
GINNIE MAE

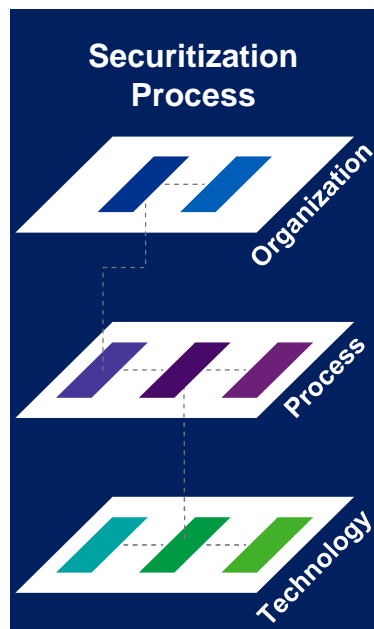
Issuer and Custodian Outreach Digital Collateral Program

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Eligible Loan Types



Eligible Loan Types

FHA Single Family

VA Guaranteed
Single Family

RD Single-Family

Fixed Rate

Monthly Level
Payments

Ineligible Loan Types



HECM
Mortgage
Loans



Multifamily
Loans



Manufactured
Housing
Loans

Digital Collateral Program

Participation Criteria for eIssuers

MERS

- MERS® System Member
- Integrated with MERS® eRegistry

eIssuer Application

- eIssuer 'Application for Participation'
- Signed by identified employee on Form HUD 11702
- All corresponding certifications
- Email Submission to Ginnie Mae

Active Issuer Requirement

- Must be a Ginnie Mae approved Issuer for three (3) preceding calendar months

eClosing

- Ability to originate and secure Eligible Notes
- System Requirements

eServicing

- Subject Matter Expertise
- Internal Processes and systems

Dedicated Personnel

- Identified personnel as primary points of contact
- Collaborates and coordinates with Ginnie Mae
- Delegated authority to implement pool/loan package changes

Good Standing Requirement

- Six months prior to application date:
 - No Notice of Violation (NOV)
 - No Civil Money Penalty (CMP)

eCustodian Requirement

- Established Relationship
- Ginnie Mae approved

Qualified eVault System

- Ability to store and transfer
- Storage Requirements
- Technical requirements

eNote

- Technical Requirements
- Insuring Agency/Local Laws
- Mandatory eNote Language

Participation Criteria for eCustodians



eCustodian Application

All applications and corresponding certifications should be sent to Ginnie Mae for approval.



Active Custodian Requirement

Applicant must have provided custodial services for a Ginnie Mae Issuer under executed HUD 11715, for at least three (3) months preceding application.



Good Standing Requirement

Applicant must have not received a notice of violation (NOV), civil money penalty (CMP) or have unresolved field compliance review findings in the six (6) months preceding the application.



eNote Safekeeping Requirements

Applicant must have the ability to store and/or access to view, copies of eNotes in a Qualified eVault.



eNote Subject Matter Expertise

Applicant's staff must have sufficient training and expertise to carry out custodial responsibilities for eNotes.



MERS® eRegistry Integration

Applicant must be an active MERS® eRegistry Participant and meet all corresponding requirements set forth by MERSCORP Holdings, Inc.



Personnel Requirements

Applicant must designate a primary point of contact (POC) for collaborating and coordinating with Ginnie Mae during the course of the program.

elssuer & eCustodian Application




Note that R&W Agreements are not applicable to Digital Pools and Loan Packages.

elssuer Application

Submit elssuer Application to participate in the Digital Collateral Program including all corresponding certifications. Hard Paper submissions will not be accepted. The application must be signed by an employee of the Issuer identified on the most recent Form HUD-11702, and submitted via email to DCPA@hud.gov

