AGENDA

Digital Collateral Presentation

- eNote Overview
- Ginnie Mae Pilot Securitization Parameters
- Pilot Timeline
- Open Q&A
eNOTE OVERVIEW MERS® eRegistry

- Established in **2004** as the mortgage industry’s system of record and centralized registry for eNotes
- Stores the unique, tamper-evident digital signature of eNotes
- Enables transfers of eNotes and other mortgage documents via MERS® eDelivery

- Tracks beneficial ownership rights and servicing rights for over 75% of all U.S. mortgages
- System of record for identifying the Controller (holder) and Location (custodian) of the authoritative copy of registered eNotes
Surge in eNotes

eNotes Registered on the MERS® eRegistry

# of Registrations in Q1 2019 > Total of All Registrations in 2018
19,000+ Q1 2019 vs. 17,000+ FY 2018
Follow the eNote

1. eNote is generated by the eVault/eClosing platform
2. Borrower(s) electronically sign the eNote
3. Signed eNote is Tamper-sealed
4. eNote is stored in the eVault
5. Copy of the eNote is sent to trading partner(s) via MERS® eDelivery
6. Authorized Rights Holder positions for the eNote Record are transferred on the MERS® eRegistry to applicable trading partners
**Secured Party:** The Participant named on the MERS® eRegistry that has been sold, pledged, assigned, or granted a security interest in the eNote by the Controller.

- **Secured Party can:**
  - Permit or restrict Transfers of Control or Location
  - Initiate Transfers of Control or Location to itself or another MERS® eRegistry Participant
  - Elect to receive notifications of changes to the eNote record’s status
  - Permit or restrict Deactivations
### Key Pillars

#### Delegated Custodial Model will Remain in Place
- Issuer responsibility for custodial and certification costs
- Document Custodian fiduciary role intact
- Final Cert. process remains intact

#### Provide for Streamlining by Accepting Digital Equivalents
- eNotes
- Original digital instruments
- Electronic copies everywhere photocopies are acceptable

#### GII MIP: Securitization
- Segregation of eNotes
- Specific MSR transfer restrictions
Issuer is ready to securitize eNote

Submits loan and pool data (HUD Forms)

Pooling, Delivery, & Certification System, receives loan and pool data and notifies Doc. Custodian

Issuer Updates MERS® eRegistry according to reflect Ginnie Mae rights holder status

Issuer performs defect remediation process

Satisfies Initial Cert?

Yes

Initial Certification is captured and security is issued

Issuer submits Trailing Docs to Doc Custodian for Final Cert.

No

Custodian completes Initial certification:
- Validates loan level data
- Validates MERS® eRegistry and
- MERS® System fields

This is the biggest change during Pilot. Doc. Custodians will need to validate by referencing MERS system and eVault data/files.
**PROJECTED PILOT TIMELINE**

**Draft Guidance and Input**

- **May**
  - Draft Guidance for eNote Pilot to be published for Comment

- **June**
  - eVault RFI Issued by U.S. GSA

- **July/Aug.**
  - eVault acquisition projected to be completed

- **Sept.**
  - Industry Feedback Due

- **Oct.**
  - Revised guidance and pilot criteria projected to be issued

- **Nov.**
  - Pilot Launch

- **Dec.**
  - FY 2019

- **Jan.**
  - FY 2020
OPEN Q&A

Questions

What

Where

Why

Who

How

When

Ask

Answer

Apply

Query

Understand