

APPENDIX V-1

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GINNIE MAE

MORTGAGE-BACKED SECURITIES PROGRAM

DOCUMENT CUSTODIAN MANUAL

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This Document Custodian Manual (“Manual”) has been developed to provide guidance for Ginnie Mae document custodians. Where there is an apparent inconsistency between this Manual and the applicable Guaranty Agreement or the Ginnie Mae Guide, the provisions of the applicable Guaranty Agreement or Guide will govern.

GLOSSARY

ADDENDUM: A document attached to the note or security instrument.

AFFILIATE: An organization that can exercise control or significant influence over the management or operating policies of the Issuer, directly or indirectly, through some type of control or ownership, as defined in GAAP FAS-57.

AFTER-ACQUIRED TITLE: The property title acquired after the execution of a security agreement that will serve as additional security for the underlying debt.

ALLONGE: An attachment to a promissory note or a negotiable instrument where additional endorsements can be added.

AF: Five-year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 61 months, and no later than 63 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate, nor more than five percentage points higher or lower than the initial interest rate on the mortgage.

AQ: Designation for an adjustable rate security designation, issued under the multiple issuer pool approach, in which the interest rates and the monthly payments for the included mortgages are adjusted annually based on the weekly average yield of U.S. Treasury securities adjusted to a constant maturity of one year. These pools/securities must have a first adjustment date 12 months following the issue date of the pool. These pools/securities can only be issued January, April, July or October of any particular year.

AR: Designation for an adjustable rate security designation for a type of adjustable payment mortgage pool or loan package in which the interest rates and the monthly payments for the included mortgages are adjusted annually based on the weekly average yield of U.S. Treasury securities, adjusted to a constant maturity of one year.

AS: Seven-year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 85 months, and no later than 87 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate, nor more than five percentage points higher or lower than the initial interest rate on the mortgage.

AT: Three-year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 37 months, and no later than 39 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate, nor more than five percentage points higher or lower than the initial interest rate on the mortgage.

AX: Ten-year hybrid adjustable rate security designation. Initial security interest adjustment date must occur no sooner than 121 months, and no later than 123 months, after the issue date of the pool, and annually thereafter. The adjusted interest rate may not be more than one percentage point higher or lower than the prior year's rate, nor more than five percentage points higher or lower than the initial interest rate on the mortgage.

ASSIGN IN BLANK: Transfer the ownership rights in one or more pooled mortgages from the issuer to an unspecified party to be named at a later time.

ASSIGNMENT: Transfer of a right, title, or interest in mortgages or Ginnie Mae securities, or the transfer instrument.

BD: Designation for a pool of single-family, level payment mortgages that contains one or more buydown mortgages.

BLANKET INTERIM ASSIGNMENT: Transference of ownership of more than one mortgage from the previous owner of the mortgages to the issuer that pools the mortgages under a Ginnie Mae MBS program.

BLANKET LEGAL OPINION: A document expressing the opinion of qualified legal counsel on a group of similar documents or instruments as opposed to a separate opinion on each document or instrument.

BUYDOWN MORTGAGE: A single-family, level payment mortgage in connection with which funds are provided by a third party (other than the borrower or mortgagee) to reduce the borrower's monthly payments during the early years of the mortgage.

CA: See Compliance Agent.

CENTRAL PAYING AND TRANSFER AGENT (CPTA): The institution that Ginnie Mae employs to act on its behalf to prepare certificates for MBS, to cancel and re-register certificates tendered in good form by or on behalf of security holders, to maintain a record of securities ownership and transfer information, to pay Ginnie Mae II security holders and collect Ginnie Mae I and Ginnie Mae II guaranty fees, and to perform other duties with respect to Ginnie Mae MBS.

CERTIFICATE OF TITLE: A statement of opinion on the status of the title to a parcel of real property based on an examination of specified public records.

CHATTEL: Personal property.

CL: The designation for a pool that (a) consists of a single mortgage on a project under construction and (b) backs securities with an interest rate that will also be the interest rate on the project loan securities into which the related construction loan securities will be converted.

CLERK-CERTIFIED COPY: A "true and correct" copy certified by the recorder's office.

COMPLIANCE AGENT (CA): The institution that Ginnie Mae employs to conduct compliance and special reviews of Ginnie Mae issuers and custodians and to analyze annual audited financial statements filed by all Ginnie Mae issuers.

CONSTRUCTION LOAN: The designation for a mortgage consisting of an FHA project under construction or rehabilitation.

CONVEYANCE ACKNOWLEDGMENT (JURAT): A formal declaration attached to or a part of an instrument used to effect a transfer of an interest in real estate. The acknowledgment is made before a duly authorized officer (usually a notary public) by the party that has executed the instrument.

CPTA: The Central Paying and Transfer Agent.

CS: The designation for a pool that (a) consists of a single mortgage on a project under construction and (b) backs securities with an interest rate that will differ from the interest rate on the project loan securities into which the related construction loan securities will be converted.

CUSTODIAN: See Document Custodian.

CUSTODIAL FEES: The compensation agreed to by the issuer and the document custodian for the custodial services performed by the document custodian.

CUSTODIAL SUBCONTRACTOR: A Ginnie Mae-approved subcontractor to a master document custodian that meets all requirements to serve as a document custodian, except the requirement that it be a federally-regulated financial institution.

DEED OF TRUST: A conveyance (of real estate title) by a borrower to a trustee as collateral security for the payment of a debt with the condition that the trustee must reconvey the title to the borrower upon satisfaction of the debt or, in the event of a default, sell the collateral real estate and pay the debt to the lender.

DELIVERY DATE: The date that the CPTA releases securities to the depository, in the case of book-entry securities, or to the party, other than the depository, named in the related Schedule of Subscribers and Ginnie Mae Guaranty/Contractual Agreement, in the case of certificated securities.

DOCUMENT CUSTODIAN: A financial institution that holds the required documents relating to pooled mortgages for the life of a Ginnie Mae pool or until it is replaced by another such institution.

DUAL OBLIGEE: Two parties that are debtors under a single promissory note.

ENDORSEMENT: The assignment of an entire interest in a promissory note from one holder to another or to Ginnie Mae.

EQUITY: The interest or value that an owner has in a property in excess of any related mortgage indebtedness.

EXECUTED: With respect to a document, completed (i.e., signed).

EXHIBIT A: The list of pool numbers submitted to Ginnie Mae with a request for transfer of pool documents. Exhibit A is prepared by the issuer and signed by the substitute document custodian upon acceptance of the transferred loan files. See Pool Transfer System.

FHA: Federal Housing Administration, an agency of the United States Department of Housing and Urban Development.

FHA BILLING STATEMENT: A copy of an FHA invoice evidencing FHA insurance on a Manufactured Housing Loan.

FINAL CERTIFICATION: For a pool of loans, the certification by a document custodian to Ginnie Mae that the loan documents that have been delivered to it by the issuer satisfy the requirements of the Guide.

FORECLOSURE: A legal procedure whereby property used as security for a debt is sold or the title is taken in order to satisfy the debt because of a default in payment or otherwise under the mortgage.

GA: The designation for a pool of single-family mortgages on which the monthly payments increase at a rate of 4 percent annually over the life of on each loan.

GD: The designation for a pool of single-family mortgages on which the monthly payments increase annually at a rate and for a number of years acceptable to FHA or VA.

GEM: See Growing Equity Mortgage.

GINNIE MAE or GNMA: Government National Mortgage Association, a wholly owned corporate instrumentality of the United States Department of Housing and Urban Development.

GINNIE MAE INITIATIVES: Describes special provisions that may apply under certain specified conditions.

GINNIE MAE I: The mortgage-backed securities program in which the timely payment of principal and interest on the securities is guaranteed by Ginnie Mae, and issuers are required to pay security holders of certificated securities directly and make funds available for payments to the depository, as security holder of all book-entry securities. The payment date is the 15th of the month, subject to adjustment as specified in the Ginnie Mae Handbook 5500.3, Rev. 1. This program is governed by the provisions contained in Ginnie Mae Handbook 5500.3, Rev. 1.

GINNIE MAE II: The mortgage-backed securities program in which the timely payment of principal and interest on the securities is guaranteed by Ginnie Mae, and Ginnie Mae relies on the CPTA to pay security holders. The payment date is the 20th of the month, subject to adjustment as specified in the Ginnie Mae Handbook 5500.3, Rev. 1. This program is governed by the provisions contained in Ginnie Mae Handbook 5500.3, Rev. 1.

GP: The designation for a pool of single-family mortgages on which monthly payments increase annually for the first 5 years.

GPM: A graduated payment mortgage.

GRADUATED PAYMENT MORTGAGE (GPM): A loan on which monthly payments increase annually for a period of years.

GROWING EQUITY MORTGAGE (GEM): A mortgage on which monthly payments increase annually at a predetermined rate for a period of years or over the life of the loan.

GT: The designation for a pool of single-family mortgages on which the monthly payments increase annually for the first 10 years.

GUIDE: Ginnie Mae Mortgage-Backed Securities Guide, Ginnie Mae 5500.3, as hereafter amended.

HOLDER: Any person or legal entity that is the owner of a mortgage-backed security issued under the Ginnie Mae I or Ginnie Mae II Mortgage-Backed Securities Program.

IA: See Independent Auditors.

IPMS: Integrated Pool Management System.

IA REPORT: The Independent Auditor's audit report on an issuer's annual financial statements.

INDEPENDENT AUDITORS (IA): An auditor meets the auditor qualifications of Government Auditing Standards, including the qualifications relating to independence and continuing professional education. Additionally, the audit organization must meet the quality control standards of Government Auditing Standards.

INITIAL CERTIFICATION: For a pool of loans, a certification by a document custodian to Ginnie Mae that the documents that have been delivered to it by the issuer satisfy the requirements of the Guide.

INTEGRATED POOL MANAGEMENT SYSTEM (IPMS): A system established by Ginnie Mae to manage the disbursement of congressionally authorized commitment authority to guarantee mortgage-backed securities under the Ginnie Mae MBS Program. The issuer requests initial or additional commitment authority, which is aggregated, as approved, and is referred to as a commitment authority account or “line.” As an issuer issues approved securities backed by pools of mortgages, Ginnie Mae enters the amount of securities issued into the automated commitment file and the commitment line is automatically drawn down.

INTERIM ASSIGNMENT: The transfer of or conveyance of ownership rights to another party.

INTERVENING ASSIGNMENT: See Interim Assignment.

ISSUE DATE: The date from which an MBS issued under the Ginnie Mae MBS program accrues interest. The issue date is always the first calendar day of the month of issue.

ISSUER: A business organization that, having met the criteria established by Ginnie Mae, has been approved by Ginnie Mae to issue securities guaranteed by Ginnie Mae.

ISSUER MASTER FILE: File held by a document custodian containing the original of all forms and legal opinions pertaining to more than one pool for an issuer.

JURAT: See “Conveyance Acknowledgment.”

LGC: An abbreviation for the Loan Guaranty Certificate issued by the U.S. Department of Veterans Affairs.

LEGAL OPINION: A formal written opinion that cites legal precedent from qualified outside legal counsel as to whether a security instrument or other document complies with jurisdictional law and/or practice.

LIBER AND FOLIO: A recording reference used in various recording jurisdictions to refer to a specific “book and page” or “volume and page.”

LM: The designation for a pool consisting of a single project loan with a first scheduled payment date more than 24 months before the issue date of the related securities or a project loan that has been modified subsequent to final endorsement.

LS: The designation for a pool consisting of one or more project loans, each of which is secured by a lien on a small project as determined by FHA has a first scheduled payment date no more than 24 months before the issue date of the related securities, and none of which has been modified subsequent to final endorsement.

MANUAL: Ginnie Mae Document Custodian Manual.

MBS: One or more Ginnie Mae mortgage-backed securities.

ME: The designation for a pool type consisting of multifamily mortgage loans.

MH: The designation for a pool type consisting of manufactured home loans (mobile home loans).

MIC: An abbreviation for the Federal Housing Administration's Mortgage Insurance Certificate.

MARKETABLE TITLE: A marketable title is one that may be completely clear or have only minor objections that would not jeopardize the validity of the lien and that a well-informed and prudent buyer of real estate would accept.

MASTER CUSTODIAL AGREEMENT: The contractual agreement (Form HUD 11715 Master Custodial Agreement) that sets forth the responsibilities of both the issuer and the document custodian, and formally establishes the custodial relationship for the safekeeping of pool and loan documents.

MASTER DOCUMENT CUSTODIAN: A federally-regulated financial institution that employs qualified custodians as custodial subcontractors to hold documents, but is responsible for the performance of the subcontractors. See Custodial Subcontractor.

MORTGAGE: Any mortgage identified and described in the related Schedule of Pooled Mortgages, whether submitted in hard copy or electronically. As used in the applicable Guaranty Agreement and in the Guide, the term "Mortgage" shall be construed to include a security instrument, together with the obligation secured thereby, the title evidence, and all other documents, instruments, and other papers pertaining thereto, and the transaction(s) to which they relate, and all claims, funds, payments, proceeds, recoveries, property, monies, or assets related in any way thereto, including but not limited to any and all mortgage insurance or loan guaranty claim proceeds, hazard insurance proceeds, payments by borrowers, refunds, rents, foreclosures or sales proceeds, and escrowed items.

MORTGAGE-BACKED SECURITY (MBS): A financial obligation secured by a pool of mortgages.

MORTGAGEE: The lender in a mortgage transaction. A mortgagee may also be an issuer of Ginnie Mae securities.

MORTGAGE GUARANTY: Refers to the VA or RHS promise to pay the mortgagee, or substitute issuer, a specified percentage of the unpaid principal balance, interest and certain foreclosure costs in the event a mortgage defaults.

MORTGAGE INSURANCE: Refers to the FHA's promise to pay the mortgagee, or substitute issuer, a specified percentage of the unpaid principal, interest and certain foreclosure costs in the event a mortgagor defaults.

MORTGAGOR: A party which borrows money giving a mortgage or deed of trust on real property as collateral (a debtor).

P&I: The abbreviation for principal and interest.

P&I CUSTODIAL ACCOUNT: The non-interest bearing account that the issuer maintains with a financial institution for the deposit of principal (including scheduled and unscheduled principal) and interest collected from mortgagors, or in connection with the related property, to be paid to security holders.

PERFORMANCE BOND: Surety bond given by one party to another in connection with a contract, protecting the second party against loss in the event that the terms of the contract are not fulfilled.

PL: The designation for a pool consisting of a single, level payment project loan that has a first scheduled payment date 24 months or less before the issue date of the related securities and that has not been modified subsequent to final endorsement.

PN: The designation for a pool consisting of a single, non-level payment project loan that has a first scheduled payment date 24 months or less before the issue date of the related securities and that has not been modified subsequent to final endorsement.

POOL: Under the Ginnie Mae I program, a single loan that backs, or a group of loans combined to back, an issuance of mortgage-backed securities. Under the Ginnie Mae II program, a group of loans combined to back an issuance of mortgage-backed securities for a custom pool or a group of loan packages combined to back an issuance of mortgage-backed securities for a multiple-issuer pool.

POOL MASTER FILE: The file that includes all documents pertaining to more than one loan in the same pool and a copy of all relevant forms and opinions from the issuer master file.

POOL PROCESSING AGENT (PPA): The institution that Ginnie Mae employs to review pool document submissions prior to issuance of Ginnie Mae securities and to maintain records of final certifications.

POOL TRANSFER SYSTEM (PTS): A front-end editor software program available from Ginnie Mae that issuers can use to create "Exhibit A" in the required format.

POWER OF ATTORNEY: A written instrument authorizing a person, the attorney in fact, to act as agent on behalf of another person to the extent indicated in the instrument.

PPA: The Pool Processing Agent.

PRINCIPAL: The amount of indebtedness owed by a borrower.

PRINCIPAL BALANCE: See Unpaid Principal Balance.

PRINCIPAL CURTAILMENT: A reduction of less than all of the remaining principal balance of a loan, usually by partial prepayment of the loan, other than by a scheduled monthly payment.

PROJECT LOAN: A loan on a completed construction or rehabilitation project.

PROMISSORY NOTE: A written agreement between the mortgagor and the mortgagee specifying the amount and terms of repayment for a loan.

PTS: See Pool Transfer System.

RECERTIFICATION: For a pool of loans, a certification following a transfer of issuer responsibility or of document custodian responsibility that the loan documents satisfy the requirements of the Guide.

RECORDATION: See Recording.

RECORDING: The act of entering or recording documents effecting or conveying interests in real estate in the recorder's office established in each jurisdiction. Depending on jurisdictional law and/or practice, until recorded, a deed or mortgage is not generally effective against subsequent purchasers of mortgages.

RECOURSE LOAN: A loan for which the endorser or guarantor is liable for payment in the event the borrower defaults.

REMAINING PRINCIPAL BALANCE: Original pool balance reduced by principal remittances paid to the security holders to date. May refer to the balance on a single security or all securities backed by a pool.

RHS: Rural Housing Service, an agency of the United States Department of Agriculture.

RIDER: A document attached to a note or security instrument amending the document after its proper body cannot be amended and restated.

SECTION 184 LOAN: A loan guaranteed by the Secretary of HUD under § 184 of the Housing and Community Development Act of 1992.

SECURITY DEED: A conveyance constructed as a deed transferring title, not as a mortgage, that is intended to collateralize the payment of all sums secured thereby.

SECURITY INSTRUMENT: A written document by which the title to property is conveyed or deposited as security for the satisfaction of an obligation or the payment of a debt. The most common security instruments are mortgages and deeds of trust.

SETTLEMENT DATE: The date on which payment is scheduled to be made to the issuer on a newly issued pool of single-family, level payment mortgages.

SF: The designation for a pool type consisting of single-family, level payment loans.

SINGLE CERTIFICATION: The certification by a document custodian to Ginnie Mae and the issuer that all required construction loan or project loan documents have been delivered by the issuer in correct form. The PPA provides final approval for single certifications.

SINGLE-FAMILY MORTGAGES: Mortgages on one- to four-family residential housing units insured or guaranteed under the FHA, VA, RHS, or Section 184 programs.

SN: The designation for a pool of single-family, level payment mortgages that backs an issue of serial note securities, each unit of which is subject to sequential retirement by a single payment, subject to the amount of principal available each month for that purpose.

SPECIAL WARRANTY DEED: A deed in which the grantor warrants or guarantees the title only against defects arising during the period of his or her ownership of the property. A special warranty deed does not warrant against defects existing before that time.

SUBSTITUTE DOCUMENT CUSTODIAN: The document custodian that receives required pool and loan documents when there is a Ginnie Mae-approved change in custodial responsibilities.

SUBSTITUTE ISSUER: The Ginnie Mae MBS issuer that receives the servicing rights to pools transferred from another issuer with Ginnie Mae approval.

TITLE CERTIFICATE: A document used for personal property to evidence ownership of the property.

TITLE INSURANCE POLICY: A contract by which the insurer agrees to pay the insured a specific amount for any loss caused by defects of title to a parcel of real estate (wherein the insured has an interest as purchaser, mortgagee or otherwise), other than encumbrances, defects and matters specifically excluded by the policy. In the context of this Manual, this term usually refers to the mortgagee's title insurance policy.

TORRENS SYSTEM: A method of evidencing title by registration of land ownership with the proper public authority, generally called the Registrar of Titles. This system is named for its founder, Sir Robert Torrens.

TRANSFER AGENT: See Central Paying and Transfer Agent.

TRANSFER DATE: The effective date of the transfer of servicing as it relates to final certification and recertification deadlines, as specified in Ginnie Mae's confirmation letter.

TRANSFER OF CUSTODIAL RESPONSIBILITY: The transfer of documents from the current document custodian to a substitute document custodian, which requires written approval from Ginnie Mae.

TRANSFER OF ISSUER RESPONSIBILITY: The transfer of pool ownership from the current issuer to a substitute issuer, which requires written approval from Ginnie Mae.

TRUST: A fiduciary relationship whereby legal title to property is conveyed to a person or institution, called a trustee, to be held and administered on behalf of another party, called a beneficiary, which holds equitable title to such property.

TRUST DEED: See Deed of Trust.

TRUSTEE: The entity holding legal title to property that is held in a trust.

TYPE X: The designation on the "Exhibit A" for a Ginnie Mae I pool.

UNPAID PRINCIPAL BALANCE (UPB): The original loan balance reduced by principal payments received to date. The term may refer to the balance on a single loan or the total for all loans in a pool.

UPB: See Unpaid Principal Balance.

VA: The United States Department of Veterans Affairs, formerly named the Veterans Administration.

VA LOAN: A mortgage loan on approved property made to a qualified veteran by an authorized lender and guaranteed by the U.S. Department of Veterans Affairs under its Home Loan Guaranty Program. The guaranty limits the lender's loss exposure in the event that the veteran defaults on the loan.

VA VENDEE LOAN: A loan that the Department of Veterans Affairs (VA) makes to finance the sale of a VA-acquired property. The security instrument shows the lender as the Administrator or the Secretary of the VA.

WAIVER: Written evidence surrendering the right to enforce a condition of an agreement.

WAREHOUSE LENDER: A financial institution that lends funds to mortgage banking institutions that originate mortgages with the borrowed funds.

WARRANTY DEED: A deed guaranteeing that the grantor has a good title, free and clear of all liens and encumbrances, and will defend the grantee against all claims.

Chapter 1. The Role and Responsibilities of the Ginnie Mae Document Custodian

A. *The Ginnie Mae Document Custodian's Role*

The role of the document custodian is primarily to make required pool certifications and maintain physical and custodial control of required pool and loan documents on behalf of issuers, Ginnie Mae and investors for the life of the pooled mortgages or until its custodial responsibilities are transferred to another document custodian by the issuer or otherwise terminated.

The document custodian is required to assure Ginnie Mae that the loans constituting the pools of mortgages (as collateral for Ginnie Mae securities) are represented by the documents placed in the document custodian's control. The document custodian performs this function through a process of pool certifications and recertifications. Custodial guidelines for the certification and recertification processes are described generally in Chapters 11 and 13 of the Ginnie Mae MBS Guide, and exceptions and additional requirements, if any, for particular pool types are described in Chapters 24 through 32 of the Ginnie Mae MBS Guide.

The document custodian works under direct contract with the issuer. While an issuer may utilize more than one document custodian, each pool is required to have only one document custodian.

B. *The Master Custodial Agreement*

The issuer of a pool must obtain the services of an eligible custodial institution to hold all required documents relating to pools that serve as collateral for Ginnie Mae securities. The document custodian is required to perform its duties on behalf of issuers, investors and Ginnie Mae for the life of each pool or until its custodial responsibilities are transferred with Ginnie Mae's prior written approval to another document custodian by the issuer or by Ginnie Mae or otherwise terminated. It is the responsibility of the issuer to select an eligible document custodian and execute a Master Custodial Agreement (form HUD 11715) for the submission of pools to the Pool Processing Agent (PPA) for securities issuance. By January 1 of each year, the issuer and document custodian must execute a renewal Master Custodial Agreement and submit it to the PPA.

Chapter 13 of the Ginnie Mae MBS Guide contains the eligibility requirements and responsibilities of the document custodian.

The Master Custodial Agreement sets forth the role of both the issuer and the document custodian in the Ginnie Mae program. The document custodian must enter into a Master Custodial Agreement with each issuer for which it serves as a document custodian. A Master Custodial Agreement covers all pools issued by an issuer for which the institution serves as the document custodian.

The document custodian negotiates directly with the issuer all compensation for the performance of its custodial duties as stipulated in the Master Custodial Agreement. The issuer is responsible for paying custodial fees to the document custodian. Ginnie Mae has no obligation to pay any compensation to document custodians for services rendered.

As a provision in the Master Custodial Agreement, Ginnie Mae recognizes the document custodian as an agent of the issuer. As the holder of collateral documents for Ginnie Mae securities, the document custodian's primary responsibilities are:

- Physical safekeeping of pool and loan documents;
- Certifying the completeness and consistency of the required pool and mortgage documents; and
- Maintaining physical and custodial control over the release and transfer of pool and loan documents.

C. *Safekeeping Requirements*

The document custodian is required to protect the pool and loan documents physically in its custody. Ginnie Mae requires the performance of reasonable procedures to protect the documents from theft, misplacement, fire or other calamity.

To fulfill this safekeeping obligation, the document custodian is required to store the documents in a secure, fire resistant facility and to develop and enforce procedures that:

- Prevent unauthorized access to the documents; and
- Maintain control over all documents received.

Required insurance coverages, fire protection standards and other requirements are presented in Chapters 2 and 7, respectively.

D. *The Certification Process*

There are four different types of loans that are insured by the Federal Housing Administration ("FHA"), guaranteed by the Department of Veterans Affairs ("VA"), guaranteed by the Rural Housing Service ("RHS"), or guaranteed by the Secretary under section 184 of the Housing and Community Development Act of 1992, which is administered by the Office of Public and Indian Housing ("PIH"), and that may be pooled as collateral for Ginnie Mae securities. They are Single-Family Home Mortgages, Manufactured Home Loans, Construction Loans and Project Loans. Note, however, that only the Single-Family Mortgage pools and Manufactured Home Loan pools require both initial and final certification. Construction Loan pools and Project Loan pools do not require separate initial and final certifications; instead, only the single certification made prior to the security issuance is required.

The document custodian is required to formally certify that the documents in its control completely represent the related loans and pools in accordance with Ginnie Mae requirements, and are consistent with form HUD 11706, the Schedule of Pooled Mortgages. The document custodian's certification, denoted on the back of the last page of the Schedule of Pooled Mortgages, provides Ginnie Mae with assurance that all required documents:

- Have been received;
- Are in compliance with Ginnie Mae requirements; and
- Are both complete and consistent.

Prior to providing certification, the document custodian is required to review the pool submission for missing, incomplete or inconsistent documents. If defective documents are identified, the document custodian is required to notify the issuer in a timely manner. It is the issuer's responsibility to correct or resolve any defects identified by the document custodian or to provide the custodian with adequate clarification for those defects that are not considered material. This responsibility continues for the life of the pool or until the pool is transferred to a subsequent issuer. The document custodian is responsible for verifying that all necessary corrections have been made by the issuer before making any certification.

In providing pool certifications, the document custodian acknowledges receipt of all required documents and certifies that the documents in question meet the standards as set out in this Manual and in the Ginnie Mae MBS Guide. In so doing they are attesting that the documents are comparable, complete and consistent. For example, a marketable title is one that, while not completely clear, has only minor objections that would not jeopardize the validity of the lien and that a well informed and prudent buyer of real estate would accept. Adherence to the standards set out in this Manual provide a level of assurance as to the marketability of documents under the document custodian's control. Document custodians who fail to comply with standards as set out in this Manual jeopardize the marketability of the documents in their control and may be found to be in violation of the intent of the custodial requirements of the Ginnie Mae MBS program, as well as their respective Master Custodial Agreements.

All pools issued prior to October 1, 1977, will be presumed to have valid final certification. Ginnie Mae has taken this position because final certifications for pools issued at earlier dates are often not reflected in Ginnie Mae's records. It has been determined that it is in the best interests of all parties involved to presume that the pools issued before October 1, 1977, are properly certified. However, issuers are expected to obtain final certification for those pools known to be not final certified. Furthermore, issuers will be required to recertify those pools if a transfer occurs.

For a pool containing one or more loans registered with MERS, a recertification is required each time a loan is deregistered from the MERS system.

E . Certification Time Limitation

Initial certification or single certification for Construction and Project Loan pools must occur before securities are issued. Final certification for Single-Family and Manufactured Home pools must be completed within twelve (12) months of the date of security issuance. A pool may be transferred to a substitute custodian before final certification, but such transfer does not extend the final certification deadline.

When a final certified or single certified pool is transferred in a transfer of document custodian or issuer responsibility, the pool must be recertified within twelve (12) months of the date of transfer.

An issuer may transfer its responsibilities for some or all of the pools it services provided that the transfer has been approved in writing by Ginnie Mae prior to the transfer. The following rules

govern the eligibility of pools to be transferred. A pool may not be transferred if any of the following conditions exist:

- The pool has an issue date more than twelve (12) months prior to the effective transfer date and has not received final certification.
- The issue date of the pool is within 30 days prior to the effective date of the transfer.
- The effective date of the proposed transfer is within 180 days from the date of its last transfer.
- The pool has been final certified and subsequently transferred, but not yet recertified.

F . Control of Documents

The document custodian is required to retain all pool-related documents pertaining to a single pool in one permanent storage location as identified by the address of record on file with Ginnie Mae. The document custodian is required to permit representatives of the issuer or Ginnie Mae (including Ginnie Mae's agents) to inspect any documents relating to pools under the document custodian's control. The issuer may request removal of an individual loan file or loan documents by sending the document custodian, either in hard copy or using GinnieNET 5.2, a completed form HUD 11708, Request for Release of Documents. For a more detailed description of requirements for loan and document filing, removal and transfers, see Chapter 7 of this Manual and the GinnieNET Custodian Guide.

G . HUD Forms and Other Pool Documents

In its fiduciary role, a Ginnie Mae document custodian is required to review, accept and maintain various types of documents, including HUD forms, relating to the pools of mortgages supporting the mortgage-backed securities. It is the responsibility of the issuer to fully and accurately complete required forms before delivery to the document custodian. It is the responsibility of the document custodian to obtain from the issuer a list of those officers authorized to execute the appropriate documents. If a document custodian discovers pool documents to be incomplete or otherwise deficient, it must return the documents to the issuer on a timely basis for correction. All executed HUD forms must be filed in a specific pool master file for each pool.

Chapter 13 of the Ginnie Mae MBS Guide describes generally the documents required for issuance of a pool. The individual program chapters, Chapter 24 through 32 in the Ginnie Mae MBS Guide, describe exceptions and additional documents, if any, that are required for the issuance of particular pool types.

Documents referred to in this Manual and identified by the term "form HUD" are included as Appendices in the Ginnie Mae MBS Guide (Ginnie Mae 5500.3) or in the GinnieNET Custodian Guide (see Section 11-5 of the Ginnie Mae MBS Guide).

Chapter 2. Document Custodian Eligibility Requirements

A. *General Eligibility Requirements*

To be a document custodian for Ginnie Mae pools, an organization must meet the following general requirements:

1. Be subject to federal banking regulation;
2. Maintain physically secure, fire resistant storage facilities;
3. Employ knowledgeable personnel;
4. Meet minimum Ginnie Mae financial requirements;
5. Maintain minimum insurance coverage requirements;
6. Follow established, written procedures; and
7. Comply with other Ginnie Mae requirements.

