



HMBS Issuer Testing Process

(Monthly Loan and Pool Reporting)

Mortgage-Backed Securities Administration Agent (MBSAA)

Contract C-OPC-22592

09/17/2007

Updated 4/16/2009

(Revised)

Client:	GINNIE MAE
Version:	1.2
Date:	7/3/07
File Name:	WEB_HRA_Issuer_Test_Plan.doc

DOCUMENT HISTORY

Version	Date	Additions / Modifications	Prepared / Revised by
1.1	7/3/07	Initial Draft of Issuer Testing Process Document created.	R Garner
1.2	9/17/07	Added text to specify the testing of multiple participations as a Ginnie Mae requirement; specifically added Section 2.2.3	R Garner
1.2	4/16/2009	Miscellaneous minor corrections, updates to test requirements; remove the designation of “draft” or “	R. Garner

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1 GENERAL INFORMATION

1.1 PURPOSE

This document provides the procedural information for testing between issuers and Ginnie Mae. This document also prepares issuers for monthly reporting of HMBS pool and loan data, in accordance with Ginnie Mae's HMBS Pooling and Reporting Specification, dated August 20, 2007, which outlines the monthly HMBS data collection and reporting process. The HMBS Pooling and Reporting Specification document encompasses post-settlement monthly reporting of loan and pool data. However, new pool processing is not covered in this document. That information can be received by contacting the GinnieNET helpdesk using the phone number 1-800-234-4662 (Option #1). A helpdesk representative can assist with the GinnieNet issuer registration and testing process.

1.2 AUDIENCE

This document defines processes and procedures that participants below must follow when testing issuer-submitted monthly HMBS pool and loan data.

- Ginnie Mae account executive (as applicable)
- Ginnie Mae Chief Information Officer (CIO)/information management division (as applicable)
- Ginnie Mae data collection contractor
- Ginnie Mae Electronic Data Interchange (EDI) coordinator
- Issuer telecommunications staff
- Issuer servicing system staff
- Issuer test coordinator

2 TEST PREREQUISITES OVERVIEW

This section outlines the prerequisites for all issuers who wish to participate in Ginnie Mae's Home Equity Conversion Mortgage Security (HECMS) Mortgage-Backed Securities (HMBS) program. We have organized the information into the major process areas that Ginnie Mae and each issuer must address to successfully complete issuer-related testing and certification to be deemed production-ready. The major activities include establishing an EDI Systems Agreement and a telecommunications link to transmit data to Ginnie Mae's data collection contractor. Issuers who desire to securely execute internet/web-based file transmissions are required to register for use of Ginnie Mae's e-Access function. We have outlined each of these activities in greater detail in the sections that follow, including links to additional information.

2.1 ESTABLISH GINNIE MAE SYSTEM AGREEMENTS

Issuers must complete or already have an approved EDI Agreement with Ginnie Mae. Issuers also must establish a specific telecommunications link that will be used for transmitting test data (and production data once testing is successfully completed).

Issuers should follow the instructions below, depending on their particular status as an existing issuer or new issuer. As needed, the issuer can contact the Ginnie Mae Test Coordinator at 1-888-446-6434, Option 1, for questions and issues regarding the status as an issuer.

Ginnie Mae provides New Issuers with an interim GinnieNET issuer identifier once their EDI System Agreement has been completed. This unique identifier enables the issuer to participate in testing with Ginnie Mae's data collection contractor to verify that all electronic interaction and transmission of monthly HMBS data functions are correct.

