

Issuer Outreach Call:

March 12, 2015



Agenda

- Custodial Funds and Custodial Accounts
- Qualified Mortgages and Ginnie Mae
- General Clarifications
 - E-signatures (APM 14-01)
 - Loan Origination Date corrections (APM 15-03)
 - E&O Insurance Cap (APM 14-17)
- Issuer Operational Performance Profile (IOPP)
- Next Issuer Outreach Call
- Q&A Session

Custodial Funds and Custodial Accounts

Custodial Funds—Funds due securities holders, such as P&I and funds collected for the benefit of the mortgage or property such as taxes and insurances.

- Overnight investment prohibited—regardless of where the funds reside (clearing, disbursement or custodial account)
- Escrow Custodial Funds may earn interest in limited circumstances as permitted by the MBS Guide

Custodial Accounts

- May not be used for any purpose other than the management of custodial funds as permitted by the MBS Guide.
- Custodial accounts **may not under any circumstances** be used for the ACH debit of commitment Authority or Transfer fees

Qualified Mortgages and Ginnie Mae

- Ginnie Mae is authorized to guarantee pools of loans that are insured or guaranteed by FHA, VA, RHS and PIH. These agencies have issued their own QM guidance or adopted that of CFPB, and Ginnie Mae does not have any plans to issue additional guidance.
- FHA and VA have written their own QM rules and RHS is using the standard CFPB QM rule. In general, loans eligible for Ginnie Mae MBS pools will be QM.
- Ginnie Mae Supports responsible lending, and monitors Issuer activities and portfolio performance. If, at some point Ginnie Mae determines that a lack of its own guidance regarding QM status increases its risk exposure, Ginnie Mae will reevaluate our position.

General Clarifications – E-signatures (APM 14-01)

- Ginnie Mae's current policy does not allow electronic signatures or electronic documents on Notes, Security Instruments, or Loan Modification agreements
- This prohibition on electronic signatures and documents does not extend to documents not required for the Ginnie Mae program, examples of which include initial and final loan disclosures, sales contracts, and appraisals.

General Clarifications – Loan Origination Date Corrections (APM 15-03)

- With APM 14-14, Ginnie Mae required Issuers to provide the Loan Origination Date for all mortgages pooled on or after January 1, 2015.
- APM 15-03 addresses the situation in which an Issuer needs to correct the Loan Origination Date after issuance.
 - Various Loan Record may be submitted with an Issuer's RFS reporting if a correction is needed, but is not required when no corrections are needed.
 - The complete RFS file layouts, including the Various Loan Record are located in Appendix VI-19 (starts on page 23)

General Clarifications – E&O Insurance Cap (APM 14-17)

- APM 14-11 announced updates to Chapter 2 of the MBS Guide related to the new Issuer electronic application process and certain insurance requirements.
- The language in Chapter 2 of the MBS Guide that addressed the cap on errors and omissions coverage was deleted inadvertently in conjunction with the updates announced in APM 14-11.
- APM 14-17 reinstated to Chapter 2-7 of the MBS Guide the language that caps an Issuer's errors and omissions coverage at \$20 million.
 - Ginnie Mae requires the same amount of errors and omissions coverage that has been required in previous years.

Issuer Operational Performance Profile (APM 15-04)

- To obtain user access to the Issuer Operational Performance Profile (IOPP), please work with your respective Security Officer.
- The User Role Access Forms as well as more information on IOPP is available in the Issuer Resources section of the Ginnie Mae website, www.ginniemae.gov.
- If you have questions or would like to discuss your IOPP data, please contact your Account Executive.

Next Call

June 11, 2015 @ 2 PM

Q & A