

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

- 1. why is this 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/authorizing the collection of information.**

Ginnie Mae is a wholly-owned corporation of the United States within the Department of Housing and Urban Development. Its powers are prescribed generally by Title III of the National Housing Act, as amended, 12 U.S.C. 1716 et seq. Ginnie Mae is authorized by Section 306(g) of the National Housing Act to guarantee the timely payment of principal and interest on securities which are based on or backed by a pool composed of mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs or the Rural Housing Service. Ginnie Mae's guaranty of mortgage-backed securities is backed by the full faith and credit of the United States. The information being collected is necessary in order for Ginnie Mae to be able to properly administer its Mortgage-Backed Securities programs.

In light of current market conditions, Ginnie Mae is committed to expanded transparency with regard to disclosures on outstanding Ginnie Mae securities. In line with this goal, the package includes revisions to Ginnie Mae's Pool Issuance requirements for forward mortgages. This change includes the addition of eight new data elements to the HUD Form 11706. The data items to be added to the HUD Form 11706 include the following: Combined LTV Ratio Percent, Total Debt Expense Ratio Percent, Refinance Type, Last Paid Installment Due Date, Pre-Modification First Installment Due Date, Pre-Modification Original Principal Balance Amount, Per-Modification Interest Rate, and Pre-Modification Loan Maturity Date. In addition, seven of the eight new data elements have been added to Issuers' monthly reporting requirements, to allow for the submission of corrections to previously reported data. Since the collection of this data is primarily via electronic means, the inclusion of the additional data elements will result in a negligible increase in burden to the public.

NO OTHER FORMS OR APPENDICES ARE BEING CHANGED/REVISED.

- 2. How is the information collected and how is the information to be used?**

Ginnie Mae's Mortgage-Backed Securities Guide 5500.3, Revision 1 ("Guide") provides instructions and guidance to participants in the Ginnie Mae Mortgage-Backed Securities programs ("Ginnie Mae I and Ginnie Mae II"). Participants are organizations (mortgage companies, banks, etc.) that have been approved by Ginnie Mae to issue Ginnie Mae securities. Participants in the Ginnie Mae I program issue securities backed by single-family or multifamily loans. Participants in the Ginnie Mae II program issue securities backed by single-family loans. Ginnie Mae II MBS are modified pass-through mortgage-backed securities on which registered holders receive an aggregate principal and interest payment from a central paying agent on all of their Ginnie Mae II MBS. The Ginnie Mae II MBS also allow small issuers who do not meet the minimum dollar pool requirements of the Ginnie Mae I MBS to participate in the secondary mortgage market. In addition, the Ginnie Mae II MBS permit the securitization of adjustable rate mortgages ("ARMs"). Any requirement in a document created under a Ginnie Mae MBS program is effective as of the date of the Guide, including amendments. Included in the Guide are Appendices. The Appendices include the forms or documents needed to comply with program requirements. Below are the required forms or data collected to participate in the MBS programs.

The following describes how, by whom, how frequently, and for what purpose the information is to be used. The forms are available in a PDF fillable format unless stated otherwise on our website at [www.ginniemae.gov](http://www.ginniemae.gov).

## Forms Required for Approval to Become a Ginnie Mae Issuer

- 1. Form HUD 11701/Appendix I-1/OMB No. 2502-0005 – Application for Approval Ginnie Mae Mortgage-Backed Securities Issuer**

The form is used by interested parties that want to apply for approval in order to participate in the Ginnie Mae programs. The information on the form is required by 24 CFR Part 202 and Section 306(g) of the National Housing Act or by HUD Handbooks 4060.1 and 5500.3.

The form takes approximately an hour for the company to review the instructions and complete.

- 2. Form HUD 11702/Appendix I-2/ Resolution of Board of Directors and Certificate of Authorized Signatures**

The form is completed by issuers to provide Ginnie Mae with a Resolution of the Board of Directors of the issuer's organization, authorizing the issuance of mortgage-backed securities and a listing of the names and genuine signatures of the individuals authorized to execute the necessary documents in connection with mortgage-backed securities at the time of application into our program(s). The form is reviewed by Ginnie Mae's pool processing agent to confirm that individuals who signed pool document submissions are authorized to do so.

Ginnie Mae requires annual updates and updates when there is a change in the authorized signers of the issuer's company or a change in the issuer's name. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

The form takes approximately 5 minutes to review instructions and complete.

### **3. Appendix I-4/ Cross-Default Agreement**

Cross Default Agreements are required whenever there are two or more affiliates engaged in mortgage origination, servicing, or securitization of Ginnie Mae pool or loan packages. An affiliate is defined as an entity that can exercise control or significant influence over the management or operating policies of the applicant, directly or indirectly through some type of control or ownership as defined in GAAP FAS-57.

A new Cross Default Agreement will be required if there are changes to an issuer's name, but the affiliations remain or if there are new affiliations between Ginnie Mae issuer as a result of companies merging or buying assets. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

The Cross Default Agreement takes an estimated 3 minutes per response to review and sign.

### **4. Appendix IX-1/ Financial Statements and Audit Reports**

At the time of application, the applicant must provide copies of their annual financial statements for each of the latest three years, audited and certified by an Independent Auditor in accordance with Section 2-1 of the Consolidated Audit Guide for Auditors of HUD Programs, Handbook No. IG 2000.04 Rev. 2. If the latest audited financial statement is six months prior to the date Ginnie Mae receives the application package, the applicant must also provide an unaudited financial statement certified by the chief executive officer. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

The financial statement takes an estimated hour to prepare.

