

**Paperwork Reduction Act Submission**  
**Ginnie Mae Mortgage-Backed Securities Programs**

This submission reflects changes with regard to Ginnie Mae’s Mortgage Backed Securities Programs. The first is the tax reporting requirement. The second is the creation of Ginnie Mae’s Reporting and Feedback System (RFS) which consolidates the monthly reporting requirements for Ginnie Mae issuers. Another change is the addition of a new product under Ginnie Mae’s Mortgage Backed Securities Program that is backed by Home Equity Conversion Mortgages (HECM). There is also a new data requirement for Adjustable Rate Mortgages. Overall, the net effect of these changes is a decrease of 29,903 burden hours on the public.

**Table of Contents**

Tax Reporting.....	2
New Tax Reporting Data Elements.....	2
Reporting and Feedback System (RFS).....	3
New RFS Data Elements.....	4
Electronic Reporting Environment.....	5
Home Equity Conversion Mortgages (HECM) Mortgage-Backed Securities Program (HMBS).....	7
New HMBS Data Elements.....	7
ARM Enhancements.....	8
Summary.....	9

## Tax Reporting

In order to comply with IRS regulations on tax reporting for widely Held Fixed Income Trusts, Ginnie Mae must collect additional information from the issuers at pool level on a monthly basis. Therefore as part of the current collection, Ginnie Mae will create a supplement to the 11710A which will include the collection of 4 data elements. The supplement will not require any change to existing forms and will be captured electronically. This will minimize the burden on the issuers. The tax reporting requirement is to be implemented in calendar year 2007. The data items that will be collected include:

### New Tax Reporting Data Elements

	Information Collected	Data Element	Justification
1	Original Issue Discount	Original Issue Discount	This collection is necessary to ensure compliance with the IRS tax reporting requirements.
2	Market Discount Fraction	Market Discount Fraction	
3	Operational Interest Income	Operational Interest Income	
4	Total Servicing Cost	Total Servicing Cost	

In the future the collection of these data elements will become part of the consolidated and streamlined Reporting and Feedback System (RFS) monthly reporting requirement.

## **Reporting and Feedback System (RFS)**

The purpose of RFS is to streamline and consolidate the reporting of the monthly security remaining principal balances (RPB's), pool/loan package data items, and loan level data items into a single submission file. Currently issuers prepare three separate monthly reporting submissions. RFS represents a consolidation and repackaging of the data items currently collected by multiple reporting forms/systems. RFS is to be implemented in Fiscal Year 2008.

Below is an overview of the changes that will occur as part of the new consolidated RFS monthly reporting requirement. With regard to "inbound" issuer reporting, the major changes include:

- The existing HUD Forms 11710A, 11710D and 11710E will no longer be used except for on-site compliance review.
- Elimination of the existing HUD Form 11748C.
- Streamlining the exception feedback and reconciliation process associated with the reporting of monthly pool/loan package data items, and loan level data items. More exception information will be available both online via the internet, and in downloadable files. Point to Point services will be offered for inbound reporting. Bulk "push" services will be offered for feedback.

Once RFS is implemented issuers will only to be required to produce forms HUD 11710A, HUD 11710D, and HUD 11710E during on-site review, which normally occurs once every three years. On an annual basis approximately 95 reviews will be performed. The existing accounting procedures will not change; only the reporting requirements will change. The policy regarding issuer responsibility to maintain all accounts and records relating to the pooled mortgages and securities; maintaining them in accordance with sound accounting practices and in a manner that will permit Ginnie Mae or its representatives to examine and audit them at any reasonable time is not changed. MBS Guide 5500.3 Section 17-2 will remain as is.

## New RFS Data Elements

The collection of these additional data elements is to provide Ginnie Mae with data to enhance oversight of risk management and mitigation activities and to provide potential investors with additional information that will assist them in determining whether to invest in Ginnie Mae securities.