1. **Organization Subject to Federal Banking Regulation**

The Ginnie Mae document custodian must be regulated by one of the following authorities:

- a. Federal Deposit Insurance Corporation (FDIC);
- b. Federal Reserve System;
- c. Office of the Comptroller of the Currency (OCC);
- d. National Credit Union Administration (NCUA); or
- e. a Federal Home Loan Bank.

The Ginnie Mae document custodian must be in good standing with its regulator, which means that the organization must not be in receivership, conservatorship, liquidation or any other program of management oversight by its primary regulator, unless it is operating under an approved management plan.

2. **Use of Physically Secure, Fire Resistant Storage Facilities**

A Ginnie Mae document custodian must maintain secure, fire resistant storage facilities with adequate access controls to ensure the safety and security of pool and loan documents. The facility must provide a minimum of one and one half (1 ½) hours of fire protection, which must be attested to by a written statement from the insurance company of the document custodian, the fire marshal of the applicable jurisdiction or an independent, qualified fire protection contractor. This statement of compliance must be

updated upon any significant change in the facility and be available for inspection by Ginnie Mae or its agent.

3. Employment of Knowledgeable Personnel

A Ginnie Mae document custodian is required to utilize employees who are familiar with the procedures of their respective job function and with:

- a. The requirements for document custodians under the Ginnie Mae MBS program as contained in Ginnie Mae 5500.3 and this Manual;
- b. The required pool and loan documents; and
- c. The required Ginnie Mae, HUD, FHA, VA, RHS, and Section 184 documents.

4. Minimum Ginnie Mae Financial Requirements

The Ginnie Mae document custodian must have available for review by Ginnie Mae annual financial statements audited by an Independent Auditor (IA) that report that the document custodian or its parent meets the minimum capital requirements of its primary regulator. Ginnie Mae will allow institutions to hold documents and take on additional work while operating under an approved management plan. However, while a document custodian is preparing a capital/management plan or waiting for its approval, the document custodian may be prevented from taking on additional documents. No institutions will be allowed to take on first-time documents while experiencing a capital shortfall.

5. Minimum Insurance Coverage Requirements

The document custodian must meet the minimum insurance requirements of its primary regulator and maintain the following coverages to indemnify against losses involving Ginnie Mae pool and loan documents in custody:

- a. Errors and omissions insurance in an appropriate amount;
- b. Fidelity bond in an appropriate amount; and
- c. Property insurance based on facility replacement cost.

In addition, as described in Chapter 3 of the Ginnie Mae MBS Guide and Chapter 7 A 2. of this Appendix, inland marine coverage or a suitable property insurance rider must be obtained prior to transit of pool and loan documents.

6. Established, Written Procedures

The Ginnie Mae document custodian must establish and periodically update written procedures within its operation, in addition to this Manual, for Ginnie Mae pool and loan document review and the processing of pool and loan documents. The written procedures

must, at a minimum, address the review and control requirements set forth in this Manual.

7. Other Ginnie Mae Requirements

A document custodian must satisfy any other requirements determined by Ginnie Mae in its sole discretion to be necessary for the protection of its interest in the pool and loan documents and set forth in writing.

B. Requirements for Related-Party Document Custodians

1. Self-Custody

If an issuer meets the requirements of Section 2(A) above and desires to perform the custodial functions required in this Manual, it must have a separate trust department that is physically separate from the servicing area and that maintains separate personnel, files and operations. In addition, the trust department must have obtained from its primary regulator prior approval to exercise fiduciary powers. Such fiduciary powers must (a) include ordinary trust services such as personal trust services, personal representative services (executor), guardianship, custodian services and/or investment advisory services offered to the public and (b) not be limited to maintaining custody of valuable documents for Ginnie Mae issuers. The trust service function must also be subject to periodic review or inspection by the primary regulator. If, upon such review, the trust service function is suspended or terminated, the issuer/custodian must notify Ginnie Mae immediately and must transfer the documents to a new custodian according to Ginnie Mae's instructions.

2. Custody by an Affiliate

An "affiliate" is an organization that can exercise control or significant influence over the management or operating policies of the issuer, directly or indirectly, through some type of control or ownership, as defined in GAAP FAS-57. An affiliate may also be an organization that is controlled or whose management or operating policies may be significantly influenced by the issuer directly or indirectly, through some type of control or ownership as defined in GAP FAS-57.

If the issuer desires to contract with an affiliate to perform the Ginnie Mae custodial functions required in this Manual, the affiliate must demonstrate that it meets the general eligibility requirements of Section 2(A) and the trust department and fiduciary powers requirements of Section 2(B)(1) above, or if the custodial documents are not held in the trust department, the document custodian must provide evidence that there is a vertical independence between the issuer and the document custodian/warehouse institution.

C. Eligibility

The document custodian must retain the following information in its files as evidence of its compliance with Ginnie Mae requirements:

1. Management's statement that the organization is in good standing with a Federal banking regulator as described under Section 2(A)(1);

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2. Documentation from the custodian's insurance company, local fire marshal or an independent, qualified fire protection contractor as described under Section 2(A)(2);
 3. Resumes from the on-site manager and the officer who will supervise the Ginnie Mae document custodial functions. Such resumes must address the requirements under Section 2(A)(3), as well as related trust and/or mortgage document custodial experience;
 4. A current audited annual financial statement of the document custodian or its parent required under Section 2(A)(4);
 5. Evidence of insurance coverage, policies or commitments pertaining to insurance required under Section 2(A)(5);
 6. A statement from management that the organization has established the required written procedures for document review;
 7. If the applicant is an issuer that plans to perform custodial functions for itself, a copy of the approval to exercise fiduciary powers from its primary regulator and a written management statement describing in detail how the organization meets the trust department requirements under Section 2(B)(1);
 8. If the custodian is an affiliate of an issuer:
 - a. A written statement from management describing the nature of the affiliate relationship, co-signed by both the issuer and the document custodian;
 - b. A copy of the affiliate's written approval from its primary regulator to exercise fiduciary powers;
 - c. A written statement from management describing in detail how the organization meets the trust department requirements under Section 2(B)(1); and
 9. A current listing of all issuers, detailing the pools retained by the document custodian on behalf of those issuers.

This documentation must be retained by the document custodian and available for inspection by Ginnie Mae or its agent.

The document custodian must be able to respond to inquiries from Ginnie Mae or its agent and demonstrate the capability or agreement to comply with requirements described above.

D. Master Document Custodian Eligibility

An eligible Ginnie Mae document custodian operating in good standing with Ginnie Mae may become a master document custodian, which is a document custodian authorized to employ qualified custodial subcontractors. The document custodian must meet Ginnie Mae requirements in a compliance review, which will include a review of items in Section C(1) through (9) above, including an on-site review of the proposed master document custodian and any proposed subcontractors. Ginnie Mae must approve such arrangements in writing on a case-by-case basis. Additionally, the master document custodian will be required to demonstrate that it has the

necessary resources to guarantee the operations of any subcontractors. This documentation must be retained by the document custodian and available for inspection by Ginnie Mae or its agent.

E . Eligibility for New Ginnie Mae Document Custodian ID Number

Prior to executing a Master Custodial Agreement, an institution must request a Ginnie Mae Document Custodian Identification Number from the Review Agent (see [Addresses](#) in the Ginnie Mae MBS Guide).

An institution seeking to hold documents relating to Ginnie Mae pools must make items defined in Section C(1) through (9) above available for inspection by Ginnie Mae or its agent.

The institution must be able to respond to inquiries from Ginnie Mae or its agent and demonstrate the capability or agreement to comply with the requirements in Section C(1) through (9) above.

Upon the institution meeting all requirements, the institution can be assigned a Ginnie Mae Document Custodian Identification Number. The institution must contact the Ginnie Mae Report Group (see [Addresses](#)) to obtain a Document Custodian Identification Number. This number must be included in all correspondence with Ginnie Mae and with all custodial signatures on the HUD forms.

Chapter 3: Single-Family Pools

A. *Description of Single-Family Pools (SF, BD, AQ, AR, AT, AF, AS, AX, GP, GT, GA, GD, AND SN)*

This chapter of the Manual describes custodial requirements for the following pool types (the chapter in the Ginnie Mae MBS Guide specifically pertaining to the individual programs is identified below):

Pool Type	Ginnie Mae MBS Guide
Single-Family, Level Payment Mortgages (SF) Pools	Chapter 24
Buydown Mortgages (BD) Pools	Chapter 25
Adjustable Rate (AQ, AR, AT, AF, AS & AX) Pools	Chapter 26
Graduated Payment Mortgage (GA and GD) Pools	Chapter 27
Growing Equity Mortgage (GP and GT) Pools	Chapter 28
Serial Note (SN) Pools	Chapter 29
Ginnie Mae Initiatives	Chapter 31

For purposes of this Manual, all of the above pool types are collectively referred to as “Single-Family.”

B. *Responsibilities*

In accordance with the conditions of the Master Custodial Agreement, and the certification required on form HUD 11706, Schedule of Pooled Mortgages and the Ginnie Mae MBS Guide, the issuer must deliver the documents set forth below to the document custodian at the premises indicated on the form HUD 11706 as the documents become available. At the discretion of the document custodian and the issuer, documents may be delivered on a piecemeal basis or after all required documents have been received for individual loan files. However, the issuer may not collect all documents relating to an entire pool before forwarding the documents to the document custodian.

It is the document custodian’s responsibility to:

- Accept the documents when delivered;
- Ascertain that the documents relate to the loans listed on the related form HUD 11706;
- Review documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters [11](#) and [13](#) of the Ginnie Mae MBS Guide;

- Notify the issuer of any documents received that requires correction or completion before certification can be made; and
- Certify that the documents received satisfy the requirements of initial and final certification and, if necessary, recertification.

It is the issuer's responsibility to correct or resolve defects, or to provide the custodian with adequate clarification for those defects that are not considered material. Ginnie Mae may impose penalties on issuers that fail to meet certification or recertification deadlines. Such penalties may include a letter of credit requirement to mitigate Ginnie Mae's risk. For an issuer in a penalty situation, the document custodian must attest to Ginnie Mae which loans in a pool do not meet certification requirements.

C . Initial Certifications

1. Required Pool and Loan Level Documents

For initial certification, the document custodian must obtain from the issuer the following properly executed pool and loan documents:

- a. Form HUD 11715, Master Custodial Agreement (Appendix III-4 of the Ginnie Mae MBS Guide). This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
- b. Form HUD 11706, Schedule of Pooled Mortgages (Appendix III-7 of the Ginnie Mae MBS Guide).
- c. An original form HUD 11711B, Certification and Agreement (Appendix III-5 of the Ginnie Mae MBS Guide). If the form HUD 11711B indicates a second party interest in any pooled mortgage, at least one original form HUD 11711A, Release of Security Interest (Appendix III-5 of the Ginnie Mae MBS Guide), is required. If there are no second party interests in the pooled mortgages, a form HUD 11711A is not required.
- d. The original note or other evidence of indebtedness (or, in the case of a modified loan, the original note and the allonge, modification agreement or other evidence of modification) endorsed in blank and without recourse by the issuer. In all cases, the last endorsement is required to be made by the-issuer in blank and without recourse. The endorsement must provide a complete chain if the issuer did not originate the loan.
- e. If the issuer did not originate the loan, all recorded interim assignments in the loan file must document a complete chain of title from the originating mortgagee to the issuer.

If the loan is registered with MERS, the issuer must provide a complete chain of interim assignments from origination of the loan to the assignment to MERS. If the loan was originated with MERS as the Original Mortgagee ("MOM"), no interim assignments will be required as long as the loan remains registered with MERS.

These interim assignments must be recorded if jurisdictional law requires recordation. Any interim assignments must be either originals or clerk-certified copies of the originals. Ginnie Mae will accept copies of the recorded assignments only if the originals are lost and the copies clearly show the documents have been recorded. At initial certification, the issuer may use a blanket certification per pool certifying that all interim assignments have been transmitted for recordation for that pool. If the mortgage was originated by a mortgagee other than the issuer, there also must be an executed (and recorded, if state law requires recordation in order to make the assignment valid against all lien holders) assignment of the mortgage from the originating mortgagee to any

intervening interest holder and from such holder to any further holders of mortgage ownership.

As an alternative to individual mortgage interim assignments, a blanket interim assignment is acceptable if allowed in the jurisdiction as documented in an opinion from qualified outside legal counsel. Blanket interim assignments to an issuer can only be made for mortgages in a single pool that are in the same recording jurisdiction. Blanket interim assignments must be recorded or at initial certification, be certified by the issuer as having been transmitted for recordation.

Prior to initial certification the issuer must identify the loans registered with MERS.

Items d. and e. are required for each pooled mortgage. In no case may a form HUD 11708, Request for Release of Documents (Appendix V-5), substitute for a required loan document at the time the document custodian performs an initial certification.

2. Document Custodian Procedures - Initial Certifications

At a minimum, the document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the review procedures must be timely referred to the issuer for correction.

- a. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - i. Verify that the Master Custodial Agreement has been filled out completely.
 - ii. Verify that the Master Custodial Agreement has been signed by the issuer and the document custodian.
 - iii. File the Master Custodial Agreement in either the related issuer or pool master file.
- b. Form HUD 11706, Schedule of Pooled Mortgages
 - i. Verify that the total number of loans reported in the Schedule is the same as the number of loan files received for the pool.
 - ii. Verify that the form HUD 11706 has been filled out completely including the issuer and document custodian's Ginnie Mae Identification Numbers.
 - iii. File the Schedule in the related pool master file.
- c. Form HUD 11711B, Certification and Agreement
 - i. Verify that the commitment number agrees with the Ginnie Mae Pool/Loan Package Number on the related form HUD 11706.
 - ii. Determine that one of the two boxes on the form has been checked.
 - iii. If the form HUD 11711B indicates that there is a second-party security interest in any pooled mortgage, verify that there is at least one executed form HUD 11711A, Release of Security Interest.
 - iv. Verify that the issuer has signed the form.

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- v. File the form HUD 11711B, and form HUD 11711A, if required, in the pool master file.

If the document custodian knows, or has reason to know, that the certification by the issuer is incorrect, the document custodian must refuse to accept the form HUD 11711B until the certification has been corrected.

d. Promissory Note or other evidence of indebtedness

- i. Verify that each item listed below is the same on both the promissory note and the related form HUD 11706, Schedule of Pooled Mortgages:

- Mortgagor name(s);
- Principal amount (alpha and numeric);
- Interest rate (alpha and numeric);
- Monthly principal and interest payment (alpha and numeric);
- Term of the loan (first and last payment due dates);
- Property street address, city and state (if property address is included on the note). The address on the note may be the borrower's mailing address instead of the property address;
- FHA, VA, RHS or PIH case number (if included on the note). If the case number is incorrect on the note, the issuer may correct it without the borrower's initials;
- Verify the mortgage change date for ARM mortgages;
- Verify the Mortgage Margin for ARM mortgages; and
- If a new note is signed due to changes resulting in a note with a different principal amount or P&I constant, the form HUD 11706 must be updated to reflect the new principal amount and P&I constant. The unpaid principal balance must not be changed. A copy of Ginnie Mae's approval letter must be placed in the loan file.

After verification of information between the form HUD 11706, Schedule of Pooled Mortgages, and the promissory note under this Section 3C(2)(d)(i), the form HUD 11706 will be used to verify information on all other documents at final certification, except for the case number on the FHA Mortgage Insurance Certificate (“MIC”), VA Loan Guaranty Certificate, RHS Loan Note Guaranty, or PIH Certificate of Loan Guarantee. The case number on the form HUD 11706 will be verified to and governed by the case number on the FHA MIC, VA LGC, RHS Loan Note Guaranty or PIH Certificate of Loan Guarantee. If an error is found on the FHA MIC, the issuer should refer to Chapter 5, Paragraph 5-12 of FHA 4000.2 REV-2, Mortgagees’ Handbook Application Through Insurance. If a difference is identified by the document custodian in verifying the form HUD 11706 information listed above in this Section 3C(2)(d)(i) to the promissory note, the issuer must correct or resolve the difference prior to final certification by the document custodian.

- ii. Verify that each signature on the note agrees with the name typed below the signature line it appears on.

Ginnie Mae will accept notes with undersigning or oversigning by borrower, provided the borrower’s signature does not contradict the name typed below the signature line. If a signature varies from the typed name, the degree of variance determines whether the document is acceptable for certification. If the variation is a missing middle initial or the omission of “Jr.” or “Sr.”, it is acceptable. Other acceptable variation include a borrower oversigning or undersigning the document, such as the borrower signing either as George Allen Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the signed name other than the types of variance discussed above, a name affidavits will be required to resolve the discrepancy.

- iii. Verify that a complete chain of endorsement exists from the originator of the loan to the issuer.

Ginnie Mae requires that the chain of endorsements from the originator of the loan to the current issuer for the note and assignments must be complete. The note endorsement may be from originator to Company “C” and the interim assignments may be from originator to Company “B”, then to Company “C”. Both documents have a complete chain of title, even though the two chains are not identical.

The endorsement should not include a date. The endorsement should be on the reverse side of the note. For all third party originated loans, allonges may be used, even if space remains on back of the note. The allonge must be an original, clearly reference the note, and be firmly affixed to the note.

The issuer is responsible for ensuring that allonges are enforceable in the respective jurisdiction through receipt of a legal opinion from a qualified outside counsel upon which Ginnie Mae is entitled to rely. One legal opinion can cover more than one issuer; each issuer need not submit a separate opinion. An opinion addressed to one issuer may be used by another issuer only if the opinion explicitly provides that it may be relied on by Ginnie Mae for any mortgage-backed security, regardless of whether the mortgage-backed security was issued by the issuer that obtained the legal opinion. The opinion must be placed in the appropriate custodial pool master file.

Allonges may not be used in jurisdictions where its use is not allowed .

If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this is not possible, the issuer's qualified outside legal counsel must review and agree with the proposed cancellation in writing.

- iv. Determine that the issuer endorsement in blank and without recourse was made by an authorized officer. If the loan is registered with MERS the notes are to be endorsed in blank by the issuer that registered the loan with MERS. The note endorsement will not reflect the transfer to MERS or any transfer on the MERS system.

Ginnie Mae permits the use of facsimile signatures when placing the blank endorsement on original notes, as long as the following conditions are met:

- The use of facsimile signatures is acceptable under the laws of the relevant jurisdiction in which the property is located.;
 - Such signatures are not prohibited under the issuer's corporate charter and by-laws;
 - The use of such signatures is authorized by a resolution duly enacted by the issuer's board of directors; and
 - Such signatures must be notarized when required by jurisdictional law.
- v. Examine the promissory note for sections requiring a notarization, acknowledgment or witness. If required, verify that such sections have been completed.
- vi. Verify that each rider, allonge or addendum relates to and references the note.
- The allonge must reference the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective documents must be filed with the original note.
- vii. In the case of a missing note, the document custodian must request that the issuer provide a copy of the note with original signatures by the borrowers or obtain a lost instrument bond with limited liability in the form prescribed by Ginnie Mae, from an insurance or surety company. The bond must be accompanied by the appropriate power of attorney and certification as required by the insurance or surety company. Appendix I is the form of the lost instrument bond with limited liability that is prescribed by Ginnie Mae and must be used. Substitution of a different form will not be accepted. Lost note affidavits are not acceptable.
- viii. Verify for any lost instrument bond with limited liability that each item listed below has been placed on the bond :
- Name of issuer purchasing the bond.
 - Ginnie Mae pool number.

- Current issuer loan number.
- FHA/VA/RHS/§ 184 case number.
- Name of original mortgagor.
- Address of property.
- Mortgage recording information.
- Amount of bond (remaining principal balance of the loan plus twenty percent)
- Name of surety or insurance company. (Obligor)
- Date the bond was executed by surety or insurance company.
- Name of surety or insurance company.
- Signature of representative for surety or insurance company.
- Appropriate power of attorney and certification as required by surety or insurance company.

e. Security Instrument Assignments

i. Individual Mortgage Interim Assignments

- Verify that all interim assignments follow a complete chain of title from the original lender to the issuer or MERS . If MERS is designated in the security instrument as the Original Mortgagee as nominee of the originating lender and recorded, no interim assignments will be required as long as the loan remains registered with MERS.

Ginnie Mae requires that the chain of endorsements from the originator of the loan to the current issuer for the note and assignments must be complete. The note endorsement may be from originator to Company “C” and the interim assignments may be from originator to Company “B”, then to Company “C”. Both documents must have a complete chain of title, even if the two chains are not identical.

- Verify that all interim assignments are recorded or that the issuer has certified that the assignments have been transmitted for recordation. The issuer may issue a blanket certification in letter form, per pool, certifying that all interim assignments have been transmitted for recordation for that pool. Copies of the interim assignments would not be required at initial certification if the issuer provided a blanket certification. The interim assignment may be recorded concurrently with the security instrument or immediately after. Ginnie Mae will accept marginal assignments in the margin of the security instrument if such documents are acceptable in the relevant recording jurisdiction.
- Verify that the mortgagor name(s) on the assignment agrees with the form HUD 11706, Schedule of Pooled Mortgages.

- Verify that each interim assignment is a recorded original or clerk-certified copy. Ginnie will accept copies of the recorded assignments if the originals are lost and the copies clearly show the documents have been recorded.

If an interim assignment is presented that is not an original, a clerk-certified copy or a copy of an original or has no evidence of recordation, or evidence of being transmitted for recordation, it must be accompanied by one of the following documents:

- ⇒ A specific waiver letter from Ginnie Mae;
- ⇒ An individual mortgage legal opinion from qualified outside legal counsel that states that the assignment(s) are enforceable in the jurisdiction of the mortgage. The original opinion must be filed in the loan file; or
- ⇒ A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all mortgages in a specific jurisdiction. This blanket legal opinion must be copied and filed with each pool master file for affected pools. The original opinion must be placed in the applicable issuer master file.

ii. Blanket Interim Assignments

- Verify that all blanket interim assignments are recorded or that a copy of the assignment has been certified by the issuer as having been transmitted for recordation.
- Verify that all blanket assignments only apply to mortgages in the same pool and the same recording jurisdiction.

Ginnie Mae accepts blanket intervening assignments for mortgages in more than one pool for blanket intervening assignments recorded prior to July 1, 1992. The original or clerk-certified copy of the blanket interim assignment must be maintained in the issuer master file, with copies in the applicable pool master files and loan files.

- Verify that a copy of each blanket assignment is maintained in each loan file to which the blanket assignment applies and that an original is maintained in the applicable pool master file.

Ginnie Mae permits the use of a blanket assignment certification form in lieu of making a copy of each blanket assignment for every loan listed on the blanket interim assignment. The certification form must be placed in each loan file where the loan was assigned on a blanket assignment, and must state that the recorded original blanket assignment is held in the pool master file.

- If the blanket interim assignment is not a recorded original or clerk-certified copy, see procedures at Section 3C(2)(e)(i) above.

f. Document Custodian's Initial Certification

The document custodian must complete the initial certification. This can be accomplished through GinnieNET or manually on form HUD 11706. Instructions for completing the initial certification on GinnieNET are provided in the GinnieNET instructions manual.

To manually complete the initial certification, the document custodian must date and sign the initial certification on the reverse side of form HUD 11706, Schedule of Pooled Mortgages, and must identify the name, address and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification. If the Schedule of Pooled Mortgages includes more than one page, the document custodian need only sign the last page.

Based on the issuer's instructions, the document custodian is required to submit the initial certified original form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 and other required documents to the PPA. A copy of the initial certification must be placed in the pool master file.

D. Final Certifications

1. Required Documents

Within twelve (12) months of issuance, the following additional documents are required to be delivered to the document custodian by the issuer for final certification:

- a. Original mortgage (or other security instrument) securing repayment of the indebtedness, signed by the mortgagor and recorded (or, in the case of a modified loan, the original recorded mortgage, the related original notes, the modification agreement and any required subordination agreement or title endorsement).
- b. Recorded interim assignments that were not available for initial certification.
- c. Mortgagee title insurance policy or other evidence of title acceptable to FHA, VA, RHS, or PIH, except in cases involving HUD-conveyed property and VA Vendee loans.
- d. Evidence of mortgage insurance or guaranty provided by FHA, VA, RHS, or PIH, with completion of case numbers shown on form HUD 11706, except in cases involving VA Vendee loans. In lieu of an original MIC signed by FHA or LGC signed by VA, electronic confirmation from FHA Connection or VA's TAS is acceptable.

Proper documentation of VA Vendee loans is determined by the documentation delivered by the VA to the issuer.

Proper documentation of the § 184 loan is determined by PIH and may substitute a Bureau of Indian Affairs "Title Status Report" for a title policy. The loan and security instruments are recorded by the Bureau of Indian Affairs and may include mortgages, lease contracts, and deeds of trust.

The final certification deadline is the same whether the current document custodian is the custodian that issued the initial certification or is a substitute document custodian following a transfer of issuer responsibility or transfer of document custodian responsibility. In the case of a substitute document custodian, final certification implies simultaneous recertification.

A form HUD 11708, Request for Release of Documents, with a nonliquidation release reason code may substitute for a loan document, other than a promissory note, at the time the document custodian performs a final certification. If a custodian certifies a pool with released documents,

all documents must have been received, reviewed and found to be certifiable at the time of release by the document custodian performing the certification.

2. Document Custodian Procedures - Final Certifications

For each loan file, the document custodian is required to perform the following review procedures on the above documents to confirm their completeness and consistency. Any defects discovered based on performing the review procedures must be referred to the issuer on a timely basis for correction or resolution.

a. Security Instrument and Interim Assignments

i. Verify that each item listed below is the same on both the security instrument and the form HUD 11706, Schedule of Pooled Mortgages:

- Mortgagor name(s);
- Principal amount (alpha and numeric);
- Term of loan (first and last payment due dates);
- Property street address, city and state (if property address is included on the security instrument); and
- FHA/VA/RHS/§ 184 case number (if the case number appears on the security instrument).

If the principal amount does not agree, determine that there is a Ginnie Mae waiver letter supported by a specific reason why the insured/guaranteed amount is different.

ii. Determine that the date of the security instrument is the same as or later than the date of the promissory note.

iii. Verify that the security instrument includes evidence of recording.

Ginnie Mae exempts mortgages in Hawaii, Puerto Rico and Torrens jurisdictions from this requirement due to delays in registration in those jurisdictions. The document custodian must verify receiving a copy of the executed mortgage documents affecting the title to the mortgage that were filed with the Recorder's office. The issuer must certify that these are copies of the originals submitted to the Recorder's office for recordation. Upon receipt of the original mortgage documents from the Recorder's office, the issuer is required to forward them to the document custodian.

iv. Verify that a legal description appears on the security instrument or on an attachment to the instrument.

v. Verify that all signatures on the security instrument properly relate to the note. Ginnie Mae requires that if there are multiple mortgagor names on the note, all names should be on the security instrument. If not, an explanation must be placed in the file.

vi. Examine the security instrument for the completion of any required notarization, acknowledgment or witness.

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- vii. Verify that any rider or addendum properly relates to the security instrument.
 - viii. Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.
 - ix. Determine that interim security instrument assignments, copies of which were certified as having been transmitted by the issuer for recordation at initial certification, have been replaced at final certification with original assignments or clerk-certified copies of the originals. As necessary, perform additional procedures cited in Section 3(C)(2)(e)(i) and (ii).

For Hawaii, Puerto Rico, and Torrens jurisdictions, the document custodian must verify receiving a copy of the executed assignments affecting the title to mortgages that were filed with the Recorder's office. The issuer must certify that these are copies of the originals submitted to the Recorder's office for recordation. Upon receipt of the original assignments from the Recorder's office, the issuer is required to forward them to the document custodian.

If the security instrument requires re-recording due to changes in its terms, then the interim assignments would also require re-recording and the mortgagee title insurance must be brought forward (date down the policy) to the re-recording date.

- x. Ginnie Mae will accept minor errors and typographical mistakes on the intervening assignments as long as the recording reference is correct. For jurisdictions where recordation is not required, the document custodian must confirm that there is a legal opinion related to that jurisdiction. This opinion should be maintained by the document custodian in the issuer master file and a copy in the related pool master file. The unrecorded assignment must be maintained in the appropriate loan file.
 - xi. Ginnie Mae will accept copies of the recorded mortgage and assignments only if the originals are lost and the copies clearly show the documents have been recorded.
- b. Mortgagee Title Insurance - (Not Applicable to HUD-Conveyed or VA Vendee Loans)
- i. Confirm that an original title policy or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedules A, B, and Conditions and Stipulations or comparable information. A countersignature is acceptable on a title policy if the policy is issued by an agent of the insuring title company. A countersignature is not required if the title policy is issued by the insuring company. It is also acceptable for the title policy to carry facsimile signatures. A copy of the complete mortgagee title insurance policy is acceptable if the original is lost.
 - ii. Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
 - iii. Compare each of the following items, appearing on Schedule A of the title policy, to the security instrument:
 - Date of title insurance policy, which must be the same as or later than the recording date on the security instrument; however, in some jurisdictions, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier. In those instances,

the issuer must supply evidence that effective coverage is provided. The policy may contain language that states that the title company insures, as of the date of the policy, against loss or damage sustained or incurred by the insurer by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.

In jurisdictions where the security instrument is indexed before being recorded, the title must evidence effective coverage. As evidence, some title companies issue an endorsement to the title policy insuring against loss as of the date of the policy.

If a re-recording of the security instrument for the purpose of altering any of the payment terms occurs, the title insurance must be brought forward (down date the policy) to the re-recording date. This is not necessary in cases of misspellings or corrections of mortgagor names(s) and/or property address corrections.

- Amount of insurance coverage for the lender, which must be no less than the original amount of the mortgage or the maximum graduated payment mortgage amount, whichever is higher.

If the amount of title insurance is less than the original loan amount, the unpaid principal balance of the loan must be less than the title insurance coverage, supported by a loan history or a Ginnie Mae waiver letter supported by a specific reason why the insured amount is different.

iv. Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:

- Mortgagor name(s) (minor misspellings of mortgagors names(s) are acceptable;
- Jurisdiction recording information (i.e., recording date, name of recording office, county and state of recording, instrument number, (book and page) or (liber and folio), if applicable); The county and state of recording will not be stated on either the Short Form Title Policy or the Certificate of Title under a master policy;
- Trustee name(s), if applicable; and
- Principal amount.

v. Verify that the legal description of Schedule A includes either of the following:

- A phrase that specifically references the legal description in the security instrument; or
- A complete legal description.

