

# Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

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| 1. Agency/Subagency Originating Request:<br><b>U.S. Department of Housing and Urban Development</b><br><b>Government National Mortgage Association ("Ginnie Mae")</b>  |  | 2. OMB Control Number:<br>a. <b>2503-0030</b> b. <input type="checkbox"/> None  |  |
| 3. Type of information collection: (check one)<br>a. <input type="checkbox"/> New Collection<br>b. <input checked="" type="checkbox"/> Revision of a currently approved collection<br>c. <input type="checkbox"/> Extension of a currently approved collection<br>d. <input type="checkbox"/> Reinstatement, <b>without change</b> , of previously approved collection for which approval has expired<br>e. <input type="checkbox"/> Reinstatement, <b>with change</b> , of previously approved collection for which approval has expired<br>f. <input type="checkbox"/> Existing collection in use without an OMB control number<br>For b-f, note item A2 of Supporting Statement instructions. |  | 4. Type of review requested: (check one)<br>a. <input checked="" type="checkbox"/> Regular<br>b. <input type="checkbox"/> Emergency - Approval requested by<br>c. <input type="checkbox"/> Delegated<br>5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>6. Requested expiration date:<br>a. <input checked="" type="checkbox"/> Three years from approval date      b. <input type="checkbox"/> Other (specify) |  |
| 7. Title:<br><b>Ginnie Mae Multiclass Securities Program Documents</b>   |  |   |  |
| 8. Agency form number(s): (if applicable)<br><b>none</b>   |  |   |  |
| 9. Keywords:<br><b>Housing, Mortgage, Securities</b>   |  |   |  |
| 10. Abstract:<br><b>This collection of information is required in connection with the Multiclass Securities Program. The intent of the Multiclass Securities program is to increase liquidity in the secondary mortgage market and to attract new sources of capital for federally insured or guaranteed residential loans.</b>  |  |   |  |
| 11. Affected public: (mark primary with "P" and all others that apply with "X")<br>a. Individuals or households      e. Farms<br>b. <b>P</b> Business or other for-profit      f. Federal Government<br>c. Not-for-profit institutions      g. State, Local or Tribal Government   |  | 12. Obligation to respond: (mark primary with "P" and all others that apply with "X")<br>a. Voluntary<br>b. <b>P</b> Required to obtain or retain benefits<br>c. Mandatory  |  |
| 13. Annual reporting and recordkeeping hour burden:<br>a. Number of respondents      19<br>b. Total annual responses      152<br>Percentage of these responses collected electronically      30%<br>c. Total annual hours requested      21,346<br>d. Current OMB inventory      19,456<br>e. Difference (+,-)      1,890<br>f. Explanation of difference:<br>1. Program change:      1,890<br>2. Adjustment:  |  | 14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)<br>Do not include costs based on the hours in item 13.<br>a. Total annualized capital/startup costs      0<br>b. Total annual costs (O&M)      0<br>c. Total annualized cost requested      0<br>d. Current OMB inventory      0<br>e. Difference<br>f. Explanation of difference:<br>1. Program change:      0<br>2. Adjustment:      0  |  |
| 15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")<br>a. <b>P</b> Application for benefits      e. Program planning or management<br>b. Program evaluation      f. Research<br>c. General purpose statistics      g. <b>X</b> Regulatory or compliance<br>d. Audit  |  | 16. Frequency of recordkeeping or reporting: (check all that apply)<br>a. <input checked="" type="checkbox"/> Recordkeeping      b. <input type="checkbox"/> Third party disclosure<br>c. <input checked="" type="checkbox"/> Reporting:<br>1. <input checked="" type="checkbox"/> On occasion      2. <input type="checkbox"/> Weekly      3. Monthly<br>4. Quarterly      5. <input type="checkbox"/> Semi-annually      6. <input checked="" type="checkbox"/> Annually<br>7. <input type="checkbox"/> Biennially      8. <input type="checkbox"/> Other (describe)      |  |
| 17. Statistical methods:<br>Does this information collection employ statistical methods?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |  | 18. Agency contact: (person who can best answer questions regarding the content of this submission)<br>Name: Kirk Freeman or Corey Coward<br>Phone: <b>202-401-8970</b>   |  |

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## 19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

**Note:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3), appear at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information, that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

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Signature of Program Official:

Date:

X  
Robert Couch, President, Ginnie Mae

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Signature of Senior Officer or Designee:

Date:

X  
Lillian Deitzer, Information Reports Management Officer,  
Department of Housing and Urban Development

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

This information collection is required in connection with the operation of the Ginnie Mae Multiclass Securities program. Ginnie Mae's authority to guarantee multiclass instruments is contained in Section 306(g)(1) of the National Housing Act ("NHA") (12 U.S.C. Section 1721(g)(1)), which authorizes Ginnie Mae to guarantee "securities...based on or backed by a trust or pool composed of mortgages...". Multiclass securities are backed by Ginnie Mae Single Class securities, which are backed by government insured or guaranteed mortgages. Ginnie Mae's authority to operate a Multiclass Securities program is recognized in Section 3004 of the Omnibus Budget Reconciliation Act of 1993 ("OBRA"), which amended Section 306(g)(3) of the NHA (12 U.S.C. Section 1271 (g)(3)) to provide Ginnie Mae with greater flexibility to administer the Multiclass Securities program regarding fee structure, contracting, industry consultation and program implementation. Congress annually sets Ginnie Mae's commitment authority to guarantee MBS pursuant to Section 306(g)(2) of the NHA (12 U.S.C. Section 1271 (g)(2)). Since multiclass securities are backed by Ginnie Mae Single Class MBS, Ginnie Mae has already guaranteed the collateral for the multiclass instruments.

