

Guide to Delivering eMortgages to Fannie Mae

Updated April 20, 2020



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1. Preface

The *Guide to Delivering eMortgages to Fannie Mae* (as amended, modified or supplemented from time to time, this “Guide”) contains policies and procedural requirements for Fannie Mae’s purchase of eMortgages. We update this Guide periodically, and may announce important policy or procedural changes as they occur by issuing updates to lenders, either by modifications to this Guide or by an updated letter or memoranda to participating lenders. Lenders should be aware that this Guide may be modified frequently to accommodate this rapidly developing area of mortgage lending.

If the lender encounters a particular situation or process that is not covered or that the procedures may not apply because of certain circumstances, they should contact their Fannie Mae Customer Management Solutions (CMS) team.

If you need assistance after reading this documentation, please contact the Fannie Mae eMortgage team (eMortgage_Info@fanniemae.com).

Technical information about delivery specifications, including samples, is available in Fannie Mae’s [eMortgage Technical Requirements](#). Fannie Mae’s *eMortgage Technical Requirements* is incorporated, and made part of, this Guide, and is part of a lenders’ contractual obligations to Fannie Mae in connection with selling and servicing eMortgages.

2. Getting Started

2.1 Overview

An eMortgage is a loan for which the promissory note and possibly other documents (such as the security instrument and loan application) are created and stored electronically rather than by traditional paper documentation that has a pen and ink signature. Because some recording jurisdictions will not yet accept electronic documents for recordation, eMortgages may consist of a paper security instrument and an electronic note (eNote).

Fannie Mae will purchase eMortgages only from lenders with which we have an addendum to the lender’s Mortgage Selling and Servicing Contract that specifically authorizes eMortgage sales and/or servicing (“eMortgage Addendum”). Servicers are also required to have an eMortgage addendum prior to servicing Fannie Mae eMortgages. This Guide describes the preliminary steps a lender must take prior to execution of the eMortgage Addendum, as well as our requirements for the origination and sale of one-to-four-family eMortgages that Fannie Mae will purchase or securitize. This Guide and the *eMortgage Technical Requirements* are incorporated into the terms of the lender’s Mortgage Selling and Servicing Contract, as amended by the eMortgage Addendum. Our [Selling](#) and [Servicing](#) Guides, as well as the lender’s other contractual obligations to Fannie Mae, remain in force and effect except as modified by this Guide.

Lenders are reminded of the need to comply with the provisions of the *Fannie Mae Selling and Servicing Guides*, specifically with regard to requirements for electronic transactions.

Lenders who are interested in selling or servicing eMortgages should work with their Fannie Mae Customer Management Solutions (CMS) team to begin the consultation process.

2.2 Initial and Periodic Assessments

Each lender is responsible for determining that it meets the legal, technological, and operational requirements necessary to electronically create valid and enforceable mortgage obligations and/or effectively service eMortgages and that it otherwise complies with our requirements (which, in some cases, may be in addition to minimum statutory requirements).

As part of our eMortgage readiness review process, we ask the lender to provide information about some of the systems and processes it intends to employ in origination and servicing eMortgages. Prior to execution of the eMortgage Addendum, Fannie Mae will work with lenders to assess their technology implementations and business processes for conformance to Fannie Mae’s eMortgage requirements. This assessment involves a consultation which will walk the lender through the [eMortgage Readiness Checklist](#), helping us determine the lender’s eMortgage readiness and support the lender’s implementation.

We also encourage the lender to work with us to conduct certain systems integration testing (“Systems Testing”). The scope of the Systems Testing depends on the lender’s particular eMortgage implementation. Following initial implementation,



lenders must inform Fannie Mae prior to making any substantial technology or process changes, including implementation of any new Mortgage Electronic Registration Systems® (MERS®) functionality, to ensure that such changes are coordinated with Fannie Mae systems. Fannie Mae reserves the right to periodically reassess technology implementations and business processes to ensure compliance with these requirements.