Minor differences may exist between the legal description on the security instrument and on the title insurance policy. The document custodian must determine that these documents refer to the same property.

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- vi. Verify that the named insured under the title insurance policy is the name of the mortgagee or that the title policy definition of “insured” includes each successor in ownership and any government agency or instrumentality that is an insurer or guarantor under an insurance or guaranty contract insuring or guaranteeing the indebtedness. The policy must be accompanied by an endorsement of the policy to the issuer as the mortgagee if the definition of “insured” did not include each successor in ownership of the indebtedness secured by the mortgage. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of “insured.”
- vii. If a copy of a Short Form Title Policy is used, verify that the property address agrees to the security instrument.
- viii. If a clerk-certified Torrens certificate or an original attorney’s opinion which references an abstract of title has been provided, procedures in Section 3D(2)(b)(i)-(vii) should be modified.
- The attorney opinions or abstract of title must be dated on or after the date the mortgage was recorded.
- ix. If a master title policy is used, a copy of the Certificate of Title must be placed in the loan file and the procedures in Section D(2)(b)(i)-(vii) should be modified appropriately.
- x. For an Adjustable Rate Mortgage (ARM) an ARM endorsement to the Title Policy is not required

c. MIC

The following review procedures are required when reviewing the MIC:

- i. Verify that each item listed below is the same on both the MIC and the form HUD 11706, Schedule of Pooled Mortgages:
- Mortgagor name(s);
 - Property address;
 - Principal amount;
 - Interest rate; and
 - Monthly principal and interest payment; and
 - Term of loan (first and last payment due dates).

In the case of minor misspellings in the borrower’s name, additional titles, such as “Jr.” or “Sr.”, differences in names from the note, missing street types, and zip codes, see Chapter 5, Paragraph 5-12 of FHA 4000.2 REV-2, and Mortgagees’ Handbook Application Through Insurance. FHA is the final authority on the acceptability of MIC’s. Ginnie Mae will accept minor MIC errors, if the errors are acceptable to FHA.

If the principal amount shown on the MIC exceeds the amount shown on the form HUD 11706, the MIC is acceptable.

If the principal amount shown on the MIC is less than the amount shown on the form HUD 11706, the issuer must support the difference as follows: the issuer must either (a) submit a payment history showing that the remaining principal balance of the loan is less than the insured amount shown on the MIC or (b) submit a Ginnie Mae waiver letter that sets forth the specific reason why the two amounts differ.

If the principal amount shown on the MIC equal or exceeds the remaining principal balance on the loan, the MIC is acceptable.

If the principal amounts shown on the MIC and the form HUD 11706 differ, the monthly principal and interest payments shown on the two documents will also differ.

- ii. Verify that the FHA case number on the Form HUD 11706, Schedule of Pooled Mortgages agrees with the case number on the MIC.

In the case of a difference in verifying the FHA case number between the MIC and the form HUD 11706, the case number on the MIC governs, and the form HUD 11706 must be corrected.

Verify that the FHA has signed the MIC and that it includes the endorsement date. If the FHA case number needs to be corrected on the form HUD 11706, the issuer is responsible for the change. The FHA case number may be manually corrected on form HUD 11706. However, the issuer may authorize the document custodian to make certain corrections on the issuer's behalf. The issuer and document custodian must agree on which corrections the document custodian will make.

- d. FHA Connection

The following procedures are required when the document custodian is reviewing information in the FHA Connection to ascertain the existence of insurance:

- i. Verify that each item listed below is the same on both the FHA Connection and the form HUD 11706, Schedule of Pooled Mortgages:

- Mortgagor name(s);
- Property address;
- Mortgage amount;
- Interest rate; and
- Endorsement date.

If the mortgage amount shown on the FHA Connection exceeds the amount shown on the form HUD 11706, this is acceptable.

If the mortgage amount shown on the FHA Connection is less than the amount shown on the form HUD 11706, the issuer must support the difference as follows: the issuer must either (a) submit a payment history showing that the remaining principal balance of the loan is less than the insured amount shown on the FHA Connection or (b) submit a Ginnie Mae waiver letter that sets forth the specific reason why the two amounts differ.

If the principal amounts shown on the FHA Connection and the form HUD 11706 differ, the monthly principal and interest payments shown on the two documents will also differ.

- ii. Verify that the FHA case number on the form HUD 11706, Schedule of Pooled Mortgages agrees with the case number on the FHA Connection.

In the case of a difference in verifying the FHA case number between the FHA Connection and the form HUD 11706, the case number on the FHA Connection governs and the form HUD 11706 must be corrected. The issuer is responsible for the change. The FHA case number may be manually corrected on form HUD 11706. However, the issuer may authorize the document custodian to make certain corrections on the issuer's behalf. The issuer and document custodian must agree on which corrections the document custodian will make.

- e. LGC (Not Applicable to VA Vendee Loans)

The following review procedures are required when reviewing the LGC to ascertain existence of VA guaranty:

- i. Verify that each item listed below is the same on both the LGC or the direct electronic notification for LGCs (LGC) and the form HUD 11706, Schedule of Pooled Mortgages:

- Name of veteran/mortgagor; and
- Principal amount.

If the principal amount shown on the LGC, or the direct electronic notification for electronic LGCs exceeds the amount shown on the form HUD 11706, the LGC is acceptable.

If the principal amount shown on the LGC, or the direct electronic notification for electronic LGCs is less than the amount shown on the form HUD 11706, the issuer must support the difference as follows: the issuer must either (a) submit a payment history showing that the remaining principal balance of the loan is less than the insured amount shown on the LGC or (b) submit a Ginnie Mae waiver letter that sets forth the specific reason why the two amounts differ.

If the principal amount shown on the LGC, or the direct electronic notification for electronic LGCs equals or exceeds the remaining principal balance on the loan, the LGC is acceptable.

If the loan has co-mortgagors other than husband and wife, and one or more of the mortgagors does not have VA eligibility (i.e., vet/non-vet joint loan) the principal amount on the LGC or the direct electronic notification for electronic LGCs will only reflect the veteran's percentage of ownership in the mortgage.

- ii. Verify that the VA case number on the form HUD 11706, Schedule of Pooled Mortgages, agrees with the case number on the LGC or the direct electronic notification for electronic LGCs.

In the case of a difference in verifying the VA case number between the LGC or the direct electronic notification for electronic LGCs and the form HUD 11706, the case number on the LGC governs, and the form HUD 11706 must be corrected.

If the VA case number needs to be corrected on the form HUD 11706, the issuer is responsible for the change. The VA case number may be manually corrected on form HUD 11706. However, the issuer may authorize the document custodian to make certain corrections on the issuer's behalf. The issuer and document custodian must agree on which corrections the document custodian will make.

If the borrower's name on the Schedule of Pooled Mortgages does not agree with the borrower's name on the LGC or the direct electronic notification for electronic LGCs due to the surviving spouse's VA benefits, a note to the file is sufficient to document the difference.

The borrower's last name may be incorrect due to minor misspellings. It is acceptable if "Jr." or "Sr." is omitted from the LGC, or the direct electronic notification for electronic LGCs, or if the LGC reflects a full middle name, whereas the form HUD 11706 has only a middle initial.

- iii. Verify that the LGC has been signed and dated by the VA. The electronic notification for electronic LGCs will not be signed by VA.
- iv. Verify that a percentage (%) of indebtedness guaranteed is noted on the LGC or the direct electronic notification for electronic LGCs. Ginnie Mae requires no minimum percentage guarantee, only that the document custodian verify that the percent of indebtedness is noted on the LGC.
- v. Verify that the Certificate Number and Certificate Date fields are completed on the direct electronic notification provided by the VA to the document custodian for loans electronically guaranteed.

f. The Appraisal System (TAS)

The following review procedures are required when reviewing TAS to ascertain existence of VA guaranty:

- i. Verify that the VA case number on the Form HUD 11706, Schedule of Pooled Mortgages agrees with the case number on TAS.

In the case of a difference in verifying the VA case number between TAS and the Form HUD 11706, the case number on TAS governs and the Form HUD 11706 must be corrected. The issuer is responsible for the change. The VA case number may be manually corrected on Form HUD 11706. However, the issuer may authorize the document custodian to make certain corrections on the issuer's behalf. The issuer and document custodian must agree on which corrections the document custodian will make.

- ii. Verify that the following information exists on TAS:
 - A date in the Guaranty Request Received field;
 - In the Current Status field, "Guaranty Issued" is required for the loan to be guaranteed; and
 - In the Date of Current Stats, a date must be evident.

g. RHS Loan Note Guaranty

The following review procedures are required for all RHS loans:

- i. Verify that each item listed below agrees from the Loan Note Guarantee to the form HUD-11706, Schedule of Pooled Mortgages:

- Name of mortgagor; and
- Principal amount.

If the principal amount does not agree, the issuer must support the difference with a payment history showing that the loan balance is less than the guaranty amount or with a Ginnie Mae waiver letter supported by a specific reason why the guaranty amount is different.

- ii. Verify that the RHS case number on the form HUD 11706, Schedule of Pooled Mortgages, agrees with the case number on the Loan Note Guarantee.

In the case of a difference in verifying the RHS case number between the Loan Note Guarantee and the form HUD 11706, the case number on the Loan Note Guarantee governs, and the form HUD 11706 must be corrected. If the RHS case number needs to be corrected on the form HUD 11706, the issuer is responsible for the change. The RHS case number may be manually corrected on form HUD 11706. However, the issuer may authorize the document custodian to make certain corrections on the issuer's behalf. The issuer and document custodian must agree on which corrections the document custodian will make.

The borrower's last name may be incorrect due to minor misspellings. It is acceptable if "Jr." or "Sr." is omitted from the Loan Note Guarantee or if the Loan Note Guarantee reflects a full middle name, whereas the form HUD 11706 has only a middle initial.

- iii. Verify that the Loan Note Guarantee has been signed and dated by the Rural Housing Service of the Department of Agriculture.

h. Indian Loan Guarantee Certificate

The following review procedures are required for all PIH loans:

- i. Verify that each item listed below agrees from the Indian Loan Guarantee Certificate (ILGC) to the form HUD-11706, Schedule of Pooled Mortgages;

- Mortgagor name(s)
- Property address
- Mortgage amount
- Interest rate

- ii. Verify that the § 184 case number on the form HUD 11706, Schedule of Pooled Mortgages agrees with the case number on the ILGC. In the case of a difference in verifying the § 184 case number between the ILGC and the form HUD 11706, the case number on the ILGC governs, and the form HUD 11706 must be corrected.

iii. Verify that the ILGC has been signed by an authorized agent of the Assistant Secretary for Public and Indian Housing.

i. Document Custodian's Final Certification

The document custodian must date and sign the final certification on the reverse side of form HUD 11706, Schedule of Pooled Mortgages, and must identify the name, address and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification. If the Schedule of Pooled Mortgages includes more than one page, the document custodian need only sign the last page or the summary page.

Based on the issuer's instructions, the document custodian is required to submit the final certified original form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 to the PPA. A copy of the final certification must be placed in the pool master file. The PPA will provide the issuer with a confirmation of the receipt and acceptance of the final certification.

Loan files that have been released and are returned to the document custodian after final certification of the pool must meet the final certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)), and the affected pools will be considered uncertified until the loan file has been corrected.

E . Recertifications

Recertification procedures are required if issuer or document custodian responsibilities change for a final certified pool. Recertification is also required for a pool each time one or more of the mortgages in the pool are deregistered from MERS. If a pool is transferred prior to final certification, the final certification implies simultaneous recertification, see Section 3D(1) above. The recertification is required to assure Ginnie Mae that the required interim assignments have been recorded and filed with the document custodian and that the notes have been properly endorsed for a transfer of issuer responsibility. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. Recertification must be performed within twelve (12) months of the transfer date for pools transferred in a transfer of document custodian or issuer responsibility.

1. Except for pools qualified for recertification under Section 3(E)(3) below, for pools with an issue date less than ten years prior to the effective transfer date, the document custodian is required to perform the following review procedures on pool and loan documents to confirm their completeness and consistency:

a. The recertification can be completed using one of the following methods:

- i. Reconcile the original loans listed on the original form HUD 11706 to the active loans listed in the issuer's current loan trial balance and the form HUD 11708's for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment on the form HUD 11706; or
- ii. Attach a list of the loans remaining in the pool, per the issuer's current trial balance to the recertification, form 11706. The information provided for each loan must be the same as the information required on the front of form HUD 11706. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. "Balance

this monthend” for the reporting month used. A copy of the form HUD 11710-A must be placed in the document custodian’s “Pool Master File” with a copy of the certification.

- b. Verify that all required pool and loan documents are present and meet the minimum review standards required under Sections 3(C)(2)(a) through (e) and 3(D)(2)(a) through (d).

Form HUD 11711B, Certification and Agreement is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae’s Office of Mortgage-Backed Securities (see [Addresses](#)) for missing documents.

- c. If there has been a change in issuer, verify that there has been a recorded assignment of each mortgage.
- d. Verify that no form HUD 11708, Request for the Release of Documents, with a nonliquidation release code is included in an active loan file and the pool master file in the place of a promissory note. If a document custodian certifies a pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.
- e. Verify that all original form HUD 11708’s with liquidation release codes are included with the form HUD 11706 in the pool master file applicable to 1(a) above.
- f. If there has been a change in issuer, verify that the recertification page of form HUD 11706 contains the name, ID number, address, and signature of the substitute issuer.
- g. Sign the reverse side of the recertification page of the form HUD 11706, Schedule of Pooled Mortgages, recertifying that all required pool and loan documents have been received. The document custodian’s name, address and Ginnie Mae document custodian number and the issuer’s pool number must be included on the form HUD 11706.

Based on the issuer’s instructions, the document custodian is required to forward the recertified form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 to the PPA. A copy of the recertification must be placed in the pool master file and a copy must be sent to the issuer.

Loan files that have been released and are returned to the document custodian after recertification of the pool must meet the final certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae’s Office of Mortgage-Backed Securities (see [Addresses](#)), and the affected pools will be considered uncertified until the loan file has been corrected.

- 2. **Except for pools qualified for recertification under Section 3(E)(3) below, or pools with an issue date ten or more years prior to the effective transfer date, the document custodian is required to perform the following limited review procedures on pool and loan documents to confirm that all documents are accounted for and relate to the loans listed on form HUD-11706 being recertified:**

- a. The recertification can be completed using one of the following methods:
 - i. Reconcile the original loans listed on the original Form HUD 11706 to the active loans listed in the issuer’s current loan trial balance and the Form HUD

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- 11708's for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment on the form HUD 11706; or
- ii. Attach a list of the loans remaining in the pool, per the issuer's current trial balance to the recertification form HUD 11706. The information provided for each loan must be the same as the information required on the front of form HUD 11706. Because of assumptions, the borrower's name provided on form HUD 11706 may not agree with the loan documents. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. "Balance this monthend" for the reporting month used. A copy of the form HUD-11710-A must be placed in the document custodian's "Pool Master File" with a copy of the certification.
- b. Verify that all required pool and loan documents are present and meet the following minimum review standards. The pool and loan documents must relate to the pool and the loans listed on the related form HUD 11706.
- i. Form HUD 11711B, Certification and Agreement
 - Is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)) for missing documents.
 - ii. Promissory Note
 - Verify that the promissory note is an original document with an original signature.
 - Verify that a complete chain of endorsement exists on the promissory note of the loan to the issuer that executed the endorsement in blank.
 - Verify that the promissory note is endorsed in blank without recourse.
 - iii. Security Instrument
 - Verify that the security instrument is a recorded original or a clerk-certified copy of the recorded security instrument showing the document was recorded. A copy of the security instrument is acceptable if the original security instrument is lost and the copy clearly indicates the document has been recorded.
 - iv. Security Instrument Assignments
 - Verify that all interim assignments are recorded originals or a clerk-certified copy. A copy of the recorded assignment is acceptable if the original recorded assignment is lost and the copy clearly indicates the document has been recorded. Interim assignments required on or before March 31, 1979 are not required to be in the custodial file in order for the recertification to be completed.
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- Verify that all interim assignments required on or after April 1, 1979 follow a complete chain of title from the original lender to the current issuer.
- v. Mortgage Title Insurance -- (Not Applicable to HUD-Conveyed or VA Vendee Loans)
- Confirm that an original title policy or a duplicate original signed (or countersigned) by the title company. A copy of the mortgage title insurance policy is acceptable if the original is lost.
- vi. Mortgage Insurance
- When reviewing the MIC, verify that FHA has signed the MIC and that it includes the endorsement date. When viewing the FHA Connection, verify the existence of the loan in the system, and that the endorsement date field is complete.
- vii. Loan Guaranty status (Not Applicable to VA Vendee Loans)
- In the case of a physical LGC, verify that the LGC has been signed and dated by the VA. In the case of a loan electronically guaranteed, verify that VA has provided the custodian direct electronic notification for electronic LGCs, indicating the loan has been electronically guaranteed. In the case of a loans viewed on TAS, verify the current loan status as "Guaranty Issued."
- viii. RHS Loan Note Guaranty Certificate
- Verify that the RHS Loan Note Guaranty Certificate has been signed and dated by the RHS.
- c. Verify that no form HUD 11708's, Request for the Release of Documents, with nonliquidation release codes are included in active loan files and the pool master file in the place of a promissory note. If a custodian certifies a pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.
- d. Verify that all original form HUD 11708's with liquidation release codes are included with the form HUD 11706 in the pool master file, applicable to 2(a) above.
- 3. At the discretion of the issuer, for pools and loan packages collateralized by single-family loans, the document custodian may be required to perform limited review procedures on pool and loan documents to confirm that the listed documents are accounted for and relate to the loans listed on form HUD 11706 being recertified:**
- a. The recertification can be completed using one of the following methods:
- i. Reconcile the original loans listed on the original form HUD 11706 to the active loans listed in the issuer's current loan trial balance and the form HUD 11708's for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment of the form HUD 11706; or
 - ii. Attach a list of the loans remaining in the pool, per the issuer's current trial balance to the recertification form HUD 11706. The information provided for
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each loan must be the same as the information required on the front of form HUD 11706. Because of assumptions, the borrower's name provided on form HUD 11706 may not agree with the loan documents. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. "Balance this monthend" for the reporting month used. A copy of the form HUD 11710-A must be placed in the document custodian's "Pool Master File" with a copy of the certification .

- b. Verify that the following pool and loan documents are present:
- i. Promissory Note
 - Verify that the promissory note is an original document with an original signature.
 - Verify that the promissory note is endorsed in blank and without recourse.
 - ii. Security Instrument
 - Verify that the security instrument is a recorded original or a clerk-certified copy of the recorded security instrument showing the document was recorded. A copy of the security instrument is acceptable if the original security instrument is lost and the copy clearly indicates the document has been recorded.
 - iii. Security Instrument Assignments
 - Verify that all interim assignments are recorded originals or a clerk-certified copy. A copy of the recorded assignment is acceptable if the original recorded assignment is lost and the copy clearly indicates the document has been recorded. Interim assignments required on or before March 31, 1979 are not required to be in the custodial file in order for the recertification to be completed.
 - Verify that all interim assignments required on or after April 1, 1979 follow a complete chain of title from the original lender to the current issuer.
 - iv. Mortgagee Title Insurance – (Not Applicable to HUD-conveyed or VA Vendee Loans)
 - Verify the original title policy or a duplicate original signed (or countersigned) by the title company. A copy of the mortgage title insurance policy is acceptable if the original is lost.
 - v. Mortgage Insurance
 - When reviewing the MIC, verify that FHA has signed the MIC and it includes the endorsement date. When viewing the FHA Connection, verify the existence of the loan in the system and that the endorsement date field is complete.
 - vi. Loan Guaranty status (LGC) (Not Applicable to VA Vendee Loans)

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- In the case of a physical LGC, verify that the LGC has been signed and dated by the VA. In the case of a loan electronically guaranteed, verify independent, direct confirmation that the loan has been electronically guaranteed. In the case of loans viewed on TAS, verify the current loan status as “Guaranty Issued.”
- vii. RHS Loan Note Guarantee
- Verify that the RHS Loan Note Guaranty Certificate has been signed and dated by the RHS.
- c. Verify that no form HUD 11708’s, Request for Release of Documents, with nonliquidation release codes are included in active loan files and the pool master file in the place of a promissory note. If a custodian certifies a pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.
- d. Verify that all original form HUD 11708’s with liquidation codes are included with the form HUD 11706 in the pool master file, applicable to 3(a) above.

Based on the issuer’s instructions, the document custodian is required to forward the recertified form HUD 11706 directly to the PPA or to the issuer which will send the form HUD 11706 to the PPA. The issuer and document custodian must maintain a copy of the certification submitted to the PPA.

Loan files that have been released and are returned to the custodian after recertification of the pool must meet the final certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the custodian must notify Ginnie Mae, Office of Mortgage-Backed Securities, and the affected pools will be considered uncertified until the loan file has been corrected.

F . Update of Legal Opinions

All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable laws. Such updated opinions will only apply to any transactions which occur after the changes in law. The document custodian and issuer are responsible for the updating legal opinions that each provided respectively

Chapter 4. Manufactured Home Loan Pools

A. *Description of Manufactured Home Loan Pools (MH)*

Manufactured Home Loan pools consist of conforming FHA and/or VA loans secured by a manufactured home unit or a combination of a manufactured home unit and a developed manufactured home lot acquired in a single transaction.

B. *Responsibilities*

In accordance with the requirements of form HUD 11715, Master Custodial Agreement, -the certification required on form HUD 11706, Schedule of Pooled Loans and the Ginnie Mae MBS Guide, the issuer must deliver the documents set forth below to the document custodian at the premises indicated on the form HUD 11706, as the documents become available. At the discretion of the document custodian and the issuer, documents may be delivered on a piecemeal basis or after all required documents have been received for individual loan files. However, the issuer may not collect all documents relating to an entire pool before forwarding the documents to the document custodian.

It is the document custodian's responsibility to:

- Accept the documents when delivered;
- Ascertain that the documents relate to the loans listed on form HUD 11706;
- Review the documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters 11 and 13 of the Ginnie Mae MBS Guide;
- Notify the issuer of any document received that requires correction or completion before certification can be made; and
- Certify that the documents received satisfy the requirements of initial and final certification and, if necessary, recertification.

It is the issuer's responsibility to correct or resolve defects, or to provide the document custodian with adequate clarification for those defects that are not considered material. Ginnie Mae may impose penalties on issuers that fail to meet final certification or recertification deadlines. Such penalties may include a letter of credit requirement to mitigate Ginnie Mae's risk. For an issuer penalty situation, the document custodian must attest to Ginnie Mae which loans in a pool do not meet certification requirements.

Ginnie Mae recognizes that laws governing the filing, recordation and perfection of security interests in manufactured home loans may vary significantly from state to state. Perfection or recordation of manufactured home security interests or liens is governed by laws relating to fixtures or goods under the Uniform Commercial Code, real property and/or motor vehicle titling. For information regarding state specific variations, please refer to the NADA Title and Registration Book.

C. *Initial Certifications*

1. **Required Pool and Loan Level Documents**

For initial certification, the document custodian must obtain from the issuer the following properly executed pool and loan documents:

- a. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
- b. Form HUD 11706, Schedule of Pooled Mortgages.
- c. An original form HUD 11711B, Certification and Agreement (Appendix III-5). If the form HUD 11711B indicates a second party interest in any pooled mortgage at least one original form HUD 11711A, Release of Security Interest (Appendix III-5), is required. If there are no second party interests in the pooled mortgages, a form HUD 11711A is not required.
- d. The original note or financial obligation endorsed in blank and without recourse by the current issuer. In all cases, the last endorsement is required to be made by the current issuer in blank and without recourse. The endorsement must follow the proper chain of endorsement if the issuer did not originate the loan.
- e. If the execution of the manufactured home credit transaction is evidenced only by a retail installment contract incorporating both the obligation and the chattel security agreement, the retail installment contract is required to be endorsed in blank and without recourse by the issuer. The endorsement must follow the proper chain of endorsement if the issuer did not originate the loan.
- f. Title, certificate of origin, bill of sale or other evidence of borrower ownership of the collateral.
- g. For combination manufactured home and lot loans, the following additional documents are required for the lot loan:
 - The promissory note or financial obligation endorsed in blank and without recourse by the current issuer; and
 - An assignment to Ginnie Mae of the lien, mortgage or other form of security agreement on the lot in recordable or perfectible form, but unrecorded. The assignment must include a legal description or reference to county record books in which the security instrument is recorded.
- h. If the issuer did not originate the loan, all required interim assignments of the chattel security agreement and/or other security interest must document a complete chain of title from the originating lender to the current issuer.

These interim assignments must be recorded or perfected if jurisdictional law requires recordation or perfection. Any interim assignments must be either originals or clerk-certified copies of the originals. Ginnie Mae will accept copies of the recorded assignments if originals are lost and the copies clearly show that the documents have been recorded. In most jurisdictions recordation or perfection is accomplished through the use of UCC forms. The evidence of recordation or perfection would appear on the UCC form copy returned by the recorder's office.

The issuer may use a blanket certification per pool certifying that all interim assignments have been transmitted for recordation for the pool at initial certification.

As an alternative to individual interim assignments, a blanket interim assignment is acceptable if allowed in the jurisdiction as documented in an opinion from qualified outside legal counsel. Blanket interim assignments to an issuer can only be made for loans in a single pool that are in the same recording jurisdiction. Blanket interim assignments must be recorded or perfected or at initial certification be certified by the issuer as having been transmitted for recordation or perfection.

Items d. through h. are required for each loan. In no case may a form HUD 11708, Request for Release of Documents, substitute for a required loan document at the time the document custodian performs an initial certification.

2. Document Custodian Procedures - Initial Certifications

The document custodian must perform the following review procedures on pool and loan documents to confirm their completeness and consistency. Any defects discovered during the review procedures must be timely referred to the issuer for correction.

- a. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - i. Verify that the Master Custodial Agreement has been filled out completely including the issuer and document custodian's Ginnie Mae Identification Number.
 - ii. Verify that the Master Custodial Agreement has been signed by the issuer and the document custodian.
 - iii. File the Master Custodial Agreement in either the related issuer or pool master file.
- b. Form HUD 11706, Schedule of Pooled Mortgages
 - i. Verify that the total number of loans reported in the Schedule is the same as the number of loan files received for the pool.
 - ii. Verify that form HUD 11706 has been filled out completely including the issuer and document custodian's Ginnie Mae Identification Number.
 - iii. File the Schedule in the related pool master file.
- c. Form HUD 11711B, Certification and Agreement
 - i. Verify that the commitment number agrees with the Ginnie Mae Pool/Loan Package Number on the related form HUD 11706.
 - ii. Determine that one of the two boxes on the form has been checked.
 - iii. If the form HUD 11711B indicates that there is a second party security interest in any pooled mortgage, verify that there is at least one executed form HUD 11711A, Release of Security Interest.
 - iv. Verify that the form has been signed by the issuer.

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- v. File the form HUD 11711B, and form HUD 11711A, if required, in the pool master file.

If the document custodian knows, or has reason to know, that the certification by the issuer is incorrect, the document custodian must refuse to accept the form HUD 11711B until the certification has been corrected.

d. Promissory Note or Obligation (Retail Installment Contract)

- i. Verify that each item listed below is the same on both the promissory note and the related form HUD 11706, Schedule of Pooled Mortgages.

- Borrower name(s);
- Principal amount (alpha, if applicable, and numeric);
- Interest rate (alpha and numeric);
- Monthly principal and interest payment (alpha and numeric);
- Term of the loan (first and last payments due dates if applicable (For retail installment contracts, the first payment date may be amended on an addendum to the contract. If this is the case, the issuer must provide a written explanation for the difference in dates, which must be kept in the loan file);
- Number of payments (retail installment contract only);
- Property street address, city and state (if property address is included on the note or retail installment contract). The address on the note may be the borrower's mailing or other address instead of the property address; and
- If a new note is signed due to changes resulting in a note with a different loan or P&I amount, the form HUD 11706, Schedule of Pooled Mortgages must be updated to reflect the new loan amount and P&I constant. The unpaid principal balance must not be changed. A copy of Ginnie Mae's approval letter must be placed in the loan file.

After verification of information between the form HUD 11706, Schedule of Pooled Mortgages, and the promissory note under this Section 4C(2)(d)(i), the form HUD 11706 will be used to verify information on all other documents at final certification, except for the case number on the FHA Billing Statement or VA Loan Guaranty Certificate (LGC). The case number on the form HUD 11706 will be verified to and governed by the case number on the FHA Billing Statement or VA LGC. If a difference is identified by the document custodian in verifying the form HUD 11706 information listed above in this Section 4C(2)(d)(i) to the promissory note, the issuer must correct or resolve the difference prior to certification by the document custodian.

- ii. Verify that each signature on the note or retail installment contract agrees with the name typed below the signature line it appears on. Ginnie Mae will accept notes with undersigning (with name affidavit) or oversigning by the borrower. Undersigning occurs when a borrower does not sign the complete name or initials typed below the signature line, such as not signing a middle initial. If a note is undersigned, a name affidavit is required to be placed in the loan file. Oversigning occurs when the borrower signs more than is typed below the

signature line, such as signing a full middle name instead of an initial. No additional documentation is required for oversigning.

- iii. Verify that a complete chain of endorsement exists from the originator of the loan to the current issuer. (Ginnie Mae requires that the chain of endorsement from the originator of the loan to the current issuer for the note and assignments must be complete. The note endorsement may be from originator to Company “C” and the interim assignments may be from originator to Company “B”, then to Company “C”. Both documents have a complete chain of title, even though the two chains are not identical.)

The endorsement should not include a date. All endorsements must be on the note, unless there is not space available on the note. If space is not available on the note, the endorsement should be placed on an allonge which references the note.

If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this is not possible, the issuer’s qualified outside legal counsel must review and agree with the proposed cancellation in writing.

- iv. Determine that the issuer endorsement in blank and without recourse was made by an authorized officer.

