

Amendment No. A0004

1. The closing date referenced in Amendment 2, states that “Proposals must be submitted no later than **July 7, 2008** at 12:00 Noon local time...” You are hereby notified that this date is subject to change.
2. Attachment 1 is to publish responses to ninety-one (91) questions presented by potential offerors.
3. Attachment 2 is to publish the transcript of the Pre-Proposal conference.
4. Change Section C.3.06.01 to read, “Item 0002 and if exercised Option Items **0102** and 0202.”
5. Change Section C.3.06.04 to read, “Item 0002 and if exercised Option Items **0102** and **0202**.”
6. Change Section C.3.08.03 to read, “Item 0006 and if exercised Option Items **0106** and **0206**.”
7. Change Section C.3.11.01 to read, “Items 0008 and 0009 and if exercised Option Items 0108, 0208, **0109** and 0209.”
8. Change Section C.3.14 to read, “Item 0012AA, 0012AB and if exercised Option Items 0112AA, 0112AB and 0212AA, **0212AB**.”
9. Change Section C 3.15.02(a) to read, “...Provide all hardware, software and connectivity required to perform the service, including T-1 lines to **transmit** the services.....”
10. Section I – Incorporate FAR 52.237-3, Continuity of Services (JAN 1991) by reference.

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Questions and Answers

No.	Section	Question	Response
1	B	Schedule B, CLIN XX05 refers to a manual process for certifications? Is there a CLIN for GinnieNET certifications?	No, the electronic certification process using GinnieNET is to be included in the unit costs per pool. See Section C.3.03.01 for a description of this process.
2	B.5.02	Does the 19,000,000 that is referenced in CLINs 0006 include both active and inactive security positions?	No, the figure represents active security positions.
3	B.5.02	For each of the Items that list an "Estimated Quantity" in Schedule B, what were the actual monthly quantities for each of the most recent 12 months?	See Attachment 1 for monthly quantity breakdown.
4	B.5.02.0002AC	Please clarify Base Period volume estimate for Blank Certificates. The information provided indicates 1,000 packages of 1,000 certificates.	Blank certificates are currently ordered in unit packages of 1000.
5	B.5.02.0003	Please clarify Base Period Help Desk description.	Estimate reflects assistance provided by the Contractor to the Issuer in order to resolve pooling discrepancies. Cost is per unit (pool), and is irrespective of the number of errors resolved per pool.
6	B.5.02.0005	Please clarify Base Period Manual Process of Certificates description.	Section B.5.02 refers to manual pool certification. Manual certification typically refers to the physical processing of pool documents by the Contractor.
7	B.5.02.0009AB	Please differentiate volume estimates for Ginnie Mae II P&I guarantee fee, collections and payments.	On a monthly basis, Ginnie Mae collects P&I payments and Guaranty Fees, via wire transfer, on all GNMA II pools. Pool volume estimates would be the same.
8	B.5.02.007	Does the volume noted in the Certificate Transfer represent physical transfer or both physical and uncertificated?	The volume represents physical transfer only.
9	C.2.03	Please clarify the following: this section indicates funds for payment of commitment fees do not flow through CPTA, but indicates IPMS system tracks timely payment. (See section 3.03)	Commitment fees, not to be confused with Guaranty Fees, are directly wired to Ginnie Mae by the Issuer. The Ginnie Mae Finance Office will provide information to the Contractor on the commitment fees collected. The Contractor shall input the information into IPMS and perform a daily reconciliation that proper fees have been collected based on commitment amounts requested.
10	C.3	Are there any functions referenced in the RFP that are not performed by the incumbent?	Functions performed by other Ginnie Mae Contractors are indicated in the RFP.

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No.	Section	Question	Response
11	C.3.06	Are we required to create or print a certificate for the book entry for the federal issue position?	No, all positions held in book entry form do not have a corresponding physical certificate.
12	C.3.06.01	Please clarify the following discrepancy between Sections B.5 and C.3: in Section 3.06.01, the task references CLIN 201; however; there is no CLIN 201 listed in Section B.5	Section 3.06.01 has an incorrect reference. CLIN 0201 should be CLIN 0102
13	C.3.06.03	The tax id number printed on the certificate is a violation of privacy regulations; would Ginnie Mae consider removing the requirement?	Ginnie Mae will amend this requirement to ensure the privacy of all physical certificate holders.
14	C.3.06.04	Please clarify the following discrepancy between Section B.5 and C.3: in Section C.3.06.04, the task references CLINs 101 and 201; however, these CLINS are not listed in Section B.5.	Section 3.06.04 has an incorrect reference. Option Item CLIN 0101 and 0201 should be CLIN 0102 and 0202.
15	C.3.06.04	Are physical securities delivered to the Depository or via a transaction with the Depository?	No. Physical Certificates are only used for positions held outside of the Depository. Security positions are transmitted to the Depository electronically.
16	C.3.08	Describe How transfer turnaround, written inquiry turnaround and lost holder are tracked today?	All transfer turnaround, written inquiry turnaround and lost holder are tracked by the incumbent's propriety system.
17	C.3.08.03	Please clarify the following discrepancy related to Section B.5: in Section 3.08.03, the CLINs for option years (105 and 205) do not correspond to base year CLIN (0006).	The reference is incorrect and should be changed to option years 0106 and 0206.
18	C.3.09	How is the transfer fee defined?	Please see the MBS Guide, Chapter 6-2.
19	C.3.09	What is the information that needs to be held in electronic format upon destruction of the certificates?	All data information about the certificate must be maintained electronically. Physical certificates are archived until such time as Ginnie Mae instructs the Contractor to destroy said documents.
20	C.3.09.01	Please confirm if any services are required for transfers between two book entry positions.	No services are required for transfers between two book entry positions.
21	C.3.09.02	Are transfers within the Fed Book Entry System required to be reported to the Issuer if the global book entry position remains unchanged?	No, they are not.
22	C.3.09.02	(b) Has the incumbent destroyed cancelled and voided certificates held by it that have cancellation dates more than six years prior to their destruction?	Yes, at Ginnie Mae's direction.

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No.	Section	Question	Response
23	C.3.09.05	Is there a standard form of indemnification required by Ginnie Mae?	No; however, Ginnie Mae maintains standard letters of indemnification for registered holders who have lost their physical certificate.
24	C.3.09.05	When issuing a replacement certificate for a lost, stolen or destroyed certificate, does the HUD 11705 form need to be delivered to Ginnie Mae?	No, HUD Form 11705 is a pooling document.
25	C.3.09.05	If a certificate is reported lost by the issuer or a certificate holder, must the GTR be notified?	No, only if the Contractor loses the certificate does the GTR need to be immediately notified.
26	C.3.09.05	If physical presentment is not required for final distributions, what are the requirements to follow through on the security to obtain a cancelled certificate?	Physical presentment is required for final payment of certificated securities.
27	C.3.09.06	Are there specific insurance requirements or is it simply whatever is customary per industry standard?	See Section A of C.3.09.06 of the RFP for specific guidelines.
28	C.3.10.05	How many subscribers are currently receiving monthly tapes?	There are two current subscribers. Sector Inc. is not considered a subscriber.
29	C.3.10.06	What is the size of the distribution list and how is the information currently disseminated?	The distribution list is currently three (including Sector Inc.). The Sector tape is distributed electronically, the other two are by USPS.
30	C.3.10.06	Please confirm that the fees identified are retained by the Contractor.	Yes, the fees are retained by the Contractor.
31	C.3.10.09	Please provide a sample of the Monthly Exception Report by Issuer?	A sample of the Monthly Exception Report is located in the Ginnie Mae Reading Room in an IPMS Report Binder Book No.12.
32	C.3.11	Section C.3.11.01(b) says that the Contractor shall "Act as Ginnie Mae's paying agent for: . . . All emergency payments for Ginnie Mae I or Ginnie Mae II securities where the responsible Issuer cannot make payment". Section C.3.11.09 covers emergency payments only with respect to Ginnie Mae I securities. Section C.3.11.10, relating to remittance advices also refers only to "the Ginnie Mae I MBS Emergency Payment Process". Section C.3.11.11(a) also refers only to the requirement to "Make emergency payments on Ginnie Mae I securities if an Issuer is unable to make a payment." Is the Contractor responsible for making emergency payments on both Ginnie Mae I and Ginnie Mae II MBS? If so, please clarify the requirements in the RFP.	The Contractor is, by definition, Ginnie Mae's Paying Agent for the MBS II Program. Furthermore, In the event that an Issuer in the Ginnie Mae I MBS Program is unable to make their payment obligation to investors, Ginnie Mae may direct the Contractor to make that payment in order to fulfill its full faith and credit guaranty. Ginnie Mae's Office of Finance would wire funds to the Contractor for distribution to registered holders.

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Questions and Answers

No.	Section	Question	Response
33	C.3.11	Is the FRB of NY the originator (as defined by the NACHA rule) of the ACH debit for Ginnie Mae I?	Yes, they are the originator of the ACH, based on payment information provided to the Offeror.
34	C.3.11(c)	What GFP systems is used to prepare tax reporting for all Ginnie Mae II pools?	Pool Reporting System and Tax Reporting Software
35	C.3.11(c)	How many Ginnie Mae II pools are currently outstanding?	Approximately 115,000.
36	C.3.11.01	Please clarify the following discrepancy related to Section B.5: in Section 3.11.01, the CLINs for option years are listed as "108, 208, 209, and 209". Should this list read "108, 208, 109, and 209"?	Yes, it should read 108, 208,109, and 209.
37	C.3.11.01	If there are emergency payments for Ginnie Mae II MBS, is the Contractor required to advance its own funds to make those payments? If so, is there a dollar limit on the amount? When and how will the Contractor be reimbursed?	The Contractor is the paying agent for all Ginnie Mae II MBS. Therefore, emergency payments do not apply. If a shortfall occurs, Ginnie Mae will reimburse the contractor on the payment date.
38	C.3.11.03	Are the P&I debits aggregated for each Issuer or separate debits for each pool?	The debits are aggregated by Issuer. Details on the payment are included in the precollection notice.
39	C.3.11.05	What is the historical volume of ACH rejects?	An average of five (5) annually.
40	C.3.11.07	How does the task of providing ACH information to the FRBNY relate to Item 0008 (RPB Factor Processing)?	The relationship is direct. The RPB information is used to calculate the amount of payment due security holders that is collected from the Issuer via ACH.
41	C.3.11.07	What is the system/application used to print P&I investor checks?	IPMS
42	C.3.11.07	Volume of P&I Checks issued to the investors?	There are approximately 2500 MBS II checks.
43	C.3.11.07	Are checks printed on check stock (i.e. pre-printed with ABA/DDA/Check#) or is ABA/DDA/check number assigned and printed on safety paper at time of printing?	Checks are laser printed on safety paper.
44	C.3.11.07	Regarding Ginnie Mae II Wires to the Fed, are they sent individually at the Pool level? If not, please clarify.	Wires are not sent individually at the pool level, but are sent by several wires (limited field of ACH size). Pre-collection notices are sent to the Issuer and provide pool-level detail that is summed to arrive at the total amount to be debited.
45	C.3.11.07	What information is required to accompany the wire?	No additional information accompanies the wire from the Contractor to the Depository. Details on payments are provided to the Fed via factor information.
46	C.3.11.07	What is the estimated volume of lost holders?	There are approximately 80,000 security holders with unclaimed funds.

