last page of the form [HUD-11706](#), provides Ginnie Mae with assurance that all required documents:

- Have been received;
- Are in compliance with Ginnie Mae requirements; and
- Are both complete and consistent.

The document custodian is required to review the pool submission for missing, incomplete, or inconsistent documents. If defective documents are identified, the document custodian is required to notify the Issuer in a timely manner. It is the Issuer's responsibility to correct and/or resolve any defects identified by the document custodian or to provide the document custodian with adequate clarification for those defects that are not considered material. This responsibility continues for the life of the pool

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or until the pool is transferred to a new Issuer. The document custodian is responsible for verifying that all necessary corrections have been made by the Issuer before certifying any loan or pool.

In providing pool certifications, the document custodian acknowledges receipt of all required documents and certifies that the documents meet the standards as set forth in this Manual and in the Guide. In so doing, they are attesting that the documents are comparable, complete and consistent. For example, a marketable title is one that, while not completely clear, has only minor objections that would not jeopardize the validity of the lien, and that a well informed and prudent buyer of real estate would accept. Adherence to the standards set forth in this Manual provides a level of assurance as to the marketability of documents under the document custodian's control. Document custodians who fail to comply with standards communicated in this Manual jeopardize the marketability of the documents in their control and may be found in violation of the intent of the custodial requirements of the Ginnie Mae MBS program, as well as their respective forms [HUD-11715](#).

PART E. CERTIFICATION TIME LIMITATION

All initial certifications under the single family, manufactured home, and HMBS programs must occur before securities are issued. Final certifications under the multi-family program for construction and project loan pools must occur before the securities are issued.

Final certification for single family, manufactured home, and HMBS pools must be completed within twelve (12) months of the date of security issuance. A pool may be transferred, with Ginnie Mae prior approval, to a new document custodian before final certification, but such transfer does not extend the final certification deadline.

When a pool that has received final certification is transferred via a transfer of document custodian or Issuer responsibility, the pool must be recertified within twelve (12) months of the date of transfer.

An Issuer may transfer its Issuer responsibilities for some or all of the pools it services, provided that the transfer has been approved in writing by Ginnie Mae prior to the transfer. The following rules govern the eligibility of pools to be transferred. A pool may not be transferred if any of the following conditions exist:

- Approval has not been granted by Ginnie Mae prior to the transfer (confirmation will be provided through GinnieNET to both document custodians involved in the transfer process);
- The pool has an issue date more than twelve (12) months prior to the effective transfer date, and has not yet received final certification;
- The issue date of the pool is less than 30 days before the effective date of the transfer, except in the case of immediate pool and loan package transfers;
- The effective date of the proposed transfer is less than 180 days from the date of its last transfer; or
- The pool was finally certified and subsequently transferred, but not yet recertified.

PART F. CONTROL OF DOCUMENTS

The document custodian is required to retain all pool-related documents for a single pool in one permanent storage location, as identified by the address of record on file with Ginnie Mae. The document custodian is required to permit representatives of the Issuer or Ginnie Mae (including Ginnie Mae's designees) to inspect any documents relating to pools under the document custodian's control. The Issuer may request removal of individual loan documents or an entire loan file by sending the document custodian, either in hard copy or electronically, a completed Request for Release of Documents, form [HUD-11708](#) ([Appendix V-05](#) of the Guide) ("form HUD-11708"). For a more detailed description of requirements for loan and document filing, removal and transfers, see [Chapter 7](#) of this Manual.

PART G. HUD FORMS AND OTHER POOL DOCUMENTS

In its fiduciary role, a Ginnie Mae document custodian is required to accept, review, and maintain various types of documents (including required HUD forms) relating to the pools of mortgages supporting the Mortgage-Backed Securities. It is also the responsibility of the Issuer to fully and accurately complete required forms before delivery to the document custodian. It is the responsibility of the Issuer to provide the document custodian with a current Resolution of Board of Directors and Certificate of Authorized Signers, form [HUD-11702](#) ([Appendix I-2](#) of the Guide) (“form HUD-11702”) listing those officers authorized to execute the appropriate loan and pool documents. If a document custodian discovers pool documents to be incomplete or otherwise deficient, it must return, on a timely basis, the documents to the Issuer for correction. **It is important to note that while the Issuer may authorize the document custodian to make corrections on the documents, Ginnie Mae ultimately holds the Issuer responsible for the quality of those documents.**

All executed HUD forms must be filed in a specific Issuer Master File or Pool Master File for each pool.

[Chapter 13](#) of the Guide generally describes the documents required for pool issuance. The individual program Chapters, [Chapters 24 through 35](#) in the Guide, describe exceptions and additional documents, if any, that are required for the issuance of particular pool types.

Documents referred to in this Manual and identified by the term “form HUD” are included as Appendices in the Guide. They may be found on the Ginnie Mae website at www.ginniemae.gov.

CHAPTER 2: DOCUMENT CUSTODIAN ELIGIBILITY REQUIREMENTS

PART A. GENERAL ELIGIBILITY REQUIREMENTS FOR DOCUMENT CUSTODIANS

To be a document custodian for Ginnie Mae pools, an organization must meet, and continue to satisfy, the following general requirements:

Section 1. Subject to Federal Banking Regulation & Oversight

The document custodian must be a financial institution subject to federal banking regulation and oversight by one of the following agencies:

- (a) Federal Deposit Insurance Corporation (FDIC);
- (b) Office of the Comptroller of the Currency (OCC);
- (c) National Credit Union Administration (NCUA);
- (d) Federal Reserve (FRB); or
- (e) Be a Federal Home Loan Bank (FHLB).

The document custodian must be in good standing with its primary regulator, which means that the organization must not be in receivership, conservatorship, liquidation or any other program of management oversight by its primary regulator, unless it is operating under an approved management plan. In the event of a failure to be in good standing with its primary regulator, the document custodian must immediately notify Ginnie Mae in writing of all formal or informal supervisory and/or regulatory actions, including terminations. Regulatory actions include, but are not limited to, supervisory agreements, cease and desist orders, notices of determination, memoranda of understanding, and any adverse action taken by the U.S. Department of Housing and Urban Development (HUD), Department of Public and Indian Housing (PIH), Department of Veterans Affairs (VA), Rural Development (RD), or by any state regulatory agency. Supervisory actions include, but are not limited to, the appointment of a trustee, conservator or managing agent.

The trust service function must be subject to periodic review or inspection by the primary regulator. If, upon such review, the trust service function is suspended or terminated, the Issuer and document custodian must notify Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) immediately and must transfer the documents to a new document custodian in accordance with Ginnie Mae instructions.

Section 2. Maintain Physically Secure, Fire Resistant Storage Facilities

A document custodian must maintain secure, fire resistant storage facilities with adequate access controls to ensure the safety and security of pool and loan documents. The access controls may be either in (1) an automated form, such as requiring each employee to use a security card reader (with electronic access record) to gain entry to the vault; or (2) a manual form, requiring two employees to be present whenever the vault is entered, with a written access log maintained.

All document custodial facilities must provide a minimum of two (2) hours of fire protection, which must be attested to by a written statement from the insurance company of the document custodian, the fire marshal of the applicable jurisdiction or an independent, qualified fire protection contractor. This statement of compliance must be updated upon any significant change in the facility and be available for inspection by Ginnie Mae or its designee.

Section 3. Employ Personnel with in-depth Knowledge of the Ginnie Mae Programs for which it will Provide Document Custody Services

A document custodian is required to utilize employees who are familiar with the procedures of their respective job function and:

- (a) The requirements for document custodians under the Ginnie Mae MBS program as contained in the MBS Guide, including this Manual;
- (b) Demonstrate practical experience with each Ginnie Mae program type that represents loan and pool packages that will be held in custody;
- (c) The required pool and loan documents; and

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- (d) The required Ginnie Mae, HUD, FHA, VA, RHS and PIH Section 184 documents and corresponding loan programs

Section 4. Meet Minimum Ginnie Mae Financial Requirements

The document custodian must have available for review, by Ginnie Mae or its designee, annual financial statements audited by an Independent Auditor (IA) that report that the document custodian, or its parent, meets the minimum capital requirements of its primary regulator. Ginnie Mae, in its sole discretion, may allow institutions to hold documents and take on additional work while operating under an approved management plan. However, while a document custodian is preparing a capital/management plan or awaiting approval of the plan by its regulator, the document custodian may be prevented from accepting Ginnie Mae related custodial work. Institutions will not be allowed to accept new Ginnie Mae related custodial work while experiencing a capital shortfall.

Section 5. Maintain Minimum Insurance Coverages

A document custodian must maintain the following insurance coverages to indemnify Ginnie Mae against losses involving Ginnie Mae pool and loan documents in its custody:

- (a) Financial Institution Bond to include the following coverages:
- (i) Fidelity
 - (ii) Premises
 - (iii) In Transit
 - (iv) Forgery or Alteration
- (b) Trust Operations Errors and Omissions (“E&O”) for document custodians holding in excess of \$500 million in Ginnie Mae pool and loan documents

The Financial Institution Bond must be underwritten by an insurance carrier with an A. M. Best’s rating of B+ or better (or be affiliated with Lloyds of London). The carrier must be specifically licensed or authorized by law to transact business within the states or territories in which properties securing the pool and loan documents are located.

The loss payable endorsement must name Ginnie Mae as the loss payee, as follows:

In the event of a loss affecting the interest of the Government National Mortgage Association, the Government National Mortgage Association, its successors and assigns shall be named on the loss payable draft as their interests may appear.

Coverage must be maintained in amounts that are deemed adequate for the number of notes, mortgages, and assignments held in custody and that are deemed appropriate based on prudent business practice. The deductible should be no more than the greater of five (5) percent of the document custodian’s generally accepted accounting principles (GAAP) net worth or One Hundred Thousand Dollars (\$100,000), but in no case greater than (Ten Million Dollars) \$10,000,000.

Section 6. Follow Established Written Procedures

The document custodian must establish and periodically update written procedures within its operation for Ginnie Mae pool and loan document review, and for the processing of pool and loan documents. The written procedures must, at a minimum, address the document review and control requirements set forth in this Manual.

Section 7. Maintain a Written Disaster Recovery Plan

The written disaster recovery plan must cover restoration of the facilities, physical recovery of the files, and backup and recovery of information from electronic data processing systems. The disaster recovery plan must document, the following, at a minimum:

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- (a) The recovery of the electronic tracking system utilized by the document custodian (both data and reports);
- (b) The relocation/restoration of the document custodial facilities to ensure the continuing ability to perform required custodial functions;
- (c) Additional requirements for the testing and maintenance of the plan;
- (d) Procedures for notifying both the Issuer(s) and Ginnie Mae of a disaster within 24 hours of the event; and
- (e) Certification testing which provides for the disaster recovery plan to be tested annually and acknowledged by an independent party (i.e., Internal Audit or an Independent Auditor). Such acknowledgment must state that the test was completed successfully. In the event that the document custodian facility failed the disaster recovery test, the date of the failed test and the reason(s) for the failure, and the date the most recent successful test was completed.

The document custodian must inform Ginnie Mae and all Issuers affected by a disaster within 24 hours of the event. Continued discussions with Ginnie Mae staff during the subsequent period are required until completed.

Actual recovery plans involving the re-creation of documents lost during the disaster will be reviewed on a case-by-case basis with Ginnie Mae staff, the Issuer and the document custodian.

Issuers ultimately bear full responsibility for the reconstruction of loan files. The degree of responsibility of the document custodian to the Issuer depends on the contractual agreement between the two parties.

Section 8. Maintain a Quality Control Plan

The document custodian must have in place and maintain a written quality control plan for review standards utilized by the document custodian.

The document custodian also must have available for review, by Ginnie Mae or its designee, its most recent quality control audit report and must disclose any action taken as a result of the quality control review findings.

Section 9. Remain in Good Standing

If the document custodian is a Government Sponsored Enterprise (“GSE”) approved document custodian, it must be in good standing with the GSE(s), certify to Ginnie Mae to that effect, and certify whether it is or has been the subject of any adverse action by either GSE; and

In the event of any adverse action, including but not limited to suspension or termination of document custodian authority, by one or both of the GSEs, the document custodian must notify Ginnie Mae in writing immediately.

The document custodian also must notify Ginnie Mae in writing immediately upon the receipt of any adverse, supervisory or regulatory action taken against it by the U.S. Department of Housing and Urban Development (HUD) Office of Public and Indian Housing (PIH), the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), Department of Agriculture’s Rural Development Office (RD), or by a state licensing agency. Supervisory actions include, but are not limited to, the appointment of a trustee, conservator or managing agent. Regulatory actions include, but are not limited to, supervisory agreements, cease and desist orders, notices of determination, memoranda of understanding, and any adverse action taken by the U.S. Department of Housing and Urban Development (HUD) Office of Public and Indian Housing (PIH), Federal Housing Administration, Department of Veterans Affairs, Department of Agriculture’s Office of Rural Development, or by a state licensing agency.

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Section 10. Possess Fiduciary Powers

The document custodian must have or obtain approval to exercise fiduciary powers from its primary regulator. Such fiduciary powers must:

- (a) include ordinary trust services such as personal trust services, personal representative services (executor), guardianship, custodial services and/or investment advisory services offered to the public; and
- (b) not be limited to maintaining custody of documents for Ginnie Mae Issuers.

The document custodian function must also be subject to periodic review or inspection by the primary regulator. If, upon such review, the document custodian function is suspended or terminated, the Issuer and document custodian must immediately notify Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) and must transfer the documents to a new document custodian pursuant to Ginnie Mae's instructions.

Section 11. Remain Physically Separate from Clients Participating in Ginnie Mae's Program

The document custodian operations, including the custodian's files, must be physically separate from the mortgage origination, selling, or servicing department of any entity for which the document custodian provides the custodial functions required by the MBS Guide.

Section 12. Other Requirements

A document custodian must satisfy all requirements determined by Ginnie Mae, in its sole discretion, to be necessary for the protection of Ginnie Mae's interest in the pool and loan documents and set forth in writing.

PART B. ADDITIONAL REQUIREMENTS FOR ISSUERS PERFORMING SELF CUSTODY

An Issuer that meets the requirements of [Part A, General Eligibility Requirements for document custodians](#), may perform the custodial functions required in this Manual for its own issuance activities, but only if:

- the issuer has a trust department with fiduciary powers in accordance the requirements of [Section A\(10\), Possess Fiduciary Powers](#);
- Such trust department is vertically independent from the Issuer's mortgage loan origination, servicing or selling functions. Neither the trust department, nor any of its principals, officers, or employees, may be directly or indirectly supervised by any principal, officer, or employee of the Issuer's mortgage loan origination, servicing, or selling functions;
- The trust department maintains personnel that is different and separate from any personnel within the Issuer's mortgage loan origination, servicing, or selling functions, and;
- The custodial functions are performed by the trust department described herein.

PART C. ADDITIONAL REQUIREMENTS FOR PERFORMING CUSTODIAL ACTIVITIES FOR AFFILIATES

An "Affiliate" is an organization that can exercise control or significant influence over the management or operating policies of the Issuer, directly or indirectly, through some type of influence or control or ownership, as defined in GAAP. An Affiliate may also be an organization that is controlled by, or whose management or operating policies may be significantly influenced by, the Issuer, through some type of control or ownership, as defined in GAAP.

Document custodians may not provide the custodial functions required by this Guide for any Affiliate unless the following two conditions are met:

- First, the document custodian must meet and continue to satisfy the requirements of [Part A, General Eligibility Requirements for Document Custodians](#); and
- Second, the document custodian must be, and remain, vertically independent from the Affiliate Issuer. For purposes of this requirement, the document custodian is **not** vertically independent if:

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- its principals, officers, or employees are directly or indirectly supervised by the Affiliate Issuer;
- it must report to its controlling entity or another Affiliate through the Affiliate Issuer or any of the Affiliate Issuer's employees, or;
- the document custodian, its principals, officers, or employees are supervised by an Affiliate that is controlled by the Affiliate Issuer.

PART D. DOCUMENTATION OF ELIGIBILITY

The document custodian must retain the following documentation in its files as evidence of its compliance with Ginnie Mae requirements:

Section 1. Management Statement of Good Standing

Management's statement that the organization is in good standing with its primary Federal banking regulator as described under [Section \(A\)\(1\), Subject to Federal Banking Regulation & Oversight](#), above.

Section 2. Proof of Storage Facilities Security

Documentation from the document custodian's insurance company, local fire marshal or an independent, qualified fire protection contractor as described under [Section \(A\)\(2\), Maintain Physically Secure, Fire Resistant Storage Facilities](#), above.

Section 3. Documentation Related to Personnel Experience and Qualifications

Résumés from the on-site manager and the officers who will supervise the Ginnie Mae document custodial functions. Such résumés must address the requirements under [Section \(A\)\(3\), Employ Personnel with in-depth Knowledge of the Ginnie Mae Programs for Which it will Provide Document Custody Services](#), as well as related trust and/or mortgage document custodial experience.

Section 4. Financial Statements

A current audited annual financial statement of the document custodian or its parent as required under [Section \(A\)\(4\), Meet Minimum Ginnie Mae Financial Requirements](#), above.

Section 5. Proof of Insurance Coverage

Evidence of insurance coverage, policies or commitments pertaining to insurance as required under [Part A, Section \(5\), Maintain Minimum Insurance Coverages](#).

Section 6. Statement of Written Procedures

A statement from management that the organization has established the required written procedures for document review.

Section 7. Proof of Fiduciary Powers

A copy of the approval from the document custodian's primary regulator permitting the institution to exercise fiduciary powers and a written statement from management explicitly describing how the organization meets the trust department requirements; or

If the document custodian is an Issuer that is performing custodial functions for itself (self-custody), maintain a copy of the approval from its primary regulator permitting the institution to exercise fiduciary powers and a written statement from management explicitly describing how the organization meets the trust department requirements under [Part B, Additional Requirements for Issuers Performing Self Custody](#), as well as a description of the corporate structure, an organizational chart, or any other supporting documentation when required by Ginnie Mae.

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Section 8. Additional Documentation for Entities Providing Custodial Services for an Affiliate

If the document custodian will provide document custodial services for an affiliated Issuer, then the document custodian must have a written statement from management describing the nature of the affiliate relationship, signed by both the issuer and the document custodian; a copy of the document custodian's written approval from its primary regulator to exercise fiduciary powers and supporting documents evidencing that the organization meets the requirements under [Part C, Additional Requirements for Performing Custodial Activities for Affiliates](#), including a description of the corporate structure or an organizational chart as required by Ginnie Mae, and;

Section 9. List of Clients that Participate in Ginnie Mae's Program

A current listing of all Issuers for whom the document custodian provides document custody services, detailing the Ginnie Mae pools maintained by the document custodian on behalf of those Issuers.

This documentation must be retained by the document custodian and made available to Ginnie Mae or its designee.

The document custodian must be able to respond to inquiries from Ginnie Mae or its designee in a timely manner and demonstrate the capability and agreement to comply with the requirements described above and any other requirements that Ginnie Mae, in its sole discretion, may establish.

PART E. GINNIE MAE DOCUMENT CUSTODIAN ID NUMBER

If the institution meets all eligibility requirements Ginnie Mae, in its sole discretion, may assign the institution a Ginnie Mae document custodian identification number. The institution must contact Ginnie Mae (see [Summary of Addresses](#) in the Guide) to obtain a document custodian identification number. This ID number must be included in all correspondence with Ginnie Mae and with all custodial signatures on the HUD forms.

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

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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.

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- (iii) At initial certification the Issuer may use a blanket certification which certifies that all intervening assignments for mortgages located in the same recording jurisdiction have been transmitted for recordation.
- (iv) As an alternative to individual intervening mortgage assignments, a blanket intervening assignment is acceptable if it is allowed in the jurisdiction in which the mortgaged properties are located, as documented in an opinion from qualified outside legal counsel. Blanket intervening assignments to an Issuer can be made for mortgages as long as the mortgaged properties are located in the same recording jurisdiction.

Section 4. Additional Required Documents for Modified Loans.

The document custodian must obtain from the Issuer the following additional properly executed pool and loan documents for initial certification of modified loans that are being -pooled:

- (a) The original recorded loan modification agreement, or a copy of the loan modification agreement sent for recordation, unless the property is located in Puerto Rico, in which case recordation is not required;
- (b) If a subordination agreement has been provided by the Issuer, the document custodian must confirm that it is either the original subordination agreement, or a copy of the subordination agreement sent for recordation;
- (c) The original note; and
- (d) For loans modified on or after January 1, 2005, the original recorded security instrument as follows:
 - (i) Modified less than 1 year from loan origination: a copy of the security instrument sent for recording; or
 - (ii) Modified 1 year or more from loan origination: the original recorded security instrument. A copy of the recorded security instrument is acceptable only if the original is lost.

Section 5. Additional Required Documents for Consolidation, Extension & Modification Agreements (NY CEMAs).

Issuers may document refinanced mortgages secured by property located in New York State by using a NY CEMA. The NY CEMA specifically joins into one set of rights and obligations all of the promises and agreements stated in existing notes and mortgages secured by the mortgaged premises, including if new funds are advanced to the mortgagor at the time of the consolidation, a new note and mortgage. The result is that the mortgagor has one loan obligation that is paid in accordance with the terms of the NY CEMA.

Issuers originating a refinanced mortgage using a NY CEMA for a property located in New York State for delivery to Ginnie Mae must use a current version of the New York Consolidation, Extension and Modification Agreement, Single-Family Fannie Mae/Freddie Mac Uniform Instrument (Form 3172). The Issuer must deliver to the document custodian the complete NY CEMA delivery package listed below, together with a separate, originally executed consolidated note, to allow for initial certification and pooling:

- (a) The original consolidated note 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;

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- (b) A copy of the New York Consolidation, Extension, and Modification Agreement, Fannie Mae/Freddie Mac Uniform Instrument Form 3172, including the exhibits described below, sent for recording:
- (i) Exhibit “A” (listing of all previous notes & mortgages being consolidated, extended and modified);
 - (ii) Exhibit “B” (property description);
 - (iii) Exhibit “C” (copy of the executed consolidated note); and
 - (iv) Exhibit “D” (copy of the executed consolidated mortgage).

Items listed above in [Section 3, Required Documents for All Single Family MBS Program Pools](#), are required for each pooled mortgage. In no case may a Request for Release of Documents, form [HUD-11708](#) ([Appendix V-5](#) of the Guide) (“form [HUD-11708](#)”) substitute for a required loan document at the time the document custodian performs an initial certification. Releases may only be processed after the document custodian delivers its certification to Ginnie Mae via hard copy or through GinnieNET.

Section 6. Document Review Procedures for Initial Certification

At a minimum, the document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the review procedures must be referred to the Issuer in a timely manner for correction.

It is important to note that while the Issuer may authorize the document custodian to make corrections to the documents, Ginnie Mae ultimately holds the Issuer responsible for the acceptability of the documents.

- (a) Procedures for Reviewing the Form [HUD-11706](#)
- (i) Verify that the total number of loans reported on the form [HUD-11706](#) is consistent with the loan files received.
 - (ii) Verify that the form [HUD-11706](#) has been completely filled out for both the Issuer and document custodian, including the Ginnie Mae identification numbers of each entity.
 - (iii) File the form [HUD-11706](#) in the related Pool Master File.
- (b) Procedures for Reviewing the Form [HUD-11711B](#)
- (i) Verify that the pool number on the form [HUD-11711B](#) agrees with the Ginnie Mae pool/loan package number on the related form [HUD-11706](#).
 - (ii) Determine that one of the two boxes on the form has been checked.
 - (iii) The form [HUD-11711B](#) indicates that there is a second-party security interest in any pooled mortgage, verify that there is an original executed form [HUD-11711A](#) corresponding to the affected mortgage(s).
 - (iv) File the forms [HUD-11711A](#) and [HUD-11711B](#), if required, in the Pool Master File. If the document custodian determines, or has reason to suspect, that an Issuer’s certification is incorrect, the document custodian must refuse the form [HUD-11711B](#) until the certification issues have been resolved.
- (c) Procedures for Reviewing the Promissory Note (or other evidence of indebtedness)
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- (i) Verify that each item listed below is the same on both the promissory note and the related form [HUD-11706](#):
- (A) Mortgagor name(s);
 - (B) Principal amount
 - (C) Interest rate
 - (D) Monthly principal and interest payment
 - (E) Term of the loan (first and last payment due dates);
 - (F) Property street address, city and state (if property address is included on the note);
 - (G) Verify the mortgage margin for ARMs
 - (H) Verify the interest rate change date for ARMs;
 - (I) Verify the index type for ARMs,
 - (J) Verify the interest rate cap structure for ARMs, including the initial, subsequent and lifetime interest rate cap structure on the note.

The interest rate change date, index type and interest rate cap structure must be the same for every ARM note in the pool.

If a new note is signed due to changes resulting in a note with a different principal amount or P&I constant, which does not match the form [HUD-11706](#), the pool may not be certified. The document custodian must notify the Issuer. The Issuer must make the necessary corrections to the form [HUD-11706](#) and resubmit the pool for certification.

A note is deemed unacceptable if there are changes that materially affect the terms of the note and these changes are not initialed by the mortgagor(s). Material changes include changes to the original loan amount, interest rate, monthly payment or maturity date, or deletion of any of the mortgage covenants.

After verifying the consistency and accuracy of information on the form [HUD-11706](#) and the promissory note under this Section (6) the form [HUD-11706](#) will then be the source document to be used to verify information on all other documents at final certification.

- (ii) Verify that each signature on the note agrees with the name typed below the signature line on which it appears. If a signature varies from the typed name, the degree of variance determines the acceptability of the document for certification. If the variation is a missing middle initial or the omission of "Jr." or "Sr.", it is deemed acceptable. Other acceptable variations include a mortgagor over-signing or undersigning the document, such as the mortgagor signing either as George Allen Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the signed name other than the types of variances discussed above, an original copy of the notarized name affidavit must be provided.

If the note has been executed by an attorney-in-fact, a copy of the power of attorney must be included in the file and must be executed on or before the date of execution of the note. The copy of the power of attorney must be notarized and if the property address is present, verify it matches the property address on the note. The power of attorney must have been active and valid, at the time the note was executed. If the power of attorney specifically addresses real estate transactions, verify its terms permit the mortgage transaction to which it is attached.

If the note is secured by a security interest in real property for which a living trust holds title, (1) verify that at least one signature appears on the promissory note as trustee, (2) ensure that the trustee(s) signature(s) identifies the related trust and the date of the trust,

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and (3) verify that at least one signature appears on the promissory note in a borrower capacity.

- (iii) Verify that a complete chain of endorsements exists from the loan originator to the pooling Issuer. Ginnie Mae requires that the chain of endorsements from the loan originator to the pooling Issuer be complete.

The endorsement by the pooling Issuer should be on the note, be in blank, and should not include a date. Allonges may be used as long as they are enforceable and meet the requirements of the jurisdiction in which the mortgaged property is located. The allonge must be an original, must clearly reference the note, and must be firmly affixed to the note.

The Issuer is responsible for ensuring that each allonge meets the requirements of the jurisdiction in which the property is located and enforceable. Allonges may not be used in jurisdictions where their use is not allowed.

- (iv) Verify that the undated endorsement in blank and without recourse was made by an authorized officer of the Issuer by comparing the signature on the endorsement to the Resolution of Board of Directors and Certificate of Authorized Signers, form [HUD-11702](#) ([Appendix I-2](#) of the Guide) (“form HUD-11702”). It is the Issuer’s responsibility to ensure that the document custodian has a current copy of form [HUD-11702](#).

