

## CHAPTER 6: FEES

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### **6-1: OVERVIEW OF CHAPTER**

This chapter describes fees that the Issuer must pay and fees that it will receive in connection with the issuance of securities guaranteed by Ginnie Mae.

### **6-2: FEES PAID BY THE ISSUER**

Payment of all fees due Ginnie Mae, including the Issuer Application fee, Commitment Authority fee and Acknowledgment Agreement fee must be submitted to Ginnie Mae via a wire transfer. For wiring instructions, please see section 6-5. In addition, the Early Pool Termination fee described in Chapter 20 must also be wired to Ginnie Mae.

The list of fees included in this chapter is not necessarily all-inclusive. Ginnie Mae may impose other reasonable and appropriate fees from time to time.

#### ***(A) Issuer Application Fee***

An applicant for Issuer status is required to pay Ginnie Mae a fee of \$250. The fee is earned when paid and is nonrefundable. This fee must be paid by wire transfer only, (see section 6-5 for wiring instructions).

#### ***(B) Commitment Authority Application Fee***

An approved Issuer is required to pay Ginnie Mae, in connection with each application for commitment authority, a fee computed as follows: \$500 for the first \$1.5 million requested, plus \$200 for each additional \$1 million (or part thereof) requested. This fee must be paid by wire transfer only (see section 6-5 for wiring instructions). Commitment Authority requests will not be processed until the HUD 11700 form, the HUD 11704 form and the wired funds are received. Ginnie Mae, in its sole discretion, reserves the right to approve all Issuer requests for Commitment Authority.

#### ***(C) Guaranty Fee***

Issuers are required to pay a monthly guaranty fee to Ginnie Mae for each security for which the Issuer is Issuer of record, as follows:

(1) Timing and method of payment

(a) Ginnie Mae I MBS Program

The Issuer agrees to pay the monthly guaranty fee by making adequate funds available in the central P&I custodial account for ACH debit by the CPTA. (See Section 6-4) The CPTA calculates the amount of the guaranty fee debit using the RPB information reported by the Issuer in the preceding month. (See Chapter 19).

(b) Ginnie Mae II MBS Program

The Issuer pays the monthly guaranty fee by making adequate funds available in the

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central P&I custodial account for ACH debit by the CPTA. (See Section 6-4) The CPTA calculates the amount of the guaranty fee debit using the RPB information reported by the Issuer in the preceding month. (See Chapter 19).

(c) The central P&I custodial account

The requirement that the Issuer maintain a central P&I custodial account, the requirement that the Issuer authorize the CPTA to ACH debit the central P&I custodial account each month, the requirement that a test ACH debit be performed prior to the first monthly ACH debit, and the handling of changes in the central P&I custodial account are described in Section 16-4.

(2) Computing the guaranty fee

The monthly guaranty fee is computed based on the aggregate principal balance of the guaranteed securities outstanding at the beginning of the monthly reporting period. The monthly rate used to compute the fee is the annual rate described below divided by 12 (annual rate  $\div$  12).

(a) Single Family Programs (All single family pools and loan packages):

The base annual rate is .06 percent (6 basis points).

The Ginnie Mae base annual rate for a particular issue of securities may be reduced 1 to 3 basis points under Ginnie Mae's Targeted Lending Initiative (TLI), which is described in Chapter 33.

(b) Manufactured Housing Program (MH pools and loan packages):

The annual rate is .30 percent (30 basis points).

(c) Multifamily Housing Programs (All multifamily pools):

The annual rate is .13 percent (13 basis points).

(d) Home Equity Conversion Mortgage (HMBS) –

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As described in Chapter 35.

### ***(D) Fee For Transfer of Issuer Responsibility***

- (1) General

The fee for the transfer of Issuer responsibility for all pools or loan packages is, except as provided in (2) and (3), \$250 per pool or loan package. The appropriate fees for all transfers of Issuer responsibility, as discussed in this section, must be wired to the CPTA.
- (2) Transfer to affiliate without consideration

The fee for the transfer of Issuer responsibility for one pool or loan package between affiliates without consideration, is \$250.

The fee for a transfer of Issuer responsibility for two or more pools or loan packages between affiliates without consideration is \$500 for the transaction. In order to qualify for the \$500 per transaction fee, the Issuer must provide (a) a copy of an executed Cross-Default Agreement between the Issuer and its affiliate or evidence that Ginnie Mae has granted an exemption from the requirement, and (b) a certification of an officer of the Issuer that the transaction is not a transfer of Issuer responsibility from the Issuer to the affiliate for consideration.
- (3) Transfer of low-value pools or loan packages

The fee for the transfer of Issuer responsibility for one low-value pool or loan package is \$250. The fee for the transfer of Issuer responsibility for two or more low-value pools or loan packages is \$500 for the transaction.

