

Notes & News

March 5, 2015
No. 20

Mission:

To support affordable housing in America by linking global capital markets to the nation's housing markets.

This publication will be used periodically to provide reminders or further information about Ginnie Mae programs, as well as notification of upcoming training events or conference calls of interest to our Issuers. Please note, APMs (All Participants Memoranda) will continue to be the formal communication device used to announce and implement official policy changes to Ginnie Mae's Mortgage-Backed Securities (MBS) programs. If you have any comments or suggestions on how to make this publication more informative and helpful, please contact your Account Executive directly.

Annual Audited Financial Statements Reminder

To remain in compliance with Ginnie Mae requirements, Issuers must submit year-end audited financial statements and Certificates of Insurance for Fidelity Bond and Errors and Omissions insurance, including the Ginnie Mae loss payee endorsement, annually. This includes Issuers that did not have outstanding Ginnie Mae securities or commitment authority to issue new securities at any time during the fiscal year.

These documents must be submitted via the Independent Public Accounting (IPA) module in Ginnie Mae's Enterprise Portal (GMEP) within **90 days** of the Issuer's fiscal year-end. Issuers with a fiscal year-end of December 31 must submit the annual financial statements with the transmittal checklist and supplementary documents to Ginnie Mae by March 31, 2015. Instructions for electronic submission of the documents through GMEP are available in Appendix VI-20 of the Ginnie Mae Mortgage-Backed Securities Guide 5500.3, Rev-1 (MBS Guide).

Issuers also are required to submit renewal Certificates of Insurance and endorsements for the Fidelity Bond and Errors and Omissions insurance no later than 30 days prior to policy expiration. The required elements can be found in Chapter 2-7 of the MBS Guide.

Reference	Guidance	Ginnie Mae Website
Consolidated Audit Guide for Audits of HUD Programs (Audit Guide) HUD Handbook 2000.04 REV-2 CHG-1, Chapter 6	Chapter 6: <i>Ginnie Mae Issuers of Mortgage-Backed Securities Audit Guidance</i> - outlines the required documents that must be submitted.	http://www.hudoint.gov/reports-publications/audit-guides .
Ginnie Mae Mortgage-Backed Securities Guide, Appendix VI-20.	<i>Appendix VI-20, Electronic Submission of Issuers' Insurance and Annual Audited Financial Documents</i> - Instructions for submitting the financial documents electronically	http://www.ginniemae.gov/doing_business_with_ginniemae/issuer_resources/MBSGuideAppendicesLib/Appendix_VI-20.pdf

Please reference Appendix III-29 of the MBS Guide for instructions on completing the Portal registration and accessing the Portal.

If there has been a change to your fiscal year-end or if you are unable to submit financial statements on time please notify your Ginnie Mae Account Executive in the Office of Issuer and Portfolio Management directly or at 202-708-1535.

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This document is to convey program news and notes only. All terms and conditions of the MBS Program are in the applicable Guaranty Agreement and the Guide. Where there is any inconsistency between this document and the applicable Guaranty Agreement or the Guide, the provisions of the applicable Guaranty Agreement or the Guide will govern.

Issuer Outreach Call

The next Issuer Outreach Call is scheduled for Thursday March 12, 2015 at 2:00 PM EDT. Instructions for joining the call are located on the modernization page of the Ginnie Mae website at:

http://www.ginniemae.gov/doing_business_with_ginniemae/modernization/Documents/20150312_Issuer_Outreach_Call.pdf

Federal Holiday Clarification—Please Mark Your Calendars!

Ginnie Mae is closed on all federal holidays. However, as described in Chapter 10 of the MBS Guide, in instances where Ginnie Mae is closed but Federal Reserve Banks are open, the applicable day will be treated as a work day from a Ginnie Mae processing standpoint. This year, Friday July 3rd is a federal holiday where Ginnie Mae offices will be closed, but the Federal Reserve Banks will be open, thus it will be treated as a work day. Therefore, please be advised that for July, Monday July 6th will be the 4th business day and will be the date on which all corrections for remaining principal balance and Reporting and Feedback System Investor Reporting are due.

Commitment Authority Fees

Ginnie Mae is aware that some Issuers have used principal and interest custodial accounts to purchase commitment authority via ACH debit, which violates Ginnie Mae's requirements. Issuers are hereby reminded that custodial accounts, and the funds within them, may only be used as expressly permitted in the MBS Guide and the Guaranty Agreements. Commitment Authority fees must be drafted from a corporate account. Any Issuer who has questions about this policy should get in touch with their Account Executive in the Office of Issuer & Portfolio Management directly or at (202) 708-1535.

Daily and Monthly MBS Pool Level Disclosure Files

The Daily and Monthly Mortgage Backed Security Pool Level Disclosure files have been enhanced with the upcoming release of Version 2.0. The "D" record will contain an indicator for the look-back period in Adjustable Rate Mortgage pools, the "F" record will contain three (3) new Upfront Mortgage Insurance Premium (MIP) buckets and one (1) new Annual MIP bucket and several fields have been expanded in size. Version 1.3 will still be available to accommodate users who may need additional time in order to process the new file.

FHA Post Settlement Interest Changes

The Federal Housing Administration (FHA) recently published a Federal Register Final Notice allowing mortgagees to charge interest only through the date the mortgage is paid in full and prohibits the charging of interest beyond that date. Issuers are reminded that publication of this notice does not change an Issuer's responsibility to advance a full month of interest to security holders, regardless of when a mortgage is paid off.

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