Ginnie Mae permits the use of facsimile signatures when placing endorsements on original notes and allonges, provided that the following conditions are met:

- (A) The use of facsimile signatures is acceptable under the laws of the relevant jurisdiction in which the property is located;
- (B) Such signatures are not prohibited under the Issuer’s corporate charter and are either permitted by the Issuer’s bylaws or authorized by a corporate resolution duly enacted by the Issuer’s board of directors; and
- (C) Such signatures must be notarized when required by jurisdictional law.

Examine the promissory note for sections requiring a notarization, acknowledgment or witness. If any are present, verify that such sections have been completed.

- (v) Verify that each rider, allonge or addendum relates to and references the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective documents must be filed with the original note.
- (vi) If the note has been lost in transit to the document custodian, or in some other way, prior to initial certification of the pool, then the Issuer must obtain the borrower’s original signature on a copy of the pooled note, or the pool may not be certified.

If the pooled note is missing, the document custodian must request that the Issuer provide a copy of the pooled note with original signatures by the mortgagors. Neither a lost instrument bond nor a lost note affidavit may substitute for a missing pooled note at the time of initial certification.

However, for NY CEMAs and loan modifications, a lost instrument bond with limited liability, in the form prescribed by Ginnie Mae, is permitted as indicated below, if it has been obtained from an unaffiliated insurance or surety company and is accompanied by the appropriate power of attorney and certification as required by the insurance or surety company.

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- (A) NY CEMAs—A lost instrument bond may substitute for a prior note listed in “Exhibit A” of the Consolidated Note and must be in an amount that is at least the amount represented by the missing note.
- (B) Modified Loans—A Lost Instrument Bond may substitute for the note executed at the time the loan was made and must be for the full amount of the missing note.

Note: Appendix I of this Document Custodian Manual is the form of the lost instrument bond with limited liability that is prescribed by Ginnie Mae and must be used. Substitution of a different form will not be accepted. Lost note affidavits are not acceptable.

(d) Procedures for Reviewing the Security Instrument Assignments

(i) Individual Mortgage Intervening Assignments

- (A) Verify that all intervening assignments follow a complete chain of title from the original lender to the Issuer or MERS. If MERS is designated in the security instrument as the Original Mortgagee (“MOM”), no intervening assignments will be required as long as the loan remains registered with MERS.
- (B) Ginnie Mae requires a chain of assignments from the originator of the mortgage loan to the current Issuer. The mortgage assignments must be complete. The note endorsement may be from the originator to company “C” and the intervening assignments may be from the originator to company “B”, then to company “C”. Both the note and security instrument must have a complete chain of title, even if the two chains are not identical.
- (C) Verify that all intervening assignments have been transmitted for recordation, if required. The Issuer may generate a blanket certification for each individual pool in letter form certifying that all intervening assignments have been transmitted for recordation. Copies of the intervening assignments are not required at initial certification if the Issuer provides a blanket certification. The intervening assignments may be recorded concurrently with the security instrument or immediately thereafter. Ginnie Mae will accept marginal assignments in the margin of the security instrument if such documents are acceptable in the relevant recording jurisdiction.
- (D) Verify that the mortgagor name(s) on the assignment agree(s) with the mortgagor name(s) on the form [HUD-11706](#).
- (E) If an intervening assignment is presented that bears no evidence of being transmitted for recordation, it must be accompanied by an individual mortgage legal opinion from outside legal counsel qualified to practice law in the jurisdiction in which the property is located. The legal opinion must state that the assignment(s) are enforceable in the jurisdiction where the mortgaged property is located. The original legal opinion letter must be filed in the loan file.

(ii) Blanket Intervening Assignments

- (A) Blanket intervening assignments to an Issuer can be made for mortgages in separate and distinct pools that are in the same recording jurisdiction.
 - (B) Verify that all blanket intervening assignments have been certified by the Issuer as having been transmitted for recordation.
 - (C) Verify that a copy of each blanket intervening assignment is maintained in each loan file to which the blanket intervening assignment applies and that a copy of the recorded blanket intervening assignment sent for recording is maintained in the
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applicable Pool Master File. The recorded original blanket intervening assignment when received is maintained in the Issuer Master File.

- (D) Ginnie Mae permits the use of a blanket intervening assignment certification form in lieu of making a copy of the recorded blanket intervening assignment sent for recording for each loan. The certification form must be placed in each loan file where the loan was assigned on a blanket intervening assignment, and must state that the recorded original blanket intervening assignment will be held in the Issuer Master File.
- (E) A blanket intervening assignment is acceptable if it is allowed in the jurisdiction in which the mortgaged properties are located, as documented in an opinion from qualified outside legal counsel. Blanket intervening assignments to an Issuer can be made for mortgages as long as the mortgaged properties are located in the same recording jurisdiction.

Note: Security instrument assignments (both individual mortgage intervening assignments and blanket intervening assignments) are not required in Puerto Rico.

(e) Additional Procedures for Reviewing Modified Loans

(i) Loan Modification Agreement

- (A) Verify that each item listed below is the same on both the loan modification agreement and the security instrument executed at the time of loan origination:
 - (1) Mortgagor name(s);
 - (2) Date of original security instrument;
 - (3) Property address;
 - (4) Legal description;
- (B) Verify the name(s) of all persons (or their authorized representative(s)) who signed the original security instrument unless a mortgagor or co-mortgagor is deceased or has been released from liability; or a new borrower has been added to the loan through the modification and the file contains appropriate documentation. Verify that any required notarization, acknowledgment, or witness sections have been completed.
- (C) If the modification agreement is secured by a security interest in real property for which a living trust holds title, (1) verify that at least one signature appears on the modification agreement, (2) ensure that the trustee(s) signature(s) identifies the related trust and the date of the trust, and (3) verify that at least one signature appears on the modification agreement in a borrower capacity.
- (D) Loan modification agreements for properties in Puerto Rico are not required to be recorded.

(ii) Security Instrument

- (A) Verify that each item listed below is the same on both the security instrument and the original promissory note:
 - (1) Mortgagor name(s);
 - (2) Property address;

(f) Additional Procedures for Reviewing NY CEMA Loans.

The following procedures must also be performed for purposes of initial certification of pools containing NY CEMA loans:

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- (i) Consolidated Note
- (A) Verify that the note contains the following language:
- (1) For fixed rate notes:
“Consolidated note
This note amends and restates in their entirety, and is given in substitution for, the notes described in Exhibit A of the New York Consolidation, Extension, and Modification Agreement dated the same date as this note.”
- (2) For adjustable rate notes:
“Consolidated Adjustable Rate note
This note amends and restates in their entirety, and is given in substitution for, the notes described in Exhibit A of the New York Consolidation, Extension, and Modification Agreement dated the same date as this note.”
- (B) Verify that each item listed below is the same on both the consolidated note and the related form [HUD-11706](#):
- (1) Mortgagor name(s);
- (2) Principal amount);
- (3) Interest rate
- (4) Monthly principal and interest payment
- (5) Term of the loan (first and last payment due dates);
- (6) Property street address, city and state (if property address is included on the note);
- (C) Verify the mortgage margin for ARMs
- (1) Verify the interest rate change date for ARMs;
- (2) Verify the index type for ARMs,
- (3) Verify the interest rate cap structure for ARMs, including the initial, subsequent and lifetime interest rate cap structure on the note.
- (D) Verify that the interest rate change date, index type and interest rate cap structure are the same for every note in the pool.

If a new consolidated note is signed due to changes resulting in a consolidated note with a different principal amount or P&I constant, which does not match the form [HUD-11706](#), the pool may not be certified. The document custodian must notify the Issuer. The Issuer must make the necessary corrections to the form [HUD-11706](#) and resubmit the pool for certification.

A consolidated note is deemed unacceptable if there are changes that materially affect the terms of the note and these changes are not initialed by the mortgagor(s). Material changes include changes to the original loan amount, interest rate, monthly payment or maturity date, or deletion of any of the mortgage covenants.

- (E) Verify that each signature on the consolidated note agrees with the name typed below the signature line on which it appears. If a signature varies from the typed name, the degree of variance determines the acceptability of the document for certification. If the variation is a missing middle initial or the omission of “Jr.” or “Sr.”, it is deemed acceptable. Other acceptable variations include a mortgagor over-signing or undersigning the document, such as the mortgagor signing either as George Allen Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the

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signed name other than the types of variances discussed above, an original copy of the notarized name affidavit must be provided.

If the consolidated note is executed by an attorney-in-fact, a copy of the power of attorney must be included in the file and should be executed on or before the date of execution of the note. The copy of the power of attorney must be notarized and if the property address is present, verify that it matches the property address on the note. The power of attorney must have been active and valid at the time the consolidated note was executed. If the power of attorney specifically addresses real estate transactions, verify that its terms permit the mortgage transaction to which it is attached.

- (F) If the consolidated note is secured by a security interest in real property for which a living trust holds title, (1) verify that at least one trustee signature appears on the modification agreement, (2) ensure that the trustee(s) signature(s) identifies the related trust and the date of the trust, and (3) verify that at least one signature appears on the modification agreement in a borrower capacity.
- (G) Verify that a complete chain of signed endorsements exists from the loan originator to the pooling Issuer. Ginnie Mae requires that the chain of endorsements from the loan originator to the pooling Issuer be complete.
- (H) Verify that the endorsement by the pooling Issuer is on the note, in blank, and does not include a date. Allonges may be used as long as they are enforceable and meet the requirements of the jurisdiction in which the mortgaged property is located. The allonge must be an original, must clearly reference the note, and must be firmly affixed to the note.

The Issuer is responsible for ensuring that each allonge meets the requirements of the jurisdiction in which the property is located and is enforceable. Allonges may not be used in jurisdictions where their use is not allowed.

- (I) Verify that the undated endorsement in blank and without recourse was made by an authorized officer of the Issuer by comparing the signature on the endorsement to the Resolution of Board of Directors and Certificate of Authorized Signers, form [HUD-11702](#) ([Appendix I-2](#) of the Guide). It is the Issuer's responsibility to ensure that the document custodian has a current copy of form [HUD-11702](#).

Verify that any facsimile signatures on endorsements meet Ginnie Mae requirements for acceptability in [Part B, Section 6\(c\)\(iv\)](#).

Examine the consolidated note for sections requiring a notarization, acknowledgment or witness. If any are present, verify that such sections have been completed.

- (J) Verify that each rider, allonge or addendum relates to and references the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective documents must be firmly affixed to the original note.
- (K) In the case of a missing consolidated note, the document custodian must request that the Issuer provide a copy of the consolidated note with original signatures by the mortgagors. Neither a lost instrument bond nor a lost note affidavit is acceptable.

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- (ii) Consolidation, Extension, & Modification Agreements (NY CEMAs)
 - (A) Verify that a copy of the NY CEMA sent for recording contains the following exhibits:
 - (1) Exhibit "A": Verify that a listing of all previous notes and mortgages being consolidated, extended or modified is present.
 - (2) Exhibit "B": Verify that the property description is present.
 - (3) Exhibit "C": Verify that a copy of the executed consolidated note is present.
 - (4) Exhibit "D": Verify that a copy of the executed consolidated mortgage is present.

Section 7. Procedures for Completing the Initial Certification

Upon completion of the custodian's review of the pool and loan documents, the Document Custodian must determine whether to provide an Initial Certification or reject the MBS Program Pool due to non-compliance with Ginnie Mae standards. The applicable procedure for finalizing the Initial Certification Process depends on whether the relevant pool was submitted electronically through GinnieNET or in hard copy.

- (a) Completing the Initial Certification for an MBS Program Pool Submitted in Hard Copy
 - (i) the document custodian must date and sign the initial certification on the hard copy of the form [HUD-11706](#). If the form [HUD-11706](#) includes more than one page, the document custodian need only sign the last page.
 - (ii) the document custodian must identify the name, address and Ginnie Mae ID number of the document custodian.
 - (iii) the document custodian must identify the name and title of the authorized employee who signed the certification.
- (b) Completing the Initial Certification for an MBS Program Pool Submitted Electronically Through GinnieNET
 - (i) the document custodian retrieves the Schedule of Pooled Mortgages or the Schedule of Pooled Participations and Mortgages from GinnieNET and prints it.
 - (ii) The custodian then executes the initial certification and transmits the certification or rejection over the GinnieNET system, following the instructions in the GinnieNET Document Custodian Guide.
 - (iii) The document custodian then places a copy of the GinnieNET Host Communications Results Report containing the File Transmission Number ("FTN") for the relevant certification in the pool master file.

PART C. FINAL CERTIFICATION

Section 1. General Guidance

- (a) General Deadlines. Pools must receive final certification within 12 months of the securities issuance date.
- (b) Deadline for MBS Program Pools That Have Been Transferred. The final certification deadline date remains unchanged even when the document custodian at the time of final certification is different from the document custodian that issued the initial certification. Accordingly, the final certification deadline remains unchanged even when the change in document custodial responsibility was necessitated or caused by a transfer of Issuer responsibility. If the new document custodian prepares the final certification, recertification will not be required.

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- (c) Prohibited Document Substitutions. A form [HUD-11708](#) with a non-liquidation release reason code may not substitute for a loan document or a promissory note at the time the document custodian reviews the loan file for final certification except as expressly provided herein.
- (i) **Document Requirement Exception:** An Issuer may substitute a [HUD-11708](#) for a loan file that has been released for a non-liquidation reason related to bankruptcy, foreclosure, or loss mitigation with a written attestation, but if, and only if:
- (A) all documents in the relevant loan file were present and reviewed by the document custodian prior to the file's release, and;
- (B) The Issuer attestation must:
- (1) Be prepared on Issuer's letterhead;
 - (2) Include the reasons why the file has been requested for release and why the files cannot be returned to the custodian (bankruptcy, foreclosure, or loss mitigation) prior to the final certification due date);
 - (3) Identify the name of the person or entity in possession of the file;
 - (4) Be signed by a representative of the entity in possession of the file;
 - (5) Identify the Issuer loan number, pool number, and borrower(s) last name(s);
 - (6) 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 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
 - (7) 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 Custodian.

Section 2. Overview of Final Certification Process for Pools Submitted through Ginnie *NET*

- (a) An Issuer may elect to have a pool or loan package receive final certification through GinnieNET if:
- (i) it backs securities with an issue date of May 1, 1999 or later;
 - (ii) it was initially certified using GinnieNET; and
 - (iii) neither the Issuer responsibility nor the document custodian responsibility for the pool or loan package has been transferred prior to final certification (other than pursuant to an immediate transfer of Issuer responsibility (PIIT) under [Chapter 10](#), Section 10 of the MBS Guide) upon issuance of the related securities.
- (b) Within 12 months of the date of issuance of securities backed by a pool or loan package that received initial certification, the Issuer must provide the document custodian with the original recorded mortgages listed on the form [HUD-11706](#) and all other documents necessary for final certification.
- (c) The document custodian must review the required documents. If the documents are in order, the document custodian, following the instructions in the Ginnie*NET* Issuer Guide, executes the final certification and transmits the certification over the Ginnie*NET* system. This form must be transmitted and approved by the PPA within 12 months of the issuance date of the securities.

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- (d) Upon completing the final certification, the document custodian must ensure that a copy of the form [HUD-11706](#) is placed in the pool or loan package master file. The Issuer must also maintain in its files a copy of the form [HUD-11706](#) bearing the completed final certification.

Section 3. Overview of Final Certification Process for Pools Submitted in Hard Copy

This section is applicable to all pools and loan packages except those receiving final certification through GinnieNET.

- (a) Within 12 months of issuance of securities backed by a pool or loan package of mortgages that was initially certified, the Issuer must provide the document custodian with the original recorded mortgages listed on the form [HUD-11706](#) and all other documents necessary for final certification.
- (b) The document custodian reviews the required documents. If the documents are in order, the document custodian makes its final certification on the back of the form [HUD-11706](#).
- (c) The document custodian's final certification must be made by the original signature of an authorized employee of the document custodian. If the form [HUD-11706](#) consists of more than one page, the original signature need only be affixed to the last page.
- (d) After signing the final certification, the document custodian, based on the Issuer's instructions, either sends the original final certification to the PPA or sends it to the Issuer so that the Issuer can forward it to the PPA. The form must be forwarded to and approved by the PPA within 12 months of issuance of the securities.
- (e) If a pool or loan package is transferred to a new Issuer or to a new document custodian before final certification, the transfer does not extend the final certification deadline.
- (f) The document custodian must deliver a copy of the final certification to the Issuer and place a copy in the pool or loan package master file.

Section 4. Required Documents for all Single Family MBS Program Pools

Within twelve (12) months of issuance, the Issuer is required to deliver the following additional documents to the document custodian for final certification:

- (a) Original security instrument securing repayment of the indebtedness, signed by the mortgagor and recorded. Upon receipt from the recorder's office of the modification agreement and/or original security instrument, the Issuer is required to forward the original recorded document to the document custodian. A copy is acceptable only if the original has been lost and if it clearly shows evidence of recordation.

Original intervening assignments of the security instrument from the originator up to the current Issuer, or to MERS. The assignments must have been recorded and the chain of assignments must be complete. Copies of the intervening assignments are acceptable only if the originals have been lost and if they clearly show evidence of recordation.

- (b) A copy of the Mortgagee's title insurance policy is acceptable.

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- (c) Evidence of Agency Insurance or Guaranty of the Loan (FHA, VA, RD or PIH).

| Issuer and Document Custodian Requirements for Evidence of Agency Insurance/Guaranty | | |
|---|---|---|
| Pool Issuance Date | FHA Requirements | VA & RHS Requirements |
| January 1, 2003 or later | Document custodians may certify loans without evidence of FHA insurance. | Document custodians may certify loans without evidence of guaranty. |
| Prior to January 1, 2003 | Requires one of the following: <ul style="list-style-type: none"> • Issuer to provide paper MIC: or • Issuer may direct document custodian to review the duplicate MIC on FHA Connection: or • Issuer may provide a screen print of a duplicate MIC or other evidence of insurance from FHA Connection | Document custodians may certify loans without evidence of guaranty. |

Section 5. Additional Required Documents for Modified Loans.

The following additional documentation is required for modified loans:

- (a) Original recorded loan modification agreement. A copy is acceptable only if the original has been lost and the copy clearly shows evidence of recordation.
- (b) Original recorded subordination agreements, if present. Copies are acceptable if the copies clearly show evidence of recordation.
- (c) Title policy and title policy endorsement reflecting the recordation of the loan modification agreement and subordination agreement(s), ensuring that the total amount of the modified loan is insured and that the modified loan retains first lien position.

An ALTA Form Mortgage Modification Policy (MMP) is acceptable in lieu of an endorsement to the existing title policy provided that all loan amounts added to the original principal balance of the modified loan are insured under the MMP, and subordination agreements, if any, are recorded and the modified loan retains first lien position.

Section 6. Additional Required Documents for NY CEMA Loans.

The following additional documentation is required for NY CEMA loans:

- (a) The original consolidated note endorsed in blank and without recourse by the pooling Issuer. In all cases, the last endorsement is required to be made by the current Issuer in blank and without recourse. Ginnie Mae requires that the chain of endorsements from the originator of the loan to the current Issuer of the note be complete;
- (b) The original recorded New York Consolidation, Extension, and Modification Agreement or Fannie Mae/Freddie Mac Uniform Instrument Form 3172. A copy is acceptable only if the original has been lost and the copy clearly shows evidence of recordation. The NY CEMA must include the following exhibits:

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- (i) Exhibit "A" (listing of all previous notes & mortgages being consolidated, extended and modified);
 - (ii) Exhibit "B" (property description);
 - (iii) Exhibit "C" (copy of the executed consolidated note);
 - (iv) Exhibit "D" (copy of the executed consolidated mortgage), and;
- (c) all prior consolidated notes bearing original signatures from each previous modification as listed on Exhibit "A". If a consolidated note is missing, verify that a lost instrument bond is present.

Section 7. Document Review Procedures for Final Certification

For each loan file, the document custodian is required to perform the following review procedures on the documents listed to confirm their completeness and consistency. Any defects discovered during the review process must be referred to the Issuer on a timely basis for correction or resolution.

It is important to note that, while the Issuer may authorize the document custodian to make corrections to the documents, Ginnie Mae ultimately holds the Issuer responsible for document validity.

It also is important to note that all documents that were present for the initial certification must still be present in the file at the time of final certification. An Issuer may substitute a loan file that has been released for a non-liquidation reason related to bankruptcy, foreclosure, or loss mitigation with a written attestation in accordance with the Document Requirement Exception described in [Part C, Section \(1\)\(c\)\(i\)](#) of this Chapter.

(a) Procedures for Reviewing the Security Instrument

- (i) Verify that each item listed below is the same on both the security instrument and the form [HUD-11706](#):
 - (A) Mortgagor name(s);
 - (B) Principal amount;
 - (C) Term of loan (first and last payment due dates);
 - (D) Property street address, city and state (if property address is included on the security instrument).
- (ii) Verify that the date of the security instrument is the same as or later than the date of the promissory note.
- (iii) Verify that the security instrument includes evidence of recording or filing date stamp. Ginnie Mae exempts mortgages in Hawaii and Torrens jurisdictions from this requirement for purposes of final certification due to delays in registration in those jurisdictions. Upon receipt of the original mortgage documents from the recorder's office, the Issuer is required to forward said documents to the document custodian.

For loans in Puerto Rico, the document custodian must verify receipt of a copy of the executed mortgage documents affecting the title to the mortgage, filed with the recorder's

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office. The Issuer must certify that these are copies of the originals and that the original mortgage documents were registered in compliance with local jurisdictional law.

- (iv) Verify that a legal description appears on the security instrument or on an attachment to the instrument.
- (v) Verify that all signatures on the security instrument agree with the signatures on the note. Ginnie Mae requires that if there are multiple mortgagor names on the note, all names should be on the security instrument. If not, an explanation must be placed in the file.

If a signature varies from the typed name, the degree of variance determines whether the document is acceptable for certification. If the variation is a missing middle initial or the omission of "Jr." or "Sr.", it is deemed acceptable. Other acceptable variations include a mortgagor over-signing or undersigning the document, such as the mortgagor signing either as George Allen Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the signed name other than the types of variances discussed above, a copy of the original notarized name affidavit must be provided.

- (vi) Examine the security instrument for the completion of any required notarization, acknowledgment, or witness. Verify that any required notarization, acknowledgment, or witness sections have been completed.
- (vii) Verify that the trustee's name appears on the security instrument, if applicable.
- (viii) Verify that any rider or addendum properly relates to the security instrument by confirming that the appropriate box has been checked on the security instrument. If the rider box is not checked and the rider is attached, it is acceptable for certification purposes. If the rider box is checked and the rider is not attached, it is not acceptable for certification purposes.
- (ix) Verify that any rider or addendum is recorded and that the recording information corresponds to the security instrument.
- (x) Ginnie Mae will accept a copy of the recorded security instrument only if the original has been lost and the copy clearly shows evidence of recordation.

(b) Procedures for Reviewing Intervening Assignments

- (i) Determine that intervening security instrument assignments, copies of which were certified as having been transmitted by the Issuer for recordation prior to initial certification, have been replaced at final certification with recorded originals if jurisdictional law requires recording, or a copy that clearly shows evidence of recordation. As necessary, perform additional procedures cited in Part B, Sections [\(6\)\(d\)\(i\)](#) and [\(6\)\(d\)\(ii\)](#).
- (ii) For Hawaii and Torrens jurisdictions, the document custodian must verify receipt of a copy of the executed assignment(s) affecting the title to mortgages that were filed with the recorder's office. The Issuer must certify that these are copies of the originals submitted to the recorder's office for recordation. Upon receipt of the original assignments from the recorder's office, the Issuer is required to forward said documents to the document custodian.

For Puerto Rico, when a security instrument is constituted to secure title conveyable by endorsement or to the bearer, the security instrument right shall be considered conveyed

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along with the title, without the need to notify the debtor or note the conveyance in the registry.

If the security instrument requires re-recording due to changes in its payment terms, then the intervening assignments would also require re-recording and the mortgagee title insurance policy must be brought forward (“date down” the policy) to the re-recording date.

- (iii) Ginnie Mae will accept minor errors and typographical mistakes on the intervening assignments as long as the recording reference is correct. For jurisdictions where recordation is not required, the document custodian must confirm that there is a legal opinion from qualified outside legal counsel licensed to practice law in the jurisdiction in which the property is located. The legal opinion must state that the intervening assignment is enforceable in the jurisdiction where the secured property is located. This opinion should be maintained by the document custodian in the Issuer Master File. The original unrecorded assignment must be maintained in the appropriate loan file.
- (iv) Ginnie Mae will accept copies of the recorded assignments only if the originals have been lost and if the copies clearly show evidence of recordation.
- (v) Ginnie Mae requires that the original recorded blanket intervening assignment be maintained in the custodial Pool Master File with copies in the individual loan files. A copy of the recorded blanket intervening assignment is acceptable only if the original has been lost and the copy clearly shows evidence of recording.

Ginnie Mae permits the use of a blanket intervening assignment certification form. The certification form must be placed in each loan file where the loan was assigned on the blanket intervening assignment along with the original or copy of the recorded blanket intervening assignment (clearly showing evidence of recordation) maintained in the Pool Master File.

- (c) Procedures for Reviewing Mortgagee Title Insurance – (Not Applicable to HUD-Disposition, Hawaiian Homelands, or VA Vendee Loans)
 - (i) Verify that an original title policy, where applicable, or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedules A, B, and Conditions and Stipulations or comparable information. A countersignature is acceptable on a title policy if the policy is issued by an agent of the insuring title company. A countersignature is not required if the title policy is issued by the insuring company. It is also acceptable for the title policy to carry facsimile signatures. A copy of the complete mortgagee title insurance policy is acceptable.
 - (ii) Confirm that the title policy has a policy number.
 - (iii) Compare each of the following items, appearing on Schedule A of the title policy, to the security instrument:
 - (A) Date of title insurance policy, which must be the same as or later than the recording date on the security instrument. In some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier. In those instances, the Issuer must supply evidence that effective coverage is provided. The policy may contain language that states that the title company insures, as of the date of the policy, against loss or damage sustained or incurred by the insurer by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.

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In jurisdictions where the security instrument is indexed before being recorded, the title policy must evidence effective coverage. As evidence, some title companies issue an endorsement to the title policy insuring against loss as of the date of the policy.

If a re-recording of the security instrument occurs for the purpose of altering any of the payment terms, the title insurance must be brought forward (“date down” the policy) to the re-recording date. This is not necessary in cases of misspellings or corrections of mortgagor name(s) and/or property address corrections.

- (B) Amount of insurance coverage for the lender, which must be no less than the original amount of the mortgage or the maximum graduated payment mortgage amount, whichever is higher.

If the amount of title insurance is less than the original loan amount, the unpaid principal balance of the loan must be less than the title insurance coverage. This balance must also be supported by a loan history or a Ginnie Mae waiver letter to indicate why the insured amount is different.

- (iv) Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:

- (A) Mortgagor name(s). (Minor misspellings of mortgagors name(s) are acceptable);
- (B) Trustee name(s), if applicable; and
- (C) Principal amount.