Ginnie Mae permits the use of facsimile signatures for executing unrecorded assignments to Ginnie Mae, as long as the following conditions are met:

- The use of facsimile signatures is acceptable under the laws of the relevant jurisdiction;
- Such signatures are not prohibited under the issuer’s corporate charter and by-laws;
- The use of such signatures is authorized by a resolution duly enacted by the issuer’s board of directors; and
- Such signatures must be notarized when required by jurisdictional law.

- v. Examine the promissory note or obligation for sections requiring a notarization, acknowledgment or witness. If required, verify that such sections have been completed. If a notarization is evident, confirm that the notary date is the same as the signature date. The signature may be dated prior to the closing.

- vi. Verify that each rider, allonge or addendum relates to and references the note. The allonge must reference the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective document must be filed with the original note.

e. Borrower’s Ownership

- i. Verify that the date of title, certificate of origin, bill of sale or other evidence of borrower ownership is the same as or later than the date of the promissory note or retail installment contract.

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- ii. Verify that the serial number or manufactured home description on the title, certificate of origin, bill of sale or other evidence of borrower's ownership, including nontitled contents, is the same on the promissory note, financial obligation or retail installment sales contract.
 - iii. If the evidence of borrower ownership (UCC recorded filing or title) is not available at initial certification, verify that a copy of the UCC filing or title application has been certified by the issuer as having been transmitted for recordation.
 - f. Combination Manufactured Home and Lot Loans. Perform the same review procedures as required under Sections 4(C)(2)(d) above if an additional promissory note was executed for the purchase of property.
 - g. Security Instrument Assignments
 - i. Individual Loan Interim Assignments
 - Verify that all interim assignments follow a complete chain of title from the original lender to the current issuer. It is permissible for the interim assignment to be dated after the last assignment if both assignments are recorded in the correct chain. (Ginnie Mae requires that the chain of endorsement from the originator of the loan to the current issuer for the note and assignments must be complete. The note endorsement may be from originator to Company "C" and the interim assignments may be from originator to Company "B", then to Company "C". Both documents have a complete chain of title, even though the two chains are not identical.)
 - Verify that all interim assignments are recorded or perfected, or that the issuer has certified that copies of the assignments have been transmitted for recordation or perfection, if state law requires recordation or perfection to make the assignment valid. In most jurisdictions recordation or perfection is accomplished through the use of UCC forms, which will evidence the recordation or perfection. Ginnie Mae will accept copies of the recorded assignments if originals are lost and the copies clearly show the documents have been recorded. The issuer may use a blanket certification per pool certifying that all interim assignments have been transmitted for recordation for that pool.
 - Ginnie Mae will accept minor errors and typographical mistakes on the intervening assignments as long as the recording reference is correct.
 - Verify that the UCC forms cover the personal property described in the note or obligation.
 - Verify that the borrower name(s) on the assignment is the same on the form HUD 11706 Schedule of Pooled Mortgages.

If an interim assignment is presented that is not an original or a clerk-certified copy of an original or has no evidence of recordation or perfection or of being transmitted for recordation or perfection, it must be accompanied by one of the following documents:

- A specific waiver letter from Ginnie Mae;

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- An individual loan opinion from qualified outside legal counsel that states that the assignment(s) are enforceable in the jurisdiction of the loan. The original opinion must be filed in the loan file; or
 - A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all manufactured home loans in a specific jurisdiction. This blanket legal opinion must be copied and filed with each pool master file for affected pools. The original opinion must be filed in the issuer master file.
- ii. Blanket Interim Assignments
- Verify that all blanket interim assignments are recorded or perfected, or that the issuer has certified that the assignments have been transmitted for recordation or perfection.
 - Verify that all blanket assignments only apply to loans in the same pool and the same recording jurisdiction.
 - Verify that a copy of each blanket assignment is maintained in each loan file to which the blanket assignment applies and that an original is maintained in the applicable pool master file. Ginnie Mae accepts the use of a blanket assignment certification form in lieu of making a copy of each blanket assignment for each loan listed on the blanket interim assignment. The certification form must be placed in each loan file where the loan was assigned on a blanket assignment, and must state that the recorded original blanket assignment is held in the pool master file.
 - If the blanket interim assignment is not a recorded original or clerk-certified copy, see procedures at Section 4C(2)(g)(i) above.

Ginnie Mae accepts blanket intervening assignments for mortgages in more than one pool for pools where the blanket intervening assignment was recorded prior to July 1, 1992. The original or clerk-certified copy must be maintained in the issuer master file, with copies in the applicable pool master files and loan files.

- h. Document Custodian's Initial Certification. The document custodian must date and sign the initial certification on the reverse side of form HUD 11706 Schedule of Pooled Mortgages, and must identify the name, address and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification. If the Schedule of Pooled Mortgages includes more than one page, the document custodian need only sign the last page.

Based on the issuer's instructions, the document custodian is required to submit the initial certified original form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 and other required documents to the PPA. A copy of the initial certification must be placed in the pool master file.

D. Final Certifications

Within twelve (12) months of the issuance, the following additional documents are required to be delivered to the document custodian by the issuer for final certification:

1. Required Documents

- a. A recorded or perfected security instrument such as one of the following: lien on the certificate of origin, lien on the certificate of title, retail installment contract and/or UCC forms evidencing a recorded or perfected security interest against the manufactured home and its furnishings, equipment, accessories and lot, if applicable.
- b. Recorded or perfected interim assignments which were not available for initial certification.

Ginnie Mae will accept copies of the recorded security instruments and assignments if originals are lost and the copies clearly show that the documents have been recorded.
- c. A copy of the initial FHA insurance billing statement or other evidence indicating FHA acceptance of each pooled loan for insurance; or the LGC signed by the VA, including case number. If evidence of FHA insurance is in electronic form, the issuer must provide an issuer-prepared certification, signed by an authorized officer, that the loan is FHA insured.

The final certification deadline is the same whether the current document custodian is the custodian that issued the initial certification or is a substitute document custodian following a transfer of issuer responsibility or a transfer of document custodian responsibility. In the case of a substitute document custodian, final certification implies simultaneous recertification.

A form HUD 11708, Request for Release of Documents, with a nonliquidation release reason code may substitute for a loan document, a promissory note or financial obligation, at the time the document custodian performs a final certification. If a custodian certifies a pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.

2. Document Custodian Procedures - Final Certifications

For each loan file, the document custodian is required to perform the following review procedures on the above documents to confirm their completeness and consistency. Any defects discovered based on performing the review procedures must be referred to the issuer for timely correction or resolution.

- a. Security Agreement (such as Lien on the Certificate of Origin, Lien on the Certificate of Title, Retail Installment contract or UCC Forms) and Interim Assignments
 - i. Verify that each item below agrees from the security agreement to the form HUD 11706, Schedule of Pooled Mortgages:
 - Borrower names(s) (a name suffix is not required on the security instrument);
 - Principal amount (alpha, if applicable, and numeric);
 - FHA/VA case number (if the case number appears on the security instrument). If the case number is incorrect on the security instrument, the issuer may correct it without the borrower's initial
 - ii. Determine that the date of the security instrument is the same as or later than the date of the promissory note or obligation.

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- iii. Verify that the security instrument is recorded or perfected. In most jurisdictions this is accomplished through the use of UCC forms and/or title which will evidence the recordation or perfection.

Copies of the recorded security instrument are acceptable if originals are lost and the copies clearly show the documents have been recorded.

- iv. Verify the personal property described on UCC forms to that described in the note or obligation.
- v. Verify that all signatures on the security instrument properly relate to the obligation.

If multiple mortgagor names on the obligation, they should be on the security instrument (not applicable to retail installment contracts).

Ginnie Mae will accept security instruments with undersigning (with name affidavit) or oversigning by the borrower. Undersigning occurs when the borrower does not sign the complete name or initials typed below the signature line, such as not signing a middle initial. If a note is undersigned, a name affidavit is required to be placed in the loan file. Oversigning occurs when the borrower signs more than is typed below the signature line, such as signing a full middle name instead of an initial. No additional document action is required for oversigning.

- vi. Examine the security instrument for the completion of any required notarization, acknowledgment or witness.
- vii. Determine that interim assignments, which were certified as having been transmitted by the issuer for recordation or perfection at initial certification, have been replaced at final certification with original assignments or clerk-certified copies of the originals. As necessary, perform additional procedures as cited in Section 4(C)(2)(g)(i) and (ii).

Ginnie Mae will accept copies of the recorded interim assignments if originals are lost and the copies clearly show that the documents have been recorded.

- b. FHA Billing Statement Copy or Other FHA Insurance Evidence. The following review procedures are required for all FHA loans:

- i. Verify that each item listed below is the same on both the FHA insurance evidence and the form HUD 11706, Schedule of Pooled Mortgages.

- FHA case number;
- Borrower name(s);
- Principal amount; and
- Term of loan.

If the loan amounts do not agree, the issuer must support the difference with a payment history showing that the loan balance is less than the insured amount, or with a Ginnie Mae waiver letter supported by a specific reason why the insured amount is different.

In the case of a difference in verifying the FHA case number between the initial billing statement and the form HUD 11706, the case number on the initial billing statement governs, and the form HUD 11706 must be corrected.

- c. Loan Guaranty Certificate (LGC). The following review procedures are required for all VA loans:

- i. Verify that each item listed below is the same on both the LGC and the form HUD 11706, Schedule of Pooled Mortgages:

- VA case number;
- Name of veteran/borrower; and
- Principal amount.

If the principal amounts do not agree, the issuer must support the difference with a payment history showing that the loan balance is less than the guaranty amount or with a Ginnie Mae waiver letter supported by a specific reason why the guaranty amount is different.

In the case of a difference in verifying the VA case number between the LGC and the form HUD 11706, the case number on the LGC governs, and the form HUD 11706 must be corrected.

- ii. Verify that the LGC has been signed and dated by the VA.
- iii. Verify that the percentage (%) of indebtedness guaranteed is noted on the LGC.

If the loan has co-mortgagors other than husband and wife, and one or more of the mortgagors does not have VA eligibility (i.e., vet/non-vet joint loan) the principal amount on the LGC will only reflect the veteran's percentage of ownership in the mortgage.

- d. Document Custodian's Final Certification.

The document custodian must date and sign the final certification on the reverse side of form HUD 11706, Schedule of Pooled Mortgages, and must identify the name, address and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification. If the Schedule of Pooled Mortgages includes more than one page, the document custodian need only sign the last page.

Based on the issuer's instructions, the document custodian is required to submit the final certified original form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 to the PPA. A copy of the final certification must be placed in the pool master file. The PPA will provide the issuer with a confirmation of the receipt and acceptance of the final certification.

Loan files that have been released and are returned to the document custodian after final certification of the pool must meet the final certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae's Office of Program Administration (see [Addresses](#)), and the affected pools will be considered uncertified until the loan file has been corrected.

E . Recertifications

Recertification procedures are required if issuer or document custodian responsibilities change for a final certified pool. If a pool is transferred prior to final certification, the final certification implies simultaneous recertification, see Section 3D(1) above. The recertification is required to assure Ginnie Mae that the required interim assignments have been recorded and filed with the document custodian and that the notes have been properly endorsed for a transfer of issuer responsibility. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. Recertification must be performed within twelve (12) months of the transfer date for pools transferred in a transfer of document custodian or issuer responsibility. The document custodian is required to perform the following review procedures on pool and loan documents to confirm their completeness and consistency:

1. For Pools with an issue date less than ten years prior to the effective transfer date, the document custodian is required to perform the following review procedures on pool and loan documents to confirm their completeness and consistency.
 - a. The recertification can be completed using one of the following methods:
 - i. Reconcile the original loans listed on the original form HUD 11706 (form 11725 prior to January 1, 1996) to the active loans listed in the issuer's current loan trial balance and the form HUD 11708's for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment on the form HUD 11706; or
 - ii. Attach a list of the loans remaining in the pool, per the issuer's current trial balance to the recertification, form 11706. The information provided for each loan must be the same as the information required on the front of form HUD 11706. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. "Balance this monthend" for the reporting month used. A copy of the form HUD-11710-A must be placed in the document custodian's "Pool Master File" with a copy of the certification.
 - b. Verify that all required pool and loan documents are present and meet the minimum review standards required under Sections 4(C)(2)(a) through (e) and 4(D)(2)(a) through (d).

Form HUD 11711B, Certification and Agreement is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)).
 - c. If there has been a change in issuer, verify that there has been a recorded assignment of each mortgage.
 - d. If there has been a change in issuer, verify that there have been updated endorsements on the promissory note or financial obligation.
 - e. Verify that no form HUD 11708, Request for the Release of Documents, with a nonliquidation release code is included in an active loan file and the pool master file in the place of a promissory note or financial obligation. If a document custodian certifies a

pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.

- f. Verify that all original form HUD 11708's with liquidation release codes are included with the form HUD 11706 in the pool master file applicable to 1(a) above.
- g. If there has been a change in issuer, verify that the recertification page of form HUD 11706 contains the name, ID number, address, and signature of the substitute issuer.
- h. Sign the reverse side of the recertification page of the form HUD 11706, Schedule of Pooled Mortgages, recertifying that all required pool and loan documents have been received. The document custodian's name, address and Ginnie Mae document custodian number and the issuer's pool number must be included on the form HUD 11706.

Based on the issuer's instructions, the document custodian is required to forward the recertified form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 to the PPA. A copy of the recertification must be placed in the pool master file and a copy must be sent to the issuer.

Loan files that have been released and are returned to the document custodian after recertification of the pool must meet the final certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)), and the affected pools will be considered uncertified until the loan file has been corrected.

- 2. For pools with an issue date ten or more years as of the effective transfer date, the document custodian is required to perform the following limited review procedures on pool and loan documents to confirm their completeness and consistency:
 - a. The recertification can be completed using one of the following methods:
 - i. Reconcile the original loans listed on the original form HUD 11706 (form HUD 11725 prior to January 1, 1996) to the active loans listed in the issuer's current loan trial balance and the Form HUD 11708's for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment on the form HUD 11706; or
 - ii. Attach a list of the loans remaining in the pool, per the issuer's current trial balance to the recertification form HUD 11706. The information provided for each loan must be the same as the information required on the front of form HUD 11706. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. "Balance this monthend" for the reporting month used. A copy of the form HUD-11710-A must be placed in the document custodian's "Pool Master File" with a copy of the certification.
 - b. Verify that all required pool and loan documents are present and meet the following minimum review standards. The pool and loan documents must be related to the pool and the loan listed on the related form HUD 11706.

i. Form HUD 11711B, Certification and Agreement

Is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)).

ii. Promissory Note or Obligation (Retail Installment)

- Verify that the promissory note or obligations is an original document with an original signature.
- Verify that a complete chain of endorsement exists from the originator of the loan to the current issuer.
- Verify that the current issuer endorsement in blank and without recourse was made by an authorized officer.

iii. Borrower's Ownership

- Verify that the serial number or manufacture home description on the title, certificate or origin, bill of sale or other evidence of borrower's ownership, including nontitled contents, is the same on promissory note, financial obligation or retail installment contract.

iv. Security Instrument

- Verify that the security instrument is a recorded original or a clerk-certified copy of the recorded security instrument showing the document was recorded. A copy of the security instrument is acceptable if the original security instrument is lost and the copy clearly indicates the document has been recorded.

v. Security Instrument Assignments

- Verify that all interim assignments are recorded originals or a clerk-certified copy. A copy of the recorded assignment is acceptable if the original recorded assignment is lost and the copy clearly indicates the document has been recorded. Interim assignments required on or before March 31, 1979 are not required to be in the custodial file in order for the recertification to be completed.
- Verify that all interim assignments required on or after April 1, 1979 follow a complete chain of title from the original lender to the current issuer.

vi. FHA Billing Statement

- Verify that the mortgagor name(s) and FHA case number agree to the related form HUD 11706. Minor differences are acceptable.

vii. Loan Guaranty Certificate (LGC) (Not Applicable to VA Vendee Loans)

- Verify that the LGC has been signed and dated by the VA.

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- c. Verify that no form HUD 11708's, Request for the Release of Documents, with nonliquidation release codes are included in active loan files and the pool master file in the place of a promissory note. If a document custodian certifies a pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.
 - d. Verify that all original form HUD 11708's with liquidation release codes are included with the form HUD 11706 in the pool master file, applicable to 2(a) above.

Based on the issuer's instructions, the document custodian is required to forward the recertified form HUD 11706 directly to the PPA or to the issuer which will send the form HUD 11706 to the PPA. The issuer and document custodian must maintain a copy of the certification submitted to the PPA.

Loan files that have been released and are returned to the document custodian after recertification of the pool must meet the final certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the custodian must notify Ginnie Mae, Office of Program Administration, and the affected pools will be considered uncertified until the loan file has been corrected.

F . Update of Legal Opinions

All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable laws. Such updated opinions will only apply to any transactions which occur after the changes in law. The document custodian and issuer are responsible for the updating legal opinions that each provided respectively.

Chapter 5. Construction Loan Pools

A . Description of Construction Loan Pools (CL and CS)

A Construction Loan pool consists of a single FHA-insured mortgage for a multifamily project under new construction or rehabilitation.

Upon maturity, Construction Loan pools and securities convert into Project Loan pools and securities. With Construction Loan pools, the document custodian is required to make only a single certification in connection with a new issuance of securities, and that certification is required to be made prior to issuance. No “final” certification is required after the issuance of the securities as it is for SF and MH pools.

B . Responsibilities

After initial endorsement by the FHA and in accordance with the conditions of form HUD 11715, Master Custodial Agreement, the certifications required on form HUD 11706, Schedule of Pooled Mortgages and the Ginnie Mae MBS Guide, the issuer must deliver the documents set forth below to the document custodian at the location indicated on the form HUD 11706 to obtain certification. At the discretion of the document custodian and the issuer, documents may be delivered on a piecemeal basis or after all required documents have been received for the loan file.

It is the document custodian’s responsibility to:

- Accept the documents when delivered;
- Ascertain that the documents relate to the loan listed on form HUD 11706;
- Review the documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters 11, 13, and 32 of the Ginnie Mae MBS Guide;
- Notify the issuer of any document received that requires correction or completion before certification can be made; and
- Certify that the documents received satisfy the requirements of certification and, if necessary, recertification.

It is the issuer’s responsibility to correct or resolve defects, or to provide the document custodian with adequate clarification for those defects that are not considered material. Ginnie Mae may impose penalties on issuers that fail to meet recertification deadlines for transferred pools. Such penalties may include letter of credit requirements to mitigate Ginnie Mae’s risk. For an issuer penalty situation, the document custodian must attest to Ginnie Mae which loans in a pool do not meet recertification requirements.

C . Certifications

1. Required Pool and Loan Level Documents

To certify a pool prior to the initial issuance of securities, the document custodian must obtain from the issuer the following properly executed pool and loan documents:

- a. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.

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- b. Form HUD 11706, Schedule of Pooled Mortgages.
 - c. An original form HUD 11711B, Certification and Agreement. If the form HUD 11711B indicates a second party interest in any pooled mortgage, at least one form HUD 11711A, Release of Security Interest, is required. If there are no second party interests in the pooled mortgage, a form HUD 11711A is not required.
 - d. The original note or other evidence of indebtedness endorsed for insurance by FHA and endorsed in blank and without recourse by the current issuer. The endorsements must provide a complete chain of title if the issuer did not originate the loan.
 - e. If the issuer did not originate the loan, all required interim assignments in the loan file must document a complete chain of title from the originating mortgagee to the current issuer.

 These interim assignments must be recorded if jurisdictional law requires recordation. Any interim assignments must be either originals or clerk-certified copies of the originals.

 Ginnie Mae will accept copies of the recorded interim assignments if originals are lost and the copies clearly show that the documents have been recorded.
 - f. The original mortgage (or other security instrument), recorded (or filed if under the Torrens title system) and signed by the mortgagor securing repayment of indebtedness. Ginnie Mae will allow the use of the title insurance company-certified copies of the mortgage (or other security instrument). These copies will be part of the pool certification package until such time as the issuer receives recorder-certified copies and provides them to the document custodian.

 Ginnie Mae will accept a copy of the recorded mortgage if the original is lost and the copy clearly shows the document has been recorded.
 - g. A duplicate original standard title insurance policy or other evidence of title acceptable to FHA. If the duplicate original is lost, a copy is acceptable.
 - h. A duplicate original of the performance bond (dual obligee) naming Ginnie Mae as an insured party, either on the policy, by assignment, by endorsement or by an assurance of completion agreement as approved by FHA backed by either a letter of credit or cash, if applicable. If a letter of credit is used, it must be transferred to Ginnie Mae in a format similar to Appendix VI-3 of the Ginnie Mae MBS Guide. Any assignment must evidence the surety's written consent. No personal indemnity agreement is permitted. This bond, or an acceptable alternative, is not required in the FHA 223(f) Existing Project Program.
 - i. Copies of Uniform Commercial Code forms or other security documents pertaining to personalty, evidencing recordation or perfection with the appropriate office, and an original assignment of such security documents to Ginnie Mae in recordable or perfectible form, but unrecorded or unperfected.
 - j. Copies of the survey and the surveyor's report.
 - k. An original Assignment of any FHA Firm Commitment to the issuer.
 - l. An original of the Building Loan Agreement.
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- m. A copy of the Construction Contract.
- n. Such other documents as Ginnie Mae may require.

In no case may a form HUD 11708, Request for Release of Documents, substitute for a required loan document at the time the document custodian performs the single certification for a Construction Loan pool.

2. Other Loan Documents Supporting Each Separate Issuance

Securities generally are issued monthly as construction progresses and as advances are insured by FHA. Mortgage funds must be advanced and insured by FHA no later than the month prior to the month in which the related securities are issued. Prior to each individual issuance of securities, including the first issuance, the issuer must deliver to the document custodian the following documents:

- a. A certificate documenting that the disbursement has been made to the mortgagor and payee named in form HUD 92403, Application for the Insurance of Advances, and any other supporting documents requested by the document custodian.
- b. A copy of form HUD 92403, Application for Insurance of Advances, approved by an authorized signatory. If the loan is coinsured by FHA, the coinsuring lender is the authorized signatory. The authorized signatory for loans fully insured by FHA may be the HUD field office or (except for initial and final draws) an FHA-approved Multifamily Accelerated Processing (“MAP”) lender. If the MAP lender approves the form HUD 92403, a copy of the lender’s MAP approval must be provided to the document custodian. The form HUD 92403 provides evidence of FHA insurance inclusive of the latest disbursement.
- c. Evidence that title insurance coverage is in effect, inclusive of the amount of the latest disbursement.

3. Document Custodian Procedures - Pool Certification

The document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the required review procedures must be timely referred to the issuer for correction.

- a. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - i. Verify that the Master Custodial Agreement has been filled out completely.
 - ii. Verify that the Master Custodial Agreement has been signed by the issuer and document custodian.
 - iii. File the Master Custodial Agreement in either the related issuer or pool master file.
- b. Form HUD 11706, Schedule of Pooled Mortgages
 - i. Verify that the Schedule has been signed by the issuer completed and includes the issuer’s and document custodian’s Ginnie Mae identification numbers.

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- ii. File the Schedule in the related pool master file.
- c. Form HUD 11711B, Certification and Agreement
 - i. Verify that the commitment number agrees with the Ginnie Mae Pool/Loan Package Number on the related form HUD 11706.
 - ii. Determine that one of the two boxes on the form has been checked.
 - iii. If the form HUD 11711B indicates that there is a second party security interest in the pooled mortgage, verify that there is at least one executed form HUD 11711A.
 - iv. Verify that the form has been signed by the issuer.
 - v. File the form HUD 11711B, and form HUD 11711A, if required, in the pool master file.

If the document custodian knows, or has reason to know, that the certification by the issuer is incorrect, the document custodian must refuse to accept the form HUD 11711B until the certification has been corrected.

- d. Promissory Note
 - i. Verify that each item listed below is the same on both the promissory note and the related form HUD 11706, Schedule of Pooled Mortgages:
 - Mortgagor name(s);
 - Principal amount (alpha and numeric);
 - Interest rate (alpha and numeric); and
 - FHA Project Number

After verification of information between the form HUD 11706, Schedule of Pooled Mortgages, and the promissory note under this Section 5C(3)(d)(i), the form HUD 11706 will be used to verify information on all other documents, except for the project number on the FHA insurance endorsement. The project number on the form HUD 11706 will be verified to and governed by the project number on the FHA insurance endorsement.

If a difference is identified by the document custodian in verifying the form HUD 11706 information listed in this Section 5C(3)(d)(i) to the promissory note, the issuer must correct or resolve the difference prior to certification by the document custodian.

- ii. Verify that each signature on the note agrees with the name typed below the signature line it appears on.
- iii. Verify that the complete chain of endorsement exists from the originator of the loan to the current issuer.

Ginnie Mae requires that the chain of endorsement from the originator of the loan to the current issuer for the note and assignments must be complete. The note endorsement may be from originator to Company "C" and the interim assignments may be from originator to Company "B", then to Company "C". Both documents have a complete chain of title, even though the two chains are not identical.

The endorsement should not include a date. All endorsements should be on the note, unless there is no space available on the note. If space is not available on the note, the endorsement should be placed on an allonge which references the note.

If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian, and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this is not possible, the issuer's legal counsel must review and agree with the proposed cancellation in writing.

- iv. Determine that the issuer endorsement in blank and without recourse was made by an authorized officer.
 - v. Examine the promissory note for sections requiring notarization, acknowledgment or witness. If required, verify that such sections have been completed. If a notarization is evident, note that the notary date is the same as the signature date. The signature date may be dated prior to closing.
 - vi. Verify that each rider, allonge or addendum relates to and references the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective document must be filed with the original note.
 - vii. Verify that the note has evidence of FHA insurance, signed by an FHA agent.
- e. Security Instrument Assignments
- i. Interim Assignments
 - Verify that all interim assignments follow a complete chain of title from the original lender to the current issuer.
 - Ginnie Mae requires that the chain of interim assignments from the originator of the loan to the current issuer for the note and assignments must be complete. The note endorsement may be from originator to Company "C" and the interim assignments may be from originator to Company "B", then to Company "C". Both documents have a complete chain of title, even though the two chains are not identical.
 - Verify that the mortgagor name(s) on the assignment corresponds to the form HUD 11706, Schedule of Pooled Mortgages.
 - Verify that each interim assignment is a recorded original or clerk-certified copy. If an interim assignment is presented that is not an original or a clerk-certified copy of an original or has no evidence of recordation, or

evidence of being transmitted for recordation, it must be accompanied by one of the following documents:

- ⇒ A specific waiver letter from Ginnie Mae;
- ⇒ An individual mortgage legal opinion from qualified outside legal counsel that states that the assignment(s) are enforceable in the jurisdiction of the mortgage. The original opinion must be filed in the loan file; or
- ⇒ A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all mortgages in a specific jurisdiction. This blanket legal opinion must be copied and filed with each pool master file for affected pools. The original opinion must be placed in the applicable issuer master file.

Ginnie Mae will accept copies of the recorded assignments if originals are lost and the copies clearly show that the documents have been recorded.

f. Security Instrument

- i. Verify that each item listed below is the same on both the security instrument and the form HUD 11706, Schedule of Pooled Mortgages:
 - Mortgagor name(s);
 - Principal amount (alpha and numeric); and
 - Term of loan (first and last payment due dates).
- ii. Determine that the date of the security instrument is the same as or later than the date of the promissory note.
- iii. Verify that the security instrument includes evidence of recording.

Ginnie Mae will accept copies of the recorded mortgage if originals are lost and the copies clearly show the documents have been recorded.

- iv. Verify that a legal description appears on the security instrument or on an attachment to the instrument.
- v. Verify that all signatures on the security instrument properly relate to the note.
- vi. Examine the security instrument for the completion of any required notarization, acknowledgment or witness.
- vii. Verify that any rider or addendum properly relates to the security instrument.
- viii. Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.

g. Mortgagee Title Insurance

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- i. Confirm that an original title policy or a duplicate original signed (or countersigned) by the title company has been delivered and that it includes Schedule A, B and Conditions and Stipulations or comparable information.
 - ii. Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
 - iii. Compare each of the following items, appearing on Schedule A of the title policy, to the security instrument:
 - Date of title insurance policy, which must be the same as or later than the recording date on the security instrument. However, in some jurisdictions, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier (issuer must supply evidence that this provides effective coverage); and
 - Amount of insurance coverage, which must agree exactly to the amount on the security instrument.
 - iv. Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:
 - Mortgagor name(s);
 - Jurisdiction recording information (i.e., recording date, name of recording office, county and state of recording, instrument number (book and page), or (liber and folio), if applicable);
 - Trustee name(s) if applicable; and
 - Principal amount.
 - v. Verify that a complete legal description is included on Schedule A of the title policy.
 - vi. Verify that the named insured under the title insurance policy is the name of the mortgagee “and/or the Secretary of Housing and Urban Development of Washington, D.C., his successors and assigns, as their interests may appear,” consistent with HUD closing requirement. If the issuer was not the originator of the mortgage, the title policy may show the original mortgagee as the insured mortgagee (see above). In that case, verify that the policy is accompanied by an endorsement of the policy to the issuer as the mortgagee or that the definition of “insured” includes each successor in ownership of the indebtedness secured by the mortgage.
 - vii. If a Torrens certificate or abstract of title has been provided, verify that a legal opinion from qualified outside legal counsel, prepared at or after the recordation of the security instrument, has been provided that documents the acceptability of this evidence of title in the jurisdiction.

Procedures in Section 5C(3)(g)(i) through (vi) should be modified appropriately if a Torrens certificate or abstract of title is used.