2.3 Legal Requirements

The following terms and conditions will apply to delivery, sale and servicing of eMortgages.

The lender may only deliver eMortgages originated using systems that comply with Fannie Mae technology and process requirements as described in this Guide. The lender cannot use any other software technology or any other vendor without the express written prior approval of Fannie Mae.

A breach under this Guide is a breach under the Lender Contract.

The lender acknowledges that, in determining the lender's readiness to deliver, sell and/or service eMortgages to Fannie Mae, Fannie Mae relied on information provided by the lender.

The lender represents and warrants that it has executed all tests required by Fannie Mae and that all systems and processes necessary to deliver and/or service eMortgages pursuant to this Guide and the MERS eRegistry requirements, are fully operational, including, systems integration among the lender, Fannie Mae, and MERS.

The lender makes the following representations and warranties with respect to each eMortgage sold to and, where applicable, serviced for Fannie Mae:

1. Each eMortgage is evidenced by an eNote that is a valid and enforceable Transferable Record pursuant to the Uniform Electronic Transactions Act ("UETA"), or the Electronic Signatures in Global and National Commerce Act ("ESIGN"), as applicable, and there is no defect with respect to the eNote that would confer upon Fannie Mae, or a subsequent transferor, less than the full rights, benefits and defenses of Control (as defined by UETA and ESIGN) of the Transferable Record;
2. Prior to transfer to Fannie Mae, the lender is an entity entitled to enforce the eMortgage;
3. All electronic signatures associated with the eMortgage are authenticated and authorized;
4. The lender has established procedures and controls limiting access to eMortgage Delivery and the MERS eRegistry to duly authorized individuals, and Fannie Mae is entitled to rely on any transmission, transfer or other communication via these systems to be the authorized act of the lender;
5. Any transfers of Control of the eNote are authenticated and authorized;
6. The Authoritative Copy of the eNote has not been altered since it was electronically signed by its issuers;
7. There has been, at all times, one and only one Authoritative Copy of the eNote in existence, and all copies other than the Authoritative Copy are readily identifiable as non-authoritative copies; and
8. The eNote is not subject to a defense, claim of ownership or security interest, or claim in recoupment of any party that can be asserted against the lender.

3. Requirements for Creating and Closing a Fannie Mae-Eligible eNote

3.1 Overview

Standard Fannie Mae requirements regarding underwriting and eligibility for sale to Fannie Mae apply to eMortgages. This section describes additional requirements applicable to eMortgages.



As set forth in Section 2.2, Fannie Mae reserves the right periodically to reassess technology implementations and business processes to ensure compliance with these requirements.

3.2 Products

Most conventional first loans can be delivered to Fannie Mae as eMortgages. This includes fully amortizing fixed-rate and adjustable-rate loans, and fixed-rate and adjustable-rate bi-weekly payment loans. However, the following are **not** currently permitted to be delivered as eMortgages:

- Products that require additional or special purpose legal documents;
- Mortgages secured by Puerto Rico properties;
- Co-op loans
- Texas Section 50(a)(6) loans

3.3 Electronic Documents: Uniform eNotes and Electronic Signatures

3.3.1 Uniform eNotes

To be eligible for sale to Fannie Mae, eMortgages must be originated using the Uniform Fannie Mae/Freddie Mac form of eNote. This form of eNote is created by modifying the appropriate Fannie Mae/Freddie Mac Uniform Note (available at www.fanniemae.com) in accordance with *Appendix A* of this Guide. Such modification includes addition of a specific provision (Section 11, or Section 12 in the case of ARM eNotes) that addresses the electronic nature of the note. This special provision also includes reference to the MERS® eRegistry. Immediately upon execution by the borrower, all eNotes must be registered on the MERS eRegistry and contain a valid, unique 18-digit MIN (Mortgage Identification Number). Appendix A provides more information.