- (v) Verify that the legal description on Schedule A includes either of the following:

- (A) A phrase that specifically references the legal description in the security instrument;
or
- (B) A complete legal description.

Ginnie Mae requires that the legal description on Schedule A exactly matches the legal description on the security instrument.

- (vi) Verify that the named insured under the title insurance policy is the name of the mortgagee and “its successors and/or assigns.” If the definition of “insured” did not include each ownership successor or assignee of the indebtedness secured by the mortgage, then the policy must be accompanied by an endorsement to the Issuer as the mortgagee. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of “insured”.

- (vii) If a short form title policy is used, the following information must be verified:

- (A) Date of title insurance policy, which must be the same as or later than the recording date on the security instrument; in some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier. In these instances, the Issuer must supply evidence that effective coverage is provided. The policy may contain language which states that the title company insures, as of the

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date of the policy, against loss or damage sustained or incurred by the insurer by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.

In jurisdictions where the security instrument is indexed before being recorded, the title policy must evidence effective coverage. As evidence, some title companies issue an endorsement to the title policy insuring against loss as of the date of the policy.

If a re-recording of the security instrument for the purpose of altering any of the payment terms occurs, the title insurance must be brought forward (date down the policy) to the re-recording date. This is not necessary in cases of misspellings or corrections of mortgagor names(s) and/or property address corrections.

- (B) Amount of insurance coverage for the lender, which must be no less than the original amount of the mortgage or the maximum graduated payment mortgage amount, whichever is higher.

If the amount of title insurance is less than the original loan amount, the unpaid principal balance of the loan must be less than the title insurance coverage, and supported by a loan history or a Ginnie Mae waiver letter stating why the insured amount is different.

- (1) Mortgagor name(s). (Minor misspellings of mortgagors name(s) are acceptable).
- (2) Property street address, including city and state.
- (3) Date of security instrument.

- (viii) Verify that the named insured under the title insurance policy is the name of the mortgagee and “its successors and/or assigns.” If the definition of “insured” did not include each ownership successor or assignee of the indebtedness secured by the mortgage, then the policy must be accompanied by an endorsement to the Issuer as the mortgagee.

All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of “insured.”

Due to variances between states in title insurance policy form requirements, to the extent any of the information above does not appear on the title insurance product, an opinion from qualified outside legal counsel must be obtained that states that the absence of such information does not invalidate the title insurance policy coverage.

- (ix) If a clerk-certified Torrens certificate or an original attorney’s opinion which references an abstract of title has been provided, procedures in [Part C, Section \(7\)\(c\), Procedures for Reviewing Mortgagee Title Insurance](#) should be modified appropriately. The attorney opinion or abstract of title must be dated on or after the date the mortgage was recorded.
- (x) If a master title policy is used, a copy of the certificate of title must be placed in the loan file and the procedures in [Part C, Section \(7\)\(c\), Procedures for Reviewing Mortgagee Title Insurance](#), should be modified accordingly.
- (A) For PIH Section 184 loans, if a Title Status Report (TSR), in the case of a leasehold mortgage on tribal trust land or allotted trust land is provided, procedures in [Part C, Section \(7\)\(c\), Procedures for Reviewing Mortgagee Title Insurance](#), should be modified appropriately.
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(B) Verify the existence of an adjustable rate or condominium endorsement to the title insurance policy if an adjustable rate and/or condominium rider is attached to the security instrument.

(d) Procedures for Reviewing Evidence of Agency Guaranty or Insurance. The following table summarizes Ginnie Mae requirements relating to custodial review of FHA insurance and VA and RD guarantees.

| Issuer and Document Custodian Requirements for Evidence of Agency Insurance/Guaranty | | |
|---|---|---|
| Pool Issuance Date | FHA Requirements | VA & RHS Requirements |
| January 1, 2003 or later | Document custodians may certify loans without evidence of FHA insurance. | Document custodians may certify loans without evidence of guaranty. |
| Prior to January 1, 2003 | Requires one of the following: <ul style="list-style-type: none"> • Issuer to provide paper MIC: or • Issuer may direct document custodian to review the duplicate MIC on FHA Connection: or • Issuer may provide a screen print of a duplicate MIC or other evidence of insurance from FHA Connection | Document custodians may certify loans without evidence of guaranty. |

(i) Review of Mortgage Insurance Certificate (MIC): The following review procedures are required when reviewing the MIC (if required based on pooling date).

(A) Verify that each item listed below is the same on both the MIC and the form [HUD-11706](#):

- (1) Mortgagor name(s);
FHA is the final authority on the acceptability of MICs in the case of minor misspellings in the mortgagor's name, additional titles, such as "Jr." or "Sr", that differ slightly from the names on the note, missing street types, and zip codes. Ginnie Mae will accept minor MIC errors if the errors are acceptable to FHA
- (2) Property address;
- (3) Principal amount;
- (4) If the principal amount shown on the MIC exceeds the amount shown on the form [HUD-11706](#), the MIC is acceptable.
- (5) If the principal amount shown on the MIC equals or exceeds the remaining principal balance on the loan, the MIC is acceptable.
- (6) If the principal amounts shown on the MIC and the form [HUD-11706](#) differ as described in (5) above, the monthly principal and interest payments shown on the two documents may also differ, which is also acceptable.
- (7) Interest rate;
- (8) Monthly principal and interest payment; and

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(9) Term of loan (first and last payment due dates).

- (B) Verify that the FHA case number on the form [HUD-11706](#) agrees with the case number on the MIC.

In situations where the FHA case number differs between the MIC and the form [HUD-11706](#), the case number on the MIC governs, and the form [HUD-11706](#) must be corrected. The FHA case number may be manually corrected on form [HUD-11706](#). The Issuer is responsible for the change; however, the Issuer may authorize the document custodian to make certain corrections on the Issuer's behalf. The Issuer and document custodian must agree on which corrections the document custodian will make.

- (C) Verify that FHA has signed the MIC and that the MIC includes the endorsement date. If the FHA case number needs to be corrected on the form [HUD-11706](#), the Issuer is responsible for that change. The FHA case number may be manually corrected on form [HUD-11706](#).

- (ii) FHA Connection. The following procedures are required when the document custodian is reviewing information in FHA Connection to ascertain the existence of mortgage insurance (if required based on pooling date):

- (A) Verify that each item listed below is the same on both the FHA Connection and the form [HUD-11706](#):

- (1) Mortgagor name(s);
- (2) Property address;
- (3) Mortgage amount;
- (4) Interest rate; and
- (5) Endorsement date.

It is acceptable for the mortgage amount shown on FHA Connection to exceed the amount shown on form [HUD-11706](#).

- (B) Verify that the FHA case number on the form [HUD-11706](#) agrees with the case number on FHA Connection.

In situations where the FHA case number differs between FHA Connection and the form [HUD-11706](#), the case number on FHA Connection governs and the form [HUD-11706](#) must be corrected. The FHA case number may be manually corrected on form [HUD-11706](#). The Issuer is responsible for the change, however, the Issuer may authorize the document custodian to make certain corrections on the Issuer's behalf. The Issuer and document custodian must agree on which corrections the document custodian will make.

- (iii) Indian Loan Guarantee Certificate (ILGC). The following review procedures are required for all PIH Section 184 loans:

- (A) Verify that each item on the Indian Loan Guarantee Certificate (ILGC) listed below agrees with the form [HUD-11706](#) as follows:

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- (1) Mortgagor name(s);
 - (2) Property address;
 - (3) Mortgage amount; and
 - (4) Interest rate.
- (B) Verify that the PIH Section 184 case number on the form [HUD-11706](#) agrees with the case number on the ILGC. In the event of a discrepancy between the PIH Section 184 case number on the ILGC and the form [HUD-11706](#), the case number on the ILGC governs, and the form [HUD-11706](#) must be corrected. The Issuer, however, may authorize the document custodian to make certain corrections on the Issuer's behalf.
- (C) Verify that the signature block on the ILGC reserved for the approving government official contains a signature.
- (e) Additional Procedures for Reviewing Modified Loans. The document custodian is required to perform the following review procedures on the additional documents required for modified loans in Ginnie Mae pools, to confirm the documents' completeness and consistency. Any defects discovered during the review process must be referred to the Issuer on a timely basis for correction or resolution.
- (i) Original Loan Modification Agreement. Verify that the loan modification agreement is the original, and includes evidence of recording or filing date stamp. Ginnie Mae will accept a copy of the recorded loan modification agreement only if the original has been lost and the copy clearly shows evidence of recordation.
 - (ii) Original Subordination Agreement (if present)
 - (A) Verify that the existing mortgage and the loan modification agreement are specifically described.
 - (B) Verify that the document has been executed, acknowledged and recorded. Ginnie Mae will accept a copy of the recorded subordination agreement only if the original has been lost and the copy clearly shows evidence of recordation.
 - (iii) Title Insurance

Verify that the loan file contains either the Title Insurance described in [Subsection A, Title Policy or Title Endorsement](#), or [Subsection B, Mortgage Modification Policy](#), below.

 - (A) Title policy or Title Policy Endorsement
 - (1) Verify that a title policy or title policy endorsement has been delivered and reflects recordation of the loan modification agreement.
 - (2) Verify each of the following items, appearing in the title policy or title policy endorsement to the loan modification agreement:
 - Date of title insurance policy endorsement, which must be the same as or later than the recording date on the loan modification agreement.
 - Amount of insurance coverage for the Mortgagee, which must be no less than the modified amount of the mortgage.
 - Mortgagor name(s). Minor misspellings of mortgagors name(s) are acceptable.
 - Property street address, including city and state.

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- Date of loan modification agreement.
 - Modified mortgage amount.
- (3) Verify that the named insured under the title policy or policy endorsement is the name of the Mortgagee or that the title policy definition of “insured” includes each successor in ownership and any government agency or instrumentality that is an insurer or guarantor under an insurance or guaranty contract insuring; or
- (B) Mortgage Modification Policy
- (1) If, in lieu of a title policy, or title policy endorsement, a Mortgage Modification Policy (MMP) has been provided, verify it contains each of the following items:
- Date of MMP, which must be the same as or later than the recording date on the loan modification agreement.
 - Amount of insurance coverage for the Mortgagee, which must be no less than the total of the loan amounts added to the remaining principal balance of the modified loan
 - Date of loan modification agreement
 - Modified mortgage amount
- (2) Verify that the named insured under the title policy or policy endorsement is the name of the Mortgagee or that the title policy definition of “insured” includes each successor in ownership and any government agency or instrumentality that is an insurer or guarantor under an insurance or guaranty contract insuring.
- (iv) Other Requirements Applicable to Specific Circumstances
- (A) If an updated clerk-certified Torrens certificate or an updated original attorney’s opinion which references an abstract of title has been provided, procedures in [Part C, Section \(7\)\(c\), Procedures for Reviewing Mortgagee Title Insurance](#), of this Chapter should be modified appropriately. The attorney opinion or abstract of title must be dated on or after the date the mortgage was recorded.
- (B) If a master title policy is used, a copy of the certificate of title must be placed in the loan file and the procedures in [Part C, Section \(7\)\(c\), Procedures for Reviewing Mortgagee Title Insurance](#), should be modified accordingly.
- (C) For PIH Section 184 loans, if a Title Status Report (TSR), in the case of a leasehold mortgage on tribal trust land or a trust mortgage on allotted individual trust land is provided, an updated TSR to reflect the loan modification agreement must also be provided and the procedures in [Part C, Section \(7\)\(c\), Procedures for Reviewing Mortgagee Title Insurance](#), of this Chapter should be modified accordingly to accommodate the differences in information. For PIH Section 184 loans on fee simple land, verify the title policy, as described in this section.
- (f) Additional Procedures for Reviewing NY CEMA loans.
In addition to the requirements listed above, for each loan file where a NY CEMA loan is involved, the document custodian is required to perform the following review procedures on the documents to confirm their completeness and consistency. Any defects discovered during the review process must be referred to the Issuer on a timely basis for correction or resolution.
- (i) Verify that all prior consolidated notes bearing original signatures from each previous modification as listed on Exhibit “A” are present. If a consolidated note is missing, verify that a lost instrument bond is present.

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- (ii) Verify that the NY CEMA includes evidence of recording or filing date stamp. Ginnie Mae will accept a copy of the NY CEMA only if the original has been lost and the copy clearly shows evidence of recordation. The NY CEMA must include the following exhibits:
 - (A) Exhibit “A”. Verify that a listing of all previous notes and mortgages being consolidated, extended or modified is present.
 - (B) Exhibit “B”. Verify that the property description is present.
 - (C) Exhibit “C”. Verify that the copy of the executed consolidated note is present.
 - (D) Exhibit “D”. Verify that a copy of the executed consolidated mortgage is present.

Section 8. Certain Exceptions for R&W Issuers

An R&W Issuer’s document custodian may provide final certification of pools prior to receipt of the original recorded security instrument, title policies, original recorded intervening assignments, original recorded loan modification agreement, and original recorded NY CEMAs (“trailing documents”). The document custodian should have copies of the documents sent out for recordation, however, with a certification from the Issuer that the documents have been sent for recording. All other requirements disclosed in [Part C, Final Certification](#) must be met.

R&W Issuers must still procure the recorded security instrument, title policy and intervening assignments, as well as the recorded loan modification agreement, and recorded NY CEMA (if applicable) but may do so in the normal course of business.

In addition, if a recertification is being performed as a result of the transfer of servicing rights to a non-R&W Issuer, then all of the requirements of [Part C, Section \(4\), Required Documents for all Single Family MBS Program Pools](#), [Part C, Section \(7\), Document Review Procedures for Final Certification](#), and when applicable, [Part C, Section \(5\), Additional Required Documents for Modified Loans](#), or [Part C, Section \(6\), Additional Required Documents for NY CEMA Loans](#) must be met within the standard 12 months from issuance date or transfer date, whichever is earlier.

R&W Issuers are strongly encouraged to perform a review of trailing documents for compliance with [Part C, Section \(4\), Required Documents for all Single Family MBS Program Pools](#), [Part C, Section \(7\), Document Review Procedures for Final Certification](#), and when applicable, [Part C, Section \(5\), Additional Required Documents for Modified Loans](#), or [Part C, Section \(6\), Additional Required Documents for NY CEMA Loans](#) prior to submitting the documents to the custodian for fiduciary tracking and storage.

Section 9. Procedures for Completing the Final Certification Process

The document custodian must date and sign the final certification on the reverse side of form [HUD-11706](#), and must identify the name, address, and Ginnie Mae identification number of the document custodian, and the name and title of the authorized employee who signed the certification. If the form [HUD-11706](#) includes more than one page, the document custodian need only sign the last page or the summary page.

The document custodian is required to submit the final certification on an original form [HUD-11706](#) directly to the PPA through GinnieNET or via hard copy. A copy of the final certification must be placed in the Pool Master File. The PPA will provide the Issuer with a confirmation of the receipt and acceptance of the final certification.

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If the pool was initially certified using GinnieNET, and the pool has not been transferred prior to final certification (other than pursuant to an immediate transfer of issuer responsibility upon the issuance of the related securities), then final certification may be completed through GinnieNET, following the instructions in Chapter 11 of the MBS Guide and the GinnieNET Issuer Guide.

Loan files that have been temporarily released after final certification for a non-liquidation reason under reason code 6 (“Other”), and are returned to the document custodian must meet the final certification standards for the pool.

Loan files or documents released to an Issuer for a non-liquidation reason under reason code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released to the Issuer for more than 90 days, it is considered to be overdue for return to the document custodian.

The document custodian must notify the Issuer of overdue documents or loan files when the 90 day period has lapsed. The notification must be in writing and documented in the inventory or file. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae’s Office of Issuer and Portfolio Management (see Addresses), and the affected pools will be considered decertified until the loan file has been corrected. An Issuer may substitute a loan file loan file that has been released for a non-liquidation reason related to bankruptcy, foreclosure, or loss mitigation with a written attestation in accordance with the Document Requirement Exception described in [Part C, Section \(1\)\(c\)\(i\)](#) of this Chapter.

PART D. RECERTIFICATION

Recertification procedures for a finally certified pool are required if there is a change of Issuer or document custodian responsibility. If the new document custodian prepares the final certification, recertification will not be required.

Loans that are deregistered from MERS must be recertified using the hard copy process.

The recertification is required to assure Ginnie Mae that the required intervening assignments have been recorded and filed with the document custodian. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae’s certification standards. Recertification must be performed within twelve (12) months of the pool transfer date.

It is important to note that while the Issuer may authorize the document custodian to make document corrections, Ginnie Mae ultimately holds the Issuer responsible for those changes and for the overall validity of the documents.

Section 1. Overview of Recertification Process in Ginnie *NET*

- (a) If a pool or loan package that has received final certification is transferred either to another Issuer or to another document custodian, the Issuer must choose whether to have the pool or loan package recertified using Ginnie*NET* or using hard copy. The pool or loan package must be recertified by the document custodian within 12 months after the earlier of:
- (i) The Effective Reporting Date of a transfer of Issuer responsibility, and
 - (ii) Ginnie Mae’s approval of a transfer to a new document custodian.

If a pool or loan package is transferred either to another Issuer or to another document custodian before it receives final certification, the final certification will satisfy the recertification requirement. The final certification must be completed no later than the original final certification

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due date, must meet all final certification documentation requirements, including recorded intervening assignments to the new Issuer, and must be submitted in accordance with the requirements of the MBS Guide.

- (b) The document custodian must conduct the recertification, depending on the pool or loan package type involved, in accordance with the applicable requirements of the Document Custodian Manual ([Appendix V-1](#)). If the documents are in order, the document custodian executes the recertification and transmits the recertification over the GinnieNET system.
- (c) Upon completing the recertification, the document custodian must place a copy of the Schedule of Pooled Mortgages or the Schedule of Pooled Participations and Mortgages with the recertification completed in the pool or loan package master file. The Issuer also must maintain in its files a copy of the Schedule of Pooled Mortgages or the Schedule of Pooled Participations and Mortgages bearing the completed recertification.
- (d) The Issuer will receive confirmation that the recertification has been completed.

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

- (a) If a pool or loan package that has received final certification is transferred either to another Issuer or to a new document custodian, it must be recertified by the document custodian within 12 months after the earlier of:
 - (i) the effective date of a transfer of Issuer responsibility (the first day of the month following the date Ginnie Mae executes the assignment agreement for transfer), or
 - (ii) Ginnie Mae's approval of a transfer to a new document custodian.

If a pool or loan package is transferred either to another Issuer or to another document custodian before it receives final certification, the final certification will satisfy the recertification requirement, but must be completed no later than the original final certification due date, must meet all final certification documentation requirements, including recorded intervening assignments to the new Issuer, and must be submitted in accordance with the requirements of the MBS Guide.

- (b) The document custodian must conduct the recertification, depending on the pool or loan package type involved, in accordance with the applicable requirements of the Document Custodian Manual ([Appendix V-1](#)). If the documents are in order, the document custodian makes its recertification on the back of the Schedule of Pooled Mortgages.
- (c) The document custodian's recertification 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 recertification, the document custodian, based on the Issuer's instructions, either sends the original recertification to the PPA or sends it to the Issuer so that the Issuer can forward it to the PPA.
- (e) The document custodian must deliver a copy of the recertification to the Issuer and place a copy in the pool or loan package master file.

Section 3. Document Review Procedures for Recertification

The following reflects Ginnie Mae's minimum recertification requirements for all pools:

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- (a) Required Reconciliation. Reconcile all loans listed on the original form [HUD-11706](#) to the active loans listed in the Issuer's current loan trial balance and the forms [HUD-11708](#) for any loan files that have been removed. Mortgages that have been liquidated must be noted or deleted by manually lining out the terminated loans, referring to the original schedule by attachment of the form [HUD-11706](#); or by attaching a list of the loans remaining in the pool, per the Issuer's current trial balance, to the recertification form [HUD-11706](#).

If the document custodian maintains an automated system and normally transmits certifications through GinnieNET, then it is not necessary to manually line out loan files that have been removed from the pool on the form [HUD-11706](#), provided that the document custodian can provide a status report of all loans in the pool. The information provided for each loan must be the same as the information required on the front of the form [HUD-11706](#). Because of assumptions, the mortgagor's name provided on the form [HUD-11706](#) may not agree with the loan documents.

- (b) Required Documents. Verify that the pool and loan documents specified below are present and review that they comply with the requirements herein.
- (c) Procedures for Reviewing the Promissory Note
- (i) Verify that the promissory note, and allonge if applicable, is an original document with an original signature, or a lost note bond.
 - (ii) In the absence of the promissory note, for purposes of recertification, all documents required for final certification plus a lost instrument bond are required.
 - (iii) Verify that the promissory note is endorsed up to the pooling Issuer, and then to blank and without recourse.
- (d) Procedures of Reviewing the Security Instrument. Verify that the security instrument is a recorded original or copy that clearly shows evidence of recordation.
- (e) Procedures for Reviewing the Intervening Assignments
- (i) Verify that all originally recorded intervening assignments are present, unless the relevant jurisdiction does not require recording. A copy of an intervening assignment is acceptable only if the original has been lost and the copy clearly shows evidence of recordation.
 - (ii) Verify that all intervening assignments follow a complete chain of title from the original Mortgagee to the current Issuer or to MERS.
 - (iii) The note endorsement may be from originator to company "C," and the intervening assignments may be from originator to company "B", then to company "C". Both documents must have a complete chain of title, even if the two chains are not identical.
- (f) Procedures for Reviewing the Mortgagee Title Insurance – (Not Applicable to HUD-Disposition, Hawaiian Homelands, PIH Section 184 or VA Vendee Loans):
- (i) Verify the existence of an original title policy, including riders, as indicated, or a duplicate signed original (or countersigned) by the title company. A copy of the title insurance policy is acceptable.
 - (ii) Verify the existence of a clerk-certified Torrens certificate or an original attorney's opinion which references an abstract of title, as applicable.
 - (iii) If a master title policy is used, verify the existence of a copy of the certificate of title in the loan file.

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- (iv) For PIH Section 184 loans, in the case of a leasehold mortgage on tribal trust land or allotted individual trust land, verify the existence of a Title Status Report (TSR). For PIH Section 184 loans on fee simple land, verify the existence of an original title policy, including riders, as indicated, or a duplicate signed original (or countersigned) by the title company. A copy of the title insurance policy is acceptable.
- (g) Procedures for Reviewing FHA Mortgage Insurance. When reviewing the MIC (based on pooling date), verify that FHA has signed the MIC and it includes the endorsement date. When viewing FHA Connection, verify that the endorsement date field is complete (based on pooling date).
- (h) Procedures for Reviewing Indian Loan Guaranty Certificate (ILGC). When reviewing the ILGC, verify that the PIH Section 184 case number on the form [HUD-11706](#) agrees with the case number on the ILGC.
- (i) Forms [HUD-11708](#). Verify that any forms [HUD-11708](#) with non-liquidation release codes are not included in active loan files and the Pool Master File in the place of a promissory note. A form [HUD-11708](#) with a non-liquidation release reason code may not substitute for a loan document or a promissory note at the time the document custodian reviews the loan file for recertification. All documents required for initial certification and final certification must be present in the file at the time of recertification, except as specified below.
- (i) Document Requirement Exception: An Issuer may substitute a loan file loan file that has been released for a non-liquidation reason related to bankruptcy, foreclosure, or loss mitigation with a written attestation in accordance with the Document Requirement Exception described in [Part C, Section \(1\)\(c\)\(i\)](#) of this Chapter.
- (j) Procedures for Reviewing the Forms [HUD-11711B](#). The form [HUD-11711B](#), Certification and Agreement is not required for recertification if the pool was transferred to a new Issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new Issuer is required to obtain forms [HUD-11711B](#) and [11711A](#) (if required) from the original Issuer. If the form(s) cannot be obtained, the new Issuer must obtain a waiver letter from Ginnie Mae's Office of Issuer and Portfolio Management.
- (k) Additional Procedures for the Recertification of Modified Loans
- (i) Loan Modification Agreement: Verify that the loan modification agreement is a recorded original or copy that clearly shows evidence of recordation.
- (ii) Subordination Agreement (if present): Verify that the subordination agreement is a recorded original. Ginnie Mae will accept a copy of the recorded subordination agreement only if the original has been lost and the copy clearly shows evidence of recordation.
- (iii) Mortgagee Title Policy Endorsement: Verify the existence of a title policy endorsement or title policy, and evidence that the modification and any subordination agreements have been recorded, and that the full amount of the modified loan is insured in first lien position.
- ALTA Form Mortgage Modification Policies (MMP) are acceptable in lieu of endorsements to existing title policies provided that all loan amounts added to the original principal balance of the modified loan are insured under the MMP, and subordination agreements, if any, are recorded and the modified loan retains first lien position.
- (l) Additional Procedures for the Recertification of NY CEMA Loans. The following procedures must be performed for the recertification of NY CEMA loans:

CHAPTER 3: SINGLE-FAMILY POOLS

- (i) Consolidated Note
 - (A) Verify that the consolidated note is an original document with an original signature(s), or that a lost instrument bond with limited liability that meets the requirements in [Appendix I](#) of this manual has been provided.
 - (B) Verify that the consolidated note is endorsed up to the pooling Issuer without recourse. The endorsement by the pooling Issuer should be in blank, undated, and without recourse.
- (ii) Verify that all prior consolidated notes bearing original signatures from each previous modification as listed on Exhibit “A” are present. If a consolidated note is missing, verify that a lost instrument bond is present.
- (iii) (Consolidation, Extension, and Modification Agreement (NY CEMA))
 - (A) Verify that the NY CEMA is an original that clearly shows evidence of recordation, and which contains the following exhibits
 - (1) Exhibit “A”. Verify that a listing of all notes and mortgages being consolidated, extended or modified is present.
 - (2) Exhibit “B”. Verify that the property description is present.
 - (3) Exhibit “C”. Verify that the copy of the executed consolidated note is present.
 - (4) Exhibit “D”. Verify that a copy of the executed consolidated mortgage is present.
- (m) Loans Deregistered from MERS
 - (i) Verify that the security instrument is a recorded original or copy that clearly shows evidence of recordation.
 - (ii) Verify that all intervening assignments follow complete chain of title from the original Mortgagee to the current Issuer.

Section 4. Procedures for Completing the Recertification

The document custodian is required to forward the newly recertified form [HUD-11706](#) directly to the PPA via hard copy or through *GinnieNET*. The Issuer and document custodian must maintain a copy of the certification submitted to the PPA.

Loan files that have been released for a non-liquidation reason under reason code 6 and are returned to the custodian after recertification of the pool must meet the final certification standards for the pool. Loan files or documents released to an Issuer for a non-liquidation reason under reason code 6 must be returned to the document custodian within 90 days.

When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents or loan files after 90 days. The notification must be in writing and be documented in the inventory or file. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae’s Office of Issuer and Portfolio Management (see [Summary of Addresses](#) in the Guide), and the affected pools will be considered decertified until the loan file has been corrected.

PART E. UPDATE OF LEGAL OPINION

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All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable laws. Such updated opinions will only apply to transactions that occur after the changes in law. The Issuer is responsible for updating legal opinions and providing them to the document custodian.