- h. Performance Bond

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- i. Verify that the performance bond is a duplicate original.
 - ii. Verify that Ginnie Mae is named on the bond either by assignment or endorsement as an insured party.
 - iii. Verify that, for any assignment, the surety has provided written consent.
 - iv. Verify that the bond will not expire prior to the maturity of the securities (i.e., the last payment due date per the construction contract).
 - v. As an alternative to a performance bond, an assurance of completion agreement is acceptable. The collateral backing the assurance of completion agreement must be in accordance with Section 31-14(B)(4) of the Ginnie Mae MBS Guide. If used, verify that this agreement was approved by FHA.
- i. Uniform Commercial Code (UCC) Forms
 - i. Verify that UCC forms or other security instruments evidence recordation or perfection (filing) with the secretary of state or other appropriate office with jurisdiction.
 - ii. Verify that personal property is identified as “all articles of personal property owned by the mortgagor now or later attached to or used on or about the mortgaged property.”
 - iii. Verify that there is an assignment to Ginnie Mae of the UCC forms in recordable or perfectible form but unrecorded or unperfected. “Recordable form” means an executed but unrecorded assignment to Ginnie Mae which must indicate the name(s) of the borrower(s), must include a reference to county record books in which the UCC forms are recorded, and must be executed by a corporate officer of the issuer.
 - j. Survey and Surveyor’s Report
 - i. Verify that the date of the report is no later than the date of the note.
 - ii. Verify that the property description in the report is the same as the description in the security instrument.
 - iii. Verify that the description of easements and encroachments in the report agree with the description in the title policy.
 - k. Assignment of FHA Firm Commitment
 - i. If there is a commitment, verify that it is an executed original.
 - ii. Verify that the commitment pertains to the property as described in the security instrument.
 - l. Building Loan Agreement
 - i. Verify that the agreement is an executed original.
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- ii. Verify that the property described in the Building Loan Agreement is the same as the property description in the security instrument.
 - m. Construction Contract
 - i. Verify that the contract is an executed copy.
 - ii. Compare the construction contract to the Building Loan Agreement to verify that they pertain to the same property.
 - n. Document Custodian's Certification

The document custodian must date and sign the certification on the reverse side of form HUD 11706, Schedule of Pooled Mortgages, and must identify the name, address and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification.

Based on the issuer's instructions, the document custodian is required to submit the certified original form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 and other required documents to the PPA. A copy of the certification must be placed in the pool master file.

Loan files that have been released and are returned to the document custodian after certification of the pool must meet the certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae, and the affected pools will be considered uncertified until the loan file has been corrected.

D. Recertifications

Recertification procedures are required if there is a change in issuer or document custodian responsibilities for a pool. The recertification is required to assure Ginnie Mae that the required interim assignments have been recorded and filed with the document custodian and that the notes have been properly endorsed for a transfer of issuer responsibility. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. Recertification must be performed within twelve (12) months of the transfer date for pools transferred in a transfer of document custodian or issuer responsibility. The document custodian is required to perform the following review procedures on pool and loan documents to confirm their completeness and consistency:

1. Verify that all required pool and loan documents are present and meet the minimum review standards required under Sections 5(C)(3)(a) through (o).

Form HUD 11711B, Certification and Agreement is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)).

2. If there has been a change in issuer, verify that there has been a recorded assignment of the mortgage.
3. If there has been a change in issuer, verify that there have been updated endorsements on the promissory note.

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4. Verify that no form HUD 11708, Request For Release of Documents, with a nonliquidation release code is included in the loan file and the pool master file in the place of the promissory note. If a document custodian certifies a pool with released documents, all documents must have been received, reviewed and found to be certifiable at the time of release by the document custodian performing the certification.
 5. Verify that the form HUD 11706 (form HUD 11721 prior to January 1, 1996) is maintained in the pool master file.
 6. Verify that the issuer has prepared and delivered to the document custodian an original recertification page to be attached to copies of the original form HUD 11706.
 7. If there has been a change in issuer, verify that the recertification page of the form HUD 11706 contains the name, ID number, address and signature of the substitute issuer.
 8. Sign the reverse side of the recertification page of the form HUD 11706, Schedule of Pooled Mortgages, recertifying that all pool and loan documents have been received. The document custodian's name, address, and Ginnie Mae document custodian number and the issuer's pool number must be included on the form HUD 11706.

Based on the issuer's instructions, the document custodian is required to submit the recertified form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 and other required documents to the PPA. A copy of the recertification must be placed in the pool master file.

Loan files that have been released and are returned to the document custodian after recertification of the pool must meet the certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae, and the affected pools will be considered uncertified until the loan file has been corrected.

E . Update of Legal Opinions

All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable law. Such updated opinions will only apply to any transactions which occur after the change in law. The document custodian and issuer are responsible for the updating legal opinions that each provided respectively.

Chapter 6. Project Loan Pools

A . Description of Project Loan Pools (PL, PN, LM, LS and RX)

New Project Loan pools will consist of one or more FHA-insured or coinsured mortgages, each secured by a completed multifamily project. After current commitments are utilized or expire, new project loan pools will not include coinsured mortgages.

A Level Payment Project Loan pool (“PL”), a Non-Level Payment Project Loan pool (“PN”), or a Mature Project Loan pool (“LM”) will consist of a single mortgage on a completed multifamily project. A Small Project Loan pool (“LS”) or a Mark-to-Market pool (“RX”) will consist of one or more mortgages, each secured by a completed multifamily project.

Project pools in existence on August 15, 1997 may consist of a coinsured mortgage secured by a completed multifamily project and, in the case of some project loans purchased from Ginnie Mae under a tandem mortgage disposition program that is no longer in effect, may consist of more than one project loan.

With Project Loan pools, the document custodian is required to make only a single certification in connection with a new issuance of securities, and that certification is required to be made prior to issuance. No “final” certification is required after the issuance of the securities as it is for SF and MH pools.

B . Responsibilities

After final endorsement by the FHA and in accord with the conditions of form HUD 11715, Master Custodial Agreement, the certifications required on form HUD 11706, Schedule of Pooled Mortgages and the Ginnie Mae MBS Guide, the issuer must deliver the documents set forth below to the document custodian at the premises indicated on the form HUD 11706, to obtain certification. At the discretion of the document custodian and the issuer, documents may be delivered on a piecemeal basis or after all required documents have been received for the loan file.

It is the document custodian’s responsibility to:

- Accept the documents when delivered;
- Ascertain that the documents relate to the loan listed on form HUD 11706;
- Review the documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters 11, 13 and 31 of the Ginnie Mae MBS Guide;
- Notify the issuer of any document received that requires correction or completion before certification can be made; and
- Certify that the documents received satisfy the requirements of certification and, if necessary, recertification.

It is the issuer’s responsibility to correct or resolve defects, or to provide the document custodian with adequate clarification for those defects that are not considered material. Ginnie Mae may impose penalties on issuers which fail to meet recertification deadlines for transferred pools. Such penalties may include a letter of credit requirement to mitigate Ginnie Mae’s risk.

C. *Certifications*

1. **Required Pool and Loan Level Documents**

To certify a pool prior to the initial issuance of securities, the document custodian must obtain from the issuer the following properly executed pool and loan documents:

- a. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
- b. Form HUD 11706, Schedule of Pooled Mortgages.
- c. An original form HUD 11711B, Certification and Agreement. If the form HUD 11711B indicates a second party interest in any pooled mortgage, at least one form HUD 11711A, Release of Security Interest, is required. If there are no second party interests in the pooled mortgage, a form HUD 11711A is not required.
- d. The original note or other evidence of indebtedness (or, in the case of a modified loan, the original note and the allonge, modification or other evidence of modification) endorsed for insurance by FHA and endorsed in blank and without recourse by the current issuer. The endorsement must provide a complete chain of title if the issuer did not originate the loan.
- e. If the issuer did not originate the loan, all required interim assignments in the loan file must document a complete chain of title from the originating mortgagee to the current issuer. These interim assignments must be recorded if jurisdictional law requires recordation. Any interim assignments must be either originals or clerk-certified copies of the originals.

Ginnie Mae will accept copies of the recorded interim assignments if originals are lost and the copies clearly show that the documents have been recorded.

- f. The original mortgage (or other security instrument) recorded (or filed if under the Torrens title system) and signed by the mortgagor securing repayment of indebtedness and, in the case of a modified loan, the recorded original mortgage, any related original note and any title endorsement. Ginnie Mae will allow the use of the title insurance company-certified copies of the mortgage (or other security instrument). These copies will be part of the pool certification package until such time as the issuer receives recorder-certified copies and provides them to the document custodian.

Ginnie Mae will accept copies of the recorded mortgage if originals are lost and the copies clearly show that the documents have been recorded.

- g. A duplicate original standard title insurance policy containing such provisions as are acceptable to FHA. If the duplicate original is lost, a copy is acceptable.
- h. Copies of Uniform Commercial Code forms or other security documents pertaining to personalty evidencing recordation or perfection with the appropriate office, and an original assignment of such security documents to Ginnie Mae in recordable or perfectible form, but unrecorded or unperfected. In jurisdictions where the recorded security instrument also serves the dual role as a mortgage on the real estate and a security agreement for the project personalty, the delivery of a separate security document is not required.

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- i. For coinsured mortgages, a special warranty deed to Ginnie Mae in recordable form, but unrecorded.
 - j. Such other documents as Ginnie Mae may require.

In no case may a form HUD 11708, Request for Release of Documents, substitute for a required loan document at the time the document custodian performs the single certification for a Project Loan pool.

2. Document Custodian Procedures - Pool Certification

The document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the review procedures must be timely referred back to the issuer for correction.

- a. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - i. Verify that the Master Custodial Agreement has been filled out completely.
 - ii. Verify that the Master Custodial Agreement has been signed by the issuer and document custodian.
 - iii. File the Master Custodial Agreement in either the related issuer or pool master file.
- b. Form HUD 11706, Schedule of Pooled Mortgages
 - i. Verify that the Schedule has been completed including the issuer's and document custodian's Ginnie Mae identification numbers.
 - ii. File the Schedule in the related pool master file.
- c. Form HUD 11711B, Certification and Agreement
 - i. Verify that the commitment number agrees with the Ginnie Mae Pool/Loan Package Number on the related form HUD 11706.
 - ii. Determine that one of the two boxes on the form has been checked.
 - iii. If the form HUD 11711B indicates that there is a second party security interest in the pooled mortgage, verify that there is at least one executed form HUD 11711A, Release of Security Interest.
 - iv. Verify that the form has been signed by the issuer.

File the form HUD 11711B and form HUD 11711A, if required, in the pool master file.

If the document custodian knows, or has reason to know, that the certification by the issuer is incorrect, the document custodian must refuse to accept the form HUD 11711B until the certification has been corrected.

- d. Promissory Note

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- i. Verify that each item listed below is the same on both the promissory note and the related form HUD 11706, Schedule of Pooled Mortgages:

- Mortgagor name(s);
- Principal amount (alpha and numeric);
- Interest rate (alpha and numeric); and
- FHA Project Number (form HUD 11706 case number).

After verification of information between the form HUD 11706, Schedule of Pooled Mortgages, and the promissory note under this Section 6C(2)(d)(i), the form HUD 11706 will be used to verify information on all other documents at certification, except for the project number on the FHA insurance endorsement. The project number on the form HUD 11706 will be verified to and governed by the project number on the FHA insurance endorsement.

If a difference is identified by the document custodian in verifying the form HUD 11706 information listed in this Section 6C(2)(d)(i) to the promissory note, the issuer must correct or resolve the difference prior to certification by the document custodian.

- ii. Verify that each signature on the note agrees with the name typed below the signature line it appears on.
- iii. Verify that the complete chain of endorsement exists from the originator of the loan to the current issuer. If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian, and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this is not possible, the issuer's legal counsel must review and agree with the proposed cancellation writing.
- iv. Determine that the issuer endorsement in blank and without recourse was made by an authorized officer.
- v. Examine the promissory note for sections requiring a notarization, acknowledgment or witness. If required, verify that such sections have been completed. If a notarization is evident, note that the notary date is the same as the signature date. The signature may be dated prior to the closing.
- vi. Verify that each rider, allonge or addendum relates to and references the note. The allonge must reference the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective document must be filed with the original note.
- vii. Verify that the note has evidence of FHA insurance, signed by an FHA agent.

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- e. Security Instrument Assignments
- i. Interim Assignments
- Verify that all interim assignments follow a complete chain of title from the original lender to the current issuer.
 - Verify that the mortgagor name(s) on the assignment corresponds to the form HUD 11706, Schedule of Pooled Mortgages.
 - Verify that each interim assignment is a recorded original or clerk-certified copy. If an interim assignment is presented that is not an original or a clerk-certified copy of an original or has no evidence of recordation, or evidence of being transmitted for recordation, it must be accompanied by one of the following documents:
 - ⇒ A specific waiver letter from Ginnie Mae;
 - ⇒ An individual mortgage legal opinion from qualified outside legal counsel that states that the assignment(s) are enforceable in the jurisdiction of the mortgage. The original opinion must be filed in the loan file; or
 - ⇒ A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all mortgages in a specific jurisdiction. This blanket legal opinion must be copied and filed with each pool master file for affected pools. The original opinion must be placed in the applicable issuer master file.
- f. Security Instrument
- i. Verify that each item listed below is the same on both the security instrument and the form HUD 11706, Schedule of Pooled Mortgages:
- Mortgagor name(s);
 - Principal amount (alpha and numeric); and
 - Term of loan (first and last payment due dates).
- ii. Determine that the date of the security instrument is the same as or later than the date of the promissory note.
- iii. Verify that the security instrument includes evidence of recording.
- Ginnie Mae will accept copies of the recorded mortgage if originals are lost and the copies clearly show that the documents have been recorded.
- iv. Verify that a legal description appears on the security instrument or on an attachment to the instrument.
- v. Verify that all signatures on the security instrument properly relate to the note.

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- vi. Examine the security instrument for the completion of any required notarization, acknowledgment or witness.
 - vii. Verify that any rider or addendum properly relates to the security instrument.
 - viii. Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.

g. Mortgagee Title Insurance

- i. Verify that an original title policy or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedule A, B and Conditions and Stipulations or comparable information.
- ii. Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
- iii. Confirm that the amount of insurance coverage appears on Schedule A of the title policy agrees exactly to the security instrument:
- iv. Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:
 - Mortgagor name(s);
 - Jurisdiction recording information (i.e., recording date, name of recording office, county and state of recording, instrument number (book and page), or (liber and folio), if applicable);
 - Trustee name(s), if applicable; and
 - Principal amount.

A title company may issue affirmative coverage in lieu of correction of minor clerical errors.

- v. Verify that the legal description on Schedule A includes either of the following:
 - A phrase which specifically references the legal description in the security instrument; or
 - A complete legal description.

Minor differences may exist between the legal description on the security instrument and on the title policy. The custodian must determine that these documents refer to the same property.

- vi. Verify that the named insured under the title insurance policy is the name of the mortgagee or that the title policy definition of “insured” includes each successor in ownership or assignee of the indebtedness secured by the mortgage. The policy may be accompanied by an endorsement of the policy to the issuer as the mortgagee if the definition of “insured” did not include each successor in ownership of the indebtedness secured by the mortgage.

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- vii. If a clerk-certified torrens certificate or an original attorney's opinion which references an abstract of title has been provided, procedures in C(2) (g) (i)-(vi) should be modified appropriately. Attorney opinions or abstract of title must be dated on or after the date the mortgage was recorded.
 - h. Uniform Commercial Code (UCC) Forms
 - i. Verify that UCC forms or other security instruments evidence recordation or perfection (filing) with the secretary of state or other appropriate office with jurisdiction.
 - ii. Verify that personal property is identified as "all articles of personal property owned by the mortgagor now or later attached to or used on or about the mortgaged property."
 - iii. Verify that there is an assignment to Ginnie Mae of the UCC forms in recordable or perfectible form but unrecorded or unperfected. "Recordable form" means an "executed but unrecorded assignment to Ginnie Mae which must indicate the name(s) of the borrower(s), must include a reference to county record books in which the UCC forms are recorded, and must be executed by a corporate officer of the issuer."
 - i. Document Custodian Certification.

The document custodian must date and sign the certification on the reverse side of form HUD 11706, Schedule of Pooled Mortgages, and must identify the name, address and Ginnie Mae ID number of the document custodian and the name and title of the officer who signed the certification.

Based on the issuer's instructions, the document custodian is required to submit the certified original form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 and other required documents to the PPA. A copy of the recertification must be placed in the pool master file.

Loan files that have been released and are returned to the document custodian after certification of the pool must meet the certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae, and the affected pools will be considered uncertified until the loan file has been corrected.

D. Recertifications

Recertification procedures are required if there is a change in issuer or document custodian responsibilities for a pool. The recertification is required to assure Ginnie Mae that the required interim assignments have been recorded and filed with the document custodian and that the notes have been properly endorsed for a transfer of issuer responsibility. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. Recertification must be performed within twelve (12) months of the transfer date. The document custodian is required to perform the following review procedures on pool and loan documents to confirm their completeness and consistency:

1. For pools for which less than ten (10) years have elapsed from the issue date to the effective transfer date:

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- a. Verify that all required pool and loan documents are present and meet the minimum review standards required under Section 6(C)(2)(a) through (j).

Form HUD 11711B, Certification and Agreement is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms

HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)).

In addition to the documents required by Section 6(C)(2)(a) through (i), the following documents are required for coinsured loans: (1) a copy of the executed FHA Regulatory Agreement for the subject project described in the security instruments and (b) a special warranty deed, in recordable form but unrecorded, conveying to Ginnie Mae ownership of the property securing the mortgage, including any after-acquired title of the issuer.

- b. If there has been a change in issuer, verify that there has been a recorded assignment of the mortgage.
- c. If there has been a change in issuer, verify that there have been updated endorsements on the promissory note.
- d. Verify that no form HUD 11708, Request For Release of Documents, with a nonliquidation release code is included in the loan file and the pool master file in the place of a promissory note. If a document custodian certifies a pool with released documents, all documents must have been received, reviewed and found to be certifiable at the time of release by the document custodian performing the certification.
- e. Verify that the form HUD 11706 is maintained in the pool master file.
- f. Verify that the issuer has prepared and delivered to the document custodian an original recertification page for attachment to copies of the original form HUD 11706.
- g. If there has been a change in issuer, verify that the recertification page of the form HUD 11706 contains the name, ID number, address and signature of the substitute issuer.
- h. Sign the reverse side of the recertification page of the form HUD 11706, Schedule of Pooled Mortgages, recertifying that all pool and loan documents have been received. The document custodian's name, address and Ginnie Mae document custodian number and the issuer's pool number must be included on the form HUD 11706.
2. For pools for which ten (10) or more years have elapsed from the issue date to the effective date, perform limited loan document review procedures as follows:
- a. Reconcile the active loans listed on the form HUD 11706 (form HUD 11721 prior to January 1, 1996) to the issuer's current loan trial balance.
- b. If there has been a change in issuer, verify that there has been a recorded assignment of each mortgage and that the chain of interim assignments is complete.
- c. If there has been a change in issuer, verify that there have been updated endorsements on the promissory note and the endorsement chain is complete.
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- d. Verify that any UCC filings have not expired.
 - e. If the loan is coinsured, a copy of the executed FHA Regulatory Agreement must be present for the subject property described in the security instruments, and a special warranty deed must be present, in recordable form but unrecorded, conveying to Ginnie Mae ownership of the property securing the mortgage, including any after-acquired title of the issuer.
 - f. Verify that all documents for each loan are present or accounted for with a nonliquidation form HUD 11708 that is not greater than 180 days old.

Based on the issuer's instructions, the document custodian is required to submit the recertified form HUD 11706 directly to the PPA or to the issuer, which will send the form HUD 11706 and other required documents to the PPA. A copy of the recertification must be placed in the pool master file.

Loan files that have been released and are returned to the document custodian after recertification of the pool must meet the certification standards for the pool. If the problem with the loan file is not resolved within 90 days of notification to the issuer, the document custodian must notify Ginnie Mae, and the affected pools will be considered uncertified until the loan file has been corrected.

E . Update of Legal Opinions

All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable law. Such updated opinions will only apply to any transactions which occur after the change in law. The document custodian and issuer are responsible for the updating legal opinions that each provided respectively.

Chapter 7. Operational Procedures

This chapter addresses the following document custodian operational procedures:

- Release and Return of Documents, form HUD 11708;
- Termination Prior to Maturity of Pools;
- Pool Maturity
- Transfer of Custody by Ginnie Mae;
- Transfer of Issuer Responsibilities;
- Transfer of Document Custodian Responsibilities;
- Physical Security;
- Inventory Accounting;
- Document Exceptions;
- Missing Document Resolution;
- Common Problem Resolution; and
- Issuer Corporate Name Changes.

A . *Release and Return of Documents (Form HUD 11708)*

1. **Release Procedures**

The form HUD 11708, Request for Release of Documents (Appendix [V-5](#)), lists the following reasons, by release reason code, that an issuer may use to request the release of a loan file or document from a document custodian:

- a. Mortgagor Payoff;
- b. Repurchase of Delinquent Loan;
- c. Foreclosure with Claim Payment;
- d. Loss Mitigation;
- e. Substitution (attach details); or
- f. Other (attach explanation).

Issuers are authorized to request loan documents or loan files from the document custodian for one of the six (6) reasons listed above. The document custodian may rely on the issuer's stated reason for requesting the documents without verification. In no case may a pool be initial certified with a document or loan file missing. The document custodian must only accept the form

HUD 11708 revised in May 1989 or subsequent versions. The issuer may use a computer-generated form HUD 11708 provided that the format of the computer-generated form is the same as the form HUD 11708 printed form. A form HUD 11708 is not required to return a pool that was not issued. The document custodian must verify that the pool was not issued and return the pool documents to the issuer. The document custodian may verify that the pool was not issued by contacting the PPA.

Document custodians are required to obtain form HUD 11708, either in hard copy form or using GinnieNET, from the issuer for each loan file for which a release is requested. Upon receipt of the request, the document custodian must verify that the form HUD 11708 is complete and correct. If information on form HUD 11708 is in correct, the document custodian may make corrections for the issuer. The issuer and document custodian must agree what corrections the document custodian will make. Only the issuer may sign the form HUD 11708.

The document custodian must verify that the issuer completed the following:

- Issuer institution full name, unabbreviated;
- Issuer Ginnie Mae identification number;
- Signature of authorized issuer representative;
- Document custodian full name, unabbreviated;
- Individual loan file information:
 - ⇒ Mortgagor complete name(s); and
 - ⇒ Property address.
- Pool number;
- Full FHA/VA/RHS/PIH case number, including any dashes, prefixes and suffixes, even if it is more than twelve (12) characters. (See Exhibit 7-1 at the end of this chapter.)
- One of the five reason codes;
- A listing of document(s) removed in the nonliquidation section, if the entire loan file is not requested;
- Issuer loan number;
- Insuring or guaranteeing agency (FHA, VA, RHS or PIH); and
- Critical date:
 - ⇒ Mortgagor payoff - settlement date;
 - ⇒ Foreclosure - actual date or best estimate of settlement date;
 - ⇒ Substitution - estimated completion date;
 - ⇒ Other liquidation - estimated settlement date; or

- ⇒ Nonliquidation - expected return date, not later than one hundred eighty (180) days after document release date.

After reviewing the prepared form HUD 11708 for completeness and consistency, the document custodian must record its Ginnie Mae Document Custodian Identification Number and sign and date the form prior to releasing the requested loan file or documents to the issuer.

Ginnie Mae permits the use of facsimile signatures on form HUD 11708 by either the issuer or document custodian, as long as the signatures are permissible under the issuer or document custodian's corporate charter and by laws, and the use of such signatures is authorized by a resolution duly enacted by the issuer or document custodian's board of directors. Additional information for identification purposes may be added to the form HUD 11708 if agreed upon by the issuer and the document custodian. The loan file or documents transferred to the issuer must be accompanied by a copy of the signed and dated form HUD 11708. When the issuer requests loans from the document custodian using form HUD 11708, the issuer is responsible for appropriate insurance coverage to insure against any loss or damage to the files in transit. Original form HUD 11708's for Reason Code 6 may be retained in the related loan file or pool master file.

2. Release Reason Codes

- a. Reason Code 1: Mortgagor Payoff. Funds were recovered from the mortgagor to pay off the loan in full. When a mortgage has been paid in full, the loan file pertaining to the mortgage must not remain in the possession of the document custodian. The issuer must submit to the document custodian a form HUD 11708, Request for Release of Documents, no later than thirty (30) days following the loan liquidation date.

Upon release of the loan file from the document custodian's possession and receipt of the form HUD 11708, the document custodian must update the Schedule of Pooled Mortgages to reflect removed files. Form HUD 11706, Schedule of Pooled Mortgages may be maintained in an electronic medium, but the document custodian must be capable of producing a printout of form HUD 11706 upon request.

- b. Reason Code 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. This reason code is not to be used for loss mitigation.
- c. Reason Code 3: Foreclosure with Claim Payment. Loan was liquidated from the pool because insurance/guaranty funds were received from FHA, VA, RHS, or PIH.

Upon the release of a loan file from the document custodian's possession and receipt of the form HUD 11708, the document custodian must update the Schedule of Pooled Mortgages to reflect removed files. Form HUD 11706, Schedule of Pooled Mortgages may be maintained in an electronic medium, but the document custodian must be capable of producing a printout of form HUD 11706 upon request.

- d. Reason Code 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.
- e. Reason Code 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. During the first four months following the security issuance date, an issuer may substitute a defective mortgage with a comparable conforming mortgage. The defective loan file that is being replaced must be requested by the issuer to be released from the document custodian's possession using a form HUD 11708. Any form HUD 11708 submitted to a document custodian with this reason code must be accompanied by a copy of the letter from Ginnie Mae approving the substitution. The document custodian must not release a loan file based on this reason code if the form HUD 11708 is not accompanied by the substitute loan file and a copy of the Ginnie Mae approval letter. Once the loan file is released to the issuer, the document custodian must "line-out" the released loan file and attach the page with the substitute loan to the schedule with the substitute loan. A loan file that has been released because of a substitution may not be returned to the same pool. The document custodian must retain the copy of the Ginnie Mae approval letter in the pool master file for the remaining life of the pool.

- f. Reason Code 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.

3. Return Procedures

When a loan file released for Reason Code 1, 2, 4 or 5 is returned to the document custodian by the issuer, the document custodian must perform the following procedures to properly execute form HUD 11708 Return (form HUD 11708R):

- a. Match the original form HUD 11708 to the applicable loan file or documents;
- b. Review the returned file or documents to determine that all applicable loan documents are returned and meet the requirements for certification as outlined in this Manual;
- c. Sign and date the bottom of the copy of the form HUD 11708 that is being returned by the issuer (form HUD 11708 Return);
- d. Update the Schedule of Pooled Mortgages as necessary;
- e. Forward the executed form HUD 11708 Return to the issuer; and
- f. Sign and date the bottom of the original form HUD 11708 if the document custodian retains form HUD 11708's for files released with liquidation codes that have been returned; otherwise, dispose of the original form HUD 11708. The document custodian is not required to retain a copy of the form 11708 Return.

B . Termination Prior to Maturity of Pool

In the event of a pool termination, Ginnie Mae will notify the document custodian directly, in writing, authorizing the release of all remaining mortgage documents. Upon the receipt of the written authorization, the document custodian must release all loan documents relating to the terminated pool to the issuer.

C . Pool Maturity

After verifying that the security balance for the pool is zero, the document custodian should return all documents in its custody to the issuer. The document custodian can call the CPTA to verify the unpaid principal balance of the pool.

D. *Transfer of Custody by Ginnie Mae*

Upon notification to the document custodian by Ginnie Mae that an issuer in the MBS program has been placed in formal default status or if for any reason Ginnie Mae determines that the safety or security of loan documents is in jeopardy, the document custodian must comply with all written instructions from Ginnie Mae including, but not limited to, surrendering custody and delivering to Ginnie Mae or its agent all related documents.

E. *Transfer of Issuer Responsibilities*

This section describes custodial responsibilities when there is a change in issuer without a change in document custodian.

A transfer of issuer responsibility requires Ginnie Mae prior written approval of the transfer, the execution of a new Master Custodial Agreement and recertification of the pools. Prior to both final approval by Ginnie Mae and the actual transfer of issuer responsibilities, appropriate Master Custodial Agreements must be executed by both the substitute issuer and the existing document custodian, unless a current Master Custodial Agreement is already in effect.

Recertification (See Chapters 3, 4, 5 and 6) of a pool is required any time a pool is transferred to a substitute issuer, except where pools are simultaneously transferred to a substitute issuer through an intermediary institution. In the latter case, recertification may not be required for the intermediate transaction. Ginnie Mae grants waivers to issuers on a case-by-case basis for simultaneous transactions that occur within the same calendar day. If a recertification waiver is granted, a copy of Ginnie Mae's waiver letter must be included in each applicable pool master file.

Ginnie Mae does not require recertification, interim assignments or note endorsements if the transfer is due to a merger of institution. All mergers require prior written approval from Ginnie Mae. A copy of the merger documents and Ginnie Mae approval letter must be placed in the issuer matter file.

Issuers may request a complete or partial document custodian merger via *GinnieNET*.

F. *Transfer of Document Custodian Responsibilities*

This section describes custodial responsibilities when there is a change in document custodian, regardless of a change in issuer.

A transfer of document custodian responsibility requires Ginnie Mae prior written approval of the transfer, the execution of a new Master Custodial Agreement and recertification of the pools.

Prior to both final approval by Ginnie Mae and the actual transfer of responsibilities, appropriate Master Custodial Agreements must be executed by the existing or substitute issuer, as applicable, and the substitute document custodian, unless a current Master Custodial Agreement is already in effect..

Prior to the actual transfer of loan documents to the substitute document custodian, the current issuer must prepare an "Exhibit A," listing all pool numbers to be transferred to the substitute document custodian. (See example of "Exhibit A" at Exhibit 7-2). "Exhibit A" must be included with the issuer's transfer request sent to Ginnie Mae. Effective March 5, 1990, the current document custodian is no longer required to certify that all pools listed on "Exhibit A" were final certified.

Upon Ginnie Mae's written approval of the transfer, the following documents must be released to the substitute document custodian:

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- All forms HUD 11706.
 - All forms HUD 11711B and 11711A, if applicable.
 - All loan files.
 - All blanket interim assignments, legal opinions, and Ginnie Mae waiver letters.
 - All nonliquidation form HUD 11708's, Request for Release of Documents.
 - Any other pool level documents related to loan files.

It is the substitute document custodian's responsibility to determine that all required documents pertaining to all mortgages in each pool have been received.

The original "Exhibit A" must be presented to the substitute document custodian for retention. A copy of the completed and executed "Exhibit A" must be retained in the prior document custodian's records.

The prior document custodian is responsible for packing the files for transit and making the files available to the substitute document custodian. The issuer is responsible for the safe transfer of all documents to the substitute document custodian's facility. The custodial documents must be sent directly to the substitute document custodian, not to the issuer. The substitute document custodian must transfer all files directly to the permanent storage location specified in the Master Custodial Agreements. Whenever there is a physical movement of pool and loan files, the new issuer is responsible for appropriate insurance coverage to insure against any loss or damage to the files in transit. As an alternative, Ginnie Mae allows the use of a temporary rider to the issuer's or document custodian's property insurance policy to provide adequate coverage.

