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Ginnie Mae Issuer Training

Module II

MULTIFAMILY

New Pool Submission and Administration



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New Pool Submission and Administration

NEW POOL SUBMISSION

PROCESS OVERVIEW

- Pooling Requirements
- The Path of a New Pool at the PPA
- Security Issuance and Settlement
- Proposed GinnieNET Pool Submissions

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Process Overview

The objective of this module in the Ginnie Mae 101 Issuer Training is to review the process for submitting new Ginnie Mae Multifamily pools. This module will focus on Ginnie Mae Pooling requirements for Multifamily pools, documents that must be in place before a pool can be issued, eligible mortgages as well as some of Ginnie Mae's edit criteria for submitting new pools.

In addition to pooling requirements, this course will also explain in detail the role of Ginnie Mae's Pool Processing Agent (PPA) in the current manual process of submitting Multifamily pool documents and the issuance and settlement of Multifamily Ginnie Mae securities.

This module will also include a preview of the GinnieNET system as it relates to Multifamily pooling. Although there will not be any hands on GinnieNET training, GinnieNET screens will be shown and the future process will be explained.



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Pooling Requirements

Typically, the Issuer makes arrangements with a securities dealer to market the mortgage-backed securities when they become available. Selection of a Document Custodian to maintain possession of the mortgage and other documents and a financial institution(s) for the holding of principal and interest and tax and insurance funds reserved for replacements in custodial accounts must be made.

Currently all Multifamily pools are issued under the Ginnie Mae I program.

There are six pool types within the Multifamily group:

Construction Loan (CL): The designation for a pool consisting of a mortgage on a project under construction. These are temporary pools that are being securitized while under construction, which will convert to a Project Loan (PL/PN). Construction Loan Draws are submitted during the life of the CL that draws down on the mortgage amount of the project. Once the full mortgage amount is drawn the project will convert from a Construction Loan security to a Project Loan security.

Construction Loan Split Rate (CS): The designation for a pool consisting of a single construction loan. The interest rate payable on the securities backed by a CS pool will differ from the interest rate payable, upon conversion of the construction loan securities, on the resulting project loan securities.

Project Loan (PL): The designation for a pool consisting of a single, level payment project loan that (A) has a first scheduled payment date no more than 24 months before the issue date of the securities and (B) has not been modified subsequent to FHA's final endorsement.

Project Loan Non –Level Payments (PN): The designation for a pool consisting of a single, non-level payment project loan that (A) has a first scheduled payment date no more than 24 months before the issue date of the securities and (B) has not been modified subsequent to FHA's final endorsement.



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Project Loan Mature Loan (LM): The designation for 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.

Project Loan Small Loan (LS): The designation for a pool consisting of one or more project loans, (A) each of which is secured by a lien on a small project as determined by FHA, (B) each of which has a first scheduled payment date no more than 24 months before the issue date of the securities and (C) none of which has been modified subsequent to final endorsement.

To participate in the program, Issuers must request multiline commitment authority and pool numbers. All multiline commitment authority will expire the last day of the month that is 24 months from the date of approval of the commitment authority. Multiline commitment authority cannot be converted to single-line commitment authority.

Consecutive pool numbers must be reserved for an issue of construction loan securities and the related project loan securities. The lower pool number is to be used for the construction loan securities.

Ginnie Mae has entered into a contract with a Pool Processing Agent (PPA) for the processing of all Ginnie Mae pool submissions/issuance.

With the commitment authority in hand and with an allocation of pool numbers, the Issuer proceeds to originate or acquire mortgage loans to create a loan package.



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POOLING REQUIREMENTS

Minimum Pool Size

Ginnie Mae I - MF \$ 250,000

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Pooling Requirements

Pool Size

Ginnie Mae I

Pool Type	Minimum Pool Amount	Minimum Number of Loans	Bond Finance Program
CL, CS	\$250,000.00	1	N
PL, PN, LS,LM	\$250,000.00	1	N

For Construction Loan pools, the mortgage amount, after all advances, must total at least \$250,000.00.

For Project Loan pools, as of the issue date, the remaining principal balance of the mortgage must be at least \$250,000.00.



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Pooling Requirements

Eligible Mortgages for All Pools



- Mortgages must be and must remain insured by:
Federal Housing Administration (FHA)
and must be eligible for pooling under both the
construction loan and project loan MBS
programs.

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Pooling Requirements

Eligible Mortgages

A **construction loan pool** consists of one mortgage representing a single construction loan.

A **project loan pool**, other than an **LS** pool, may consist of, only one mortgage representing a single loan on a completed project. An **LS** pool may consist of one or more mortgages, each of which represents a loan on a completed project.

Each mortgage must satisfy the following requirements:

The mortgage must be insured by FHA under the National Housing Act and the appropriate implementing regulations and must be eligible for pooling under both the construction loan and the project loan MBS programs.

Mortgages coinsured under section 244 and insured under Title X of the National Housing Act are not eligible for pooling, with the exception of a coinsured loan that has been modified and finally endorsed for full insurance with FHA approval is eligible for pooling.

The mortgage must be current, as of the date of certification by the document custodian, with respect to payments of principal and interest and any necessary deposits.



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Pooling Requirements

Eligible Mortgages for Multifamily Pools

- Current Mortgage
- Interest Rate
- Amortization
- Final Endorsements
- Number of Loans
- Scheduled First Payment Date

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Pooling Requirements

Eligible Mortgages

Current Mortgage: The mortgage must be current, as of the date of certification by the document custodian, with respect to payments of principal and interest and any necessary deposits. The Issuer must not have advanced funds, or induced or solicited any advance of funds, for the payment of any amount required by the note or mortgage within three months preceding the date of certification. Excepted from this prohibition is any advance for interest accruing from the date of the note or the date of disbursement of the loan proceeds, whichever is later, to a day one month before the due date of the first installment of principal and interest.

Interest Rate: For Ginnie Mae I pools, all mortgages in a pool must bear the same interest rate. The mortgages may not be subject to changes in interest rate during their life. Without Ginnie Mae's prior written approval of a different rate, the interest rate on project loan securities is:

- (A) for securities backed by a PL, PN, or LM pool, at least one-quarter of one percent (25 basis points) but not more than one-half of one percent (50 basis points) below the annual interest rate on the pooled project loan;
- (B) for securities backed by an LS pool, at least one-half of one percent (50 basis points) below the annual interest rate on the pooled projects loan or loans. The minimum spread between the mortgage note and the security interest rate is 25 basis points. The spread may not exceed 50 basis points, except in the case of an LS pool, without prior Ginnie Mae approval.

Amortization: It is not necessary in the case of a PL, PN, or LS loan that the project loan note provide for the commencement of amortization by the issue date. A Project Pool Report, (form HUD 1710-C) must be submitted monthly with the Issuer's Monthly Accounting Report, (form HUD 11710-A) until amortization begins.



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Pooling Requirements

Eligible Mortgages

Final Endorsement: The mortgage note must have been finally endorsed by FHA prior to inclusion of the mortgage in the Ginnie Mae project loan pool. For Construction loans the mortgage note must have been initially endorsed by FHA for insurance of advances.

Number of Loans: As of the issue date, a pool must include at least 1 loan.

First Payment Date of Loan: The date for the first scheduled monthly payment must be no more than 24 months before the issue date of the securities except in the case of LM loans, where the first scheduled monthly payment is more than 24 months before the issue date of securities.



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New Pool Submission and Administration Pooling Requirements

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Before submitting a pool, Issuers must have:

- Sufficient multi line commitment authority to guarantee MBS
- Valid pre-assigned pool number
- Master Agreements at PPA



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Pooling Requirements

Pre- Submission

Prior to submitting pools to the PPA, Issuers are required to have adequate commitment authority to cover the dollar amount of the loans to be pooled and pre-assigned pool numbers. It is important that Issuers properly manage their commitment pipeline to assure that commitment authority is available to cover pool issuances. Issuers incur the risk that their pool issuance request will be either delayed and/or returned if they have not obtained commitment authority prior to the date for submission of pool documents to the PPA.

All Ginnie Mae Issuers must have current Master Agreements on file with the PPA.

The Issuer must also have on file at the PPA, the form HUD 11702, Resolution of Board of Directors and Certificate of Authorized Signatures.



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Pooling Requirements



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Master Agreements

Each Ginnie Mae Issuer is required to have on file with the PPA Master Agreements for:

- each P&I custodial account and escrow custodial account for each of its funds custodians
- each subcontract servicer
- each document custodian



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Pooling Requirements

Master Agreements

Effective with January 1, 1996, pool issuances, Issuers are required to use the "Master Agreement" process for submission of pool documents. This process reduces the number of pool documents needed to issue a new pool. Issuers submit a separate Master Agreement form for each banking institution holding P&I and T&I funds for Ginnie Mae pools, sub-contract servicer, and Document Custodian.

Caution: Failure to have approved Master Agreements on file with the PPA can delay the processing of a pool. To prevent the delay in the processing of a pool due to unacceptable Master Agreements, Issuers should submit new Master Agreements to the PPA for approval prior to the submission of the pool that will be issued under the new Master Agreements.

Renewal Master Agreement forms are solicited annually (January 1st) from all Issuers with an All Participants Memorandum.

If Master Agreement information has not changed from the previous year, Issuers must submit to the PPA copies of the previously approved Master Agreements along with a letter stating that there have been no changes. These documents should be submitted each January. If there have been any changes, new Master Agreements must be submitted only for the changes.

Whenever there is a change or addition to an Issuer's Document Custodian(s), P&I or T&I Custodian(s), or Sub-contract Servicer(s), Master Agreements must be on file with the PPA reflecting the change. Do not wait for the January renewal to submit these changes.



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The Master Agreement forms the PPA must have on file for each Issuer are:

- Master Servicing Agreement HUD 11707
- Master Agreement for Servicer's Principal and Interest Custodial Account HUD 11709
- Master Agreement for Servicer's Custodial Account HUD 11720
- Master Custodial Agreement HUD 11715

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Pooling Requirements

Master Agreements

Listed below are the Master Agreement forms, which the PPA must have on file for all Issuers.

- Form HUD 11707, Master Servicing Agreement.** This form indicates whether servicing of the pooled mortgages will be performed by the Issuer or by a sub- contract servicer.
- Form HUD 11709, Master Agreement for Servicer's Principal and Interest Custodial Account.** This form provides Ginnie Mae with an account number, along with the name and address of the depository institution holding the P&I funds. If separate "clearing accounts" or "disbursement accounts" are used for the receipt and payment of funds, follow the instructions in the MBS Guide.

Note: Principal and interest must be maintained in a custodial account separate from escrow.

- Form HUD 11720, Master Agreement for Escrow Custodial Account** - This form provides evidence of the establishment of escrow custodial accounts for the deposit of T&I funds, and/or Multifamily FHA escrow funds including name, address and account number of depository institution. With respect to FHA section **203(k)** loans, and for Section **184** loans that provide both construction and permanent financing, a separate escrow custodial account must be established, using a separate form HUD 11720, with the appropriate box checked ("Section 203(k) Escrow funds" or, in the case of Section 184 escrow funds, "Other"), for the deposit of any mortgage proceeds, including contingency reserves, intended for rehabilitation or improvement of section 203(k) housing or for construction of Section 184 housing.
- Form HUD 11715, Master Custodial Agreement** - This form sets forth duties and responsibilities of both Issuer and Document Custodian in the custodial relationship.



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Pooling Requirements

Master Agreements are submitted to the PPA
at the following address:

Ginnie Mae
The Chase Manhattan Bank
Ginnie Mae Pool Processing Unit
55 Water Street, Room 506
New York, NY 10041
(800) 234-GNMA (4662)

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Pooling Requirements

Master Agreements

All Master Agreements (new, changes and renewal certifications) must be mailed to:

**The Chase Manhattan Bank
Ginnie Mae Pool Processing Unit
55 Water Street, Room 506
New York, NY 10041**

(800) 234-GNMA (4662) option 3

Upon receipt of the Master Agreement package from the Issuer, the PPA reviews the forms for completion and accuracy. Signatures are verified against the form HUD 11702 Resolution of Board of Directors and Certificate of Authorized Signatures.

If the Master Agreements are in order, the PPA will mail Confirmation letters to the Issuers. If there is a problem with the Master Agreements submitted, the PPA will contact Issuers and advise them of the error(s).



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Pooling Requirements

Required Pool Documents

Following documents are required for the issuance of Project and Construction Loan Pools:

- Mortgage Note
- form HUD 11705
- form HUD 11706
- Prospectus
- form HUD 92403
- form HUD 11732
- Certification Requirement for the Pooling LM Pools

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Pooling Requirements

Required Pool Documents

Necessary pool documents must be prepared for the review and the issuance of securities. The following documents must be prepared for the issuance of project loans and construction loan pools:

- ◆ A copy of the mortgage note or other form of indebtedness, evidencing the initial or final FHA insurance endorsement.
- ◆ Schedule of Subscribers and Ginnie Mae Guaranty Agreement, form HUD 11705, which must indicate in Pool Type "CL, CS, PL," "PN," "LM," or "LS" securities.
- ◆ Schedule of Pooled Mortgages, form HUD 11706.
- ◆ Prospectus, form HUD 1724 for project loan securities only or form HUD 1731 for construction securities that will be converted to project loan securities.
- ◆ The Issuer must specify on the "Annex -- Special Disclosure," which is attached to the prospectus, the prepayment provisions of the note (which must include any provision detailing prepayment privileges or penalties). If, for example, the loan may not be prepaid in full for a specified period or partial prepayments are restricted, these requirements must be disclosed in the annex to the prospectus. If there are no prohibitions against voluntary prepayment, it must be so stated in the annex to the prospectus. (If a prepayment premium or charge is collected, it must be passed through to security holders as an additional payment apart from the amortization of principal of the securities and from required interest.)