For further information and technical samples, please see Fannie Mae's *eMortgage Technical Requirements*, available at www.fanniemae.com.

3.3.2 Electronic Document File Formats

Fannie Mae currently accepts delivery of eNotes in the MISMO SMART Doc® format. Please refer to Fannie Mae's *eMortgage Technical Requirements* for details, available at www.fanniemae.com.

3.3.3 Electronic Signatures

By selling an eMortgage to Fannie Mae, the lender represents and warrants that the type of electronic signature that is used by the borrower to sign the eNote and any other electronic record associated with the transaction (i) is legal and enforceable under applicable law, and (ii) was not affected by means of audio or video recording.

The systems and processes employed in the execution of an electronic signature must comply with the requirements of Fannie Mae's *Selling Guide*, including clearly identifying the electronic record being signed, clearly displaying the borrower's name and requiring the borrower to take action to initiate the electronic signature. A single electronic signature cannot be applied to multiple electronic records simultaneously.

3.3.4 Borrower Attribution and Audit Trails

To preserve the lender's ability to attribute the signer's signature to his or her identity, certain documents and system records must be retained in a manner that will provide Fannie Mae with ready access to such documents and records should we request



the lender to provide us with such evidence. For example, in addition to retaining evidence of a borrower's identity in the loan file, the lender should collect and retain systems logs and audit trails that establish a temporal and process link between the presentation of identity documents and the electronic signing of a document, as well as evidence of the borrower's agreement to conduct the transaction electronically and his or her execution of a particular electronic signature.

All files should be retained for the life of the loan plus seven years. Any files that a lender maintains must include the name of the person (and related entity, if the borrower is not a natural person) who signed each document in the loan file, the date of the signature, and the method by which the document was signed, as well as any relevant identifying (and other) information that can be used to verify the electronic signature and its attribution to the signer's identity. Lenders must provide Fannie Mae with any audit trail files requested at any time in a format that is compatible with Fannie Mae systems. In the event of a servicing transfer, the lender is required to provide the new servicer with all attribution evidence and audit trails associated with the loans being transferred.

3.3.5 Electronic Disclosures and Consent; Additional Legal Requirements

Lenders are reminded that Section 101(c) of E-SIGN (the federal law that governs electronic signature transactions) has specific requirements about the type and content of the consent that must be obtained from borrowers before electronically providing any of the disclosures that are required by law to be given to borrowers. Additional requirements concerning the use of electronic signatures, records, and disclosures may be imposed by regulatory agencies or through state legislation. Lenders must be aware of, and comply with, all applicable legal requirements and otherwise follow applicable industry practices. By selling or servicing an eMortgage to or for Fannie Mae, the lender represents and warrants that it has complied with all such requirements and practices, the requirements of Fannie Mae's *Selling and/or Servicing Guides*, as applicable, and the requirements imposed by E-SIGN.

3.3.6 eNote Closing

To ensure that the eNote is a discrete transferable record, closing instructions or other procedures should be created to ensure that the borrower signs only the eNote at closing and does not also sign a paper version of the Uniform Note.

3.4 Electronic Document Security

3.4.1 Tamper-Evident Seal

Regardless of the type of electronic signature used, each electronic document delivered to Fannie Mae must be cryptographically "sealed." This tamper-evident seal, created by digital signature technology, is used to provide tamper-evident protection to the document. The tamper-evident seal must be applied to the signed document immediately after the last borrower's signature has been applied. If any alterations are made to the document, the seal will be compromised, therefore making it apparent that the document has been altered.

3.4.2 Protecting Server-Based Signing Keys

Tamper-evident seals (see Section 3.4.1) can be created using an individual user certificate or a server-based certificate. In implementations in which a server-based certificate will be used to create the tamper-evident seal, Fannie Mae requires that private keys are appropriately stored and that there be a separation of staff roles regarding access to those keys. Please see *Appendix B* for additional information.