Recertification (See Chapters 3, 4, 5 and 6) of a loan pool is required any time a pool is transferred to a substitute document custodian. Recertification must take place within twelve (12) months of transfer for all transfers.

Ginnie Mae does not require recertification if the transfer is due to a merger of institution. All mergers require prior written approval from Ginnie Mae. A copy of the merger documents and Ginnie Mae approval letter must be placed in the issuer mater file.

G. Physical Security

Ginnie Mae has determined that certain requirements must be met by document custodians to ensure that a secure and accessible storage facility is provided for the retention of pool and loan documents. These requirements are:

1. All documents for a single pool must be retained in a single permanent storage location. The name, address and Ginnie Mae identification number of the document custodian must be specified on the final page of the applicable Schedule of Pooled Mortgages.

The address at which the documents are held must be the last address of record reported in writing to Ginnie Mae.

2. Ginnie Mae's approval must be received before a document custodian can move documents to a new location. The information that must be provided to Ginnie Mae in written form includes the

prior location's address; the new location's address and a listing of the pools to be moved. If the document custodian changes the location of Ginnie Mae pool documents to a new address, an appropriate amount of inland marine insurance coverage must be in force to indemnify against any loss or damage to the files in transit to the new permanent storage location. The document custodian is responsible for obtaining insurance coverage to insure against any loss or damage to the files in transit. As an alternative, Ginnie Mae allows the use of a temporary rider to the document custodian's property insurance policy to provide coverage.

3. Adequate controls and safeguards must be provided to protect documents from hazards and unauthorized access.
4. A fire resistant depository for all Ginnie Mae pool documents is required. The facility must provide a minimum of one and one half (1 and 1/2) two (2) hours of fire protection, as attested to in a written statement from the insurance company of the document custodian, the fire marshal, or a fire protection contractor of the applicable jurisdiction and updated upon any significant change in the facility. This statement of compliance must be retained by the document custodian and available for inspection by Ginnie Mae or its agent. It is acceptable if the storage facility meets Federal Deposit Insurance Corporation guidelines for vaults as stated in the FDIC Rules and Regulations.

It is the issuer's responsibility to reconstruct the loan files in the event of a disaster. Responsibility of the document custodian to the issuer, depends on the contractual agreement between the issuer and the document custodial.

H. Inventory Accounting

The document custodian must maintain control of pool and loan documents for the life of the pool. Custodial control is critical for preserving the collateral interests of the issuer, security holders and Ginnie Mae. This section describes specific inventory accounting requirements that must be followed for each issuer for which the document custodian is responsible:

- Issuer Master File;
- Issuer Custodial Register;
- Pool Master File;
- Annual Physical Inventory; and
- Nonliquidation Release Inventory/File.

1. Issuer Master File

For each issuer, the document custodian must maintain an Issuer Master File that includes at least the following information:

- i. Issuer custodial register (described below);
- ii. Master Custodial Agreement;
- iii. Any blanket legal opinions;
- iv. Copy of an issuer's corporate resolution for a name change; and

v. Any other applicable issuer level documents in the document custodian's possession.

2. Issuer Custodial Register

For each issuer, the document custodian must maintain a register which includes at least the following information:

- a. A listing of pools currently in custody, including pool identification numbers;
- b. For each pool, both the actual and due dates for final certification and recertification; and
- c. A count of the total number of pools in custody.

At a minimum, this register must be updated once a month. Monthly activity that must be recorded includes all pool certifications, transfer activity and terminations.

The issuer custodial register must be kept in the Issuer File and must be available for review by Ginnie Mae or its agent. However; if the issuer custodial register is maintained in electronic medium, the document custodian must be capable of producing a hard copy of the register upon request.

3. Pool Master File

For each pool covered under a Master Custodial Agreement, the document custodian must maintain a single Pool Master File that, at a minimum, must contain the following documents:

- a. Form HUD 11715, Master Custodial Agreement (not required if maintained in issuer master file);
- b. Form HUD 11706, Schedule of Pooled Mortgages. If the pool was issued prior to January 1996 the Schedule of Pooled Mortgages may have a different title and form number;
- c. Form HUD 11711B, Certification and Agreement;
- d. Form HUD 11711A, Release of Security Interest, if applicable;
- e. Original blanket interim assignment(s), with a copy included in each individual loan file to which the blanket applies;
- f. Copies of opinion(s) from qualified outside legal counsel (originals maintained in the issuer master file);
- g. Original pool level waiver letter(s) from Ginnie Mae; and
- h. All nonliquidation form HUD 11708's, Request for Release of Documents. Form HUD 11708's with nonliquidation release codes may also be retained in the individual loan files for released loan documents.

4. Annual Physical Inventory

At least annually, the document custodian must perform an inventory of all pools held for each issuer. At a minimum, the following procedures must be performed:

- a. The pool numbers on the issuer custodial register must be reconciled to a current issuer-provided listing of pools; and
- b. The pool numbers on the issuer custodial register must be reconciled to the pool master files.

The document custodian must provide each issuer it serves with a written summary of the results of the annual inventory. Any differences should be identified and resolved within one-hundred and twenty (120) days of submitting the inventory summary letter to the issuers. Unresolved differences must be immediately reported by the document custodian to the Ginnie Mae Office of Program Administration.

5. Nonliquidation Release Inventory/File

The document custodian must maintain an inventory or file of all form HUD 11708's submitted on the basis of the nonliquidation reason code. If a file is maintained, copies of the form HUD 11708's must be kept in chronological order by document release date. If an inventory is maintained, the following information must be included:

- a. Pool number;
- b. FHA/VA/RHS/PIH case number or loan number; and
- c. Document release date.

The Nonliquidation Release Inventory may be maintained in electronic medium, however, the document custodian must be capable of producing a hard copy of the inventory upon request. When a loan file or document has been released for more than 180 days, it becomes overdue. The custodian must notify the issuer of overdue documents every 90 days. The contact must be in writing and be documented in the inventory or file.

I. Document Exceptions

Specific document requirements are detailed throughout this Manual. Ginnie Mae will consider, on a case-by-case basis, granting an exception letter to an issuer for a specific document exception. Requests for exceptions to requirements must be submitted in writing, and all Ginnie Mae exception letters must be retained by the document custodian in the related loan and pool files for the remaining life of the loan/pool. If a waiver letter has been granted that pertains to specific pools and those pools are transferred, the waiver letter or a copy must transfer with the pools.

J. Missing Document Resolution

Lost or missing loan documents are documents that existed at some point, but are currently not in the possession of the issuer, document custodian or an agent, such as a foreclosure attorney or subcontract servicer. Note that the following discussion is not designed to be comprehensive and cannot be construed as a substitute for the advice of qualified legal counsel.

If Ginnie Mae HUD forms are missing from the pool master file, these documents may be replaced with a copy of the missing document, except for the Note, MIC, LGC or Loan Note Guaranty. The custodian must obtain a copy or original as appropriate of any missing document from the issuer.

If an interim assignment is missing and the assignee is defunct, the issuer must obtain a legal opinion from qualified outside legal counsel which cites applicable law and place it in the custodial loan file to which it pertains.

Ginnie Mae will accept copies of the recorded mortgage and interim assignments if originals are lost and the copies clearly show that the documents have been recorded.

1. Custodial Responsibilities

When a document custodian becomes aware that a required document is missing, it is the document custodian's responsibility to send the issuer a written lost document notification immediately, not to exceed thirty (30) days after discovery, and request timely resolution by the issuer. The written lost document notification to the issuer must contain each of the following items:

- Pool number;
- Loan or case numbers;
- Mortgagor and mortgagee names;
- Description of missing document;
- Date the document was discovered missing; and
- Possible reasons for the absence of the document, if known.

A copy of the document custodian written request must be placed and maintained in the pool master file. Additionally, at least quarterly the document custodian is expected to forward to the issuer a listing of all documents that have been missing for ninety (90) days or more.

Upon review and acceptance, the document custodian must file the replacement document in the applicable loan file and delete the document from the original lost document notification that was sent to the issuer.

2. Issuer Responsibilities

The issuer must make a timely submission of the replacement document. If the missing document relates to a loan in a pool that has not been final certified, the issuer must replace the document within twelve (12) months of security issuance.

If the pool has been final certified, the loan document must be replaced within ninety (90) days from the date of the written notice sent to the issuer by the document custodian. If the problem is not resolved within ninety 90 days, the custodian must then notify Ginnie Mae, the affected pools will be considered uncertified, and the loan file will have to be corrected.

For missing note situations requiring a lost instrument bond with limited liability, the lost instrument bond with limited liability must be in the form prescribed by Ginnie Mae. A lost note affidavit is not acceptable. The lost instrument bond must be accompanied by the appropriate power of attorney and certification as required by the insurance or surety company. (See Appendix I for the prescribed lost instrument bond with limited liability). The lost instrument bond does not require an endorsement. The bond must be submitted to the document custodian for review and approval. The document custodian will review the bond and, if acceptable, place the lost instrument bond in the document custodial loan file to replace the missing note.

In those cases where the document custodian may not be able to resolve a discrepancy with the issuer concerning the lost instrument bond, the document custodian must submit the lost instrument bond to Ginnie Mae's Office of Mortgage-Backed Securities for a final determination.

Pools that are past due for final certification or recertification regardless of whether the pools are under the tolerance that would require a Letter of Credit, does not place the issuer into compliance with Ginnie Mae's requirements.

If at any time an error is discovered by a document custodian, the document custodian must notify the issuer of the error for correction or resolution. If the error can not be remedied, Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)) must be notified after ninety (90) days.

The document custodian is required to review documents for their consistency and completeness. The issuer will be required to determine materiality of errors and adequately explain the materiality to the document custodian.

K . Common Problem Resolution

1. Re-recording of Interim Assignments

If an interim assignment or the security instrument has been re-recorded, all interim assignments following do not need to be re-recorded to correct the chain of title.

2. Oversigning/Undersigning by Borrower

Ginnie Mae will accept documents with undersigning by the borrower or co-borrower, if applicable.

Undersigning occurs when the borrower, or co-borrower, does not sign the complete name or initials, such as not signing a middle initial. If a document is undersigned, a name affidavit is required to be placed in the loan file. Oversigning is acceptable and does not require a name affidavit. Oversigning occurs when the borrower, or co-borrower, sign more names or initials, such as signing a full middle name instead of an initial.

3. Incorrect Borrower Name

If the borrower or co-borrower name on the Schedule of Pooled Mortgages is incorrect, it must be corrected. However, if the name on the Schedule is correct, then a name affidavit will be acceptable to correct loan documents with incorrect borrower names. The same name affidavit may apply to various loan documents with the same name error. It is acceptable to have a copy of the name affidavit in place of the original.

4. Minor Typographical Errors

Ginnie Mae will accept minor obvious typographical errors that are inconsequential and do not affect the pool or loan documents.

5. Correction Tape or Correction Liquid

Ginnie Mae will allow the use of correction tape or correction liquid on documents. However, the use of correction tape or correction liquid should be treated as any correction. If the correction requires initials, it must be initialed by the appropriate party.

6. Note Corrections

If a correction to the note is required, the note must be corrected. An allonge should not be used in place of making corrections to the note.

7. Incorrect Case Number

The issuer or document custodian may change the FHA/VA/RHS/PIH case number on the note or security instrument if the case number is incorrect. This correction would not require the borrower's initials or re-recording of the security instrument.

L. Issuer Corporate Name Changes

Issuers are required to provide the document custodian with a copy of the appropriate corporate resolution in the event of an issuer name change. The issuer is required to provide the resolution within thirty (30) days of a name change, and the resolution will be maintained by the document custodian in the issuer Master File. Issuers are not required to prepare new assignments because of a name change.

Exhibit 7-1: 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
Serial Number
FHA ADP Code

00
011
456789
1
229

Location Code
Check Digit

VHA 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

Example for VA Loan Number:

	Leading zeros		Office of Jurisdiction		Office of Origin		VA loan type		Loan Number
	000	06	57	6	6789012				

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

Example for RHS Case Number:

	Leading zero		State Code		County Code		Social Security Number
	0	12	345	678901234			

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

Example for PIH Case Number:

	Leading zeros		Case Number
	⏟		⏟
	000000	707	456789
		⏟	
		State 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.

Exhibit 7-2: "Exhibit A"

Seller's Name, ID No. _____

Buyer's Name, ID No. _____

Pool Number	Type (X, C, or M)	Unpaid Security Principal Balance	Date of Issue	Date Finally Certified/ Recertified
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Total No. of Pools _____

Grand Total \$
As of Date _____

All documents held by (name of custodian) pertaining to the above Ginnie Mae mortgage pools have been released to (name of substitute custodian). The release was made to (name of individual representing substitute custodian) and was completed as of (date).

Authorized Signature, Custodial Institution _____

Date _____

Name of Custodial Institution, ID No. _____

This exhibit is provided for general information only. For specific instructions for completion, refer to Ginnie Mae 5500.3, Rev. 1, Appendix [VIII-4](#).

Chapter 8. Third Party Compliance Oversight

A. *Independent Auditors (IA)*

The Guaranty Agreement or the contractual agreement between an issuer of Ginnie Mae mortgage-backed securities and Ginnie Mae requires the issuer to submit copies of its annual financial statements, audited by an independent certified public accountant or an independent public accountant (both referred to as IA), within ninety (90) days following the end of the issuer's fiscal year.

Because of its Master Custodial Agreement with an issuer, each document custodian also becomes subject to IA compliance audits so that issuer requirements are fulfilled. This IA compliance audit includes a review of the operations and records of each document custodian in accordance with the compliance tests for document custodians included in IG 2000.04 Rev. 2, Chapter 6, Ginnie Mae 5500.3, Appendix IX-1. The IA report on compliance testing includes all items of noncompliance that the IA has concluded are material departures from Ginnie Mae regulations or requirements.

The annual IA examination with respect to the document custodian can be performed in either, or both, of the two methods discussed below:

1. **Multiple Auditor Approach.** A document custodian may be tested for compliance with Ginnie Mae requirements by an IA engaged by each issuer for which a Master Custodial Agreement exists. The IA contracts with an issuer, performs audit procedures on the pooled mortgage documents related to that issuer only and issues reports based on the results of those tests. Under these circumstances, if a document custodian performs services for more than one issuer, more than one IA may audit the loan files each year.
2. **Single Auditor Approach.** One IA, engaged by the document custodian, performs one compliance review of all pooled mortgage documents held for every issuer for which a Master Custodial Agreement exists.

If an issuer uses only one document custodian, it must be reviewed every year. If an issuer uses more than one document custodian, all document custodians contracted by the issuer must be reviewed at a minimum of every three years.

A selected IA must meet certain Federal requirements and all work performed must comply with "Generally Accepted Government Auditing Standards." See IG 2000.04 Rev. 2, Paragraphs 1-2 and 1-3, for more detailed information.

B. *Compliance Review Agent (CRA)*

The Master Custodial Agreement executed between a document custodian and an issuer allows Ginnie Mae or an agent of Ginnie Mae to inspect and audit any and all records held by a document custodian relating to Ginnie Mae's guaranty of mortgage-backed securities.

Ginnie Mae or its agent is responsible for the following functions:

1. Testing issuer and document custodian records and procedures to determine whether they conform to Ginnie Mae requirements.
2. Following the completion of compliance testing, corrective action letters are issued to the document custodian, with relevant portions sent to affected issuers;

3. Following up with document custodians and issuers to resolve reported compliance exceptions; and
4. Monitoring compliance with final certification and recertification deadlines and following up as necessary when such certifications become past due.

Ginnie Mae's agent is responsible for contacting document custodians directly and scheduling periodic on-site compliance testing visits. Document custodians are required to provide full cooperation during their compliance testing and any subsequent follow-up contacts. Compliance testing is performed for the sole benefit of Ginnie Mae and does not substitute for the required annual IA examination described earlier in this chapter. Ginnie Mae or its agent will meet with the document custodian at the end of an on-site compliance test.

Chapter 9. Commonly Asked Questions and Answers

1. Q. If the Schedule of Pooled Mortgages needs to be corrected (wrong FHA#) who is responsible for correcting the schedule, the issuer or document custodian?
A. It is the issuer's responsibility. However, the issuer may authorize the document custodian to make certain corrections on the issuer's behalf. The issuer and document custodian must agree to what correction the document custodian is willing to make.
2. Q. If an automated system is used, why is it necessary to line out paid-in-full loans? This is double work, serves no useful purpose and is a very expensive exercise.
A. If the document custodian maintains an automated system, it is not necessary to update the schedule when loans are liquidated, if the document custodian can provide a status report of all loans in the pool.
3. Q. Can the issuer signature on form HUD 11706 for a recertification be a facsimile stamp?
A. The form HUD 11706 submitted to the Pool Processing Agent must have original signatures by both the issuer and document custodian. Copies maintained by either the issuer or document custodian can be signed using a facsimile stamp or a photo copy of the form HUD 11706 submitted.
4. Q. How long must the document custodian keep a pool master file when all loans are paid off? Is there a procedure to process this information to Ginnie Mae?
A. After verifying that the security balance for the pool has been reduced to zero, the document custodian should return to the issuer all remaining documents it has in custody for the pool. The document custodian can call the Central Paying and Transfer Agent at (212) 638-6582 to verify the unpaid principal balance of the pool.
5. Q. Does Ginnie Mae or the Pool Processing Agent have a standard procedure for notifying the issuer and/or document custodian that final certification has been completed and meets Ginnie Mae final certification requirements?
A. Yes, the Pool Processing Agent provides the issuer with a confirmation of the receipt and acceptance of the final certification.
6. Q. Will a computer generated version of form HUD 11708 that contains the same verbiage be acceptable? (In other words a different "format" of the form as presented in the Ginnie Mae MBS Guide?)
A. The issuer may use a computer generated form HUD 11708 provided that the format of the computer generated form is the same as the Ginnie Mae printed form.

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7. Q. Why would or in what instances would loans be substituted into a pool?
- A. If a loan is found to be defective within four months of the pool issue date, and the defect can not be corrected, the loan may be removed from the pool and another loan substituted upon receipt of Ginnie Mae's written approval of the substitution.
8. Q. If information (e.g., the pool number) on form HUD 11708 is incorrect, is it permissible for the document custodian to change or correct the pool number, or should it be sent back to the issuer for correction?
- A. Ginnie Mae has no objection to the document custodian making the correction. The issuer and document custodian must agree what corrections the document custodian is willing to make.
9. Q. If an issuer uses a warehouse bank is it necessary to use both the form HUD 11711A and form HUD 11711B? If the answer is yes, why are these forms shown as exceptions on the compliance review report?
- A. If the warehouse bank has any right, title, or interest in any of the pooled loans it must execute a form HUD 11711A. If the issuer indicates that no mortgage in the pool is subject to any security interest and then has the warehouse bank complete a form HUD 11711A, exception will be taken during the compliance testing. Conversely, if the issuer indicates that any loan is subject to a secured interest, and no form HUD 11711A is on file, exception will be taken.
10. Q. Does the annual physical inventory include an examination of each loan file within each pool or are document custodians required to only match pool information to its inventory and the issuer's reports?
- A. The annual physical inventory does not require an examination of each loan file within each pool. The annual physical inventory requires a reconciliation to agree the pool numbers on the document custodian's issuer custodial register to a current issuer provided listing of pools, and also a reconciliation of the pool numbers on the document custodian's issuer custodial register to the pool master files.
11. Q. Must legal opinions be by an outside attorney even if we have our own attorneys on staff?
- A. Legal opinions must be from qualified outside legal counsel.
12. Q. Who is responsible for updating legal opinions, the document custodian or the issuer?
- A. The document custodian and issuer are responsible for the updating legal opinions that each provided respectively.
13. Q. Is it necessary to retain all past corporate resolutions regarding a name change?
- A. If a name change creates a chain of title issue for the document custodian, the current issuer must resolve the problem. The corporate resolution is one document that can provide the clarification.
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14. Q. For assignments in jurisdictions not requiring recording, can the issuer obtain a blanket or master legal opinion?
- A. Yes.
15. Q. Is there a stipulation in the Ginnie Mae handbook regarding note endorsements and assignments? Can note endorsement(s) go from original mortgagee to Co. "C", and the assignments go from original mortgagee to Co. "B", then to Co. "C"?
- A. Ginnie Mae requires that the chain of endorsement(s) from the originator of the loan to the current issuer for the note and assignments must be complete. The note endorsement(s) can go from originator to Co. "C" and the assignments can go from the originator to Co. "B", then to Co. "C". Both documents have a complete chain of title, even though the two chains are not identical.
16. Q. Replacement of interim assignments - What if an interim assignment was never recorded and there is no assignment in the file? Can we obtain a new assignment and have it recorded? What does this do the chain of title?
- A. Yes, a new assignment should be obtained and recorded. This would not affect the chain of title.
17. Q. During a recertification of an acquisition we found recorded assignments from the previous issuer to Ginnie Mae. Does anything need to be done with these recorded assignments (i.e., record another assignment)?
- A. If an assignment to Ginnie Mae has been recorded, the issuer must correct by reassignment before the pool can be certified.
18. Q. If loans have already been recertified and now require recertification again, should the blanket assignment that cross pools redone?
- A. No. If the blanket assignments were recorded prior to July 1, 1992, new assignments do not have to be prepared. A copy of the blanket assignment must be placed in each loan file covered by the blanket assignment. Each copy of the blanket assignment must indicate the location of the original or recorder's office clerk certified copy of the recorded blanket assignment. The original/clerk certified copy must be placed in the issuer master file.
19. Q. Must interim assignments have legal descriptions? Some counties do not require a legal description.
- A. The issuer should consult with legal counsel for the requirements of the particular jurisdiction. It is the responsibility of the issuer to meet the assignment requirements of the jurisdictions for the mortgages that are pooled.
20. Q. Is acceptable to have an agency (MIC/LCG) or interim assignment signed by the use of facsimile signatures rather than original signatures?
- A. If the particular recording jurisdiction allows facsimile signatures, and the agency customarily uses a facsimile signature to endorse the MIC/LGC, it is acceptable to Ginnie Mae.
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21. Q. Can a document custodian use a Chums report for final certification by checking the Chums system for insurance information?
- A. No. The document custodian has the option of utilizing information in the FHA connection to ascertain insurance of the loan.
22. Q. If the MIC mortgage amount is less than the loan amount on form HUD 11706, and if a loan history is provided must the form HUD 11706 be amended to reflect the lower loan amount?
- A. No. Form HUD 11706 must show the note loan amount.
23. Q. Powers of Attorney - When are they required, at initial or final certification?
- A. Ginnie Mae does not require that the power of attorney executed by the borrower be given to the document custodian.
24. Q. If the grant deed reflects “Jane Doe, a married woman as her sole and separate property”, and the deed of trust reflects “Jane Doe, a married woman”. The title policy reflects the correct vesting in each case. Is this allowed or will the deed of trust require re-recording?
- A. Ginnie Mae does not require the document custodian to verify the vesting information.
25. Q. Can we correct an erroneous FHA case number on the note?
- A. Yes. The correction does not require the borrower’s initials.
26. Q. If the FHA/VA/RHS/PIH case number on the security instrument is wrong, can the issuer correct this without re-recording the security instrument?
- A. Yes. The correction does not require the borrower’s initials.
27. Q. If a signature on a note is oversigned, is a name affidavit required? If a signature on a note is undersigned, is a name affidavit required?
- A. A name affidavit is not required for oversigning, but is required for undersigning.
28. Q. If the borrower’s mailing address is used on the note and appears on the form HUD 11706 and the MIC has the property address, can an exception letter be used to cover the various addresses.
- A. The address shown on form HUD 11706 and the MIC must be the property address. The address on form HUD 11706 must be corrected. An exception letter will not cover this discrepancy.
29. Q. If an issuer wishes to use facsimile signatures to endorse notes, does Ginnie Mae need anything in advance to grant approval?
- A. Ginnie Mae’s approval is not required provided that the Board of Directors authorized the use of facsimile signatures and the signatures are acceptable in the relevant jurisdiction.
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30. Q. Can an allonge or addendum be added to the note for new endorsements at time of transfer by the document custodian?
- A. Ginnie Mae will permit the use of an allonge containing a note endorsement for third party originations. Issuers must ensure that an allonge is enforceable in the jurisdiction where the property is located by obtaining a legal opinion from qualified outside counsel. The legal opinion must unambiguously state that it is one on which Ginnie Mae may rely. Such opinion does not have to be issuer specific; an opinion addressed to one issuer may be used by other issuers so long as the legal opinion explicitly provides that it may be relied upon by Ginnie Mae for any Single-Family MBS, regardless of whether the MBS is issued by the issuer that obtained the legal opinion.
- In addition, issuers must ensure the following: the allonge clearly references the note; that measures are implemented to prevent the placement of additional endorsements on the note once an allonge has been used; and that standards are implemented to minimize the possibility of the allonge becoming detached from the note.
31. Q. Does the effective date of the title policy need to be the recorded date of the mortgage or can it be the closing date?
- A. The effective date of the title policy should be the date of the recording, unless the policy states that the mortgagee has a valid first lien as of the issue date of the policy. The policy may contain language that states that the title company insures, as of the date of the policy, against loss or damage sustained or incurred by the insured by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.
32. Q. Does the name of the insured clause on the title policy have to be changed each time it is sold? Does the phrase “and/or its successors...” cover the change?
- A. The phrase “and/or its successors...” covers the changes. If the title policy is a standard ALTA policy or if the policy in the definition of the “insured” states “and/or its successors...”, it is also covered.
33. Q. If an Abstract of title containing an attorney’s opinion is sufficient in the jurisdiction, does Ginnie Mae require a title policy?
- A. No.
34. Q. When working under the pressure of impending letter of credit deadlines for final certifications and recertification for Ginnie Mae pools, could alternatives other than county recorder’s office-certified copies of documents be acceptable? Master Financial Services in California offers copies of documents on file at the county recorder’s office. Are Lender/Servicer certified copies of assignment acceptable?
- A. No. Ginnie Mae will only accept original or clerk certified copies from the Records Office in which the they were recorded. However, if the recorded document was lost, then a copy of the recorded document showing that the document had been recorded would be acceptable.
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35. Q. What is the least amount of information that needs to be on interim assignments and agency assignments for them to be valid assignments?
- A. Ginnie Mae requires that the interim assignment be recorded, therefore, the information that would be needed for recording, and valid enforcement of the assignment is determined by state law.
36. Q. When reconciling the assignment or intervening assignments to a note which has multiple mortgagors, must every mortgagor's full name be on the assignment?
- A. If multiple mortgagor names appear on the mortgage, the names on the assignment should be same as on the mortgage.
37. Q. If the mortgage or deed of trust has been re-recorded, under what circumstances does the original assignment and/or any or all interim assignment need to be re-recorded?
- A. If the mortgage or deed of trust was re-recorded because of corrections to the terms of the mortgage the assignment must be recorded. It will also be necessary to obtain an endorsement to the title policy for the re-recording of the mortgage.
38. Q. When is it acceptable for the notary witness date to differ from the closing date of the mortgage?
- A. The notary date must be the same as signature date, signature date may be prior to closing.
39. Q. Is it acceptable for the interim assignment to be recorded just before the deed of trust instead of after?
- A. No. The interim assignment may be recorded concurrently with the deed of trust or immediately after.
40. Q. Please explain what is meant by "qualified outside legal counsel," and what types of exceptions can be waived by an proper legal opinion? Also, who decides if the opinion is acceptable and who is qualified?
- A. Ginnie Mae relies on the issuer to seek attorneys outside their company when necessary, to render legal opinions which cite applicable law. These opinions would be used in cases of missing intervening assignments and note endorsements by companies which are now defunct. In cases of dispute between the issuer and document custodian, Ginnie Mae would make the final determination on the legal opinion.
41. Q. At initial certification, if the case number on the form HUD 11706 does not agree with the case number on the note, does Ginnie Mae require that a correction be made then, or can the document custodian wait until the MIC has been received to make the correction?
- A. The case number on form HUD 11706 must be corrected prior to the execution of the initial certification if it is known to be wrong.
42. Q. What are Ginnie Mae's policies on when a name affidavit is needed?
- A. A name affidavit is required for undersigning by the mortgagor.
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43. Q. Can a notary also sign as a witness?
- A. Yes, as long as it is permitted by state law and the notary is not witnessing his or her own signature.
44. Q. What are Ginnie Mae's requirements for signatures on powers of attorney? Why do state requirements in this regard not take precedence over agency requirements?
- A. Ginnie Mae does not require that the issuer provide the document custodian with power of attorney. This requirements does not take precedence over the state requirements.
45. Q. On the security instrument, if the legal description is correct and the physical street address is incorrect, does Ginnie Mae require that the address be corrected?
- A. Yes, the address must be corrected but the instrument does not have to be initialed or re-recorded.
46. Q. Does the "date of the policy" change to reflect the re-recorded mortgage?
- A. Date is brought forward to reflect re-recording of mortgage when required.
47. Q. Please describe which kinds of typographical errors are acceptable and which types should trigger the document custodian to reject the pool?
- A. Minor obvious typographical errors that are inconsequential items that do not affect the documents are acceptable.
48. Q. How does Ginnie Mae feel regarding white-out? If white-out is used on an MIC, deed of trust, mortgage or note does it need to be initialed and, if so, by whom?
- A. The use of white-out or correction tape must be treated as any correction, if the correction requires initials, it must be initialed. However, if the correction changes the term of the loan white-out should not be used, but instead strikeout the term and correct it. The borrower must initial the correction.

Appendix I
Lost Instrument Bond With Limited Liability

- Purpose: To be used for missing mortgage notes.
- Prepared by: The issuer and insurance/surety company.
- Prepared in: Original and any copies the issuer may want to retain.
- Distribution: Submit original bond to document custodian for review and retention in document custodial loan file.
- Completion Instructions: The circled numbers on the illustrated form correspond to the numbers listed below.
1. Name of issuer purchasing the bond.
 2. Ginnie Mae pool number.
 3. Current issuer loan number.
 4. FHA/VA/RHS/§ 184 case number.
 5. Name of original mortgagor.
 6. Address of property.
 7. Mortgage recording information.
 8. Amount of bond (remaining principal balance of loan plus twenty percent).
 9. Name of surety or insurance company. (Obligor).
 10. Date the bond was executed by surety or insurance company.
 11. Name of surety or insurance company.
 12. Signature of representative for surety or insurance company.
- Note: (The bond must be accompanied by the appropriate power of attorney and certification as required by the insurance or surety company.)