A low-value pool or loan package is a pool or loan package with an RPB of ten percent (.10) or less of its original principal amount. Ginnie Mae will calculate the amount of the pool or loan package transfer fee and notify the Issuer of the amount to remit by wire transfer. Ginnie Mae will use the Issuer's most current reported RPB for which Ginnie Mae has a record to determine which pools or loan packages are low values. Issuers must allow four days from the date RPBs are reported for Ginnie Mae to process and update its pool or loan package records.

The transfer fee for a transfer between nonaffiliates of 100 pools or loan packages, including 75 low-value pools or loan packages, would be calculated as

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follows:

75 low-value pools or loan packages	=	\$ 500
25 other pools or <u>loan packages (25 x \$250)</u>	=	<u>\$6,250</u>
Transfer fee	=	\$6,750

(4) Wire transfer instructions

The fees, which must be paid by wire transfer, are payable and earned upon Ginnie Mae's approval of the transfer. Wire transfer instructions are as follows:

ABA 021000021  
Account Number 501-257314  
GNMA/PTS Account  
c/o: The Bank of New York  
101 Barclay Street – 8 East  
New York, NY 10286

**(E) Acknowledgment  
Agreement Fee**

An applicant is required to pay a fee of \$1,000 to Ginnie Mae for its approval of an Acknowledgment Agreement permitting a pledge of servicing by an Issuer. (See Section 21-6) The fee is earned when paid and is nonrefundable. This fee must be paid by wire transfer only, (see section 6-5 for wiring instructions).

**(F) Other Fees**

Any compensation paid by the Issuer to a third party in connection with the MBS Program, including but not limited to compensation paid for maintaining custody of documents relating to the pooled mortgages, will be negotiated between the Issuer and the third party and will be solely the Issuer's responsibility.

### 6-3: FEES RECEIVED BY THE ISSUER

**(A) Servicing Fee**

- (1) The fee in the forward MBS program for servicing each pooled mortgage is based on and payable only from the interest portion of each monthly installment of principal and interest actually collected by the Issuer on the mortgage.
- (2) This fee in the forward MBS program is equal to the difference between the interest rate on the loan and the interest rate on the security for which it serves as collateral, computed on the same principal amount and for the same period as the interest portion of the installment. Servicing fee calculations applicable to

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the HMBS program may be found in Chapter 35.

- (3) The servicing fee may not be withheld at the time an installment is collected. All collections must be deposited directly to the pool or loan package P&I custodial account. In the forward MBS program, the servicing fee may then be withdrawn from the P&I custodial account.
- (4) Instructions for calculating the servicing fee are included in the instructions for preparing the Issuer's Monthly Accounting Report, form HUD 11710-A (Appendix VI-4), for the forward MBS program, and in Chapter 35 for the HMBS program.
- (5) An Issuer may participate in the Targeted Lending Initiative (TLI), which entitles the Issuer to a reduction in the Ginnie Mae guaranty fee of up to 50% for home mortgage loans secured by certain properties in designated TLI-eligible communities in which the Issuer pools SF, ARM, GPM or GEM pools or loan packages. The reduction in Ginnie Mae guaranty fee, if any, for a given pool or loan package depends on the extent to which the aggregate original principal amount of the pool or loan package, at the time of issuance, consists of TLI-eligible loans. See Section 33-2 for a description of this program, including a schedule of the applicable reductions.
- (6) With respect to Ginnie Mae II MBS pools or loan packages issued on July 1, 2003 and thereafter, the Issuer must ensure that the minimum servicing fee is at least 19 basis points, or, for HMBS pools, that it satisfies the requirements set forth in Chapter 35.

With respect to Ginnie Mae II MBS pools that satisfy the TLI requirements, as further described in Chapter 33, the minimum servicing fee will be either 20, 21 or 22 basis points, depending on the applicable reduction in the guaranty fee.

### **(B) Certificate Transfer Fee**

An Issuer of Ginnie Mae I MBS will receive from the CPTA each month \$2.75 for each transfer certificate issued in connection with a Ginnie Mae I transfer of a security to a new Ginnie Mae I security holder made during the previous month. Ginnie Mae's CPTA collects on Ginnie Mae's behalf a fee of \$15 for each certificate issued to a new security holder, from which the fee due the Issuer will be deducted.

### **6-4: GUARANTY FEE PAYMENT VIA ACH**

Each Issuer must maintain a Ginnie Mae I central P&I custodial account in a depository institution that is either a

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member of the Automated Clearing House (ACH) or a correspondent of an ACH member. The account may be either a separate corporate account established for this purpose or the Ginnie Mae II central P&I custodial account.