3.5 Registering eNotes

The Fannie Mae/Freddie Mac Uniform eNote provides that the Note Holder (as defined in the eNote) will be the entity listed in the MERS eRegistry as Controller. All eNotes delivered to Fannie Mae must first be registered in the MERS eRegistry as soon as possible after the tamper-evident seal has been applied, but no later than one (1) business day of signing. The record in the MERS



eRegistry must reflect the originating lender – the lender whose name is on the eNote – as the first Controller. Any and all subsequent transfers of the eNotes – changes of Control – must be reflected in the MERS eRegistry. Failure to comply with these requirements could render the loan ineligible for delivery to Fannie Mae. Detailed documentation on the MERS eRegistry requirements is available at www.mersinc.org.

4. Delivering eMortgages to Fannie Mae

4.1 Overview

Lenders may deliver eMortgages for either Whole Loan or MBS execution. Fannie Mae accepts mixed MBS pools – ones that contain both paper notes and eNotes. eMortgages are delivered to Fannie Mae via the MERS® eDelivery service. Please see www.mersinc.org for more information on MERS eDelivery.

To sell the loan to Fannie Mae, the lender (or its warehouse provider acting as the lender’s designee) must perform the following procedures:

1. Transmit a copy of the eNote to Fannie Mae through MERS eDelivery. If the eNote is executed with a Power of Attorney, transmit a copy of the Power of Attorney to Fannie Mae through MERS eDelivery using the MISMO document type ‘PowerOfAttorney’ (note, that in some jurisdictions an original of the power of attorney must be recorded with the related security instrument). If eNote is being delivered through a warehouse provider, then the Lender may need to eDeliver both a copy of the eNote and the Power of Attorney directly to Fannie Mae;
2. Transfer Control and Location to Fannie Mae by submitting a request message to the MERS eRegistry; naming Fannie Mae as the new Controller and Location;
3. If the sale of the loan to Fannie Mae is accompanied by the sale of the Master Servicing Rights (co-issue), transfer servicing to reflect the MERS Org ID of the purchasing Master Service (or their designated sub-servicer) in the MERS eRegistry “Servicing Agent” field. It is recommended that this be completed as a step separate from the Transfer of Control and Location to ensure that the Transfer of Control and Location to Fannie Mae is completed successfully; and
4. To complete the sale of the loan, perform other processes as described in this chapter.

4.2 Delivering eMortgages to Fannie Mae Using MERS eDelivery

4.2.1 Delivery of Documents

Fannie Mae accepts delivery of electronic documents through MERS eDelivery. Fannie Mae will return an electronic approval message once our systems have accepted the document. For more information on delivering eMortgages, please contact Fannie Mae or refer to Fannie Mae’s *eMortgage Technical Requirements*, available at www.fanniemae.com.

4.2.2 Transferring Control and Location

Once the eNote has been successfully delivered to Fannie Mae, lenders (or their warehouse providers) should transmit a request to the MERS eRegistry to begin the process of transferring Control and Location of the eNote to Fannie Mae. A “Transfer of Control and Location” request must be transmitted to the MERS eRegistry to initiate the transfer of ownership and to update the MERS eRegistry to show Fannie Mae as the Controller and Location of the Authoritative Copy of the eNote. Lenders are expected to monitor the status of transfer requests to ensure they have been completed successfully. The transfer request must include an “Effective Date” of the same day as the request. The Effective Date is used by the MERS eRegistry to denote the date that the transfer must be complete. Fannie Mae requires that the MERS eRegistry records, for loans transferred to Fannie Mae, contain the Servicer’s MERS Org ID (or sub-servicer if applicable) in the “Servicing Agent” field on the eRegistry in order to enable that party to perform certain transactions within the MERS eRegistry. (Note: If the Servicing Agent is changing coincident with the sale to Fannie Mae, the update to this field can be completed after completing the transfer of control and location to Fannie Mae.)