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## **Forms Required for Obtaining Commitment Authority and/or Pool Numbers**

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An issuer must apply for Commitment Authority and Pools Numbers before they can place mortgages in a Ginnie Mae Pool. The following two forms are used for this purpose.

### **5. Form HUD 11700/Appendix II-1/ Letter of Transmittal for Commitment Authority and/or Pool Numbers**

This is a multifunctional transmittal form which is completed by the issuer when requesting commitment authority and/or pool numbers. The frequency of use depends on the issuer's need for specific services from Ginnie Mae. When requesting only pool numbers, the issuer only needs to complete the HUD 11700 form. When requesting commitment authority, the issuer has to prepare the HUD 11700 and the HUD 11704.

A issuer can request both commitment authority and pool numbers within one request. If the issuer has available pool numbers, but lacks a sufficient amount of commitment authority necessary to form pools, the issuer can apply for Commitment Authority only. An issuer may need to apply for Ginnie Mae Pool Numbers only. This is done when an issuer has sufficient commitment authority available for use, but needs pool numbers. There is no fee for requesting pool numbers.

There are two types of Commitment Authority a Ginnie Mae issuer may apply for: 1) Single Family or Single Line Commitment Authority which expires one year from date of approval and 2) Multifamily or Multi-Line Commitment Authority which expires two years from date of approval.

There are three types of Pool Numbers a Ginnie Mae issuer may apply for: 1) Standard Pool Numbers, 2) Graduated Payment/Growing Equity Pool Numbers and 3) Adjustable Rate Pool Numbers.

Pool Numbers have no expiration date and can only be used once. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

It is estimated that it will take 2 minute for issuers to review and complete.

#### **6. Form HUD 11704/Appendix II-2/ Commitment to Guarantee Mortgage-Backed Securities**

This form is used by Ginnie Mae mortgage-backed securities (MBS) issuers to apply for commitment authority to guarantee mortgage-backed securities. Upon receipt of the form, a Ginnie Mae Account Executive in the Office of MBS reviews the application along with the request form HUD 11700, "Letter of Transmittal for Commitment Authority and/or Pool Numbers". If the request is approved, a Ginnie Mae Account Executive signs the form HUD 11704 and returns it to the issuer, along with a computer generated confirmation notice. The approval of this form serves as a receipt and the commitment from Ginnie Mae to guarantee the securities which are backed by Ginnie Mae mortgage pools. All issuers must meet Ginnie Mae's basic eligibility requirements to receive commitment authority. Ginnie Mae keeps a copy of this form to maintain records of all types of commitment authority granted. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

It takes an issuer an estimated 1 minute to complete the form including reviewing the instructions.

### **Forms and Agreements Required for Processing/Issuing Ginnie Mae Pools**

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#### **7. Appendix III-13 / Electronic Data Interchange (EDI) System Agreement**

The purpose of the EDI System Agreement is to communicate to issuers the following: Ginnie Mae's intentions and expectations about its data interchange program; logistics about the electronic exchange of documents, including general specifications (standards, document types, telecommunications method); technical specifications (acknowledgments, communications, and security); and policies and procedures and specific legal issues. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

It is estimated that it will take 2 minute for issuers to review and complete.

#### **8. Appendix III-14/ Enrollment Administrator and GinnieNet Authorized Signatories**

The enrollment administrator section of the form establishes the authorized personnel designated by the Document Custodian to sign on behalf of the Document Custodian in the capacity of Enrollment Administrator and/or GinnieNet Authorized signor. The GinnieNet authorized signatories section of the form establishes the authorized personnel designated by the Ginnie Mae issuer to sign on behalf of the issuer. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

It is estimated that it will take 2 hours for issuers to review and complete.

### **Ginnie Mae Master Agreements: HUD 11707, 11709, 11715, and 11720**

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Ginnie Mae forms HUD 11707, 11709, 11715, and 11720 are Ginnie Mae Master Agreements. These documents, prepared by issuers, eliminate the redundant and repetitive use of the same forms each time an issuer requests that a new Ginnie Mae security be issued. The Master Agreements are the foundation for the paperless pools. They define the relationships and responsibilities of the issuer, the issuer's servicer and the issuer's document custodian. The information on the forms is stored electronically in Ginnie Mae's GinnieNet system.

#### **9. Form HUD 11707/Appendix III-1/ Master Servicing Agreement**

The form is completed by the issuer to provide assurance to Ginnie Mae that servicing of the mortgages backing the securities approved for issuance will be performed in accordance with acceptable standards of mortgage servicing. The form is used by Ginnie Mae's pool processing agent to determine if the issuer of the pool is the sole servicer, or if the issuer has established a sub-contract servicing arrangement with another institution to

perform certain servicing functions on behalf of the issuer. If the issuer chooses to use a sub-servicer, the sub-contract servicer must be an approved Ginnie Mae issuer. Issuers may use more than one sub-contract servicer, however, there can only be one sub-contract servicer for each pool or loan package. The form is required to be on file with the pool processing agent before the submission of the pools.

Issuers must renew this form annually. Issuers can electronically certify that the information has not changed in GinnieNet.