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47	C.3.11.07	Regarding Ginnie Mae I flow, what information is required to be provided to FRBNY and how? ACH file?	Factors and payment information related to ACH are sent by bulk transmission.
48	C.3.11.08	Does IPMS calculate the guaranty fee due to Ginnie Mae based on the prior month's RPB reported by the Issuer for each pool? Does it aggregate it at the issuer level and by program type?	Yes, IPMS makes the calculation. They are aggregated at the Issuer level and pool level but not by program type.
49	C.3.11.08	Does IPMS calculate the guaranty fees that are due to Ginnie Mae based on the prior month's RPBs reported by the issuer? Are they aggregated for each pool by the program type and issuer?	Yes, IPMS makes the calculation. They are aggregated at the Issuer level and pool level but not by program type.
50	C.3.11.08	How do the Guaranty Fees work for the multiclass pools?	Fees are calculated by the Contractor at pool origination.
51	C.3.11.08	What system(s) is(are) the issuer records extracted from?	Pool Reporting System (PRS)
52	C.3.11.08	If there is an Issuer transfer of responsibilities, what is the cut off date each month?	See MBS Guide, Chapter 6
53	C.3.11.08	What detail if any is sent to Ginnie Mae for backup on the Guaranty Fee?	A reconciliation report is sent to Ginnie Mae's MBS Administration Agent and Ginnie Mae's Office of Finance containing information on amount of guarantee fees collected from each Issuer.
54	C.3.11.08	How good are the Issuers in having funds available in their central P&I a/c?	Issuer's are very good at having funds available. Good Funds availability is a requirement of the Ginnie Mae MBS Program. On occasion; however, good funds are not available and contingency plans must be implemented. The Issuer will be required to wire the funds directly to the Fed or the Contractor, as appropriate.
55	C.3.11.08	Which areas own this process?	The Contractor collects guaranty fees from the Issuer accounts and wires the funds to Ginnie Mae's Office of Finance. The Contractor has to have their own ACH process.
56	C.3.11.08	Are there other fees that the CPTA may need to oversee (e.g. Transfer of Issuer Responsibility)?	Fees include, among others, certificate transfer fee, transfer of mortgage servicing rights fee, Platinum fee, and the Guaranty Fee.
57	C.3.11.08b	What system is the source of the prior month's RPB report?	Pool Reporting System (PRS)

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58	C.3.11.09	Section C.3.11.09, referring only to emergency payments on Ginnie Mae I MBS, says that "the Contractor shall make payments using Ginnie Mae funds. How and when does the Contractor obtain those "Ginnie Mae funds"?"	Ginnie Mae wires the funds to the contractor one business day prior to distribution to registered holders.
59	C.3.11.09b	Please confirm that payment under this section is to be made using Ginnie Mae funds.	Yes. The Contractor receives funds via wire transfer from Ginnie Mae's Office of Finance.
60	C.3.11.10	What is the volume of uncashed checks?	There are approximately 185,000 records in the unclaimed funds database, which typically include multiple uncashed checks to the same investor.
61	C.3.11.10	Are the specific requirements (searches, number of mailings, timing of mailing, response timeframe) relating to locating holders of uncashed checks. What are considered "suitable efforts"?	The Contractor is responsible for all Unclaimed Funds activities for the MBS II Program. As such, the Contractor should make efforts, suitable to Ginnie Mae, that will resolve unclaimed funds issues in a timely manner. For example, the Contractor shall follow-up on outstanding unclaimed funds when an Investor submits a physical security for final payment. For the MBS I program, however, the Contractor only maintains the tracking database, and works with the MBS I Issuer community to resolve their unclaimed funds issues. Unclaimed funds are forwarded by Issuers to Ginnie Mae, pursuant to instructions outlined in the MBS Guide, which are in turn wired to Ginnie Mae for safekeeping until such time as the Issuer can locate the registered holder/beneficiary.
62	C.3.11.10	Please provide details to comply with Remittance Advice requirements (e.g., if payment made via check vs. wire, Ginnie Mae I vs. Ginnie Mae II). Does this need to be a separate document or can it be incorporated into check?	There is no wire, payment is by check for both certificated Ginnie Mae 1 and II. It does not need to be a separate document and can be incorporated into the check stub.
63	C.3.11.11	There is a reference to the factor/tax data website; please confirm that this website is the property of Ginnie Mae and not an incumbent proprietary system?	Yes, it is the property of Ginnie Mae.
64	C.3.11.12	Should the two references to "MBS Administration Contractor" read "MBS Administration Agent"?	Yes
65	C.3.11.12	To whom do we need to report SCRA payments?	Contractor is responsible for SCRA payment distribution to the appropriate Issuer.

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66	C.3.11.12	Who is Ginnie Mae's MBS Administration Contractor and how do they provide information on these payment amounts due? Please confirm whether these payments are recorded on the "system" maintained by BONY and what, if any, tax reporting ramifications exist	Deloitte & Touche is currently Ginnie Mae's MBSAA Contractor. The CPTA Contractor, merely disburses the funds related to making SCRA payments to issuers. As such, the Contractor receives disbursement information from the MBSAA and forwards the proper payment to the appropriate Issuer. These funds transfers occur each quarter, typically on the 7th calendar day of the month. Ginnie Mae's Office of Finance wires funds to the CPTA Contractor for timely distribution.
67	C.3.11.14	Should the reference to "Data Collection and Analysis Contractor" read "MBS Administration Agent"?	Yes
68	C.3.12	How many LPAs exist?	31
69	C.3.12	How often and what is the volume of platinum issue requests that are withdrawn prior to the 9AM settlement requirement?	This is very rare. Less than one request each quarter.
70	C.3.12	Will the LPA accounts move to new contractor?	Yes
71	C.3.13	Are Platinum Pools issued under a Platinum Trust Agreement Grantor Trust?	Yes
72	C.3.13	What system performs analysis to calculate the deferred Platinum Guaranty Fees?	An Excel Spreadsheet is maintained by the Contractor.
73	C.3.14	Please clarify the following discrepancy related to Section B.5: in Section 3.14, the referenced CLINs include 112AB twice. Should one of these be 212AB?	The reference is incorrect and the second reference should be 0212AB.
74	C.3.14I	Please clarify who is to pay the cost of Ginnie Mae's toll free 800 line.	The contractor pays for Ginnie Mae's toll free 800 line.
75	C.3.15.01c	The section references destruction of MBS certificates after 7 years. Section C.3..09.02 references destruction of certificates after 6 years. Is this consistent?	No. Current SEC guidelines suggest destruction after six years. Ginnie Mae will determine if cancelled certificates are destroyed after six years.
76	C.3.15.02a	Please explain the use of the word "transit".	"Transit" is a typographical error. The correct word should be "transmit".
77	C.3.16	Please provide a copy of the most recent SAS 70.	This is unavailable for public distribution.

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78	C.3.16	How far in advance of the period to be covered by SAS 70 testing would Ginnie Mae order a SAS 70 audit from the contractor and notify the contractor of whether the review would be a Type I or a Type II?	The contractor will be notified no-later-then the end of February of each year as to whether or not Ginnie Mae intends to exercise the SAS No. 70 Type I or Type II option. The exercise of a SAS No. 70 Type II option will require the review of six months of operations.
79	C.3.16	The RFP indicates that each SAS 70 audit including follow up work shall be completed by August 30th of the year ordered. What is the period ending of each of the SAS 70 audits to be performed?	A SAS No. 70 Type II will require the review of six months of operations (January through end of June).
80	H.4	HUD intends to amend the solicitation with a detailed list of additional hardware and software being provided to support this contract as GFP – as the result of the BPI initiative. When will the detailed list of hardware and software provided?	The proposed list of GFP was posted as Amendment 3, dated 30, May, 2008.
81	H.4	Please provide a listing of the number of staff describing roles and responsibilities that are directly or indirectly used to support each of the GIFITSA.	The incumbent's current staffing requirements are proprietary.
82	H.4	What is the general nature of the information contained in the 7,849 plus cartons located at off-site storage facilities?	The secure off-site facility primarily holds archived records of the following: cancelled certificates, manual pool processing documents, and critical pooling / payment reports etc.
83	H.4	Will the contractor be responsible for verifying and validating the contents of the 7,849 plus cartons located at the off-site storage facilities? If so, will a manifest of carton contents be provided?	Yes, the new Contractor will be responsible for verifying that they have received the contents from the Incumbent. The Contractor can use statistical methods in accordance with AICPA Standard No. 39 to verify the contents of the archived material. An inventory of all documents archived at the secure offsite facility is currently maintained by the Incumbent for Ginnie Mae. Upon contract award, the Contractor will receive the current inventory list.
84	L.12.3	What are the FTEs associated with each of the listed processes?	Ginnie Mae doesn't mandate FTEs per process or function. Such business decisions are determined by the Contractor.
85	L.12.3	What are the functions/titles for each management position (prime and subs) and reporting/communication chain for the listed key processes?	Ginnie Mae doesn't mandate functions/titles for key processes.
86	L.12.3	Should the reference at the end of the first sentence of this section be to "12.3(2)"?	Yes

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No.	Section	Question	Response
87	L.13.2	The section says "Contractor", not "Offeror". Is that correct?	The words are used interchangeably. The Contractor will be responsible for providing the function described.
88		How much has Ginnie Mae paid to the incumbent Contractor for FP and FFP items each month, during each year of the current contract?	The information requested in this question is either proprietary or for Official Government Use only.
89		How much has Ginnie Mae paid to the incumbent Contractor for labor under T&M items each month, during each year of the current contract?	The information requested in this question is either proprietary or for Official Government Use only.
90		How much has Ginnie Mae paid to the incumbent Contractor each month for ODC under T&M items, during each year of the current contract?	The information requested in this question is either proprietary or for Official Government Use only.
91		For how many labor hours has Ginnie Mae been billed by incumbent Contractor under T&M items each month, during each year of the current contract?	The information requested in this question is either proprietary or for Official Government Use only.

68	#REF!	5/30/2008	5/30/2008		C.3.11.15	How are the Monthly Trigger Holders Recon and Factor Edits Error Log provided to the PPA/CPT A? Can you provide a copy? Please provide a sample of the information contained in this log.	Both reports relate to the factor edits and are provided to the Contractor by the Depository . See Attachment 2 for sample file.
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1 UNITED STATES
2 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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4 PPA/CPTA
5 PREPROPOSAL CONFERENCE
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8 The above-entitled matter came before the
9 U. S. Department of Housing and Urban Development, on
10 Wednesday, May 14, 2008, commencing at 10:00 a. m. ,
11 at 451 7th Street, S. W. , Suite A, Washington, D. C.
12 20410.

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21 REPORTED BY: KENNETH NORRIS

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1 APPEARANCES:

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3 GINNIE MAE ATTENDEES:

4 MICHAEL FRENZ, Executive Vice President

5 THOMAS WEAKLAND, Sr. Vice President, Office

Attachment 2 - R-OPC-23287 PreProposal Conference Transcript.txt
6 Of Program Operations

7 DANA LONG, Contracting Officer, Office of
8 Procurements and Contracts

9 DEBORAH HOLMES, Chief Information Officer

10 CAROL VILSAK, Program Operations

11 COREY COWARD, Capital Markets

12 DEBORAH HOLMES, Vice President/CIO

13 Information Management Division

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1 P R O C E E D I N G S

2 MS. OWENS: Again, I'm Cheryl Owens and
3 welcome to our preproposal conference. I have already
4 gone through the administrative guidelines which I
5 will repeat for the official record. I welcome you to
6 the preproposal conference of the PPA/CPTA contract.
7 Cheryl Owens, City management operations.

8 Administratively, I remind those who may not
9 have heard it, you are restricted to just for the
10 first floor of this building with your badges. There
11 is the Star Bucks next door, the cafeteria at the end
12 of the building and the L'Enfant Plaza eatery if you

13 want to go there for lunch, but if you return back to
14 the building, you have to go to the front of the
15 building and come back in.

16 There is no eating or drinking in this room
17 but we will be taking appropriate breaks and you can
18 have refreshments outside in a little bit.

19 I, again, apologize for being late but with
20 that we're going to get started. I would like to
21 introduce you to Michael Frenz, the Executive Vice

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1 President of Ginnie Mae. Thank you.