2.1.1 EDI System Agreement

The first step in the process requires that each issuer have a fully executed Ginnie Mae EDI Systems Agreement on file with Ginnie Mae's data collection contractor. This agreement authorizes the issuer to participate in the HMBS program. For new issuers, Ginnie Mae provides a temporary issuer identifier for issuer testing once the issuer's EDI Systems Agreement has been received for processing. The instructions related to completing the EDI Systems Agreement are available on Ginnie Mae's website at:

http://www.ginniemae.gov/edi/appen_d.asp

Appendix D: Electronic Data Interchange System Agreement

The purpose of the [EDI System Agreement](#) (PDF) is to clarify:

- Ginnie Mae's intentions and expectations about its EDI program
- Assumptions about Ginnie Mae and Trading Partner roles in Ginnie Mae's EDI program
- Logistics about the electronic exchange of EDI documents, including;
 - General specifications (standards, document types, telecommunications method)
 - Technical specifications (acknowledgments, communications, security)
 - Policies and Procedures
- Specific Legal Issues

Even though you may have always submitted your loan data to Ginnie Mae using physical electronic media, an EDI System Agreement is required because EDI will change the format and flow of the information between you and Ginnie Mae.

The following [EDI System Agreement](#) (PDF) will need to be signed by your company's officials and submitted to Ginnie Mae before the exchange of production EDI data can begin.

IMPORTANT NOTE: Issuers using GinnieNET may have already signed this agreement and sent it to The Chase Manhattan Bank. Another signed agreement or a copy should be sent to Ginnie Mae.

Figure 1: EDI System Agreement

A copy of the actual Ginnie Mae EDI System Agreement document also is available on the website.

2.1.2 Telecommunications

Issuers who participate in the HMBS program are required to electronically transmit data to Ginnie Mae's data collection contractor using a pre-defined and secure process. The hardware and software requirements for establishing a telecommunications link to Ginnie Mae's data collection contractor, along with information needed for its configuration, are available on Ginnie Mae's website at:

<http://www.ginniemae.gov/edi/telecom.asp?Section=Issuers>

Ginnie Mae EDI Telecommunications Configuration Reference

The hardware and software requirements for establishing a telecommunications link to Ginnie Mae, along with any information needed for configuration, are listed below. For detailed descriptions of the telecommunication methods, please refer to [telecommunications](#) chapter of the Ginnie Mae Implementation Guide.

ISDN

To establish ISDN connectivity to Ginnie Mae, a Trading Partner will need the following components established:

- A Cisco compatible router
- An ISDN line (to be provided by the Trading Partner's local telecommunications provider)
- Software capable of supporting ISDN and required file transfer protocols
- Connectivity between the router and the Trading Partner's network or host
- Connectivity between the router and our local telecommunications company (i.e., Bell Atlantic, Bell South, Southwestern Bell)

Any Trading Partner that is implementing ISDN will also need to follow Ginnie Mae's ISDN configuration. This includes the TCP/IP addresses of Ginnie Mae's host server and the router, Ginnie Mae's router type, Ginnie Mae's network topology, and the ISDN SPID numbers. This information will be disseminated during the initial telecommunications conference call.

BBS

To establish connectivity through Ginnie Mae's Bulletin Board System (BBS), a Trading Partner will need an asynchronous modem and a dial-up software package. Each Trading Partner will also need to contact the Ginnie Mae EDI Coordinator at 1-888-GINNIE4 (option 1) to obtain a mailbox on the BBS server. Before attempting to connect, the Trading Partner will need to configure their modem with the following settings:

Remote Phone Number: (301) 548-2341

Receiving Modem Speed: Up to 56K

User Modem Settings: 8 data bits
1 stop bit
no parity

VAN

Trading Partners who are using a Value Added Network (VAN) will need to independently establish their VAN connectivity. If you are experiencing difficulty in obtaining information on VAN services, please contact the Ginnie Mae EDI Coordinator at 1-888-GINNIE4 (option 1) for assistance.

Ginnie Mae Service

Provider: Inovis, Inc.

Connection

Requirements: Connection to any VAN that can establish an Interconnect to Inovis, Inc. (trading partners are not required to use Inovis, Inc.)