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Pooling Requirements

Required Pool Documents

- ◆ If amortization of the mortgage and, consequently, amortization of the securities will not commence immediately, this deferred amortization must be described. It must be made clear that while amortization may be deferred because of provisions of the underlying mortgage, interest, as required by the security, will be paid by the 15th of each month. If payment is made by electronic transfer and the 15th day of the month is not a business day, then payment is due on the first business day following the 15th day of the month, commencing 45 days after the issue date of the security.
- ◆ If the securities are backed by a LM pool or a LS pool, the prospectus annex must contain the provisions, as applicable.
- ◆ In cases where the project loan securities are conversions from construction loan securities, the prospectus used to cover the overall issuance is form HUD 1731. It is issued to security holders prior to issuance of the construction loan securities.
- ◆ If the FHA assignment fee is to be waived by FHA, a written certification by the Issuer to the effect that the assignment fee is not applicable.
- ◆ For loans sold in a Ginnie Mae-approved auction, a copy of a notice of acceptance of the bids duly executed by an authorized official of the agency holding the auction.
- ◆ For the issuance of a project loan security that is a conversion from a construction loan security, a copy of a letter to security holders notifying them of the conversion of the construction loan securities to project loan securities and instructing them to deliver outstanding construction loan certificates, if any, either to the Issuer or directly to the CPTA for redemption.
- ◆ For a LM pool, Certification Requirements for the Pooling of Multifamily Mature Loan Program.
- ◆ Application for Insurance of Advances, form HUD 92403, if submitting CL Draws or if converting CL or CS securities.
- ◆ Custodian's Certification for Construction Securities, form HUD 11732. This document, which must be signed by the document custodian before it is submitted to Ginnie Mae by the Issuer, evidences that the document custodian is holding: (a) a certification that disbursement has been made to the mortgagor, (b) evidence of FHA insurance inclusive of the disbursement, and (c) evidence of title insurance coverage inclusive of the latest disbursement.



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Pooling Requirements

Construction Loan Draws

- Subsequent issuances within a CL or CS pool is termed as a “draw”.
- The mortgage note must have been initially endorsed by FHA for insurance of advances.
- Each issuance of construction loan securities must be in the amount of at least \$25,000.
- The outstanding principal amount of securities for a pool may not exceed the amount of advances that has been disbursed and insured on the construction loan in the pool.
- Construction loan securities are redeemed by the issuance of project loan securities to the construction loan security holders.

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Pooling Requirements

Construction Loan Draws

For subsequent issuances within a pool, the issuer must deliver to the PPA, not later than 3 business days prior to the anticipated delivery date, the following documents:

- (1) Schedule of Subscribers and Ginnie Mae Guaranty Agreement, form HUD 11705
- (2) Custodian's Certification for Construction Securities, form HUD 11732
- (3) FHA Form 92403

Consecutive pool numbers must be reserved for an issue of construction loan securities and the related project loan securities. The lower pool number is to be used for the construction loan securities.

The mortgage note must have been initially endorsed by FHA for insurance of advances.

Construction loan securities generally are issued monthly as construction progresses and as advances are insured by FHA. Mortgage funds must be insured by FHA and advanced by the issuer prior to the submission of the pool documents to the PPA.

Each issuance of construction loan securities must be in the amount of at least \$25,000 and will be made less frequently than monthly to the extent that insured loan advances are less than \$25,000 a month. Several draws may be combined to support an issuance of more than \$25,000 in a month.

The outstanding principal amount of securities for a pool may not exceed the amount of advances that has been disbursed and insured on the construction loan in the pool. The amount of securities to be issued in connection with a project may be increased at such time as the amount of the mortgage is increased because of increased construction costs or other reasons. The issuer is responsible for marketing the additional securities. If the mortgage increase is at a different interest rate than the rate on the original loan, a new securities pool will be established to fund the increase.



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Pooling Requirements

Construction Loan Draws

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.

- ❑ Purchasers of construction loan securities agree to accept this redemption through the issuance of project loan securities.
- ❑ Construction loan securities that are held in certificated form must be surrendered to Ginnie Mae prior to issuance of the project loan securities.
- ❑ The outstanding construction loan securities may be delivered by the security holder to the issuer for surrender or the security holder may deliver them directly to the CPTA. The outstanding construction loan securities must be surrendered before the project loan securities will be released.
- ❑ For book-entry securities, issuers are required to notify the registered security holder, which is the depository's nominee, in writing that the construction loan securities are to be converted to a project loan security.



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Pooling Requirements

Converting to a Project Loan

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- Project loan securities are issued in the month following the final endorsement for insurance of the pooled mortgage.
- Consecutive pool numbers for the construction loan securities and the project loan securities must be reserved prior to issuance of the construction loan.
- At least one week prior to the issuance of the project loan securities, the issuer must notify the security holders, that the construction loan securities will be converted to project loan securities

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Pooling Requirements

Converting to a Project Loan

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

Consecutive pool numbers for the construction loan securities and the project loan securities must be reserved prior to issuance of the construction loan. The higher pool number is to be used for the project loan securities.

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 Request for Release of Documents, form HUD 11708.

The issuer must prepare any additional documents required for both the document custodian's certification and pool submission to the PPA.

When the construction loan securities mature, they must be redeemed by issuance of the project loan securities immediately after FHA's final endorsement of the project loan mortgage.

At least one week prior to the issuance of the project loan securities, the issuer must write the security holders, notifying them that the construction loan securities will be converted to project loan securities.

The security holder must surrender the outstanding construction loan securities to the issuer or directly to the CPTA for cancellation before the project loan securities will be released.

If the amount of the insured loan at FHA's final endorsement is less than the amount of the outstanding construction loan securities upon completion of the project (due to a difference between the loan amount and the certified costs or through amortizations), the issuer must pay the construction loan security holders the difference between the outstanding principal amount of the smaller project loan securities at the time of the conversion.



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Pooling Requirements

Final Certification

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Documents relating to the pooled mortgages are required to be held on Ginnie Mae's behalf for the life of a pool by a custodial institution (Document Custodian).

By a Final Certification, the Document Custodian certifies to Ginnie Mae that the Issuer has submitted all required loan documents in correct form.

Final Certification of a pool must be completed prior to the issuance of the related securities ¹⁶

Pooling Requirements

Final Certification

By a final certification, the document custodian certifies to Ginnie Mae that the Issuer has submitted all required loan documents in correct form. Final certification of a Multifamily pool must be completed prior to the issuance of the related securities.

Multifamily pools receive final certification prior to issuance of a security, unlike single family pools where initial certification applies to all pool and loan package types prior to issuance of a security.

Prior to the issuance of securities, the documents listed below must be delivered for each pooled mortgage to the document custodian, who certifies to their receipt on the back of the Schedule of Pooled Mortgages, form HUD 11706. For Multifamily pools, there are no separate "initial" and "final" certifications, but only a single, final certification made prior to the issuance of the securities.

The original of the note or other evidence of indebtedness endorsed for insurance by FHA and endorsed or assigned in blank by the Issuer.

A duly executed and valid assignment of the security instrument to Ginnie Mae that is in recordable form but unrecorded.

An executed original Release of Security Interest, form HUD 11711A, relating to the pooled mortgage, if applicable.

An executed original Certification and Agreement, form HUD 11711B, signed by an officer of the Issuer. The recorded original of the mortgage or deed of trust securing payment of the indebtedness.

A title insurance company-certified copy may be used to certify the pool, but when the Issuer receives the recorder-certified copy, the Issuer must submit it to the document custodian.



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Pooling Requirements

Final Certification

A duplicate original standard title insurance policy containing such provisions as are required by FHA.

Copies of Uniform Commercial Code (UCC) forms or other security documents pertaining to personalty evidencing recordation with the appropriate office and an original assignment of such security documents to Ginnie Mae in recordable form but unrecorded. Issuers must keep UCC filings current while a loan is in the pool.

Original Transfer of Letter of Credit, if applicable.

If the loan is coinsured, a special warranty deed conveying to Ginnie Mae ownership of the property underlying the mortgage, including any after-acquired title of the Issuer. The deed must be in recordable form but unrecorded.

Such other documents as Ginnie Mae may require.



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Pooling Requirements

All pool document submissions must be sent directly to the Pool Processing Agent at the following address:

Ginnie Mae
The Chase Manhattan Bank
Ginnie Mae Pool Processing Unit
55 Water Street, Room 506
New York, NY 10041
(800) 234-GNMA (4662)



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All pool documents submissions must be sent directly to the Pool Processing Agent at the following address:

Ginnie Mae
c/o The Chase Manhattan Bank
Ginnie Mae Pool Processing Unit
55 Water Street, Room 506
New York, NY 10041-0199

To confirm receipt of pool documents, please call (212) 638-5045 or fax a confirmation list to (212) 638-8059, Attention: Ginnie Mae Pool Processing Unit.



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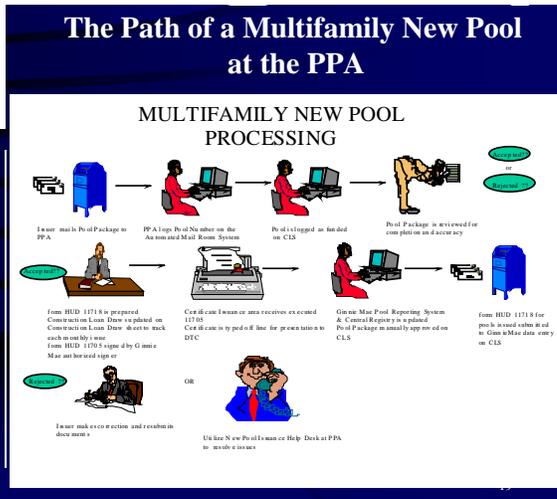
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The Path of a Multifamily New Pool at the PPA

Current Process

The Path of a New Pool at the PPA

I. Issuer mails Pool Package to the PPA for security issuance. The following documents are required for Multifamily pool issuance:

- ◆ Copy of mortgage note;
- ◆ Schedule of Subscribers and Ginnie Mae Guaranty Agreement;
- ◆ Schedule of Pooled Mortgages;
- ◆ Agreement for Servicer's Escrow Custodial Account (include additional copy for Sec. 223(f) repair escrows and loan escrows, if applicable);
- ◆ Prospectus;
- ◆ Application for insurance of advance if issuing construction loan draw securities or, if converting construction loan securities to project loan securities;
- ◆ Executed copy of notice of acceptance of pooling, for loans sold in auction;
- ◆ Copy of assignment fee waiver (if applicable);
- ◆ Copy of letter to security holders of conversion (if applicable);
- ◆ Certification Requirements for the Pooling of Multifamily Mature Loan Program (LM only);
- ◆ For Construction Loans, the Custodian's Certification for Construction Securities.

II. The Pool Package is received at the PPA's mailroom. The package is inspected for content and then entered into the Automated Mail Room System (AMRS). The pool package number is entered into AMRS under the description of a new pool. This begins the audit trail of the path of the new pool package at the PPA. Audit Sheets are generated and remain with the pool until security issuance.



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The Path of a Multifamily New Pool at the PPA

- III.** The new pool package is entered on Ginnie Mae’s Commitment Line System (CLS). The pool is then “logged as funded” on CLS. This verifies that the Issuer has sufficient Commitment Authority, the pool number is valid, the Issuer is in good standing (status) with Ginnie Mae. The system then reserves the commitment authority for the pool. A Pool Processing Record and Worksheet is printed from CLS and is placed with the new pool package and becomes a part of the package. The CLS Pool Processing Record and Worksheet includes vital pool information and a pool document checklist.
- IV.** The New Pool Package is now inspected and reviewed. The New Pool Processor inspects the pool package for content. The required documents are reviewed and compared for accuracy. At this time the Master Agreements are verified as well. There are six pool types that are submitted to the PPA for processing. The six pool types with their descriptions are:
- Construction Loan (CL) - The designation for a pool consisting of a mortgage on a project under construction. These are temporary pools that are being securitized while under construction, which will convert to a Project Loan (PL/PN). Construction Loan Draws are submitted during the life of the CL that draws down on the mortgage amount of the project. Once the full mortgage amount is drawn the project will convert from a CL to a PL/PN.
 - Construction Loan Split Rate (CS) - The designation for a pool consisting of a mortgage on a project under construction that has a different interest rate during construction than the rate when the project loan is completed and converts to a permanent loan.
 - Project Loan (PL) - The designation for a pool consisting of a project loan featuring level payments.
 - Project Loan Non-level Payments (PN) - The designation for a pool consisting of a project loan featuring non-level payments.
 - Project Loan Mature Loan (LM) - The designation for a Multifamily pool of loans with a first payment to principal and interest, that is more than 24 months before the issue date of the security.
 - Project Loan Small Loan (LS) - The designation for a Multifamily pool of loan(s) on small projects containing 5 to 20 units.

The Pool Processing Record/Worksheet is utilized for the process of the pool package. The PPA prepares a manual Construction Loan Draw History log, which is maintained for each Construction loan security issued until the pool is converted to the Project Loan.

Once the review is completed and all documents are accurate and complete, the Schedule of Subscribers and Ginnie Mae Guaranty Agreement is signed by a Ginnie Mae Authorized Signer. Once the Schedule of Subscribers and Ginnie Mae Guaranty Agreement (form HUD 11705) is signed this marks the approval for security issuance. At this time the form HUD 11718 (the Automated Data Processing – ADP) is completed. This data will be submitted to Ginnie Mae.



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Module II New Pool Submission and Administration

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The Path of a Multifamily New Pool at the PPA

- V. If pool documentation submitted in hard copy is unacceptable, the PPA will advise the Issuer of the unacceptable documents and ask the Issuer to use the New Pool Issuance Help Desk's (Help Desk) correction service. If the Issuer has on file with the PPA an Authorization to Accept Facsimile Signed Correction Request Forms, the Issuer can receive assistance from the Help Desk. The Help Desk is authorized to perform certain corrections on pool submission documents. The Help Desk is not authorized to sign, seal, or notarize any document. The Issuer must concur as to the necessary corrections using the Ginnie Mae's Pool Issuance Correction Request Form, which can be delivered by facsimile transmission. If the Issuer chooses to elect the Help Desk, the PPA updates the Correction Help Desk Database with the Issuer, Pool Number and defects of the pool documentation. A monthly summary report is prepared for Ginnie Mae of the Help Desk requests.