2 MR. FRENZ: Thank you, Cheryl.

3 Good morning, everyone, welcome to the
4 preproposal conference contract. I'm pleased you've
5 come here this morning to hear about our request for
6 the proposals to the contract. Because Ginnie Mae has
7 only 56 employees who deal with contracts, including
8 our add officer providing oversight and guidance, in
9 this contract, which provides transactional and back
10 conference support for our mortgage back secure
11 authorization programs is one of the most important
12 contracts at Ginnie Mae. For that reason, we devoted
13 considerable resources and staff time to insuring you
14 get the information you need to put together
15 outstanding proposals.

16 I'm now going to turn it over to Tom
17 Weakland, head of the Ginnie Mae office of officiating
18 the contract. Tom will be guiding you throughout
19 today's session with the able assistance of Dana Long

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20 and other colleague from Ginnie Mae. Enjoy the day
21 and good luck to all of you.

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1 MR. WEAKLAND: Thank you, Michael.

2 Before we get started, I would like
3 personally want to thank each of you for your interest
4 in this procurement effort.

5 We have a lot of material to cover today
6 so -- but before we get into the presentation, I want
7 to, you know, at least point out the different people
8 that will be providing presentations today.

9 Dana Long, who has already been introduced,
10 who is our HUD procurement Officer.

11 Carol Vilsak -- Carol? She is from the
12 office of program operations.

13 We also have Corey Coward who is a
14 multi-class area.

15 And we have Deborah Holmes, our vice
16 president, CIO of Ginnie Mae.

17 And as you know, we have set aside a day and
18 a half for the presentation. Now, tomorrow's session
19 it was originally planned for here. It will be held
20 over at Hawthorn Plaza. It will start at 9 o'clock
21 tomorrow. Hawthorne Plaza, if you don't know where it

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1 is, is right behind the HUD building and it is in the
2 L'Enfant Plaza new unique ballroom, 304.

3 Now, I want to talk a little bit about what
4 we're going to cover here today then I'm going to let
5 them go at it.

6 What we're going to start off with today is
7 Dana Long, contracting Officer. She's going to cover
8 all the grounds. Once she gets through with that,
9 then Carol Vilsak will come up and talk about the
10 various key functions. 13 of the key functions of the
11 statement of work. As you know, the statement of work
12 is about 74 pages. That I section c and there is a
13 lot of material in there but we're only going to be
14 covering the key areas, key functions the contractor
15 will be required to perform. The workers will be
16 required to perform.

17 Then following Carol will be Corey Coward.
18 Corey will be talking about the Platinum trustee
19 responsibilities as well as funding information.

20 Following that, Deborah Holmes will cover
21 information technology part which is when you look at

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1 the State arm is an important part of the work that
2 will be performed for us, business operations and
3 phone system of the work for us.

4 Then we're then going to go take you back to
5 Dana and then Dana is going to cover sections of --
6 what was is it, Dana?

7 MS. LONG: D through F.

8 MR. WEAKLAND: D through F of the
9 solicitation. And then in the afternoon we'll have

10 a -- we're going to have Jumedia Buchner from New York
11 to go through an overview of our business processes.

12 And there are handouts over here on the
13 table of that presentation. If you don't have one,
14 you would want to get one before Jumedia does her
15 presentation.

16 That pretty much concludes my remarks. So
17 I'm now going to turn it over to Dana.

18 MS. LONG: Thank you, Tom.

19 Good morning, everyone. I'd like to also
20 welcome you to our preproposal conference. I know
21 that you have taken a lot of time and expended a lot

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1 of money for this conference. So I would like to,
2 again, give you my appreciation. And I hope that you
3 take the information and that it will be worth while
4 for you.

5 As Tom has said, we do have handouts on the
6 table that goes over the system overview. We will
7 also be providing you with information from our
8 reading room. We do have a reading room, and we will
9 be providing a CD-ROM on that also. So I wanted to
10 let you know about that.

11 As far as questions that you may have, we
12 have five-by-eight cards. And I'll go into how we're
13 going to address your questions. I want to let you
14 know that we do have those available for you to write
15 your question.

16 Before we get started again, I wanted to let
Page 6

17 you know the ground rules of this conference. If you
18 hear anything that conflicts with the request for
19 proposal that we have posted on the Internet, the
20 information on the request for proposal takes
21 precedence over anything that you hear. Do not rely

9

1 on any information that would conflict to prepare your
2 parole.

3 Secondly, we will be providing a posting of
4 this conference. We actually have a person that
5 provides a transcript. We will be transcribing that.
6 And you feel free to take notes. But if you miss
7 something, we will make sure that information is
8 posted on the Internet for your information in case
9 you missed something.

10 We will not be taking substantive questions.
11 That's why the cards will be provided to you. If
12 there are questions that we can answer, we will answer
13 them. If not, we will say please put your question on
14 a cards, and we will provide the questions and the
15 answers on the Internet for everyone to see, just to
16 make sure there is no misunderstanding.

17 And when I talk about the web, I'm talking
18 about the federal web site and also the HUD web site
19 that we have that has the same information.

20 And again, it will follow the same rules
21 that we have for any questions that you might have

1 after the conference. You e-mail them to us, to the
2 contracting office. You can provide them in writing,
3 and we will also answer you back in writing.

4 And, additionally, a word of caution. The
5 Ginnie Mae staff and the HUD staff have been cautioned
6 not to answer any questions. So please do not ask
7 them any questions. Okay?

8 Does anyone have any need right now?

9 Okay. First I would like to take a look
10 at -- take a look at the R & D process and how we will
11 be doing this. The reading room is now open. There
12 are instructions in the request proposal that talks
13 about how you will be gaining access to the reading
14 room. It's by -- it's available during normal
15 business hours. We're not going to be doing it during
16 the weekends or Federal holidays. It is on a first
17 come, first serve basis. And we ask that you feel
18 free to take notes, but we ask that you do not bring
19 recording electronic devices. And we will also be
20 giving you sensitive information. So avoid --

21 MS. HOLMES: It's by appointment.

11

1 MS. LONG: Oh, thank you. It is by
2 appointment. So first come first serve. But if you
3 e-mail, be patient, follow the instructions that are
4 in the -- in the requested proposal.

5 Also there will be CD-ROM available for you.

6 And we have a limited number, so we ask that you not
7 have people come and ask for them that belong to the
8 same company. So please adhere to that.

9 The proposals are due the 17th of June at
10 noon, as of right now. We do have an in and out. We
11 have 133 pages of solicitation. It is very large.
12 Plus we have amendments to change certain dates. So I
13 caution you to make sure you pay attention to the
14 proposal receipt dates, because we will be going
15 through them very thoroughly and be making a single
16 award. And doing this we're going to be using the
17 best value methodology. So it would not be awarded --
18 so not necessarily awarded to the lowest price or the
19 highest technically acceptable.

20 Keep in mind that this procurement is full
21 and open. We are using far part 15. So familiarize

12

1 yourself with the Federal acquisition regulation as it
2 pertains to the full and open. This is for all that
3 are -- if you look at the first page of the -- not the
4 request for proposal but the cover page -- we actually
5 have a restriction for the type of folks that we're
6 looking for. And you'll see that on the first page.
7 So make sure that you read that over. Read the
8 solicitation in its entirety. There are no partial or
9 total set asides on the procurement, and the bids on
10 contract can be a large or a small bid.

11 We also provide for bidding in section B.
12 And that is to be filled out and completed in its

13 entirety. Anything that is omitted will be deemed
14 nonresponsive. It is not where you choose part of it.
15 It has to be in its entirety.

16 Okay. Also look at section M of the
17 solicitation. It talks about how we're going to be
18 evaluating the proposals.

19 Section L talks about what we -- about your
20 instructions. And section L talks about the
21 evaluations and how we're going to be evaluating your

13

1 proposals.

2 I cannot overemphasize the importance of
3 reading section M and the solicitation in its
4 entirety.

5 Once you've submitted an offer and it comes
6 in at the time that it's supposed to on the 17th of
7 June, as it is right now, you would not be allowed to
8 amend your proposal. So we're asking for your best
9 work.

10 Once you -- I want to go over the process of
11 how we're going to look over your proposals. Once the
12 17th of June or whatever the date has been established
13 for the proposals to be received, we're going to make
14 sure the proposal that you provide conforms with the
15 requirements that we have outlined in the
16 solicitation.

17 One of the things that you'll notice is that
18 we ask for the technical and your price proposal to be
19 segregated, to be separate. Once we make sure that

20 your proposal conforms to the requirements of the
21 solicitation, then we will take the technical portion

14

1 and give it to the technical evaluation panel for
2 their evaluation. Once they complete their
3 evaluation, they will be given the price proposal that
4 you have provided.

5 Once that has been done, we will make an
6 assessment whether further discussions will be
7 necessary. We may award on the authorization you
8 provide at that time. So what I will caution you is
9 to not think that you have another opportunity to
10 revise your proposal. So we may award on initial
11 proposals.

12 We will perform our analysis and find the
13 best value for the government. And if necessary make
14 the award. And we will notify those that have not
15 received an award or have not been considered who make
16 notification as appropriate in the solicitation.

17 What I -- again, please make sure that you
18 read the solicitation in its entirety. If you find a
19 problem or an argument or anything of that nature,
20 please make sure that you e-mail me or the contracting
21 officer that has been identified.

15

1 The first thing I would like to do is to
2 talk about section B of the solicitation which talks

3 about your suppliers -- excuse me -- your services and
4 your prices and your thoughts.

5 Now, this may be different from the previous
6 or the current contract that we're under because we're
7 under a that's the delivery and that's the quantity
8 type of contract. That is the way it's outlined for
9 the solicitation. And I urge you to be familiar with
10 far part 16 that talks about delivery in excess
11 quantities.

12 As you will see on the section B, you'll be
13 given the opportunity to put prices in for the
14 different line items. And that is to be completed in
15 its entirety. You have line items that are firm based
16 price and you have line items that are fixed price.
17 In looking at the estimated quantity, that's exactly
18 what it is. It is an estimated quantity. It is not a
19 guarantee. The only guarantee we have is the \$1
20 million minimum guarantee. There is no maximum
21 guarantee. This is based on historical data that may

16

1 fluctuate. So I want to let you know that this
2 information provided as far as the quantity are not a
3 guarantee. The government will order, based on the
4 prices that are provided, to the awarded offer.

5 So make sure that you fill out section B.5
6 and they have the corresponding date. For example,
7 the 10N, if applicable, is September 1st, 2008,
8 through the 31st of January, 2009. And if you look at
9 the base period after the transition, it is for

10 three years.

11 The subsequent option year -- that's exactly
12 what it is -- an option year, are for one year. So
13 you have a total of five years and then with the
14 addition of the transition ends, five years and
15 six months.

16 After you go past the B.5, you also will be
17 provided information for the labor categories that
18 will be selected for subsequent pack orders. We have
19 also had the base period in three years. And a
20 subsequent option period that is one based. And what
21 we ask you to do is to complete, based on the

17

1 estimated hours, we ask you to complete the rates for
2 each one of those labor categories. And there is a
3 description of the labor categories after you complete
4 it. When you go further, it is on paragraph -- after
5 B.6, they actually have a description of each of the
6 labor categories after option period 2.

7 So, for example, on the senior professional
8 staff, it talks about the features of that particular
9 label category. If you call it something else, at
10 least you know what we're looking for when we're
11 talking about easy and professional staff.

12 And that concludes the information that I
13 have for you on section B, which is the pricing
14 information. And what I'm going to do is I'm going to
15 turn it over to Carol Vilsak from the program
16 operations to discuss B section C, which is the actual

17 statement of work.

18 MS. VILSAK: Good morning. James is doing
19 the slides. I have section C, which highlights some
20 key functions. I am Carol Vilsak. I worked for
21 program operations. And some of the functions that

18

1 were discussed -- and most them or actually all of
2 them are functions that program operations works very
3 closely with as does capital markets. Ordinarily Tom
4 would be following me to discuss some of our
5 multi class highlights and Ms. Holmes from information
6 management division will discuss systems.