CHAPTER 4: MANUFACTURED HOME LOAN POOLS

PART A. DESCRIPTION OF MANUFACTURED HOME LOAN POOLS

Manufactured home loan pools consist of FHA Title I loans secured by a manufactured home unit or a combination of a manufactured home unit and a developed manufactured home lot acquired in a separate transaction (PIH does not offer financing programs for manufactured homes which are not permanently affixed to the land). These loans are securitized by a retail installment sales contract, Department of Motor Vehicle Title, and Uniform Commercial Code forms and may include a contract for deed, deed of trust/mortgage, and note for the land purchase, which may or may not be part of the FHA Title I loan.

Manufactured home/land loans closed as a single transaction, such as FHA Title II, VA, Section 502, Rural Housing, Section 184, and Indian Housing loans have requirements that include surrender of the Department of Motor Vehicles title, that the manufactured home be permanently affixed, and that the property be assessed as real property by the local taxing authority. Please refer to Chapter 3 of the Manual for pool certification guidelines on the types of loans considered to be single-family loans.

For purposes of clarification, the guidelines in Chapter 4 are separated into Part I and Part II. Part I relates to the manufactured home unit only, and Part II relates to the manufactured home unit with land, acquired in the same or in a separate transaction, and not permanently affixed or assessed as real property by the local taxing authority (manufactured home unit with land). Part II outlines additional documentation required for initial certification, final certification, and recertification.

PART B. RESPONSIBILITIES

In accordance with the conditions of the Master Custodial Agreement, form [HUD-11715](#), ([Appendix III-4](#) of the Guide) ("form HUD-11715"), the certification required on the Schedule of Pooled Mortgages, form [HUD-11706](#), ([Appendix III-7](#) of the Guide) 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 form HUD-11706;
- Review the documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapter 11 and Chapter 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 not considered material. Ginnie Mae, in its sole discretion, may require Issuers that fail to meet certification or recertification deadlines to take action to mitigate Ginnie Mae's risk exposure. Such action may include, but 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 in a pool that do not meet certification requirements.

Ginnie Mae recognizes that laws governing the filing, recordation and perfection of security interests in manufactured home loans may vary significantly from state to state. Perfection or recordation of manufactured home security interests or liens is governed by laws relating to fixtures or goods under the

CHAPTER 4: MANUFACTURED HOME LOAN POOLS

Uniform Commercial Code (UCC), real property and/or motor vehicle titling. For information regarding specific state variations, please refer to the *NADA Title and Registration Book*.

PART C. INITIAL CERTIFICATION

By an initial certification, the document custodian certifies to Ginnie Mae that the Issuer has submitted the minimum loan or pool documents required to allow a Ginnie Mae security to be issued.

The initial certification procedures for GinnieNET pools are set forth below, followed by the list of pool and loan documents required for initial certification, and detailed review procedures the document custodian is required to perform on the pool and loan documents to confirm their completeness and consistency.

Section 1. Initial Certification of GinnieNET Pools

- (a) The Issuer submits and the document custodian receives the required pool submission documents and loan documents.
- (b) The document custodian retrieves the Schedule of Pooled Mortgage from GinnieNET and prints it.
- (c) The document custodian reviews the loan documents (see review procedures below), verifies the information in the Schedule of Pooled Mortgages, and determines whether to initially certify or reject the pool. If the document custodian decides to initially certify the pool, the custodian will execute the initial certification following the instructions in the GinnieNET Issuer Guide.
- (d) The document custodian transmits the certification or rejection over the GinnieNET system.
- (e) The document custodian placed the loan documents in safekeeping.
- (f) Upon completing the initial certification, the document custodian prints out a copy of the Schedule of Pooled Mortgages and places it in the pool master file.

Section 2. Required Pool and Loan Level Documents

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 hard copy or electronic form) (“form HUD-11711B”). If the form [HUD-11711B](#) indicates a second party interest in any pooled loan, 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) Manufactured Home Unit Only
 - (i) Original retail installment contract and/or other chattel security agreement 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

CHAPTER 4: MANUFACTURED HOME LOAN POOLS

requires that the chain of endorsements from the originator of the loan to the pooling Issuer be complete;

- (ii) Department of Motor Vehicles Title as evidence of mortgagor ownership of the collateral;
 - (iii) A copy of the original UCC-1 Financing Statement, transmitted for recordation to the jurisdiction in which the collateral will be located. If the Issuer did not originate the loan, copies of the UCC-3 intervening assignments of the chattel security agreement and/or other security interest must document a complete chain of title from the originating lender to the current Issuer;
 - (iv) An original UCC-3 Assignment to Ginnie Mae, in recordable or perfectible form, but unrecorded. The assignment must reference the manufactured home unit vehicle identification number (VIN) assigned by the Department of Motor Vehicles and must agree with the VIN on the original UCC-1 Financing Statement.
- (d) **Manufactured Home Unit With Land.** In addition to the documents required for initial certification, as described in [Part C, Section \(2\)\(c\)](#) above, the following documents are also required for initial certification when the loan includes land financing:
- (i) The original note or other evidence of indebtedness, endorsed in blank and without recourse by the pooling Issuer. In all cases, the last endorsement is required 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 be complete; and
 - (ii) If the Issuer did not originate the loan, any and all recorded intervening assignment(s) in the loan file must document a complete chain of title from the originating mortgagee to the pooling Issuer.

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.

Intervening assignments must be recorded, if jurisdictional law requires such recordation. At initial certification, the Issuer may use a blanket pool certification which certifies that all intervening assignments for an individual pool have been transmitted for recordation.

As an alternative to individual intervening assignments, a blanket intervening assignment is acceptable if allowed in the jurisdiction as documented in an opinion from qualified legal counsel. Blanket intervening assignments to an Issuer can be made for loans in a single pool as long as the mortgaged properties are located in the same recording jurisdiction.

- (iii) Items listed above in [Part C, Section \(2\)](#) (Required Pool and Loan Level Documents) of this Chapter 4 are required at initial certification for each pooled loan. In no case may a Request for Release of Documents form [HUD-11708](#) ([Appendix V-4](#) of the Guide) ("form HUD-11708") substitute for a required loan document at the time the document custodian performs the initial certification. Releases can be processed after the document custodian delivers its certification to Ginnie Mae via hard copy or through GinnieNET.

Section 3. Document Custodian Review Procedures – Initial Certification

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At a minimum, the document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the review procedures must be referred to the Issuer in a timely manner for correction prior to pooling.

It is important to note that while the Issuer may authorize the document custodian to make corrections on the documents, Ginnie Mae ultimately holds the Issuer responsible for the acceptability of the documents.

(a) Form [HUD-11706](#)

- (i) Verify that the total number of loans reported on form [HUD-11706](#) is the same as the number of loan files received.
- (ii) Verify that the form [HUD-11706](#) has been completely filled out for both the Issuer and document custodian, including their Ginnie Mae identification numbers.
- (iii) File the form [HUD-11706](#) in the related Pool Master File.

(b) Form [HUD-11711B](#)

- (i) Verify that the pool number on the form [HUD-11711B](#) agrees with the Ginnie Mae pool/loan package number on the related form [HUD-11706](#).
- (ii) Determine that one of the two boxes on the form has been checked.
- (iii) If the form [HUD-11711B](#) indicates that there is a second party security interest in any pooled mortgage, verify that there is an original executed form [HUD-11711A](#) corresponding to the affected loan(s);
- (iv) File the form [HUD-11711B](#), and form [HUD-11711A](#) if required, in the Pool Master File.

If the document custodian determines, or has reason to suspect, that an Issuer's certification is incorrect, the document custodian must refuse the form [HUD-11711B](#) until the certification issues have been resolved.

(c) Manufactured Home Unit Only

- (i) Retail installment sales contract and/or other chattel security agreement;
 - (A) Verify that each item listed below is the same on both the retail installment sales contract and the related form [HUD-11706](#):
 - (1) Mortgagor name(s);
 - (2) Principal amount;
 - (3) Interest rate;
 - (4) Monthly principal and interest payment;

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- (5) Term of the loan (first and last payment due dates if applicable). If the first payment date is amended on the retail installment sales contract by an addendum to the contract, the Issuer must provide a written explanation for the difference in dates. This documentation must be kept in the loan file;
 - (6) Number of payments; and
 - (7) Property street address, city, and state. The contract must include a physical location address of the unit or a location description where the collateral is located.
- (ii) Department of Motor Vehicles Title
- (A) Verify that the date of title is the same as or later than the date of the promissory note or retail installment contract. The manufacturer's certificate of origin, the bill of sale, and/or application for title do not demonstrate title in the borrower's name. The title issued by the DMV is the only acceptable evidence of ownership;
 - (B) Verify that the VIN (vehicle identification number) and manufactured home description on the title are the same as are on the retail installment sales contract.
- (iii) UCC Form(s)
- (A) Verify that a copy of the original UCC-1 Financing Statement, certified by the Issuer as having been transmitted for recording to the jurisdiction in which the collateral will be located, is provided.
 - (B) Verify that copies of the UCC-3(s), intervening assignment(s) of the chattel security agreement, and/or other security interest transmitted for recording to the jurisdiction in which the collateral will be located, have been provided if the Issuer did not originate the loan;
 - (C) Verify that all UCC-3 intervening assignments follow a complete chain of title from the original lender to the pooling Issuer or MERS. If MERS is designated in the UCC-1 as the Original Mortgagee ("MOM"), then no intervening assignments will be required as long as the loan remains registered with MERS.
- Ginnie Mae requires a chain of assignments from the originator of the loan to the current Issuer. The assignments must be complete. The endorsement may, for instance, be from originator to company "C" and the intervening assignments may be from originator to company "B", then to company "C". Both documents must have a complete chain of title, even if the two chains are not identical.
- (iv) Loan Application
- a. Verify that the loan application is dated on or after June 1, 2009.
- (d) Manufactured Home Unit With Land
- (i) Promissory note or other evidence of indebtedness
 - (A) Verify that each item listed below is the same on both the promissory note and the related form [HUD-11706](#):
-

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- (1) Mortgagor name(s);
- (2) Principal amount (alpha and numeric);
- (3) Interest rate (alpha and numeric);
- (4) Monthly principal and interest payment (alpha and numeric);
- (5) Term of the loan (first and last payment due dates);
- (6) Property street address, city, and state (if property address is included on the note);
- (7) Verify the interest rate change date for ARMs; and
- (8) Verify the mortgage margin for ARMs

A note is deemed unacceptable if there are changes that materially affect the terms of the note, and these changes are not initialed by the mortgagor(s). Material changes include, but are not limited to, changes to the original loan amount, interest rate, monthly payment, maturity date, or deletion of one of the mortgage covenants.

After verifying the consistency and accuracy of information between the form [HUD-11706](#) and the promissory note under this [Part C, Section \(3\)\(d\)\(i\), Promissory note or other evidence of indebtedness](#), the form [HUD-11706](#) will then be the source document to be used to verify information on all other documents at final certification.

- (B) Verify that each signature on the note agrees with the name typed below the signature line on which it appears. If a signature varies from the typed name, the degree of variance determines the acceptability of the document for certification. If the variation is a missing middle initial or the omission of “Jr.” or “Sr.”, it is deemed acceptable. Other acceptable variations include a mortgagor oversigning or undersigning the document, such as the mortgagor signing either as George Allen Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the signed name other than the types of variances discussed above, an original copy of the notarized name affidavit must be provided.

If the note has been executed by an attorney-in-fact, a copy of the power of attorney must be included in the file and must be executed on or before the date of execution of the note. The copy of the power of attorney should be notarized and if the property address is present, verify it matches the property address on the note. The power of attorney must have been an active, valid and enforceable power at the time the note was executed.

- (C) Verify that a complete chain of signed endorsements exists from the originator of the loan to the pooling Issuer. Ginnie Mae requires that the chain of endorsements from the loan originator to the pooling Issuer be complete.

The endorsement by the pooling Issuer should be on the note, be in blank, and should not include a date. Allonges may be used as long as they are enforceable and

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meet the requirements of the jurisdiction in which the collateral is located. The allonge must be an original, must clearly reference the note, and must be firmly affixed to the note.

The Issuer is responsible for ensuring that each allonge meets the requirements of the jurisdiction in which the collateral is located and is enforceable. Allonges may not be used in jurisdictions where their use is not allowed.

- (D) Verify that the undated endorsement in blank and without recourse was made by an authorized officer of the Issuer by comparing the signature on the endorsement to the Resolution of Board of Directors and Certificate of Authorized Signers, [form HUD-11702](#) ([Appendix I-2](#) in the Guide) (“form HUD-11702”). It is the Issuer’s responsibility to ensure that the document custodian has a current copy of the form HUD-11702.

Ginnie Mae permits the use of facsimile when placing endorsements on original notes and allonges, as long as the following conditions are met:

- (1) The use of facsimile signatures is acceptable under the laws of the relevant jurisdiction in which the collateral is located;
- (2) Such signatures are not prohibited under the Issuer’s corporate charter and by-laws;
- (3) The use of such signatures is authorized by a resolution duly enacted by the Issuer’s board of directors; and
- (4) Such signatures must be notarized when required by jurisdictional law.

Ginnie Mae requires a facsimile signature to be a reproduction of a manual signature that can be saved electronically or by engraving, imprinting, or stamping.

- (E) Examine the promissory note for sections requiring a notarization, acknowledgment or witness. If any are present, verify that such sections have been properly completed. The notarization, acknowledgment or witness date must be the same as the borrower or mortgagor signature(s) date on the note.
- (F) Verify that each rider, allonge or addendum relates to and references the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective documents must be firmly attached and filed with the original note.
- (G) In the case of a missing note, the document custodian must request that the Issuer provide a copy of the note with original signatures by the mortgagors, neither a lost instrument bond nor a lost note affidavit may substitute for a missing note at the initial certification. If the note has been lost in transit to the document custodian, or in some other way, prior to the initial certification of the pool, then the Issuer must obtain the borrower’s original signature on a duplicate copy of the original note, or the pool may not be certified.

(e) Assignments

(i) Individual loan intervening assignments

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- (A) Verify that all intervening assignments follow a complete chain of title from the original lender to the pooling Issuer or MERS. If MERS is designated in the security instrument as the Original Mortgagee (“MOM”), no intervening assignments will be required as long as the loan remains registered with MERS.
 - (B) Ginnie Mae requires a chain of assignments from the loan originator to the pooling Issuer. The assignments must be complete. The note endorsement may be from originator to company “C” and the intervening assignments may be from originator to company “B”, then to company “C”. Both documents must have a complete chain of title, even if the two chains are not identical
 - (C) Verify that all intervening assignments have been transmitted for recordation, if required. The Issuer may generate a blanket certification for each individual pool in letter form, certifying that all intervening assignments have been transmitted for recordation. Copies of the intervening assignments are not required at initial certification if the Issuer provides a blanket certification. The intervening assignments may be recorded concurrently with the security instrument or immediately thereafter. Ginnie Mae will accept marginal assignments in the margin of the security instrument if such documents are acceptable in the relevant recording jurisdiction.
 - (D) Verify that the borrower name(s) on the assignment agree(s) with the form [HUD-11706](#).
 - (E) If an intervening assignment is presented that bears no evidence of being transmitted for recordation, it must be accompanied by an individual mortgage legal opinion from qualified legal counsel qualified to practice law in the jurisdiction in which the property is located. The legal opinion must state that the assignment (is enforceable in the jurisdiction of the mortgage. The original legal opinion letter must be filed in the loan file.
- (ii) Blanket Intervening Assignments
- (A) Verify that all blanket intervening assignments have been certified by the Issuer as having been transmitted for recordation.

Blanket intervening assignments to an Issuer can be made for mortgages in separate and distinct pools where the loans are in the same recording jurisdiction.
 - (B) Verify that a copy of each blanket intervening assignment is maintained in each loan file to which the blanket intervening assignment applies, and that an original recorded blanket intervening assignment is maintained in the applicable Pool Master File.

Ginnie Mae permits the use of a blanket intervening assignment certification form in lieu of making a copy of each blanket intervening assignment for each loan. The certification form, however, must be placed in each loan file where the loan was assigned on a blanket intervening assignment, and must state that the recorded original blanket intervening assignment will be held in the Pool Master File.
 - (C) If the blanket intervening assignment bears no evidence of being transmitted for recordation, it must be accompanied by an individual mortgage legal opinion from outside legal counsel qualified to practice law in the jurisdiction in which the property is located. The legal opinion must state that the blanket intervening assignment is

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enforceable in the jurisdiction of the mortgages. The original opinion must be filed in the applicable Issuer Master File, with a copy in each loan file to which the blanket intervening assignment applies.

Section 4. Completion of the Initial Certification Process

For completion of initial certification of GinnieNET pools, the document custodian retrieves the Schedule of Pooled Mortgages form GinnieNET and prints it. Upon completion of the custodian's review of the pool and loan documents, and the decision to initially certify or reject the pool, the custodian then executes the initial certification and transmits the certification or rejection over the GinnieNET system, following the instructions in the GinnieNET Issuer Guide.

The document custodian is required to submit the original initial certified form [HUD-11706](#) directly to the PPA through GinnieNET. A copy of the initial certification must be printed and placed in the Pool Master File.

PART D. FINAL CERTIFICATION

Pools must receive final certification within 12 months of the securities issuance date.

The final certification deadline does not change because the current document custodian is not the document custodian that issued the initial certification, nor does it change for a new document custodian following a transfer of Issuer responsibility or a transfer of document custodian responsibility. If the new document custodian prepares the final certification, recertification will not be required.

A form [HUD-11708](#) with a non-liquidation release reason code may not substitute for a loan document, a promissory note or a financial obligation at the time the document custodian reviews the loan file for final certification.

All documents required for initial certification must be present in the file at final certification.

Section 1. Final Certification of GinnieNET Pools and Loan Packages

- (a) An issuer may elect to have a pool or loan received final certification through GinnieNET if:
- (i) It backs securities with an issue date of May 1, 1999 or later;
 - (ii) It was initially certified using GinnieNET; and
 - (iii) Neither Issuer nor document custodian responsibility for it has been transferred prior to final certification (other than pursuant to an immediate transfer of Issuer responsibility under Section 10-10 of the Guide upon issuance of the related securities).
- (b) Within 12 months of issuance of securities backed by a pool or loan package of mortgages that was initially certified, the Issuer must provide the document custodian with the original recorded mortgages listed on the Schedule of Pooled Mortgages and all other documents necessary for final certification.
- (c) The document custodian reviews the required documents. If the documents are in order, the document custodian, following the instructions in the GinnieNET user Guide, executes the final certification and transmits the certification over the GinnieNET system. This form must be transmitted and approved by the PPA within 12 months of the issuance of the securities.

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- (d) Upon completing the final certification, the document custodian prints out a copy of the Schedule of Pooled Mortgages and places it in the pool or loan package master file. The Issuer must also print out and maintain in its files a copy of the Schedule of Pooled Mortgages bearing the completed final certification.

Section 2. Final Certification of All Other Pools and Loan Packages

- (a) This section is applicable to all pools and loan packages except those receiving final certification through GinnieNET.
- (b) Within 12 months of issuance of securities backed by a pool or loan package of mortgages that was initially certified, the issuer must provide the document custodian with the original recorded mortgages listed on the Schedule of Pooled Mortgages and all other documents necessary for final certification.
- (c) The custodian reviews the required documents. If the documents are in order, the document custodian makes its final certification on the back of the Schedule of Pooled Mortgages.
- (d) The document custodian's final certification must be made by the original signature of an officer 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.
- (e) After signing the final certification, the document custodian, based on the Issuer's instructions, either sends the original final certification to the PPA or sends it to the Issuer so the Issuer can forward it to the PPA. The form must be forwarded to and approved by the PPA within 12 months of issuance of the securities.
- (f) If a pool or loan package is transferred to a new Issuer or a new document custodian, before final certification, the transfer does not extend the final certification deadline.
- (g) The document custodian must deliver a copy of the final certification to the Issuer and place a copy in the pool or loan package master file.

Section 3. Required Documents

Within twelve (12) months of issuance, the Issuer is required to deliver the following documents to the document custodian by the Issuer for final certification:

- (a) Manufactured Home Unit Only
 - (i) The original UCC-1 Financing Statement, with evidence of recording in the jurisdiction in which the collateral is located.
 - (ii) The original UCC-3 Assignments of the chattel security agreement and/or other security interest, with evidence of recording in the jurisdiction in which the collateral is located, which were not available for initial certification. The intervening assignments must document a complete chain of title from the originating lender to the current Issuer if the Issuer did not originate the loan.

Ginnie Mae will accept copies of the UCC-3 Assignment(s) only if the originals have been lost and if they clearly show evidence of recordation.

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(iii) Evidence of FHA insurance.

(b) Manufactured Home Unit With Land

In addition to the documents required for final certification, as described in [Part D, Section \(3\)\(a\), Manufactured Home Unit Only](#), above, the following documents are also required for final certification when the loan includes land financing:

- (i) Original security instrument securing payment of the indebtedness signed by the mortgagor and recorded. Upon receipt of the original security instrument from the recorder's office, the Issuer is required to forward the original recorded document to the document custodian. A copy is acceptable only if the original has been lost and it clearly shows evidence of recordation.
- (ii) Original intervening assignments of the security instrument from the originator up to the current Issuer, or to MERS. The assignments must have been recorded and the chain of assignments must be complete. Copies are acceptable only if the originals have been lost and they clearly show evidence of recordation, yet were not available at the time of initial certification.

Mortgagee's title insurance policy or other evidence of title acceptable to FHA, except in cases involving HUD Dispositions. A copy of the Mortgagee's title insurance policy is acceptable only if the original has been lost.

(iii) Evidence of FHA insurance.

Section 4. Final Certification—Document Review Process

For each loan file, the document custodian is required to perform the following review procedures on the documents listed to confirm their completeness and consistency. Any defects discovered during the review process must be referred to the Issuer on a timely basis for correction or resolution.

It is important to note that, while the Issuer may authorize the document custodian to make corrections on the documents, Ginnie Mae ultimately holds the Issuer responsible for document validity.

It also is important to note that all documents that were present for the initial certification should still be present in the file at final certification.

(a) Manufactured Home Unit Only

- (i) UCC-1 Financing Statement
 - (A) Verify that the original UCC-1 Financing Statement is present and has been recorded by the Issuer in the jurisdiction in which the collateral is located and includes a location address or location description for the manufactured home unit which agrees with the retail installment sales contract or other chattel security agreement;
 - (B) Verify that the UCC-1 form covers the manufactured home unit and other personal property described in the retail installment sales contract or other chattel security agreement;

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- (C) Verify that the Vehicle Identification Number (VIN) on the UCC-1 form agrees with the title issued by the Department of Motor Vehicles; and
 - (D) Verify that the debtor(s) name(s) on the UCC-1 form agrees with the mortgagor(s) names on the retail installment sales contract or other chattel security agreement.
- (ii) UCC-3 Assignment(s)
- (A) Verify that the original UCC-3 intervening assignment(s) of the retail installment sales contract and/or other chattel security agreement are present and have been recorded in the jurisdiction in which the collateral is located, which were not available at the time of initial certification. The intervening assignment(s) must document a complete chain of title from the originating lender to the current Issuer.
 - (B) Verify that the UCC-3 form(s) cover the manufactured home unit and other personal property described in the retail installment sales contract or other chattel security agreement;
 - (C) Verify that the assignment(s) reference the manufactured home unit vehicle identification number (VIN) assigned by the Department of Motor Vehicles and that it agrees with the VIN on the Original UCC-1 Financing Statement; and
 - (D) Verify that the debtor(s) name(s) on the UCC- 3 intervening assignment(s) form(s) agree with the mortgagor(s) names on the retail installment sales contract or other chattel security agreement.
- (iii) Evidence of FHA Insurance

The following review procedures are required for all FHA loans (based on pooling date):

| Pool Issuance Date | FHA Requirements |
|--------------------------|---|
| January 1, 2003 or later | Document custodians may certify loans without evidence of FHA insurance |
| Prior to January 1, 2003 | Requires one of the following: <ul style="list-style-type: none"> • Issuer to provide paper MIC; or • Issuer may direct document custodian to review the duplicate MIC on FHA Connection; or • Issuer may provide a screen print of a duplicate MIC or other evidence of insurance from FHA Connection |

(A) FHA Connection

The following procedures are required when the document custodian is reviewing information in FHA Connection to ascertain the existence of insurance (if required based on pooling date).

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- (1) Verify that each item listed below is the same on both the FHA Connection and the form [HUD-11706](#):
 - Mortgagor name(s);
 - Property address;
 - Mortgage amount;
 - Interest rate; and
 - Endorsement date

It is acceptable for the mortgage amount shown on FHA Connection to exceed the amount shown on form [HUD-11706](#).

- (2) Verify that the FHA case number on the form [HUD-11706](#) agrees with the case number on FHA Connection.

In situations where the FHA case number differs between FHA Connection and the form [HUD-11706](#), the case number on FHA Connection governs and the form [HUD-11706](#) must be corrected. The FHA case number may be manually corrected on form [HUD-11706](#).

The Issuer is responsible for the change, however, the Issuer may authorize the document custodian to make certain corrections on the Issuer's behalf. The Issuer and document custodian must agree on which corrections the document custodian will make.

(b) Manufactured Home Unit With Land

In addition to the procedures required for final certification, as described in [Part D, Section \(3\)\(b\), Manufactured Home Unit With Land](#), above, the following procedures are also required for final certification when the loan includes land financing:

(i) Security Instrument

- (A) Verify that each item listed below is the same on both the security instrument and the form [HUD-11706](#):

- (1) Mortgagor's names(s);
- (2) Principal amount;
- (3) Term of loan (first and last payment dates);
- (4) Property street address, city, and state (if property address is included on the security instrument).

- (B) Verify that the date of the security instrument is the same as or later than the date of the promissory note or obligation.

- (C) Verify that the security instrument includes evidence of recording or filing date stamp. Ginnie Mae exempts security instruments in Hawaii and Torrens jurisdictions from this requirement for purposes of final certification due to delays in registration in those jurisdictions. Upon receipt of the original security instrument documents from the

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recorder's office the Issuer is required to forward said documents to the document custodian.

For loans in Puerto Rico, the document custodian must verify receipt of a copy of the executed mortgage documents affecting the title to the mortgage, filed with the recorder's office. The Issuer must certify that these are copies of the originals and that the original mortgage documents were registered in compliance with local jurisdictional law.

- (D) Verify that the personal property described on UCC forms matches that described in the note or retail installment sales contract;
- (E) Verify that all signatures on the security instrument agree with the signatures on the note or retail installment sales contract. Ginnie Mae requires that if there are multiple mortgagor names on the note, all the names should be on the security instrument. If not, an explanation must be placed in the file.

If a signature varies from the typed name, the degree of variance determines whether the document is acceptable for certification. If the variation is a missing middle initial or the omission of "Jr." or "Sr.", it is deemed acceptable. Other acceptable variations include a mortgagor oversigning or undersigning the document, such as the mortgagor signing either as George Allen Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the signed name other than the types of variances discussed above, a copy of the original notarized name affidavit must be provided.

- (F) Examine the security instrument for the completion of any required notarization, acknowledgment, or witness. The notarization, acknowledgment or witness date must be the same as the borrower signature(s) date on the note or retail installment sales agreement.
- (G) Verify that the trustee's name appears on the security instrument, if applicable.
- (H) Verify that any rider or addendum properly relates to the security instrument by confirming that the appropriate box has been checked on the security instrument. If the rider box is not checked and the rider is attached, it is acceptable for certification purposes. If the rider box is checked and the rider is not attached, it is not acceptable for certification purposes.
- (I) Verify that any rider or addendum is recorded and that the recording information corresponds to the security instrument.
- (J) Ginnie Mae will accept a copy of the recorded security instrument only if the original has been lost and the copy clearly shows evidence of recordation.