The Ginnie Mae Multiclass Securities program consists of Ginnie Mae Real Estate Mortgage Investment Conduit ("REMIC"), Platinum, and Stripped Mortgage-Backed ("SMBS") securities. The Multiclass Securities program provides an important adjunct to Ginnie Mae's secondary mortgage market activities, allowing the private sector to combine and restructure cash flows from Ginnie Mae MBS into securities that meet unique investor requirements in connection with yield, maturity, and call-option protection. The intent of the Multiclass Securities program is to increase liquidity in the secondary mortgage market and to attract new sources of capital for federally insured or guaranteed residential loans. Under this program, Ginnie Mae guarantees, with the full faith and credit of the United States, the timely payment of principal and interest on Ginnie Mae REMIC, Platinum and SMBS securities.

Ginnie Mae's powers are prescribed by Title III of the National Housing Act, as amended, 12 U.S.C. 1716, et seq.

- 2. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The information provided by the participant will be submitted to Ginnie Mae. Ginnie Mae requires the information requested in order to ensure the financial integrity of the program. See Attachment A with a list of the participants and definitions of each participant. Also attached is a list of the required documents used to participate in the Ginnie Mae REMIC, Platinum and SMBS programs (Attachment B).

Respondents/entities are mortgage companies, large banks, savings and loans and broker dealers.

Participants are required to complete Ginnie Mae Multiclass Securities program transaction documents, which warrant compliance with the Ginnie Mae Multiclass Securities Guide in effect as of the date of the Ginnie Mae guaranty is placed on the security. The participants listed on Attachment A are approved Ginnie Mae participants that are putting together the documents and coordinating the deals.

Ginnie Mae requires information from entities that wish to participate as sponsor, co-sponsor, accountant, trust counsel, co-trust counsel, and trustee. Each participant is required to execute certification and agreement documents and Ginnie Mae Multiclass Securities program transaction documents.

Each participant is required to annually certify that neither the participant nor any employee, partner or officer working on the Ginnie Mae Multiclass Securities program has been convicted or found liable in the following: a civil action; fraud; forgery; bribery; falsification or destruction of records, making false statements that indicate a lack of business integrity; and has not been debarred by a state or the Federal government.

3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The information collected are legal agreements and documents that require live signatures. Some agreements are permitted to be faxed with signatures, where cost effective. Due to the low volume of Ginnie Mae's REMIC, Platinum and SMBS transactions, automation has not been a high priority. Ginnie Mae is in the process of a Business Process Initiative, which may identify business processes for automation.

4. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

There is no duplication of information, nor is there similar information available.

5. **If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.**

Ginnie Mae has attempted to minimize the burden on participants by requiring a minimal amount of information to be collected in order to ensure the integrity of its Multiclass Securities program.

6. **Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The financial integrity of the Multiclass Securities program is at risk if the information is not collected. There are no legal obstacles in reducing the burden.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no circumstances that would cause this information collection to be conducted in a manner inconsistent with the guidelines in CFR 1320.6. Participants are required to submit the collections of information for the Ginnie Mae REMIC, Platinum and SMBS programs as deals are made. The frequency per year is determined by the number of deals that are made between the sponsor and trustee. These transactions require separate documents for each deal, thus the need to submit documents more than quarterly. Participants in the REMIC program do an average of 8 deals per year, participants in the Platinum program do an average of 10 deals per year, and participants in the SMBS program do an average of 19 deals per year, which require the submission of the documents listed on Attachment B, Multiclass Documents.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**
- **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.**
  - **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.**

Consultations were made with the participants and Ginnie Mae's financial advisors on the information collection. Comments and suggestions are also considered through the 60-day comment period after publication of this collection of information in the Federal Register. The Notice was published in the Federal Register on page 41460 on July 21, 2006. No comments were received in response to the notice being published in the Federal Register.

9. **Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.**

The collection of this information does not provide payment or gift to respondents, other than remuneration.

10. **Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.**

No assurances of confidentiality are provided.

11. **Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There is no sensitive information required in the application process.

12. **Provide estimates of the hour burden of the collection of information. The statement should:**
- **indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally estimates should not include burden hours for customary and usual business practices;**
  - **if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and**
  - **provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.**

An estimate of the hour burden to collect the information for each form is provided in Attachment B.

The estimated cost burden to respondents is based on the average salary for legal advisors to review and submit the documents to Ginnie Mae or its agents.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).
- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
  - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
  - generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

No other costs are associated with the collection of this information.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The estimated cost to the Federal government for the multiclass portfolio was \$5.5 million. The breakdown is as follows:

REMICS and SMBS:

The average fee paid to Financial Advisors at issuance based on 2004 and 2005 Fiscal Year Data: \$5.2 million.

Platinum:

The average fee paid to Information Agents and the Federal Reserve for processing Platinum pools based on the number of pools outstanding for 2004 and 2005 Fiscal Years: \$.3 million. During this time frame there were approximately 298,000 pools outstanding.

15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.

The increase in burden hours was a result of the implementation of the Multiclass' Stripped Mortgage-Backed Securities program ("SMBS"). The Multiclass program now has three types of participants: REMIC, Platinum and SMBS. The previous collection of information was for two types of participants: REMIC and Platinum.

See Attachment B for a listing of all the documents submitted by Ginnie Mae REMIC, Platinum and SMBS participants.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Ginnie Mae does not plan to publish the results of this collection of information or use the data for statistical purposes.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Ginnie Mae is not seeking approval to not display the expiration date.

**18. Explain each exception to the certification statement identified in item 19.**

Ginnie Mae is not seeking an exception from the certification identified in Item 19, "Certification for Paperwork Reduction Act Submission", of OMB Form 83-I

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**B. Collections of Information Employing Statistical Methods**

This collection of information does not employ statistical methods.