

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1999-07-27** | Period of Report: **1999-06-30**
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FILER

NORWEST MORTGAGE INSURED 1 INC

CIK: **731767** | IRS No.: **411462645** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-11301** | Film No.: **99671018**
SIC: **6199** Finance services

Mailing Address
405 SW 5TH ST
DES MOINES IA 50309

Business Address
405 SW 5TH ST
DES MOINES IA 50309
5152376000

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

20549

FORM 10-Q

Quarterly Report Pursuant to Section
13 or 15(d) of
of 1934

the Securities Exchange Act

For the quarter ended June 30, 1999 Commission
file number 0-11301

NORWEST MORTGAGE INSURED 1, INC.
(Exact name of registrant as
specified in its charter)

Delaware 41-
1462645
(State or other jurisdiction of (I.R.S.
Employer Identification No.)
incorporation or organization)

1 Home Campus, Des Moines, Iowa
50328
(Address of principal executive offices)
(Zip code)

Registrants telephone number, including area code
(515) 221-6000

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN
GENERAL INSTRUCTION H(1) (a) AND (b) OF FORM 10-Q AND
IS THEREFORE FILING THIS FORM WITH THE REDUCED
DISCLOSURE FORMAT.

Indicate by check mark whether the registrant (1)
has filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such
shorter period that the registrant was required to
file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes
X No .

On July 26, 1999, 100 shares of the registrants common stock were outstanding. All common stock of registrant is held by an affiliate.

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PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements.

The following statements of the Company are included herein:

1. Balance Sheets - June 30, 1999, and December 31, 1998.
2. Statements of Operations - For the quarters ended June 30, 1999 and 1998.
3. Statements of Operations - For the six months ended June 30, 1999 and 1998.
4. Statements of Stockholders Equity - For the six months ended June 30, 1999 and 1998, and the six months ended December 31, 1998.

The financial information for the interim periods is unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the results of operations have been included. The results of operations for an interim period are not necessarily indicative of the results that may be expected for a full year or any other interim period.

INSURED 1, INC.
of Norwest Mortgage, Inc.)

NORWEST MORTGAGE
(a wholly-owned subsidiary

BALANCE SHEETS

UNAUDITED

and December 31, 1998

June 30, 1999

30, Assets 1998	December 31,	June 1999
Note receivable from parent \$10,000		\$10,000
Total assets \$10,000		\$10,000

Stockholders Equity

Common stock, \$1 par value: 100 shares authorized, issued and outstanding	\$	100
\$ 100		
Additional paid-in capital 9,900		9,900
Total stockholders equity \$10,000		\$10,000

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NORWEST MORTGAGE

INSURED 1, INC.
(a wholly-owned subsidiary of
Norwest Mortgage, Inc.)

STATEMENTS OF

OPERATIONS

UNAUDITED

For the quarters ended June
30, 1999 and 1998

1999	1998	
Income:		
Total income		\$
--	\$ --	
Operating expenses:		
Total operating expenses		--
--		
Net income before income taxes		--
--		
Provision for income taxes		--
--		
Net income		\$
--	\$ --	

STATEMENTS OF

OPERATIONS

UNAUDITED

For the six months ended
June 30, 1999 and 1998

1999	1998
------	------

Income:

Total income

\$ --	\$ --
-------	-------

Operating expenses:

Total operating expenses

--	--
----	----

Income before income taxes

--	--
----	----

Provision for income taxes

--	--
----	----

Net income

--	\$ --	\$
----	-------	----

NORWEST MORTGAGE INSURED 1,
INC.
(a wholly-owned subsidiary of
Norwest Mortgage, Inc.)

STATEMENTS OF STOCKHOLDERS

EQUITY

UNAUDITED

For the six months ended June 30, 1999 and
1998, and the six
months ended December 31,
1998

Additional Retained Capital	Earnings	Total	Common Stock	Paid in
Balance, December 31, -- 10,000 1997		\$100	9,900	
Net income --		--	--	--
Balance, June 30, -- 10,000 1998		\$100	9,900	
Net income --		--	--	--
Balance, December 31, -- 10,000 1998		\$100	9,900	
Net income --		--	--	--

Balance, June 30,	\$100	9,900
-- 10,000		
1999		

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Item 2. Managements Discussion and Analysis of
Financial Condition and
Results of Operations.