If the Help Desk advises the Issuer of the unacceptable documents and the Issuer declines the assistance of the Help Desk, the Issuer may submit only one set of corrected documents. They must be received by the PPA no later than 3 business days prior to the Issuer's anticipated securities delivery date and in no case later than 3 business days prior to month end. If the documents still contain defects, the pool will be rejected, and the documents will be returned to the Issuer by regular mail.

- VI. The completed pool package is then prepared for Certificate Issuance. On AMRS, in the function Log Out Loan Packages, the pool is then logged out as completed in AMRS. A Control log identified as a Block Sheet, is generated on AMRS. This Block Sheet is prepared and delivered with the pool's Schedule of Subscribers and Ginnie Mae Guaranty Agreement for issuance of the certificate.

The Pool Package status on CLS is updated from "Funded" to "Approved". The pool is manually approved on CLS, this permanently draws down the available commitment authority by the face amount of the pool. The CLS Approval Record is also included with the pool package.

At this time the form HUD 11718 data is entered on the mainframe. This data is forwarded to Ginnie Mae on a weekly tape. Once the weekly tape is updated on CLS, this marks the approved pools as issued.

- VII. The certificate for the pool package is typed on Ginnie Mae's Central Registry. All Multifamily pool original issue certificates are issued in the MBS Division of the Depository Trust Company nominee name of MBSCC and Company. Ginnie Mae's Pool Reporting System is also updated at this time with the pool information. The physical certificate is then delivered to DTC for safekeeping. The MBS Division of DTC will then credit the position of the pool package.



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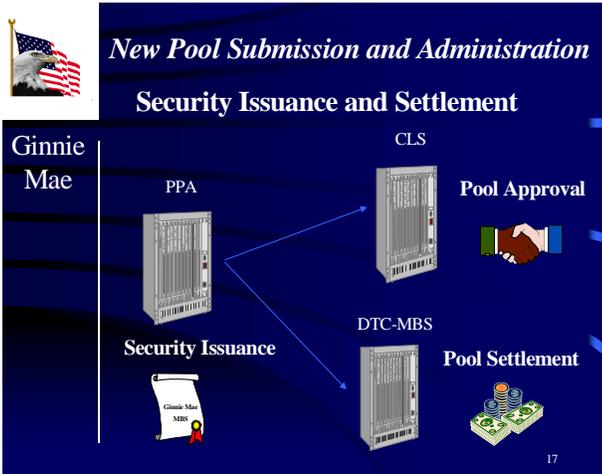
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Security Issuance and Settlement

Once a new pool has passed all of the Ginnie Mae edit checks (including appropriate Master Agreements on file, sufficient commitment authority to cover the original amount of the pool, correct pre-assigned pool numbers and eligibility status allowing for the continued issuance of pools) the PPA will approve the pool.

The pool is manually approved on CLS which permanently draws down the available commitment authority by the face amount of the pool.

NOTE: If the pool is rejected by the PPA, CLS will be updated with the reject and the funds that were previously obligated will be de-obligated and can be used by the Issuer towards another pool. The pool number may also be reused.

The PPA will issue the original issue security and as soon as the Central Registry is updated with the original issue security information, **Ginnie Mae's guarantee goes into effect.**

The PPA submits the certificate and the Schedule of Subscribers and Ginnie Mae Guaranty Agreement (for HUD 11705) to the MBS Division of DTC for settlement.



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Module II New Pool Submission and Administration



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New Pool Submission and Administration

Security Issuance and Settlement

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- **Security Issuance**
 - » Original issue securities issued to MBSCC & Co. (DTC - MBS nominee name),
 - » Central registry updated,
 - » Physical certificates printed,
 - » Certificate delivered to DTC for safekeeping,
 - » Ginnie Mae guarantees the position on Central Registry.

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Security Issuance

Original issue securities for all new Multifamily pools must be issued in the MBS Division of DTC nominee name of MBSCC & Co.

Unlike Single Family Pools, physical certificates are still issued (printed) for Multifamily pools. Certificate information is created on Ginnie Mae's Central Registry maintained by the Central Paying and Transfer Agent (CPTA). The certificate record contains the following information:

- Pool Number (with issue type and pool type)
- Issuer Number
- Issuer Name
- Certificate Issue Date
- Pool Original Aggregate Amount (OAA)
- Security Interest Rate
- Investor Name (always MBSCC & Co.)
- Investor Address
- Investor Tax ID
- Certificate Number

Ginnie Mae guarantees the physical certificate. The guarantee is also based on information maintained in the Central Registry.



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Module II New Pool Submission and Administration



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New Pool Submission and Administration

Security Issuance and Settlement

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- **Pool Settlement**
 - » The Bond Market Association establishes MBS settlement dates.
 - » Ginnie Mae I pools can settle on any business day.

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Pool Settlement

The Bond Market Association (formerly Public Securities Association – PSA) publishes settlement dates for all Ginnie Mae, Fannie Mae and Freddie Mac MBS pools. There are different settlement dates for the various pool types and maturities (referred to as classes of securities).

Ginnie Mae I can settle on dates other than the established Bond Market settlement dates. Issuers and investors can negotiate a different settlement date, provided the settlement date gives the PPA three days to process the pool.



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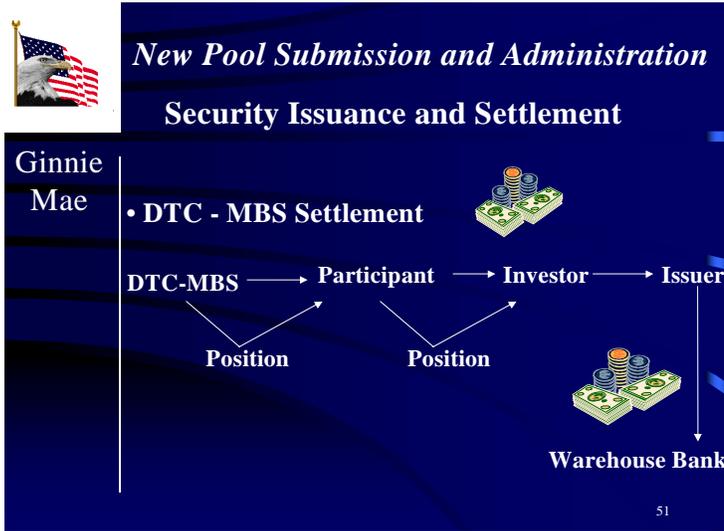
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Pool Settlement

DTC-MBS Settlement

When the pool is approved, the PPA delivers the pool detail to the MBS Division of DTC. DTC-MBS adds the pool and participant's position to their system pending settlement date. Usually DTC-MBS receives new pool information one day before settlement, however they may receive the information for the first time on settlement date or several days before settlement.

On the settlement date, DTC-MBS moves the position on their books to the participant's account. The DTC-MBS participant may or may not be the investor. When the participant sees the position in their account, the investor is notified that the pool has been issued and the investor pays the Issuer.

NOTE: It is critical that correct contra information is provided or else DTC-MBS will not know who to give the position to. If the position goes to the wrong participant the pool is DKd (don't know) by the participant and the pool will not settle. DTC-MBS then has to contact the Issuer to determine who is the correct participant. This could cause a delay in settlement, which could result in a failure. A failure results in additional interest charges to the Issuer.

Payment by investor is usually made through a clearing bank. **This must be established before pool settlement and the terms agreed to by the investor and Issuer.**

Issuers typically pay back warehouse banks when pools settle if the warehouse bank has funded the mortgages used as collateral for the MBS pools.



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Module II New Pool Submission and Administration



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Proposed GinnieNET Pool Submissions

Benefits of Using GinnieNET

- Decrease pool processing time to two days.
- Reduction in warehousing costs.
- Elimination of 6 documents.
- Pools are submitted in a paperless environment.
- Most pool processing rejects eliminated.
- Construction Loan Draws will be included.
- Construction Loan Draw History.

GinnieNET

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Proposed GinnieNET Pool Submissions

The proposed automated pool submission will enable Issuers to issue Multifamily pools via GinnieNET. The GinnieNET system will enhance the process from manual submissions to the Electronic Paperless process. The proposed process will reduce the processing time by one day as a result of automation.

Benefits of Using GinnieNET

- Decrease pool processing time to two days.
- Reduction in warehousing costs.
- Elimination of 6 documents.
- Pools are submitted in a paperless environment.
- Most pool processing rejects eliminated.
- Construction Loan Draws will be included.
- Construction Loan Draw History



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Module II New Pool Submission and Administration



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GinnieNET Pool Submissions

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GinnieNET 2020 is Ginnie Mae's proprietary system that combines the ease of personal computing on either Windows® 3.11 or Windows® 95 operating systems, with a dedicated communication facility for the transmission and exchange of pool information. GinnieNET is available to all Ginnie Mae Issuers and their Document Custodians at no cost.

GinnieNET consists of several different modules:

- New Pool Processing – Single Family & Multifamily (upcoming)
- Final Certifications and Recertifications
- Electronic Reporting
- Issuers Monthly Remittance Advice
- Remaining Principal Balance Reporting

A dedicated and highly trained customer service staff is available between the hours of 8:30 a.m. and 7:00 p.m. EST Monday through Friday. Customer Service will answer questions pertaining to hardware and software problems including installation and communications.

The toll free GinnieNET customer service number is 1-800-234-GNMA (4662), option 1.



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GinnieNET Pool Submissions
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The GinnieNET application must be installed on your PC or LAN. Single user equipment must meet the following minimum configuration:

Computer	486/66 IBM compatible	
Memory	32 megabytes total RAM	
Hard Drive	Minimum 40 megabytes	
Display	Color monitor, 80 char. (VGA or SVGA)	
Serial Port	an extra port to install Pen Technology	
Operating System	Windows 3.11® or Windows 95®	
Modem		

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GinnieNET Pool Submissions

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The GinnieNET application must be installed on your PC or LAN. Single user equipment must meet the following minimum configuration:

Computer	486/66 IBM compatible
Memory	32 megabytes total RAM
Hard Drive	Minimum 40 megabytes
Display	Color monitor, 80 char. (VGA or SVGA)
Serial Port	an extra port to install Pen Technology
Operating System	Windows 3.11® or Windows 95®
Modem	

NOTE: If several LAN users' working directories are being added to a server, remember that each workstation added uses approximately 32 MB of drive space.

These are minimum requirements. The more advanced the processor, the more memory and larger hard drive, the better the performance of the application.

Complete installation instructions can be found in the GinnieNET 2020 version 5.2 Users Guide.



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Module II New Pool Submission and Administration



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GinnieNET Pool Submissions

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Once GinnieNET has been installed, the following information must be set up:

- Communication set up (modem, phone lines, etc.)
- Signature Enrollment
- Document Custodian Name, Number and Address
- Master Agreement Account Information
- DTC Contra Symbol



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GinnieNET Pool Submissions

GinnieNET – Set up

Once GinnieNET has been installed, there are several one-time functions that must be performed.

- The system must be told the type of modem being used. GinnieNET provides a list of modems on a pop up window to choose from.
- GinnieNET will contain the telephone number to the network. The dialing instructions in the application must be verified. For example dial 9 for an outside line? The system assumes that 9 will be dialed. If this is incorrect it must be changed.
- All Issuers must have a Document Custodian identified in the system prior to creating new pools. The name and ID number of the Document Custodian must be added to GinnieNET. The system will allow for more than one Document Custodian.
- Master Agreement Account information should be added and verified prior to creating pools. The system accepts multiple T&I and P&I accounts.
- The name and contra symbol of the firm clearing the pool through the Depository Trust Company must be added before a pool can be submitted.



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GinnieNET Pool Submissions
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An authorized signatory must be enrolled in GinnieNET

A “security administrator” must have:

- Installed GinnieNET on local PC
- Submitted Enrollment Administrator and GinnieNET Authorized Signatories form to PPA
- Ensure PPA has form HUD 111702
- Check for signed EDI Agreements
- Created a set of Public and Private key diskettes
- Received certificate authority from PPA

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GinnieNET Pool Submissions

Enrollment

All Issuers and Document Custodians must enroll in GinnieNET.

In addition, once all new Multifamily pools are submitted through GinnieNET, all Issuers must execute and have on file with the PPA an Electronic Data Interchange Agreement (EDI System Agreement). This Agreement facilitates the electronic exchange of information between Ginnie Mae and its Issuers.

Prior to using GinnieNET, Issuers and their Document Custodians must be enrolled as a GinnieNET user with the form entitled “Enrollment Administrator and GinnieNET Authorized Signatories” on file with the PPA.

Each Issuer must have a Security Administrator who is responsible for the GinnieNET system enrollment.

The person(s) authorized to sign documents on the Issuer’s or Custodian’s behalf must be enrolled and the signatory for the Issuer must appear on the form HUD 11702 - Resolution of Board of Directors and Certificate of Authorized Signatures. This form provides Ginnie Mae with a Resolution of the Board of Directors authorizing the issuance of mortgage-backed securities and a listing of the names and actual signatures of individuals authorized to act on behalf of the Issuer in connection with Ginnie Mae mortgage-backed securities.

All signatories must also be named on the Enrollment Administrator and the GinnieNET Authorized Signatories form. When complete this form must be mailed to the PPA who will confirm that the persons named are also on the form HUD 11702.



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GinnieNET Pool Submissions

Enrollment

In addition, the security officer must create a pair of “RSA Public and Private Key Certificates” for each user and have them authenticated by GinnieNET Customer Service. Public and Private keys are an additional security feature of GinnieNET which prevents unauthorized access to Issuer’s files. Key generation instructions can be found in the GinnieNET User Guides.

To submit pools through GinnieNET both Issuers and Document Custodians must be enrolled as GinnieNET users. Document custodians must have a valid Ginnie Mae ID number and the Custodian information must be updated on GinnieNET. If the Custodian who holds loan documents for mortgages that are being used as collateral for a Ginnie Mae mortgage backed security is not a GinnieNET user, the pool cannot be submitted through GinnieNET.

When GinnieNET is initially installed there is some minor customization that must be performed by each user. Information relating to your network connection must be updated. The system must know the port assignments for your modem. Any other hardware configuration changes, or telephone changes must also be entered.