	Information Collected	Data Element	Justification
1	Installment Values	Installment Principal Amount	Data elements 1-6 are currently collected at the pool level and as part of RFS these data items will be disaggregated and reported at the loan level. This enables Ginnie Mae to more efficiently identify inconsistencies in reporting by comparing the loan level reported values to the pool level reported values
		Installment Interest Amount	
2	Curtailment Values	Curtailment Amount	
3	Interest Adjustment	Interest Adjustment Amount	
4	Net UPB Adjustments	Net UPB Adjustments Amount	
5	Prepaid Values	Prepaid Interest	
		Prepaid Principal	
6	Delinquent Values	Delinquent Interest	Data is necessary for Ginnie Mae's risk management and mitigation activities.
		Delinquent Principal	
7	Original Loan-to-Value	Original Loan-to-Value	
8	Loan Purpose	Loan Purpose	
9	Living Units	Living Units	
10	Buy Down Loan Type	Buy Down Loan Type	
11	Debt Service Ratio	Debt Service Ratio	
12	FICO Score	FICO Score	
13	Previous Loss Mitigation Loan	Previous Loss Mitigation Loan	
14	Custodial Account Information for Construction Loan Amortization Principal	Custodial Account Information for Construction Loan Amortization Principal	Data element captures principal amortization on a construction loan.
15	Co-Borrower Values	Co-Borrower SSN (up to 5 sets) Co-Borrower First Name (up to 5 sets) Co-Borrower Last Name (up to 5 sets)	At the loan level, Ginnie Mae will collect additional co-borrower information. Currently Ginnie Mae only collects information pertaining to one borrower. With RFS, Ginnie Mae will collect information pertaining to up to six borrowers for each loan record, as applicable to the particular loan.
16	RPB Adjustment Type	RPB Adjustment Type	Data element allows for reconciliation of aggregated loan balance to the pool balance.
17	Repair and Replacement Values	Repair and Replacement Fund Balance	This data is used for risk management purposes, enables Ginnie Mae to track funds associated with a project.
		Repair and Replacement Account Name	
		Repair and Replacement Account Number	

In addition to the new data elements Ginnie Mae will begin the implementation of a Ginnie Mae loan key (a unique identifier) that will be assigned by Ginnie Mae. This will be used by Ginnie Mae and by issuers to uniquely identify each loan in a Ginnie Mae pool.

## Electronic Reporting Environment

Currently Ginnie Mae provides a range of services for issuer reporting of monthly security RPB, monthly pool accounting data, or monthly loan level data. The current service Ginnie Mae provides includes:

<b>Current Transfer Mediums</b>	<b>Description</b>
Bulk/Large Volume electronic transmission of data	This is essentially “point to point” telecommunications and transfer of data from issuer computing platform to Ginnie Mae platform.
Direct data entry, using online screens	This is essentially either GinnieNET direct data entry.
File Upload (import)	This is essentially either GinnieNET file upload.
Physical Media	This is essentially the reporting areas where Ginnie Mae continues to allow and accept physical media such as tapes or cartridges. (For the enhanced future systems the reporting of physical media will be eliminated.)

The new RFS reporting process will be streamlined and consolidated. Ginnie Mae will continue to offer a broad range of services that will support issuers regardless of size, reporting volume, or program area participation. The services that Ginnie Mae will offer in support of the streamlined and enhanced monthly reporting process include:

<b>Proposed RFS Transfer Mediums</b>	<b>Description</b>
Bulk/Large Volume electronic transmission of data	RFS will support the continuation of “point to point” telecommunications and transfer of data from issuer computing platform to Ginnie Mae platform. All transmissions will be secure.
Direct data entry, using online screens	This will be Internet web-based direct data entry. The enhanced systems will all be Internet, web-based applications. (Direct data entry is not the focus of this Technical Reference Guide.)
File Upload (import)	RFS will support file imports that are Internet web-based upload.
Secure FTP	RFS will support Internet-based file transfer using a secure FTP protocol.

Ginnie Mae’s goal is to provide a range of secure services to issuers and service bureaus.

## Reduction in Burden

The net reduction in burden is reflected in the tables below. Previously Ginnie Mae's Monthly loan level reporting and RPB reporting totaled 42,323 annual hours. The RFS monthly reporting consolidation of loan level data, remaining principal balances and pool information per 11710A, 11710E and 11710D will result in one streamlined submission for all of the data. The data will be submitted electronically and the issuer burden results in a decrease of 29,903 annual hours.