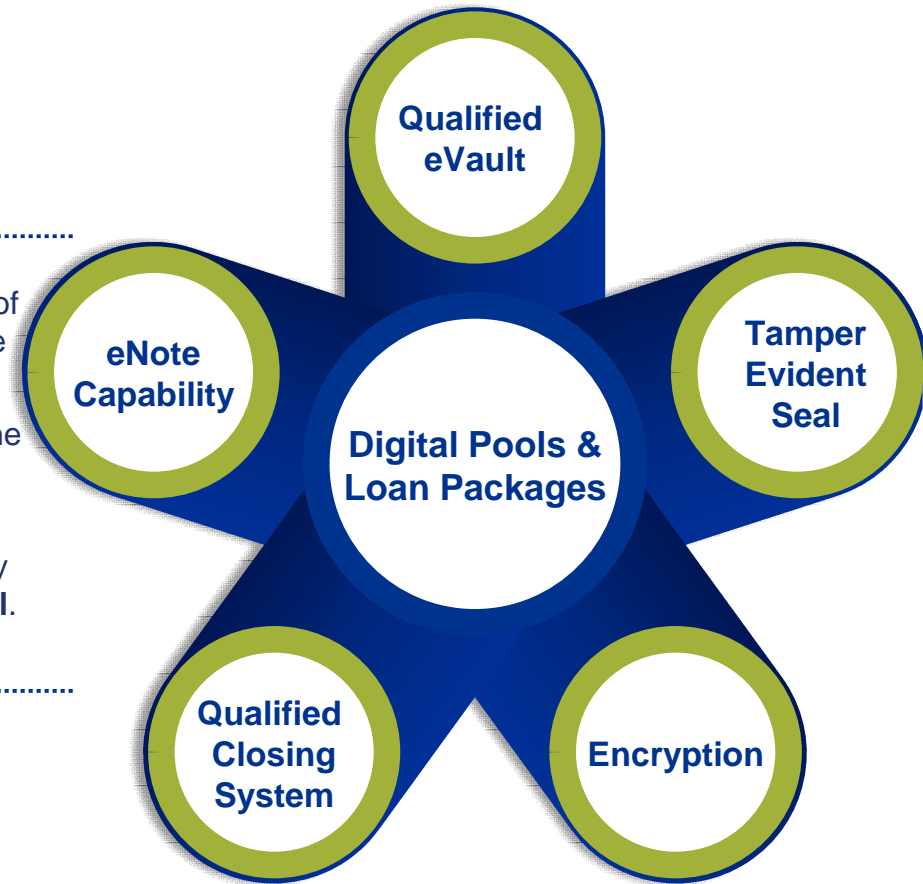
eCustodian Application

Before accepting any eNote or any eDocs from an elssuer, an institution must apply for and receive Ginnie Mae approval to act as an eCustodian. Applicants can apply by submitting the eCustodian Application to Participate in the Digital Collateral Program, Appendix B of the eGuide, and send corresponding certifications, via email to DCPA@hud.gov.

Any elssuer and eCustodian applicants may submit a joint application to participate in Ginnie Mae's Digital Collateral Program by submitting Appendix A and Appendix B of the eGuide as a single application.