- (ii) Intervening Assignments

- (A) Individual Loan Intervening Assignments

- (1) Determine that intervening security instrument assignments, copies of which were certified as having been transmitted by the Issuer for recordation prior to initial certification, have been replaced at final certification with a recorded

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original, if jurisdictional law requires recording, or copy that clearly shows evidence of recordation.

For Hawaii and Torrens jurisdictions, the document custodian must verify receipt of a copy of the executed assignment(s) affecting the title to mortgages that were filed with the recorder's office. The Issuer must certify that these are copies of the originals submitted to the recorder's office for recordation. Upon receipt of the original assignments from the recorder's office, the Issuer is required to forward them to the document custodian

For Puerto Rico, when a security instrument is constituted to secure title conveyable by endorsement or to the bearer, the security instrument right shall be considered conveyed along with the title, without the need to notify the debtor or note the conveyance in the registry.

If the security instrument requires re-recording due to changes in payment terms, the intervening assignments would also require re-recording and the mortgagee's Title Insurance Policy must be brought forward ("date down" the policy) to the re-recording date.

- (2) Ginnie Mae will accept minor errors and typographical mistakes on the intervening assignments as long as the recording reference is correct. If an intervening assignment is presented with no evidence of recording or having been transmitted for recording, it must be accompanied by an individual mortgage legal opinion from qualified outside legal counsel licensed to practice law in the jurisdiction where the property is located, stating that the unrecorded assignment is enforceable in the jurisdiction. This opinion must be maintained by the document custodian in the Issuer Master File. The original unrecorded assignment must be maintained in the appropriate loan file.
- (3) Ginnie Mae will accept copies of the recorded assignments only if the originals have been lost and if the copies clearly show evidence of recordation.

(B) Blanket Intervening Assignments

- (1) Ginnie Mae requires that the original recorded blanket intervening assignment be maintained in the custodial Pool Master File with copies in the individual loan files. A copy of the recorded blanket intervening assignment is acceptable only if the original has been lost and the copy clearly shows evidence of recording.
- (2) Ginnie Mae permits the use of a blanket intervening assignment certification form. The certification form must be placed in each loan file where the loan was assigned on the blanket intervening assignment along with the original or copy of the recorded blanket intervening assignment (clearly showing evidence of recordation) maintained in the Pool Master File.

(iii) FHA Insurance

The following review procedures are required for all FHA loans:

- (A) Verify that each item listed below is the same on both the FHA evidence of insurance and the form [HUD-11706](#):

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- (1) FHA case number;
 - (2) Mortgagor name(s);
 - (3) Principal amount; and
 - (4) Term of loan.
- (B) If the principal loan amount does not agree, the issuer must support the difference with a payment history showing the loan balance is less than the insured amount or with a Ginnie Mae waiver letter supported by a specific reason why the insured amount is different.
- (C) In the case of a difference in verifying the FHA case number between the initial FHA Billing Statement and the form [HUD-11706](#), the case number on the initial billing statement governs, and the form [HUD-11706](#) must be corrected.
- (iv) Mortgagee Title Insurance – (Not Applicable to HUD Disposition or Hawaiian Homelands)
- (A) Verify that an original title policy, where applicable, or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedules A, B, and Conditions and Stipulations or comparable information. A countersignature is acceptable on a title policy if the policy is issued by an agent of the insuring title company. A countersignature is not required if the title policy is issued by the insuring company. It is also acceptable for the title policy to carry facsimile signatures. A copy of the complete mortgagee's title insurance policy is acceptable if the original is lost.
- (B) Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
- (C) Compare each of the following items, appearing on Schedule A of the title policy, to the security instrument:
- (1) Date of title insurance policy, which must be the same date as or later than the recording date on the security instrument. In some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier. In those instances, the Issuer must supply evidence that effective coverage is provided. The policy may contain language that states that the title company insures, as of the date of the policy, against loss or damage sustained or incurred by the insurer by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.

In jurisdictions where the security instrument is indexed before being recorded, the title policy must evidence effective coverage. As evidence, some title companies issue an endorsement to the title policy insuring against loss as of the date of the policy.

If a re-recording of the security instrument occurs for the purpose of altering any of the payment terms occurs, the title insurance must be brought forward ("date down" the policy) to the re-recording date. This is not necessary in cases of misspellings or corrections of mortgagor name(s) and/or property address corrections.

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- (2) Amount of insurance coverage for the mortgagee, which must be no less than the original amount of the mortgage or the maximum graduated payment mortgage amount, whichever is higher.

If the amount of title insurance is less than the original loan amount, the unpaid principal balance of the loan must be less than the title insurance coverage. This balance must also be supported by a loan history or a Ginnie Mae waiver letter to indicate why the insured amount is different.

- (D) Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:

- (1) Mortgagor name(s) (minor misspellings of mortgagors name(s) are acceptable);
- (2) Trustee name(s), if applicable; and
- (3) Principal amount.

- (E) Verify that the legal description of Schedule A includes either of the following:

- (1) A phrase that specifically references the legal description in the security instrument; or
- (2) A complete legal description.

Ginnie Mae requires that the legal description on the Schedule A exactly match the legal description on the security instrument.

- (F) Verify that the named insured under the title insurance policy is the name of the mortgagee and "its successors and/or assigns." If the definition of "insured" did not include each ownership successor or assignee of the indebtedness secured by the mortgage, then the policy must be accompanied by an endorsement to the Issuer as the mortgagee. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of "insured".

- (G) If a short form title policy is used, the following information must be verified:

- (1) Date of title insurance policy, which must be the same date as or later than the recording date on the security instrument; in some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier. In these instances, the Issuer must supply evidence that effective coverage is provided. The policy may contain language which states that the title company insures, as of the date of the policy, against loss or damage sustained or incurred by the insurer by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.

In jurisdictions where the security instrument is indexed before being recorded, the title policy must evidence effective coverage. As evidence, some title companies issue an endorsement to the title policy insuring against loss as of the date of the policy.

If a re-recording of the security instrument for the purpose of altering any of the payment terms occurs, the title insurance must be brought forward ("date

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down” the policy) to the re-recording date. This is not necessary in cases of misspellings or corrections of mortgagor name(s) and/or property address corrections.

- (2) Amount of insurance coverage for the mortgagee, which must be no less than the original amount of the mortgage or the maximum graduated payment mortgage amount, whichever is higher.

If the amount of title insurance is less than the original loan amount, the unpaid principal balance of the loan must be less than the title insurance coverage, and be supported by a loan history or a Ginnie Mae waiver letter to indicate why the insured amount is different.

- (H) Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:

- (1) Mortgagor name(s) (minor misspellings of mortgagors name(s) are acceptable).
- (2) Property street address, including city and state.
- (3) Date of security instrument.
- (4) Mortgage amount.

- (I) Verify that the named insured under the title insurance policy is the name of the mortgagee and “its successors and/or assigns.” If the definition of “insured” did not include each ownership successor or assignee of the indebtedness secured by the mortgage, then the policy must be accompanied by an endorsement to the Issuer as the mortgagee. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of “insured”.

Due to variances between states in title insurance policy form requirements, to the extent any of the information above does not appear on the title insurance product, an opinion from qualified outside legal counsel must be obtained that states that the absence of such information does not invalidate the title insurance policy coverage.

- (J) Verify the existence of a manufactured home endorsement to the title insurance policy.

- (K) If a clerk-certified Torrens certificate or an original attorney’s opinion which references an abstract of title has been provided, procedures in [Part D, Section \(4\)\(b\)\(iv\), Mortgagee Title Insurance](#), should be modified appropriately.

- (1) The attorney opinion or abstract of title must be dated on or after the date the mortgage was recorded.

- (L) If a master title policy is used, a copy of the Certificate of Title must be placed in the loan file and the procedures in [Part D, Section \(4\)\(b\)\(iv\), Mortgagee Title Insurance](#), should be modified appropriately.

- (M) For PIH loans, if a Title Status Report (TSR), in the case of a leasehold mortgage on tribal trust land or a trust mortgage on allotted individual trust land is provided,

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procedures in [Part D, Section \(4\)\(b\)\(iv\), Mortgagee Title Insurance](#), should be modified accordingly to accommodate the differences in information.

Section 5. Completion of the Final Certification Process

The document custodian must date and sign the final certification on the reverse side of form [HUD-11706](#) and must identify the name, address, and Ginnie Mae identification number of the document custodian and the name and title of the authorized individual who signed the certification. If the form [HUD-11706](#) includes more than one page, the document custodian need only sign the last page or the summary page.

The document custodian is required to submit the finally certified original form [HUD-11706](#) directly to the PPA through GinnieNET or via hard copy. A copy of the final certification must be placed in the Pool Master File. The PPA will provide the Issuer with a confirmation of the receipt and acceptance of the final certification.

If the pool was initially certified using GinnieNET, and the pool has not been transferred prior to final certification (other than pursuant to an immediate transfer of issuer responsibility upon the issuance of the related securities), then final certification may be completed through GinnieNET, following the instructions in [Chapter 11](#) of the MBS Guide and the GinnieNET Issuer Guide.

Loan files that have been temporarily released for a non-liquidation reason under reason code 6, and are returned to the document custodian after final certification of the pool must meet the final certification standards for the pool.

Loan files or documents released to an Issuer for a non-liquidation reason under reason code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is considered to be overdue for return to the document custodian.

The document custodian must notify the Issuer of overdue documents or loan files when the 90 day period has lapsed. The notification must be in writing and be documented in the inventory or file.

If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses), and the affected pools will be considered decertified until the loan file has been corrected.

PART E. RECERTIFICATION

Recertification procedures for a finally certified pool are required if there is a change of Issuer or document custodian responsibility. If the new document custodian prepares the final certification, recertification will not be required.

The recertification is required to assure Ginnie Mae that the required intervening assignments have been recorded and filed with the document custodian. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. Recertification must be performed within twelve (12) months of the pool transfer date.

It is important to note that while the Issuer may authorize the document custodian to make document corrections, Ginnie Mae ultimately holds the Issuer responsible for those changes and for the overall validity of the documents.

Section 1. GinnieNET Recertification of Certain Pools and Loan Packages

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- (a) If a pool or loan package that has received final certification is transferred either to another Issuer or to a new document custodian, the Issuer must choose whether to have the pool or loan package recertified using *GinnieNET* or using hard copy. The pool or loan package must be recertified by the document custodian within 12 months of the earlier of:
 - (i) The effective date of a transfer of Issuer responsibility (the first day of the month following the date Ginnie Mae executes the assignment agreement for transfer, and
 - (ii) Ginnie Mae's approval of a transfer to a new document custodian.
- (b) If a pool or loan package is transferred either to another Issuer or to another document custodian before it receives final certification. The final certification and recertification must be completed at the same time, but not later than the final certification date and must be submitted in accordance with the requirements of the MBS Guide.
- (c) The document custodian must conduct the recertification, depending on the pool or loan package type involved, in accordance with the applicable requirements of the Document Custodian Manual (Appendix V-1). If the documents are in order, the document custodian executes the recertification and transmits the recertification over the *GinnieNET* system.
- (d) Upon completing the recertification, the document custodian must place a copy of the Schedule of Pooled Mortgages with the recertification completed in the pool or loan package master file. The Issuer also must maintain in its files a copy of the Schedule of Pooled Mortgages bearing the completed recertification.
- (e) The Issuer will receive confirmation that the recertification has been completed.

Section 2. Hard Copy Recertification of Pools and Loan Packages

- (a) If a pool or loan package that has received final certification is transferred either to another Issuer or to a new document custodian, it must be recertified by the document custodian 12 months after the earlier of:
 - (i) The effective date of a transfer of Issuer responsibility (the first day of the month following the date Ginnie Mae executes the assignment agreement for transfer), and
 - (ii) Ginnie Mae's approval of a transfer to a new document custodian.
- (b) If a pool or loan package is transferred either to another Issuer or to another document custodian before it received final certification, the final certification and recertification must be completed at the same time but not later than the final certification due date.
- (c) The document custodian must conduct the recertification, depending on the pool or loan package type involved, in accordance with the applicable requirements of the Document Custodian Manual (Appendix V-1). If the documents are in order, the document custodian makes its recertification on the back of the Schedule of Pooled Mortgages.
- (d) The document custodian's recertification must be made by the original signature of an officer for 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.

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- (e) After signing the recertification, the document custodian, based on the Issuer's instructions, either sends the original recertification to the PPA or sends it to the Issuer so that the Issuer can forward it to the PPA.
- (f) The document custodian must deliver a copy of the recertification to the Issuer and place a copy in the pool or loan package master file.

Section 3. Document Custodian's Recertification Review Process

The following reflects Ginnie Mae's minimum recertification requirements for recertification of manufactured home loan pools:

- (a) Reconcile all loans listed on the original form [HUD-11706](#) to the active loans listed on the Issuer's current loan trial balance and the forms [HUD-11708](#) for any loan files that have been removed. Mortgages that have been liquidated must be noted or deleted by manually lining out the terminated loans, referring to the original schedule by attachment of the form [HUD-11706](#); or by attaching a list of the loans remaining in the pool, per the Issuer's current trial balance, to the recertification form [HUD-11706](#).

If a document custodian maintains an automated system and normally transmits certifications through GinnieNET, then it is not necessary to manually line out loan files that have been removed from the pool on the form [HUD-11706](#), provided that the document custodian can provide a status report of all loans in the pool. The information provided for each loan must be the same as the information required on the front of the form [HUD-11706](#). Because of assumptions, the form [HUD-11706](#) may not agree with the loan documents.

- (b) Verify that all required pool and loan documents are present and meet the minimum review standards required under [Part D, section \(3\), Final Certification Required Documents](#), and [Part D, Section \(4\), Final Certification—Document Review Process](#), of this Chapter 4.
- (c) Manufactured Home Unit Only
 - (i) Verify that the original retail installment sales contract and/or other chattel security agreement have been endorsed in blank and without recourse by the current Issuer. The endorsements must follow the proper chain of endorsement if the Issuer did not originate the loan.
 - (ii) Verify that the date of the Department of Motor Vehicles title is the same as or later than the date of the retail installment sales contract or other chattel security agreement, and that the Vehicle Identification Number (VIN) and manufactured home description on the DMV Title agrees with the retail installment sales contract or other chattel security agreement.
 - (iii) Verify that the VIN number and manufactured home description on the original recorded UCC-1 Financing Statement agree with the DMV Title and the retail installment sales contract or other chattel security agreement.
 - (iv) Verify that the original recorded UCC-3 Assignments of the chattel security agreement and/or other security interest document a complete chain of title from the originating Issuer to the current Issuer if the Issuer did not originate the loan.

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- (v) Verify that the VIN number and manufactured home description on the original UCC-3 Assignment to Ginnie Mae (in recordable form but unrecorded) agree with the DMV Title and the retail installment sales contract or other chattel security agreement.
- (vi) Verify that the mortgagor name(s) and FHA case number on the FHA Billing Statement agree with the related form [HUD-11706](#).

(d) Manufactured Home Unit With Land

In addition to the documents required for recertification as discussed in 4(E)(1)c above, the following documents are also required for recertification when the loan includes land financing:

- (i) Promissory Note or Financial Obligation
 - (A) Verify that the note or obligation is an original with signatures.
 - (B) Verify that the note or obligation includes a complete chain of endorsements from the originating Issuer to the current Issuer, together with an endorsement in blank and without recourse by the current Issuer signed by an authorized signer shown on [form HUD-11702](#).
 - (C) Verify that there have been updated endorsements on the promissory note or UCC-1 if there has been a change in Issuer.
- (ii) Security Instrument
 - (A) Verify that the security instrument is an original or a copy which clearly shows evidence of recordation.
- (iii) Intervening Assignments
 - (A) Verify that all intervening assignments are recorded originals if the law in the jurisdiction where the property is located requires such recordation. A copy is acceptable only if the original has been lost and if it clearly shows evidence of recordation.
 - (B) Verify that all intervening assignments follow a complete chain of title from the original Mortgagee to the current Issuer or to MERS.
 - (C) The note endorsement may be from originator to company "C", and the intervening assignments may be from originator to company "B" and then to company "C". Both documents must have a complete chain of title, even if the two chains are not identical.
- (iv) Mortgagee Title Insurance – (Not Applicable to HUD-Disposition, or Hawaiian Homelands):
 - (A) Verify the existence of an original title policy, including riders, if required, or a duplicate signed original (or countersigned) by the title company. A copy of the title insurance policy is acceptable if the original is lost.
 - (B) Verify the existence of a clerk-certified Torrens certificate or an original attorney's opinion which references an abstract of title, as applicable.

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- (C) If a master title policy is used, verify the existence of a copy of the certificate of title in the loan file.
- (v) FHA Mortgage Insurance
 - (A) When reviewing MIC data (based on pooling date), verify that FHA has signed the MIC and it includes the endorsement date. When viewing FHA Connection, verify that the endorsement date field is complete (based on pooling date).
- (vi) Form [HUD-11708](#)
 - (A) Verify that no form [HUD-11708](#) with a non-liquidation release code is included in an active loan file and the Pool Master File in the place of a promissory note or financial obligation. In the absence of the promissory note, for purposes of recertification, all documents required for final certification plus a lost note bond are required.
 - (B) Verify that all original forms [HUD-11708](#) with liquidation release codes are included with the form [HUD-11706](#) in the Pool Master File.

Section 4. Completion of Document Custodian's Recertification

The document custodian is required to forward the recertified form [HUD-11706](#) directly to the PPA via hard copy or GinnieNET. The Issuer and document custodian must maintain a copy of the certification submitted to the PPA.

Loan files that have been released for a non-liquidation reason under reason code 6 and are returned to the document custodian after pool recertification must still meet the final pool certification standards for the pool.

Loan files or documents released to an Issuer for a non-liquidation reason under release code 6 must be returned to the document custodian within 90 days.

When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents or loan files after 90 days. The notification must be in writing and documented in the inventory or file.

If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer and Portfolio Management (see Addresses), and the affected pools will be considered decertified until the loan file has been corrected.

PART F. Update of Legal Opinions

All blanket legal opinions from qualified external legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable laws. Such updated opinions will only apply to any transactions which occur after the changes in law. The Issuer is responsible for updating legal opinions and providing them to the document custodian.

CHAPTER 5: CONSTRUCTION LOAN POOLS

PART A. DESCRIPTION OF CONSTRUCTION LOAN POOLS (CL AND CS)

A construction loan pool consists of a single FHA-insured mortgage for a multifamily project under new construction or rehabilitation.

Upon maturity, construction loan pools and securities convert into project loan pools and securities. With construction loan pools, the document custodian is required to make only a single certification in connection with a new issuance of securities, and that certification is required prior to issuance. Final certification is not required for construction loan pools.

PART B. RESPONSIBILITIES

After initial endorsement by the FHA, and in accordance with the conditions of the Master Custodial Agreement, form [HUD-11715](#) ([Appendix III-4](#) of the Guide) (“form HUD-11715”), the certifications 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 location indicated on the [form HUD-11706](#). At the discretion of the document custodian and the Issuer, documents may be delivered on a piecemeal basis or after all required documents have been received for the loan file.

It is the document custodian’s responsibility to:

- (1) Accept the documents when delivered.
- (2) Ascertain that the documents relate to the loan listed on [form HUD-11706](#).
- (3) Review the documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters [11](#), [13](#), and [32](#) of the Guide.
- (4) Notify the Issuer of any document received that requires correction or completion before certification can be made.
- (5) Certify that the documents received satisfy the requirements of 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 not considered material. Ginnie Mae, in its sole discretion, may require Issuers who fail to meet recertification deadlines for transferred pools 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 or other mitigation measure, the document custodian must indicate and attest to Ginnie Mae those pools that do not meet recertification requirements.

PART C. CERTIFICATION

Section 1. Required Pool and Loan Level Documents

To certify a pool prior to the issuance of securities, the document custodian must obtain from the Issuer the following properly executed pool and loan documents:

- (a) Schedule of Pooled Mortgages, [form HUD-11706](#).

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- (b) Certification and Agreement, [form HUD-11711B](#), ([Appendix III-5](#) of the Guide) (“form HUD-11711B”) in hard copy or electronic form. If the [form HUD-11711B](#) indicates a second party interest in any pooled mortgage, an 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 mortgage, a [form HUD-11711A](#) is not required.
- (c) The original note endorsed for insurance by FHA and endorsed in blank and without recourse by the Issuer. The endorsements must provide a complete chain of title if the Issuer did not originate the loan.
- (d) An original assignment to Ginnie Mae provided by the Issuer in recordable form, but unrecorded (except for loans registered with MERS).
- (e) 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 Issuer. If the loan was originated with MERS as the Original Mortgagee (MOM), an intervening assignment is not required as long as the loan remains registered with MERS. Copies of the recorded intervening assignments are acceptable only if the originals have been lost and if the copies clearly show evidence of recordation.
- (f) The original security instrument, recorded (or filed, if under the Torrens title system) and signed by the mortgagor securing repayment of indebtedness. A title insurance company-certified copy may be used to certify the pool. Upon receipt of the original security instrument from the recorder’s office, the Issuer is required to forward it to the document custodian. A copy of the recorded security instrument is acceptable only if the original has been lost and if the copy clearly shows evidence of recordation.
- (g) An original of the Mortgagee’s title insurance policy or other evidence of title acceptable to FHA. A copy of the title policy is acceptable only if the original has been lost.

Short form title policies are not acceptable.

- (h) An original of the performance bond (dual obligee) naming Ginnie Mae as an insured party, either on the policy, by assignment, by endorsement, or by rider. An alternative to the performance bond is an original Completion Assurance Agreement as approved by FHA, backed by either a letter of credit or cash, if applicable. This bond, or the assurance agreement, is not required in the FHA 223(f) existing project program.
 - (i) The original, recorded Uniform Commercial Code (UCC1) forms or other security documents pertaining to chattel evidencing recordation or perfection with the appropriate office. Title insurance company-certified copies may be used to certify the pool. Upon receipt of the original UCC1s from the recorder’s office, the Issuer is required to forward them to the document custodian.
 - (j) The original Uniform Commercial Code (UCC3) assignment(s) to Ginnie Mae of the lien, mortgage, or other form of security agreement on the lot in recordable or perfectible form, but unrecorded.
 - (k) A copy of the survey.
 - (l) A copy of the surveyor’s report.
 - (m) A copy of the FHA firm commitment.
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- (n) An original assignment of the FHA firm commitment to the Issuer, if the Issuer is not listed as the Mortgagee on the commitment.
- (o) An original of the building loan agreement.
- (p) A copy of the construction contract.
- (q) Other documents as Ginnie Mae may require.

In no case may a Request for Release of Documents, [form HUD-11708](#) (Appendix V-5 of the Guide) (“form HUD-11708”), substitute for a required loan document at the time the document custodian performs the single certification for a construction loan pool.

Section 2. Other Loan Documents Supporting Each Separate Issuance

Securities are generally issued monthly as construction progresses and as advances are insured by FHA. Mortgage funds must be advanced and insured by FHA no later than the month prior to the month in which the related securities are issued. Prior to each individual issuance of securities, including the first issuance, the Issuer must deliver to the document custodian the following documents:

- (a) An original certificate (letter) documenting that the disbursement has been made to the mortgagor and payee named in form HUD-92403, Application for the Insurance of Advances;
 - (i) Verify that each item listed below corresponds to the original pool documents:
 - (A) Pool number;
 - (B) Project name; and
 - (C) FHA project number.
 - (ii) Verify the disbursement amount including cents.
 - (iii) Verify the certificate (letter) has been signed by the Issuer.
 - (iv) Verify the certificate (letter) appears on Issuer letterhead.
- (b) A copy of form HUD-92403, Application for Insurance of Advances which provides evidence of FHA insurance inclusive of the latest disbursement; and
 - (i) Verify the form pertains to the project.
 - (ii) Verify the form has been approved by an authorized signatory. The authorized signatory for loans insured by FHA may be the HUD field office or (except for initial and final draws) an FHA-approved Multifamily Accelerated Processing (MAP) lender. If the MAP lender approves the form HUD-92403, a copy of the lender’s MAP approval must be provided to the document custodian.

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- (c) Evidence that title insurance coverage is in effect, inclusive of the amount of the latest disbursement. The title company may provide the exact disbursement amount or the total amount disbursed to date.

Section 3. Document Custodian Procedures – Pool Certification

The document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the required review procedures must be referred to the Issuer in a timely manner.

It is important to note that while the Issuer may authorize the document custodian to make corrections on the documents, Ginnie Mae ultimately holds the Issuer responsible for the quality of the documents.

(a) [Form HUD-11706](#)

- (i) Verify that the [form HUD-11706](#) has been completely filled out by both the Issuer and document custodian, including their Ginnie Mae identification numbers.
- (ii) File the [form HUD-11706](#) in the related Pool Master File.

(b) [Form HUD-11711B](#)

- (i) Verify that the pool number on the [form HUD-11711B](#) agrees with the Ginnie Mae pool number on the related [form HUD-11706](#).
- (ii) Determine that one of the two boxes on the form has been checked.
- (iii) If the [form HUD-11711B](#) indicates that there is a second-party security interest in the pooled mortgage, verify that there is an original executed [form HUD-11711A](#).
- (iv) Verify that the Issuer has signed the form, if in hard copy.
- (v) File the [form HUD-11711B](#), if in hard copy, and [form HUD-11711A](#), if required, in the Pool Master File.

If the document custodian determines, or has reason to suspect, that the certification by the Issuer is incorrect, the document custodian must refuse the [form HUD-11711B](#) until the certification issues have been resolved.

(c) Promissory Note

- (i) Verify that each item listed below is the same on both the promissory note and the related [form HUD-11706](#):
 - (A) Mortgagor/Borrower name(s);
 - (B) Principal amount;
 - (C) Interest rate;
 - (D) First payment date;

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- (E) Maturity date;
- (F) Monthly principal and interest payment; and
- (G) FHA project number including section of the act.

After verifying the consistency and accuracy of information on the [form HUD-11706](#) and the promissory note, the [form HUD-11706](#) will then be the source document to be used to verify information on all other documents, except for the project number on the FHA insurance endorsement. The project number on the [form HUD-11706](#) will be verified to and governed by the project number on the FHA insurance endorsement panel.

If a difference is identified by the document custodian in verifying the [form HUD-11706](#) information listed in [Part C, Section \(3\)\(c\)\(i\)](#) of this chapter to the promissory note, the issuer must correct or resolve the difference prior to certification by the document custodian.

- (ii) Verify that each signature on the note agrees with the name typed below the signature line on which it appears. There will be no signature variations allowed for officers of corporations, partnerships, etc.

If the note is executed by an attorney-in-fact, a copy of the power of attorney must be included in the file and must be executed on or before the date of the note. The copy of the power of attorney must be notarized. The power of attorney must have been an active and valid power at the time the note was executed.

- (iii) Verify that the complete chain of signed endorsements exists from the loan originator to the Issuer.

The endorsement by the Issuer should be on the note, be in blank, and should not include a date.

Allonges may be used as long as they are acceptable practice in the jurisdiction in which the mortgaged property is located. The allonge must be an original, must clearly reference the note, and must be firmly affixed to the note.

