July 2, 2002

02-17

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: New Standards for Reporting Loan Information to Ginnie Mae

This memorandum communicates new guidelines for reporting mortgage data to Ginnie Mae. The guidelines implement a standard format that issuers **must** follow when reporting case number/loan number information on Federal Housing Administration (FHA), Veteran Affairs (VA), Rural Housing Service (RHS), and Public and Indian Housing (PIH) insured/guaranteed loans to Ginnie Mae, that are collateral for Ginnie Mae securities. The data field for reporting the case number/loan number information for all Ginnie Mae business applications will be a 15-digit field (see Attachment 1 for details). The new guidelines also add a new loan type to the quarterly loan level reporting and loan types and "reasons for removal codes" to the 11710E report, as further elaborated on in Attachments 2 and 3.

This effort requires Ginnie Mae to make enhancements to four of its business applications: GinnieNET system; loan level reporting; monthly pool accounting reporting; and filing claims for interest reimbursement under the Soldiers' and Sailors' Civil Relief Act (SSCRA). Details on these enhancements are provided in Attachments 2 thru 4.

Issuers are reminded that it is their responsibility to have adequate controls in place to assure that loan information reported to Ginnie Mae is timely, accurate, in the correct format, and complete. The most common reporting problems include the following:

- incorrect or duplicate case numbers;

- incorrect loan types;

- missing borrower names;

- incorrect or incomplete social security numbers; and

- missing or incomplete borrower addresses and/or zip codes.

There have also been cases where issuers with securities backed by multifamily loans have reported the address of the property owner or the management agent instead of the address associated with the physical location of the multifamily project.

In order to provide issuers and their business partners sufficient time to make changes to their processes and perform proper testing, these changes will be implemented in the following time frames: (1) except for the pooling of securities, the changes will become effective October 1, 2002; and (2) for pooling of securities, the changes will become effective with the issuance of securities with an October 1, 2002, issuance date. **Effective with the issuance of securities with an October 1, 2002, issuance date, GinnieNET Version 5.6 software will automatically reject all pools submitted with case number/loan number exceptions. For all other GinnieNET applications, only Version 5.6 can be used to conduct business with Ginnie Mae's Agent, JPMorgan Chase Bank after September 30, 2002.**

The use of accurate data, and Ginnie Mae's validation through these announced system enhancements, will allow issuers and investors of Ginnie Mae Securities to continue the confidence they have placed in the program, and in the integrity of the underlying collateral. Ginnie Mae is committed to doing all that is possible to preserve that confidence.

If you have any questions regarding this memorandum, please contact your Ginnie Mae Single Family/Manufactured Housing Account Executive at (202) 708-1535, or Multifamily Housing Account Executive at (202) 708-2043.

Attachments:

(1) "Ginnie Mae Standards for Reporting FHA, VA, RHS, and PIH Case Numbers/Loan Numbers
(2) "Enhancements to GinnieNET"
(3) "Enhancements to Loan Level Reporting"
(4) "Enhancements to the Issuer Information System (IIS) – Monthly Pool Accounting Reporting and Filing Claims for Interest Reimbursement Under the Soldiers' and Civil Relief Act (SSCRA)"
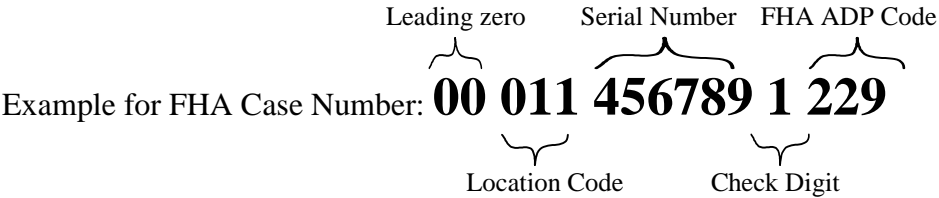
Ginnie Mae Standards for Reporting FHA, VA, RHS, and PIH
Case Numbers/Loan Numbers

Ginnie Mae has standardized its rules for reporting of FHA, VA, RHS, and PIH assigned case numbers/loan numbers with regard to its business applications. This attachment provides detailed information on the reporting of case numbers/loan numbers to Ginnie Mae. Issuers can find additional information about specific technical implementation of the rules for each of Ginnie Mae's systems at www.ginniemae.gov.