The estimated time to complete the form is 1 minute, which includes time for reviewing the instructions. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **10. Form HUD 11709/Appendix III-2/ Master Agreement for Servicer's Principal and Interest Custodial Account**

This form provides evidence to the existence of a master principal and interest custodial account for the deposit of funds payable on mortgages pooled and guaranteed by Ginnie Mae. This form is used in connection with issuing the mortgage-backed securities. In addition, all deposits made by the issuer are subject to draft or check by Ginnie Mae, and all such amounts shall be payable to Ginnie Mae on demand and without notice. The form is completed by the issuer and custodial bank and submitted to Ginnie Mae's pool processing agent. The agreement covers each pool or loan package that is listed on the Schedule of Subscribers and Ginnie Mae Guaranty Agreement (form HUD 11705). The form is required to be on file with the pool processing agent before submission of pools.

Ginnie Mae must have this information in case an issuer defaults on its payments to securities holders/investors. This enables Ginnie Mae to access the funds in the account to make the payments and prevent the issuer from further access to the funds.

Issuers must renew this form annually. Issuers can electronically certify that the information has not changed in GinnieNet.

Completion of the form HUD 11709 is estimated to average 1 minute per response, including the time for the review of the instructions. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **11. Form HUD 11709-A/Appendix 1-6/ ACH Debit Authorization**

The form is used to authorize Ginnie Mae's Depository, as security holder of all book-entry Ginnie Mae I MBS, to make Automated Clearing House (ACH) debits against an issuer's central principal and interest (P&I) custodial account for all payments due on the securities. It also authorizes the Central Paying and Transfer Agent, (CPTA), Ginnie Mae's agent, to initiate ACH debits against the issuer's central P&I custodial account for all payments due on Ginnie Mae II MBS and all monthly guaranty fees due to Ginnie Mae I and II MBS. The Ginnie Mae Depository is authorized to initiate ACH debits against the central P&I custodial account at the bank referenced on the form HUD 11709 for monthly P&I payments and prepayment penalties on multifamily loans due in connection with all book-entry securities backed by Ginnie Mae I pools. Ginnie Mae requests that issuers electronically submit their form 11709-A through GinnieNet.

Estimated time per response is an average of 1 minute for completion, this includes reading the instructions, ensuring that the account numbers match the account number listed on the form HUD 11709, and signing the form. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **12. Form HUD Form 11715/Appendix III-4/ Master Custodial Agreement**

This form is used to provide Ginnie Mae with the name of the institution(s) which will serve as the document custodian(s) for a particular Ginnie Mae issuer. The document custodian(s) physically hold the mortgage documents in safekeeping on behalf of Ginnie Mae. The form covers each pool or loan package that is listed on the form HUD 11705. Issuers may have more than one document custodian. The form sets out the terms of the custodial relationship between the issuer and the document custodian. If an issuer defaults, Ginnie Mae is able to access the mortgage documents which are the collateral backing the mortgage-backed securities and to access the funds to make payments, as well as preventing the issuer from further access to the funds. The form is completed by the issuer and the document custodian.

Issuers must renew this form annually. Issuers can electronically certify that the information has not changed in GinnieNet.

Completion of the form HUD 11715 is estimated to average of 2 minutes per response, including the time for the review of the instructions. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

### **13. Form HUD 11720/Appendix III-3/ Master Agreement for Servicer's Escrow Custodial Account**

This form identifies the institution which maintains the custodial account for the deposit of escrow funds received on mortgages pooled and guaranteed by Ginnie Mae in connection with the mortgage-backed securities. In addition, all deposits made by issuers are subject to draft or check by Ginnie Mae, and all such amounts are made payable to Ginnie Mae on demand and without notice. Escrow custodial accounts include all funds collected to cover expenses to be paid under the mortgage, including, but not limited to, taxes, special assessments, ground rents, other charges that are or may become first liens on the property, hazard insurance premium, and mortgage insurance premiums. Issuers may have more than one escrow custodial account. The form is completed by the issuer and custodial bank and provided to Ginnie Mae's pool processing agent. Ginnie Mae must have this form in case an issuer defaults on its payments to securities holders/investors. This enables Ginnie Mae to access the funds in the account to make the payments and prevent the issuer from further access to the funds.

Issuers must renew this form annually. Issuers can electronically certify that the information has not changed in GinnieNet.

Completion of the form HUD 11720 is estimated to average of 1 minute per response, including the time for the review of the instructions. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

### **14. Form HUD 11705/Appendix III-6/ Schedule of Subscribers and Ginnie Mae Guaranty Agreement**

This form must be used by the issuer to submit pool or loan packages in either an electronic format using GinnieNet or paper format. Each time the issuer issues a new security, it agrees that the applicable Guaranty Agreement is in effect on the issue date of the securities and that it will govern all of the issuer's outstanding pool and loan packages, pooled mortgages, and securities whether created under the Ginnie Mae I MBS program or the Ginnie Mae II MBS program. The pool will vary as to the amount of each certificate, certificate holder, and the number of certificates for each holder. The data provided on this form is the basis for the preparation of the securities issued under each Ginnie Mae MBS pool. Upon receipt of the form, JPMorgan Chase Bank reviews the information submitted in conjunction with other documentation required for the issuance of MBS securities. The approval of this form enables the actual preparation of the securities to be issued.