7 Okay.

8 Let's begin.

9 The first few slides are just simply
10 overviews. We tried to break this down into
11 functionality by pool processing agents. Each of
12 these bullets will be discussed individually. The
13 databases, commitment authority, the full prosecutor
14 security, insurance warnings, transfers of mortgage
15 services, and pool certification process.

16 Next we'll be discussing CPTA, central
17 paying and transfer agent functions. And it will be
18 these bullet points, which we will discuss
19 individually. Maintain central registry on
20 outstanding single class and multi class securities.
21 Process requests for transfers of MBS certificates.

1 Collection and dissemination of MBS pool data. And
2 finally, at least under this heading today, is the
3 contractor is going to act as Ginnie Mae's collection
4 and paying agents. Okay.

5 We also have some additional functions we
6 would like to discuss here today. First is tax
7 reporting, then the annual SAS 70 audit, if needed,
8 and finally some special requirements that are needed
9 for the Servicemembers' Civil Relief Act.

10 And that would be my portion of it.

11 We will then pass it over to Corey Coward
12 from capital markets who will discuss certain
13 important multiclass functions which are part of this
14 and the REMIC information agent. And you're not
15 speaking on that? Really? Well, that's a first.

16 So let's get started. I'll try to speak a
17 little louder.

18 The first is the pool processing agents.
19 Number one is the maintenance of the Ginnie Mae
20 database of master agreements and form HUD 11702.
21 Essentially what happens here is the contractors are

20

1 processing, updating, and maintaining critical issuing
2 documents. And those are right at the forefront of
3 the process of the master agreements and the
4 resolution of the board of directors. And attending
5 that is a list of all the authorized signatures. So

6 those are maintained in a database at that contractor.
7 And of course they inform us regularly of updates to
8 them.

9 The second key process is commitment parties
10 and pool number requests. Now, in this function, the
11 contractor processes equipment authority requests and
12 if the issue involves a request of block pool numbers,
13 they are assigned, as well, to the issuer. The
14 contractor insured that the issuer sent is the
15 appropriate commitment authority fees. Then wire
16 transfer to Ginnie Mae's office of finance.

17 Once that is completed, integrated pool
18 management is updated. The Ginnie Mae account
19 executive approves the request for commitment
20 authority, updates IPMS. And from there the system is
21 set to allow each user to use the commitment authority

21

1 purchased to pool MBS.

2 Also, the final paragraph. I do think it is
3 important to note on the last one, James, just to make
4 sure. IPMS is our integrated pool management system,
5 and that's the system that tracks and monitors
6 commitment authority availability. So those are very
7 key components of the pool processing IMPS function
8 for commitment authority.

9 Now, for 3, for pool processing and security
10 issuance. GinnieNET. Most of our pools are processed
11 electronically through GinnieNET. It is a web-based
12 application and -- however, there are a small number

13 of pools that are made to be processed manually. And
14 the contractor is responsible for processing the
15 manual paper pools. Those are typically Multi family
16 pools.

17 We also have, of course, a new product, the
18 RMS which is the reverse market securitization
19 acronym. Of course, typical production processes are
20 the same. However, you know, as we are aware the
21 forward market and the reverse market have significant

22

1 differences in certainly the payment functions,
2 special bidding, single class forward market and
3 unscheduled bidding for the reverse market.

4 Now, once a pool is transmitted from the
5 issuer, the contractor sets aside the issuer's pool
6 number which they did submit. They draw down the
7 available commitment value balance by an amount equal
8 to the value of the pool transmitted. And after
9 pooling, the contractor forms various edits on the
10 loan collateral submitted and works with the issuers
11 to resolve pooling issues.

12 There are hard edits and soft edits in that,
13 and the issuer will get those warnings and work with
14 the contractor to resolve them so the pool can be
15 transmitted successfully.

16 Next line.

17 Then contractor is responsible for insuring
18 that all pools, loan packages and pooled
19 participations meet Ginnie Mae's pooling requirements.

20 And really, that's just a sort of a recap of the fact
21 that all the pools transmitted must pass successfully

23

1 through the edit process.

2 At that point, the pool is initially
3 certified. What that means is the pool goes through
4 Ginnie Mae. After the edit, then it is transmitted to
5 the -- the issuer is assigned documents, custodian for
6 the pool. So it's initially certified, contractor
7 verifies that the issuer does have a sufficient
8 commitment authority balance available. The pool
9 number that was submitted with the pool at the
10 transmission through Ginnie Mae or manual is indeed
11 one of the pool numbers assigned by the contractor to
12 that issuer's ID. And then again all the pooling
13 requirements have been met.

14 The next -- this is a small but important
15 piece. The contractor is responsible for purchasing
16 blocks of CUSIPs, as I believe the person mentioned
17 before. And once the pool is successfully
18 transmitted, the contractor applies a CUSIP to each
19 pool and loan package for contracting purposes. And
20 then once all these pieces have been successfully met,
21 the contractor prepares the pools for security

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1 issuance and for delivery to the depository. And of
2 course our depository at the moment is the Federal

3 Reserve Bank in New York.

4 Okay. To continue on the pool processing,
5 for the MBS program only, the contractor is required
6 to create and, upon request, distribute prospectuses
7 to interested parties. And that's the Ginnie Mae II
8 program. There is also a Ginnie Mae help desk that is
9 staffed by the contractor at the contractor's primary
10 location, and that contractor help desk, the Ginnie
11 Mae help desk is a 1-800 number that serves to assist
12 with issuer-related questions. They can assist with
13 pooling questions, but they can also be general
14 program questions that you need assistance with. You
15 can certainly call that number and get the problem
16 resolved.

17 Okay. The next is the pool issuance in the
18 forward and reverse markets, which I mentioned in the
19 last slide. The contractor is responsible for the
20 pool processing activities of eligible loans
21 originated in either category. And of course, the

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1 forward market is the pool and loan packaging. And
2 the reverse market is the pooling of the
3 participations of each of the inhabitants. The
4 timetables that we're discussing are independent work
5 in section 5. As far as the requirement or the time
6 needed to submit the pool, through Ginnie Mae or
7 manually and the time needed by the contractor to
8 process it according to section 5, those things are in
9 the statement of work, and they are also in the MBS

10 guide, which is to be found on the Internet at
11 GinnieMae.com. The typical program is such that
12 issuers pools and they maintain servicing rights to
13 the pools that they transmitted. In some instances,
14 we call them pools for immediate issuer transfer.
15 Those are PIIT pools. Now, given that the originating
16 issuer and the second issuer that want to purchase the
17 pool immediately upon issuance, if both of those
18 issuers meet Ginnie Mae's program guideline, the
19 immediate pool transfer can occur. If the contractor
20 determines that -- with Ginnie Mae that the pool is
21 not eligible to be transferred at issuance immediately

26

1 to the second issuer, it will be issued and maintained
2 with the primary issuer, originating issuer.

3 Okay. Next slide.

4 The next slide is the transfers of mortgage
5 servicing. Okay. Issuers may sell some or all of
6 their servicing rights to another issuer in good
7 standing in the main program, pending approval by
8 Ginnie Mae. And in this process, the issuers submit
9 their requests directly to the contractor. The
10 contractor will verify that all the information
11 submitted meets our program requirements. They will
12 collect the appropriate transfer fees with the
13 transaction. And finally, they will update the -- I'm
14 sorry -- the pool transfer system. The pool transfer
15 system is another system designed to track and monitor
16 pool transfer.

17 Once pool transfer system is updated, Ginnie
18 Mae will see in pool transfer system that action is
19 needed on our part, and we will go in and approve or
20 deny the servicing transfer request accordingly and
21 update PTS at Ginnie Mae. The contractor will then

27

1 get a notice, and they will know that it is their turn
2 again to go back to PTS, and they will update the
3 Ginnie Mae systems given the decision on pool transfer
4 requests.

5 So they update the central registry, the
6 mainframe, among others, and they will provide the
7 documentation both to the issuer regarding the
8 transaction and Ginnie Mae staff. And that
9 information is also transferred via file to another
10 Ginnie Mae contractor, our data collection and risk
11 analysis agents. And they use that information for
12 further analysis as well for Ginnie Mae purposes.

13 Okay. Number 5. Next topic is the pool
14 certification, and this is the initial. The final
15 certification, real certification if it transfers
16 among issuers, and if need be, the posting of letters
17 of credit.

18 The initial certification is performed by
19 issuer's doc custodian. And as I mentioned earlier in
20 the presentation, the initial certification happens at
21 pooling -- thank you -- using the 11706. So once the

1 pool passes the edit, it is then transmitted to
2 document custodian. And the document custodian
3 verifies the submission and gives it back with a
4 approval to the contractor.

5 Final certification on pools must be
6 performed within one year of the security issuance.
7 The recertification process, if need be, must also
8 occur within one year. Recertification is needed when
9 pools are transferred among issuers, when they are
10 sold. Ginnie Mae would like to insure that all the
11 documents transferred are full and complete.

12 If pools fail to certify within the State
13 timeframes, Ginnie Mae's contractor in this capacity
14 will need to identify the pools that were not
15 successfully certified in one year, and they will work
16 with the issuer. If need be, the issuer may need to
17 possess a line of credit. And that documentation is
18 maintained both at the contractors' site and it is
19 passed to Ginnie Mae staff for tracking and monitoring
20 of that activity.

21 Finally, on the certification, the

29

1 contractor collects quarterly pool certification from
2 the issuers. And that is used to perform those
3 certification obligations. However, the contractor
4 does provide Ginnie Mae staff with a monthly update,
5 so that we can -- especially our monitoring division

6 can track and watch the activity of pools that have
7 not yet certified.

8 And next let's move on to the functionality
9 of the central paying and transfer agent. Okay. Our
10 first topic there is to maintain a central registry on
11 all outstanding securities, and that is first for
12 single class and multiclass programs. The contractor
13 will maintain a central registry in real time. And
14 what the central registry holds is issuer and security
15 position information on all Ginnie Mae MBS. Now
16 issuers provide contractor, the contractor of this
17 CBTA function changes to MBS I, the Ginnie Mae MBS I
18 program, while the contractor will take the
19 responsibility for all changes to registered holders
20 of the MBS II. The contractor reconciles the central
21 registry with the Federal Reserve Bank on a daily and

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1 a monthly basis, and that's for security positions
2 outstanding. So that's the role of the central
3 registry.

4 The next is the need to process requests for
5 MBS certificate of transfers. The contractor in this
6 function will serve as Ginnie Mae's front contact for
7 all certificate transfer requests. The contractor
8 verifies that the information received meets our
9 program requirements and as well the applicable
10 guidelines in the stock transfer association.

11 In this function the contractor staffs and
12 maintains a transfer window for this activity at its

13 central location, and it updates the central registry
14 accordingly with these transfers -- the information
15 with the transfers.

16 On the MBS I transfers, the contractor works
17 closely with the issuer to ensure that the central
18 registry is maintained and updated in real time,
19 because it is the issuer, in this instance, not the
20 contractor, who works with the registered holder. But
21 it is important that the database reflects the correct

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1 occupation. So the contractor needs to get that
2 updated from the MBS issuer in the Ginnie Mae I
3 program.

4 And of course finally, it is important that
5 the contractor retain these documents in a
6 fireproof -- fireproof facility for all cancelled MBS
7 certificates, the voided certificates. And I believe
8 this calls for a certain amount of time, I believe
9 six years. And once the stated time period has
10 elapsed, they are destroyed in a specific fashion. So
11 that's the certificate transfer functionality.