Figure 2: EDI Telecommunications Configuration Reference

Detailed instructions for establishing a telecommunications link for monthly issuer reporting are available on Ginnie Mae's website at:

<http://www.ginniemae.gov/edi/fund.asp?Section=Issuers#telecom>

2.3 Telecommunications

As a Ginnie Mae trading partner you must establish a telecommunications link with Ginnie Mae. Ginnie Mae provides many options for this connection. Telecommunications options include ISDN, Web, VAN, and BBS. The most appropriate telecommunications connection depends upon the business needs of the individual trading partner. For example, an issuer with a small Ginnie Mae portfolio would probably not purchase and maintain an ISDN connection to transfer small amounts of loan data. Likewise, it may not be effective for a large service bureau to use a BBS connection. Each trading partner should evaluate which option is most cost effective for its business, based on the data size and frequency of its EDI transmissions. However, it is important to note that the Web is limited to 800 loans or fewer.

Another factor in your telecommunications decision is your organization's current telecommunications capabilities. For example, if your organization is already ISDN-capable, you would consider using ISDN to complete your connection.

The general guidelines for selecting from the telecommunications methods supported by Ginnie Mae are presented in Table 2-1. After determining the number of loans for which you have reporting responsibility, identify the appropriate telecommunications method to connect with Ginnie Mae. If you are unfamiliar with the method identified, refer to the sub-section that follows for more information or call the EDI Hotline at 1-888-GINNIE4.

Figure 3: Telecommunications Instructions

2.1.3 Internet/Web-Based File Transmission

Ginnie Mae's e-Access system provides functionality to approved issuers for internet/web-based file transmission of reporting monthly pool and loan data. As a prerequisite for using this capability, an issuer must be registered and authorized to use e-Access.

Instructions to register for e-Access are available on Ginnie Mae's website at:

<http://www.ginniemae.gov/edi/e-access.asp?Section=Issuers>

e-Access

Ginnie Mae e-Access provides a single point of access for all issuer applications on the Ginnie Mae Web site. e-Access therefore eliminates the need for issuer personnel to remember multiple user ID and passwords to access Web IIS, Web EDI, Web IEDS and Loan Matching Information. Each user has one ID and password, which allows the user access to all approved functions. For example, a user who needs to use both Web EDI and Web IEDS will use the same ID and password to access both applications.

To [register](#) and receive your ID and password for e-Access please review the following links

- [Security Notice](#)
- [Registration and Procedures](#) (PDF)
- [Ginnie Mae e-Access Introduction](#) (PDF)
- [System Requirements](#)

Figure 4: e-Access Registration Instructions

This e-Access user registration is required in addition to the EDI Systems Agreement, if the issuer wants to submit files using the internet/web-based file transmission process.

2.2 TEST SCOPE

This section outlines the scope and the associated processes for each of the various components of testing that Ginnie Mae's data collection contractor and each authorized/registered user conduct in the HMBS program. Included in the issuer testing process are:

- Telecommunications and file transfer testing.
- Issuer data submission testing.
- Issuer multiple HMBS HECM loan multiple participation testing

2.2.1 Telecommunications and File Transfer Testing

The first step in the testing process is to verify that each issuer can establish a communications link and submit a file to Ginnie Mae's data collection contractor. The purpose is to confirm that each issuer has established and can use the transmission link to submit files to Ginnie Mae's data collection contractor. For those issuers who have registered and been authorized to use Ginnie Mae's e-Access system, this step in the process also confirms their ability to connect and use the e-Access system to successfully upload files. Once the communications link has been established, the second step in this process requires that each issuer submit a small test file (that includes proper header, trailer, and record layouts for each record type) so that the basic connectivity and data/file transfer can be tested. When this step is successfully completed, the issuer moves into issuer data submission testing, outlined in the following sub-section.

2.2.2 Issuer Data Submission Testing

After the issuer telecommunications and file transfer testing process have been successfully completed, the issuer may begin submitting test data. The purpose of this phase of the issuer testing process is to confirm that an issuer is able to submit monthly issuer data successfully to Ginnie Mae's data collection contractor without error. Once an issuer successfully transmits reporting months of issuer data and Ginnie Mae's data collection contractor receives, validates, and processes it, Ginnie Mae approves each issuer as production-ready to submit HMBS monthly reporting data.