If prior to Fannie Mae purchasing the loan, the lender requires the eNote to be returned, the lender must submit a *Request for Release/Return of Documents (Form 2009)* and Fannie Mae eNote Transfer of Control Request (*Form 197*) to Fannie Mae's Custodian Oversight Department at eMortgage_Custody@fanniemae.com at least three business days before the change of Control and Location is required.

4.3 Additional Processes Necessary to Deliver eMortgages for Whole Loan or MBS

Lenders must perform the following process in addition to delivering the eMortgage through MERS eDelivery:

Whole Loan Deliveries

- Add the eNote Indicator flag to the corresponding loan(s) in Fannie Mae's Loan Delivery application which identifies the loan as an eMortgage loan; and
- Perform the usual whole loan delivery through Fannie Mae's Loan Delivery application.

Deliveries for MBS

- Add the eNote Indicator flag to the corresponding loan(s) in Fannie Mae's Loan Delivery application to identify the loan as an eMortgage loan; and
- Perform the usual MBS delivery through Loan Delivery.

NOTE: *If for some reason, an eMortgage must be transferred back to the lender (for example, in the event of an error on the loan), the lender should contact Fannie Mae's Custodian Oversight and Monitoring department at eMortgage_Custody@fanniemae.com for support. In the event of a loan transfer back to the lender (or the lender's warehouse provider acting as its designee), Fannie Mae will transmit a "Request to Transfer Control and Location" message to the MERS eRegistry to transfer Control back to the lender (or its warehouse provider). In that case, the lender (or its warehouse provider) should accept the "Request to Transfer Control and Location" at which time its own copy of the eNote will be the Authoritative Copy. The lender (or its warehouse provider) will then be designated on the MERS eRegistry record for that loan as both the Controller and the Location. See Section 4.5 Warehouse Lending for details on transferring back when a warehouse provided was used.*

4.4 Reconciliation

Lenders must develop technologies and/or processes and procedures to ensure that:

- The eNote indicator flag is added to each eMortgage loan in Fannie Mae's Loan Delivery application;
- For each electronic mortgage delivered and transferred to Fannie Mae through MERS eDelivery, the corresponding loan data is transmitted through Fannie Mae's Loan Delivery application; and
- For each electronic mortgage transmitted to Fannie Mae through our Loan Delivery application, the corresponding electronic mortgage documents must be delivered and transferred through MERS eDelivery.

4.5 Warehouse Lending

4.5.1 Transfer of Control and Location

Lenders may originate or purchase eMortgages using interim funding from a warehouse provider in a manner that establishes the warehouse provider as being in Control of each related eNote at eMortgage settlement or that reflects the warehouse provider as the "Secured Party" in the MERS eRegistry for the related eNote. In order to facilitate Fannie Mae's purchase or securitization of an eMortgage for which a warehouse provider has provided financing, the warehouse provider must perform one of the two



following actions depending on whether the warehouse provider is named as the Controller or as the “Secured Party” of an eNote.

1. If the warehouse provider is in Control of an eNote prior to sale to Fannie Mae, the warehouse provider must transfer Control and Location of the related eNote to Fannie Mae, on the lender’s behalf, using the warehouse provider’s MERS Org ID for pre-purchase inspection, among other things.
2. If the warehouse provider is named as the “Secured Party” in the MERS eRegistry on an eNote prior to sale to Fannie Mae, the warehouse provider must approve a transfer of Control and Location to Fannie Mae that has been initiated by the lender, or the warehouse provider may itself (or through a designated agent) initiate a transfer of Control and Location to Fannie Mae, on the lender’s behalf. At the conclusion of such transaction, Fannie Mae will be named in Control and Location and there will be no named entity in “Secured Party”.