12 The next function is the collection and
13 dissemination of MBS pool data. Now, this
14 specifically pertains to the RPBs. During the first
15 five days of each month, the contractor collects RPB
16 data from each station on all outstanding MBS I pools,
17 MBS II pools and loan packages. Typically, the issuer
18 transmits the file through GinnieNET on the same day
19 or no later than the second day of the month. And

Attachment 2 - R-OPC-23287 PreProposal Conference Transcript.txt
20 that is important because the contractors need to run
21 the files through edits to ensure that the data

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1 submitted is correct.

2 If needed, the contractor will send warning
3 or take a warning back to the issuer and work with
4 them to ensure that the second and final RPB
5 submission is indeed as expected. If accepted, it is
6 submitted no later than the fifth -- I believe that is
7 a mistake. The fifth day of the month. And of course
8 included in the RPBs would be any unscheduled payments
9 that are collected by the issuer from the borrower.

10 Okay. On a continuation for this topic of
11 collection and dissemination of information, the
12 contractor uses the RPB information to create a factor
13 file. And that factor file is for distribution to the
14 street on the fifth and seventh business days of each
15 month. And that information is also used to update
16 IPMS accordingly. These factor files are sent to
17 Sector, our vendor who distributes that to the street
18 and as well as our depository, the Federal Reserve
19 Bank of New York. On newly issued pools, the
20 contractor provides monthly disclosure information to
21 the street, which includes, among others, certain

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1 variables such as weighted average coupon information,
2 geographic information on property location, et

3 cetera. On the aged pools, the contractor obtains
4 that disclosure file information from our data
5 collection and risk analysis agents for similar
6 distribution to the street.

7 On the MBS I program, as we said earlier,
8 the contractor is not directly responsible for this.
9 However, the contractor does collect from the issuer a
10 monthly data file from the MBS I issuer which
11 describes their remittance obligations to the
12 registered holders of certificated securities. And we
13 typically refer to that as HUD 11714 remittance file.
14 And that comes once a month.

15 Okay. Next is the performance of the
16 contractor as Ginnie Mae's collection and paying
17 agent. Now here the MBS II payment to security
18 holders, it is important that the contractor is
19 responsible to collect, via ACH, all MBS II payments
20 and transmit those payments to the Federal Reserve
21 Bank, our depository review for the book entry

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1 securities. Payments are calculated using the RPB
2 data that were previously transmitted. Initial and
3 final precollection notices are sent by the contractor
4 to each issuer in advance to inform them of the ACH
5 from the account.

6 The ACH typically occurs on the 20th of the
7 month to collect the funds from the issuer for
8 immediate transfer to the depository. So the
9 contractor pays physical certificate holders of MBS II

10 securities via U.S. mail in time to meet the
11 obligation on the 20th. On the MBS 1 payment process,
12 for those security positions that are held in the
13 depository, the contractor simply calculates the
14 amount to be debited by the Federal Reserve Bank from
15 each pro rata share outstanding and forward that file
16 to the depository so that the depository can ACH from
17 the issuers on the 15th.

18 For the guarantee fee collections and for
19 both MBS I and MBS II programs, the contractor
20 calculates, using the final RPB data, the guaranty
21 fees due Ginnie Mae. And contractor notifies each

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1 issuer in advance also through a free collection
2 notice. On the 10th of the month, the contractor
3 ACH's those funds and in turn wires those funds to
4 Ginnie Mae's office of finance to the treasury
5 division.

6 Now in the unlikely event of some emergency
7 payment situation -- that's for the Ginnie Mae I
8 program -- Ginnie Mae will wire funds directly to the
9 contractor for MBS I certificate holders to insure
10 timely payments to investors. And of course, the
11 contractor will, in turn, mail remittance devices and
12 checks to those investors.

13 We have some additional functions that I
14 would like to just bring to your attention. They are
15 also included in section C.

16 There is a tax reporting obligation for the
Page 27

17 Ginnie Mae II MBS program. The contractor provides
18 tax reporting information to certificated registered
19 security holders. And again, that's the Ginnie Mae II
20 program.

21 For the book entry securities both for the

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1 MBS I and MBS II programs, the contractor posts tax
2 reporting information to our Ginnie Mae web site, and
3 that's for use by third parties.

4 Also, similar tax reporting will be required
5 here. As I just mentioned in the last slide, in the
6 event of an emergency situation where Ginnie Mae may
7 need to wire money to the contractor for payments for
8 the MBS I certificate holders, tax reporting would be
9 required in that instance, as well. And that fulfills
10 files the tax reporting obligation.

11 From time to time -- it's typically annually
12 -- Ginnie Mae requires that the contractor have an
13 independent auditor come on site to perform a SAS 70
14 audit. And that is upon Ginnie Mae's request. As I
15 said, typically annually. But it must be upon our
16 request. The results of this audit are provided to
17 Ginnie Mae. And it also is provided upon receipt to
18 the HUD inspector general, and they review it, as
19 well. Okay.

20 And then finally, the Servicemembers' Civil
21 Relief Act is something that we just want to briefly

1 touch upon, because it is an important piece of the
2 program. What happens here is that Ginnie Mae will
3 wire funds to the contractor on a quarterly basis so
4 that the contractor can turn around and reimburse
5 issuers whose borrowers have been called to active
6 duty. So for those borrowers who are serving in
7 active duty, they may be required -- allowed to leave
8 pursuant to the SCRA. And that comes in the form of a
9 reviewed lower rate. So Ginnie Mae will wire funds to
10 the contractor. And the contractor will, in turn,
11 wire those funds out to the issuers to compensate them
12 for the funds that they are providing to their active
13 duty borrowers. And I believe that the SCRA law is
14 6 percent. So for loans in excess of 6 percent, the
15 contractor will wire funds to the issuer from Ginnie
16 Mae.

17 Okay. And that concludes the program
18 operations piece of the key physical functions.

19 Next are just a few quick multiclass
20 functions. And for that, I would like to introduce
21 Corey Coward. He's from our capital markets division.

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1 MR. COWARD: Good morning. I just want to
2 briefly talk about the two flagships process within
3 the multiclass program, the REMIC program and the
4 platinum program. While this is a smaller portion of
5 the overall contract, it is still very important --

Attachment 2 - R-OPC-23287 PreProposal Conference Transcript.txt
6 important pieces of this particular contract.

7 As the REMIC information agent, the
8 contractor serves a lot of functions. I just want to
9 highlight four of the essential functions. There is
10 more clarity I think that will work to fill out these
11 four key functions.

12 The information agent will post the REMIC
13 offering circular supplements monthly. These are from
14 our REMIC securities that sell every month.
15 Contractor is also responsible for posting REMIC
16 factors on a monthly basis.

17 Contractor reconciles all data held in REMIC
18 database each month. This database is referred to as
19 a multiclass in access. And there is more on that in
20 your paperwork. Contractor also calculates our
21 monthly generated revenue. And it maintains and

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1 reconciles the REMIC buffer account each month and
2 provides assistance to the trustees and investors
3 where applicable.

4 As a platinum trustee, it is a little bit
5 more involved. And the contractor takes a more active
6 role in the management process. Essentially, the
7 contractor will collect completed certification from
8 platinum depositors, along with the cash portion of
9 the Ginnie Mae guarantee fee and verify that the g-fee
10 amount was, in fact, received.

11 The contractor will issue this type of
12 securities including the assignment of both pool

13 numbers and CUSIP numbers. They will ensure that all
14 factors are collected, verify and distributed to the
15 Federal Reserve Bank and to the street in a timely
16 manner via a file sent to Sector.

17 Contractor will calculate and distribute
18 monthly pool factors.

19 Just like as the REMIC information agent,
20 the contractor will calculate monthly preferred
21 platinum revenue generated.

40

1 The contractor will also perform tax
2 reporting for all types of securities as required by
3 the Internal Revenue Service.

4 Lastly, as a platinum trustee, the
5 contractor will verify monthly principal and interest
6 payments to investors to resolve any discrepancies.
7 The latter may -- the latter may include post
8 adjustments that may be done.

9 And I will turn it over to Deborah Holmes,
10 who is the vice president of our information
11 management division to talk about the assistance
12 piece.

13 MS. HOLMES: Again, good morning.

14 To item C, the actual requirements of this
15 contract are incidental to the contract. It is very
16 important because it is the means by which we perform
17 the requirement of the State. There is a lot of
18 information and a lot of requirements. I'm going to
19 highlight -- I'm going to highlight the significant

21 First of all, the place and performance of

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1 this contract will be the contractor's work site.

2 However, the performance may require traveling, work
3 performance in Ginnie Mae facilities, other work
4 sites. Key personnel are required to be located at
5 the contractor's work site.

6 They must be available to attend meetings at
7 Ginnie Mae by conference calls, telephone and personal
8 visits.

9 The responsibility, in whole or in part, for
10 overall coordination of projects.

11 In a position, in whole or in part, to
12 coordinate all systems-related interfaces and manage
13 associated risk. What you're going to hear throughout
14 this presentation is risk. Because we must manage our
15 risks, and we are required to test, test, test. And
16 in a position, in whole or in part, to coordinate all
17 systems-related interfaces and manage associated risk.

18 And responsible also for overall customer
19 service.

20 Successful transition of this contract is
21 very short. It's a five-month contract transition.

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1 And so what does this mean for you? You have to
2 maintain infrastructure and systems for production,

3 development, advance discovery and testing. All such
4 sites must be certified and accredited by this
5 standard within the five-month transition period by
6 Ginnie Mae. That means we will perform the
7 certification and credit recommendation test to insure
8 readiness.

9 This includes all government-provided and
10 contractor-provided hardware and software. The legal
11 rules require that, for government, if you handle any
12 information on behalf of the government, through --
13 even if your proprietary system, your systems must be
14 certified and accredited by NIST. And before this
15 contract is turned on, that certification must be met
16 and any of the findings have to be resolved.

17 And during this process, the contractor is
18 also responsible to address any identified risk during
19 the transitioning period.

20 It is also your responsibility to
21 demonstrate readiness and ability to perform all

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1 processes and functions of the statement of work prior
2 to the final contact implementation. And it is also
3 your responsibility to provide certification of
4 readiness and documentation to support and demonstrate
5 the complete accurate transition-in period.

6 In this statement of work, you are required
7 to perform all IT-related functions required using a
8 combination of government-furnished properties and
9 your own proprietary property. This function

10 described in this statement includes maintaining
11 Ginnie Mae data, various records and databases in a
12 compliant, secure, and efficient manner. The
13 contractor shall enhance, develop, maintain and manage
14 Ginnie Mae proprietary data and automated systems.
15 The contractor shall provide other necessary support
16 services required by Ginnie Mae as far as the
17 statement of work is concerned. In carrying out this
18 function, contractor shall, unless otherwise provided
19 in section H of this contract provide its own
20 automated and/or manual systems to ensure secure
21 access, accurate and timely processing and reporting

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1 for each activity covered in the statement of work.

2 Also the letter contractor shall be in
3 compliance with all IT security requirements and also
4 with all terms and conditions of this contract
5 throughout the entire term of this contract. With
6 respect to all data and information technology
7 requirements, the contractor shall use, maintain,
8 develop and upgrade all information technology. This
9 also includes hardware, software and connectivity and
10 system documentation under this contract in accordance
11 with Federal laws, regulations and best commercial
12 practices. This is included in all the Federal laws
13 such as FISMA, which is the Federal Information
14 Security Management Act, the Clinger-Cohen Act,
15 Paperwork Reduction Act, A-130, A-123, A-127.

16 I'm going to go through them, but it is your
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17 responsibility to know these laws. So it is your
18 responsibility to make sure that everything that you
19 perform on behalf of Ginnie Mae is compliant with the
20 laws of today, but also the future laws. So you must
21 consider that when you're looking at developing your

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1 proposal. Again, I will reiterate that. You will be
2 in compliance with all laws that exist today, laws and
3 regulations, but also in the future, laws and
4 regulations and HUD laws and regulations. And that's
5 the whole term of the contract.