It is estimated to take an average of 1 minute to complete the form. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

### **15. Form HUD 11706/Appendix III-7/ Schedule of Pooled Mortgages**

This form is used by the issuers when using a paper format or an electronic format to submit pools to Ginnie Mae's pool processing agent. The purpose of the Form HUD 11706 is to provide a means of identifying and controlling the mortgages that collateralize the designated MBS pools or loan packages. It provides a certification from the document custodian that certain required mortgage documents are being held by the document custodian on behalf of Ginnie Mae.

It is estimated to take an average of 2 minutes to complete the form. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

### **16. Form HUD 11711A/Form HUD 11711B/Appendix III-5/ Release of Security Interest and Certification and Agreement**

Form HUD 11711A is used to release security interests in pooled mortgages by prior secured institutions. They are prepared by the initial financial institution securing the interest and delivered to the document custodian.

Form HUD 11711B is used by the issuer and submitted to the document custodian. This form provides certification by the issuer that the releases from Form 11711A encompass all mortgages in a pool or loan package. These forms are used in conjunction with Form HUD 11706 to initially certify or reject pool or loan packages.

GinnieNet allows issuers to electronically submit these forms to their document custodian for certification.

It is estimated to take each form an average of 1 minute to complete. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **17. Form HUD 11732/Appendix III-22/ Custodian's Certification for Construction Securities**

This form provides evidence that the document custodian: (a) is holding a certification that disbursement has been made to the mortgagor; (b) has evidence of FHA insurance inclusive of the disbursement; and (c) has evidence of title insurance coverage inclusive of the latest disbursement. This document is submitted, along with Form HUD 11705, 11706, 92403 and other documents before the initial issuance of securities.

It is estimated to take an average of 1 minute to complete the form. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **18. Appendix III-21/ Certification Requirements for the Pooling of Multifamily Mature Loan Program**

This document is used at the time of submission of an application for pooling multifamily mature loan program mortgages. If the issuer submits the certification in paper format it must be on the issuer's own letterhead, along with other required pooling documentation. However, the issuer can do the certification electronically using GinnieNet.

It is estimated to take an average of 2 minutes to complete the form. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **19. Appendix III-9/ Authorization to Accept Facsimile Signed Correction Requests**

This request is required when the pool transfer agent notifies the issuer that the pool/loan package information, which they submitted for issuance, has errors that need to be corrected before the pool can be approved.

It is estimated to take an average of 1 minute to complete the form. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

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### **Forms and Documents Required for Ginnie Mae's Pool Administration**

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#### **20. Form HUD 11708/Appendix V-5/ Request for Release of Documents**

Mortgage documents may be released on occasion in connection with servicing, collection or prepayment in full or foreclosure of mortgages; issuers are authorized to request such documents only if the documents are necessary in carrying out such administrative actions. This form is used by Ginnie Mae issuers to request the release of mortgage documents held by the document custodian. It is also used by the document custodian to acknowledge return of the documents from the issuer to the pool file. Issuers can submit the form in either paper format or electronically using GinnieNET.

It is estimated to take an average of 2 minutes to complete the form. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **21. Monthly Report of Pool and Loan Level Data**

Ginnie Mae issuers are required to submit pool and loan level data monthly for all pooled loans and loan packages. The report contains all non-liquidated loans as of the close of the month for which data is presented and must reconcile with the monthly accounting report in RFS. The loan level data has become an integral part of

Ginnie Mae's Portfolio Analysis Database System (GPADS), which is used to identify those issuers who represent the greatest risk of default, and thus future potential risk of financial loss to Ginnie Mae.

It is estimated to take 4.5 hours for issuers to complete reporting the information. The information is required by Section 306(g) of the National Housing Act and/or by Ginnie Mae Handbook 5500.3, Rev. 1.

While issuers will no longer be required to submit the following forms: Monthly Accounting Report, form HUD 11710-A; and the Liquidation Schedule, form HUD 11710-E.; and Monthly Summary Report, they will be required to maintain accounts and records on each pooled mortgage in a manner that will permit Ginnie Mae or its representatives to examine and/or audit them at any reasonable time.

## **22. Form HUD 11710-A/Appendix VI-4/ Monthly Accounting Report**

The form HUD 11710-A provides the pool/loan activity for the month, the calculation of mortgage principal installments and the amount of principal remitted to securities holders for the month, the monthly guaranty fee due Ginnie Mae, and the status of custodial funds.

## **23. Form HUD11710-E/Appendix VI-4/ Liquidation Schedule**

The form HUD 11710-E provides the data for loans that have been liquidated from a pool. The issuers are required to state the reason(s) for liquidating a loan.

## **24. Form HUD 1710-B/Appendix VI-12/ Issuer's Monthly Serial Notes Accounting Schedule**

The form HUD 1710-B is used to record principal and the status of Serial Units paid and Serial Note Certificates redeemed and outstanding during the current month. It is used by those issuers who process Serial Note pools.

## **25. Form HUD 1710-C/Appendix VI-13/ Project Pool Report**

Form HUD 1710C is used by issuers only if one or more project mortgages in a pool is not being amortized, or if other than the level monthly payment method is not being used on any of the project mortgages in a MBS pool. It is used by those issuers who process project loan pools.

## **26. Form HUD 11710-D/Appendix VI-5/ Issuer's Monthly Summary Report**

The form is used by issuers to report to Ginnie Mae each month a summary of their outstanding pools or loan packages, provide a certification as to the accuracy of the reported information and to provide the format for reporting the Remaining Principals Balances of each pool. This form is submitted monthly.