Master Agreement information must also be updated on GinnieNET before pool information can be entered. Multiple Escrow Accounts may be added. This information will be included with the pool file when it is transmitted to the network and verified against the hard copy forms sent to the PPA.



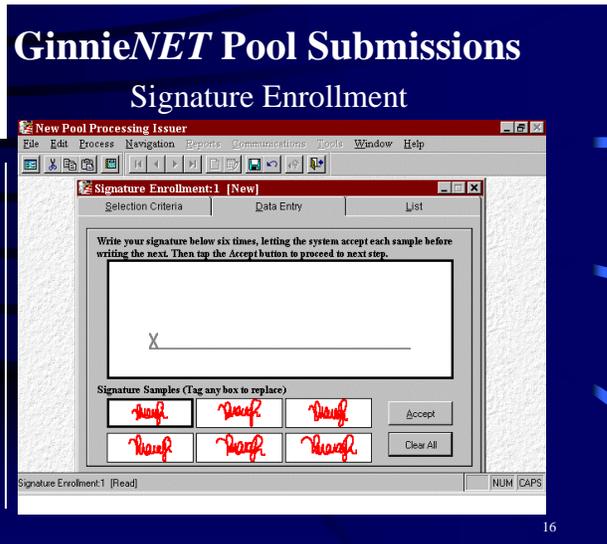
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GinnieNET Pool Submissions

Signature Enrollment

GinnieNET uses electronic signatures to ensure that the person submitting the pool is authorized by the Issuer to perform this function. Each GinnieNET authorized signatory must perform the signature enrollment process in order to use the Communications functions and certain Utilities functions in GinnieNET. This signature enrollment creates a digitized signature (image of a handwritten signature) which gets appended to the pool file when new pools are submitted. By appending the electronic or digitized signature to the file, Ginnie Mae is able to create the pool submission documents with an authorized signature. Not only are signatures captured, they are also verified before access to the network is allowed.

To perform the signature enrollment process a special electronic pen and tablet must be used. GinnieNET is compatible with CIC® Handwriter, Cross ipen Pro and Wacom Pen Partner. Other electronic pen and tablets will work with GinnieNET, however Ginnie Mae only supports these three.

The signature enrollment process creates a composite signature, which resides in the system as a template. This signature is encrypted to avoid fraudulent use. The template is also used as a security device to ensure that only authorized users are able to access the communications functions. Prior to enrolling, RSA Public and Private Keys must have been authenticated.

Each user must sign their signature on the tablet six times. The system builds a composite signature based on various signature characteristics, e.g., speed, pressure, etc.



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Module II New Pool Submission and Administration

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GinnieNET Pool Submissions
Signature Verification

Signature Enrollment: 1 [New]

Selection Criteria Data Entry List

Enter one more signature to confirm that the newly-created template works correctly

X _____

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GinnieNET Pool Submissions

Signature Enrollment

After the six signatures are accepted a seventh signature must be signed so that the signature can be verified by using the template created from the first six signatures.



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GinnieNET Pool Submissions

Pool Details

MultiFamily Pool Details (11705):1 [Read]

Selection Criteria	Data Entry	List
Pool# [626130]	Issue Type [X]	Draw # [01]
FTN:		Edit Status: Printed edit
Desc:		Transfer Status: New Pool
Signed by: LICKY MARAIAH		Cross-Ref Pool#: 626131
Issuer ID/Name: 100 THE CHASE MANHATTAN BANK		Submission Type: 01
Custod. ID/Name: 000038 [link]		Issue Date: 02/07/2000
Mort. Int Rate: 8.250		Maturity Date: 06/15/2002
Security Rate: 8.000		Initial Pay Date: 03/15/2000
OAA: 2,225,000.00		Unpaid Bal. Date: 03/01/2000
Amort Method: FD		Settlement Date: 02/14/2000
Term: 40	PMI Acct# / ID: 1122449567	9878543
Pool Tax ID: 111333456	T&I Acct# / ID: 2233889912	9878543 More...

GinnieNET Pool Submissions

Schedule of Subscribers Form HUD 11705

Securities are prepared and delivered in accordance with instructions provided by the Issuer on the form HUD 11705, (Schedule of Subscribers and Ginnie Mae Guaranty Agreement).

Form HUD 11705 provides for the securities interest rate to be 25 to 50 basis points below the interest rate on the mortgage collateralizing all Multifamily Pool types, except for LS. For LS pool types the security interest rate must be at least 50 basis points less than the mortgage rate. .

All Ginnie Mae securities are issued in book-entry form through the depository system owned and operated by the MBS Division of the Depository Trust Company (“DTC-MBS”). In the book-entry environment, only one physical security is issued per pool. That security is issued to DTC's nominee, MBSCC & Co.

New pool information required on form HUD 11705 – Schedule of Subscribers is entered on the Pool Detail (11705) screen in GinnieNET. A pool record must be created before mortgage detail information can be added. Since GinnieNET allows Issuers to build pools, initially the pool detail record can contain certain basic information for the pool (pool number and issue type). Other required information can be added at a later date.



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Module II New Pool Submission and Administration

GinnieNET Pool Submissions

Schedule of Subscribers form HUD 11705

To complete a pool, the information below must be entered on the GinnieNET- Pool Details (11705) screen:

Field Name	Description
Pool Number	The six digit pool number pre-assigned by Ginnie Mae.
Issue Type	Ginnie Mae I ("X") indicator.
Pool Type	The type of mortgages backing the pool, e.g., SF (Single Family).
Custodian ID	The financial institution that holds the documents relating to the pooled mortgages on Ginnie Mae's behalf for the life of a Ginnie Mae pool. The Custodian must be added to the system before it can be included in a pool.
Pool Issue Date	The date from which a mortgage-backed securities pool issued under the Ginnie Mae mortgage-backed securities program accrues interest. The issue date for such pools is always the first calendar day of the month of issue.
Pool Maturity Date	The last payment date for a mortgage-backed securities pool issued under the Ginnie Mae mortgage-backed securities program.
Security Interest Rate	The interest rate the security will pay.
Settlement Date	The date on which Issuers settle on newly issued pools and loan packages.
Subservicer #	The ID number of the Issuer servicing the mortgages, if applicable. If this field is entered, be sure the appropriate Master Agreements are on file with the PPA.
Amortization Method	For concurrent (CD) dates pools, amortization commences no later than the month immediately following the date of issue of the securities.
Term	The number of years until the pool matures (usually 30 years).
P&I Account Number	The non-interest bearing account that an Issuer maintains with a financial institution into which account the Issuer deposits P&I collected from individual mortgagors for loans included in Ginnie Mae pools. This must match the information on the hardcopy Master Agreements at the PPA.
T&I Account Number	An account that an Issuer maintains with a financial institution into which the Issuer places the escrowed funds to be used to pay real estate taxes and hazard insurance premiums on property pledged as collateral for mortgages included in pools. This must match the information on the hardcopy Master Agreements at the PPA.
Pool Tax ID	The tax identification number assigned to the pool, if available.
Draw Number	Number of draw represented by issuance of securities.
Cross -Reference Pool #	Initial Construction Loan Pool number or the Project Loan Conversion representing the same project.
Submission Type	The type of Multifamily pool submission.



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Module II New Pool Submission and Administration

GinnieNET Pool Submissions

Schedule of Subscribers form HUD 11705

Field Name	Description
Issuer Name & Number	The legal name of the Issuer and the four-digit number assigned to the Issuer.
Custodian Name	Generated from the information previously entered for the Custodian ID.
Mortgage Interest Rate	The interest rates on the mortgage. For Ginnie Mae I pools, it will be a single interest rate.
OAA	The original aggregate amount of the pool based on the sum of the unpaid balances of the mortgages used to collateralize the pool.
Number of Loans	The number of mortgage detail records entered for the pool.
Initial Pay Date	The date of the first security payment.
Unpaid Balance Date	The next mortgage payment date.
Draw Number	Sequentially assigned based on the draw submitted.
Cross-Reference Number	Cross- reference Number is based on the submission type.



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Module II New Pool Submission and Administration



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GinnieNET Pool Submissions

Mortgage Details

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GinnieNET Pool Submissions

Schedule of Pooled Mortgages form HUD 11706

This screen provides a description of the information required on the form HUD 11706 – Schedule of Pooled Mortgages which include mortgagor's name; street, city and state address of mortgaged property; interest rate of mortgages; original principal balance; and unpaid principal balances.

The information below must be entered on the GinnieNET- Multifamily Mortgage Details (11706) screen:

Field Name	Description
Loan Number	The Issuer's number assigned to the loan.
P&I Amount	The monthly Fixed Installment Control (principal and interest amount).
Original Principal Balance	The original loan amount.
Unpaid Principal Balance	The amount remaining on the loan.
Unsch. Principal Curtailment	Any unscheduled principal payments made on the mortgage.
Interest Rate	The interest rate of the mortgage.
First Payment Date	The first payment date for the mortgage.
Last Payment Date	The last payment date for the mortgage.
Case Number	The FHA Case Number assigned to the mortgage by the insuring or institution.
FHA Section	The FHA Housing Section.
Name of Mortgagor	The name of the person(s) the mortgage was issued.
Address of Property	The property address for the mortgage.



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Module II New Pool Submission and Administration

GinnieNET Pool Submissions

Schedule of Pooled Mortgages form HUD 11706

Field Name	Description
Issue Date	Generated from the pool detail screen.
Security Rate	Generated from the pool detail screen.
Initial Endorsement Date	The date the mortgage note was initially endorsed by FHA for insurance of advances. This applies to Initial Construction Loan pool submissions only.
Final Endorsement Date	The date the mortgage note is finally endorsed by FHA for the project loan pool submission. This applies to PL, PN, LM and LS pool types.
Loan Origination Date	The date the loan was originated.

NOTE: Mortgage detail may be imported from another computer source using the file formats included in the GinnieNET Users Guide.



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GinnieNET Pool Submissions

Construction Loan Draw

GinnieNET Pool Submissions

Construction Loan Draw

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Selection Criteria		Data Entry	List
Pool ID:	051197	CS	
Issue ID/Name:	17000 THE SHORE MORTGAGE BANK		
Security Rate:	8.000	Interest Rate:	0.250
Maturity Date:	05/15/2002	Mortgage Amount:	24,250,000.00
Draw Number:	01	Status:	Posted (edit)
Project #:	02735343	Edit:	New Issue
Issue Date:	02/01/2000	Requested Amount:	2225000.00 / Cumulative: 2225000.00
FHA Advances:	01 / Tot: 01	Approved Amount:	2225000.00 / Cumulative: 2225000.00

Construction Loan Draws Form1 (Read) NUM CAPS

This screen will allow the Issuer to enter each draw issuance for the life of the Construction Loan until the conversion to the Project Loan takes place. The Initial Construction Loan pool is considered the first Construction Loan Draw submission. This screen will be populated with the initial CL/CS pool. Each draw submission will have a different draw number and pool issue date. The system must keep a history of each draw issued in connection to a project until the pool converts.



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Module II New Pool Submission and Administration



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GinnieNET Pool Submissions

Subscriber – DTC Contra

The subscriber screen for the various pool types will default to MBSCC & Co., as nominee for the DTC, as the investor for each pool. The Subscriber screen must also show the DTC participant account information for each member of the depository (Participant) which is accepting delivery of either the complete pool or any portion of the pool. If more than one investor has purchased a beneficial ownership share in a pool, which results in a number of different participants designated to take delivery, the subscriber screen, must be completed for all such participants and the complete and accurate account information for each one.

The information below must be entered on the GinnieNET- Subscriber screen:

Field Name	Description
Contra Symbol*	The DTC Contra symbol assigned to the participant.
Account Number	The account number in which the pool is to settle.
Name	The name of the DTC participant.
Position	The amount of the pool the participant has purchased. If the amount purchased is less than 100% of the original aggregate amount of the pool, additional Subscriber screens must be completed until 100% of the pool has been accounted.
Description	Free form description field.

* The Contra must be a valid DTC contra. If not, there could be a delay in the pool settlement.



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GinnieNET Pool Submissions

Summary

Ginnie Mae

Selection Criteria		Data Entry		List	
Pool #:	626130	Issue Type:	X	Pool Type:	CL Draw# 01
Issue ID:	11500	Issue Date:	02/01/2000	Status:	Cancelled
Amount Method:	CD	Mort. Int. Rate:	8.2500	Transfer:	New Pool
P & I Total:	173248.65	Latest Pay Date:	04/01/2001		
High UPB:	24259000.00	Unpaid Balance Date:	02/01/2000		
UPB Total:	24259000.00	# of Participants:	1		
Short Term UPB:	0.00	Total Position:	2225000.00		
		Short Term Maturities:	0.00		

Totals (Mortgage Summary):1 [Read] NUM CAPS

GinnieNET Pool Submissions

Mortgage Summary

The Mortgage Summary Totals screen displays the total monthly principal and interest for the mortgages in a pool and the total unpaid principal balance of all mortgages entered. It also shows the total FHA loans in the pool. It also shows the highest unpaid principal balance, latest unpaid balance date and the number of DTC participants and their total position. This screen should be reviewed to determine the pool characteristics.



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GinnieNET Pool Submissions

Ginnie Mae Edits

After all pool and mortgage detail information has been entered, Ginnie Mae Edits must be applied to the pool. Ginnie Mae edits must be passed before the pool can be transmitted to the network. This function checks the pool and mortgage data against the Ginnie Mae MBS Guide (5500 regulation) requirements. If there are errors, individual records must be corrected and Ginnie Mae Edits must be applied again.

The system displays both Warning (tolerance) messages and Fatal error messages. A pool will not be transmitted to the network with any outstanding fatal errors.

GinnieNET allows Issuers to select the pools to be edited. This edit function can be performed while the pool is being built to ensure all mortgages entered conform to Ginnie Mae rules.