6 As part of the contract, you also will be
7 responsible for following HUD's SDM. But there are
8 some exceptions to that process, in which the GTR and
9 CIO would look at that, and we'll determine what is in
10 the best interest of Ginnie Mae. And the requirement
11 of HUD to be Ginnie Mae. And contractors sometimes
12 are a step ahead of the -- of the department in the
13 methodologies that are used. And you cross reference
14 those methodologies. But we continue to make sure
15 that we can show the cross reference, but we also have
16 the documentation to support the process. These
17 documents are used by the office of the Inspector
18 General and by HUD's office of security to make sure
19 that we are in total compliance. It is Ginnie Mae's
20 objective not to have any IT findings during its
21 financial audit. And you must review and update the

1 audit to establish compliance. So this very, very
2 important and key for us to maintain our compliance
3 with our main data and also to be -- have no findings
4 on our financial audit when it comes to our systems.

5 There is the expectation that you will
6 review and update system documentation to ensure
7 accuracy, compliance and completeness. So at any time
8 that you're doing any system development, enhancement,
9 modifications, you must make sure the documentation is
10 complete.

11 You have to fulfill the requirements of the
12 Software Engineering Institute Capability Maturity
13 Model Integration, CMMI Level II certification during
14 the first six months of this contract. And you have
15 to provide that certification upon completion of the
16 independent assessment and demonstrate at least Level
17 II certification to the GTR every 12 months for the
18 remaining life cycle of the contract.

19 In our development, you are also responsible
20 for right now -- this is where we are -- to provide
21 biometric fingerprint technology, hardware and

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1 software or any other Ginnie Mae approved -- I mean as
2 well as any other Ginnie Mae approved hardware,
3 software to new and existing issuers and document
4 custodians for necessary processes required to support
5 this contract. The contractor shall also provide

7 Mae -- and that includes backups -- to the Federal
8 Reserve Bank, Sector Inc., and Ginnie Mae's MBS
9 Administration Agent, who is currently dealing with
10 that issue.

11 The contractor shall provide both to the GTR
12 and CIO hard and electronic copies of a recommended
13 Technology Refresh Report on an annual basis. And
14 this will include potential upgrades required to
15 Ginnie Mae's government-furnished property and non
16 government-furnished properties on an annual basis.
17 Ginnie Mae will decide whether to accept the report or
18 portions of the report.

19 And, at a minimum, the report shall include
20 the following information: There should be a detailed
21 description of the differences between the existing

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1 contract aims and/or the proposed as well as the
2 specific analysis of the comparative advantages and
3 disadvantages of the existing and proposed items.

4 A statement of how the technology refresh
5 will affect performance and costs such as lease versus
6 buy analysis, if adopted.

7 An evaluation of the effect the technology
8 refresh will have on Life-Cycle-Costs, such as
9 existing services, site modification, energy, et
10 cetera.

11 An analysis of the amount of effort required
12 to put this into place if we do not do the technology

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13 refresh recommendation.

14 Intended upgrades to software and hardware,
15 particularly whether the software and hardware will no
16 longer be supported and is now antiquated pursuant to
17 the technology refresh report or the capacity for
18 efficient processing if constrained and will
19 negatively impact Ginnie Mae's operations.

20 You are to develop an implementation plan
21 for any accepted changes that Ginnie Mae has adopted

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1 and shall make a result of the Technology -- put the
2 result of this in a Technology Refresh Report.

3 Again, on the risk issue, you have to
4 identify any risk associated with any of the suggested
5 changes or you need to identify the risk if we don't
6 make these changes. And when you look at these risks,
7 you look at what compliance is as far as all the misc.
8 standards, what may be poor performance because it is
9 no longer being supported by the industry. These are
10 the types of things that we expect to be in the
11 report. You also will have to submit a business case
12 for any contractor-developed or Ginnie Mae-requested
13 technology improvement. Ginnie Mae will view and
14 agree to a refresh technical improvements prior to
15 implementation. All technology improvements are based
16 on Ginnie Mae's ongoing operational needs and
17 requirements.

18 You are responsible to operate, maintain,
19 develop and enhance government-furnished systems

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20 applications. In this development of GFP and non

21 GFP -- this is including technical support, user

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1 training, system training and on-line help system
2 documentation. The contractor shall also make
3 enhancements to existing contractor-furnished or
4 government-furnished systems applications, develop new
5 contractor-furnished system applications and provide
6 technical assistance on new and existing GFP, non GFP
7 in applications. The contractor shall make minor
8 attempts of 400 hours or less per enhancement as part
9 of the effort under this item. Anything 400 hours or
10 less is work that you will perform as part of this
11 stated work. It is not a task or requirement. This
12 is work that is to be performed by you within the
13 scope of this contract.

14 For any enhancements, the contractor shall
15 prepare and provide all documentation required by HUD
16 and the SDM methodology. Ginnie Mae and the
17 government have data rights to the enhancement of
18 contractor-furnished or government-furnished systems
19 applications in accordance with the data rights
20 clauses included in this contract. And this is
21 something Dana Long, contracting officer, may cover.

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1 All modifications and enhancements over
2 400 hours will be provided to the tech service. The

3 contractor shall provide information technology
4 services using a very robust IT infrastructure.
5 Services include, but are not limited to, the use of
6 administration and maintenance of databases, storage
7 management, providing and maintaining servers, data
8 accelerators, capacity planning, business application
9 operation system platforms, and performance management
10 and usage tools. The contractor shall comply with IT
11 architecture that complies with the Federal Enterprise
12 Architectural Program Management Office Technical
13 Reference Model. You can find that out on the FEAPMO
14 web site. A lot of -- all the laws and regulations
15 are clearly stated there. And all requirements that
16 Ginnie Mae asks for are to be derived from the
17 business requirements. In other words, we just don't
18 do things because they are nice to have. They are
19 based on clear business requirements.

20 You also have to maintain connections and
21 technical expertise in connecting with Ginnie Mae's

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1 WAN, wide area network through network administration,
2 monitoring, and managing of devices and connections.
3 This includes troubleshooting connectivity issues.
4 Ginnie Mae's IT that performs all of our business is
5 not within the HUD enterprise architecture. It is
6 outside of the HUD environment. So what does this
7 mean? We have what we call a Ginnie Mae business
8 center, which is -- I refer to as our byway in order
9 to facilitate the applications and access the

10 applications that we need to perform our business.
11 And with that being said, you will clearly be working
12 with the HUD local area network (LAN) by working with
13 Ginnie Mae and other contractors as well. But that
14 component of the business is controlled by another
15 contract, which is the MBS administration contract.

16 We are one team. When I say one team, we
17 have contractors who perform many tasks and functions
18 on behalf of Ginnie Mae but at the same time we're one
19 team when it comes to making our infrastructure up.
20 So if there is a failure, the whole team fails. You
21 can't point fingers. It involves all contractors

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1 involved in this work, their testing and everything.
2 And that's also what our office says, that it is one
3 team -- one team of contractors and one team of Ginnie
4 Mae.

5 You also are required to develop and present
6 the network topology and management plan. And the
7 contractor shall use to maintain telecommunication
8 connectivity, file transfers and interoperability
9 between Ginnie Mae and its business partners'
10 telecommunications networks. The network management
11 plan shall be submitted to the GTR and appropriate GTM
12 and providing detailed information about the network
13 administration, maintenance schedules and tasks. And
14 also there is a requirement to maintain documentation
15 to support all system edits for our systems.

16 And this is where we get into some of the
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17 requirements of Federal mandates, such as disaster
18 recovery continuity of operations.

19 Executive Order 12656 of February 1996, the
20 Computer Security Act of 1987 and OMB Circular A-130
21 mandates that a disaster recovery plan for all U.S.

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1 government resources be maintained. In short, this
2 contingency planning develops strategies for rapid
3 recovery of mission critical information to enable
4 mission essential operations under this statement of
5 work within four hours of a disaster. That's
6 critical. We're not just talking about continuity of
7 operations here. We're talking about security and
8 disaster recovery, as well.

9 The contractor shall deliver the disaster
10 recovery plan within 30 days of contract award. Prior
11 to implementation of the new disaster recovery plan,
12 the contractor shall fully test and pass the disaster
13 the disaster recovery test according to NIST standards
14 within the first five months of the transition-in
15 period.

16 Again, what this is saying is before we can
17 turn this contract on, you have to complete your
18 disaster recovery and pass the test. Because this is
19 a serious risk to us. And so, therefore, we have to
20 ensure that everything is up and running prior to full
21 implementation of the new contract.

1 You have to also develop what's called a
2 continuity of operations plan, which is a COOP. You
3 get used to it. It's a little bit of similarity, but
4 it is not the same. And when you develop a continuity
5 of operations plan, it is really based upon three
6 central processes. And you can read the Federal
7 mandates out there. It used to be FP65 but the law
8 just changed two years ago. And I will be providing
9 the amendment to the contract that states to the law.
10 But if you look at FP65, -- I think it is 65 -- it
11 lays out a very layman's approach to it. And I think
12 it gives you a greater understanding before you get
13 too involved in requirements. And those three
14 processes are payments, issuance of securities and R
15 and D support. Those are the three essential business
16 processes.

17 COOP is activated by the president of
18 Homeland Security. In a COOP situation, those are the
19 initial critical process that are all within this
20 statement of work that you have to perform. It is a
21 little different than disaster recovery, but also you

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1 are also required to have this up and ready within
2 four hours.

3 The contractor, as far as COOP, will provide
4 documentation to support the essential business
5 processes performed by the contractor in compliance

6 with all federal laws and regulations. The contractor
7 shall validate COOP testing, training and exercises on
8 an annual basis and provide the report -- results to
9 Ginnie Mae. The contractor shall define the scope of
10 the test and provide an after test report on the
11 status of the test and recommendation for COOP
12 changes. Any problems identified must be corrected
13 within three months of the date of the test. The COOP
14 test will not be eliminated. Sorry. The COOP test
15 will not eliminate the requirement for the separate
16 disaster recovery test that you are required to
17 perform by NIST.

18 You must also provide and maintain and
19 operate a disaster recovery site within the first
20 seven months of the contract award that must also
21 support the continuity of Ginnie Mae operations in the

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1 event of a catastrophic event. This site will have
2 the capability of providing services up to a Level -4
3 COOP site. Again, this site is going to have the
4 capability to provide services up to a Level -4 COOP
5 site functionality to sustain Ginnie Mae's essential
6 business processes. This site will serve as one of
7 the disaster recovery sites for the contractor. The
8 disaster recovery and COOP site shall be a secured
9 facility with armed guards and back-up
10 telecommunication providers/services, a 24/7 COOP
11 service and enough workspace for five Ginnie Mae COOP
12 emergency response group. The contractor shall

13 establish a COOP communication strategy and also a
14 temporary COOP plan to mitigate any risk associated
15 with Ginnie Mae's essential business processes during
16 the DR site capability. And that supports a Level -4
17 COOP event. Contractor shall develop and submit an
18 executable strategy to ensure Ginnie Mae's continuity
19 of operations with the Federal Reserve Banks to honor
20 Ginnie Mae's full faith and credit obligations.

21 We have to meet all three requirements.

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1 Implement and maintain a detailed disaster recovery
2 plan that outlines the steps and a communication
3 strategy necessary to ensure that all work under the
4 statement of work continues uninterrupted.

5 Develop and perform a semi-annual testing of
6 the disaster recovery plan. Once completed,
7 communicate any deficiencies in the plan to GTR or
8 appropriate GTM.

9 Provide the necessary human resources,
10 facilities (work site, hardware, software, peripheral
11 equipment, line charges et cetera) and backup power
12 sources to maintain and operate the disaster recovery
13 site to ensure continued operations in the normal
14 course of performing the statement of work.

15 And last item: You are required to
16 participate in a COOP drills as called for by Ginnie
17 Mae.

18 And at this point, I think I've taken you
19 through some critical points in the contract. And I

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20 got a notice that it is time for a break. Okay. How
21 long is the break? 10-minute break.