## **27. Appendix VII-1 - Collection of Remaining Principal Balances**

Issuers are required to report remaining principal balance ("RPB") information on government insured or guaranteed loans backing Ginnie Mae securities. The RPB reporting requirement is being consolidated into RFS. The RPB information is used to determine the amount of principal and interest due investors. This information is also used by Wall Street to project the performance of outstanding MBS. RPBs are reported no later than the second business day of the month and corrections can be made on or before the fifth business day of the month.

## **28. Form HUD 11714/Appendix VI-10/ Issuer's Monthly Remittance Advice**

This form is used by issuers participating in the Ginnie Mae I program only. It provides a summary of information to the security holder with respect to current month's account transactions and calculation of the security holders' pro rata share percentage of total cash distribution. The security holder must receive this remittance advice no later than the 15th of the month. When the use of the form HUD 11714 is permitted, it may be sent along with the monthly payment of principal and interest.



The form is estimated to take 1 minute to complete. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **29. Form HUD 11714SN/Appendix VI-11/ Issuer's Monthly Serial Note Remittance Advice**

This form is used by issuers participating in Ginnie Mae's MBS I Serial Note program only. The issuer provides a summary to the holders of Serial Note Certificates with respect to the current month's account transactions, calculation of interest and principal to be distributed, and data with respect to the redemption of Serial Units. A separate Remittance Advice is addressed to each Serial Note Certificate holder.

The form is estimated to take 1 minute to complete. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **30. Form HUD 11748-A/Appendix VI-6/ Graduated Payment or Growing Equity Mortgage Pool or Loan Package Composition**

This form is used in connection with Graduated Payment Mortgage pools and loan packages or Growing Equity Mortgage pools and loan packages as (a) a control on the "constants" for the mortgages listed on form HUD 11706, Schedule of Pooled Mortgages, and (b) a supplement to verify information on form HUD 11710-A, Issuer's Monthly Accounting Report.

The form is estimated to take 1 minute to complete. The information is required by Section 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **31. Appendix VI-8/ Excess Funds Agreement**

The Agreement may only be used with Ginnie Mae I securities issued prior to July 1, 1980. Under the terms of the Excess Funds Agreement, in lieu of advancing corporate funds, the issuer may use excess P&I funds attributable to one pool to cover shortages in other pools sharing the same custodial account. Excess funds are defined as unscheduled recoveries of principal (such as curtailments, partial and final claim settlements of mortgage insurance or guarantee benefits, and full loan payoffs) and early receipts of scheduled P&I (prepayments).

The form is estimated to take 1 minutes to complete. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **32. Appendix VI-1/ Pool Advance Agreements**

Under the terms of the Pool Advance Agreement, the financial institution which holds pool P&I funds, rather than the issuer, is obligated to advance funds to cover payments to securities holders. The issuer must receive Ginnie Mae's written consent to use this agreement before the terms of the agreement may be implemented.

The form is estimated to take 2 minutes to complete. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **33. Appendix VI-2/ Letter for Loan Repurchases**

This request is submitted by the issuer to buyout or purchase defective loans that prevent final certification of pools within the allocated timeframe. The request must be on the issuer's company letterhead and contain the required certification language. The loans which are defective are listed on an exhibit attached to the issuers letter stating the reason why FHA, VA, RHS, or PIH has not issued an MIC, LGC, or Loan Note Guaranty. Issuer requests for and Ginnie Mae approval of loan buyouts or repurchase of defective loans are done electronically.

The letter is estimated to take 2 minutes to complete. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **34. Appendix VI-9/ Request for Reimbursement of Mortgage Insurance Claim Costs**

Request for Reimbursement of Mortgage Insurance Claims is made by a Ginnie Mae issuer when a default involving a FHA mortgage occurs and the mortgage is part of a Ginnie Mae pool. This form is only for Ginnie Mae issuers who are approved in Ginnie Mae's Multifamily program and involve only fully-insured



FHA loans (coinsured or RHS loans are not eligible). The issuer must notify Ginnie Mae at the earliest possible date of its intent to request reimbursement of allowable mortgage insurance claim costs, and where appropriate, its intent to request that Ginnie Mae purchase debentures. Ginnie Mae will forward the forms and guidelines for the completion of the transactions.

The request is estimated to take five (5) minutes to complete. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1 and subject to the provisions of Section 1001, U.S. Code, Title 18, governing statement made to the United States Government.

### **Servicemembers' Interest Shortfall Assistance**

Ginnie Mae issuers that have lost money because they granted relief under the Servicemembers' Civil Relief Act (SCRA) (formerly known as the Solders' and Sailors' Civil Relief Act) of 1940 may seek reimbursement from Ginnie Mae. SCRA provides that a borrower's mortgage interest rate received prior to entering the military bear an interest rate not to exceed 6% a year during the borrower's period of active military duty. Once the borrower's period of active military duty is over, the issuer is permitted thereafter to collect the rate of interest provided for in the original mortgage. Quarterly, issuers may request reimbursement of interest shortfalls from Ginnie Mae. Issuers must submit their request via SCRA Module in the Ginnie Mae Portal. In addition to electronic submissions, issuers are required to submit hard copy information. The electronic file is uploaded to Ginnie Mae's system for processing and the hard copy is needed for comparison to the orders. Also, the original signature on the hard copy provides the issuer certification that the borrower is entitled to benefits under the SCRA, and that the information submitted is correct. Issuers must provide the borrower's mortgage and military information in order to receive the benefits of a reduced interest rate. The following appendices are used for processing the SCRA requests.