Lender and its warehouse providers must use Fannie Mae’s Loan Delivery application, in accordance with their respective agreements with Fannie Mae, to submit or validate wiring instructions for the account to which purchase proceeds (in the form of cash or MBS) for eMortgages covered by such interim funding agreements should be delivered. Lender authorizes Fannie Mae to deliver the purchase proceeds (in the form of cash or MBS) for eMortgages in accordance with such wiring instructions.

4.5.2 eNote Control Transfer and Custodial Agreement

In connection with delivery of funded eMortgages to Fannie Mae, warehouse providers must enter into an *eNote Control Transfer and Custodial Agreement* with Fannie Mae in which, generally, (i) Fannie Mae accepts Control of delivered eNotes [as designated custodian for the warehouse provider] until such time as (ii) Fannie Mae makes payment and the warehouse provider releases its security interest, or (iii) Control of the eNote is returned to the eRegistry participant that was previously in Control prior to Fannie Mae; provided that if there was a “Secured Party” named on an eNote prior to transfer to Fannie Mae, Fannie Mae will first assign the applicable MERS Org ID to the “Secured Party” field and then initiate the transfer. Lender authorizes Fannie Mae to take such actions.

If, before Fannie Mae buys any eMortgage, Fannie Mae receives written notice from a warehouse provider that warehouse provider has exercised its right to acquire the eMortgage because of a default, lender authorizes Fannie Mae to transfer Control and Location of the related eNote to warehouse provider (or its designee) or, if applicable, to assign the applicable MERS Org ID to the “Secured Party” field and then initiate a transfer as directed by warehouse provider, in each case, without further instructions from or consent by lender.

If Fannie Mae believes a party other than lender or the applicable warehouse provider has an interest in any eMortgage (or the related purchase price), lender agrees that Fannie Mae may, in its sole discretion, decline to purchase such eMortgage and notify lender and warehouse provider of such decision.

In return for Fannie Mae’s accommodation of delivery of funded eNotes that are subject to warehouse lending arrangements and for Fannie Mae’s performance of certain obligations under the *eNote Control Transfer and Custodial Agreement* that are in the lender’s interest, the lender hereby agrees to indemnify and hold harmless Fannie Mae against all Fannie Mae losses (as defined in the *Fannie Mae Selling Guide*) arising or resulting from any act or omission of lender or Fannie Mae (except those arising or resulting from Fannie Mae’s gross negligence or willful misconduct) made in connection with the terms of the *eNote Control Transfer and Custodial Agreement*.

5. Certification and Custody of eMortgages

Fannie Mae provides in-house automated document certification (auto-certification) for eligible eNotes. For eNotes that cannot be auto-certified but are permitted to be sold to Fannie Mae, these will be routed for manual certification by a document custodian. A document custodian interested in certifying eNotes on behalf of Fannie Mae must meet all of the eligibility requirements outlined in the [Requirements for Document Custodians](#) on FannieMae.com. Contact Fannie Mae’s Custodian Oversight Department at eMortgage_Custody@fanniemae.com for additional information on certifying eNotes on behalf of Fannie Mae.



6. eNote Corrections

eNotes containing errors will typically require that a new note be executed. In this instance, once the new note has been executed (either in paper or as an eNote) the original eNote should be de-activated on the MERS eRegistry via a Registration Reversal transaction. If an eNote is being replaced by a paper Note, the Lender must ensure that the eNote Indicator flag is removed from the loan prior to purchase. Lenders should contact Fannie Mae's eMortgage team at eMortgage_Info@fanniemae.com with additional questions.

If there are any issues identified with an eNote after it has been sold to Fannie Mae, the Servicer should contact Fannie Mae's Custodian Oversight Department at eMortgage_Custody@fanniemae.com to discuss resolution options.

7. Delivery of Third-Party Originated eNotes

Lenders delivering eMortgages to Fannie Mae that were originated by a third-party broker or lender are responsible for establishing guidelines and procedures to ensure that the loans are created and maintained in accordance with the requirements of this Guide. Such guidelines and procedures must be furnished to Fannie Mae upon request and may be a requirement for eMortgage approval.

