
APPENDIX VI-12

FORM HUD 1710-B - ISSUER'S MONTHLY SERIAL NOTES ACCOUNTING SCHEDULE

- Applicability:** Ginnie Mae I MBS Program only.
- Purpose:** Provides information with respect to controls and distribution of principal and a record of the status of Serial Units paid and Serial Note Certificates redeemed and outstanding during the current month.
- Prepared by:** Issuer
- Prepared in:** Original
- Distribution:** The original must be retained by the Issuer as part of its permanent pool records. Issuer must be able to produce hard copy reports upon request by Ginnie Mae or its agent.

Instructions

1. A separate Schedule must be prepared each month for each Serial Notes pool, and it is designed for use with form HUD 11710-A, Issuer's Monthly Accounting Report. Information entered on this Schedule must be consistent with the Issuer's accounting records and must reflect activity of the current reporting month as reported in the RFS Issuer Monthly Report of Pool and Loan Data (Appendix VI-19).
2. In order to resolve any questions that may arise and to assist the Issuer to properly utilize this Schedule, pertinent information and an item-by-item explanation are provided below:

Schedule I - Principal Controls and Adjusted Security Balance

- A. Line A, Column 2 will be blank for the initial reporting month. Column 1 should show the opening security balance. For the second and all subsequent reporting months, Line A, Column 2 will be completed to reflect the balance of retained principal as (i) calculated scheduled principal due and (ii) additional principal collected, other than advance payments of regular installments, contained in Line G, Column 2, below, from the previous month's schedule. Line A, Column 1 will be completed to reflect the adjusted outstanding security balance, reduced by scheduled principal due and additional principal collected. (Do not include advance payment of regular monthly payments.)
- B. Enter here the scheduled principal installments as calculated. Using the adjusted securities balance shown on Line A, Column 1 in Schedule I of form HUD 1710-B, calculate the scheduled principal due using Section 1A of form HUD 11710-A. Show scheduled principal as calculated in Block C, Section 1A of form HUD 11710-A, and also Columns 1 and 2, Line B, Schedule I of form HUD 1710-B.
- C. Enter here additional principal collections, preliminary FHA claim settlements, and liquidations in full.

(Note that liquidations of delinquent and defaulted loans will have to be adjusted to the current balance because prior months have been calculated and included in the scheduled principal due, Line B, Schedule I, form HUD 1710-B. Regular monthly installments paid in advance of the due date are not considered additional principal for MBS reporting and, therefore, should not be included on Line C.)

- D. Total Lines B and C, and include the same amounts in Column 1 and Column 2.
- E. Subtotal Lines A and D.
- F. If the total amount of Line E, Column 2, is less than \$25,000, it is not necessary to complete Item F. If such amount is in excess of \$25,000, this item will be completed by listing both the numbers of the Serial Units to be redeemed at \$25,000 each and the total dollar value therefore. The same data shall be included in Line A, Schedule II, below. If the \$25,000 represents a payment that will retire a Serial Note Certificate, then the \$25,000 should be shown in Line B, Schedule II below. Line B indicates that the Issuer must take the necessary steps to notify the holder that he must present his certificate before the final principal payment can be made. (See Schedule II, Line B instructions.)
- G. The balance carried forward to the next reporting period in Column 1 is the forecasted securities balance reduced each month by additional principal collections and scheduled principal due on the pool of mortgages. The Column 1 balance figure is used the next month to calculate scheduled principal due using the procedures outlined in Section 1A of form HUD 11710-A.

The balance in Column 2 is brought forward to Line A on the next month's report and is the aggregate accumulated principal balance.

Schedule II - Principal Distributed Current Report

- A. The principal on hand required for this item will be identical with that in Line F, Schedule I. The scheduled maturity date for each of the listed Serial Units should also be inserted. Should there be a Serial Unit that is either the only Unit on a Serial Note Certificate or that is the highest numbered Serial Unit represented on a certificate that is to be redeemed, then such Serial Unit and the \$25,000 principal amount of such Serial Unit should be omitted from the data for Line A and, instead, entered under Line B, described below.
- B. Enter on this line the information concerning the last or only Serial Unit of a Serial Note Certificate that is to be called in by the Issuer for redemption and cancellation. Such information shall consist of the Serial Note Certificate Number, Serial Unit Number, scheduled maturity date, and principal amount of \$25,000 (or, if the Serial Unit is the last Unit of the issuance, the appropriate principal amount). Once an entry is made on this Line, the \$25,000 should not be reported in Schedule I, Line G, Column 2, balance carried forward to next reporting period; instead, use Line D, Schedule II if the certificate has not been redeemed in the next reporting month. The certificate should be reported each month in Line D until redeemed and cancelled.

Be careful in reporting payments of principal in Section 2, form HUD 11710-A. No payment is made or reported if the holder fails to present the certificate for cancellation. If Line B is completed and the holder has not surrendered his certificate, he will only

receive interest for the reporting month. The final principal payment will be withheld until the security holder presents the Serial Note Certificate for cancellation.

Note: The principal will be retained until the Serial Note Certificate is actually surrendered.

- C. If entries have been made on both Lines A and B, the total should be entered on Line C. Enter this amount also on Section 3, Line C of form HUD 11710-A.
- D. This Line will be used and the spaces provided filled in when the Serial Note Certificate remains outstanding at the end of the next reporting month because the holder has not surrendered the certificate. The number of the Serial Unit and Serial Note Certificate and dollar amount can be obtained from the report for the previous month. "Date Removed from HUD 11710-A Report" refers to the reporting month when the principal for the Serial Unit of the Serial Note Certificate was subtracted from the principal amount of securities, Section 3, Line C, form HUD 11710-A. When payment is finally made, show principal on Section 2, Line E of form HUD 11710-A.

Schedule III - Cumulative Total of Serial Units Paid and Serial Notes Surrendered

This section is designed to provide current, accurate information relative to Serial Units paid and Serial Note Certificates surrendered, and to insure that this is accomplished in their proper numerical sequence. It will also provide a current continuous record of the dollar amount for all Serial Units previously paid by the Issuer at \$25,000 each, as well as the total cumulative dollar amount of the Serial Note Certificates that have been actually surrendered and redeemed.

Last Certificate Paid

In this part of the Schedule the Issuer will record at the end of each reporting month the number of the last Serial Unit paid and the number of the last Serial Note Certificates actually surrendered and redeemed. The Serial Unit number listed may or may not be one of the Units making up the total of the Serial Note Certificates. In the event there is no activity for either category during the reporting month, then the current data will be carried forward on future reports on a month-to-month basis until there is activity requiring a change.

Whenever Line A, Schedule II indicates that \$25,000 or multiples thereof should be distributed as a result of accumulation of principal during the reporting month and this amount will actually be paid no later than the 15th of the succeeding month, Issuer must report that Serial Unit in Schedule III as being paid, or to be paid.

Cumulative Total

In the column for Aggregate Amount of Serial Units Paid, record the total dollar amount of all Units that actually have been paid by the Issuer at \$25,000 each. This is a cumulative figure. In the adjoining column, Aggregate Amount of Serial Note Certificates Redeemed, record the total cumulative dollar amount of Serial Note Certificates that have been surrendered and actually redeemed by the Issuer.