#### **35. Appendix XI-6/ Loan Eligibility Information**

#### **36. Appendix XI-8/ Quarterly Reimbursement Request**

The each form takes an estimated to take 2 minutes to complete. The information is required by Ginnie Mae Hndbook 5500.3, Rev. 1.

#### **37. Appendix VIII-1/ Acknowledgment Agreement and Accompanying Documents/Pledge of Servicing**

Once securities/pools are issued, an issuer may pledge its rights to the servicing income as security for a loan from a private lender (secured party) pursuant to Ginnie Mae's approval. An issuer seeking approval by Ginnie Mae to pledge its servicing rights must submit a proposed Acknowledgement Agreement entered into by and between the issuer, the secured party, and Ginnie Mae.

The request is estimated to take five (5) minutes to complete. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **38. Appendix VIII-2/ Transfer Agreement**

This is used by Issuers who have an approved Acknowledgment Agreement by Ginnie Mae and now wishes to transfer its serving responsibilities for some or all of its Ginnie Mae pool or loan packages from itself to another Ginnie Mae issuer. The agreement must be completed by the secured party, the issuer wishing to acquire the portfolio (transferee) and Ginnie Mae.

The request is estimated to take five (5) minutes. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **39. Appendix VIII-4 - Pool Transfer System and Exhibit A**

An issuer may transfer/sell its issuer responsibilities from any or all pools in its portfolio to another Ginnie Mae issuer provided it has Ginnie Mae's prior written approval. Ginnie Mae provides the issuer upon written request, a front-end editor program, the Pool Transfer System (PTS). The program only needs to be installed on the hard drive of the issuer's computer once. This program creates a computer diskette containing the transfer of issuer responsibility data in the proper format.

The one-time installation is estimated to take approximately ten (10) minutes. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

The Exhibit A is a transmittal and checklist certifying the documents and pools submitted with the transfer of issuer responsibility request to Ginnie Mae's Pool Transfer agent.

The Exhibit A is estimated to take two (2) minutes to complete. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **40. Appendix VIII-3/ Assignment Agreements**

This form is used by Issuers who wish to transfer/sell its serving responsibilities for some or all of its Ginnie Mae pools or loan packages from itself to another Ginnie Mae issuer. The agreements must be completed by the both the initial issuer (seller) , the issuer wishing to acquire the portfolio (buyer) and Ginnie Mae.

The request is estimated to take five (5) minutes. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **41. Appendix XI-2/ Supervisory Agreement**

This Supervisory Agreement is entered into by and between the issuer and Ginnie Mae. The Agreement is as a direct result of the effects of a presidential declared disaster described in the MBS Guide. The Agreement may be used by Issuers when they are unable to make the full payments due to the holders of the mortgage-backed securities backed by the mortgage pools and request that Ginnie Mae advance certain payments to security holders in accordance with the terms of the APM. Issuers are expected to repay Ginnie Mae the advancement of payment based on the terms in the Agreement.

The request is estimated to takes five (5) minutes to complete the form including reviewing the instructions. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **42. Appendix IX-1/ Financial Statements and Audit Reports**

Ginnie Mae collects Financial Statements and Audit Reports annually from each issuer participating in the MBS program. The financial statements and reports must be audited and certified by an Independent Auditor that meets the auditor qualifications set out in Chapters 1, 2, and 6 of the Consolidated Audit Guide for Audits of HUD programs. The financial statements must include a balance sheet, statement of operations and cash flows, prepared in accordance to Generally Accepted Accounting Principles (GAAP) and Government Auditing Standards (GAS). On occasion, Ginnie Mae will request the issuer to submit internally prepared balance sheets and income statements to verify an issuer's net worth.

Appendix IX-1 is now reserved and provides a direct link to the Consolidated Guide of Audits of HUD Programs.

Issuers are required to submit their audited financial statement and accompanying reports to Ginnie Mae within 90 days after the end of their fiscal year. The information is required by Ginnie Mae Handbook 5500.3., Rev. 1 and the Consolidated Audit Guide for Audits of HUD Programs, Handbook No. IG 2000.04, Rev. 2 (Chapters 1,2, and 6). The financial statement is estimated to take an hour to prepare.

#### **43. Form 11785/Appendix I-8/Corporate Guaranty Agreement**

Ginnie Mae permits issuers to submit their parent's consolidated audited financial statements along with consolidating schedules that reflect the financial condition of the Ginnie Mae in lieu of the issuer submitting their own audited financial statements and reports annually. However, where the Issuer's equity is less than 40 percent of its parent, Ginnie Mae requires that the parent execute a Corporate Guaranty Agreement guarantee the performance of the issuer to ensure that the issuer maintains Ginnie Mae's required minimum financial net worth.

Based on its review of the submitted audited financial information Ginnie Mae will determine whether a Corporate Guaranty Agreement is required. If it is determined that a Corporate Guaranty Agreement is needed, Ginnie Mae will supply the Corporate Guaranty Agreement to issuers/applicants for completion.

Execution of the Corporate Guaranty Agreement does not relieve the issuer of its responsibility to comply with all other reporting requirements found in Section 6-4 of the HUD Consolidated Audit for Audits of HUD Programs, HUD Handbook 2000.04, Rev. 2.