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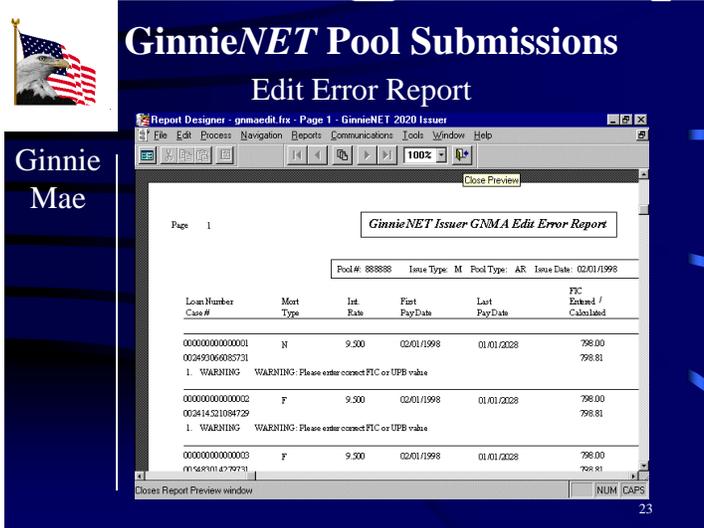
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GinnieNET Pool Submissions

Ginnie Mae Edit Error Report

Ginnie Mae edit reports can be sent to a printer or displayed on the screen. When Ginnie Mae edits are applied, the system must be told where to produce the reports (i.e., screen or printer). Common errors and solutions are:

Mortgage Message	Suggested Resolution
A tolerance or warning exists for this mortgage. Please enter the correct FIC or UPB value.	Review the values entered in the FIC, UPB, OPB and/or unscheduled principal fields and correct as necessary. Tolerance messages are not acceptable for pool transmission.
Minimum number of mortgages not entered for this pool.	Add more mortgages and/or confirm issue type.



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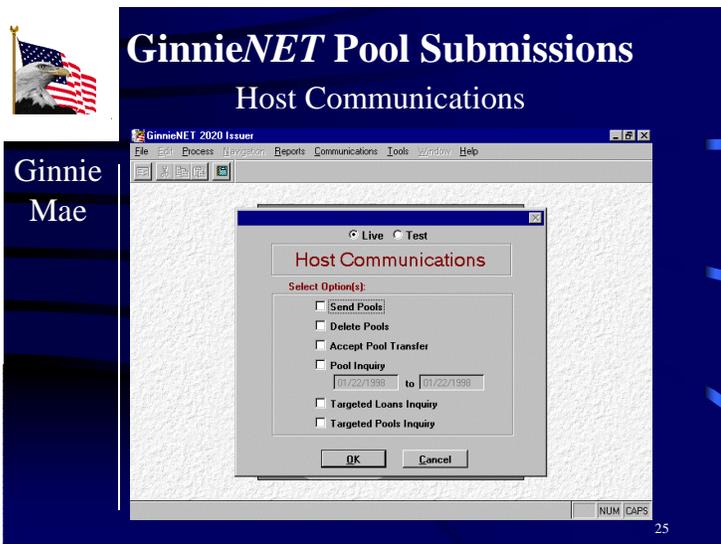


GinnieNET Pool Submissions

Communications

When the pool has no fatal edits it can be transmitted to the GinnieNET network.

REMINDER: The authorized signatory must be enrolled in GinnieNET and have successfully completed the Signature Enrollment process in GinnieNET.





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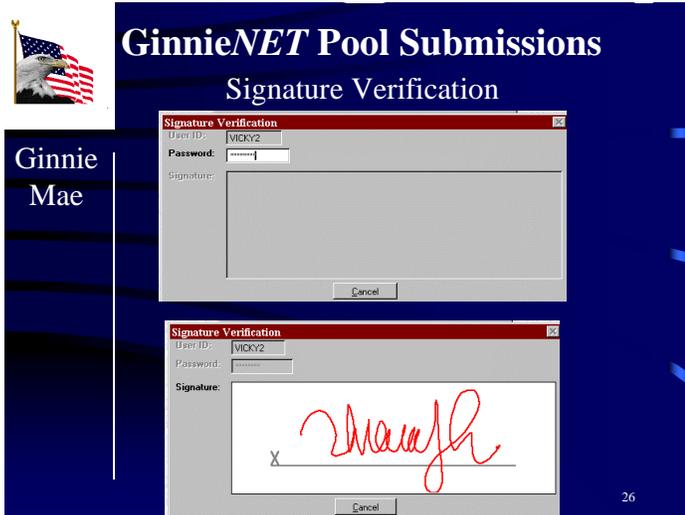
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GinnieNET Pool Submissions

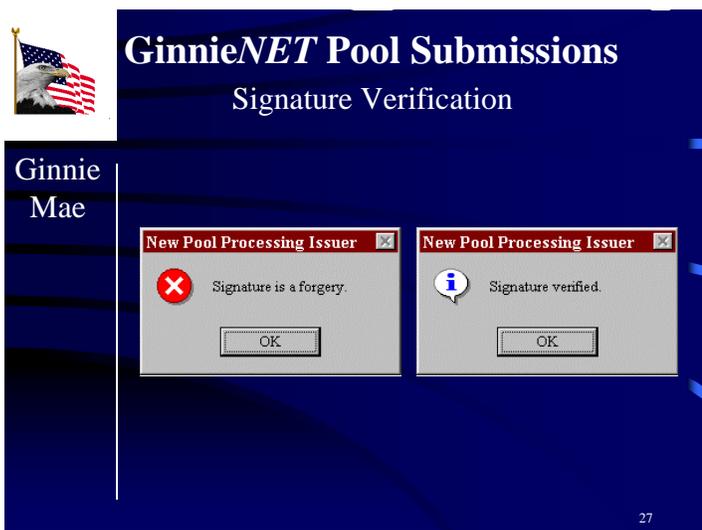
Signature Verification

To gain access to the GinnieNET Network it is necessary to complete the Signature Verification process using the electronic pen and tablet.

If the composite of the signature written does not match those stored in the template on the system a message will be received that the signature is a forgery. The signature must be signed again and the system will re-verify the signature.

If after three attempts the system cannot match the signature, the user is locked out of the signature verification function and returned to the main menu.

If the composites of your signature match with the composite stored on the template in your PC, (the signature is verified) GinnieNET will allow access to the network.





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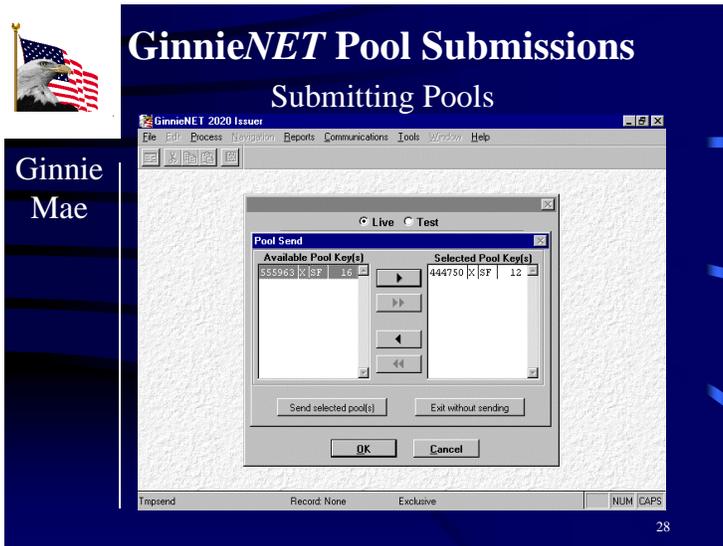
Module II New Pool Submission and Administration



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GinnieNET Pool Submissions

Pool Transmission

Although pools may reside on the system with no fatal errors, GinnieNET provides the opportunity to select the pools to send to the network. This allows Issuers to build pools and not have them submitted until they are satisfied with the characteristics of the pool.

The system gathers the information for each pool transmission request. Each pool record is complete and available for transmission to the network. If more than one pool is selected for transmission, the system indicates that it is assembling subsequent pool records.

The system displays the completed transmission record for each pool request and automatically moves through the list of selected pools. When all records have been assembled, the last pool record contains a transmission message listing the number of pool files ready to be sent.

When a file has been successfully sent to the GinnieNET network, the message SUBMIT SUCCESSFUL is received back on the system. The network recalculates the FTN submitted with the pool file to ensure no data was altered or dropped during transmission. If the FTN calculated by the network does not match the FTN appended to the file, the network will reject the transmission (pool).





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GinnieNET Pool Submissions

- The File Transmission Number (FTN)

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1500 000038 523689 XCL 050599 095732 9

The first four digits (1500) is the issuer number

The next six digits (000038) is the custodian number

The next six digits (523689) is the pool number

The next three (XCL) is the Issue and Pool Types

The next six digits (050599) is the date the pool was sent

The next six digits (095732) is the time the pool was sent

The last digit (9) is a check digit

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GinnieNET Pool Submissions

File Transmission Number

As a part of creating the pool file, GinnieNET creates and appends a File Transmission Number (FTN) prior to sending the pool to the GinnieNET network. The system appends the FTN to the pool file. This number is used to identify the pool on the network, and by the Custodian to retrieve the pool off the network. A separate FTN is created for each pool.

An FTN is unique to each pool submitted as it is based on the following:

FTN = 1500 000038 523689 XCL 050599 095732 9

- The first four digits (1500) is the Issuer number
- The next six digits (000038) is the Document Custodian number
- The next six digits (523689) is the pool number
- The next three (XCL) is the Type of Issue and Pool Type
- The next six digits (050599) is the date the pool was sent
- The next six digits (095732) is the time the pool was sent
- The last digit (9) is a check digit



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Document Custodian

Documents relating to the pooled mortgages are required to be held on Ginnie Mae's behalf for the life of a pool by a custodial institution. It is the Issuer's responsibility to arrange for such an institution to hold the documents. **Such arrangements must be made prior to the submission of a Pool for processing.**

The custodial relationship must be evidenced, for each pool, by the execution of a "Master Custodial Agreement;" and the Custodian must certify on GinnieNET that it has examined and has in its possession the required documents. This review is to be performed by the Custodian on its premises as indicated by the address provided on the GinnieNET alternate form HUD 11706 Schedule of Pooled Mortgages and on the form HUD 11732, Custodian's Certification for Construction Securities.



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Module II New Pool Submission and Administration



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Document Custodian Certification Process

- When the pool has been submitted to the GinnieNET network the document custodian must Certify the pool.
- The GinnieNET Network sends a fax to the Custodian advising that there is a pool on the network awaiting certification.
- The custodian signs onto the network and retrieve the pool file.

Document Custodian

Final Certification

When the Issuer submits a pool(s) to the GinnieNET network, the network sends a fax to the Document Custodian identified in the pool file. The fax advises the Custodian that there is a pool on the network requiring a final certification. A Custodian GinnieNET application is available for use by Document Custodians to effect this certification. Custodians must sign onto the network to retrieve the pool file.



Document Custodian Certification

- The GinnieNET application must be installed on your PC or LAN. Single user equipment must meet the following minimum configuration:

Computer	486/66 IBM compatible
Memory	32 megabytes total RAM
Hard Drive	Minimum 40 megabytes
Display	Color monitor, 80 char. (VGA or SVGA)
Serial Port	an extra port to install Pen Technology
Operating System	Windows 3.11® or Windows 95®

The GinnieNET application must be installed on the Document Custodians PC or LAN. Single user equipment must meet the same minimum configuration as the Issuer.

Computer	486/66 IBM compatible
Memory	32 megabytes total RAM
Hard Drive	Minimum 40 megabytes
Display	Color monitor, 80 char. (VGA or SVGA)
Serial Port	an extra port to install Pen Technology
Operating System	Windows 3.11® or Windows 95®



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Document Custodian Certification

An authorized signatory must be enrolled in *GinnieNET*

To enroll in *GinnieNET* the Document Custodian must have:

- Installed *GinnieNET* on local PC,
- Submitted Enrollment Administrator and *GinnieNET* Authorized Signatories form to PPA,
- Created a set of Public and Private key diskettes,
- Received certificate authority from PPA



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Document Custodian

GinnieNET Enrollment

Each Custodian should have a Security Administrator who is responsible for *GinnieNET* system enrollment.

To use *GinnieNET*, an authorized signatory for the Custodian must be enrolled. It is the Issuer's responsibility to ensure that the Document Custodian has completed the *GinnieNET* enrollment process.

All signatories must also be named on the Custodian Enrollment Administrator and *GinnieNET* Authorized Signatories form. When complete this form must be mailed to the PPA.

In addition, the security officer must create a pair of "RSA Public and Private Key Certificates" for each user and have them authenticated by *GinnieNET* Customer Service. Public and Private keys are an additional security feature of *GinnieNET* which prevents unauthorized access to Issuer's files. Key generation instructions can be found in the Document Custodian *GinnieNET* Users Guide.



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Module II New Pool Submission and Administration



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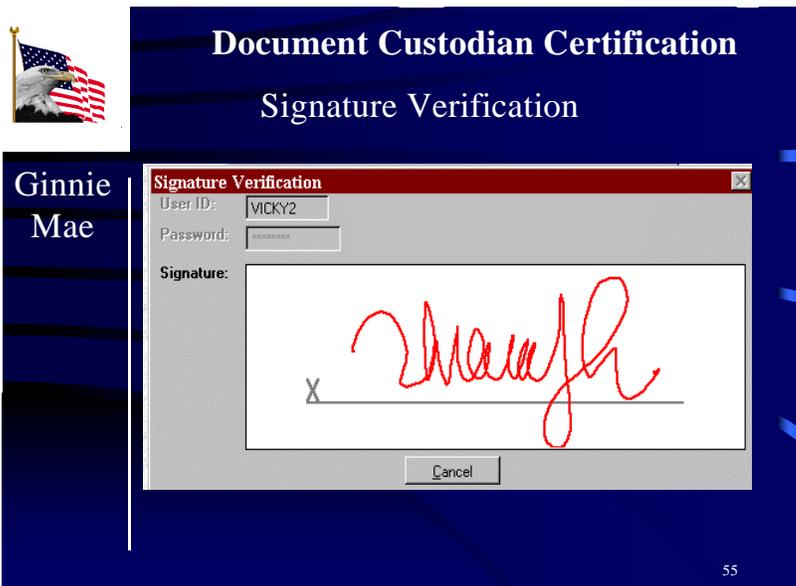
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Document Custodian

Final Certification Communications



Upon receipt of the fax notification of a new pool on the network awaiting an final certification, the Custodian can access the network and retrieve a specific pool (using the FTN) or retrieve all pools on the network with the Custodian's ID number in the pool file.