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1 (Whereupon, a recess ensued).

2 MS. OWENS: FYI, that was not my phone that
3 was ringing. So I would ask that you put your phones
4 on vibrate or turn it off. That would be most
5 appreciated. And we'll wrap it up with Ms. Holmes.

6 MS. HOLMES: I had to laugh at myself a
7 little bit when I was talking about the laws and the
8 regulations. I scanned through them because there are
9 so many of them that I can't tell you all the required
10 laws and regulations that you have to meet. And it is
11 incumbent upon you to really get knowledgeable and
12 become very thorough about that process.

13 So, you know, start off with Janet Coleman.
14 Go to OMB web site, look at the list requirement. And
15 you find that the HUD security policy is going to be
16 on the CD that you are going to look -- you can find
17 what they are and that you will have. But these
18 requirements are always changing. So just because
19 it's one way today, next month something may change
20 and we have to adopt [sic] to those changes as soon as
21 possible.

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1 Okay. I'm going to section C.3.02.02.
2 We're actually talking about the development and

3 enhancement of information technology.

4 In order to have a task order, the
5 contractor shall make major enhancements to existing
6 Ginnie Mae proprietary applications or
7 contractor-furnished properties including the
8 development of new state of the art information
9 technology solutions to support Ginnie Mae business
10 needs in excess of 400 hours. Remember, 400 hours or
11 less, it's on you. 400 hours or more, you will be
12 issued a task order to perform those services.

13 The government shall have data rights to all
14 enhancements ordered under this line item in
15 accordance with the data right clause of the contract.
16 All enhancements and development must be done in
17 accordance with HUD system development methodology as
18 defined in the task orders.

19 The contractor shall provide the following
20 services for each approved IT enhancement or
21 development. You're responsible for managing and

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1 monitoring each project activity, communicate the
2 project status to the GTR and appropriate GTM in
3 writing.

4 Perform requirements and benefits analysis
5 for each enhancement.

6 Perform analysis, design, development of
7 enhancements, modifications, and implement
8 enhancements to existing systems.

9 You are also to perform analysis, design,

10 and development for proposed new systems, products and
11 processes.

12 You perform coding changes to accomplish the
13 functional change to software systems required by
14 enhancements. Design, develop, and implement
15 enhancements to existing systems.

16 Update or develop user and training manuals
17 and other related documentation. This will include
18 the design and development of training and training
19 materials.

20 Design and develop test plans for each
21 enhancement, conduct the test and report the results

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1 to the GTR and appropriate GTM.

2 Sometimes we have to make requests for data
3 and data research. And that's a requirement where you
4 have to go out and perform a lot of analysis to bring
5 it to the table, some information that we really need
6 to move forward. And in a product like that, we need
7 you to move very expeditiously to get this data or
8 research that Ginnie Mae is requesting.

9 You have to perform quality assurance
10 activities to ensure that a high quality enhancement
11 is produced that are free from defects.

12 Provide the hardware and software upgrades
13 to support new business needs.

14 Perform all project management activities in
15 accordance with industry best practices for IT
16 development, upgrades and enhancements.

17 Upgrade and implement new technologies to
18 support existing or new programs and products,
19 including communication lines, peripheral equipment,
20 et cetera.

21 And utmost, you must always maintain and

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1 update all of the system documentation.

2 Conferences, training, travel and technical
3 assistance.

4 When ordered by task order, contractor shall
5 provide technical assistance and analysis to support
6 Ginnie Mae and Ginnie Mae's customers, incorporating
7 industry best practices and recommendations regarding
8 the operations of Ginnie Mae's mortgage-backed
9 securities and multiclass programs.

10 The contractor shall provide training,
11 technical updates and describe Ginnie Mae's processes
12 and procedures related to the work performed under
13 this contract -- under the contract.

14 Contractor personnel shall assist Ginnie Mae
15 in industry conferences and issuer/industry training
16 sessions with respect to the work. The contractor
17 shall be responsible for developing and providing
18 training and/or technical assistance on the processes
19 and systems used in performing the work under the
20 contract.

21 The contractor shall also assist Ginnie Mae

1 in responding to inter-agency data requests and
2 participating with Ginnie Mae on inter-agency planning
3 committees and to other technical and industry groups.

4 You are responsible to assist Ginnie Mae
5 business partners with on-site IT technical expertise
6 if required at the business partner's site or its
7 plan.

8 You are also to provide Ginnie Mae business
9 partners with technical expertise relating to
10 installations and operation of Ginnie Mae proprietary
11 business applications.

12 The bottom line is: Whenever we have to
13 ensure the success of our initiatives, we have --
14 business partners who are having problems, you may
15 have to go to the site to perform assistance.

16 And when we're developing new products or
17 programs, you also have to provide analysis related to
18 the implementation of these products and for the
19 Ginnie Mae mortgage-backed security programs.

20 Ginnie Mae requires that you also assist us
21 in e-commerce/e-government initiatives. This also

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1 includes supporting new and existing business process
2 improvements and new products and programs.

3 Coordinate with Ginnie Mae on
4 telecommunication requirements to support Ginnie Mae.

5 And train system users on enhancements to

7 I'm almost at the conclusion. But basically
8 what was described was the overall IT requirements of
9 today. And I can only tell you what the requirements
10 are as of today. Like I said, it is your
11 responsibility to stay on top of all the new updates
12 to the list. And you have to do ONB requirements that
13 come up. Don't always look my way. When we find out
14 about them, we tell you. Sometimes you may find out
15 before I do. But you have to be compliant.

16 I'm going to talk a little bit about what
17 the post processes are. Today, probably after lunch,
18 we're going to have a presentation that actually deals
19 with Ginnie Mae systems overview and processes by
20 systems. And that is the -- that is today. Tomorrow
21 what you will see will be a slide presentation that

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1 will be dealing with the BPR and the implementation
2 that is planned for November '08 this year. So it's
3 going to -- you're going to look at it and say "This
4 is what we're doing right now." But as of
5 November '08 this year, this is the way we'll be
6 working going forward.

7 Proposed process: It is anticipated that
8 starting November 2008, Ginnie Mae's data collection
9 for security remaining principal balances, loan-level
10 mortgage and pool-level certification data will become
11 one consolidated data stream. In the past, if you
12 were the contractor and you were responsible for the

13 activity, you got the data there. If you were JP --
14 if you were Bank of New York and you were responsible
15 for pool issuance and RPBs, you got your data there.
16 We now have one consolidated reporting stream, except
17 for Ginnie Mae, which is the pool issue. That is
18 still maintained separately.

19 More specifically, this consolidated
20 data-stream will consist of monthly collections of an
21 issuer's Ginnie Mae I and Ginnie Mae II pool

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1 accounting and loan level data along with pool or loan
2 packages. This data then will be submitted as part of
3 the monthly reporting stream through the portal to
4 Ginnie Mae's Enterprise Wide Operational Data Store,
5 which we refer to as EWODS as a service under
6 this contract.

7 There will be two entry points for the
8 submission of the data: The internet via the Ginnie
9 Mae enterprise portal and the secure file transfer
10 protocol server. The Internet submission channel will
11 be for issuers submitting files that contain less than
12 five megabytes of data. The issuer submitting files
13 containing that is equal to or greater than five
14 megabytes, they have to submit a bid via secure file
15 transfer protocol. After the data is collected and
16 stored in EWODS, the data will be accessed and
17 extracted from EWODS by Ginnie Mae and its business
18 partners. For further details on the proposed
19 process, please check Ginnie Mae's web. Look at

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20 APM-08, which stands for all participants memo, 08-02
21 reporting and feedback system and GinnieNET system

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1 updates, dated January 18, 2008.

2 If you go to the Ginnie Mae web site, you'll
3 see a lot of information included. And it gives you a
4 feel for the customer and where they are in the
5 process. And it will actually define the frequently
6 asked questions. So you can kind of get a feel for
7 how well this project has been going along.

8 Within one business day after the receipt of
9 the RPB report, analysis of the RPB report received
10 mortgage-based security pool or loan package to
11 determine compliance with, or exceptions to, the
12 standards that are listed in the statement of work.
13 I'm not going to go through this. There are a lot of
14 standards and requirements as to the process which
15 we're trying to keep very detailed in defining the
16 business requirements for these processes.

17 So this is what you'll see tomorrow, too,
18 with the consolidation of Ginnie Mae's infrastructure.
19 In the old days, we had -- I would say about 32
20 systems. We had some at HUD. Each contractor had a
21 system. We had not consolidated. We only had one

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1 enterprise wide -- enterprise wide. And what does
2 that mean? That means that everybody will be

3 accessing this data from one source. We won't have
4 redundancy of information. We won't have one
5 contractor given one set of reports that are different
6 than another contractor. Then we have to do
7 reconciliations. It is costly. So, you know, we are
8 getting to where we should be in our efficiency and to
9 be best in practice as far as Ginnie Mae is concerned
10 with its EA.

11 The only thing left for me to emphasize a
12 little bit is the transition-out. Even though you're
13 required to do the transition-in within the five-month
14 period, you are required to do a transition -- a
15 proposed transition plan out for six months. And in
16 that, you will actually have to train and shadow the
17 new contractors with a minimum of three full-time
18 staff.

19 You have to provide for off-site storage and
20 report -- transport inventory to be stored shall be
21 also provided by the contractor.

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1 You have to certify inventory and movement
2 of government-furnished properties.

3 And provide a "stay bonus" to maintain
4 seasoned staff. Because we cannot have any disruption
5 to Ginnie Mae's operations.

6 Disaster recovery, I can't emphasize enough.
7 So that's very important. When you develop your
8 disaster report -- recovery requirements, that you
9 remember this has to be up within four hours. And

10 that you have to maintain disaster recovery site or
11 sites to ensure the Government of this performance.

12 And maintain the human resources and facilities.

13 You have to maintain business continuity of
14 service. So it's just not IT. You have to have
15 business expertise that, at that site, if it's
16 activated, they have the knowledge and expertise to
17 maintain Ginnie Mae's information.

18 That's all I have for you at this time. I
19 will pass this back to Dana Long.

20 MS. LONG: Thank you, Deborah.

21 What you'll find is that we talked about

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1 section B of the contract, and we spent a lot of time
2 talking about section C. And what you'll see in
3 section C is the tie between what it in section B,
4 which is most of the work to what you'll be practicing
5 in section B. You'll see the correlation between the
6 two.

7 Now, moving on to section B of the
8 solicitation, it's pretty much self-explanatory. For
9 anything that you give in the deliverable reports,
10 make sure that you have the title and the contract
11 number, the GTR, government technical representative's
12 name and number on there. That's basically what
13 that's talking about.

14 And section E refers to clauses that are
15 very important. I direct your attention to the
16 inspection and acceptance and the inspection protocol

17 fixed price. And what that talks about is that the
18 government at any time has the right to inspect your
19 product, your facilities. And I would ask that you
20 take a look at those two clauses.

21 It also talks about the quality of

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1 deliverables and the quality of the service, because
2 this is a very important program.

3 We're talking about the requirement for
4 corrective action and also the audit review that will
5 be done on this requirement.

6 In section F we talk about the performance
7 and deliveries of the stock work order, the government
8 delay of work, and the provision that outlines what
9 the government's and the contractor's rights and
10 duties are as far as starting work.

11 If you are in the field of performance,
12 again, we talked about the transition-in being for
13 five months. We talked about the base here being
14 February to January of 2013, which is three years.
15 Then you have the subsequent options. And, again,
16 options are just that, options. And we will outline
17 how we will administer the options if the government
18 chooses to exercise those.

19 So the last one is the line 21, which talks
20 about the transition out being six months, and that's
21 what Deborah was talking to you about. So we pretty

1 much have included all the information for the period
2 of performance. Then after that, it is place of
3 performance.