### Burden as reported in June 2005 Federal Register

<b>Title</b>	<b>Number of Respondents</b>	<b>Frequency</b>	<b>Hours per Response</b>	<b>Total Annual Hours</b>
<i>Collection of Remaining Principal Balances</i>	271	12	.004	29,315
<i>Monthly Loan Level Reporting</i>	271	12	4	13,008
				42,323

### New Burden based on RFS consolidation

<b>Title</b>	<b>Number of Respondents</b>	<b>Frequency</b>	<b>Hours per Response</b>	<b>Total Annual Hours</b>
<i>Reporting and Feedback System (RFS) Monthly Reporting Requirement</i>	230	12	4.5	12,420

Previously burden hours were based on units; however, the RFS Monthly Reporting requirement consists of both loan and pool level reporting therefore the calculation of burden is based on the number of respondents and frequency. Depending on the size of an issuer's portfolio, the hours per response will vary. On average it will take 4.5 hours per response to complete the RFS Monthly Reporting Requirement.

## Home Equity Conversion Mortgages (HECM) Mortgage-Backed Securities Program (HMBS)

Ginnie Mae is creating a new product under Ginnie Mae’s Mortgage-Backed Securities Program that will be backed by Home Equity Conversion Mortgages (HECM), which are insured by the Federal Housing Administration. The primary goal of the development of the HECM Mortgage-Backed Securities Program (HMBS), consistent with Ginnie Mae’s overall mission, is to provide senior citizens with more affordable reverse mortgage borrowing options to support their financial needs during their retirement years. To the extent possible, Ginnie Mae is leveraging its existing MBS infrastructure to administer the new product. These securities will be book entry securities and may be sold to investors as MBS. HMBS is to be implemented Fiscal Year 2007.

### New HMBS Data Elements

The HMBS product will utilize the existing MBS infrastructure; therefore, the current issuance process and monthly reporting requirements will apply to the HMBS product. The HMBS product will also require the submission of 11 new data elements at pool issuance and 17 new data elements as part of the monthly reporting requirement. These data elements will be submitted electronically and the added burden is minimal.

Approved Ginnie Mae issuers will use the current process for assembling and submitting pool issuance documents. Therefore, issuers will be required to submit a pool in electronic form using the GinnieNET system. This reduces the chance for errors and significantly reduces the time required for pool application and review. Pool issuance includes the submission of the HUD 11705 and HUD 11706 forms. The HMBS product will require the submission of additional data elements. The data items listed below will be required and submitted electronically as part of the 11706 at the time of pool issuance for the HMBS product.

	Information Collected	Data Element	Justification
1	Payment Option	Payment Option	<p>The collection of these data elements is necessary in order to ensure that Ginnie Mae’s pooling requirements and disclosure requirements are met. The collection of this data meets three primary objectives:</p> <ol style="list-style-type: none"> <li>1. The status of each loan has to be confirmed via the data match process with FHA. The verification and reconciliation process with FHA is required to ensure that loans are insured.</li> <li>2. Ginnie Mae must ensure that issuer is meeting the pooling parameters for the HMBS product.</li> <li>3. Ginnie Mae must supply the investor community with sufficient information to make an informed investment decisions. The investor will use disclosure information to model the portfolio for expected payments, prepayment speeds, assess risk and portfolio value.</li> </ol>
2	Date of Origination	Date of Origination	
3	Joint or Single Loan	Joint or Single Loan	
4	Age of Youngest Borrower	Borrower Birth Date	
5	Gender of Borrower(s)	Borrower Gender	
6	Maximum Claim Amount	Maximum Claim Amount	
7	Maximum Principal Limit	Maximum Principal Limit	
8	Unpaid Principal Balance Being Securitized	Principal Balance Securitized	
9	Unpaid Principal Balance Not Being Securitized	Principal Balance UnSecuritized	
10	HECM Loan Servicing Fee Code	HECM Loan Servicing Fee	
11	Weighted Average Coupon	Weighted Average Coupon	

The monthly pool reporting and administration process will mirror Ginnie Mae’s current pool and loan level reporting process. The HMBS product will require the submission of additional data elements. The items listed below will be part of the RFS monthly reporting requirement for the HMBS product.

