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GINNIE MAE NOTES AND NEWS is published by Ginnie Mae's Office of Issuer & Portfolio Management. For more information, please contact your Account Executive directly or at 202-708-1535.

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

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Ginnie Mae Requirements for VA Refinance Loans

As a reminder, APM 18-04, which implemented The Economic Growth, Regulatory Relief, and Consumer Protection Act, P.L. 115-174, ("the Act") established certain securitization restrictions on all VA-Guaranteed refinance loans, including refinances of non-VA loans and VA cash-out refinances. The Veterans Administration (VA) has recently published Circular 26-18-30, which clarified that the VA seasoning requirements for cash-out refinance loans apply only when refinancing another VA-guaranteed loan.

A number of Ginnie Mae issuers have pointed out that the VA Circular addresses only VA-to-VA refinances. This results in VA seasoning requirements that are narrower than the seasoning requirements imposed by Ginnie Mae in APM 18-04. The seasoning requirements imposed by Ginnie Mae in APM 18-04 are not limited to VA-to-VA refinance situations.

The requirements of APM 18-04 are necessitated by the language of the Act applicable to Ginnie Mae's statute and are not impacted by the recently published VA Circular. Ginnie Mae is not able to conform its pooling requirements to the VA circular because doing so would be contrary to the provisions of the Act.

That said, we are aware of the potential for legislative action that could modify the terms of the Act and allow for consistency among programs. As the situation develops, Ginnie Mae may publish additional guidance clarifying other applications of the provisions of the Act.

Annual Audited Financial Statements Reminder

To remain in compliance with Ginnie Mae requirements, Issuers must submit annual audited financial statements and Fidelity Bond and Errors and Omissions insurance documentation. This includes Issuers that did not have outstanding Ginnie Mae securities or commitment authority to issue new securities at any time during the fiscal year.

These documents must be submitted via the Independent Public Accounting (IPA) module in Ginnie Mae's Enterprise Portal (GMEP) within **90 days** of the Issuer's fiscal year-end. Issuers with a fiscal year-end of December 31 must submit their annual financial statements with the transmittal checklist and supplementary documents to Ginnie Mae by March 31, 2019. The following table highlights several key reference materials including Chapter 6 of the HUD Audit Guide, Ginnie Mae's guidance on the requirement for annual audited financial statements and certificates of insurance, and instructions for electronic delivery of the documents through GMEP. Please note that

Ginnie Mae published revised insurance requirements in 2018 which are detailed in All Participant Memorandum 18-06.

Reference	Guidance	Website
Consolidated Audit Guide for Audits of HUD Programs (Audit Guide) HUD Handbook 2000.04 REV-2 CHG-20, Chapter 6	<i>Chapter 6: Ginnie Mae Issuers of Mortgage-Backed Securities Audit Guidance</i> - outlines the required documents that must be submitted.	https://www.hudoint.gov/sites/default/files/Audit%20Guide_updated/Audit%20Guide%20Chapter%206%20Final%20202016.pdf
Ginnie Mae Mortgage-Backed Securities Guide, Appendix VI-20	<i>Appendix VI-20, Electronic Submission of Issuers' Insurance and Annual Audited Financial Documents</i> - instructions for submitting the financial documents electronically.	http://www.ginniemae.gov/doing_business_with_ginniemae/issuer_resources/MBSGuideAppendicesLib/Appendix_VI-20.pdf
Ginnie Mae Mortgage-Backed Securities Guide, Sections 3-6 and 3-7	<i>Section 3-6: Fidelity Bond and Errors and Omissions Insurance and Section 3-7: Required Financial Statements and Documents</i> - outlines insurance eligibility requirements for maintaining Ginnie Mae Issuer status.	http://ginniemae.gov/doing_business_with_ginniemae/issuer_resources/MBSGuideLib/Chapter_03.pdf

If you need to arrange access to GMEP refer to Appendix III-29 of the Ginnie Mae Mortgage-Backed Securities (MBS) Guide 5500.3, Rev. 1 for instructions for completing GMEP registration.

If there has been a change to your fiscal year-end, please notify your Ginnie Mae Account Executive in the Office of Issuer and Portfolio Management. Requests for a filing extension must be submitted in writing at least 15 days prior to the Issuer's submittal due date. The letter must contain specific content, which is detailed in Guide Section 3-7(C).