FHA Single Family Case Number

The case number for FHA single family loans is to be reported as a 15- position fixed length number, as follows:

Leading Zero Fill:	first two digits
Location Code:	next three digits
Serial Number:	next six digits
Check Digit:	next one digit
FHA ADP Code:	last three digits

Example for FHA Case Number: **00 011 456789 1 229**

Leading zero — 00
Location Code — 011
Serial Number — 456789
Check Digit — 1
FHA ADP Code — 229

FHA Multifamily Case (Project) Number

The multifamily case number is to be reported as a 15-position fixed length number, as follows:

Leading Zero Fill:	first seven digits
Location Code:	next three digits
Serial Number:	last five digits

Example for:

Leading zeros   Serial Number

FHA Multifamily Case Number: **0000000 031 45678**

Location Code

FHA Title I Case Number

The Title I (Manufactured Housing) case number is to be reported as a 15-position fixed length number, as follows:

Leading Zero Fill:	first three digits
Contract Number:	next five digits
Serial Number:	last seven digits

Example for:

Leading zeros   Serial Number

FHA Title I case number: **000   12345   6789012**

Contract Number

VA Loan Number

The VA loan number is to be reported as a 15-position fixed length number, as follows:

Leading Zero Fill:	first three digits
Office of Jurisdiction:	next two digits
Office of Origin:	next two digits
VA Loan Type:	next one digit
Loan Number:	last seven digits

Leading Zeros Office Of Origin Loan Number

Example for VA Loan Number: **000 06 57 6 6789012**

Office of Jurisdiction VA loan type

Note: Some loans guaranteed prior to 1993 incorporate "LH" in the case number. Ginnie Mae will accept the pre-1993 format if it has not been converted.

RHS Case Number

The RHS case number is to be reported as a 15-position fixed length number, as follows:

Leading Zero Fill:	first digit
State Code:	next two digits
County Code:	next three digits
SSN:	last nine digits

Leading Zero County Code

Example for RHS Case Number: **0 12 345 678901234**

State Code   Social Security Number

PIH Case Number Format

The PIH case number is to be reported as a 15-position fixed length number, as follows:

Leading Zero Fill: first six digits
Area code: next three digits
Case number: last six digits

Leading Zeros   Case Number

Example for PIH Case Number: **000000 707 456789**

Area Code

Ginnie Mae has posted additional information on the data that is used to populate the case number/loan number field (e.g., ADP Codes, FHA case prefix, VA loan type, RHS state code, etc.) at www.ginniemae.gov.

Enhancements to GinnieNET

The GinnieNET system will be enhanced to allow Ginnie Mae to verify that the FHA, VA, RHS, and PIH assigned case numbers/loan numbers reported on the form HUD 11706, "Schedule of Pooled Mortgages", are complete and in the proper format. Loans that do not have valid case numbers/loan numbers will not be accepted for the issuance of Ginnie Mae securities. Issuers and document custodians will receive an updated version of GinnieNET (Version 5.6) no later than August 1, 2002, that will contain new edits for verifying that case numbers/loan numbers are complete and in the proper format. Loans that do not pass the edits will be flagged for correction. Issuers are required to install the new software as soon as possible after it has been received. To allow for a transition period, Version 5.6 will accept pools with warning messages that do not pass the above edits, prior to the issuance of pools with an October 1, 2002, issuance date. Although Version 5.6 will accept pools with warning messages during the transition period, Ginnie Mae retains the right to reject pools that would place Ginnie Mae at an unacceptable risk. Case number/loan number exceptions **must** be corrected before the issuer reports the loans to Ginnie Mae as part of the quarterly loan level reporting process.

Effective with the issuance of securities with an October 1, 2002, issuance date, Version 5.6 software will automatically reject all pools submitted with case number/loan number exceptions. For all other GinnieNET applications, only Version 5.6 can be used to conduct business with Ginnie Mae's Agent, JPMorgan Chase Bank, after September 30, 2002.