System Requirements

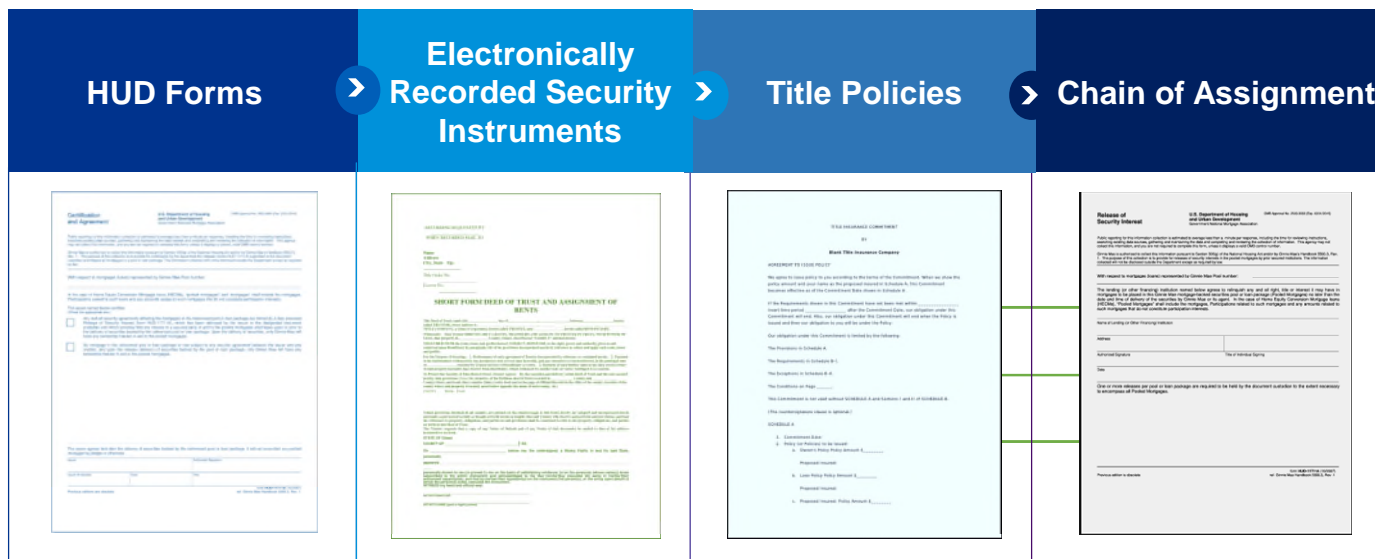
- ❑ elssuers and eCustodian must have the capability to store copies of eNotes in a **Qualified eVault**, which meets the requirements of the eGuide, including the noted **encryption requirements**.
- ❑ The system used by an elssuer to perform eClosings must meet the requirements to be a **Qualified Closing System**
- ❑ The **eNote** must be a valid, Version 1.02 MISMO Category 1 SmartDoc, which is generated, displayed, and signed electronically using a Qualified eClosing System, and secured by a **Tamper Seal**.



Digital Equivalents

The below identified documents may be transmitted electronically to a custodian in lieu of a hard copy.