The file submission requirements are documented and available on the Ginnie Mae website at:

http://www.ginniemae.gov/guide/pdf/app_vi-17OCT.pdf

As part of the testing process, the Ginnie Mae data collection contractor verifies the issuer-submitted data files to ensure that each issuer-provided file(s) contains the following:

- File Header Accounting Record and Trailer Accounting Record
- One or more Pool/Security Records
- One or more Participation Accounting Records
- One or more HECM Loan Data Accounting Records

For all issuer-submitted test data file(s), the issuer must provide accurate and complete test data using valid data record types for one or more pools. All of the participation accounting records and HECM loan accounting records also must be accurate and complete, and relate logically to the pool/security accounting data records provided. Also the HECM loan data accounting records may include data in the sensitive data fields.

The volume of records that each issuer is required to provide during issuer testing includes a minimum of 1 HECM loan pool, 25 participation accounting records, and 100 loan records. The final volume of test records will be coordinated with Ginnie Mae. Once the issuer has submitted monthly test data files, the Ginnie Mae data collection contractor processes the issuer-submitted file and contacts the issuer to review the results. At the conclusion of the testing, the Ginnie Mae data collection contractor notifies the issuer of production readiness status for regular monthly reporting.

The time that it takes to complete this testing process varies greatly from issuer to issuer, and depends on several factors such as the availability of resources — existing versus new issuer — and prior experience submitting monthly reporting data to Ginnie Mae. Because the HMBS program is new, the Ginnie Mae data collection contractor allows the issuer to submit data once the testing cycle opens as often as required to achieve the two consecutive data file transmissions.

Issuers must use “test” data during the defined testing process that we’ve outlined. The data records and data values used during this testing can be made up of and/or constructed from issuer servicing information. Issuers must also make sure that their submitted test data does not include any actual personally identifiable information or any other sensitive data. All data used during this process must be test data that has no privacy or security-related implications.

2.2.3 Issuer Testing of HMBS HECM Multiple Participations

Ginnie Mae requires separate testing of monthly files for HMBS that have HECM loans with one participation and for HBMS that have HECM loans where there are multiple participations.

- Separate test files are required for each type of test.
- Issuers must prepare test files, in coordination with Ginnie Mae, where the monthly reporting data has one or more HMBS pools with one or more HCECM loans where there are multiple participations
- Ginnie Mae will review the testing results. Upon Ginnie Mae acceptance of the testing, Ginnie Mae will provide a formal approval to the issuer.

Issuers must pass the testing to Ginnie Mae’s satisfaction for single participations. Testing of multiple participations is not mandatory. This testing is optional.

2.3 TEST SCHEDULE

Issuer testing takes place from August 7, 2007, through September 30, 2007. During this testing phase, the hours of operations are from 7:00 AM to 7:00 PM ET, Monday through Friday (excluding government holidays). If needed and specifically requested by an issuer, an expanded operations schedule can be implemented to accommodate issuer processing/testing needs.

3 TEST ENVIRONMENT

Testing between the Ginnie Mae data collection contractor and the issuers uses an environment established specifically for testing. During this testing process that we have defined, all interactions and exchange of issuer monthly reporting data (test data only) use secure telecommunications and networking for these testing activities.

3.1 TEST ENVIRONMENT SECURITY REQUIREMENTS

In support of the defined issuer testing process, the following security requirements must be satisfied:

- Only registered issuers (approved EDI System Agreement) are allowed to participate in issuer testing.
- Issuers must use approved technology to securely transmit data to Ginnie Mae’s data collection contractor (more information on required products will be provided to the issuers via an all participants memo, APM).
- Issuers use only “test” data for Ginnie Mae’s data collection contractor during these testing activities until the issuer successfully completes testing and the system moves into “production” status.
- We will remove all “test” data from the testing systems used by Ginnie Mae’s data collection contractor once this testing phase has been successfully completed and the system is moved into production.

3.2 REQUIRED SUPPORT AND COMMUNICATION

During issuer testing, Ginnie Mae’s data collection contractor handles all support and communication. Issuers provide the resources necessary to work with Ginnie Mae’s data collection contractor during this process and are expected to identify a primary point of contact and a back-up point of contact for testing coordination. Each issuer must be registered on GinnieNET and on e-Access in order to complete the testing.