To access the GinnieNET network, an authorized signatory in the Document Custodian's office must pass GinnieNET's signature verification process. Only previously enrolled authorized personnel will have access to the network.



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Module II New Pool Submission and Administration



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Document Custodian Certification

Pool Details

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Document Custodian

Final Certification

Pool Details (11705)

Upon the successful completion of the pool retrieval, Document Custodians have “read only” access to the Pool Detail (11705 screen), the Mortgage Details (11706 screens) and the Construction Loan Draw Screen. The following information is on the Pool Detail screen:

Pool Number	Mortgage Rate	Signed By
Issue Type	Amortization Method	Title
Pool Type	Term	Certified By*
Issuer ID	Custodian ID	Title*
File Transmission Number	Pool Tax ID	Number of Loans
File Certification Number*	Delivery Date	Pool Issue Date
Pool Status**	Subservicer #	Pool Maturity Date
OAA	T&I Account Number	Initial Payment Date
Security Interest Rate	P&I Account Number	Unpaid Balance Date

* These fields will be populated after the Custodian submits the final certification

** The pool status will be not certified until the Custodian submits the final certification at which time it will change to read certified.



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Module II New Pool Submission and Administration



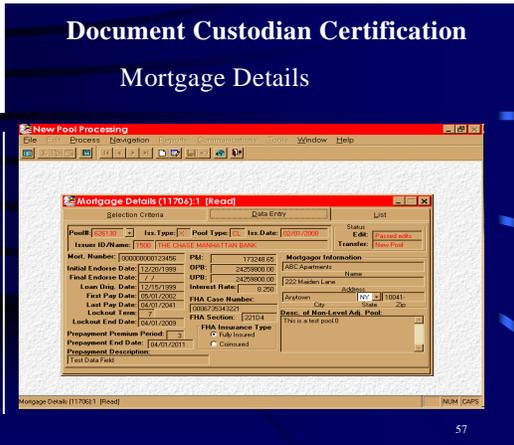
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Document Custodian

Final Certification

Mortgage Details (11706)

Document Custodians must finally certify the pool against the Multifamily Mortgage Details retrieved from the GinnieNET network.

Document Custodians have “read only” access to the following mortgage detail:

Pool Number	Loan Number
Issue Type	Monthly P&I
Pool Type	Original Principal Balance
Issuer ID	Unpaid Principal Balance
Pool Status	Unscheduled Principal Curtailment
Pool Issue Date	Mortgage Interest Rate
Amortization Method	First Pay Date
Name of Mortgagor	Last Pay Date
Address of Property	(FHA) Case Number
FHA Section	FHA Insurance Type
Initial Endorsement Date or Final Endorsement Date	Loan Origination Date



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Document Custodian Certification

Certify or Reject

Select pools to certify:

Available Pool Key(s)	Selected Pool Key(s)
011185XSF 01/29/98 09:03:1	
650005XSF 01/28/98 09:03:2	

OK Cancel

Select pools to reject:

Available Pool Key(s)	Selected Pool Key(s)
523699XSF 01/23/98 20:37:25	558888XSF 01/21/98 11:24:0
553444XSF 01/29/98 08:13:0	
555644XSF 01/29/98 08:13:0	
599888XSF 01/29/98 08:13:0	
700745XSF 01/21/98 09:09:4	
787654XSF 01/27/98 08:47:0	
888345MAR 01/23/98 09:01:3	
898765MAR 01/27/98 08:47:0	

OK Cancel

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Document Custodian

Final Certification

Certify/Reject

After completing the review of the loan files, the Custodian must certify or reject the pool. If the pool meets Ginnie Mae’s requirements for a final certification, the Custodian should select the “Certify” option on the screen.

If any of the initial documents are not in order, the Custodian should either hold the pool until the remaining documents are received or reject the pool. If the Custodian rejects the pool, the Issuer can make changes and resubmit the pool. The resubmission will cause a new File Transmission Number (FTN) to be generated.



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Document Custodian Certification

Signature Verification

Signature Verification

User ID: VICKY2

Password: [REDACTED]

Signature:

Cancel

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To send the certification or rejection to the GinnieNET network, an authorized signatory in the Document Custodian’s office must pass GinnieNET’s signature verification process.



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Module II New Pool Submission and Administration

Document Custodian

Final Certification

Certify/Reject

The electronic signature of the authorized signatory will be added to the pool file when the final certification is sent to the network. This will allow Ginnie Mae to create the form HUD 11706 Schedule of Pooled Mortgages with the image of the handwritten signature in the Custodian certification field.



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Document Custodian Final Certification/Pool Reject

Document Custodian Certification

File Certification Number

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Certify

Pool #: 611155 Issue Type: X Pool Type: SF

FCN Generated: 150000038611155<SF0128980916569

OK Cancel

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Document Custodian Certification

File Certification Number- Pool Reject

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Reject

Pool #: 555888 Issue Type: X Pool Type: SF

FRN Generated: 15000003855888<SF0129981022569

Reject Code: [Dropdown]

A Note is missing / Note in file is c
B P&I payment differs from sched
C Int Rate on note differs from scl
D Loan Amt on note differs from s
E 1st Pay Date differs from sched

OK Cancel

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Prior to sending the final certification to the network, GinnieNET calculates and appends a File Certification Number (FCN) to the pool file. This number is used as evidence that the Custodian accepted the pool. If a pool is rejected, GinnieNET generates a File Reject Number (FRN).

The FCN and FRN is broken down as follows:

1977 000123 152020 XCL 050599 095732 9

- The first four digits (1977) is the Issuer number
- The next six digits (000123) is the Document Custodian number
- The next six digits (152020) is the pool number
- The next three (XCL) is the Issue and Pool Types
- The next six digits (050599) is the date the pool was sent
- The next six digits (095732) is the time the pool was sent
- The last digit (9) is a check digit

When a Custodian rejects a pool for final certification, the Custodian must supply a reject code stating the reason for the rejection.



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The Path of a New Pool at the PPA

PPA Processing

- Network swept nightly for certified pools
- Pool file is re-edited
- Master Agreements are verified

Ginnie Mae



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The Path of a GinnieNET New Pool at the PPA

PPA Processing

At 9:00 p.m. nightly (Eastern Time), the PPA sweeps the GinnieNET network and retrieves all pools on the network that have been finally certified. Pool files and loan files are re-edited by the PPA and Master Agreements information is verified.



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Module II New Pool Submission and Administration



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Module II New Pool Submission and Administration

Commitment Line System (CLS)

Ginnie Mae



The Path of a New Pool at the PPA Commitment Line System

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- The pool is transmitted to Ginnie Mae's Commitment Line System (CLS) which:
 - confirms Issuer's available commitment authority,
 - verifies pre-assigned pool numbers,
 - checks Issuer's eligibility status,
 - obligates the funds from the Issuer's available commitment line.



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The Path of a GinnieNET Pool Commitment Line System

Ginnie Mae

- CLS logs pools as funded using pertinent information for each pool:
 - Issuer Number
 - Pool Number
 - Issue Date of Pool
 - Pool Type, Type of Issue (Ginnie Mae I or II)
 - Pool Original Aggregate Amount (OAA)
- CLS is updated when the pool is approved



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- The pool is transmitted to Ginnie Mae's Commitment Line System (CLS) which:
 - Confirms Issuer's available commitment authority,
 - Verifies pre-assigned pool numbers,
 - Checks Issuer's eligibility status,
 - Obligates the funds from the Issuers
- CLS logs pools as funded using pertinent information for each pool:
 - Issuer Number
 - Pool Number
 - Issue Date of Pool
 - Pool Type, Type of Issue (Ginnie Mae I)
 - Pool Original Aggregate Amount (OAA)
- The PPA updates CLS when the pool is issued.



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Module II New Pool Submission and Administration



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Recertifications

Recertification

- Recertification - the document custodian certifies to Ginnie Mae, in connection with a transfer of Issuer responsibility for a pool; or a transfer of pool loan documents to a new document custodian, that all required loan documents are present and in good order.
- Recertifications are due to Ginnie Mae 12 months after a transfer of Issuer/Custodian has taken place.



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Recertifications

By a recertification, the Document Custodian certifies to Ginnie Mae, in connection with a transfer of Issuer responsibility for a pool or a transfer of the pool loan documents to a new Document Custodian, that all required loan and pool documents are present and in good form. Generally, recertification of a pool must be completed within twelve months after the effective date of a transfer of Issuer responsibility, or the date Ginnie Mae gives its approval, in the case of a transfer of the Document Custodian's responsibilities. Recertification may have to be completed more quickly in certain cases. Recertification is required for all pool types.

When Ginnie Mae approves a transfer of Issuer responsibility or an Issuer changes its Document Custodian, the Issuer must submit a recertification for each pool verifying that all mortgage documents are held by the new Custodian. After receiving notification from Ginnie Mae indicating the Issuer or Custodian transfers, the PPA updates its system.

Ginnie Mae currently requires the completion of recertifications within twelve months of a transfer of Issuer or change of Custodian.



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Recertifications

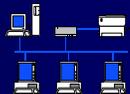


Recertifications

Recertifications through GinnieNET

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Using GinnieNET 2020 version 5.2, Issuers can now process Recertifications paperless on a pool level.



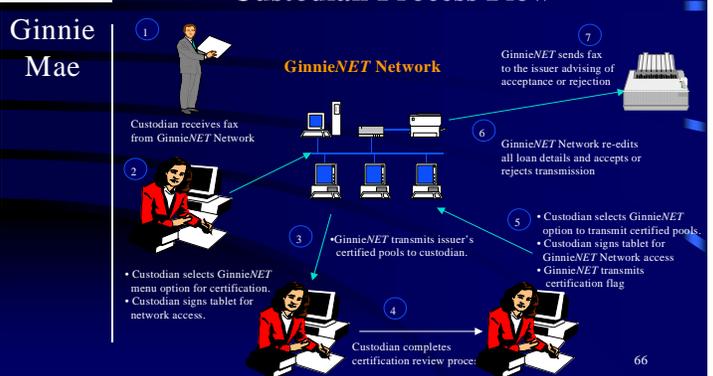
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Recertifications

Custodian Process Flow

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1. Custodian receives fax from GinnieNET Network
2. Custodian selects GinnieNET menu option for certification. Custodian signs tablet for network access.
3. GinnieNET transmits issuer's certified pools to custodian.
4. Custodian completes certification review process.
5. Custodian selects GinnieNET option to transmit certified pools. Custodian signs tablet for GinnieNET Network access. GinnieNET transmits certification flag.
6. GinnieNET Network re-edits all loan details and accepts or rejects transmission.
7. GinnieNET sends fax to the issuer advising of acceptance or rejection.

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For recertifications, Issuers will enter the pool numbers in GinnieNET that are ready for recertification. The pool numbers will be sent to the network and a fax will be sent to the Document Custodian. The Custodian will retrieve the file of pool numbers from the network. After completing the normal document review, Custodians will transmit a recertification to the network.



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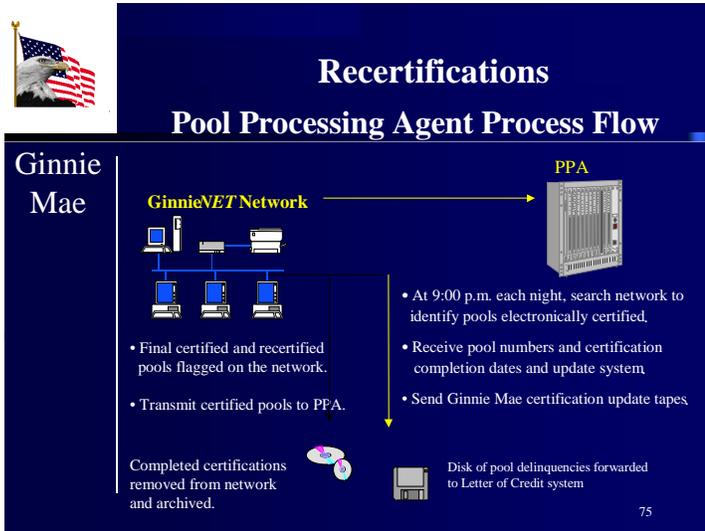


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Recertifications



Recertifications **Pool Processing Agent Process**

The PPA processes recertifications during the night. For recertifications, the PPA will check to ensure that the pool /Issuer number combination is correct and that the pool has a valid issue date was issued. Once the pool passes the edits, the GinnieNET network will fax a recertification confirmation to the Issuer the next business day. If the pool fails the edits, the recertification will be rejected and the Issuer will be contacted.



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Registry/Transfer/Paying



The objective of this section of the module is to have an understanding of the role of the Central Paying and Transfer Agent (CPTA). The CPTA serves as Ginnie Mae's agent in performing the following:

- Maintain Ginnie Mae's Central Registry - Maintain a master file of all Ginnie Mae MBS certificates and investors.
- Process Certificate Transfer - Effect the transfer and re-registration of a Ginnie Mae MBS security.
- Collect Remaining Principal Balances - Collect remaining principal balances (RPB) from Issuers and calculate pool factors.



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Registry/Transfer/Paying

CENTRAL REGISTRY

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- > A file of all Ginnie Mae MBS certificates and certificate holders, which the CPTA updates and maintains for Ginnie Mae.
- > This file allows automatic validation of certificate transfers and posting of original issuance securities.
- > Also contains pool and issuer information.
- > Ginnie Mae guaranty is based on this file.

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Central Registry

Given the enormous size of the Ginnie Mae MBS program, certificate and certificate holder information must be readily available to Ginnie Mae.

The Central Registry for Ginnie Mae MBS, is a File of all Ginnie Mae certificates and certificate holders, which the CPTA updates and maintains for Ginnie Mae.

This File allows for the automatic validation of certificate transfers and posting of new pool issuance positions.