8. Servicing eMortgages

For complete requirements for servicing eMortgages, please reference Fannie Mae's master [Servicing Guide](#).

9. References

More Information About:	Available at:
Delivering eMortgages to Fannie Mae	www.fanniemae.com/singlefamily/emortgage
MERS® eRegistry	www.mersinc.org



Appendix A - Description of eNote Header, Footer, and eNote Clause

A sample XML eNote that includes the eNote header, footer, and eNote clause is available in *eMortgage Technical Requirements*.

a) eNote Header

The Uniform eNote has a new line below the word “Note” that serves as an additional reminder that the eNote is designed only for electronic signatures. The word “Note” should be replaced by:

Note

(For Electronic Signature)

b) eNote Footer

The footer for an eNote is similar to the document footer that appears on our standard mortgage and deed of trust notes, except for the identification of the document as an eNote. The footer for the Uniform Multistate Fixed Rate eNote is shown below:

MULTISTATE FIXED RATE eNOTE–Single Family–Fannie Mae/Freddie Mac Uniform Instrument
Form 3200e 5/05

c) eNote Clause

The eNote clause must be included in all eNotes and must be inserted as the last numbered Section immediately preceding the paragraph that begins with the words “Witness these Hands...”. For example, the last numbered Section in the *Multistate Fixed Rate Note* (Form 3200) is Section 10; thus, to create this document as an eNote (Form 3200e), a new numbered Section 11 must be added. For an adjustable-rate mortgage, the last numbered Section on the note is currently Section 11, so the insertion that is made to create an eNote would be Section 12, or other accordingly.

The following language represents the new Section that must be inserted to create the *Uniform Multistate Fixed Rate Note* (Form 3200e) for an eMortgage. The same language is also used to create an eNote for an adjustable-rate mortgage, but all references to “Section 11” must be replaced with “Section 12,” or other accordingly.

Language for the eNote clause:

“11. ISSUANCE OF TRANSFERABLE RECORD; IDENTIFICATION OF NOTE HOLDER; CONVERSION FROM ELECTRONIC NOTE TO PAPER-BASED NOTE

(A) I expressly state that I have signed this electronically created Note (the "Electronic Note") using an Electronic Signature. By doing this, I am indicating that I agree to the terms of this Electronic Note. I also agree that this Electronic Note may be Authenticated, Stored and Transmitted by Electronic Means (as defined in Section 11(F)), and will be valid for all legal purposes, as set forth in the Uniform Electronic Transactions Act, as enacted in the jurisdiction where the Property is located ("UETA"), the Electronic Signatures in Global and National Commerce Act ("E-SIGN"), or both, as applicable. In addition, I agree that this Electronic Note will be an effective, enforceable and valid Transferable Record (as defined in Section 11(F)) and may be created, authenticated, stored, transmitted and transferred in a manner consistent with and permitted by the Transferable Records sections of UETA or E-SIGN.

(B) Except as indicated in Sections 11 (D) and (E) below, the identity of the Note Holder and any person to whom this Electronic Note is later transferred will be recorded in a registry maintained by [Insert Name of Operator of Registry here*] or in another registry to which the records are later transferred (the "Note Holder Registry"). The authoritative copy of this Electronic Note will be the copy identified by the Note Holder after loan closing but prior to registration in the Note Holder Registry. If this Electronic Note has been registered in the Note Holder Registry, then the authoritative copy will be the copy identified by the Note Holder of record in the Note Holder Registry or the Loan Servicer (as defined in the Security Instrument) acting at the direction of the Note Holder, as the authoritative copy. The current identity of the Note Holder and the location of the authoritative copy, as reflected in the Note Holder Registry, will be available from the Note Holder or Loan Servicer, as applicable. The only copy of this Electronic Note that is the authoritative copy is the copy that is within the control of the person identified as the Note Holder in the Note Holder Registry (or that person's designee). No other copy of this Electronic Note may be the authoritative copy.