### ***(A) Guaranty Fee Reporting Procedure***

Each month, the Issuer is required to make good funds available to the CPTA to cover the Ginnie Mae guaranty fee. The guaranty fee is calculated using the Issuer's prior month's RPB balance, as reported through GinnieNet, no later than the second business day of the month. The CPTA will then verify the RPB balances submitted by the Issuer, and provide electronic verification back to the Issuer. If there is a discrepancy between the RPB value submitted by the Issuer and that which is computed by the CPTA, the CPTA will notify the Issuer on the 3<sup>rd</sup> business day of the month and expect that the Issuer review and, if necessary, correct the RPB data. The Issuer is then required to resubmit RPB balances through GinnieNET no later than the fifth business day of the month. The CPTA will then calculate the guaranty fees due based on the Issuer's final submission.

### ***(B) Ginnie Mae I Guaranty Fee Deposits and Collection***

No later than 7 am (EST) on the 10<sup>th</sup> calendar day of the payment month (collection date), the Issuer must deposit into its designated central P&I custodial account "same-day funds" or "good funds" equal to the amount needed to pay the fees.

The CPTA submits a computer file of all the guaranty fees reported to it for collection of funds on the collection date. On that date, each Issuer's central P&I custodial account will be debited via ACH for the guaranty fee amount reported.

The monthly collection of guaranty fees via ACH debit will occur on the 10<sup>th</sup> calendar day of the month if the 10<sup>th</sup> is a business day. If the 10<sup>th</sup> is not a business day, collection will occur on the first business day thereafter.

### ***(C) Ginnie Mae II Guaranty Fee Deposits and Collection***

No later than 7 am (EST) the 19<sup>th</sup> calendar day of the payment month (collection date), the Issuer must deposit into its designated central P&I custodial account "same day funds" or "good funds" equal to the amount needed to pay the fees.

The CPTA submits a computer file of all the guaranty fees reported to it for collection of funds on the collection date. On that date, each Issuer's central P&I custodial account will be debited via ACH for the guaranty fee amount reported.

The monthly collection of guaranty fees via ACH debit will

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occur (EST) on the 19<sup>th</sup> calendar day of the month, if the 19<sup>th</sup> is a business day. If the 19<sup>th</sup> calendar day is not a business day, then collection will occur on the 20<sup>th</sup> calendar day. If the 20<sup>th</sup> calendar day is also not a business day, then the applicable collection date must be the first business day immediately preceding the 19<sup>th</sup> calendar day of the month.

### 6-5: Ginnie Mae Wiring Instructions

The Government National Mortgage Association (Ginnie Mae), an agency of the U.S. Government, sends and receives funds through the Federal Reserve Bank's Wire Transfer system. To submit a wire transfer directly to Ginnie Mae's Office of Finance, Issuers must follow the instructions described below. For additional assistance, please contact Ginnie Mae's Treasurer Division by phone at 202-401-2064 x4968/4936 or by fax at 202-485-0222.

### GINNIE MAE WIRE TRANSFER INSTRUCTIONS

TAG NAME	TAG NUMBER	REQUIRED INFORMATION	DESCRIPTION
Type/Subtype Code	(1510)	Example: <b>10 00</b>	Type and subtype codes entered by the sender
Amount	(2000)	Example: <b>\$9,999,999.99</b>	The dollar amount of transfer, The amount will includes the dollar sign and the appropriate punctuation including cents digits.
Sender FI	(3100)	Example: <b>999999999 BANK XYZ</b>	Identifies the sending Financial Institution's nine digit routing number and short name. Sending Bank will provide.
Sender Reference	(3320)	Example: <b>97040300066030303</b>	Financial Institution's reference information may be inserted to identify the transaction.
Receiver FI	(3400)	Example: <b>021030004 TREAS NYC</b>	Identifies the receiving Financial institution. The nine-digit identifier 021030004 is the routing number of the Treasury. The short name for Treasury is TREAS NYC. This item is a constant and is required for all funds transfer messages sent to Treasury on behalf of Ginnie Mae
Business Function	(3600)	<b>CTR</b>	
Beneficiary	(4200)	Example: <b>D 86004960 Ginnie Mae</b>	Ginnie Mae's Beneficiary ID Code is <b>(D)</b> Ginnie Mae's Beneficiary Identifier <b>(86004960)</b> Government National Mortgage Association Beneficiary Name <b>(GINNIE MAE)</b>
Originator to Beneficiary Information	(6000)	Example: <b>Company XYZ, #6000, Commitment Fees Aug 2006</b>	Used to identify information conveyed from originator to the beneficiary; e.g., Issuer Name, Issuer number, details of payment.