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APM 15-12

July 23, 2015

To: All Participants in Ginnie Mae Programs

From: Theodore W. Tozer, President

Subject: Revised Document Custody Manual

Ginnie Mae is pleased to announce revisions to the Document Custody Manual (Manual), Appendix V-1 to the Mortgage-Backed Securities Guide, 5500.3, Rev. 1 (MBS Guide). The Manual provides the requirements and procedures for Document Custodians as well as the specific requirements for the collateral documents themselves. Issuers and Document Custodians will be required to comply with this updated version of the Manual for pools issued on January 1, 2016 and thereafter.

Key changes to the Manual are highlighted in Attachment A. The items listed in Attachment A are highlights only and do not constitute a comprehensive list of all updates to the Manual. Please note that the Manual is being published without a Chapter 9, Frequently Asked Questions (FAQs). The guidance provided previously in the FAQs has been incorporated into the relevant chapters of this Manual. Ginnie Mae will develop a new set of FAQs based on questions received from Issuers and Document Custodians, which will be published as Chapter 9 at a future date. If you have questions regarding the revised Manual, please email them to GinnieMaeDocCustody@hud.gov.

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



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Attachment A

Chapter	Highlighted Key Changes
Glossary	<ul style="list-style-type: none"> • Added definitions of some key terms and clarified others to be consistent with the Glossary in the MBS Guide.
1	<ul style="list-style-type: none"> • Removed obsolete references to pools issued before October, 1977.
2	<ul style="list-style-type: none"> • Reorganized guidance to enhance clarity for the reader. • Updated requirements for disaster recovery plans, fire resistant storage facilities, remaining in good standing with regulators, and employment of knowledgeable personnel. • Updated eligibility and record-keeping requirements for conducting self-custody or assigning custodial functions to a related entity.
3	<ul style="list-style-type: none"> • Updated requirements as to how copies of documents are to be treated for initial certification, final certification, and recertification. • Added document requirements for initial certification, final certification, and recertification of pools containing New York Consolidation, Extension & Modification Agreements (NY CEMA loans). • Removed the ability to substitute Lost Instrument Bonds for missing notes at the time of initial certification. • Added language to distinguish the options for submitting certifications via <i>GinnieNET</i> or manually (in hard copy). • Added a requirement for a legal opinion if required information is missing on certain short form title policies. • Clarified the recertification process for Representations & Warranties (R&W) Issuers and Non-R&W Issuers. • Updated requirements for initial certification, final certification, and recertification for modified loans. Added a requirement making an ALTA Mortgage Modification Policy (MMP) an acceptable type of insurance coverage in lieu of an endorsement to an existing title policy. • Added a requirement allowing an Issuer to substitute a loan file with a written attestation for final certification purposes in certain limited situations relating to form HUD 11708.

	<ul style="list-style-type: none"> • Clarified requirements for intervening assignments.
5	<ul style="list-style-type: none"> • Added items to be reviewed by the custodian on the note. • Clarified documentation requirements for construction loan draws. • Added requirements when a Power of Attorney is used, and for FHA Firm Commitments. • Removed the ability to substitute Lost Instrument Bonds for missing notes at the time of initial certification.
6	<ul style="list-style-type: none"> • Added items to be reviewed by the custodian on the note. • Clarified documentation requirements for 'LM' pools and conversions. • Added requirements when a Power of Attorney is used, and for FHA Firm Commitments. • Removed the ability to substitute Lost Instrument Bonds for missing notes at the time of initial certification.
7	<ul style="list-style-type: none"> • Reorganized guidance to enhance clarity for the reader. • Clarified recertification requirements resulting from relocation of custodial files due to consolidation of custodial facilities within the same legal entity. • Clarified the requirements related to the release and return of documents on form HUD 11708. • Clarified the requirements for transactions that trigger recertification requirements. • Added a requirement for a new form HUD 11715 to be executed when an Issuer changes its name. • Clarified requirements that Document Custodians must perform to address Flow (Pre) Certifications.
8	<ul style="list-style-type: none"> • Clarified reference to HUD OIG Consolidated Audit Guide.
9	<ul style="list-style-type: none"> • This chapter of frequently asked questions is being retired and will be updated with questions received over the implementation period.
10	<ul style="list-style-type: none"> • Added requirements for Payment Plan Rider, Closing Cost Rider, and Repair Rider. • Added language regarding assignments to MERS, endorsements, title

	<p>insurance coverage amounts, short form title policies, pool certification through GinnieNET, non-liquidation releases, document corrections, and the definitions of Mortgage and Borrower.</p> <ul style="list-style-type: none"> • Clarified material changes to the note, facsimile signatures, notary requirements, and recertification requirements. • Removed the ability to substitute Lost Instrument Bonds for missing notes at the time of initial certification. • Deleted references to R&W Issuers, modifications, and the table of HECM pool suffixes.
Appendix II	<ul style="list-style-type: none"> • Retired checklists and reserved this Appendix for future use.

Note: Chapters 1, 5, 6, 8, and 10 contain the same revisions as published and subsequently retracted in 2013. Chapter 4 will remain the same as the version which was originally published in 2005. Chapters 2, 3, and 7 reflect additional revisions beyond what was published in 2013.