(C) If Section 11 (B) fails to identify a Note Holder Registry, the Note Holder (which includes any person to whom this Electronic Note is later transferred) will be established by, and identified in accordance with, the systems and processes of the electronic storage system on which this Electronic Note is stored.

(D) I expressly agree that the Note Holder and any person to whom this Electronic Note is later transferred shall have the right to convert this Electronic Note at any time into a paper-based Note (the "Paper-Based Note"). In the event this Electronic Note is converted into a Paper-Based Note, I further expressly agree that: (i) the Paper-Based Note will be an effective, enforceable and valid negotiable instrument governed by the applicable provisions of the Uniform Commercial Code in effect in the jurisdiction where the Property is located; (ii) my signing of this Electronic Note will be deemed issuance and delivery of the Paper-Based Note; (iii) I intend that the printing of the representation of my Electronic Signature upon the Paper-Based Note from the system in which the Electronic Note is stored will be my original signature on the Paper-Based Note and will serve to indicate my present intention to authenticate the Paper-Based Note; (iv) the Paper-Based Note will be a valid original writing for all legal purposes; and (v) upon conversion to a Paper-Based Note, my obligations in the Electronic Note shall automatically transfer to and be contained in the Paper-Based Note, and I intend to be bound by such obligations.

(E) Any conversion of this Electronic Note to a Paper-Based Note will be made using processes and methods that ensure that: (i) the information and signatures on the face of the Paper-Based Note are a complete and accurate reproduction of those reflected on the face of this Electronic Note (whether originally handwritten or manifested in other symbolic form); (ii) the Note Holder of this Electronic Note at the time of such conversion has maintained control and possession of the Paper-Based Note; (iii) this Electronic Note can no longer be transferred to a new Note Holder; and (iv) the Note Holder Registry (as defined above), or any system or process identified in Section 11 (C) above, shows that this Electronic Note has been converted to a Paper-Based Note, and delivered to the then-current Note Holder.

(F) The following terms and phrases are defined as follows: (i) "Authenticated, Stored and Transmitted by Electronic Means" means that this Electronic Note will be identified as the Note that I signed, saved, and sent using electrical, digital, wireless, or similar technology; (ii) "Electronic Record" means a record created, generated, sent, communicated, received, or stored by electronic means; (iii) "Electronic Signature" means an electronic symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign a record; (iv) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form; and (v) "Transferable Record" means an electronic record that: (a) would be a note under Article 3 of the Uniform Commercial Code if the electronic record were in writing and (b) I, as the issuer, have agreed is a Transferable Record."

NOTE: Insert "**MERSCORP Holdings, Inc., a Delaware corporation**" here as the name of the Operator of the Registry.

d) Signature Area

The text "[Sign Original Only]" which appears on the paper forms should be omitted from eNote forms.



Appendix B - Requirements for Protecting Server-Based Signing Keys Used to Create Tamper-Evident Seals

eNotes and certain other documents presented for delivery must be cryptographically “sealed” with a tamper-evident seal generated using digital signature technology. To preserve document integrity, the private key associated with such certificates must be well protected. The private key(s) must be adequately protected to mitigate any risk of unauthorized access that could allow tampering with the document.

Generally, the tamper-evident seal can be applied in either of two ways: by an individual user at the loan closing site, or automatically generated by a server or system immediately after the last signature has been applied.

If the tamper-evident seal is generated using a server-based certificate and private key, the following requirements must be followed:

- Key(s) must be generated and stored using a hardware storage module; and
- There must be a separation of roles so that staff with access to the hardware device activation password(s) does not have administrative access to the server that applies the tamper-evident seal, and vice versa.

Lenders are responsible for ensuring the protection of any private keys used to generate tamper-evident seals on eMortgage documents delivered to Fannie Mae.