The Issuer is responsible for ensuring that each allonge meets the requirements of the jurisdiction in which the mortgaged property is located and is enforceable in the jurisdiction in which the mortgaged property is located. Allonges may not be used in jurisdictions where their use is prohibited.

- (iv) Verify that the Issuer endorsement in blank and without recourse was made by an authorized officer, by comparing the signature on the endorsement to the Resolution of Board of Directors and Certificate of Authorized Signers, [form HUD-11702](#) ([Appendix I-2](#) of the Guide) ("form HUD-11702"). It is the Issuer's responsibility to ensure that the document custodian has a current copy of [form HUD-11702](#).

Ginnie Mae permits the use of facsimile signatures when placing endorsements on original notes and allonges, as long as the following conditions are met:

- (A) The use of facsimile signatures is acceptable under the laws of the relevant jurisdiction in which the property is located;

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- (B) Such signatures are not prohibited under the Issuer's corporate charter and by-laws;
- (C) The use of such signatures is authorized by a resolution duly enacted by the Issuer's board of directors; and
- (D) Such signatures must be notarized when required by jurisdictional law.

Ginnie Mae requires a facsimile signature to be a reproduction of a manual signature that can be saved electronically or by engraving, imprinting, or stamping.

- (v) Examine the promissory note for sections requiring notarization, acknowledgment, or witness. If required, verify that such sections have been completed.
- (vi) Verify that each rider, allonge or addendum relates to and references the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective document must be filed with the original note.

If the rider, allonge or addendum references terms of prepayment, verify that each item below is the same on the rider and [form HUD-11706](#):

- (A) Lockout term;
 - (B) Lockout end date;
 - (C) Prepayment premium period; and
 - (D) Prepayment end date.
- (vii) Verify that the note has evidence of FHA insurance, signed by an FHA agent.
 - (viii) In the case of a missing note, the document custodian must request that the Issuer provide a copy of the note with original signatures by the mortgagors.

(d) Agency Assignment

- (i) Verify the Mortgagor/Borrower name.
- (ii) Verify the presence of the legal description or a reference to the recorded mortgage.
- (iii) Verify the assignment is executed by the Issuer to Ginnie Mae.

(e) Intervening Assignments

- (i) Verify that all intervening assignments follow a complete chain of title from the loan originator to the Issuer or MERS. If the loan was originated with MERS as the Original Mortgagee (MOM), an intervening assignment is not required as long as the loan remains registered with MERS.

Ginnie Mae will accept typographical errors and other minor mistakes on an intervening assignment if the recording reference is correct.

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- (ii) Verify that the mortgagor name on the assignment corresponds to the [form HUD-11706](#).
 - (iii) Verify that each intervening assignment is a recorded original. A copy of the intervening assignment is acceptable only if the original has been lost and the copy clearly shows evidence of recordation. If an intervening assignment is presented that is not a recorded original or copy of an original, or has no evidence of recordation or of being transmitted for recordation, it must be accompanied by an individual mortgage legal opinion from qualified outside legal counsel stating that the assignment(s) is enforceable in the jurisdiction of the mortgage. The original opinion must be filed in the Issuer Master File with a copy in the loan file to which the opinion applied.
- (f) Security Instrument
- (i) Verify that each item listed below is the same on both the security instrument and the [form HUD-11706](#):
 - (A) Mortgagor/Borrower name;
 - (B) Principal amount; and
 - (C) Maturity date.
 - (ii) Verify that the date of the security instrument is the same as or later than the date of the promissory note.
 - (iii) A copy of the security instrument is acceptable only if the original has been lost and if the copy clearly shows evidence of recordation.
 - (iv) Verify that a legal description appears on the security instrument or on an attachment to the instrument.
 - (v) Verify that all signatures on the security instrument properly relate to the note.
 - (vi) Examine the security instrument for the completion of any required notarization, acknowledgment, or witness.
 - (vii) Verify that any rider or addendum properly relates to the security instrument.
 - (viii) Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.
- (g) Mortgagee Title Insurance
- (i) Verify that an original title policy, where applicable, or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedules A, B, and Conditions and Stipulations or comparable information. A countersignature is acceptable on a title policy if the policy is issued by an agent of the insuring title company. A countersignature is not required if the title policy is issued by the insuring company. It is also acceptable for the title policy to carry facsimile signatures. A copy of the complete mortgagee title insurance policy is acceptable if the original is lost.
 - (ii) Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.

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- (iii) Compare each of the following items, appearing on Schedule A of the title policy, to the security instrument:
 - (A) Date of title insurance policy, which must be the same as or later than the recording date on the security instrument. In some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier (Issuer must supply evidence that this provides effective coverage); and
 - (B) Amount of insurance coverage, which must be no less than the original amount of the security instrument. If the amount of title insurance is less than the original loan amount, the unpaid principal balance of the loan must be less than the title insurance coverage. This balance must also be supported by a loan history or a Ginnie Mae waiver letter to indicate why the insured amount is different.
 - (iv) Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:
 - (A) Mortgagor/Borrower name(s);
 - (B) Trustee name(s) if applicable; and
 - (C) Principal amount.
 - (v) Verify that a complete legal description is included on Schedule A of the title policy. The legal description on the title policy must match the legal description on the security instrument exactly.
 - (vi) Verify that the named insured under the title insurance policy is the name of the mortgagee and “its successors and assigns.” If the definition of “insured” did not include each ownership successor or assignee of the indebtedness secured by the mortgage, then the policy must be accompanied by an endorsement to the Issuer as the mortgagee. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of “insured.”
 - (vii) If a Torrens certificate or title abstract has been provided, verify that a legal opinion from qualified outside legal counsel, prepared at or after the recordation of the security instrument, has been provided which documents the acceptability of this evidence of title in the jurisdiction. Procedures in [Part C, Section \(3\)\(g\)\(i\)](#) through [Part C, Section \(3\)\(g\)\(vi\)](#) should be modified appropriately if a Torrens certificate or abstract of title is used.
- (h) Performance Bond
- (i) Verify that the performance bond is an original.
 - (ii) Verify that Ginnie Mae is named on the bond either by assignment/endorsement/rider as an insured party/obligee.
 - (iii) Verify that, for any assignment/endorsement/rider, the surety has provided written consent.
 - (iv) Verify that the bond will not expire prior to the maturity of the securities (i.e., the last payment due date per the construction contract).

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- (v) As an alternative to a performance bond, a-Completion Assurance Agreement is acceptable. Verify the collateral backing the agreement. If a letter of credit is used, it must be transferred to Ginnie Mae in a format similar to [Appendix VI-3](#) of the Guide. Any assignment must evidence the surety's written consent. No personal indemnity agreement is permitted.
 - (i) Uniform Commercial Code (UCC1) Forms
 - (i) Verify that UCC forms or other security instruments evidence recordation or perfection (filing) with the secretary of state or other appropriate office with jurisdiction, if required.
 - (ii) Verify that personal property is identified as "all articles of personal property owned by the mortgagor now or later attached to or used on or about the mortgaged property."
 - (j) Assignments of Uniform Commercial Code (UCC3) Forms
 - (i) Verify that there is an assignment to Ginnie Mae of the UCC forms in recordable or perfectible form, but unrecorded or unperfected. "Recordable form" means an executed but unrecorded assignment to Ginnie Mae.
 - (ii) Verify the name(s) of the mortgagor(s)/borrower(s).
 - (iii) Verify the presence of a reference to county record books in which the UCC forms are recorded, and must be executed by a corporate officer of the Issuer.
 - (k) Survey
 - (i) Verify the survey is applicable to the pooled mortgage.
 - (l) Surveyor's Report
 - (i) Verify that the date of the surveyor's report is no later than the date of the note.
 - (ii) Verify that the property description in the surveyor's report is the same as the description in the security instrument.
 - (iii) Verify that the description of easements and encroachments in the surveyor's report agree with the description in the title policy.
 - (m) FHA Firm Commitment
 - (i) Verify that the commitment is an executed copy.
 - (ii) Verify that the commitment pertains to the property as described in the security instrument.
 - (iii) Verify the commitment has been signed by HUD, the Mortgagor, and the Mortgagee.
 - (n) Assignment of FHA Firm Commitment, if applicable
 - (i) If the Issuer did not originate the loan, an original assignment of firm commitment must be executed from the Mortgagee on the commitment to the Issuer.
 - (ii) Verify that the assignment pertains to the property as described in the security instrument.
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CHAPTER 5: CONSTRUCTION LOAN POOLS

(o) Building Loan Agreement

- (i) Verify that the agreement is an executed original.
- (ii) Verify that the property described in the building loan agreement is the same as the property description in the security instrument.

(p) Construction Contract

- (i) Verify that the contract is an executed copy.
- (ii) Verify that the property described in the construction contract is the same as the property description in the security instrument.

Section 4. Document Custodian's Certification

The document custodian must date and sign the certification on the [form HUD-11706](#) (in hard copy or electronically) and must identify the name, address, and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification.

The document custodian is required to submit the certified original [form HUD-11706](#) directly to the PPA via GinnieNET or hard copy. A copy of the certification must be placed in the Pool Master File.

Loan files that have been released for a non-liquidation reason under reason code 6 and are returned to the document custodian after certification of the pool must meet the certification standards for the pool. Loan files or documents released to an Issuer with a non-liquidation reason under release code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents or loan files after 90 days. The notification must be in writing and documented in the inventory or file. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer and Portfolio Management (see Addresses), and the affected pools will be considered decertified until the loan file has been corrected.

PART D. RECERTIFICATIONS

Recertification procedures are required if there is a change in Issuer or document custodian responsibilities for a pool. The recertification is required to assure Ginnie Mae that the required intervening assignments have been recorded and filed with the document custodian and that the notes have been properly endorsed for a transfer of Issuer responsibility. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. For pools related to a transfer of document custodian or Issuer responsibility, recertification must be performed within twelve (12) months of the effective transfer date.

Section 1. Recertification Procedures

- (a) Verify that all required pool and loan documents are present and meet the minimum review standards required under [Part C, Section \(3\)\(a\)](#) through [Part C, Section \(3\)\(p\)](#).

CHAPTER 5: CONSTRUCTION LOAN POOLS

- (b) [Form HUD-11711B](#) is not required for recertification if the pool was transferred to a new Issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new Issuer is required to obtain forms [HUD-11711B](#) (hard copy or electronic) and [11711A](#) (if required) from the original Issuer. If forms [HUD-11711B](#) and [11711A](#) cannot be obtained, the new Issuer must obtain a waiver letter from Ginnie Mae's Office of Issuer and Portfolio Management (see Addresses);
- (c) If there has been a change in Issuer, verify that there has been a recorded assignment of the mortgage (except for loans registered with MERS);
- (d) If there has been a change in Issuer, verify that there have been updated endorsements on the promissory note;
- (e) Verify that no [form HUD-11708](#) with a non-liquidation release code is included in the loan file and the pool Master File in the place of the promissory note;
- (f) Verify that the [form HUD-11706](#) (form HUD-11721 prior to January 1, 1996) is maintained in the Pool Master File;
- (g) If recertifying via hard copy, verify that the Issuer has prepared and delivered to the document custodian an original recertification page to be attached to copies of the original [form HUD-11706](#);
 - (i) If there has been a change in Issuer, verify that the recertification page of the [form HUD-11706](#) contains the name, ID number, address, and signature of the new Issuer.
 - (ii) Sign the reverse side of the recertification page of the [form HUD-11706](#), recertifying that all pool and loan documents have been received. The document custodian's name, address, Ginnie Mae document custodian number and the Issuer's pool number all must all be included on the [form HUD-11706](#).

The document custodian is required to submit the recertified [form HUD-11706](#) directly to the PPA via GinnieNET or hard copy. A copy of the recertification must be placed in the Pool Master File.

Loan files that have been released for a non-liquidation reason under reason code 6 and are returned to the document custodian after recertification of the pool must meet the certification standards for the pool. Loan files or documents released to an Issuer for a non-liquidation reason under reason code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents or loan files after 90 days. The notification must be in writing and be documented in the inventory or file. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae, and the affected pools will be considered decertified until the loan file has been corrected.

PART E. UPDATE OF LEGAL OPINIONS

All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable laws. Such updated opinions will only apply to transactions that occur after the changes in law. The Issuer is responsible for updating legal opinions and providing them to the document custodian.

CHAPTER 6: PROJECT LOAN POOLS

PART A. DESCRIPTION OF PROJECT LOAN POOLS (PL, PN, LM, LS, AND RX)

New project loan pools will consist of one or more FHA-insured mortgages, each secured by a completed multifamily project.

A level payment project loan pool (PL), a non-level payment project loan pool (PN), or a mature project loan pool (LM) will consist of a single mortgage on a completed multifamily project. A small project loan pool (LS) or a mark-to-market pool (RX) will consist of one or more mortgages, each secured by a completed multifamily project.

Project pools in existence on August 15, 1997, may consist of a coinsured mortgage secured by a completed multifamily project and, in the case of some project loans purchased from Ginnie Mae under a tandem mortgage disposition program that is no longer in effect, and which may consist of more than one project loan.

With project loan pools, the document custodian is required to make only a single certification in connection with a new issuance of securities, and that certification is required to be made prior to issuance. Final certification is not required for project loan pools.

PART B. RESPONSIBILITIES

After final endorsement by the FHA, and in accordance with the conditions of the Master Custodial Agreement, [form HUD-11715](#) ([Appendix III-4](#) of the Guide) (“form HUD-11715”), the certifications 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 location indicated on the form HUD-11706. At the discretion of the document custodian and the Issuer, documents may be delivered on a piecemeal basis or after all required documents have been received for the loan file.

It is the document custodian’s responsibility to:

- Accept the documents when delivered.
- Ascertain that the documents relate to the loan listed on [form HUD-11706](#).
- Review the documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters [11](#), [13](#), and [31](#) of the Guide.
- Notify the Issuer of any document received that requires correction or completion before certification can be made.
- Certify that the documents received satisfy the requirements of 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 not considered material. Ginnie Mae, in its sole discretion, may require Issuers who fail to meet recertification deadlines for transferred pools 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 or other mitigation measure, the document custodian must indicate and attest to Ginnie Mae those pools that do not meet recertification requirements.

PART C. CERTIFICATION

CHAPTER 6: PROJECT LOAN POOLS

Section 1. Required Pool and Loan Level Documents

To certify a pool prior to the issuance of securities, the document custodian must obtain from the Issuer the following properly executed pool and loan documents:

- (a) Schedule of Pooled Mortgages, [form HUD-11706](#).
- (b) Certification and Agreement, [form HUD-11711B](#), ([Appendix III-5](#) of the Guide) (“form HUD-11711B”) in hard copy or electronic form. If the [form HUD-11711B](#) indicates a second party interest in any pooled mortgage, an 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 mortgage, a [form HUD-11711A](#) is not required.
- (c) The original note endorsed for insurance by FHA and endorsed in blank and without recourse by the Issuer. The endorsements must provide a complete chain of title if the Issuer did not originate the loan.
- (d) An original assignment to Ginnie Mae provided by the Issuer in recordable form, but unrecorded (except for loans registered with MERS).
- (e) 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 Issuer. If the loan was originated with MERS as the Original Mortgagee (MOM), an intervening assignment is not required as long as the loan remains registered with MERS. Copies of the recorded intervening assignments are acceptable only if the originals have been lost and if the copies clearly show evidence of recordation.
- (f) The original security instrument, recorded (or filed, if under the Torrens title system) and signed by the mortgagor securing repayment of indebtedness. A title insurance company-certified copy may be used to certify the pool. Upon receipt of the original security instrument from the recorder’s office, the Issuer is required to forward it to the document custodian. A copy of the recorded security instrument is acceptable only if the original has been lost and if the copy clearly shows evidence of recordation.
- (g) An original of the Mortgagee’s title insurance policy or other evidence of title acceptable to FHA. A copy of the title policy is acceptable only if the original has been lost.

Short form title policies are not acceptable.

- (h) The original, recorded Uniform Commercial Code (UCC1) forms or other security documents pertaining to chattel evidencing recordation or perfection with the appropriate office. Title insurance company-certified copies may be used to certify the pool. Upon receipt of the original UCC1s from the recorder’s office, the Issuer is required to forward them to the document custodian.
- (i) The original Uniform Commercial Code (UCC3) assignment(s) to Ginnie Mae of the lien, mortgage, or other form of security agreement on the lot in recordable or perfectible form, but unrecorded.
- (j) Other documents as Ginnie Mae may require.

CHAPTER 6: PROJECT LOAN POOLS

In no case may a Request for Release of Documents, [form HUD-11708](#) (Appendix V-5 of the Guide) (“form HUD-11708”), substitute for a required loan document at the time the document custodian performs the single certification for a construction loan pool.

Section 2. Required Loan Documents Supporting ‘LM’ Pools

‘LM’ identifies a pool consisting of (A) a single project loan with a first scheduled payment date more than 24 months before the issue date of the securities or (B) a loan that has been modified subsequent to final endorsement.

If issuing under Reason A:

(a) In addition to the documents required in Section C-1, an Issuer must submit the following:

- (i) A certification in the form of [Appendix III-21](#). The certification must be reproduced on the Issuer’s letterhead without revision.

If issuing under Reason B:

(b) An Issuer must submit a new custodial file with the issuance of a pool backed by a modified loan. Many of the documents will be transferred from the original custodial file, but if any of the underlying conditions represented by the original pools document have changed, new or supplemental documents must be executed and placed with the document custodian.

For example, if the title insurance company issues a new policy on the modified mortgage or an endorsement to the original policy to include coverage of the mortgage modification, the new title policy or the endorsement and the existing title policy must be provided to the document custodian.

In addition to the documents required in Section C-1, an Issuer must submit the following:

- (i) A copy of the modification agreement approved by FHA.

Section 3. Document Custodian Procedures – Pool Certification

The document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the required review procedures must be referred to the Issuer in a timely manner.

It is important to note that while the Issuer may authorize the document custodian to make corrections on the documents, Ginnie Mae ultimately holds the Issuer responsible for the quality of the documents.

(a) [Form HUD-11706](#)

- (i) Verify that the [form HUD-11706](#) has been completely filled out by both the Issuer and document custodian, including their Ginnie Mae identification numbers.
- (ii) File the [form HUD-11706](#) in the related Pool Master File.

(b) [Form HUD-11711B](#)

CHAPTER 6: PROJECT LOAN POOLS

- (i) Verify that the pool number on the [form HUD-11711B](#) agrees with the Ginnie Mae pool number on the related [form HUD-11706](#).
- (ii) Determine that one of the two boxes on the form has been checked.
- (iii) If the [form HUD-11711B](#) indicates that there is a second-party security interest in the pooled mortgage, verify that there is an original executed [form HUD-11711A](#).
- (iv) Verify that the Issuer has signed the form, if in hard copy.
- (v) File the [form HUD-11711B](#), if in hard copy, and [form HUD-11711A](#), if required, in the Pool Master File.

If the document custodian determines, or has reason to suspect, that the certification by the Issuer is incorrect, the document custodian must refuse the [form HUD-11711B](#) until the certification issues have been resolved.

(c) Promissory Note

- (i) Verify that each item listed below is the same on both the promissory note and the related [form HUD-11706](#):
 - (A) Mortgagor/Borrower name(s);
 - (B) Principal amount;
 - (C) Interest rate;
 - (D) First payment date;
 - (E) Maturity date;
 - (F) Monthly principal and interest payment; and
 - (G) FHA project number including section of the act.

After verifying the consistency and accuracy of information on the [form HUD-11706](#) and the promissory note, the [form HUD-11706](#) will then be the source document to be used to verify information on all other documents, except for the project number on the FHA insurance endorsement. The project number on the [form HUD-11706](#) will be verified to and governed by the project number on the FHA insurance endorsement panel.

If a difference is identified by the document custodian in verifying the [form HUD-11706](#) information listed in [Part C, Section \(3\)\(c\)\(i\)](#) of this chapter to the promissory note, the issuer must correct or resolve the difference prior to certification by the document custodian.

- (ii) Verify that each signature on the note agrees with the name typed below the signature line on which it appears. There will be no signature variations allowed for officers of corporations, partnerships, etc.

If the note is executed by an attorney-in-fact, a copy of the power of attorney must be included in the file and must be executed on or before the date of the note. The copy of

CHAPTER 6: PROJECT LOAN POOLS

the power of attorney must be notarized. The power of attorney must have been an active and valid power at the time the note was executed.

- (iii) Verify that the complete chain of signed endorsements exists from the loan originator to the Issuer.

The endorsement by the Issuer should be on the note, be in blank, and should not include a date.

Allonges may be used as long as they are acceptable practice in the jurisdiction in which the mortgaged property is located. The allonge must be an original, must clearly reference the note, and must be firmly affixed to the note.

The Issuer is responsible for ensuring that each allonge meets the requirements of the jurisdiction in which the mortgaged property is located and is enforceable in the jurisdiction in which the mortgaged property is located. Allonges may not be used in jurisdictions where their use is prohibited.

- (iv) Verify that the Issuer endorsement in blank and without recourse was made by an authorized officer, by comparing the signature on the endorsement to the Resolution of Board of Directors and Certificate of Authorized Signers, [form HUD-11702](#) ([Appendix I-2](#) of the Guide) (“form HUD-11702”). It is the Issuer’s responsibility to ensure that the document custodian has a current copy of [form HUD-11702](#).

Ginnie Mae permits the use of facsimile signatures when placing endorsements on original notes and allonges, as long as the following conditions are met:

- (A) The use of facsimile signatures is acceptable under the laws of the relevant jurisdiction in which the property is located;
- (B) Such signatures are not prohibited under the Issuer’s corporate charter and by-laws;
- (C) The use of such signatures is authorized by a resolution duly enacted by the Issuer’s board of directors; and
- (D) Such signatures must be notarized when required by jurisdictional law.

Ginnie Mae requires a facsimile signature to be a reproduction of a manual signature that can be saved electronically or by engraving, imprinting, or stamping.

- (v) Examine the promissory note for sections requiring notarization, acknowledgment, or witness. If required, verify that such sections have been completed.
- (vi) Verify that each rider, allonge or addendum relates to and references the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective document must be filed with the original note.

If the rider, allonge or addendum references terms of prepayment, verify that each item below is the same on the rider and [form HUD-11706](#):

- (A) Lockout term;
- (B) Lockout end date;

CHAPTER 6: PROJECT LOAN POOLS

- (C) Prepayment premium period; and
 - (D) Prepayment end date.
 - (vii) Verify that the note has evidence of FHA insurance, signed by an FHA agent.
 - (viii) In the case of a missing note, the document custodian must request that the Issuer provide a copy of the note with original signatures by the mortgagors.
- (d) Agency Assignment
- (i) Verify the Mortgagor/Borrower name.
 - (ii) Verify the presence of the legal description or a reference to the recorded mortgage.
 - (iii) Verify the assignment is executed by the Issuer to Ginnie Mae.
- (e) Intervening Assignments
- (i) Verify that all intervening assignments follow a complete chain of title from the loan originator to the Issuer or MERS. If the loan was originated with MERS as the Original Mortgagee (MOM), an intervening assignment is not required as long as the loan remains registered with MERS.
- Ginnie Mae will accept typographical errors and other minor mistakes on an intervening assignment if the recording reference is correct.
- (ii) Verify that the mortgagor name on the assignment corresponds to the [form HUD-11706](#).
 - (iii) Verify that each intervening assignment is a recorded original. A copy of the intervening assignment is acceptable only if the original has been lost and the copy clearly shows evidence of recordation. If an intervening assignment is presented that is not a recorded original or copy of an original, or has no evidence of recordation or of being transmitted for recordation, it must be accompanied by an individual mortgage legal opinion from qualified outside legal counsel stating that the assignment(s) is enforceable in the jurisdiction of the mortgage. The original opinion must be filed in the Issuer Master File with a copy in the loan file to which the opinion applied.
- (f) Security Instrument
- (i) Verify that each item listed below is the same on both the security instrument and the [form HUD-11706](#):
 - (A) Mortgagor/Borrower name;
 - (B) Principal amount; and
 - (C) Maturity date.
 - (ii) Verify that the date of the security instrument is the same as or later than the date of the promissory note.

CHAPTER 6: PROJECT LOAN POOLS

- (iii) A copy of the security instrument is acceptable only if the original has been lost and if the copy clearly shows evidence of recordation.
 - (iv) Verify that a legal description appears on the security instrument or on an attachment to the instrument.
 - (v) Verify that all signatures on the security instrument properly relate to the note.
 - (vi) Examine the security instrument for the completion of any required notarization, acknowledgment, or witness.
 - (vii) Verify that any rider or addendum properly relates to the security instrument.
 - (viii) Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.
- (g) Mortgagee Title Insurance
- (i) Verify that an original title policy, where applicable, or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedules A, B, and Conditions and Stipulations or comparable information. A countersignature is acceptable on a title policy if the policy is issued by an agent of the insuring title company. A countersignature is not required if the title policy is issued by the insuring company. It is also acceptable for the title policy to carry facsimile signatures. A copy of the complete mortgagee title insurance policy is acceptable if the original is lost.
 - (ii) Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
 - (iii) Compare each of the following items, appearing on Schedule A of the title policy, to the security instrument:
 - (A) Date of title insurance policy, which must be the same as or later than the recording date on the security instrument. In some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier (Issuer must supply evidence that this provides effective coverage); and
 - (B) Amount of insurance coverage, which must be no less than the original amount of the security instrument. If the amount of title insurance is less than the original loan amount, the unpaid principal balance of the loan must be less than the title insurance coverage. This balance must also be supported by a loan history or a Ginnie Mae waiver letter to indicate why the insured amount is different.
 - (iv) Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:
 - (A) Mortgagor/Borrower name(s);
 - (B) Trustee name(s) if applicable; and
 - (C) Principal amount.

CHAPTER 6: PROJECT LOAN POOLS

- (v) Verify that a complete legal description is included on Schedule A of the title policy. The legal description on the title policy must match the legal description on the security instrument exactly.
 - (vi) Verify that the named insured under the title insurance policy is the name of the mortgagee and “its successors and assigns.” If the definition of “insured” did not include each ownership successor or assignee of the indebtedness secured by the mortgage, then the policy must be accompanied by an endorsement to the Issuer as the mortgagee. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of “insured.”
 - (vii) If a Torrens certificate or title abstract has been provided, verify that a legal opinion from qualified outside legal counsel, prepared at or after the recordation of the security instrument, has been provided which documents the acceptability of this evidence of title in the jurisdiction. Procedures in [Part C, section \(3\)\(g\)\(i\)](#) through [Part C, section \(3\)\(g\)\(vi\)](#) should be modified appropriately if a Torrens certificate or abstract of title is used.
- (h) Uniform Commercial Code (UCC1) Forms
- (i) Verify that UCC forms or other security instruments evidence recordation or perfection (filing) with the secretary of state or other appropriate office with jurisdiction, if required.
 - (ii) Verify that personal property is identified as “all articles of personal property owned by the mortgagor now or later attached to or used on or about the mortgaged property.”
- (i) Assignments of Uniform Commercial Code (UCC3) Forms
- (i) Verify that there is an assignment to Ginnie Mae of the UCC forms in recordable or perfectible form, but unrecorded or unperfected. “Recordable form” means an executed but unrecorded assignment to Ginnie Mae.
 - (ii) Verify the name(s) of the mortgagor(s)/borrower(s).
 - (iii) Verify the presence of a reference to county record books in which the UCC forms are recorded, and must be executed by a corporate officer of the Issuer.