Enhancements to Loan Level Reporting

Ginnie Mae will be changing its file layout used by issuers to report their quarterly loan level information via the Electronic Data Interchange (EDI) transaction set, American National Standards Institution (ANSI) X12, 203 (version 3060). The change includes expanding the case number/loan number field from 12 positions to 15 positions to facilitate reporting the FHA case number and single family ADP code, and all 14 digits of the RHS case number. Ginnie Mae is also adding the "Loan Type B" to accommodate PIH loans. Ginnie Mae will edit the loan number/case number field to verify that the loan number/case number reported is in the proper format, complete, and the indicated loan types are valid. If the case number/loan number reported does not pass the edit tests, the loan transaction will be flagged and Ginnie Mae's Data Collection and Risk Management Agent will contact the appropriate issuer for correction. The Mortgage-Backed Securities Information System (MBSIS) feedback report provided to issuers by Ginnie Mae will be enhanced to reflect the new edits.

Pages 2 and 3 of this Attachment provide updates to the EDI Implementation Guide Transaction Set Maps to reflect the following changes:

RLT02 The case number/loan number must conform to the "Ginnie Mae Standards for Reporting FHA, VA, RHS, and PIH Case Numbers/Loan Numbers".

RLT05 Ginnie Mae has added a new loan type "Type B" for Public and Indian Housing loans.

Changes to the RLT02 and RLT05 elements are highlighted in bold text. Ginnie Mae will be distributing an updated EDI Implementation Guide to all issuers no later than July 12, 2002.

Issuers are encouraged to perform proper testing in implementing this change in order to better assure the quality of the EDI data files submitted to Ginnie Mae prior to the implementation of these enhancements. Test files can be submitted during the months of August and September, to verify compliance with the quarterly loan level reporting requirements. Contact the Ginnie Mae EDI Coordinator at 1-888-GINNIE4 to schedule testing.

Update to the Transaction Set Maps

Segment: RLT Real Estate Loan Type
Position: 050
Loop: RLT
Level: Detail
Usage: Mandatory
Max Use: 1
Purpose: Used to identify the agency case number, loan number, real estate loan type, pool type, and amortization terms

Data Element Summary

Ref. Des.	Data Element	Name	Attributes
RLT01	**128**	**Reference Identification Qualifier**	**M ID 2/2**

Code qualifying the Reference Identification
If reporting a Rural Housing Service (RHS) loan number
(formerly known as Farmers Home Administration-FmHA
loan number), use the reference identification qualifier LD **.**

LD	Loan Number	
	Rural Housing Service Case Number	
	The unique loan number assigned by the Rural Housing Service (RHS) to each RHS loan	
Z8	Federal Housing Administration Case Number	
	The unique loan number assigned by the Federal Housing Administration (FHA) to each FHA loan Also used for PIH/Section 184 loans	
Z9	Veterans Affairs Case Number	
	The unique loan number assigned by the Veterans Affairs (VA) to each VA loan	

RLT02	**127**	**Reference Identification**	**M AN 15/15**

**Reference information as defined for a particular Transaction Set or as
specified by the Reference Identification Qualifier.**
Enter the case number information based on the above identification code.
Ginnie Mae 203 v003060 10 November 1998

**The FHA, VA, RHS or PIH case number must comply with the Ginnie Mae
case number standards.**

RLT03   **128**   **Reference Identification Qualifier**   **M ID 2/2**
Code qualifying the Reference Identification

       VO   Institution Loan Number

RLT04   **127**   **Reference Identification**   **M AN 1/20**
Reference information as defined for a particular Transaction Set or as
specified by the Reference Identification Qualifier
Enter information based on the above identification code.
This is the Issuer's loan number

RLT05   **1093**   **Real Estate Loan Type Code**   **M ID 1/1**
Code identifying the loan product category

Loan Type	Loan Type Code
FHA Single Family	**3**
VA Guaranteed	**2**
Rural Housing Service	**4**
VA Vendee	**7**
FHA Multifamily	**8**
FHA Title 1 Manufactured Housing	**Z**
PIH Section 184	**B**

The EDI Implementation Guide is available at www.ginniemae.gov.

Enhancements to the Issuer Information System (IIS) - Monthly Pool Accounting
Reporting and Filing Claims for Interest Reimbursement Under the
Soldiers' and Sailors' Civil Relief Act (SSCRA)

The IIS system will be replaced with a web-based system. The web-based system will have built-in edits that will verify that the case number/loan number reported on the form HUD 11710E, "Liquidation Schedule", meet the Ginnie Mae case number/loan number standards. Also, Ginnie Mae is adding four new loan types and three new "Reason for Removal" codes to the HUD 11710E report. Pages 2 and 3 of this Attachment provide a description of the data elements to be included on the revised form HUD 11710E (electronic version). Ginnie Mae's MBSIS system will edit the data fields and provide error information to the issuer through the MBSIS feedback report.