LOST INSTRUMENT BOND WITH LIMITED LIABILITY

WHEREAS, _____ (1) is a contract servicer of mortgages collateralizing Ginnie Mae-guaranteed mortgage-backed securities in pool number _____ (2) _____ and mortgagee of record for the mortgage securing the note identified as

- Issuer Loan Number _____ (3)
- FHA/VA/RHS Number _____ (4)
- Mortgagor _____ (5)
- Address of Property _____ (6)
- Mortgage Recording Information _____ (7)
- Amount of Bond _____ (8)

which note has been lost, mislaid, destroyed or stolen and cannot be found or produced.

WHEREAS, Ginnie Mae is the equitable owner of said note and desires assurance that no adverse claims shall be made as to its ownership rights by reason of said note being lost, mislaid, destroyed or stolen.

_____ (9) as obligor, (insert name of surety or insurance company) its heirs, legal representatives, successors and assigns of the Obligor shall indemnify and save harmless the Government National Mortgage Association, the contract servicer of mortgages collateralizing Ginnie Mae guaranteed mortgage-backed securities or their successors or assigns (hereinafter called Obligee), from and against any and all losses, claims, actions, suits, damages, charges or expenses of any nature and character by reason of said lost, mislaid, destroyed or stolen instrument(s) being presented by a holder other than the Obligee, for partial or complete payment.

This Bond may be immediately enforced by the Obligee upon presentation of the original and/or duplicate note(s) for partial or complete payment by the mortgagor by a holder other than the Obligee.

This Bond shall be void only if the instrument(s) so lost, mislaid, destroyed or stolen be found or come into the hands of the Obligee.

Date this _____ day of _____ (10), 19_____.

_____ (12)

Obligor

CHECKLIST EXCEPTIONS

Description	Resolution and/or Reference to Supporting Schedules

Prepared by: _____

Reviewed by: _____

Appendix II

Single-Family Mortgage Pool Submissions (SF, BD, AQ, AR, AT, AF, AS, AX, GP, GT, GA, GD AND SN) Initial and Final Certification Checklist

This checklist has been developed to aid in the review of pool submissions in accordance with the Document Custodian Manual and provisions in the Ginnie Mae MBS Guide Handbook 5500.3, Rev. 1. The checklist is not a substitute for the authoritative literature. The checklist is necessarily general in nature and does not purport to be complete in all respects.

I. RECEIPT OF POOL FROM ISSUER

- _____ A. Establish an individual pool master file.
- _____ B. Documents required to be maintained in the pool master file:
 - _____ 1. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year and maintained the in the Issuer Master File.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest, if applicable.
 - _____ 5. Original blanket assignments with a copy in each individual file to which the blanket applies.
 - _____ 6. Blanket opinions from qualified outside legal counsel.
 - _____ 7. Form HUD 11708, Request for Release of Documents, to be retained in the pool master file for any loan listed on form HUD 11706 that has been released. A form HUD 11708 may not substitute for required loan documents at the time of initial certification or substitute for required loan documents at the time of final certification in the case of a nonliquidation release code.

II. INITIAL CERTIFICATION

- _____ A. Minimum required pool level documents:
 - _____ 1. Form HUD 11715, Master Custodial Agreement.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest, if a second party security interest is indicated on form HUD 11711B.

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- _____ B. Minimum required loan level documents:
- _____ 1. Original promissory note and attachments endorsed in blank and without recourse.
- _____ 2. If the issuer did not originate the loan and the loan is not registered with MERS, all original recorded interim assignments (or issuer written certification if originals were sent for recordation).
- _____ As an alternative to individual interim assignments, a blanket interim assignment is acceptable if allowed in the jurisdiction as documented in an opinion from qualified outside legal counsel.
- _____ 3. If the loan is registered with MERS, all required interim assignments from origination of the loan to the assignment to MERS.
- _____ 4. If the loan was originated with MERS as the original mortgagee (MOM), no interim assignment will be required so long as the loan remains registered with MERS.
- _____ C. Review of Documents:
- _____ 1. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
- _____ a. Verify that the Master Custodial Agreement has been filled out completely.
- _____ b. Verify that the Master Custodial Agreement has been signed by the issuer and the document custodian.
- _____ c. Verify that the Master Custodial Agreement is dated on or before the current date.
- _____ d. File the Master Custodial Agreement in either the related issuer or pool master file.
- _____ 2. Form HUD 11706, Schedule of Pooled Mortgages
- _____ a. Verify that the total number of loans reported in the Schedule is the same as the number of loan files received for the pool.
- _____ b. File the Schedule in the related pool master file.
- _____ 3. Form HUD 11711B, Certification and Agreement
- _____ a. Verify that the commitment number agrees with the Ginnie Mae Pool/Loan Package Number on the related form HUD 11706.
- _____ b. Determine that one of the two boxes on the form has been checked.
- _____ c. If the form HUD 11711B indicates that there is a second-party security interest in any pooled mortgage, verify that there is at least one executed form HUD 11711A.
- _____ d. Verify that the form has been signed by the issuer.
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- _____ e. File the form HUD 11711B and form HUD 11711A, if required, in the related pool master file.
- _____ 4. Promissory Note
- _____ a. Verify that each item listed below is the same on both the promissory note and the related form HUD 11706, Schedule of Pooled Mortgages:
- _____ i. Mortgagor name;
- _____ ii. Principal amount (alpha and numeric);
- _____ iii. Interest rate (alpha and numeric);
- _____ iv. Monthly principal and interest payment (alpha and numeric);
- _____ v. Term of the loan (first and last payment due dates); and
- _____ vi. Property street address, city and state (if property address is included on the note).
- _____ b. Verify that each signature on the note agrees with the name typed below the signature line it appears on.
- _____ c. Verify that a complete chain of endorsement exists from the originator of the loan to the pooling issuer.
- _____ If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this is not possible, the issuer's qualified outside legal counsel must review and agree with the proposed cancellation in writing.
- _____ d. Determine that the issuer endorsement in blank and without recourse was made by a responsible officer.
- _____ e. Examine the promissory note for sections requiring a notarization, acknowledgment or witness and if so, verify it is completed.
- _____ f. Verify that each rider, allonge or addendum relates to and references the note.
- _____ g. Verify, if the note is missing, that a lost instrument bond with limited liability is present, that the lost instrument bond is in the form set forth in Appendix I, and that each item below has been filled in on, or accompanies, the bond:
- _____ • Name of issuer purchasing the bond.
- _____ • Ginnie Mae pool number.
- _____ • Current issuer loan number.
- _____ • FHA/VA case number.
- _____ • Name of original mortgagor.
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- Address of property.
 - Mortgage recording information.
 - Amount of bond (remaining principal balance of loan plus twenty percent).
 - Name of surety or insurance company. (Obligor)
 - Date the bond was executed by surety or insurance company.
 - Name of surety or insurance company.
 - Signature of representative for surety or insurance company.
 - Appropriate power of attorney and certification as required by surety or insurance company.

5. Security Instrument Assignments

a. Individual Mortgage Interim Assignments:

- i. Verify that all interim assignments follow a complete chain of title from the original lender to the current issuer. If the security instrument is closed with MERS as nominee for the Original Mortgagee, interim assignments will not be required if the loan is registered on MERS.
- ii. Verify that all interim assignments are recorded or that the issuer has certified that the assignments have been transmitted for recordation.
- iii. Verify that the mortgagor name(s) on the assignment agrees with the form HUD 11706, Schedule of Pooled Mortgages.
- iv. Verify that each interim assignment is either a recorded original, clerk-certified copy or copy of the recorded assignment. If an interim assignment is presented that is not an original, a clerk-certified of an original or copy of the recorded assignment or has no evidence of recordation or evidence of being transmitted for recordation, it must be accompanied by one of the following documents:
 - A specific waiver letter from Ginnie Mae;
 - An individual mortgage legal opinion from qualified outside legal counsel that states that the assignment(s) is enforceable in the jurisdiction of the mortgage; or
 - A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all mortgages in a specific jurisdiction.

b. Blanket Interim Assignments

- i. Verify that all blanket interim assignments are recorded or that a copy of the assignment has been certified by the issuer as having been transmitted for recordation.
- ii. Verify that all blanket assignments only apply to mortgages in the same pool and the same recording jurisdiction.
- iii. Verify that a copy of each blanket assignment is maintained in each loan file to which the blanket assignment applies and that the original is maintained in the applicable pool master file.
- iv. If the blanket interim assignment is not a recorded original, clerk-certified copy or a copy of the recorded assignment, follow the procedures at II(C)(5)(a)(iv) above.

D. Completion of Initial Certification

1. The document custodian must complete the initial certification on the back of the last page of the form HUD 11706 or through GinnieNET as follows:
- a. Date of document custodian's initial certification;
- b. Full legal name, address and Ginnie Mae identification number of the document custodian;
- c. Authorized signature of document custodian; and
- d. Name and title of the officer who has signed the certification.
2. Submit the initial certified original form HUD 11706 to the PPA (directly or through the issuer). If the pool is submitted electronically, the document custodian must transmit the pool to the GinnieNET network.
3. Place copy of initial certification in pool master file.

III. FINAL CERTIFICATION

A. Within twelve (12) months of issuance, the following additional documents are required to be delivered to the document custodian by the issuer for final certification:

1. Original mortgages (or other security instruments) signed by the mortgagor and recorded.
2. Recorded interim assignments that were not available for initial certification.
3. Mortgagee title insurance policy or other evidence of title acceptable to FHA, VA, RHS or PIH (not required on HUD-conveyed property and VA Vendee loans).
4. Original evidence of mortgage insurance or loan guaranty certificate signed by FHA, VA, or RHS, with completion of case numbers shown on form HUD 11706, except in cases involving VA Vendee loans.
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- _____ B. Review of Documents
- _____ 1. Security Instrument and Interim Assignments
- _____ a. Verify that each item listed below is the same on both the security instrument and the form HUD 11706, Schedule of Pooled Mortgages:
- _____ i. Mortgagor name;
- _____ ii. Principal amount (alpha and numeric);
- _____ iii. Term of loan (first and last payment due dates);
- _____ iv. Property street address, city and state (if property address is included on the security instrument); and
- _____ v. FHA/VA/RHS/PIH case number (if the case number appears on the security instrument).
- _____ b. Determine that the date of the security instrument is the same as or later than the date of the promissory note.
- _____ c. Verify that the security instrument includes evidence of recording.
- _____ d. Verify that a legal description appears on the security instrument or on an attachment to the instrument.
- _____ e. Verify that all signatures on the security instrument properly relate to the note.
- _____ f. Examine the security instrument for the completion of any required notarization, acknowledgment of witness.
- _____ g. Verify that any rider or addendum properly relates to the security instrument.
- _____ h. Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.
- _____ i. Determine that interim security instrument assignments, copies of which were certified as having been transmitted by the issuer for recordation at initial certification, have been replaced at final certification with original assignments or clerk-certified copies of the original.
- _____ 2. Mortgagee Title Insurance (not applicable to HUD-conveyed or VA Vendee loans)
- _____ a. Confirm that an original title policy, a duplicate original signed (or countersigned) by the title company or a copy of the original title policy has been delivered that includes Schedules A, B and Conditions and Stipulations or comparable information.
- _____ b. Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
- _____ c. Compare each of the following line items, appearing on Schedule A of the title policy to the security instrument:
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 - i. Date of title insurance policy, which must be the same as or later than the recording date on the security instrument; however, in some jurisdictions the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier (issuer must supply evidence that this provides effective coverage).
 - ii. Amount of insurance coverage, which must be no less than the original amount of the mortgage or the maximum mortgage amount, whichever is higher.
 - _____

d. Verify that each of the following items, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:

 - i. Mortgagor name(s);
 - ii. Jurisdiction recording information;
 - iii. Trustee names(s), if applicable; and
 - iv. Principal amount.
 - _____

e. Verify that the legal description of Schedule A includes either of the following:

 - i. A phrase that specifically references the legal description in the security instrument; or
 - ii. A complete legal description.
 - _____

f. Verify that the named insured under the title insurance policy is the name of the mortgagee “and/or the Secretary of Housing and Urban Development of Washington, D.C., his successors and assigns, as their interests may appear,” consistent with HUD closing requirements, or the definition of “insurance” includes any governmental agency or an instrumentality that is an insurer or guarantor under an insurance or guaranty contract insuring or guaranteeing the indebtedness.
 - _____

g. If the issuer was not the originator of the mortgage, the title policy may show the original mortgagee as the insured mortgagee (see above). In that case, verify that the policy is accompanied by an endorsement of the policy to the issuer as the mortgagee or that the definition of “insured” includes each successor in ownership of the indebtedness secured by the mortgage.
 - _____

h. If an Torrens certificate or abstract of title has been provided, verify that a legal opinion from outside legal counsel, prepared at or after the recordation of the security instrument, has been provided which documents the acceptability of this evidence of title in the jurisdiction.
 - _____

i. If a master title insurance policy is used, mortgagee certificate of title insurance must be placed in the related loan files.
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- _____ 3. FHA Mortgage Insurance
- _____ a. When reviewing the MIC, verify that each item listed below is the same on both the MIC and the form HUD 11706, Schedule of Pooled Mortgages:
- _____ i. FHA case number;
- _____ ii. Mortgagor name(s);
- _____ iii. Property address;
- _____ iv. Principal amount;
- _____ v. Interest rate;
- _____ vi. Monthly principal and interest payment; and
- _____ vii. Term of loan (first and last payment due dates).
- _____ b. Verify that the MIC has been signed by the FHA and that it includes the endorsement date.
- _____ c. When reviewing FHA Connection, verify that each item below is the same on both FHA Connection and Form HUD 11706, Schedule of Pooled Mortgage:
- _____ i. FHA case number;
- _____ ii. Mortgagor name(s);
- _____ iii. Property address;
- _____ iv. Mortgage amount;
- _____ v. Interest rate; and
- _____ vi. Endorsement date.
- _____ 4. VA Guaranty (Not applicable to VA Vendee loans)
- _____ a. When reviewing the LGC, verify that each item listed below is the same on both the LGC and the form HUD 11706, Schedule of Pooled Mortgages:
- _____ i. VA case number;
- _____ ii. Name of veteran/mortgagor; and
- _____ iii. Principal amount.
- _____ b. In the case of a physical LGC, verify that the LGC has been signed and dated by an authorized agent for the VA. In the case of a loan guaranteed via electronic means, verify by independent direct confirmation that the loan has been electronically guaranteed by VA.
- _____ c. Verify that a percentage (%) of indebtedness guaranteed is noted on the LGC.
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- d. When reviewing the TAS, verify the following:
 - i. A date in the Guaranty Request field;
 - ii. In the Current Status field, “Guaranty Issued” is required for the loan to be guaranteed; and
 - iii. In the Date of Current Status, a date must be evident.

5. RHS Loan Note Guaranty

- a. Verify that each item listed below is the same on both the LGC and the form HUD 11706, Schedule of Pooled Mortgages:
 - i. RHS case number;
 - ii. Name of mortgagor; and
 - iii. Principal amount.
- b. Verify that the Loan Note Guaranty has been signed and dated by an authorized agent for the RHS.

6. PIH Indian Loan Guarantee Certificate (ILGC)

- a. Verify that each item listed below is the same on both the ILGC and the form HUD 11706, Schedule of Pooled Mortgages.
 - i. § 184 case number
 - ii. Name of mortgagor(s)
 - iii. Property address
 - iv. Mortgage amount
 - v. Interest rate
- b. Verify that the ILGC has been signed by an authorized agent of the Assistant Secretary for Public and Indian Housing.

C. Completion of Final Certification

- 1. The document custodian must complete the final certification on the back of the last page of the form HUD 11706 as follows :
 - a. Date of document custodian’s initial certification;
 - b. Full legal name, address and Ginnie Mae identification number of the document custodian;
 - c. Authorized signature of document custodian; and
 - d. Name and title of the officer who has signed the certification.
 - 2. Submit the final certified original form HUD 11706 to the PPA (directly or through the issuer).
 - 3. Place a copy of the final certification in the pool master file.
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Pool Recertification Checklist

This checklist has been developed to aid in the review of pool submissions in accordance with the Document Custodian Manual and provisions in the Ginnie Mae MBS Guide Handbook 5500.3, Rev. 1. The checklist is not a substitute for the authoritative literature. The checklist is necessarily general in nature and does not purport to be complete in all respects.

I. RECERTIFICATION PROCEDURES

- A. Except for pools qualified for recertification under Section C below, for pools with an issue date less than ten years prior to the effective transfer date, the document custodian is required to perform the following review procedures on pool and loan documents to confirm their completeness and consistency:
1. The recertification can be completed using one of the following methods:
 - a. Reconcile the original loans listed on the original form HUD 11706 to the active loans listed in the issuer's current loan trial balance and the form HUD 11708's for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment on the form HUD 11706; or
 - b. Attach a list of the loans remaining in the pool, per the issuer's current trial balance to the recertification, form 11706. The information provided for each loan must be the same as the information required on the front of form HUD 11706. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. "Balance this monthend" for the reporting month used. A copy of the form HUD-11710-A must be placed in the document custodian's "Pool Master File" with a copy of the certification.
 2. Verify that all required pool and loan documents are present and meet the required review standards detailed in Sections II(C) and III(B), if applicable, of the appropriate pool type checklist.

Form HUD 11711B, Certification and Agreement is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)) for missing documents.
 3. If there has been a change in issuer, verify that there has been an additional recorded interim assignment of the mortgage(s). (For Manufactured Home Loan pools, verify that there has been an additional recorded or perfected interim assignment of the security agreement).
 4. Verify that no form HUD 11708's, Request for Release of Documents, with nonliquidation release codes are included in active loan files and the pool master file in the place of a promissory note. If the pool is certified with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.
 5. Verify that all form HUD 11708's are included with the form HUD 11706, Schedule of Pooled Mortgages, in the pool master file.

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- _____ 6. If there has been a change in issuer, verify that the substitute form HUD 11706, Schedule of Pooled Mortgages, contains the name, ID number and address of the substitute issuer.
- _____ 7. Completion of Recertification
- _____ a. The document custodian must complete the certification on the back of the last page of the form HUD 11706, Schedule of Pooled Mortgages, as follows:
- _____ i. Date of the document custodian’s recertification;
- _____ ii. Full legal name and Ginnie Mae identification number of the document custodian;
- _____ iii. Document custodian’s complete address;
- _____ iv. Authorized signature of document custodian; and
- _____ v. Name and title of the officer who has signed the recertification.
- _____ b. Submit the recertified form HUD 11706, Schedule of Pooled Mortgages, to the PPA (directly or through the issuer).
- _____ c. Place a copy of the recertification in the pool master file.
- B. Except for pools qualified for recertification under Section C below, for pools with an issue date ten or more years prior to the effective transfer date, the document custodian is required to perform the following limited review procedures on pool and loan documents to confirm that all documents are accounted for and relate to the loans listed on form HUD 11706 being recertified:
1. The recertification can be completed using one of the following methods:
- a. Reconcile the original loans listed on the original Form HUD 11706 to the active loans listed in the issuer’s current loan trial balance and the Form HUD 11708’s for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment on the form HUD 11706; or
- b. Attach a list of the loans remaining in the pool, per the issuer’s current trial balance to the recertification form HUD 11706. The information provided for each loan must be the same as the information required on the front of form HUD 11706. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. “Balance this monthend” for the reporting month used. A copy of the form HUD-11710-A must be placed in the document custodian’s “Pool Master File” with a copy of the certification.
- _____ 2. Verify that all required pool and loan documents are present and meet the following minimum review standards. The pool and loan documents must reasonably satisfy Ginnie Mae’s requirements for re-certifying loans listed on the related form HUD 11706.
- a. Form HUD 11711B, Certification and Agreement
- _____ • Is not required for recertification if the pool was transferred to a new issuer and is more than three years old. If the pool is less than three years old and has been transferred, the new issuer is required to obtain forms HUD 11711B and 11711A (if required) from the original issuer. If forms HUD 11711B and 11711A cannot be obtained, the new issuer must obtain a waiver letter from Ginnie Mae’s Office of Mortgage-Backed Securities (see [Addresses](#)) for missing documents.
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b. Promissory Note

- Verify that the promissory note is an original document with an original signature.
- Verify that a complete chain of endorsement exists from the originator of the loan to the pooling issuer.
- Verify that the promissory note is endorsed in blank and without recourse.

c. Security Instrument

- Verify that the security instrument is a recorded original or a clerk-certified copy of the recorded security instrument showing the document was recorded. A copy of the security instrument is acceptable if the original security instrument is lost and the copy clearly indicates the document has been recorded.

d. Security Instrument Assignments

- Verify that all interim assignments are recorded originals or a clerk-certified copy. A copy of the recorded assignment is acceptable if the original recorded assignment is lost and the copy clearly indicates the document has been recorded. Interim assignments required on or before March 31, 1979 are not required to be in the custodial file in order for the recertification to be completed.
- Verify that all interim assignments required on or after April 1, 1979 follow a complete chain of title from the original lender to the current issuer.

e. Mortgagee Title Insurance -- (Not Applicable to HUD-Conveyed or VA Vendee Loans)

- Confirm that an original title policy or a duplicate original signed (or countersigned) by the title company. A copy of the mortgage title insurance policy is acceptable if the original is lost.
- Verify that each item listed below, appearing in the mortgage information

f. FHA Insurance

- Verify that the MIC has been signed by the FHA and that it includes the endorsement date or verify the endorsement date in FHA Connection..

g. Loan Guaranty status (Not Applicable to VA Vendee Loans)

- In the case of a physical LGC, verify that the LGC has been signed and dated by the VA. In the case of a loan guaranteed via electronic means, verify confirmation that the loan has been electronically guaranteed by VA. When accessing TAS, verify that "Guaranty Issued" is contained in Current Status field.

h. RHS Loan Note Guaranty Certificate

- Verify that the RHS Loan Note Guaranty Certificate has been signed and dated by the RHS.
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- _____ 3. Verify that no form HUD 11708's, Request for the Release of Documents, with nonliquidation release codes are included in active loan files and the pool master file in the place of a promissory note. If a custodian certifies a pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.
- _____ 4. Verify that all form HUD 11708's with liquidation release codes are included with the form HUD 11706 in the pool master file, applicable to 2(a) above.
- _____ 5. If there has been a change in the issuer, verify that the substitute form HUD 11706, Schedule of Pooled Mortgages, contains the name, ID number and signature of the substitute issuer.
6. Completion of Recertification
- _____ a. The document custodian must complete the certification on the back of the last page of the form HUD 11706, Schedule of Pooled Mortgages, as follows:
- _____ i. Date of the document custodian's recertification;
- _____ ii. Full legal name and Ginnie Mae identification number of the document custodian;
- _____ iii. Document custodian's complete address;
- _____ iv. Authorized signature of document custodian; and
- _____ v. Name and title of the officer who has signed the recertification.
- _____ b. Submit the recertified form HUD 11706, Schedule of Pooled Mortgages, to the PPA (directly or through the issuer).
- _____ c. Place a copy of the recertification in the pool master file.
- C. At the discretion of the issuer, for pools and loan packages collateralized by single-family loans, the document custodian may be required to perform limited review procedures on pool and loan documents to confirm that the listed documents are accounted for and relate to the loans listed on form HUD 11706 being recertified:
1. The recertification can be completed using one of the following methods:
- a. Reconcile the original loans listed on the original form HUD 11706 to the active loans listed in the issuer's current loan trial balance and the form HUD 11708's for the loan files that have been removed. Mortgages that have been satisfied must be noted or deleted by manual lining out the terminated loans. Referring to the original schedule by attachment of the form HUD 11706; or
- b. Attach a list of the loans remaining in the pool, per the issuer's current trial balance to the recertification form HUD 11706. The information provided for each loan must be the same as the information required on the front of form HUD 11706. Because of assumptions, the borrower's name provided on form HUD 11706 may not agree with the loan documents. The list of pooled loans must represent the pool principal and the total number of mortgages reported on form HUD 11710-A, Section 1-D. "Balance this month-end" for the reporting month used. A copy of the form HUD 11710-A must be placed in the document custodian's "Pool Master File" with a copy of the certification.
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_____ 2. Verify that the following pool and loan documents are present:

a. Promissory Note

_____ Verify that the promissory note is an original document with an original signature.

_____ Verify that a complete chain of endorsements exists from the originator to the endorsement in blank.

_____ Verify the existence of an endorsement in blank and without recourse.

b. Security Instrument

_____ Verify that the security instrument is a recorded original or a clerk-certified copy of the recorded security instrument showing the document was recorded. A copy of the security instrument is acceptable if the original security instrument is lost and the copy clearly indicates the document has been recorded.

c. Security Instrument Assignments

_____ Verify that all interim assignments are recorded originals or a clerk-certified copy. A copy of the recorded assignment is acceptable if the original recorded assignment is lost and the copy clearly indicates the document has been recorded. Interim assignments required on or before March 31, 1979 are not required to be in the custodial file in order for the recertification to be completed.

_____ Verify that all interim assignments required on or after April 1, 1979 follow a complete chain of title from the original lender to the current issuer.

d. Mortgage Title Insurance – (Not Applicable to HUD-conveyed or VA Vendee Loans)

_____ Verify the original title policy or a duplicate original signed (or countersigned) by the title company. A copy of the mortgage title insurance policy is acceptable if the original is lost.

e. FHA Insurance

_____ Verify that the MIC has been signed by the FHA and that it includes the endorsement date or verify the endorsement date in FHA Connection.

f. Loan Guaranty status (Not Applicable to VA Vendee Loans)

_____ In the case of a physical LGC, verify that the LGC has been signed and dated by the VA. In the case of a loan electronically guaranteed, verify independently by direct confirmation from VA that the loan has been electronically guaranteed. When accessing TAS, verify that “Guaranty Issued” is contained in Current Status field.

g. RHS Loan Note Guarantee

_____ Verify that the RHS Loan Note Guaranty Certificate has been signed and dated by the RHS.

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- _____ 3. Verify that no form HUD 11708's, Request for Release of Documents, with non-liquidation release codes are included in active loan files and the pool master file in the place of a promissory note. If a custodian certifies a pool with released documents, all documents must have been received, reviewed and been found to be certifiable at the time of release by the document custodian performing the certification.
- _____ 4. Verify that all original form HUD 11708's with liquidation codes are included with the form HUD 11706 in the pool master file, applicable to 3(a) above.
- _____ 5. If there has been a change in issuer, verify that the substitute form HUD 11706, Scheduled of Pooled Mortgages, contains the name, ID number and signature of the substitute issuer.
- _____ 6. Completion of Recertification
- The document custodian must complete the certification on the back of the last page of the form HUD 11706, Scheduled of Pooled Mortgages as follows:
- _____ a. Date of the document custodian's recertification;
- _____ b. Full legal name and Ginnie Mae identification number of the document custodian;
- _____ c. Document Custodian's complete address;
- _____ d. Authorized signature of document custodian; and
- _____ e. Name and title of the officer who has signed the recertification.
- _____ 7. Submit the recertified form HUD 11706, Schedule of Pooled Mortgages, to the PPA (directly or through the issuer).
- _____ 8. Place a copy of the recertification in the pool master file.

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II. CHECKLIST EXCEPTIONS

Description	Resolution and/or Reference to Supporting Schedules

Prepared by: _____

Reviewed by: _____

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***Manufactured Home Loan Pool Submissions (MH)
Initial and Final Certification Checklist***

This checklist has been developed to aid in the review of pool submissions in accordance with the Document Custodian Manual and provisions in the Ginnie Mae MBS Guide Handbook 5500.3. The checklist is not a substitute for the authoritative literature. The checklist is necessarily general in nature and does not purport to be complete in all respects.

I. RECEIPT OF POOL FROM ISSUER

- _____ A. Establish individual pool master file.
- _____ B. Pool documents required to be maintained in the pool master file for the life of the pool:
 - _____ 1. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year and maintained in the Issuer Master File.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest, if applicable.
 - _____ 5. Original blanket assignments with a copy in each individual file to which the blanket applies.
 - _____ 6. Blanket opinions from qualified outside legal counsel.
 - _____ 7. Form HUD 11708, Request for Release of Documents, to be retained in the pool master file (for any loan listed on form HUD 11706 that has been released. A form HUD 11708 may not substitute for required loan documents at the time of initial certification or substitute for required loan documents at the time of final certification in the case of a nonliquidation release code.

II. INITIAL CERTIFICATION

- _____ A. Minimum required pool level documents:
 - _____ 1. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest, if applicable.

_____ B. Minimum required loan level documents:

- _____ 1. Original promissory note or financial obligation and attachments endorsed in blank and without recourse.

If the credit transaction is evidenced only by a retail installment sales contract incorporating both the obligation and the chattel security agreement, the retail installment sales contract is required to be endorsed in blank and without recourse by the issuer

- _____ 2. Title, certificate of origin, bill of sale or other evidence of borrower ownership of the collateral.

- _____ 3. For combination manufactured home and lot loans, the promissory note or financial obligation endorsed in blank and without recourse are required for the lot loan.

- _____ 4. Original recorded or issuer-certified interim assignments (issuer-certified if originals were sent for recordation).

As an alternative to individual interim assignments, a blanket interim assignment is acceptable if allowed in the jurisdiction as documented in an opinion from qualified outside legal counsel.

_____ C. Review of Documents

- _____ 1. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.

_____ a. Verify that the Master Custodial Agreement has been filled out completely.

_____ b. Verify that the Master Custodial Agreement has been signed by the issuer and the document custodian.

_____ c. Verify that the Master Custodial Agreement is dated on or before the current date.

_____ d. File the Master Custodial Agreement in either the related issuer or pool master file.

- _____ 2. Form HUD 11706, Schedule of Pooled Mortgages

_____ a. Verify that the total number of loans reported in the Schedule is the same as the number of loan files received for the pool.

_____ b. Verify that the Schedule has been signed by the issuer.

_____ c. Verify that the issuer certification is dated on or before the current date.

_____ d. File the Schedule in the related pool master file.

- _____ 3. Form HUD 11711B, Certification and Agreement

_____ a. Verify that the commitment number agrees with the Ginnie Mae Pool/Loan Package Number on the related form HUD 11706.