Section 4. Converting a Construction Loan Pool to a Project Loan Pool

Construction loan securities are redeemed by the issuance of project loan securities to the security holders of the construction loan securities. Upon completion of the construction phase, the project is finally endorsed for FHA mortgage insurance. Upon final endorsement, the construction loan securities are terminated, and project loan securities are issued.

The procedures for converting to project loan securities (PL, PN, or LS pool) from construction loan securities (CL or CS pool) are as follows:

- (a) Consecutive pool numbers for the construction loan securities and the project loan securities must be used. The higher pool number is to be used for the project loan securities.
- (b) Documents in the document custodian’s construction loan file must be withdrawn for inclusion in the document custodian’s project loan file. The Issuer must accomplish this by providing to the document custodian a [form HUD-11708](#).

CHAPTER 6: PROJECT LOAN POOLS

(c) The Issuer must prepare any additional documents required for certification as required in [Part C, Section \(1\)](#).

Section 5. Document Custodian's Certification

The document custodian must date and sign the certification on the [form HUD-11706](#) (in hard copy or electronically) and must identify the name, address, and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification.

The document custodian is required to submit the certified original [form HUD-11706](#) directly to the PPA via GinnieNET or hard copy. A copy of the certification must be placed in the Pool Master File.

Loan files that have been released for a non-liquidation reason under reason code 6 and are returned to the document custodian after certification of the pool must meet the certification standards for the pool. Loan files or documents released to an Issuer with a non-liquidation reason under release code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents or loan files after 90 days. The notification must be in writing and documented in the inventory or file. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer and Portfolio Management (see Addresses), and the affected pools will be considered decertified until the loan file has been corrected.

PART D. RECERTIFICATIONS

Recertification procedures are required if there is a change in Issuer or document custodian responsibilities for a pool. The recertification is required to assure Ginnie Mae that the required intervening assignments have been recorded and filed with the document custodian and that the notes have been properly endorsed for a transfer of Issuer responsibility. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. For pools related to a transfer of document custodian or Issuer responsibility, recertification must be performed within twelve (12) months of the effective transfer date.

Section 1. Recertification Procedures

(a) Verify that all required pool and loan documents are present and meet the minimum review standards required under [Part C, Section \(3\)\(a\)](#) through [Part C, Section \(3\)\(i\)](#).

(b) [Form HUD-11711B](#) is not required for recertification if the pool was transferred to a new Issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new Issuer is required to obtain forms [HUD-11711B](#) (hard copy or electronic) and [11711A](#) (if required) from the original Issuer. If forms [HUD-11711B](#) and [11711A](#) cannot be obtained, the new Issuer must obtain a waiver letter from Ginnie Mae's Office of Issuer and Portfolio Management (see Addresses);

(c) If there has been a change in Issuer, verify that there has been a recorded assignment of the mortgage (except for loans registered with MERS);

(d) If there has been a change in Issuer, verify that there have been updated endorsements on the promissory note;

(e) Verify that no [form HUD-11708](#) with a non-liquidation release code is included in the loan file and the pool Master File in the place of the promissory note;

CHAPTER 6: PROJECT LOAN POOLS

(f) Verify that the [form HUD-11706](#) (form HUD-11721 prior to January 1, 1996) is maintained in the Pool Master File;

(g) If recertifying via hard copy, verify that the Issuer has prepared and delivered to the document custodian an original recertification page to be attached to copies of the original [form HUD-11706](#);

- (i) If there has been a change in Issuer, verify that the recertification page of the [form HUD-11706](#) contains the name, ID number, address, and signature of the new Issuer; and
- (ii) Sign the reverse side of the recertification page of the [form HUD-11706](#), recertifying that all pool and loan documents have been received. The document custodian's name, address, Ginnie Mae document custodian number and the Issuer's pool number all must all be included on the [form HUD-11706](#).

The document custodian is required to submit the recertified [form HUD-11706](#) directly to the PPA via GinnieNET or hard copy. A copy of the recertification must be placed in the Pool Master File.

Loan files that have been released for a non-liquidation reason under reason code 6 and are returned to the document custodian after recertification of the pool must meet the certification standards for the pool. Loan files or documents released to an Issuer for a non-liquidation reason under reason code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents or loan files after 90 days. The notification must be in writing and be documented in the inventory or file. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae, and the affected pools will be considered decertified until the loan file has been corrected.

PART E. UPDATE OF LEGAL OPINIONS

All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable laws. Such updated opinions will only apply to transactions that occur after the changes in law. The Issuer is responsible for updating legal opinions and providing them to the document custodian.

CHAPTER 7: OPERATIONAL PROCEDURES

OVERVIEW OF CHAPTER

This Chapter addresses the following document custodian operational procedures:

- (A) *Release and Return of Documents (HUD-11708);*
- (B) *Early Pool Termination;*
- (C) *Pool Maturity;*
- (D) *Transfer of Document Custody upon Issuer Default;*
- (E) *Transactions that Trigger Recertification Requirements;*
- (F) *Relocation of Document Custodian;*
- (G) *Issuer Mergers;*
- (H) *Issuer Name Change;*
- (I) *Physical Security;*
- (J) *Inventory Accounting;*
- (K) *Missing Document Resolution;*
- (L) *Flow (Pre) Certification.*

PART A. RELEASE AND RETURN OF DOCUMENTS

Section 1. Receiving Requests for Release of Loan Documents

Issuers may request from a document custodian the release of a loan file or document by submitting a Request for Release of Documents, form [HUD-11708](#) ([Appendix V-5](#) of the Guide) (“form HUD-11708”). The form [HUD-11708](#) must be signed by an authorized officer of the Issuer whose name appears on the Resolution and Certificate of Authorized Signatures, form [HUD-11702](#), (“HUD-11702”) found in [Appendix I-2](#) of the Guide. The Issuer is responsible for all information presented in the Request for Release of Documents, form [HUD-11708](#), regardless of whether the form reflects edits suggested by the document custodian.

The Issuer may use an electronic or computer-generated form [HUD-11708](#) provided that the format and substance of the computer-generated form are the same as the printed form [HUD-11708](#). If an electronic form is used, the Issuer must be able to reproduce, upon request by Ginnie Mae or its designee, a hard copy of the form.

For each request, the Issuer must identify the reason associated with its request by selecting the most applicable reason code from the six reason codes listed in the form [HUD-11708](#) and further described as follows:

- (a) Reason Code 1- Mortgage Paid in Full: Reason Code 1 applies when the Issuer has received and deposited funds on behalf of the mortgagor to pay the loan in full in accordance with [Chapter 16-9\(A\)](#) of the Guide.

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Note: When a mortgage has been paid in full, the loan file pertaining to the mortgage must not remain in the possession of the document custodian. The Issuer must submit to the document custodian a form [HUD-11708](#) no later than thirty (30) days following the loan liquidation date.

- (b) Reason Code 2-Repurchase of Delinquent Loans: Reason Code 2 applies when the Issuer has used its own funds to repurchase the loan from the pool as result of delinquency as prescribed in Chapters [18-3\(B\)](#) and [16-9\(A\)](#) of the Guide. Reason Code 2 *may not* be used for requests submitted in connection with loss mitigation.
- (c) Reason Code 3-Foreclosure With Claim Payment: Reason Code 3 applies when the Issuer has received and deposited insurance/guaranty funds from FHA, VA, RHS, or PIH in accordance with [Chapter 16-9\(A\)](#) of the Guide *and* has liquidated the relevant loan from the pool.

Note: If state law requires the Issuer to have the original note before initiating foreclosure proceedings or shortly after the proceedings begin, the Issuer should submit a form [HUD-11708](#) using Reason Code 6, not Reason Code 3, to obtain the original note. The Issuer must also enter in the blank with Reason Code 6 the explanation “Initiating Foreclosure.”

- (d) Reason Code 4-Loss Mitigation: Reason Code 4 applies when the Issuer has repurchased the relevant loan from a pool under the conditions specified in [Chapter 18-3\(B\)](#) of the Guide and deposited funds in accordance with [Chapter 16-9\(A\)](#) of the guide with the express intention of performing loss mitigation procedures specified by FHA, VA, RHS, or PIH.
- (e) Reason Code 5-Substitution: Reason Code 5 applies either when the Issuer needs to remove a defective loan from a pool to be substituted with an eligible loan in accordance with [Chapter 14-8](#) of the MBS Guide, or when the issuer is correcting for an over-collateralization by means of loan substitution. The Issuer must obtain written approval from Ginnie Mae prior to submitting a form [HUD-11708](#) on the basis of Reason Code 5. The Issuer must include the written evidence of Ginnie Mae’s approval for the relevant substitution when submitting the form [HUD-11708](#) to the document custodian.
- (f) Reason Code 6-Other: Reason Code 6 applies (1) when a loan is liquidated from a pool for any reason that does not meet the requirements of Reason Codes 1 through 5; or (2) when the Issuer needs a loan document or file for a non-liquidation reason. The required procedures for submission of a form [HUD-11708](#) on the basis of Code 6 are contingent on the specific reason underlying the request and are described below.
 - (i) Liquidation-Related Requests under Reason Code 6: For all requests submitted in connection with a loan that is liquidated, the Issuer must provide in the form [HUD-11708](#) an explanation of the reason for requesting the loan documents. Loan documents or files requested for liquidation reasons under Reason Code 6 may or may not require Ginnie Mae approval, as follows:
 - (A) *Liquidation-Related Requests that Require prior Written Ginnie Mae Approval: Issuers must obtain prior written approval from Ginnie Mae when the request relates to:*
 - (1) *The repurchase of a defective loan without a substitution; or*
 - (2) *Any other reason that is not expressly listed below in paragraph “(b) Liquidation-related requests that do not require prior written Ginnie Mae approval.*

The Issuer must include the written evidence of Ginnie Mae’s approval for the relevant repurchase or release of loan documents when submitting the form [HUD-11708](#) to the document custodian.

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- (B) *Liquidation-related requests that do not require prior written Ginnie Mae approval: Issuers may submit a form [HUD-11708](#) on the basis of Reason Code 6 without prior written approval for requests related to:*
- (1) *The taking of the mortgaged property by eminent domain or condemnation proceedings;*
 - (2) *The receipt of hazard and/or flood insurance claim proceeds to pay the loan in full; or*
 - (3) *For HMBS only, the occurrence of a mandatory or optional purchase event.*
- (ii) Non-Liquidation Requests under Reason Code 6: For all requests submitted in connection with a loan that is not being liquidated, the Issuer must provide in the form [HUD-11708](#) an explanation of the reason for requesting the loan documents and the date the Issuer expects to return the documents to the document custodian. Loan documents or files requested for non-liquidation reasons under Reason Code 6 may or may not require Ginnie Mae approval:
- (A) *Requests related to non-liquidated loans that require Ginnie Mae approval: Issuers must obtain written approval from Ginnie Mae when the request relates to:*
- (1) Transactions which trigger recertification requirements;
 - (2) Any other reason related to a non-liquidated loan that is not expressly listed below in paragraph “(b) Requests Related to Non-Liquidated Loans that Do Not Require Ginnie Mae Approval.”

The Issuer must provide to the document custodian a copy of the Ginnie Mae approval authorizing the release of the loan files. Ginnie Mae’s approval may consist of the transfer approval letter with pool exhibit and/or assignment agreement with pool exhibit provided by the issuer(s). Ginnie Mae’s written approval may be provided either in hard copy or electronically. The written Ginnie Mae approval may be used in lieu of an individual form [HUD-11708](#) in requesting the files to be transferred.

- (B) *Requests related to non-liquidated loans that do not require Ginnie Mae Approval: Non-Liquidation-related requests for document release that may be submitted on the basis of reason code 6 without prior Ginnie Mae approval include requests related to:*
- (1) Document correction;
 - (2) Initiation of foreclosure or litigation relating to borrower bankruptcy;
 - (3) Partial release of security;
 - (4) Release or grant of an easement;
 - (5) Release of gas, oil, or mineral rights;
 - (6) Release of chattel;
 - (7) Partition of the mortgaged property;
 - (8) Partial taking of the property by eminent domain or condemnation proceedings;
 - (9) Processing of a CEMA loan; or
 - (10) For Multifamily: Construction-to-Permanent Loan Conversions. These loans should not be included in the 90-day overdue report.

Section 2. Processing Requests for Release of Loan File or Document:

- (a) Form Requirements: Document custodians must not release to an Issuer any document without first obtaining a complete and accurate form [HUD-11708](#) for the relevant individual loan or loan file for which a release is requested, unless the requirement for a form [HUD-11708](#) is expressly exempted by this Chapter. The document custodian must only accept the current version of form [HUD-11708](#).
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- (b) Verification Requirements and form HUD-11708 Corrections: Upon receipt of a Request for Release of Documents, the document custodian must verify that the related form [HUD-11708](#) is complete and accurate. If the information on form [HUD-11708](#) is materially correct, the document custodian may make minor corrections with the agreement and approval of the Issuer.
- (c) Permissible Reasons: The document custodian may rely on the Issuer's stated reason for requesting a loan file or documents without verification.
- (d) Required Form Fields: The document custodian must verify that the Issuer completed the following fields accurately in the relevant form [HUD-11708](#):
- Issuer institution full name, unabbreviated;
 - Issuer Ginnie Mae identification number;
 - Signature of authorized officer of the Issuer, whose name appears on the form [HUD-11702](#);
 - Document custodian full name, unabbreviated;
 - Individual loan file information:
 - Mortgagor complete name(s); and
 - Property address.
 - Pool number;
 - One of the six reason codes;
 - A listing of document(s) removed in the "Other" section, if the entire loan file is not requested;
 - Issuer loan number;
 - Settlement/Expected Return Date:
 - Mortgage Paid in Full – settlement date;
 - Repurchase of Delinquent Loan – settlement date;
 - Foreclosure With Claim Payment – best estimate of settlement date;
 - Loss Mitigation – settlement date; or
 - Substitution – estimated completion date;
 - Other – expected return/settlement date;
- (e) Document Custodian Signature and Acknowledgment Requirements: After reviewing the prepared form [HUD-11708](#) for completeness and consistency, the document custodian must record its Ginnie Mae document custodian identification number and sign and date (or electronically acknowledge) the form prior to releasing the requested loan file or documents to the Issuer.
- (f) Permissible use of facsimile signatures: Ginnie Mae permits the use of facsimile signatures on form [HUD-11708](#) by either the Issuer or document custodian, as long as the signatures are permissible under the Issuer or document custodian's corporate charter and bylaws, and the use of such signatures is authorized by a resolution duly enacted by the Issuer or document custodian's board of directors. Additional information for identification purposes may be added to the form [HUD-11708](#) if agreed upon by the Issuer and the document custodian.
- (g) Specific Release Procedures Applicable to the Different Reason Codes:
- (i) **Reason Codes 1 through 4**: Upon release of the loan file from the document custodian's possession and receipt of the form [HUD-11708](#), the document custodian must update the form [HUD-11706](#) to reflect removed files.

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- (ii) **Reason Code 5:** The document custodian must verify that any form [HUD-11708](#) submitted to a document custodian with this reason code is accompanied by a copy of the letter from Ginnie Mae approving the substitution. The document custodian must not release a loan file if the form [HUD-11708](#) is not accompanied by the substitute loan file and a copy of the Ginnie Mae approval letter. Once the loan file is released to the Issuer, the document custodian must “line-out” the released loan file on the form [HUD-11706](#), and attach the page with the substitute loan to the form [HUD-11706](#) with the substitute loan. A loan file that has been released because of a substitution may not be returned to the same pool. The document custodian must retain the copy of the Ginnie Mae approval letter in the Pool Master File for the remaining life of the pool.
- (iii) **Reason Code 6:** For all requests submitted under Reason Code 6, the document custodian must ensure that the form [HUD-11708](#) contains an explanation of the reason for requesting the loan document or loan files. The document custodian must also ensure that the form [HUD-11708](#) is accompanied by the writing evidencing Ginnie Mae approval for the relevant transaction if such approval is required by [Part A, Section \(1\)\(f\), Reason Code 6-Other](#), of this Chapter.

For releases arising from liquidation-related requests, the document custodian must update form [HUD-11706](#) to reflect the removed files upon release of a loan file from the document custodian’s possession and receipt of the form [HUD-11708](#).

For releases arising from non-liquidation-related requests, the document custodian must list the loan in its non-liquidation inventory and track the documents in accordance with [Part J, Section \(5\), Non-Liquidation Release Inventory File](#). The document custodian must also ensure that the form [HUD-11708](#) contains the date the Issuer expects to return the documents to the document custodian.

- (h) Permissible use of Electronic Version of form HUD-11706: Ginnie Mae permits that form [HUD-11706](#) be maintained in an electronic medium, but the document custodian must be capable of producing a printout of form [HUD-11706](#) upon request by Ginnie Mae or its designee. If the custodian tracks releases electronically in the system of record, the custodian must be able to produce printouts of the form [HUD-11706](#) that reflect those releases (i.e. the printed form [HUD-11706](#) must reflect which items would have been “lined-out”).

Section 3. Release of Documents and Certification Considerations

- (a) Transfer of Documents. The loan file or documents transferred to the Issuer or its designee must be accompanied by a written copy or electronic confirmation of the signed and dated form [HUD-11708](#). When the Issuer requests loans from the document custodian using form [HUD-11708](#), the Issuer is responsible for appropriate insurance coverage to insure against any loss or damage to the files in transit. Original forms [HUD-11708](#) for loan files requested for a non-liquidation reason under reason code 6 for purposes of transfer or sale must be retained in the related loan file or Pool Master File.
- (b) Effect of missing or released documents on certification. In no case may a pool be initially certified with missing or released documents or loan files.
- (c) Requests for Release of Documents after initial certification. Approval from Ginnie Mae must be obtained anytime an Issuer requests a pool back from the document custodian after the document custodian has provided an initial certification via GinnieNET, but prior to the actual pool processing by the PPA. The Issuer is responsible for notifying Ginnie Mae in these cases, and for obtaining the required approval from Ginnie Mae. Once Ginnie Mae grants authorization

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to the document custodian, the document custodian may then return the pool documents to the Issuer. A form [HUD-11708](#) is not required to return a pool that was never issued.

Section 4. Return Procedures

When a released loan file is returned to the document custodian by the Issuer, the document custodian must perform the following procedures to properly execute the return of form [HUD-11708](#):

- (a) Match the original form [HUD-11708](#) to the applicable loan file or documents;
- (b) Review the returned file or documents to determine that all applicable loan documents are returned and meet the requirements for certification as outlined in this Manual;
- (c) Sign and date the bottom of the copy of the form [HUD-11708](#) (either in hard copy or electronically) that is being returned by the Issuer;
- (d) Update the form [HUD-11706](#) as necessary;
- (e) If releasing a loan file using a hard copy form [HUD-11708](#), forward the executed returned form [HUD-11708](#) to the Issuer.

The document custodian is not required to retain a copy of the returned form [HUD-11708](#).

PART B. EARLY POOL TERMINATION

In the event of a pool termination, Ginnie Mae will notify the document custodian directly, in writing, authorizing the release of all remaining mortgage documents. Upon receipt of the written authorization, the document custodian must release all loan documents relating to the terminated pool to the Issuer.

PART C. POOL MATURITY

After verifying that the security balance of the pool is zero, through at least the annual reconciliation of pools, the document custodian should notify the Issuer. It will be the Issuer's responsibility to request the Master Pool File from the document custodian after verification that all loans have been liquidated. If a loan file was requested in error, the Issuer must return to the document custodian the loan documents along with the Master Pool File.

Loan files requested in error by the Issuer must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents after 90 days. The notification must be in writing and be documented in the inventory or file. The Issuer must also maintain a non-liquidation release inventory. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) of the violation.

PART D. TRANSFER OF DOCUMENT CUSTODY BY GINNIE MAE

Upon notification to the document custodian by Ginnie Mae that an Issuer in the MBS Program has been placed in formal default status or if, for any reason, Ginnie Mae determines that the safety or security of loan documents is in jeopardy, the document custodian must comply with all written instructions from Ginnie Mae including, but not limited to, surrendering custody and delivering to Ginnie Mae or its designee all related documents, or otherwise abiding by all the terms contained in the Master Custodial Agreement, form [HUD-11715](#), ([Appendix III-4](#) of the Guide) ("form HUD-11715").

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PART E. TRANSACTIONS THAT TRIGGER RECERTIFICATION REQUIREMENTS

The following transactions trigger the need for document custodians to perform a recertification.

Section 1. Transfer of Issuer Responsibility.

- (a) For transfers of issuer responsibility, where there is a change in the document custodian, the following documents are required to be provided to and be held by the recipient document custodian:
- (i) Approval Letter;
 - (ii) Assignment Agreement;
 - (iii) Exhibit A;
 - (iv) Form [HUD-11702](#) provided by the Issuer
 - (v) Issuer Master File: Documents related to the pools and loans being transferred.
 - (vi) Forms [HUD-11711B](#) and [HUD-11711A](#), if required
 - (vii) [HUD-11706](#), or trial balance

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- (b) For transfers of issuer responsibility where there is no change in the document custodian, the document custodian may transfer the following pool documents and tracking to the new issuer in their system of record upon receipt of the transfer approval documents from the issuer.
- (i) Approval Letter;
 - (ii) Assignment Agreement;
 - (iii) Exhibit A;
 - (iv) Form [HUD-11702](#) provided by the Issuer
 - (v) Issuer Master File: Documents related to the pools and loans being transferred.
 - (vi) Forms [HUD-11711B](#) and [HUD-11711A](#), if required
 - (vii) Form [HUD-11706](#), or trial balance
 - (viii) Form [HUD-11708](#)

Section 2. Pools Issued for Immediate Transfer (PIIT) transactions .

For PIIT transactions, the Transferor is required to identify and enter their Document Custodian's Identification Number at the time of pool submission through *GinnieNET*. The Transferee Issuer will enter their Document Custodian Identification Number at time of acceptance of the transferred Pool.

- (a) For PIIT transactions where there is a change in the document custodian, the following documents are required to be provided to and be held by the recipient document custodian:
- (i) Assignment Agreement;
 - (ii) Exhibit A;
 - (iii) Form [HUD-11702](#) provided by the Issuer;
 - (iv) Issuer Master File: Documents related to the pools and loans being transferred;
 - (v) Forms [HUD-11711B](#) and [HUD-11711A](#), if required;
 - (vi) Form [HUD-11706](#), or trial balance; and
 - (vii) Form [HUD-11708](#)
- (b) For PIIT transactions where there is no change in the document custodian, the document custodian may transfer the following pool documents and tracking to the new issuer in their system of record upon receipt of the transfer approval documents from the issuer.
- (i) Assignment Agreement;
 - (ii) Exhibit A;
 - (iii) Form [HUD-11702](#) provided by the Issuer;
 - (iv) Issuer Master File: Documents related to the pools and loans being transferred;
 - (v) Forms [HUD-11711B](#) and [HUD-11711A](#), if required;
 - (vi) Form [HUD-11706](#), or trial balance; and
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(vii) Form [HUD-11708](#)

Section 3. Transfer of document custodians, without an accompanying change in issuer.

- (c) General Considerations. Under this procedure, Issuers have the option to either transfer some or all of their pools. To request a transfer of pools, Issuers are required to submit the information using the GinnieNET certification module.
- (d) Acceptability of Copies. Copies of documents related to the pools and loans being transferred are acceptable if the existing document custodian will retain pools for which the original documents must be retained.
- (e) Document Requirements. In transfers of document custodian without a change in Issuer, the following documents are required by the recipient document custodian:
 - (i) Assignment Agreement;
 - (ii) Exhibit A;
 - (iii) Form [HUD-11702](#) provided by the Issuer
 - (iv) Issuer Master File: Documents related to the pools and loans being transferred.
 - (v) Forms [HUD-11711B](#) and [HUD-11711A](#), if required
 - (vi) Form [HUD-11706](#), or trial balance
 - (vii) Form [HUD-11708](#)

Section 4. Exceptions

- (a) For pools issued more than 3 years from the transfer date, the form 11711B and form [HUD-11711A](#) are not required, but should be transferred if available.
- (b) Final certification satisfies the recertification requirement in pools that are less than one year old.

All Issuer and Custodian relationships must be evidenced by a form [HUD-11715](#).

For all transfers of document custody, the new document custodian has the responsibility to determine that all required documents pertaining to all mortgages in each pool have been received.

Note: Document custodians are not required, at any time, to send confidential documents that are unique to the Issuer-custodian relationship to a subsequent document custodian in a transfer.

PART F. RELOCATION OF DOCUMENT CUSTODIAN

Ginnie Mae's approval must be received before a document custodian may move documents to a new location. The information that must be provided to Ginnie Mae includes the current address of where the documents are located, the address of the proposed new location, and a listing of the pools to be moved and the affected Issuers. An appropriate amount of in-transit insurance coverage must be in force to indemnify against any loss or damage to the files in transit to the new permanent storage location. The document custodian is responsible for obtaining insurance coverage to insure against any loss or damage to the files in transit.

It is the document custodian's responsibility to determine, following the transfer or merger of physical custodial facilities, that all required pool and loan documents pertaining to each Issuer's pool have been received in the new (relocated) facility.

PART G. ISSUER MERGERS

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Ginnie Mae does not require recertification, intervening assignments or note endorsements when there is a merger of Issuers and the document custodian does not change. All mergers require prior written approval from Ginnie Mae. A copy of the merger documents and Ginnie Mae approval letter must be placed in the Issuer Master File. The surviving entity must be a party to form [HUD-11715](#) along with the document custodian.

PART H. ISSUER NAME CHANGE

In the event of an Issuer name change, Issuers are required to provide the document custodian with a copy of the appropriate corporate resolution and a copy of the form [HUD-11702](#). The Issuer is required to provide the resolution within thirty (30) days of a name change, and the resolution must be maintained by the document custodian in the Issuer Master File. The Issuer and the Document Custodian are also required to execute a new Master Custodial Agreement, form [HUD-11715](#), in GMEP. The document custodians may retrieve the new Master Custodial Agreement from the portal. Issuers are not required to prepare new assignments because of a name change.

PART I. PHYSICAL SECURITY

Ginnie Mae has determined that certain requirements must be met by document custodians to ensure that a secure and accessible storage facility is provided for the retention of pool and loan documents. These requirements are:

Section 1. Permanent Location Requirement.

All documents for a single pool must be retained in a single permanent storage location. The name, address, and Ginnie Mae identification number of the document custodian must be specified on the final page of the applicable form [HUD-11706](#).

The address at which the documents are held must be the last address of record reported in writing to Ginnie Mae.

Section 2. Required Controls

Adequate controls and safeguards must be provided to protect documents from hazards and unauthorized access.

Section 3. Fire Resistance Requirements.

A fire resistant depository for all Ginnie Mae pool documents is required.

All document custodial facilities must provide for two (2) hours of fire protection, which must be attested to by a written statement from the insurance company of the document custodian, the fire marshal of the applicable jurisdiction, or an independent qualified fire protection contractor. This statement of compliance must be retained by the document custodian and be available for inspection by Ginnie Mae or its designee.

This statement of compliance must be updated upon any significant change in the facility and made available for inspection by Ginnie Mae or its designee.