The Ginnie Mae MBS Central Registry maintains the following information for each position:

- i. Registered Holder Name;
- ii. Registered Holder Address;
- iii. Registered Holder's Federal Tax Identification Number;
- iv. Certificate Number;
- v. Original Principal Amount;
- vi. Pool Number, Program Type and Pool Type;
- vii. Position /Certificate Issue Date;
- viii. Position/Certificate Cancel Date;
- ix. Investor Group Identification Code;
- x. Total Original Face Amount of Each Holder;
- xi. Date of Stop Placement for Stop Transfers (if applicable).



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Registry/Transfer/Paying

CERTIFICATE TRANSFER PROCESS

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- **Original Issuance:** Investor position at time of issuance of a new pool
 - > Original issue certificates are in the name of MBSCC & Co., nominee name for the MBS Division of the Depository Trust Company (DTC-MBS).
 - > Position for MBSCC & Co. is created in Ginnie Mae Central Registry when a new pool is approved for issuance and submitted by CPTA to DTC-MBS for settlement.



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Certificate Transfer Process

Transfer and Re-registration of Ginnie Mae MBS Securities



Registry/Transfer/Paying

CERTIFICATE TRANSFER PROCESS

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- **Transfer Processing:**
 - > Transfer requests are turned around within 24 hours of receipt.
 - > Transfer requests and documents submitted are reviewed and verified to ensure that all criteria is met to effect a transfer.
 - > The Central Registry is updated.
 - > The Central Registry is reconciled with DTC monthly to ensure accuracy of MBSCC & Co.'s position.



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The ability to receive and process Ginnie Mae MBS securities in a timely and efficient manner is an important part of the program. The CPTA re-registers, tracks and reports all transfer requests within twenty-four hours of receipt.

As previously explained in the New Pool Submission and Administration segment, original issue positions are in the name of MBSCC and Co., the nominee name for the MBS Division of DTC (DTC-MBS). As part of the settlement process of a new pool, DTC-MBS allocates the position in each security to a DTC-MBS participant. MBSCC & Co., position is updated on Ginnie Mae's Central Registry at the time the pool is issued.



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Registry/Transfer/Paying

CERTIFICATE TRANSFER PROCESS

• Transfer Processing:
To effect the transfer and re-registration of a Ginnie Mae security:

- > CPTA receives Ginnie Mae security transfer requests from DTC, Commercial Banks, NASD Members, Authorized Certificate Dealers, Issuers and Certificate Holders
- > Ginnie Mae requires that any transfer request presented to CPTA be accepted subject to examination.



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Certificate Transfer Process

Transfer and Re-registration of Ginnie Mae MBS Securities

The CPTA receives Ginnie Mae security transfer requests from:

MBS Division of DTC;
Commercial Banks;
NASD Members;
Authorized Certificate Dealers;
Issuers;
Certificate Holders.

The CPTA conducts a complete review of the Ginnie Mae security presented for transfer. Each Ginnie Mae security is examined to identify proper assignments and ensures that transfer orders are consistent with Stock Transfer Association Rules and Federal Regulations (Treasury Regulations, Part 300 - 31 C.F.R. 306, et seq.).

CPTA rejects Ginnie Mae MBS securities that do not meet transfer requirements.



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Registry/Transfer/Paying

CERTIFICATE TRANSFER PROCESS

Ginnie Mae

• Transfer Processing:

- > For a **withdrawal** from the depository, the CPTA cancels MBSCC & Co.'s certificate, debits MBSCC & Co.'s position from the Central Registry by the cancelled certificate amount and creates a new certificate for the same amount and updates the Central Registry to reflect new holder.
- > For a **deposit** into the depository, the CPTA cancels the certificate presented and creates a new certificate in the name of MBSCC & Co.'s for the cancelled certificate amount and updates the Central registry to reflect MBSCC & Co.'s new position..



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Certificate Transfer Process

Transfer and Re-registration of Ginnie Mae MBS Securities



Registry/Transfer/Paying

CERTIFICATE TRANSFER PROCESS

Ginnie Mae

Transfer Processing (contd)

For a **re-registration**, the CPTA cancels the certificate presented and generates a new certificate for a different security holder and updates the Central Registry to reflect the new ownership.

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Transfer requests can be for:

- DTC-MBS Withdrawals
- DTC-MBS Deposits
- Re-registration



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- ⇒ For a *withdrawal*, from the depository, the CPTA cancels MBSCC & Co.'s certificate, debits MBSCC & Co.'s position from the Central Registry by the cancelled certificate amount and creates a new certificate for the same amount and updates the Central Registry to reflect the new holder.
- ⇒ For a *deposit*, into the depository, the CPTA cancels the certificate presented and creates a new certificate in the name of MBSCC & Co. and updates the MBSCC & Co.'s position by the certificate amount.
- ⇒ For a *re-registration*, the CPTA cancels the certificate presented and generates a new certificate for a different security holder and updates the Central Registry to reflect the new ownership.

CPTA reconciles monthly with DTC to ensure accuracy of MBSCC & CO's position.



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Registry/Transfer/Paying

CERTIFICATE TRANSFER PROCESS

Ginnie Mae

Daily Transfer Sheets: 

- > Communicates all relevant pool and certificate information related to each security transfer.
- > Mailed to each Ginnie Mae I Issuer who had transfer activity.
- > Enables Ginnie Mae I Issuers to update their Ginnie Mae Certificate registry with the necessary pool and certificate data in order to execute timely P & I data.

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Certificate Transfer Process

Daily Transfer Sheets

At the end of each business day, the CPTA generates Daily Transfer Sheets for each Ginnie Mae I MBS Issuer who had transfer activity. The Daily Transfer Sheets communicate all relevant pool and certificate information related to each security transfer. This information enables Ginnie Mae I MBS Issuers to update their Ginnie Mae certificate registry with the necessary pool and certificate data in order to execute timely P&I payments.

The following information is printed on the Daily Transfer Sheets:

- i. New Registered Holder's Name;
- ii. New Registered Holder's Address;
- iii. New Registered Holder's Federal Tax Identification Number;
- iv. Former Registered Holder's Name;
- v. MBS Certificate Number and Original Principal Amount for each Certificate Processed;
- vi. Transfer Date;
- vii. Certificate Issue Date (for new certificates);
- viii. Investor Group Identification Code (for each Registered Holder).



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Registry/Transfer/Paying

CERTIFICATE TRANSFER PROCESS

Ginnie Mae

- **Monthly Ginnie Mae Transfer Advice** 
 - > Summarizes the transfer activity on the Daily Transfer Sheet for the month .
 - > Is generated at the end of each record date.
 - > Mailed to Ginnie Mae I Issuers no later than the 2nd business day of the month.
 - > This information permits Ginnie Mae I Issuers to verify that they received and processed all Daily Transfer Sheets.

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Certificate Transfer Process

Monthly Transfer Advices

At the end of each record date processing period, the CPTA generates Monthly Ginnie Mae Transfer Advices for each Ginnie Mae I Issuer who had transfer activity during the month. This Advice summarizes the data on the Daily Transfer Sheets and contains all of the information in the Daily Transfer Sheets. Advices are sent no later than the third business day following record date processing, and are mailed via Federal Express Priority Overnight, for delivery by 10:30 a.m. EST the next day.

This information permits Ginnie Mae I MBS Issuers to verify that they received and processed all Daily Transfer Sheets.



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Registry/Transfer/Paying

RPB REPORTING

- > Each issuer is required to report to Ginnie Mae, as of the issuer's monthly reporting cut-off date, the remaining principal balance (RPB) for each of its pools.
- > RPB data is used to compute a "factor" for each pool.
- > Pool factors are used to determine P&I payments and the market value of the Ginnie Mae securities.

Ginnie Mae

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RPB Reporting

Gathering RPB information is an important component of the Ginnie Mae MBS program. Once a month, each Issuer is required to report to Ginnie Mae, as of the Issuer's monthly reporting cut-off date, the aggregate remaining principal balance (RPB) for each of its pools.

RPB data is used to compute for each pool a "factor", which is used to determine the portion of the original principal amount of the pool securities that will remain outstanding after the next payment is made on them. Pool factors determine the market value of the securities.

Pool factors are used by securities dealers, investors, and others involved in trading Ginnie Mae securities and to allocate properly among classes of Ginnie Mae REMIC securities the monthly cash flows on the underlying Ginnie Mae MBS.

Pool Factor Calculation:

Remaining Principal Balance ÷ Original Balance at Issuance = Pool Factor

$$\$8,565,789 \div \$12,450,000 = 0.68801518$$

In addition, the RPB information is used to determine Ginnie Mae MBS pool distributions. Investors also use these factors to determine P&I payments. **It is essential, therefore, that each Issuer report RPBs accurately.**

Issuers are required to report RPBs no later than the second business day of the month. An Issuer may correct an RPB on or before the fifth business day of the month.



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Registry/Transfer/Paying

RPB REPORTING

> The CPTA collects the following RPB information from Issuers:

- Ginnie Mae Issuer Number
- MBS Pool or Loan Package Number
- RPB of the Pool or Loan Package.

> Issuers are required to report RPBs to the CPTA no later than the second business day of each month.

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RPB Reporting

The RPB must equal the amount shown on form HUD 11710-A (Section 3, Line D), which must be submitted by the 10th calendar day of the month in which the RPB is being reported. For example, the RPB reported on March 2 for February must be the same as the cut-off balance submitted by March 10 on the form HUD 11710-A for February. If the amounts are not equal, the Issuer must report an RPB correction by the fifth business day, or, failing that, a correction to the form HUD 11710-A by the 15th calendar day, of the month. **If the RPB is wrong and is not corrected by the fifth business day, the payment to security holders must be based on the reported RPB.**

The CPTA collects the following RPB information from Issuers:

- i. Ginnie Mae Issuer Number;
- ii. MBS Pool or Loan Package Number; and
- iii. RPB of the Pool or Loan Package.



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Registry/Transfer/Paying

RPB REPORTING

RPB Reporting Process:

- > The CPTA sends mailgrams to Ginnie Mae I Issuers if balance failed the edit check or if the pool is not reported.
- > The issuer must correct the error and report the correction to the CPTA by the fifth business day of the month.

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RPB Reporting

Process

(D) If there are edit failures:

The CPTA notifies the Issuers by overnight courier sent on the third business day of the month.

- (E) The Issuer must correct the error and report the correction to the CPTA prior to 7:00 p.m. (Eastern Time) by the fifth business day of the month.
- (F) If an Issuer discovers prior to 7:00 p.m. (Eastern Time) on the fifth business day of the month an error in previously reported RPB data, the Issuer must report an RPB correction immediately.
- (G) If the Issuer is unable to correct an error by 7:00 p.m. on the fifth business day of the month, the correction may not be made without approval from Ginnie Mae.

NOTE: As previously stated, Construction Loan pools do not amortize, hence the Remaining Principal Balance is equal to the Original Aggregate Amount of the pool. The RPB edits are not applied to Construction Loan pools.



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Registry/Transfer/Paying

RPB REPORTING

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Methods of Reporting RPB:

Three methods of reporting RPBs available to Issuers:

- GinnieNET 2020 Version 5.2
- Computer-to-computer transmission
- Magnetic tape



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RPB Reporting

Reporting Methods

METHODS OF REPORTING RPB:

Three methods of reporting RPBs are currently available to Issuers:

- i. GinnieNET 2020 ver.5.2
- ii. Computer-to-Computer transmission
- iii. Magnetic Tape

GinnieNET 2020 Version 5.2 allows Issuers to transmit **100 or less RPBs**, from the 1st through the 5th business day of each month to the **GinnieNET** network. **GinnieNET 2020** has the ability to import a report through the import function or manually key enter the data.

Computer-to-Computer Reporting:

The format for computer-to-computer reporting must follow that shown in Appendix VII-1, pages 2-4 of the Ginnie Mae MBS Guide 5500.3, and the transmission must be completed no later than 7:00 p.m. (Eastern Time) of the second business day of each month. The preferred speeds are 2400 or 4800 baud. For more information on computer-to-computer reporting, Issuers may contact the RPB contractor.

Magnetic Tape Reporting:

The format for magnetic tape reporting must be that shown in Appendix VII-1, pages 4 through 6 of the Ginnie Mae Guide. Magnetic tapes must be accompanied by a transmittal form in the format shown in Appendix VII-1, page 3 of the Ginnie Mae Guide. The tape must be sent by overnight courier to the RPB contractor and received prior to the close of business on the second business day of each month. For more detailed information on magnetic tape reporting, Issuers may telephone the RPB contractor.



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RPB Reporting

**Reporting Methods
GinnieNET 2020 version 5.2**

Reporting via GinnieNET is similar to the hard copy and telephone reporting. Issuer reports RPBs in groups of six pools and a sub-total of RPBs for the six pools (P-field). The system will display an error message if the total amount does not match the "P" field. The system will not save the record until the total equals the system calculation.

Selection Criteria		Data Entry	List
RPB Report ID	Date of Report	Status	
123456	01/14/1999	Updated	
Report	Current Principal Balance	(RPB Contractor) Pool No.	
01	378.00	/ 111111	
02	378.00	/ 222222	
03	378.00	/ 333333	
04	378.00	/ 444444	
05	378.00	/	
06	378.00	/	
P	2268.00	Sub-Total	

Once the data is successfully transmitted to the GinnieNET network, the CPTA performs the same edit checks as in the data received from the RPB Contractor. On any RPB reporting day, for the same pool, GinnieNET overrides data received from the RPB Contractor.

RPB CORRECTIONS REPORTING:

An Issuer may change or correct an RPB report through 9:00 p.m. (Eastern Time) on the fifth business day even if it has not received notification from the CPTA of a possible error.

Effective August 1, 1999 all RPB corrections must be reported through GinnieNET 2020 version 5.2.



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Payment to Security Holders

**Monthly (P& I) to investors
in the Ginnie Mae Program**

Issuers of Ginnie Mae I MBS remit the full amount of P & I to the security holders so that holders receive their P & I payments by the 15th of the month.