The Corporate Guaranty Agreement takes an estimated five (5) minutes to complete, including reviewing the document and signing. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **44. Mortgage Bankers Financial Reporting Form**

In addition to issuers filing annual audited financial statements, Ginnie Mae requires each issuer that is not regulated by FDIC, OTC, National Credit Union Association, or the Office of the Comptroller of the Currency (OCC) is required to submit quarterly, unaudited financial statements. This information is submitted electronically, and it can be accessed via WebMB @ [www.mbfrf.org](http://www.mbfrf.org). This information, in conjunction with other documents, is used to review and analyze an issuer's current financial status to obtain certain benefits of the MBS program.

It is estimated to take ten (10) minutes for completion of the form. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **45. Data Verification Form**

Issuers are required to inform us when there are changes to the names of our contact persons, address, or phone numbers. To ensure that we have the most accurate information, Ginnie Mae, semiannually, requests issuers to update their contact information for its records.

It is estimated to two (2) minutes for completion of the report. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

#### **46. Appendix VI – 18/Widely Held Fixed Investment Trust (WHFIT)**

In order to comply with the IRS WHFIT tax reporting requirement, Issuers are to submit three months of tax information once every quarter. Issuers submit this information electronically with a standard file layout in accordance with the IRS regulation, Ginnie Mae publishes this data on Ginnie Mae's Tax and Factor reporting website.

It is estimated to eight (8) minutes for completion of the report. The information is required by Ginnie Mae Handbook 5500.3, Rev. 1.

### **3. Describe whether, and to what extent, the collection of information is automated (item 13b1 of OMB form 83-i). If it's not automated, explain why not. Also describe any other efforts to reduce burden.**

Ginnie Mae has implemented automated and electronic means of submitting most of its collection of information in order to minimize burden. GinnieNET is used by the issuers and document custodians to collect and retrieve information as it relates to pool processing. It is also use for the reporting of remaining principal balances to Ginnie Mae. Ginnie Mae participants must their monthly report of pool and loan level data via the RFS Module in Ginnie Mae's portal. All such pool and loan level reporting is electronic.

Currently, forms HUD 11700, 11701, 11702, 11704, 11707, 11709, 11709A, 11715, 11720, financial statements, and audit reports are not required to be submitted electronically. However, the forms can be downloaded from HUDClips or Ginnie Mae's website. All applicable forms are now fillable online. The fillable forms are accepted via fax or e-mail after the issuer completes them, except for those forms that require original signatures.

GinnieNET is a web-based system that is used by Ginnie Mae issuers, Document Custodian, and Ginnie Mae's Pool Processing Agent to process pools, certifications, and electronic reporting. Issuers may certify, recertify pools and /or make corrections using GinnieNET. The following forms are submitted using GinnieNET: 11705, 11706, 11708, 11709A, 11711B, 11714, 11714SN, 11715, and 11732. In addition, to the above listed forms, the information pertaining to the Master Agreements (11707, 11709, 11715, and 11720) are stored electronically in GinnieNET and are to be certified annually. On a monthly basis the 11710D and Reporting of Principal Balances is done through GinnieNET.

#### Ginnie Mae Enterprise Wide Portal

The Ginnie Mae portal provides access to several applications, which include the Reporting and Feedback System, Monthly Pool and Loan Reporting, Exception Feedback, Servicemember's Civil Relief Act, Contact Management and Enotification.

### **4. Is this information collected elsewhere? If so, why cannot any similar information already available be used or modified.**

The collection contains no duplication of information.

**5. Does the collection of information impact small businesses or other small entities (item 5 of OMB form 83-i)? Describe any methods used to minimize burden.**

There is no significant economic impact on small businesses or entities through the collection of the information. The forms are designed to minimize burden, and Ginnie Mae is constantly reviewing its forms and processes to see how the forms and/or processes can be streamlined to further minimize burden.

**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.**

Ginnie Mae is a wholly-owned corporation of the United States within the Department of Housing and Urban Development whose guaranty of mortgage-backed securities is back by the full faith and credit of the United States. As such, the information required from issuers is necessary for Ginnie Mae to issue mortgage-backed securities as each security is unique and determined by the information provided on the forms received from the issuers. The collections permit Ginnie Mae to verify: 1) the individuals who are signing documents on behalf of an issuer are authorized to do so; 2) the name and location of the entities responsible for the various Ginnie Mae accounts and mortgage documents, and 3) those entities who are responsible for servicing the mortgages that back the Ginnie Mae pools. Ginnie Mae needs this information to mitigate risk and evaluate its business operations, procedures and programs. Ginnie Mae also requires the collection of information to ensure that there are no deficiencies, which could affect the pass through of securities to its investors.

**7. Explain any special circumstances requiring:**

- respondents to report information more than quarterly;
- a written response in fewer than 30;
- more than an original and two copies of any document;
- respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- a statistical survey not designed to produce results that can be generalized to the universe of study;
- the use of a statistical data classification that has not been reviewed and approved by OMB;
- 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
- respondents to submit proprietary trade secret, or other confidential information.

The majority of Ginnie Mae's forms require issuers to submit only one original with a copy being retained by the issuer for their records.

Issuers are required to submit duplicate originals of the form HUD 11702 – Resolution of Board of Directors and Certificate of Authorized Signatures in order for Ginnie Mae or its pool processing agent to compare the names and signatures of the individuals authorized by the issuer to do business with Ginnie Mae.