The fire-resistant storage must have adequate access controls to ensure the safety and security of the custody documents and loan files. The access controls may be either in (1) an electronic form, such as requiring one employee using a security card reader to gain entry to the vault; or (2) a manual form requiring two employees to be present whenever the vault is entered.

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It is the Issuer's responsibility to reconstruct the loan files in the event of a disaster. Responsibility of the document custodian to the Issuer depends on the contractual agreement between the Issuer and the document custodian.

Section 4. Disaster Recovery Plan Requirement

A disaster recovery plan that documents, at a minimum:

- (a) The recovery of the electronic tracking system utilized by the document custodian (both data and reports);
- (b) The relocation/restoration of the document custodial facilities to ensure continuing ability to perform required custodial functions;
- (c) Additional requirements for the testing and maintenance of the plan;
- (d) Procedures for notifying both the Issuer(s) and Ginnie Mae of a disaster within 24 hours of the disaster; and
- (e) Certification testing which provides for the disaster recovery plan to be tested annually and acknowledged by an independent party (i.e., Internal Audit or an Independent Auditor). Such acknowledgement must state that the test was completed successfully; or if the facility failed the test, the date the successful test was completed.

PART J. INVENTORY ACCOUNTING

The document custodian must maintain control of pool and loan documents for the life of the pool. Custodial control is critical for preserving the collateral interests of the Issuer, security holders and Ginnie Mae. This section describes specific inventory accounting requirements that must be followed for each Issuer for which the document custodian is responsible with respect to:

- Issuer Master File;
- Issuer Custodial Register;
- Pool Master File;
- Annual Physical Inventory; and
- Non-liquidation Release Inventory/File.

Section 1. Issuer Master File

For each Issuer, the document custodian must maintain an Issuer Master File that includes at least the following information:

- (a) Issuer custodial register (described below);
 - (b) Initial or subsequent form [HUD-11715\(s\)](#);
 - (c) Any blanket legal opinions;
 - (d) Copy of an Issuer's corporate resolution for a name change;
 - (e) Any other applicable Issuer level documents in the document custodian's possession;
 - (f) Copies of any Issuer's corporate resolution(s) and/or legal opinion(s) relating to custodial matters (i.e., use of facsimile signatures); and
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(g) Copy of form [HUD-11702](#).

Section 2. Issuer Custodial Register

For each Issuer, the document custodian must maintain a register or tracking system which includes at least the following information:

- (a) A listing of Ginnie Mae pools currently in custody, including pool identification numbers;
- (b) For each pool, both the actual and due dates for final certification and recertification; and
- (c) A count of the total number of Ginnie Mae pools in custody.

If any activity occurs, this register must be updated once a month. Monthly activity that must be recorded includes all pool certifications, transfer activity and liquidations.

The Issuer custodial register must be kept in the Issuer Master File and must be available for review by Ginnie Mae or its designee. If the Issuer custodial register is maintained in electronic medium, however, the document custodian must be capable of producing a hard copy of the register upon request by Ginnie Mae or its designee.

Section 3. Pool Master File

For each pool covered under a form [HUD-11715](#), the document custodian must maintain a single Pool Master File that, at a minimum, must contain the following documents:

- (a) Form [HUD-11706](#) or trial balances; If the pool was issued prior to January, 1996, the form [HUD-11706](#) may have a different title and form number;
- (b) Certification and Agreement, form [HUD-11711B](#) (Appendix III-5 of the Guide) (“form HUD-11711B”), if required;
- (c) Release of Security Interest, form [HUD-11711A](#) (Appendix III-5 of the Guide) (“form HUD-11711A”), if required;
- (d) Original blanket intervening assignment(s), with a copy included in each individual loan file to which the blanket intervening assignment applies;
- (e) Original pool level waiver letter(s) from Ginnie Mae, if any; and
- (f) Forms [HUD-11708](#) with non-liquidation release codes may also be retained in the individual loan files for released loan documents. These forms may be retained in hard copy or electronically. If retained electronically, the document custodian must be able to reproduce the form upon request by Ginnie Mae or its designee.

Section 4. Annual Physical Inventory

At least annually, the document custodian must perform an inventory of all pools held for each Issuer. At a minimum, the following procedures must be performed:

- (a) The pool numbers on the Issuer Custodial Register must be reconciled to a current Issuer-provided listing of pools; and

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(b) The pool numbers on the Issuer Custodial Register must be reconciled to the Pool Master Files.

The document custodian must provide each Issuer it serves with a written summary of the results of the annual inventory. Any differences should be identified and resolved within one-hundred and twenty (120) days of submitting the inventory summary letter to the Issuers. Unresolved differences must be immediately reported by the document custodian to Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses).

Section 5. Non-liquidation Release Inventory/File

The document custodian must maintain an inventory or file of all forms [HUD-11708](#) submitted on the basis of the non-liquidation reason code. If a file is maintained, copies of the forms [HUD-11708](#) be kept in chronological order by document release date. If an inventory is maintained, the following information must be included:

- (a) Pool number;
- (b) Issuer's loan number; and
- (c) Document release date.

The non-liquidation release inventory may be maintained in electronic medium; however, the document custodian must be capable of producing a hard copy of the inventory upon request.

Loan files or documents released to an Issuer for a non-liquidation release reason code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents after 90 days. The notification must be in writing and be documented in the inventory or file. The Issuer must also maintain a non-liquidation release inventory. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Issuer & Portfolio Management of the violation. The document custodian may submit its report of loans overdue for return to Ginnie Mae on a monthly basis.

If an Issuer has failed to return the file within the prescribed 180 days, the document custodian must inform Ginnie Mae of the Issuer's violation. Notification by the document custodian should be sent to both Ginnie Mae's Office Issuer & Portfolio Management (see Addresses) and the Issuer documenting the violation and listing the dates of the earlier request to rectify the violation.

PART K. MISSING DOCUMENT RESOLUTION

Lost or missing loan documents are documents that existed at some point, but cannot now be located by the Issuer after a thorough search, including searches by the document custodian and/or an agent, such as a foreclosure attorney or subcontract servicer. Note that the following discussion is not designed to be comprehensive and cannot be construed as a substitute for the advice of qualified legal counsel.

If Ginnie Mae HUD forms are missing from the pool Master File, these documents may be replaced with a copy of the missing document. Ginnie Mae will accept copies of the recorded Security Instrument and Intervening Assignments only if the originals have been lost and if the copies clearly show evidence of recordation. If any original note is missing, it may be replaced by a lost instrument bond. The document custodian must obtain a copy or original as appropriate of any missing document from the Issuer.

CHAPTER 7: OPERATIONAL PROCEDURES

When a document custodian becomes aware that a required document is missing, it is the document custodian's responsibility to send the Issuer a written lost document notification immediately, not to exceed thirty (30) days after discovery, and request timely resolution by the Issuer. The written lost document notification to the Issuer must contain each of the following items:

- Pool number;
- Loan or case numbers;
- Mortgagor and Mortgagee names;
- Description of missing document;
- Date the document was discovered missing; and
- Possible reasons for the absence of the document, if known.

A copy of the document custodian's written notification must be placed and maintained in the Pool Master File. Additionally, at least quarterly the document custodian is expected to forward to the Issuer a listing of all documents that have been missing for ninety (90) days or more.

Upon review and acceptance, the document custodian must file the replacement document in the applicable loan file and delete the document from the original lost document notification that was sent to the Issuer.

The Issuer must make a timely submission of the replacement document. If the missing document relates to a loan in a pool that has not been finally certified, the Issuer must replace the document within twelve (12) months of security issuance.

If the pool has been finally certified, the loan document must be replaced within ninety (90) days of the date the written notice was sent to the Issuer by the document custodian. If the problem is not resolved within ninety (90) days, the document custodian must then notify Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses). The affected pools will be decertified, and the loan file will have to be corrected and the pool finally certified or recertified.

For missing note situations requiring a lost instrument bond with limited liability, the lost instrument bond with limited liability must be in the form prescribed by Ginnie Mae. A lost note affidavit is not acceptable. The lost instrument bond must be accompanied by the appropriate Power of Attorney and certification as required by the insurance or surety company. (See Appendix I of the Manual for the prescribed lost instrument bond with limited liability.) The lost instrument bond does not require an endorsement. The bond must be submitted to the document custodian for review and approval. The document custodian will review the bond and, if acceptable, place the lost instrument bond in the document custodial loan file to replace the missing note.

In those cases where the document custodian may not be able to resolve a discrepancy with the Issuer concerning the lost instrument bond, the document custodian must submit the lost instrument bond to Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) for a final determination. Pools that are past due for final certification or recertification require a letter of credit. The letter of credit does not automatically place the Issuer in compliance with Ginnie Mae's requirements. Letter of credit requirements are more specifically described in [Chapter 11](#) of the Guide. The document custodian's role in the letter of credit process is to reconcile with the Issuer the total number of pools and/or loans past due for certification. It should be understood that the document custodian cannot attest to any other figures noted (i.e., loan balances and the total amount of letter of credit), or to any other Ginnie Mae pools and/or loans held on behalf of the Issuer by other document custodians.

CHAPTER 7: OPERATIONAL PROCEDURES

If at any time an error is discovered by a document custodian, the document custodian must notify the Issuer of the error for correction or resolution. If the error cannot be remedied, Ginnie Mae's Office of Issuer & Portfolio Management (see Addresses) must be notified after ninety (90) days.

It is the document custodian's responsibility to review documents for their consistency and completeness. It is the Issuer's responsibility to determine the materiality of errors and adequately explain the materiality to the document custodian.

PART L. FLOW (PRE) CERTIFICATION

Document custodians may perform a preliminary review of Notes for completeness and consistency (and compare them) to an issuer's loan data file prior to the availability of the form [HUD-11706](#). Once such review is performed, the document custodian must lockdown the relevant loan data in its tracking system so that no further changes may be made to the respective loan data.

When the form [HUD-11706](#) from GinnieNET is made available but prior to initial certification, the document custodian is required to compare the loan data information on its tracking system to the information on the form [HUD-11706](#). The loan data comparison may be performed either manually or electronically to the document custodian's tracking system.

In addition, prior to initial certification, the document custodian must also ensure that the loan is not allocated in another pool or to another issuer.

CHAPTER 7: OPERATIONAL PROCEDURES

“Exhibit A”

Seller’s Name, ID No.

Buyer’s Name, ID No.

| Pool Number | Type (X, C, or M) | Unpaid Security Principal Balance | Date of Issue | Date Finally Certified/ Recertified |
|-------------|-------------------|--------------------------------------|------------------|--|
|-------------|-------------------|--------------------------------------|------------------|--|

Total No. of Pools

Grand Total \$
As of Date

All documents held by (name of custodian) pertaining to the above Ginnie Mae mortgage pools have been released to (name of substitute custodian). The release was made to (name of individual representing substitute custodian) and was completed as of (date).

Authorized Signature, Custodial Institution

Date

Name of Custodial Institution, ID No.

This exhibit is provided for general information only. The content for this exhibit is generated through the Pool Transfer System (PTS).

CHAPTER 8: THIRD PARTY COMPLIANCE OVERSIGHT

PART A. INDEPENDENT AUDITORS (IA)

The Guaranty Agreement or the contractual agreement between an Issuer of Ginnie Mae mortgage-backed securities and Ginnie Mae requires the Issuer to submit copies of its annual financial statements, audited by an independent certified public accountant or an independent public accountant (both referred to as IA), within ninety (90) days following the end of the Issuer's fiscal year.

Because of its Master Custodial Agreement with an Issuer, each document custodian also becomes subject to IA compliance audits so that Issuer requirements are fulfilled. This IA compliance audit includes a review of the operations and records of each document custodian in accordance with the compliance tests for document custodians included in the HUD Office of Inspector General (HUD/OIG) Consolidated Audit Guide [Audit Guide \("Audit Guide"\) Chapter 6](#). The IA report on compliance testing includes all items of noncompliance that the IA has concluded are material departures from Ginnie Mae regulations or requirements.

Section 1. Auditor Methods

The annual IA examination with respect to the document custodian can be performed in either, or both, of the two methods discussed below:

(a) Multiple Auditor Approach.

A document custodian may be tested for compliance with Ginnie Mae requirements by an IA engaged by each Issuer for which a Master Custodial Agreement exists. The IA contracts with an Issuer, performs audit procedures on the pooled mortgage documents related to that Issuer only, and issues reports based on the results of those tests. Under these circumstances, if a document custodian performs services for more than one Issuer, more than one IA may audit the loan files each year.

(b) Single Auditor Approach.

One IA, engaged by the document custodian, performs one compliance review of all pooled mortgage documents held for every Issuer for which a Master Custodial Agreement exists

Section 2. Frequency of Reviews

If an Issuer uses only one document custodian, it must be reviewed every year. If an Issuer uses more than one document custodian, all document custodians contracted by the Issuer must be reviewed at a minimum of every three years.

Section 3. Auditor Characteristics

A selected IA must meet certain Federal requirements and all work performed must comply with "Generally Accepted Government Auditing Standards." See [Audit Guide Chapters 1, 2 and 6](#) for more detailed information.

The Master Custodial Agreement executed between a document custodian and an Issuer allows Ginnie Mae or a designee of Ginnie Mae to inspect and audit any and all records held by a document custodian relating to Ginnie Mae's guaranty of Mortgage-Backed Securities.

PART B. COMPLIANCE REVIEW AGENT (CRA)

Ginnie Mae, as a fully owned corporation within the U.S. Government, and its representatives, will not sign confidentiality agreements before performing on-site visits or compliance inspections. Issuers and Document Custodians are assured that Ginnie Mae and its representatives are required by federal statute to safeguard all privileged or confidential commercial or financial information and business practices. Such information, which falls under Exemption 4 of the Freedom of Information Act, is not subject to discretionary release by the government. Exemption 4 is coextensive with the Trade Secrets

CHAPTER 8: THIRD PARTY COMPLIANCE OVERSIGHT

Act, which makes it a crime for any employee to knowingly disclose trade secret information without legal authorization. Further, this statutory assurance is provided because the federal government cannot provide open-ended indemnification, as is common in indemnification agreements.

Ginnie Mae or its agent is responsible for the following functions:

- Testing Issuer and document custodian records and procedures to determine whether they conform to Ginnie Mae requirements;
- Following the completion of compliance testing, corrective action letters are issued to the document custodian, with relevant portions sent to affected Issuers;
- Following up with document custodians and Issuers to resolve reported compliance exceptions; and
- Monitoring compliance with final certification and Recertification deadlines and following up as necessary when such certifications become past due.

Ginnie Mae's designee is responsible for contacting document custodians directly and scheduling periodic on-site compliance testing visits. Document custodians are required to provide full cooperation during their compliance testing and any subsequent follow-up contacts. Compliance testing is performed for the sole benefit of Ginnie Mae and does not substitute for the required annual IA examination described earlier in this chapter. Ginnie Mae or its designee will meet with the document custodian at the end of an on-site compliance test.

CHAPTER 9: QUESTIONS AND ANSWERS

PART A. GENERAL PURPOSE

The purpose of this chapter is to provide answers to frequently asked questions (“FAQ” or “FAQs”) concerning Ginnie Mae’s policies for document custody. . The content of this chapter may be updated periodically to provide guidance or clarification on specific areas of concern even if the underlying Ginnie Mae policies remain unchanged. Program participants may request additional guidance concerning Ginnie Mae Document Custody policies via email at GinnieMaeDOCCUSTODY@hud.gov.

The following FAQs have been grouped by type of document that is most relevant to the FAQ in question, and the various groups are then labeled according to the name of such document. These groups of FAQs are named and organized in alphabetical order as follows:

[Assignments](#)

[Consolidation Modification Extension Agreement - NY CEMA](#)

[Endorsements](#)

[Form HUD-11706](#)

[Form HUD-11708](#)

[Lost Instrument Bond](#)

[MERS](#)

[Name Affidavit](#)

[Notary](#)

[Note](#)

[Pre-Certification Review](#)

[Security Instrument](#)

[Title Policy](#)

[Transfers](#)

PART B. FREQUENTLY ASKED QUESTIONS AND ANSWERS

Section. 1. ASSIGNMENTS

(a) When a lender uses a blanket certification at initial certification for a pool, certifying that all intervening assignments have been transmitted recordation, is the lender required to provide the recorded assignments prior to final certification?

Yes. Recorded assignments are required for final certification when a blanket certification was provided at initial certification.

(b) How does a custodian know if the recording information on an assignment or intervening assignment is complete?

To be complete, the recording information for an assignment or intervening assignment must contain the recording office and recording location, i.e., book and page (liber and page).

CHAPTER 9: QUESTIONS AND ANSWERS

- (c) When a lender provides evidence that the relevant jurisdiction does not require recordation of assignments, is the lender required to provide the original unrecorded assignment or is a copy acceptable?**

An original assignment is required.

Section. 2. CONSOLIDATION MODIFICATION EXTENSION AGREEMENT- NY CEMA

- (a) Is the consolidated Note acceptable if unexecuted?**

No. The NY CEMA document instruction requires that the consolidated Note copy be an executed copy. See the Instructions on page 4 embedded in the NY CEMA.

- (b) Is the consolidated mortgage acceptable if unexecuted?**

Yes. There is no requirement in the NY CEMA document instruction requiring that the consolidated Mortgage copy be an executed copy. See the Instructions on page 4 embedded in the NY CEMA.

- (c) Are reaffirmed Notes and Lost Instrument Bonds (LIB) acceptable for missing prior Notes in NY CEMAs?**

Yes. Notes that have been reaffirmed by borrowers (original signatures on a copy of a Note) are acceptable. Lost Instrument Bonds are acceptable for missing prior Notes in NY CEMAs which are listed in the Exhibit A.

- (d) Does Ginnie Mae require all prior consolidated Notes be present for final certification?**

Yes. All prior consolidated Notes are required.

- (e) Does Ginnie Mae require that all prior Mortgages and NY CEMAs be present for final certification?**

No. Ginnie Mae does not require copies of all prior mortgages and NY CEMAs to be present for final certification.

- (f) Does Ginnie Mae require that all prior Mortgages and NY CEMAs be validated against the information listed on the Exhibit A of the NY CEMA?**

Yes. Ginnie Mae requires executed copies of all prior notes and their information must be validated against the information in Exhibit A, attached to the NY CEMA.

- (g) Must prior recorded NY CEMAs be corrected and re-recorded if they contain errors?**

No. NY CEMAs that have been previously recorded do not need to be re-recorded so long as the current NY CEMA is correct.

- (h) May additional borrowers be added to a NY CEMA?**

Yes. Additional borrowers may be added to the Consolidated Note and the NY CEMA.

- (i) May borrowers on an underlying Note or NY CEMA be removed through a new NY CEMA?**

No. The borrowers for the underlying Note or NY CEMA may not be removed when a new NY CEMA is executed.

Section. 3. ENDORSEMENTS

- (a) Can a document custodian rely on an Issuer's form [HUD-11702](#) to determine whether a facsimile endorsement is acceptable?**

CHAPTER 9: QUESTIONS AND ANSWERS

No. The custodian cannot rely exclusively on the form [HUD-11702](#) for this purpose. An executed form [HUD-11702](#) informs the custodian which individuals are authorized to sign on behalf of the Issuer for purposes of the Ginnie Mae program, but it does not specify whether the entity in question has also authorized its agents to bind the entity via facsimile signatures. Consequently, the custodian must confirm whether the individual is authorized to use facsimile signatures by reference to a duly executed Corporate Resolution of the Issuer or the relevant corporate bylaws. The custodian must retain copies of the relevant document in the Issuer Master file in perpetuity as the identity of the individuals authorized to sign via facsimile signatures may change over time.

(b) Does Ginnie Mae permit notes to be endorsed in blank by Power of Attorney?

No.

Section. 4. FORM [HUD-11706](#)

(a) Must the custodian print and maintain the form [HUD-11706](#) in the pool master file?

Yes.

(b) Must the custodian wet sign the form [HUD-11706](#) maintained in the pool master file?

Yes, except that, for Initial Certifications, Final Certifications, and Recertifications performed via GinnieNET, the GinnieNET Host Communications Results Report, which includes the File Transmission Number (FTN), may substitute for the wet signature.

(c) Does the document custodian who provides the wet signature on the form [HUD-11706](#) need to have an officer title?

No. The document custodian employee signing the form [HUD-11706](#) is not required to have an officer title.

Section. 5. FORM [HUD-11708](#)

(a) For a final certified pool that has been transferred, does the form [HUD-11708](#) relief for loans released for a non-liquidation reason related to bankruptcy, foreclosure, or loss mitigation apply in the recertification process?

Yes, provided that the [HUD-11708](#) meets the requirements contained in [Chapter 3](#), Section D(3)(i)(i), Forms [HUD-11708](#), Document Requirement Exception, which includes a requirement that the document custodian must have received and reviewed the documents prior to the loan file's release.

Section. 6. LIB - LOST INSTRUMENT BOND

(a) Must all prior Notes for NY CEMAs at initial certification be originals?

All prior notes for NY CEMAs must be originals or Lost Instrument Bonds must be present at initial certification.

Section. 7. MERS

(a) Why is it necessary to recertify loans deregistered from MERS?

Deregistering a loan from MERS requires an assignment out of MERS to the Issuer. This ensures that the chain of title to the mortgage is complete.

Section. 8. NAME AFFIDAVIT

CHAPTER 9: QUESTIONS AND ANSWERS

(a) Is a copy of notarized name affidavit acceptable?

An original name affidavit or a copy with a reaffirmed signature is preferred. A copy may be acceptable if the notarization is not required to be raised to be effective (local law will vary among jurisdictions), and if the copy shows all of the information necessary on the notarization to confirm the legitimacy of the affidavit/person who executed it. A copy of a notarized name affidavit must be accompanied by an opinion from outside legal counsel affirming the acceptability of the copy in the relevant jurisdiction.

(b) How do I know if a name affidavit provided to address a mismatch between the typed name and signed name of a borrower is acceptable?

To be acceptable, the name affidavit must include both variations of the name appearing on the loan document.

Section. 9. NOTARY

(a) Can an incomplete Notary acknowledgement still be acceptable?

An instrument reflecting a notarization that appears to be incomplete or is missing information may be acceptable, but only if it is accompanied by evidence that, notwithstanding the missing notarization information or elements, the notarization is valid or acceptable in the relevant jurisdiction. An example of an incomplete notarization that, when accompanied by evidence of validity, would be acceptable is one where the county name is left blank in the acknowledgement, but the county name is contained in the notarial seal. Acceptable evidence of validity includes legal opinions from qualified outside counsel licensed to practice law in the jurisdiction in which the property is located or the jurisdiction's own guidance on notarization.

Section. 10. NOTE

(a) If a Note is lost in prior to initial certification, can a reaffirmed Note (original signatures on a copy of the Note) be substituted for the original Note?

Yes. A reaffirmed Note is acceptable for initial certification.

(b) What are the requirements for Notes stamped "Cancelled" by a Court?

Notes which have been stamped "cancelled" by a Court are acceptable if accompanied by documentation from that Court acknowledging that the Note was not cancelled and remains enforceable.

(c) What are the requirements for Notes that have been stamped as a "Certified True Copy" by error?

Notes that have been stamped by a mistake of the subservicer as a "Certified True Copy" are not acceptable. Such notes remain unacceptable even when they are accompanied by a letter from the servicer stating the Note was stamped in error. A new or reaffirmed Note is required in these cases.

(d) Can a document custodian process a loan for certification when a related endorsement in blank is dated?

Yes. The custodian may process the loan for certification. Ginnie Mae requests the document custodian contact the Issuer to inform them that they must not include the date on future endorsements.

(e) How can a signature be notarized or witnessed before the date of the Note?

CHAPTER 9: QUESTIONS AND ANSWERS

The notary or witness attests to the fact that the individual signed the document in the presence of the notary on the date of the notary. For example, if a borrower is out of town on the closing date but available to sign prior to the closing date, the document would be signed and the notary would be dated as of the date of the actual signing. The actual closing could occur at a later date. The notary or witness date should not be after the closing date.

(f) How are real estate transactions specified in a Power of Attorney or Attorney in Fact by the custodian?

While the exact verbiage and location will vary, a Power of Attorney (POA) will address real estate transactions by specifying what the Attorney in Fact may or may not do, such as purchase, sell or finance real estate. These may be further limited or described by loan amount, interest rate, and other loan terms. The custodian must compare the specified transactions to the terms of the Note, i.e., if the Note term(s) does not match the POA, the custodian must inform the Issuer about the document defect.

(g) What must the custodian do if the Note is lost subsequent to initial certification?

If the Note is lost subsequent to initial certification, a Lost Instrument Bond must be obtained and placed in the file. Ginnie Mae requirements do not specify who is responsible for obtaining the LIB. However, Ginnie Mae requirements specify that the entity providing the LIB may not be an affiliate of the entity obtaining the LIB. Please see [Chapter 2](#) of the MBS Guide for more information on the definition of the term "affiliate".

(h) Does POA verbiage need to be typed under the signature line?

No, the POA verbiage does not need to be typed under the signature line so long as certain conditions are met. If the POA verbiage is missing under the signature line, the signor must indicate explicitly and in writing, adjacent to his or her signature, that he or she is signing in the capacity granted by the POA.

(i) If there is a witness line on the note is must be signed? If there are multiple witness lines and only one is signed is this acceptable?

It depends on the law of the jurisdictions. The Issuer may rely on internal counsel to make this determination.

Section. 11. PRE-CERTIFICATION REVIEW (FLOW)

(a) If a flow or pre-certification review was performed on a loan prior to the implementation of the Document Custody Manual changes, can the custodian rely on the previous requirements.

No, the loan must be reviewed to the document review standards in effect as of the pool issuance date.

Section. 12. SECURITY INSTRUMENT

(a) Is a copy of a recorded Security Instrument acceptable?

Yes, *but only if* the original is lost and the relevant state does not require the original Security Instrument to be present in order to foreclose. Copies of recorded security instruments *are not* acceptable for states that require the original instrument to be present in order to foreclose even if the original has been lost.

CHAPTER 9: QUESTIONS AND ANSWERS

Section. 13. TITLE POLICY

(a) If the jacket is not present, what other comparable information is acceptable for the Conditions & stipulations?

Comparable information refers to the policy's standard terms and conditions including but not limited to the policy's covered risks, standard exclusions from coverage, exceptions from coverage, standard term definitions, arbitration clauses, choice of law and forum clauses, notice requirements, severability clauses, limitation of liability clauses, as well as other general terms and conditions that prescribe the duty of the insurer and the insured pursuant to the policy.

(b) Does the date of a title policy change to reflect a re-recording?

Yes. The date is brought forward to reflect re-recording of the mortgage when required.

Section. 14. TRANSFERS

(a) Can a pool that has not received a final certification be transferred to a new Issuer?

Yes, but it depends on the age of the pool. Pools that are more than 12 months old cannot be transferred to another Issuer until they receive a final certification. Pools that are less than 12 months old may be transferred to another Issuer prior to receiving a final certification. The document custodian for the new Issuer is responsible for completing the final certification for the pool within 12 months of the related issuance date, regardless of the date when the pool was transferred. Please note that in the latter scenario, the final certification provided by the document custodian for the new Issuer satisfies the recertification requirement.

(b) In situations of a partial transfer of pools from one custodian to another must the transferor custodian send only original documents from the Issuer Master File to the transferee custodian?

No, copies of documents which pertain to pools not transferred may be sent to the transferee custodian. One example of such a document is legal opinion which covers numerous loans.