	<b>Information Collected</b>	<b>Data Element</b>	<b>Justification</b>
1	Loan Payment Option	Loan Payment Option	<p>The collection of these data elements on a monthly basis is necessary for Ginnie Mae’s monthly disclosure process. The HMBS disclosure process mirrors the current process of data disclosure for the forward product. This information is shared with the investor community and is used to support the ongoing valuation and modeling conducted by MBS investors.</p>
2	Partial Prepayments	Partial Prepayments	
3	Payment – Interest	Payment – Interest	
4	Payment - Principal	Payment - Principal	
5	HECM status Count	HECM Status Count	
6	Interest Accrual Closing This Month	Interest Accrual Closing This Month	
7	Loan participation interest	Loan participation interest	
8	Loan participation principal balance	Loan participation principal balance	
9	Loan participation payment	Loan participation payment	
10	HECM Payment Date	HECM Payment Date	
11	HECM Principal Balance	HECM Principal Balance	
12	HECM Payment Reason	HECM Payment Reason	
13	Unsecuritized principal balance	Unsecuritized principal balance	
14	Loan participation count	Loan participation count	
15	Weighted Average Coupon	Weighted Average Coupon	

### **Adjustable Rate Mortgages (ARM) Enhancements**

Additional edits will be applied to pools containing adjustable rate mortgages (ARM) that will enable Ginnie Mae to alert issuers when the underlying loan collateral backing the pool is inconsistent with the adjustable rate pool type selected. In order for Ginnie Mae to apply these edits, at issuance, issuers will be required to provide a new loan level data element (“Interest Rate Change Date”) at pooling for each ARM loan listed on the Form HUD 11706. In addition, when a “Pool Type” corresponding to a five-year hybrid type of ARM note is selected, the issuer will be prompted to select the Cap Structures. With these new fields, GinnieNET will be able to ensure that only those pools with loans that fall within the acceptable range of months are processed. Other than the fields mentioned above, the additional new fields in the file layout will be pre-populated by GinnieNET once the pool type is selected.



It is anticipated that FHA and VA will begin insuring/guaranteeing ARMs with interest rate adjustments based on the London Interbank Offered Rate (LIBOR) index. When this option is available, the web-based GinnieNET application will include new pool types for each of its ARM products that adjust using the LIBOR index. In order to enable issuers to provide the new data elements necessary to perform the new edits on ARM pools, and to pool mortgages using the LIBOR index, Ginnie Mae will be incorporating both the new data elements and the LIBOR pool indicator in its GinnieNET Form 11706, mortgage detail file layout. However, issuers will not be able to create securities backed by FHA and VA ARM mortgages using the LIBOR index until Ginnie Mae announces that this option is available. This enhancement is to be implemented in Fiscal Year 2007.

	Information Collected	Data Element	Justification
1	Interest Rate Change Date	Interest Rate Change Date	This data will be used to alert issuers when the underlying loan collateral backing the pool is inconsistent with the adjustable rate pool type selected.
2	Acceptable Range ("Months")	Acceptable Range ("Months")	
3	Type of ARM Note	Type of ARM Note	
4	Initial (+/-) Interest Rate Cap	Initial (+/-) Interest Rate Cap	
5	Subsequent (+/-) Interest Rate Cap	Subsequent (+/-) Interest Rate Cap	
6	Lifetime (+/-) Interest Rate Cap	Lifetime (+/-) Interest Rate Cap	

### Summary

While these changes require the submission of additional data elements, the resulting burden is minimal. The RFS monthly reporting requirement has reduced issuer burden by consolidating three separate monthly reporting submissions into one consolidated monthly reporting process. Data from the HUD 11710A, HUD 11710D and HUD 11710E is captured in the RFS submission and the forms no longer have to be submitted, resulting in another reduction in burden. Once RFS is implemented issuers will only have to produce the HUD 11710A, HUD 11710D and HUD 11710E forms for onsite field review purposes. Another reduction in burden is the elimination the HUD 11748C form. The HMBS product is built on the existing MBS infrastructure and this unique product requires the submission of additional data elements to ensure compliance with Ginnie Mae program requirements. These data elements will be submitted electronically and will only affect a small percentage of the issuer community. It is anticipated that approximately five issuers will be participate in the HMBS program initially. Therefore, the resulting burden for the additional HMBS data element requirement is negligible.