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**Registry/Transfer/Paying
Payment to Security Holders**

GINNIE MAE I PAYMENTS

- > The issuer is obligated to make timely monthly payments of principal and interest to the security holders as of the previous record date.
- > Issuers must remit to security holders by the 15th calendar day of each month along with a 'remittance advice,' form HUD 11714, details the cash distribution.
- > Issuers can pay security holders electronically, by fed wire, ACH, or by check.
- > For all pools issued on or after October 1, 1998 DTC - MBS must be paid electronically.

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Payment to Security Holders

Ginnie Mae I Payments

GINNIE MAE I PAYMENTS:

Issuers are obligated to make timely monthly payments of principal and interest to the security holders of record.

Issuers must remit all payments due to security holders in a manner such that security holders will receive their installments by the 15th calendar day of each month.

For all pools issued on or after October 1998, Issuers are obligated to remit P & I to MBSCC & Co. electronically on the 15th of the month. If 15th is not a business day, then the payment is made the next business day.

If an Issuer pays by check, the security holder must receive the check no later than the 15th calendar day of each month.



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Registry/Transfer/Paying
Payment to Security Holders

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GINNIE MAE I PAYMENTS

GinnieNET 2020 version 5.2

Effective August 1, 1999 Ginnie Mae has mandated that Issuers who are currently mailing hard copy of form HUD 11714 to DTC, MUST report via GinnieNET 2020 version 5.2.

Issuers can send P&I payment details to the network starting with the 1st calendar day of the payment month until the 8th business day.

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Payment to Security Holders

Ginnie Mae I Payments

Issuers must deliver a monthly remittance report to each security holder by the 15th calendar day of each month. For all book-entry securities, the Issuer must submit an Issuer's Monthly Remittance Advice, form HUD 11714 to DTC-MBS in an electronic form.

GinnieNET 2020 version 5.2 – form HUD 11714 Reporting:

By using **GinnieNET 2020 Version 5.2** Issuers can transmit the HUD form 11714 reports. The CPTA will forward the electronic HUD 11714 to Ginnie Mae's Data Collection contractor. Reports showing MBSCC's tax ID will also be forwarded to DTC-MBS.

Issuers can send P&I payment details to the network starting with the 1st business day of the payment month until the 8th business day. **GinnieNET 2020** has the ability to import and export a report or create a new record on **GinnieNET 2020**.

Selection Criteria	Data Entry	List														
Security Holder:																
MBSCC I CD	Pool/Commitment Number: 304587	Date: 02/19/1999														
DEPT CH 18457	Certificate Number: 0005792	Reporting Month: 1														
PALATINE IL 00095	Security Interest Rate: 0.0000%	Pro Rata Share Percentage: 100.0000000														
<table border="1"> <tr> <td>A. Cash distribution due Security Holder for scheduled principal amortization.</td> <td>45.18</td> </tr> <tr> <td>B. Cash distribution due Security Holder for interest.</td> <td>25.27</td> </tr> <tr> <td>C. Cash distribution of additional principal collections.</td> <td>0.71</td> </tr> <tr> <td>D. Adjustments, (+ or -) (Explain below)</td> <td></td> </tr> <tr> <td>E. Less Federal income tax withheld from interest, (if any)</td> <td></td> </tr> <tr> <td>F. Total cash distribution due Security Holder.</td> <td>73.16</td> </tr> <tr> <td>G. Outstanding balance of this certificate after credit of the above distribution.</td> <td>3.00313</td> </tr> </table>			A. Cash distribution due Security Holder for scheduled principal amortization.	45.18	B. Cash distribution due Security Holder for interest.	25.27	C. Cash distribution of additional principal collections.	0.71	D. Adjustments, (+ or -) (Explain below)		E. Less Federal income tax withheld from interest, (if any)		F. Total cash distribution due Security Holder.	73.16	G. Outstanding balance of this certificate after credit of the above distribution.	3.00313
A. Cash distribution due Security Holder for scheduled principal amortization.	45.18															
B. Cash distribution due Security Holder for interest.	25.27															
C. Cash distribution of additional principal collections.	0.71															
D. Adjustments, (+ or -) (Explain below)																
E. Less Federal income tax withheld from interest, (if any)																
F. Total cash distribution due Security Holder.	73.16															
G. Outstanding balance of this certificate after credit of the above distribution.	3.00313															
Explanation for items above:																
Check not cashed by payee	Issuer: CHASE MANHATTAN BANK															



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Registry/Transfer/Paying Payment to Security Holders



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GINNIE MAE I PAYMENTS

Investor's P & I is based on investor's pro-rata share of the pool

Pro - Rata Share Calculation:

$$\text{Certificate OAA} \div \text{Pool OAA} = \text{Pro Rata Share}$$

$$\$25,000 \div \$10,000,000 = 0.00250000$$

Investor's Principal Amount Due:

$$\text{Investor's Pro -Rata Share} * \text{Pool Principal Payment}$$

$$0.00250000 * \$10,000.00 = \$25.00$$

Investor's Interest Due:

$$\text{Investor's Pro -Rata Share} * \text{Pool Interest Payment}$$

$$0.00250000 * \$25,000 = \$62.50$$

$$\text{Total Investor Distribution} = \text{Principal} + \text{Interest}$$

$$\$25.00 + \$62.50 = \$87.50.$$

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Payment to Security Holders

Pro - Rata Share Calculation:

$$\text{Certificate OAA} \div \text{Pool OAA} = \text{Pro Rata Share}$$

$$\$25,000 \div \$10,000,000 = 0.00250000$$

Investor's share of P& I is based on investor's pro-rata share of the pool

Investor's Principal Amount Due:

$$\text{Investor's Pro -Rata Share} * \text{Pool Principal Payment}$$

$$0.00250000 * \$10,000.00 = 25.00$$

Investor's Interest Due:

$$\text{Investor's Pro -Rata Share} * \text{Pool Interest Payment}$$

$$0.00250000 * \$25,000 = 62.50$$

Total Investor Distribution = Principal + Interest

$$\$25.00 + \$62.50 = \$87.50.$$



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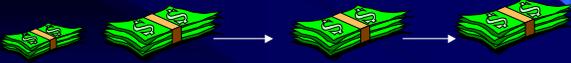
Registry/Transfer/Paying
Payment to Security Holders

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GINNIE MAE PAYMENTS

- DTC - MBS Payments

Issuers → DTC-MBS → Participant → Investor



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Payment to Security Holders

DTC – MBS Payments

DTC-MBS, as the Ginnie Mae depository and registered certificate holder for Ginnie Mae securities, receives P&I payment from Ginnie Mae I Issuers on the 15th calendar day each month.

Since DTC-MBS maintains Ginnie Mae securities on behalf of their customers (participants), the P&I received by DTC-MBS is passed through to the holders on their books (based on the dollar amount of the position held) on the 16th calendar day each month for Ginnie Mae I MBS pools. The participants pay their customers (investors) also on the 16th.

To effect these payments, DTC-MBS and their participants calculate the amount of P&I due for each pool based on the pool remaining principal balance factor. As previously discussed, the pool factor is calculated monthly using the remaining principal balance reported by Issuers for each Ginnie Mae pool.

If a Ginnie Mae I Issuer pays a principal amount different than what was reported, DTC-MBS will adjust the monthly principal paid to the participants. The participants will also have to make payment adjustments to their customers.



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Registry/Transfer/Paying Payment to Security Holders

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GINNIE MAE PAYMENTS

- Unclaimed Funds



Funds for checks not cashed or undeliverable are returned to Ginnie Mae after six months.

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Payment to Security Holders

Unclaimed Funds

The CPTA tracks and reconciles Ginnie Mae Unclaimed P & I funds.



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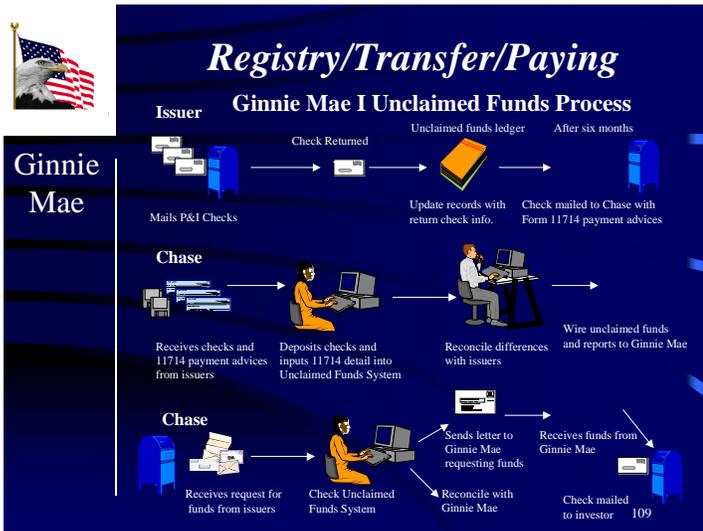
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Payment to Security Holders

Ginnie Mae I Unclaimed Funds

P & I checks that are returned to the Issuer and /or not cashed for a period of six months are classified as unclaimed. Claims by investors for payments that are less than six months old are processed by Ginnie Mae I Issuers. The Issuer forwards all outstanding unclaimed funds that are six months old along with supporting remittance advice to the CPTA to the following address:

The Chase Manhattan Bank
Ginnie Mae Relationship Services Group
Attention: Customer Services
Room 506, 5th Floor
New York, New York 10041

The CPTA compares the total funds received to the supporting documentation. All unclaimed funds received by the CPTA are wired to Ginnie Mae. Record of all unclaimed funds received and forwarded to Ginnie Mae and the corresponding investors is maintained by the CPTA in Ginnie Mae's Unclaimed Funds System (UFS).

The Issuer will forward claims from investors, for P & I payments that are more than six months old, to the CPTA. The CPTA will research the claim and if valid, will request the funds from Ginnie Mae.

Once Ginnie Mae approves the claims, the funds are released to the CPTA who forwards it to the Issuer. The UFS is updated to reflect the release of funds and the investors who got paid.



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Ginnie Mae I Guaranty Fee

Guaranty Fee is a monthly fee paid by each Issuer to Ginnie Mae for Ginnie Mae's full faith and credit guaranty.

Issuers are required to pay the monthly guaranty fee to Ginnie Mae, for each security for which the Issuer is Issuer of record, in the amount shown on the Issuer's Monthly Summary Report, form HUD 11710-D.

The monthly guaranty fee is computed based on the aggregate remaining principal balance of the guaranteed securities outstanding at the beginning of the accounting month. The monthly rate used to compute the fee is the annual rate divided by 12 (annual rate \div 12)

For Multifamily Programs (CL, PL, PN, LM, and LS pools) the base annual rate is 13 basis points



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Registry/Transfer/Paying

Ginnie Mae Guaranty Fee

Ginnie Mae

Ginnie Mae I Guaranty Fee:

- > Monthly, Issuers call in to the Ginnie Mae Guaranty Fee Voice Reporting System, and using the telephone key pad, enter the total amount of guaranty fee to be collected based on the pool balance as of the record date.
- > CPTA drafts via ACH Issuers bank account based on amount reported .
- > Magnetic tape sent to ACS detailing amount drafted from each issuer.
- > Guaranty Fees wired to Ginnie Mae on the 10th calendar day.

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Ginnie Mae I Guaranty Fee

Each Issuer must authorize the CPTA to debit the guaranty fee payment account automatically each month for the amount of the guaranty fee. Authorization is provided by submitting to the CPTA the institution's Debit Authorization Form.

Reporting Procedure:

Each month Issuers are required to report their total amount of Ginnie Mae I guaranty fees to the CPTA. The report must be made by telephone between the 20th calendar day of the reporting month and the second business day of the following month (the payment month).

- (1) Prior to 7:00 PM (Eastern Standard Time), the Issuer calls the following number using a touch-tone telephone: 212-425-8030
- (2) The Ginnie Mae I Guaranty Fee Reporting System will instruct the Issuer to enter its Ginnie Mae I Issuer Identification Number and the guaranty fee amount
 - (a) Ginnie Mae I Issuer Identification Number (10 digits)

Enter the following:

- 0783 (which identifies the Ginnie Mae I Program),
- 4-digit Ginnie Mae Issuer Identification Number
- 1-digit check number (in the form 0783_ _ _ _ A_).

(This is the same identification number currently used to report Remaining Principal Balances to the RPB Contractor.)

Guaranty Fee Calculation:

$$\text{Prior Month's RPB} * \text{Guaranty Fee Rate} \div 12 = \text{Guaranty Fee due}$$



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$$\$475,250.60 * 0.013 \div 12 = \$514.86$$

Ginnie Mae I Guaranty Fee

The system will verify the identification number

- If the number is valid, the Issuer will be instructed to enter the Ginnie Mae I guaranty fee amount
- If the number is not valid, the Issuer will be asked to re-enter it. After three unsuccessful attempts, the Issuer will be instructed to call a different telephone number that will be provided.

(b) *Guaranty Fee Dollar Amount*

- The dollar and cents amount can be up to ten digits and must be entered without a decimal point. The system automatically designates the last two digits as the "cents" column.
- (3) The system will read back the reported amount and ask the Issuer to verify by pressing 9 * * (amount correct) or 6 * * (amount incorrect).
- If the Issuer presses 6 * *, an option will be available to correct the amount.
 - If the Issuer presses 9 * *, the system will provide a verification number that the Issuer must write down for reference in the event of a discrepancy.
- (4) The designation of "Y" and the receipt of the verification number concludes the report.
- (5) Corrections: During the guaranty fee reporting period (20th calendar day of the reporting month to the second business day of the payment month), the Issuer can change the previously reported amount by calling the telephone number again and providing the correct amount. The system will use the last guaranty fee amount reported as of the last acceptable business day of the cycle for all further processing.
- (6) Collection via ACH: The CPTA submits a computer file of all the guaranty fees reported to it for collection of funds on the collection date. On that date, each Issuer's account will be debited via ACH for the guaranty fee amount reported. The monthly collection of guaranty fees via ACH debit will occur prior to 4:00 PM (Eastern Time) on the 10th calendar day of the month if the 10th is a business day. If the 10th is not a business day, collection will occur on the first business day following the 10th.



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(7) The CPTA wires to Ginnie Mae the Guaranty Fees collected via ACH on the 10th calendar day.