When issuers submit their pool requests in paper format – the form 11705 – Schedule of Subscribers must be currently submitted in quadruplicate. Issuer retains an unexecuted copy for their files and submits three originals to the pool processing agent. Once the pool has been approved by Ginnie Mae or its agent, Ginnie Mae retains one original for its records and returns the other two signed originals to the issuer.

Issuers must submit two originals of the Pool Advance Agreement – Appendix VI-1 – which provides an agreement to cover shortfalls in an issuer's principal and interest funds. After the agreement has been executed by Ginnie Mae, Ginnie Mae will retain one original for its files and return the other original to the issuer for its records.

When issuers execute any of the following forms: Pledge of Servicing, Transfer Agreements, or Assignment Agreements, they are required to submit three forms with original signatures to either Ginnie Mae or its pool processing agent for review and approval. When approved, an executed original is retained by Ginnie Mae or the pool processing agent for its records. The remaining executed originals are returned to the issuer.

To remain in compliance with Ginnie Mae's program requirements and obtain certain benefits, issuers are required to submit financial information monthly, quarterly, and annually in order for Ginnie Mae or its agents to monitor their Ginnie Mae portfolio and financial status. As part of this requirement, issuers are to maintain adequate accounting records in electronic format and hard copy to submit to Ginnie Mae or its agents as needed.

Forms/information required to be submitted monthly are as follows:

- 11714 – Issuer's Monthly Remittance Advice
- 11714SN – Issuer's Monthly Serial Note Remittance Advice;
- Monthly Report of Pool and Loan data
- 11710 D Monthly Summary Report
- Reporting Principal Balance

Forms/information required to be submitted quarterly are as follows:

- XI-6 – Servicemembers' Civil Relief Act (SCRA) Loan Eligibility Information;
- XI-8 –SCRA Quarterly Reimbursement Request, and Mortgage-Bankers Financial Reporting Form (for non-regulated/supervised issuers only)
- VI-18 – WHFIT Tax Reporting File Layout
- Custodial Account Verification

Forms/information required to be submitted annually are as follows:

- IX-1 – Financial Statements and Audit Reports
- Master Agreements (forms 11702, 11707, 11709, 11715, and 11720) – may be certified electronically unless a change to company or personnel has occurred

8. **Identify the date and page number of the *Federal Register* notice (and provide a copy) soliciting comments on the information. Summarize public comments and describe actions taken by the agency in response to these comments. Describe all efforts to consult with persons outside the agency to obtain their.**

The attached solicitation for comments was in the Federal Register dated Wednesday, March 17, 2010, Volume 75, No. 51 pages 12773-12775. No comments were received. On an on-going basis, Ginnie Mae meets with its business partners to discuss new policy, new programs and enhancements to its business processes (which include data collected from issuers), for the purpose of seeking industry input before implementation. This is done formally and informally in several arenas, through the Mortgage Bankers Association's Ginnie Mae Liaison Committee meetings, which are held three times a year, regular issuer training sessions conducted by Ginnie Mae, and yearly on-site issuer field visits performed by Ginnie Mae account executives.

9. **Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.**

There are no payments or gifts other than remuneration of contractors or grantees.

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

The forms are in compliance with the Privacy Act. The information collected contains no personal or organizational identifiers.

11. **Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private**

The information collected contains no questions of a sensitive nature, therefore, no justification is required.

12. **Estimate public burden: number of respondents, frequency of response, annual hour burden. Read the complete instructions on the form 83i. Explain how the burden was estimated. Generally estimates should not include burden hours for customary and usual business practices. Provide a table to describe the elements of the burden. Break out each form used.**

- if this collection uses more than one form, provide separate estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83i; 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.

There are approximately 22 forms and 33 appendices included with this submission. In the event that there are more than 10 respondents, the collection will be PRA compliant. Some forms and appendices included in this submission will be removed upon approval of the collection and the implementation of RFS.

Attachment A provides an estimate of the burden hours and cost to issuers and/or respondents for reviewing, collecting, and submitting the requested information.

The cost to respondents is based on the average hourly wages of mortgage industry employees to review, collect and submit the information to Ginnie Mae or its agent

Calculation is as follows:

\$27.00 per hour x total burden hours = Estimated cost to respondents/issuers.

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.**

There are no additional costs to respondents.

14. **Estimate annualized costs to the Federal government.**

The estimated annual cost to the Federal government for this collection is \$9,149,000.

15. **Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i.**

Item 13:

a: Number of Respondents:

Currently Ginnie Mae approximately 210, Ginnie Mae issuers that are actively doing business.

f: Explanation of change in burden hours:

The change is due to a reassessment of the volume of responses and the frequency of responses per year. Originally the burden calculation was based on the number of participants. However, the size of our participants varies greatly. There are Issuers with very large portfolios and others with relatively small portfolios. Part of Ginnie Mae's collection is participant driven and the other is volume driven. This distinction was made clear in the Federal Register Notice. Therefore the total burden has increased significantly, however it is more accurate reflection.

**16. If the information will be published, outline plans for tabulation and publication.**

Results of the Information Collection will not be used for tabulation or publication.

**17. Explain any request to not display the expiration date.**

Ginnie Mae will display the OMB expiration dates on its forms.

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

Ginnie Mae does not request an exception to the certification statement identified in item 19.

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

Ginnie Mae does not use statistical methods to collect information for this package.