The following narrative by management of the
Companys results of operations is provided in
accordance with General Instruction (H) (2) (a) of
Form 10-Q.

Norwest Mortgage Insured 1, Inc. (the Company), was
incorporated on October 27, 1983, under the laws of
the State of Delaware. as a wholly-owned subsidiary
of Norwest Mortgage, Inc. (the parent company).
The parent is the principal mortgage banking
business of Wells Fargo & Company and derives its
income primarily from mortgage origination and
servicing operations. The parent is a wholly-owned
subsidiary of Norwest Nova, Inc., which is a wholly
owned subsidiary of Wells Fargo & Company. The
Company was organized to issue and sell one series
of obligations, consisting of four
classes, (Obligations) collateralized by fully
modified, pass-through, mortgage-backed
certificates (Certificates) guaranteed as to
principal and interest by the Government National
Mortgage Association (GNMA), and does not intend to

engage in any other business activities except activities incidental and necessary to the foregoing.

The Company had no net income for the quarter and six months ended June 30, 1999 and 1998. The management contract requires all available income of the Company be paid to the parent company as compensation for management services, reimbursement of expenses, and as additional purchase for the GNMA Certificates securing the obligations. As a result of the terms of the management contract, it is anticipated that the Company will have no net income for a number of subsequent years.

Redemption of Obligations

On July 1, 1999 the Company redeemed all outstanding Obligations in the amount of \$6,214,411. The redemption was completed in accordance with Article X, Section 10.01(g) of the Indenture. Pursuant to said article no interest shall accrue on the Obligations for any period after July 1, 1999.

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Year 2000 Readiness Disclosure

The Company is aware of the issues associated with the programming code in existing computer systems as the millennium (year 2000) approaches. The year 2000 problem is pervasive and complex; virtually every computer operation will be affected in some way by the rollover of the two-digit year value to 00. The issue is whether computer systems will properly recognize date-sensitive information when the year changes to 2000. Systems that do not properly recognize such information could generate erroneous data, fail or cause another system to fail. "Systems" include all hardware, networks, system and application software, commercial off-the-shelf software, data and voice communication

devices, and embedded technology such as date-impacted processors in automated systems such as elevators, telephone systems, security systems, vault systems, heating and cooling systems and others.

The Companys year 2000 readiness projects are divided into four phases:

Phase I: comprehensive assessment and inventory of Systems intended to determine year 2000 vulnerability and risk;

Phase II: date detection on Systems intended to determine which Systems must be remediated and which Systems are compliant and require testing only; determination of required resources and costs; and the development of schedules and high-level testing plans for the repair, replacement and/or retirement of Systems that are not determined to be year 2000 compliant;

Phase III: repair, replacement and/or retirement of Systems that are not determined to be year 2000 compliant; conduct testing of individual Systems; and plan the integration testing for those Systems that have interfaces with other Systems both internal and external to the company, such as those of customers and suppliers; and

Phase IV: integration testing of applicable Systems to validate that interfaces with other Systems are year 2000 compliant; and the development of contingency plans, such as plans to recover operations and alternatives to mitigate the effects of counterparties whose own failure to properly address year 2000 issues may adversely impact their ability to perform certain functions.

The Company in respect to the year 2000 project has substantially completed all phases (Phases I, II, III and IV).

The cost to address the Companys year 2000 projects are included as part of the management contract with its parent company.

In the event year 2000 problems arise out of a failure of the efforts described above any resulting disruptions could adversely affect the business operations.

PART II -- OTHER

INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

Omitted pursuant to General Instruction
(H) (2) (b) of Form
10-Q.

Item 3. Defaults Upon Senior Securities.

Omitted pursuant to General Instruction
(H) (2) (b) of Form
10-Q.

Item 4. Submission of Matters to a Vote of Security
Holders.

Omitted pursuant to General Instruction
(H) (2) (b) of Form 10-Q.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) None.

(b) None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant had duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Norwest Mortgage Insured 1, Inc.

Dated: July 26, 1999

Robert K. Chapman

Chief Financial Officer

(Principal Accounting and

Financial Officer)

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