4 Section G outlines contract administration.
5 Once you are awarded the contract, you have contract
6 administration information that's outlined in this
7 section. It tells you who the government technical
8 representative is, which is Mr. Weakland. It will
9 also be telling you who the government technical
10 monitors will be.

11 Then section H are your special contract
12 requirements. And I invite you to pay particular
13 attention to this section as well as the other
14 sections in this solicitation. Particularly in the
15 area of government-furnished property information.

16 In H2 we talk about the incorporation of the
17 subcontracting plan, and that's the subcontracting
18 plan, if applicable. The physical contractors that
19 are a large business will be required to provide a
20 subcontracting plan as approved by the government.

21 We'll talk about key personnel, which will

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1 be providing names, titles, the tasks to be performed
2 by those key personnel. We talk about the disputes
3 and how we would want to resolve these types of
4 disputes and how your work product will be as
5 government properties. And I invite you to go over

Attachment 2 - R-OPC-23287 PreProposal Conference Transcript.txt
6 that provision also.

7 Section I are the requirements contract
8 clauses that would be required for a far part 15
9 contract. Most of the contracts follow provisions
10 that are provided by reference. And I would invite
11 you to familiarize yourself with them. We have
12 provided three Internet addresses for the full text of
13 those contract clauses and provisions, the ones that
14 are outlined there by reference. Then we have those
15 that are in full text. We're talking about the
16 contractor's code of business ethics and conduct. And
17 importantly the order and procedures of how you would
18 order the business processes because each one of the
19 line items will be pulled and ordered as tax orders.

20 We have the limitations on the minimum
21 requirement, the million dollars. And we also outline

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1 the minimum order requirements after that that the
2 government and the contractor will be able to accept,
3 and of course what the government could order.

4 We'll also talk about the option to extend
5 services, and that is six months after the contract
6 has ended. That is a provision that can be exercised
7 by the government unilaterally. Everything outlined
8 in this contract is signed at the time of award which
9 gives the government unilateral right to certain
10 things. And one of them is the option to extend
11 services. We also have the option to extend the terms
12 of the contract by exercising the option. And we have

13 also outlined the provisions for doing that
14 unilaterally. Anything outside those requirements
15 will be required to be done bilaterally. And what I
16 mean by that is that the government and the contractor
17 will come to an agreement outside the provisions that
18 are outlined in the contract that will be signed.

19 We'll also be performing a post-award
20 conference and the date, time and location will be
21 provided after award.

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1 The contractor is required to register the
2 contractor's performance systems. This will also be
3 used when we exercise the option. So this is very
4 important.

5 And attachment -- excuse me -- in section J
6 we have a list of attachments. We use the ACH Fed
7 Wire Form for payment. That is attachment 1. It's a
8 PDF form. So that will be provided.

9 We also have the officer's agreement and the
10 nondisclosure agreement, which we will be using for
11 the reading room.

12 We have the attached performance evaluation
13 survey that you need to be disbursing to the entities
14 that you've done work with before. Make sure those
15 get out as soon as possible. That is in section J.

16 Section K is a lot smaller than some of you
17 may remember. It talks about the annual
18 representations and certifications. So you have a web
19 site that you can go to. You talk about the Nance

Attachment 2 - R-OPC-23287 PreProposal Conference Transcript.txt
20 code. This is to make a distinction between what is a
21 large or a small business. The Nance code for this

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1 requirement is 523110, and the small business size
2 standard is 6.5.

3 And I do not see a representative here from
4 Osty Obiss of our small business office. But we do
5 have them located here if you any questions about the
6 subcontracting plans, small businesses, that type of
7 information. So that's all of what you would see in
8 section K.

9 Before I forget, you will not be see a line
10 item for transportation. That actually should be
11 built in and part of your transition costs and
12 actually built in to the line items. Now, we do have
13 separate line items for conferences, but that will be
14 ordered during the attach order, the locations and so
15 forth. And that would be negotiated at the time that
16 we need it. But for the most part, the work that you
17 see in section B and the quantity that you see for the
18 hours and the months or what have you is basically an
19 estimate of the work load that you'll be performing
20 during the three years with the options that are
21 extended out.

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1 Section L is very important to you, of
2 course, because that is your instructions. And it
Page 60

3 also talks about your rights and remedies for protest.
4 The type of contract that we have are the -- oh,
5 excuse me. Let me back up. For protests, you have
6 rights and remedies for a time period that I invite
7 your attention to, L2. The type of contract we have
8 is indefinite delivery and indefinite quantity.

9 Then we have instructions on the delivery of
10 your offer or your proposal. Please make sure that
11 you read over those -- that information that we
12 provide to you thoroughly.

13 We also talk about when we will be receiving
14 questions. We're receiving questions now. We also
15 have a time limit or timeframe for when we will be
16 able to answer you back. We take questions up until
17 the time that the offers are received, but we also
18 have a time period of the 5th of June that we would
19 like to be able to respond to everyone's questions in
20 a timely fashion. So any questions you have, I invite
21 you to submit them in writing as quickly as possible.

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1 So those that are received after the 5th of June we
2 will do our best to make sure you get them back in
3 writing.

4 Make sure that what you provide to us,
5 especially if it is a CD-ROM is Microsoft 2003 with
6 rewrite access.

7 Also we will be providing access to
8 HUD-sensitive information. Please read over that
9 section very carefully.

10 We talked about the information that we
11 would like to be providing to you in the reading room,
12 so please adhere to that.

13 The award is planned for August 29, 2008.

14 We also talked about the proposal format and
15 how the proposal should be, so please read over that.

16 Your offers, of course, we talked about
17 section B. Your audited financial statement, the
18 information in section H and the information in
19 section K.

20 Your tech proposal. If you remember me
21 telling you that your tech proposal will be separate

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1 from your pricing information. This is where we talk
2 about that information. And a lot of you are familiar
3 with this, so if I seem rather loose, please forgive
4 me.

5 In -- on L11 we talk about the proposal
6 contents and what information should be where. And,
7 again, if you read over this and there is anything
8 that you have a question about or if there is anything
9 that you see that is conflicting, please bring that to
10 my attention in writing as soon as possible.

11 We also have information for how you would
12 submit your subcontracting plan, if applicable.

13 Then we go on and we talk about your
14 technical capabilities, what you need to have, what
15 we're asking you for. We outline this in section M,
16 and we talk about the transition plan.

17 I'll be providing the pricing information.
18 And one of the things I would like to direct your
19 attention to is what we would consider non-responsive
20 offers. And I'll read this to you.
21 After receipt of proposals, the contracting

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1 officer will review each proposal to ensure that it is
2 compliant with the published request for proposal.
3 Information not requested in the request for proposal
4 and pages submitted beyond the stated page limit shall
5 not be reviewed. The technical proposals conforming
6 to the RMP or the proposal requirement will be
7 provided to the technical evaluation panel.

8 A material failure to comply with the terms
9 and conditions of the solicitation may result in the
10 offer being removed from the board consideration
11 process.

12 So I urge you to please read through the
13 solicitation thoroughly. If you have any questions,
14 please submit them as soon as possible.

15 Section M, we talk about how we are going
16 evaluate your proposal using the non price factors of
17 technical capability, non technical capability. This
18 is in descending order of importance. And it's under
19 factor 1, A, B, C, D. The ones I talk about where you
20 talk about your knowledge and experience, career,
21 personnel, your management, and technical approach and

1 your technician plan, all of those are equal. But
2 from factor 1 on down is the order of importance.

3 So factor 1 will be your technical
4 capabilities.

5 Factor 2 will be your past performance.

6 Factor 3 would be your subcontracting plan.
7 And if it is not applicable, we have the information
8 for that.

9 And the price, factor 4.

10 And although all the non price factors are
11 considered significantly more important than price,
12 price is an important factor. And I need for you to
13 know that.

14 Then we talk about the ratings that each of
15 your proposal evaluation factors would receive, and I
16 will outline that for you. So I would like to invite
17 your attention to that, as well.

18 One of the things that you will probably
19 hear throughout the presentations is risk and how
20 would you would evaluate risks. And that's very
21 significant for this requirement. So that is very

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1 important, and I can't emphasize that enough.

2 And we will be making one award under the
3 solicitation. We will not be making multiple awards.
4 We do intend to make the award based on initial
5 offers, so I encourage you to do your best work. You

6 will not have the opportunity to change, add, delete
7 or make any -- or make better any proposal, make any
8 additions. You will not be able to have the
9 opportunity to change, add, delete, or make better any
10 information that you submit in your proposal. It
11 needs to conform to the requirement of the request for
12 proposal. It states this in the format requirement.

13 Now that concludes my portion of the
14 presentation. And it's probably one of the best ones
15 of all, because now we get to go to lunch. So what
16 time is it now? It's 10 until 12:00? So we're
17 looking at everyone to come back at 1 o'clock. Is
18 that good for you? Okay. Enjoy your lunch. We'll
19 see you back here at 1 o'clock.

20 (Whereupon, a recess ensued)

21 MS. OWENS: Okay. So it appears that

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1 everyone has that. Okay. We're ready to start this
2 afternoon. I just wanted to let you know the
3 Powerpoint presentation for -- the presentation for
4 today and tomorrow will be available for further
5 review as part of the reading room materials, and that
6 will be starting on Monday. With the exception of the
7 ones you have for the systems overview, all the other
8 presentations will be provided in the reading room
9 starting on Monday, the 19th. Thank you.

10 MS. OWENS: I'm back. Well, I guess I see
11 that you're still awake. But our intent was to really
12 provide you content so that you will be able to see

13 how the process will be done. We didn't want to leave
14 any lack of understanding of how we actually perform
15 these activities and the interfaces that we have with
16 them. Right now, to our knowledge, there is only two
17 corrections that have to be made.

18 On page 2 at the bottom where it says --
19 G. E. D. in phase you can change that to federal in
20 phase. And the other one will be module 9. What we
21 will do, this will be posted on the web, you know,

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1 sometime shortly after this conference. Another thing
2 that -- for any of you that have questions, there are
3 index cards and you can write your questions and we
4 will provide those back to the contracting officer or
5 to myself and we'll get those questions answered and
6 posted on the web.

7 And --

8 VOICE: Just a question on the presentation,
9 if you don't mind. Slide 3 references the factor and
10 tax reporting module, but I don't see that on slide 2.
11 Should it be?

12 MS OWENS: We have to take that as a
13 question. I'm sorry. And we'll answer that. So if
14 you put it on the index card for us. But that is the
15 rule, so we have to follow the rules to a T because
16 this is a contracting opportunity. And at this time,
17 if nothing else, again, this is to provide you with
18 sufficient information. And we met that purpose. And
19 Tom will close out.

21 tomorrow at 9 o'clock at L'Enfant Plaza. It's in the

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1 Monet ballroom. And tomorrow we will be giving a
2 systems administration, me first. And then second
3 we're going to do an overview of Ginnie Mae's business
4 process improvement initiatives, which will include
5 the new 2008 implementation of the Ginnie Mae portal
6 and database. And that's it. Thank you everybody for
7 coming, for your attention. And I look forward to
8 seeing you all tomorrow.

9 (Whereupon, at 2:44 p.m. the preproposal
10 conference was concluded.)

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1 STATE OF MARYLAND,
2 CITY OF BALTIMORE, to wit:

3 I, KENNETH NORRIS, a Notary of the State
4 of Maryland, City of Baltimore, do hereby certify that
5 the within proceedings took place before me at the
6 time and place herein set out.

7 I further certify that the proceedings
8 were recorded stenographically by me and this
9 transcript is a true record of the proceedings.

10 I further certify that I am not of counsel
11 to any of the parties, nor in anyway interested in the
12 outcome of this action.

13 As witness my hand and notarial seal this
14 28th day of May, 2008.

15

16

17

KENNETH NORRIS

18

Notary Public

19

20 My Commission Expires:

21 July 7, 2010