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- _____ b. Determine that one of the two boxes on the form has been checked.
- _____ c. If the form HUD 11711B indicates that there is a second-party security interest in any pooled Mortgage, verify that there is at least one executed form HUD 11711A.
- _____ d. Verify that the form has been signed by the issuer.
- _____ e. File the form HUD 11711B and form HUD 11711A, if required, in the pool master file.
- _____ 4. Promissory Note or Obligation
- _____ a. Verify that each item listed below is the same on both the promissory note and the related form HUD 11706, Schedule of Pooled Mortgages:
- _____ i. Borrower name(s);
- _____ ii. Principal amount (alpha and numeric);
- _____ iii. Interest rate (alpha and numeric);
- _____ iv. Monthly principal and interest payment (alpha and numeric);
- _____ v. Term of the loan (first and last payment due dates); and
- _____ vi. Property street address, city and state (if property address is included on the note).
- _____ b. Verify that each signature on the note or retail installment sales contract agrees with the name typed below the signature line it appears on.
- _____ c. Verify that a complete chain of endorsement exists from the originator of the loan to the current issuer.
- If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this not possible, the issuer's qualified outside legal counsel must review and agree with the proposed cancellation in writing.
- _____ d. Determine that the issuer endorsement in blank and without recourse was made by a responsible officer.
- _____ e. Examine the promissory note or obligation for sections requiring a notarization, acknowledgment or witness and if so, verify it is completed.
- _____ f. Verify that each rider, allonge or addendum relates to and references the note or obligation.
- _____ 5. Evidence of Borrower's Ownership
- _____ a. Verify that the date of title, certificate of origin, bill of sale or other evidence of borrower ownership is the same as or later than the date of the promissory note or retail installment sales contract; and
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- _____ b. Verify that the serial number or manufactured home description on the title, certificate of origin, bill of sale, or other evidence of ownership, including nontitled contents, is the same on the promissory note or retail installment sales contract.
- _____ 6. Additional Note Under Combination Manufactured Home and Lot Loans (same review procedures as indicated above under C(4)).
- _____ 7. Security Instrument Assignments
- _____ a. Individual Loan Interim Assignments:
- _____ i. Verify that all interim assignments follow a complete chain of title from the original lender to the current issuer.
- _____ ii. Verify that all interim assignments are recorded or perfected, or that the issuer has certified that copies of the assignments have been transmitted for recordation or perfection.
- _____ iii. Verify that the personal property described in the UCC forms is the personal property described in the note or obligation.
- _____ iv. Verify that the borrower name(s) on the assignment corresponds to the form HUD 11706, Schedule of Pooled Mortgages.
- _____ v. Verify that each interim assignment is a recorded or perfected original, or a clerk-certified copy. If an interim assignment is presented that is not an original or a clerk-certified copy of an original or has no evidence of recordation or perfection, or evidence of being transmitted for recordation or perfection, it must be accompanied by one of the following documents;
- _____ • A specific waiver letter from Ginnie Mae;
 - _____ • An individual loan legal opinion from qualified outside legal counsel that states that the assignment is enforceable in the jurisdiction of the loan; or
 - _____ • A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all mortgages in a specific jurisdiction.
- _____ b. Blanket Interim Assignments:
- _____ i. Verify that all blanket interim assignments are recorded/perfected or that a copy of the assignment has been certified by the issuer as having been transmitted for recordation or perfection.
- _____ ii. Verify that all blanket assignments only apply to loans in the same pool and the same recording jurisdiction.
- _____ iii. Verify that a copy of each blanket assignment is maintained in each loan file to which the blanket assignment applies and that an original is maintained in the applicable pool master file.
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- iv. If the blanket interim assignment is not recorded/perfected original or clerk-certified copy, follow the procedures at II(C)(7)(a)(v) above.

D. Completion of Initial Certification

1. The document custodian must complete the initial certification on the back of the last page of the form HUD 11706 as follows:
- a. Date of document custodian's initial certification;
 - b. Full legal name, address, and Ginnie Mae identification number of the document custodian;
 - c. Authorized signature of document custodian; and
 - d. Name and title of the officer who has signed the certification.
2. Submit the initial certified original form HUD 11706 to the PPA (directly or through the issuer).
3. Place a copy of the initial certification in the pool master file.

III. FINAL CERTIFICATION

A. Within twelve (12) months of issuance, the following additional documents are required to be delivered to the document custodian by the issuer for final certification:

1. Recorded or perfected original chattel security agreement, assignment of the financing statement, Lien on the certificate of origin, lien on the certificate of title and/or retail installment sales contract evidencing a first lien against the manufactured home and its furnishings, equipment, accessories and lot, if applicable.
2. Recorded or perfected interim assignments of the security agreement that were not available for initial certification.
3. A copy of the initial FHA insurance billing statement or other evidence indicating FHA acceptance of each pooled loan for insurance; or an LGC issued by the VA, with completion of case numbers shown on form HUD 11706.

B. Review of Documents

1. Security Instrument, Lien or Retail Installment Sales Contract and Interim Assignments
 - a. Verify that each item listed below is the same on both the security instrument and the form 11706, Schedule of Pooled Mortgages:
 - i. Borrower name(s);
 - ii. Principal amount (alpha and numeric);
 - iii. Dates of loan; and
 - iv. FHA/VA case number (if the case number appears on the

security agreement).

- _____ b. Determine that the date of the security agreement is the same as or later than the date of the promissory note or obligation.
- _____ c. Verify that the security agreement, lien, or retail installment sales contract is recorded or perfected.
- _____ d. Agree the personal property described on the UCC forms to that described in the note or obligation.
- _____ e. Verify that all signatures on the security agreement properly relate to the obligation.
- _____ f. Examine the security instrument for the completion of any required notarization, acknowledgment or witness.
- _____ g. Determine that interim assignments, copies of which were certified as having been transmitted by the issuer for recordation or perfection at the time of initial certification, have been replaced with original assignments or clerk-certified copies of the originals.

_____ 2. FHA Billing Statement Copy or other FHA Insurance Evidence (FHA loans):

_____ Verify that each item listed below is the same on both the FHA insurance evidence and the form HUD 11706, Schedule of Pooled Mortgages:

- _____ a. FHA case number;
- _____ b. Borrower name(s);
- _____ c. Principal amount; and
- _____ d. Term of loan (first and last payments due dates).

_____ 3. LGC (VA loans)

- _____ a. Verify that each item listed below is the same on both the LGC and the form HUD 11725:
 - _____ i. VA case number;
 - _____ ii. Name of veteran/mortgagor;
 - _____ iii. Principal amount;
- _____ b. In the case of a physical LGC, verify that the LGC has been signed and dated by an authorized agent for the VA. In the case of a loan electronically guaranteed, verify independent, direct confirmation that the loan has been electronically guaranteed.
- _____ c. Verify that a percentage (%) of indebtedness guaranteed is noted on the LGC.

_____ C. Completion of Final Certification

- _____ 1. The document custodian must complete the final certification on the back of the

last page of the form HUD 11706 as follows:

- _____ a. Date of the document custodian's final certification;
 - _____ b. Full legal name, address, and Ginnie Mae identification number of the document custodian;
 - _____ c. Authorized signature of document custodian; and
 - _____ d. Name and title of the officer who has signed the certification.
- _____ 2. Submit the final certified original form HUD 11706 to the PPA (directly or through the issuer).
- _____ 3. Place a copy of the final certification in the pool master file.

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IV. CHECKLIST EXCEPTIONS

Description	Resolution and/or Reference to Supporting Schedules

Prepared by: _____

Reviewed by: _____

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Construction Loan Pool Submissions (CL and CS) Certification Checklist

This checklist has been developed to aid in the review of pool submissions in accordance with the Document Custodian Manual and provisions in the Ginnie Mae MBS Guide Handbook 5500.3. The checklist is not a substitute for the authoritative literature. The checklist is necessarily general in nature and does not purport to be complete in all respects.

I. RECEIPT OF POOL FROM ISSUER

- _____ A. Establish individual pool master file.
- _____ B. Pool documents required to be maintained in the pool master file:
 - _____ 1. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest, if applicable.
 - _____ 5. Original blanket assignments with a copy in each individual file to which the blanket applies.
 - _____ 6. Blanket opinions from qualified outside legal counsel.
 - _____ 7. Form HUD 11708, Request for Release of Documents, to be retained in the pool master file (for the life of the pool for liquidated loans). A form HUD 11708 may not substitute for required loan documents at the time of certification.

II. CERTIFICATION FOR INITIAL SECURITIES ISSUANCE

- _____ A. Minimum required pool level documents:
 - _____ 1. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest, if applicable.
- _____ B. Minimum required loan level documents:
 - _____ 1. Original note or other evidence of indebtedness, that is:
 - _____ a. endorsed for insurance by FHA, and

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- _____ b. endorsed in blank and without recourse by the current issuer.
- The endorsement must provide a complete chain of title if the issuer did not originate the loan.
- _____ 2. Original recorded or issuer-certified interim assignments (issuer-certified if originals were sent for recordation).
- As an alternative to individual interim assignments, a blanket interim assignment is acceptable if allowed in the jurisdiction as documented in an opinion from qualified outside legal counsel.
- _____ 3. Original mortgage (or other security instrument) signed by the mortgagor and recorded.
- _____ 4. Mortgagee title insurance policy or other evidence of title acceptable to FHA.
- _____ 5. Duplicate original of the performance bond (dual obligee) naming Ginnie Mae as the insured party; or an assurance of completion agreement as approved by FHA, backed by either a letter of credit or cash.
- _____ 6. Copies of Uniform Commercial Code forms or other security documents pertaining to personalty, evidencing recordation or perfection with the appropriate office and an original assignment of such security documents to Ginnie Mae in recordable or perfectible form but unrecorded or unperfected.
- _____ 7. Copies of survey and surveyor's report.
- _____ 8. For coinsured loans, a copy of the FHA Regulatory Agreement for Multifamily Housing Projects Coinsured by HUD.
- _____ 9. An original Assignment of an FHA Firm Commitment to the issuer (if any).
- _____ 10. An original of the Building and Loan Agreement.
- _____ 11. A copy of the Construction Contract.
- _____ 12. Such other documents as Ginnie Mae may require.
- _____ C. Review of Documents
- _____ 1. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
- _____ a. Verify that the Master Custodial Agreement has been filled out completely.
- _____ b. Verify that the Master Custodial Agreement has been signed by the issuer and the document custodian.
- _____ c. Verify that the Master Custodial Agreement is dated on or before the current date.
- _____ d. File the Master Custodial Agreement in either the related issuer or pool master file.
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- _____ 2. Form HUD 11706, Schedule of Pooled Mortgages
- _____ a. Verify that the Schedule has been completed and includes the issuer's and document custodian's Ginnie Mae identification numbers.
- _____ b. File the Schedule in the related pool master file.
- _____ 3. Form HUD 11711B, Certification and Agreement
- _____ a. Verify that the commitment number agrees to the commitment number on the related form HUD 11706.
- _____ b. Determine that one of the two boxes on the form has been checked.
- _____ c. If the form HUD 11711B indicates there is a second party security interest in the pooled mortgage, verify that there is at least one executed form HUD 11711A.
- _____ d. Verify that the form has been signed by the issuer.
- _____ e. File the form HUD 11711B and form HUD 11711A, if required, in the pool master file.
- _____ 4. Promissory Note
- _____ a. Verify that each item listed below is the same on both the promissory note and the related form HUD 11706 Schedule of Pooled Mortgages:
- _____ i. Mortgagor name(s);
- _____ ii. Principal amount (alpha and numeric);
- _____ iii. Interest rate (alpha and numeric); and
- _____ iv. FHA Project Number (form HUD 11706 case number).
- _____ b. Verify that each signature on the note agrees with the name typed below the signature line it appears on.
- _____ c. Verify that the complete chain of endorsement exists from the originator of the loan to the current issuer.
- _____ If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this is not possible, the issuer's legal counsel must review and agree with the proposed cancellation in writing.
- _____ d. Determine that the issuer endorsement in blank and without recourse was made by an authorized officer.
- _____ e. Examine the promissory note for sections requiring a notarization, acknowledgment or witness and, if so, verify that it is completed.
- _____ f. Verify that each rider, allonge or addendum relates to and references the note.
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- _____ g. Verify that the note has evidence of FHA insurance, signed by an FHA agent.
- _____ 5. Security Instrument Assignments
- Interim Assignments:
- _____ a. Verify that all interim assignments follow a complete chain of title from the original lender to the current issuer.
- _____ b. Verify that the mortgagor name(s) on the assignment corresponds with the form HUD 11706, Schedule of Pooled Mortgages.
- _____ c. Verify that each interim assignment is a recorded original or clerk-certified copy. If an interim assignment is presented that is not an original or a clerk-certified copy of an original or has no evidence of recordation, or evidence of being transmitted for recordation, it must be accompanied by one of the following documents:
- _____ • A specific waiver letter from Ginnie Mae;
 - _____ • An individual mortgage legal opinion from qualified outside legal counsel that states that the assignment(s) is enforceable in the jurisdiction of the mortgage. The original opinion must be filed in the loan file; or
 - _____ • A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all mortgages in a specific jurisdiction.
- _____ 6. Security Instrument and Interim Assignments
- _____ a. Verify that each item listed below is the same on both the security instrument and the form HUD 11706, Schedule of Pooled Mortgages:
- _____ i. Mortgagor name(s);
- _____ ii. Principal amount (alpha and numeric); and
- _____ iii. Term of loan (first and last payment due dates).
- _____ b. Determine that the date of the security instrument is the same as or later than the date of the promissory note.
- _____ c. Verify that the security instrument includes evidence of recording.
- _____ d. Verify that a legal description appears on the security instrument or on an attachment to the instrument.
- _____ e. Verify that all signatures on the security instrument properly relate to the note.
- _____ f. Examine the security instrument for the completion of any required notarization, acknowledgment or witness.
- _____ g. Verify that any rider or addendum properly relates to the security instrument.
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- _____ h. Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.
- _____ 7. Mortgagee Title Insurance
- _____ a. Confirm that an original title policy or a duplicate original signed (or countersigned) by the title company has been delivered and that it includes Schedules A, B and Conditions and Stipulations or comparable information.
- _____ b. Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
- _____ c. Compare each of the following items, appearing on Schedule A of the title policy, to the applicable items on the security instrument:
- _____ i. Date of title policy, which must be the same as or later than the recording date on the security instrument. However, in some jurisdictions, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier (issuer must supply evidence that this provides effective coverage); and
- _____ ii. Amount of insurance coverage, which must agree exactly to the amount on the security instrument.
- _____ d. Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument.
- _____ i. Mortgagor name(s);
- _____ ii. Jurisdiction recording information;
- _____ iii. Trustee name(s), if applicable; and
- _____ iv. Principal amount.
- _____ e. Verify that a complete legal description is included on Schedule A of the title policy.
- _____ f. Verify that the title insurance policy names the issuer as the insured or that the issuer is otherwise insured under the policy.
- _____ g. If a Torrens certificate or abstract of title has been provided, verify that a legal opinion from qualified outside legal counsel, prepared at or after the recordation of the security instrument, has been provided that documents the acceptability of this evidence of title in the jurisdiction.
- _____ 8. Performance Bond
- _____ a. Verify that the performance bond is a duplicate original.
- _____ b. Verify that Ginnie Mae is named on the policy either by assignment or endorsement as an insured party.
- _____ c. Verify that, for any assignment, the surety has provided written consent.
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- _____ d. Verify that the bond will not expire prior to project acceptance (i.e., the last payment due date pursuant to the construction contract).
- _____ e. An acceptable alternative to a performance bond is an assurance of completion agreement. If used, verify that the completion agreement was approved by FHA.
- _____ 9. Uniform Commercial Code (UCC) Forms
- _____ a. Verify that UCC forms or other security instruments have evidence of recordation or perfection (filing) with the secretary of state or other appropriate office with jurisdiction.
- _____ b. Verify that personal property is identified as “all articles of personal property owned by the mortgagor now or later attached to or used on or about the mortgaged property.”
- _____ c. Verify that there is an assignment to Ginnie Mae of the UCC forms in recordable or perfectible form but unrecorded or unperfected.
- _____ 10. Survey and Surveyor’s Report
- _____ a. Verify that the date of the report is no later than the date of the note.
- _____ b. Verify that the property description is the same in both the surveyor’s report and the security instrument.
- _____ c. Verify that the description of easements and encroachments is in agreement with the description in the title policy.
- _____ 11. FHA Regulatory Agreement
- _____ a. For a coinsured loan, verify the presence of a Regulatory Agreement for Multifamily Housing Projects Coinsured by HUD.
- _____ b. Verify that the Regulatory Agreement pertains to the subject project described in the security instrument.
- _____ 12. Assignment of FHA Firm Commitment (if applicable)
- _____ a. Verify that the commitment is an executed original.
- _____ b. Verify that the commitment pertains to the subject property as described in the security instrument.
- _____ 13. Building and Loan Agreement
- _____ a. Verify that the agreement is an executed original.
- _____ b. Verify that the property description is the same in both the Building and Loan Agreement and the security instrument.
- _____ 14. Construction Contract
- _____ a. Verify the presence of an executed copy.
- _____ b. Compare the construction contract to the Building and Loan Agreement
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to verify that they pertain to the same project.

- _____ 15. Special Warranty Deed (required only for recertification)
 - _____ a. For a coinsured mortgage, verify that a special warranty deed is available.
 - _____ b. Verify that the special warranty deed conveys to Ginnie Mae ownership of the property underlying the mortgage, including any after-acquired title of the issuer.
 - _____ c. Determine that the special warranty deed is in recordable form but unrecorded.
- _____ D. Document Custodian Certification
 - _____ 1. The document custodian must complete the certification on the back of form HUD 11706 as follows:
 - _____ a. Date of the document custodian’s certification;
 - _____ b. Full legal name, address, and Ginnie Mae identification number of the document custodian;
 - _____ c. Authorized signature of the document custodian; and
 - _____ d. Name and title of the officer who has signed the certification.
 - _____ 2. Submit the certified original form HUD 11706 to the PPA (directly or through the issuer).
 - _____ 3. Place a copy of the certification in the pool master file.

III. DRAW CERTIFICATIONS

- _____ A. After each draw, verify that the following required documents supporting separate security issuance have been received and are included in the loan file:
 - _____ 1. A certification that disbursement has been made to the mortgagor.
 - _____ 2. Evidence of FHA insurance, inclusive of the latest disbursement.
 - _____ 3. Evidence of title insurance coverage, inclusive of the latest disbursement.
- _____ B. Complete form HUD 11732, Custodian’s Certification for Construction Securities, as follows to document that the document custodian is holding the above required documents. The form HUD 11732 must be:
 - _____ 1. Signed and dated by the document custodian.
 - _____ 2. Delivered to the issuer for submission to Ginnie Mae.

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IV. CHECKLIST EXCEPTIONS

Description	Resolution and/or Reference to Supporting Schedules

Prepared by: _____

Reviewed by: _____

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***Project Loan Pool Submissions (PL, PN, LM and LS)
Certification Checklist***

This checklist has been developed to aid in the review of pool submissions in accordance with the Document Custodian Manual and provisions in the Ginnie Mae MBS Guide Handbook 5500.3. The checklist is not a substitute for the authoritative literature. The checklist is necessarily general in nature and does not purport to be complete in all respects.

I. RECEIPT OF POOL FROM ISSUER

- _____ A. Establish individual pool master file.
- _____ B. Pool documents required to be maintained in the pool master file:
 - _____ 1. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest if applicable.
 - _____ 5. Original blanket assignments with a copy in each individual file to which the blanket applies.
 - _____ 6. Blanket opinions from qualified outside legal counsel.
 - _____ 7. Form HUD 11708, Request for Release of Documents, to be retained in the pool master file (for the life of the pool for liquidated loans). A form HUD 11708 may not substitute for required loan documents at the time of certification.

II. CERTIFICATION FOR SECURITIES ISSUANCE

- _____ A. Minimum required pool level documents:
 - _____ 1. Form HUD 11715, Master Custodial Agreement . This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
 - _____ 2. Form HUD 11706, Schedule of Pooled Mortgages.
 - _____ 3. Form HUD 11711B, Certification and Agreement.
 - _____ 4. Form HUD 11711A, Release of Security Interest, if applicable.
- _____ B. Minimum required loan level documents:
 - _____ 1. Original note or other evidence of indebtedness, that is:
 - _____ a. Endorsed for insurance by FHA, and
 - _____ b. Endorsed in blank and without recourse by the current issuer.

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- _____ 2. Original recorded or issuer-certified interim assignments (issuer-certified if originals were sent for recordation).
- As an alternative to individual interim assignments, a blanket interim assignment is acceptable if allowed in the jurisdiction as documented in an opinion from qualified outside legal counsel.
- _____ 3. Original mortgage (or other security instrument) signed by the mortgagor and recorded.
- _____ 4. Mortgagee title insurance policy or other evidence of title acceptable to FHA.
- _____ 5. Copies of Uniform Commercial Code forms or other security documents pertaining to personalty, evidencing recordation or perfection with the appropriate office, and an original assignment of such security documents to Ginnie Mae in recordable or perfectible form but unrecorded or unperfected.
- _____ 6. Copy of FHA Regulatory Agreement.
- _____ 7. For coinsured mortgages, a special warranty deed to Ginnie Mae in recordable form, but unrecorded.
- _____ 8. Such other documents as Ginnie Mae may require.
- _____ C. Review of Documents
- _____ 1. Form HUD 11715, Master Custodial Agreement. This is not required if an appropriate Master Custodial Agreement is on file with the PPA for the current calendar year.
- _____ a. Verify that the Master Custodial Agreement has been filled out completely.
- _____ b. Verify that the Master Custodial Agreement has been signed by the issuer and the document custodian.
- _____ c. Verify that the Master Custodial Agreement is dated on or before the current date.
- _____ d. File the Master Custodial Agreement in either the related issuer or pool master file.
- _____ 2. Form HUD 11706, Schedule of Mortgages
- _____ a. Verify that the Schedule has been completed including the issuer's and document custodian's Ginnie Mae identification numbers.
- _____ b. Verify that the issuer certification is dated on or before the current date.
- _____ c. File the Schedule in the related pool master file.
- _____ 3. Form HUD 11711B, Certification and Agreement
- _____ a. Verify that the commitment number agrees with the Ginnie Mae Pool/Loan Package Number on the related form HUD 11706.
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- _____ b. Determine that one of the two boxes on the form has been checked.
 - _____ c. If the form HUD 11711B indicates that there is a second party security interest in the pooled mortgage, verify that there is at least one executed form HUD 11711A, Release of Security Interest.
 - _____ d. Verify that the form has been signed by the issuer.
 - _____ e. File the form HUD 11711B and form HUD 11711A, if required, in the related pool master file.

_____ 4. Promissory Note

- _____ a. Verify that each item listed below agrees from the promissory note to the form HUD 11706, Schedule of Mortgages:
 - _____ i. Mortgagor name(s);
 - _____ ii. Principal amount (alpha and numeric);
 - _____ iii. Interest rate (alpha and numeric); and
 - _____ iv. FHA Project Number(form HUD 11706 case number).
- _____ b. Verify that each signature on the note agrees with the name typed below the signature line it appears on.
- _____ c. Verify that the complete chain of endorsement exists from the originator of the loan to the current issuer.

If an erroneous endorsement is discovered that interferes with the chain of title after receipt by the document custodian and cancellation of the endorsement is being proposed, the issuer must resolve the error. If this is not possible, the issuer's legal counsel must review and agree with the proposed cancellation in writing.
- _____ d. Determine that the issuer endorsement, in blank and without recourse, was made by a responsible official.
- _____ e. Examine the promissory note for sections requiring a notarization, acknowledgment or witness and if so, verify it is completed.
- _____ f. Verify that each rider, allonge or addendum relates to and references the note.
- _____ g. Verify that the note has evidence of FHA insurance, signed by and FHA agent.

_____ 5. Security Instrument Assignments

Interim Assignments:

- _____ a. Verify that all interim assignments follow a complete chain of title from the original lender to the current issuer.
 - _____ b. Verify that the mortgagor name(s) on the assignment corresponds with the form HUD 11706, Schedule of Mortgages.
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- _____ c. Verify that each interim assignment is a recorded original or clerk-certified copy. If an interim assignment is presented that is not an original or a clerk-certified copy of an original or has no evidence of recordation, or evidence of being transmitted for recordation, it must be accompanied by one of the following documents:
- _____ • A specific waiver letter from Ginnie Mae;
 - _____ • An individual mortgage legal opinion from qualified outside legal counsel that states that the assignment(s) is enforceable in the jurisdiction of the mortgage. The original opinion must be filed in the loan file; or
 - _____ • A blanket opinion from qualified outside legal counsel that describes the acceptable format for assignments of any and all mortgages in a specific jurisdiction.

_____ 6. Security Instrument and Interim Assignments

- _____ a. Verify that each item listed below is the same on both the security instrument and the form HUD 11706, Schedule of Mortgages:
- _____ i. Mortgagor Name(s);
 - _____ ii. Principal amount (alpha and numeric); and
 - _____ iii. Term of loan (first and last payment due dates).
- _____ b. Determine that the date of the security instrument is the same as the date of the promissory note.
- _____ c. Verify that the security instrument includes evidence of recording.
- _____ d. Verify that a legal description appears on the security instrument or on an attachment to the instrument.
- _____ e. Verify that all signatures on the security instrument properly relate to the note.
- _____ f. Examine the security instrument for the completion of any required notarization, acknowledgment or witness.
- _____ g. Verify that any rider or addendum properly relates to the security instrument.
- _____ h. Verify that any rider or addendum is recorded and that the recorded information corresponds to the security instrument.

_____ 7. Mortgagee Title Insurance

- _____ a. Verify that an original title policy or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedules A, B and Conditions and Stipulations or comparable information.
- _____ b. Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.

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- _____ c. Confirm that the amount of insurance coverage appears on Schedule A of the title policy agrees exactly to the security instrument:
- _____ i. Date of title policy, which must be the same as or later than the recording date on the security instrument. However, in some jurisdictions, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier (issuer must supply evidence that this provides effective coverage); and
- _____ ii. Amount of insurance coverage, which must agree exactly.
- _____ d. Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the following information on the security instrument.
- _____ i. Mortgagor(s) name(s);
- _____ ii. Jurisdiction recording information;
- _____ iii. Trustee(s) name(s), if applicable; and
- _____ iv. Principal amount.
- _____ e. Verify that the legal description is included on Schedule A includes either of the following:
- _____ • A phrase which specifically references the legal description in the security instrument; or
- _____ • A complete legal description.
- Minor differences may exist between the legal description on the security instrument and on the title policy. The document custodian must determine that these documents refer to the same property.
- _____ f. Verify that the title insurance policy names the issuer as the insured or that the issuer is otherwise insured under the policy.
- _____ g. If a clerk-certified torrens certificate or an original attorney's opinion which references an abstract of title has been provided, procedures 8 d, e and f above should be modified appropriately. Attorney opinions or abstract of title must be dated on or after the date the mortgage was recorded.
- _____ 8. Uniform Commercial Code (UCC) Forms
- _____ a. Verify that UCC forms or other security instruments have evidence of recordation or perfection with the secretary of state or other appropriate office with jurisdiction.
- _____ b. Verify that personal property is identified as "all articles of personal property owned by the mortgagor now or later attached to or used on or about the mortgaged property."
- _____ c. Verify that there is an assignment to Ginnie Mae of the UCC forms in recordable or perfectible form, but unrecorded or unperfected.
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- _____ 9. FHA Regulatory Agreement
- _____ a. For a coinsured loan, verify the presence of a Regulatory Agreement for Multifamily Housing Projects Coinsured by HUD.
- _____ b. Verify that the Agreement pertains to the subject project described in the security instrument.
- _____ 10. Assignment of FHA Firm Commitment (required for modified or mature loans)
- _____ a. Verify that the commitment is an executed original.
- _____ b. Verify that the commitment pertains to the subject property as described in the security instrument.
- _____ 11. Special Warranty Deed
- _____ a. For a coinsured mortgage, verify that a special warranty deed is available.
- _____ b. Verify that the special warranty deed conveys to Ginnie Mae ownership of the property underlying the mortgage, including any after-acquired title of the issuer.
- _____ c. Determine that the special warranty deed is in recordable form but unrecorded.
- _____ D. Document Custodian Certification
- _____ 1. The document custodian must complete the certification notary acknowledgment on the back of form HUD 11706 as follows:
- _____ a. Date of the document custodian’s certification;
- _____ b. Full legal name, address, and Ginnie Mae identification number of the document custodian;
- _____ c. Authorized signature of the document custodian; and
- _____ d. Name and title of the officer who has signed the certification.
- _____ 2. Submit the certified original form HUD 11706 to the PPA (directly or through the issuer).
- _____ 3. Place a copy of the certification in the pool master file.

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Appendix III
Acceptable Alternate Documents

This listing has been developed to aid in the review of pool submissions. The listing is not a substitute for legal guidance. The checklist is necessarily general in nature and does not purport to be complete in all respects.

Required Document	Acceptable Alternate Document
Promissory Note	
Original Signed Note	<ul style="list-style-type: none"> ◆ Lost Instrument Bond (Lost Note Affidavit is not acceptable)
Security Instrument	
Original Recorded Security Instrument	<ul style="list-style-type: none"> ◆ Clerk-certified Copy of recorded Security Instrument, or ◆ Copy of recorded instrument
Interim Assignments from Seller to Purchase	
Original Interim Recorded Assignments	<ul style="list-style-type: none"> ◆ Clerk-Certified Copy of recorded Assignment, ◆ Title Policy showing recording information of Assignment(s), or ◆ Copy of recorded assignment ◆ Endorsement to title policy insuring the missing Interim Assignment
Unrecorded Assignment to Ginnie Mae	
Original Unrecorded Assignment to Ginnie Mae	<ul style="list-style-type: none"> ◆ Issuer must prepared new assignment
Insurance or Guaranty Certificate or Loan Note Guaranty	
Original Singed Insurance or Guaranty Certificate or Loan Note Guaranty	<ul style="list-style-type: none"> ◆ Duplicate Original
Title Insurance Policy	
Original Signed Title Insurance Policy	<ul style="list-style-type: none"> ◆ Master Certificate of Title, or ◆ Duplicate Original of Title Policy, or ◆ Abstract of Title with attorney's final opinion, ◆ Certified True Copy of Title Policy with original signature, or ◆ Copy of original policy,