Issuers using their own proprietary systems to create and transmit monthly pool accounting reports and SSCRA information must ensure that their systems/files match the structure of Ginnie Mae's new requirements. Test files can be submitted during the month of September to verify compliance with the enhanced reporting requirements. Contact the Ginnie Mae Coordinator at 1-888-GINNIE4 to schedule test file processing.

Data Element Description: 11710E Summary

This attachment provides instructions for the changes to the HUD 11710E record format. This information replaces MBS Guide page Appendix VI-4, page 25.

Data Element Description	Length	Pos	A = Alphanumeric N = Numeric	Remarks
Record Type	2	1	A	Liquidation Schedules must contain "L1".
Issuer Number	5	3	A-Left Just.	No leading zeros. Zero fill the right most position.
Issuer Number Suffix	1	8	A	Zero Fill.
Pool Number	6	9	N-Right Just.	
Pool Number Suffix	1	15	A	Zero Fill.
Case Number *	15	16	A	FHA/VA/RHS/PIH Case Number. **Use Fifteen Characters, pad with leading zeros**
Constant P&I	8	31	N2 Decimal	Principal & Interest constant
Date Removed	8	39	N	**Format: MMDDYYYY.**
Payment Date	8	47	N	Due Date of Last Paid Installment, Format: **MMDDYYYY.**
Principal Balance	10	55	N2 Decimal	Principal Balance of loan at time of Liquidation.
Total Interest Due	10	65	N2 Decimal	Total Interest Due Pool
Principal Remitted	10	75	N2 Decimal	Principal Remitted in Prior Month.
Liquidated Balance	10	85	N2 Decimal	Liquidated Balance Due Securities Holders.
Reporting Month	5	95	A	Format: MMMYY must be shown as JAN01, FEB01, etc.
Loan Type	3	100	A	**FHA - FHA Single family** **VAG - VA Guaranteed** **VAV - VA Vendee** **RHS - Rural Housing Service** **PIH - PIH Section 184** **FH1 - Title I Manufactured Housing** **FMF - FHA Multifamily**
Reason for Removal	1	103	N	**1 - Mortgagor Payoff** **2 - Repurchase of Delinquent Loan** **3 - Foreclosure - With Claim Payment** **4 - Loss Mitigation** **5 - Substitution** **6 – Other**
Mortgage Rate	6	104	N4 Decimal	Rate on Liquidated Loan
Fill to 700 Character Record	591	110		

* Must comply with case number format standards published in Attachment 1 to this All Participants Memorandum.

11710E Summary
Reason For Removal Code Definitions

Issuers are required to report the reason a loan is being liquidated from a Ginnie Mae pool by designating one of the six standard "Reason for Removal" codes. The definition of each of the six codes is as follows:

1. Mortgagor Payoff: Funds were received from the mortgagor to pay off the loan in full.

2. Repurchase of Delinquent Loan: Issuer funds were used to repurchase the loan from the pool as a result of 90-day or more continuous delinquency or anticipated foreclosure or assignment of the mortgage to FHA, VA, RHS, or PIH. This reason code is not to be used for loss mitigation.

3. Foreclosure with Claim Payment: Loan was liquidated from the pool because foreclosure settlement funds were received from FHA, VA, RHS, or PIH.

4. Loss Mitigation: Loan was repurchased from a pool under the conditions specified in Chapter 18: Mortgage Delinquency and Default, Section 18-3 (B): Repurchase of Certain Loans, with the expressed intention of performing loss mitigation procedures as specified by FHA, VA, RHS, or PIH.

5. Substitution: A defective loan is removed from the pool and replaced with an eligible loan, or when the issuer is correcting for an over-collateralization by means of loan substitution. All loan substitutions must have the prior approval of Ginnie Mae.

6. Other: When a loan is liquidated for any reason other than the above, including the repurchase of a defective loan without a substitution. All loans liquidated for a reason code of "Other" must have prior approval of Ginnie Mae.