eDocs Accepted as
Digital Equivalents of
Hard Copy Documents



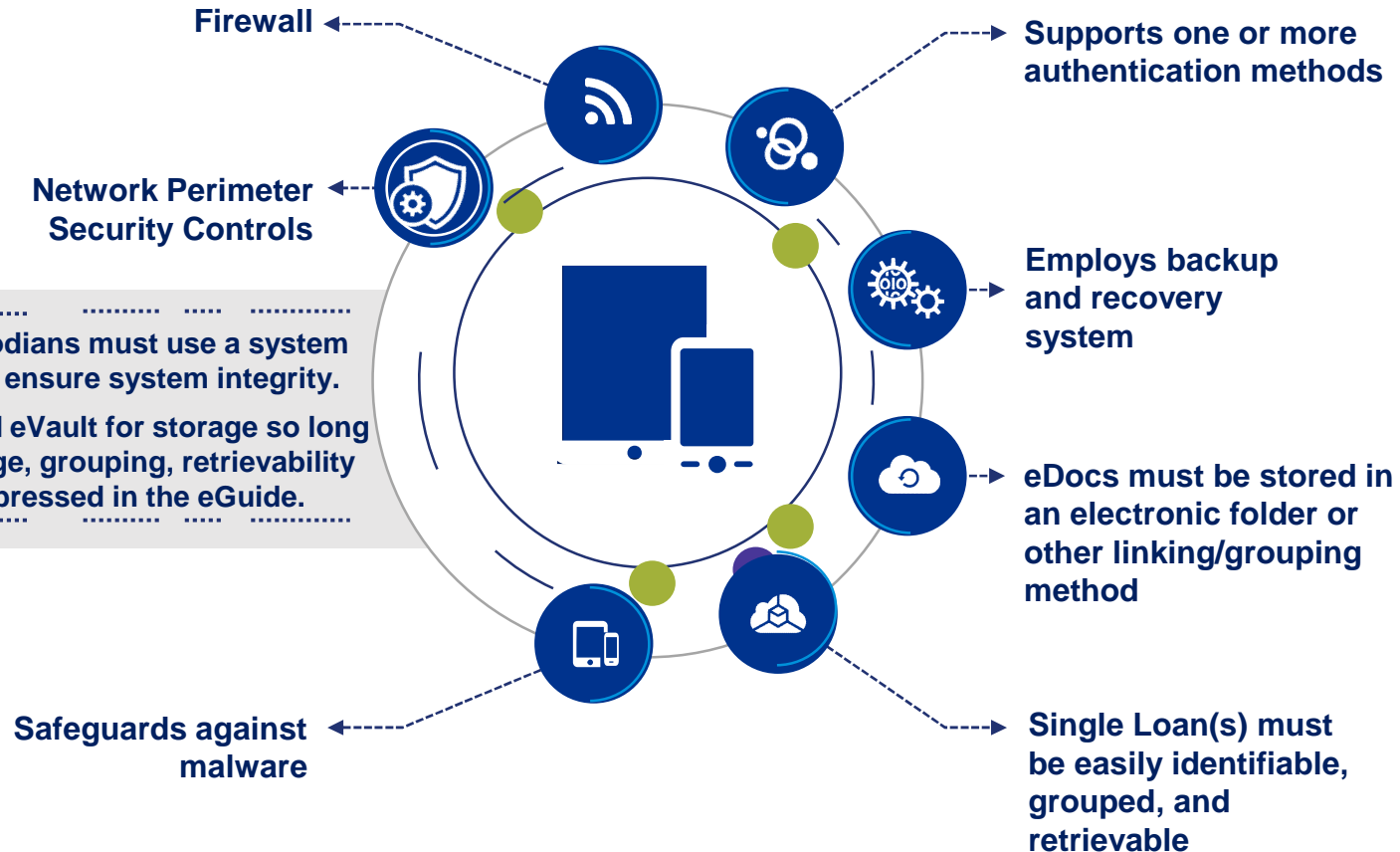
PDF files accepted

Electronic image of
Security instrument
accepted

PDF files accepted

Loans will be MERS loans
with MOM (MERS as Original
Mortgagee) Security
Instruments

Electronic Document Storage



- ❑ For the storage of eDocs, eCustodians must use a system that is set up with measures that ensure system integrity.
- ❑ eCustodians may use a Qualified eVault for storage so long as the eVault supports the storage, grouping, retrievability and file naming requirements expressed in the eGuide.

Technical Requirements



Qualified eVault

1. Interfaces and is integrated with MERS® eRegistry and MERS® eDelivery
2. Verifies document integrity including, but not limited to, compliance with eNote DTD eNote Tamper Evident Seals before accepting documents.
3. Logs validations of eNotes and any other SMART Doc® Tamper-Evident Seals and DTDs.
4. Allows Ginnie Mae, eIssuers and eCustodians to validate compliance with eNote DTDs and eNote Tamper-Evident Seal requirements.
5. Supports the registration of the eNote with the MERS® eRegistry within one (1) business day of date of closing.
6. Supports the use of the Secured Party field on the MERS® eRegistry.
7. Has the capability to transfer eNotes and other eDocs to another Qualified eVault using MERS® eDelivery.
8. Distinguishes Authoritative Copies of eNotes from retained or Non-Authoritative Copies of eNotes.
9. Provides a user interface for viewing Authoritative and Non-Authoritative Copies of eNotes.
10. Supports the MISMO industry standard document version in which the eNote was originally created for the life of the loan plus seven (7) years.



Qualified eClosing System

1. Supports the verification of the Borrower's identity.
2. Clearly identifies symbol or process used as Electronic signature by the Borrower and the purpose of the Electronic Signature.
3. Presents Electronic Records in compliance with all applicable state and federal requirements concerning the content, display, and format of information and retention.
4. Clearly identifies the Electronic Record being signed.
5. Captures clear evidence of Borrower's intent to adopt Electronic Signature and to electronically sign eNote and other Electronic Records.
6. Attaches the Electronic Signature to, or associates the Electronic Signature with, the eNote and any other Electronic Records executed by the Borrower.
7. Attributes Electronic Signature to Applicable Borrower.
8. Includes Borrower's printed name in visible and legible manner on Electronic Record.
9. Includes date and time stamp of the Borrower's execution of eNote and any other Electronic Records.
10. Applies a Tamper-Evident Seal to the eNote and any other SMART Doc® after each Borrower signs, and immediately after last Borrower signs.
11. Provides reasonable evidence that electronic records created and maintained by system have not been subject to alteration or unauthorized access.
12. Tracks and logs actions related to the creation, signing, and transferring of the eNote and other Electronic Records.

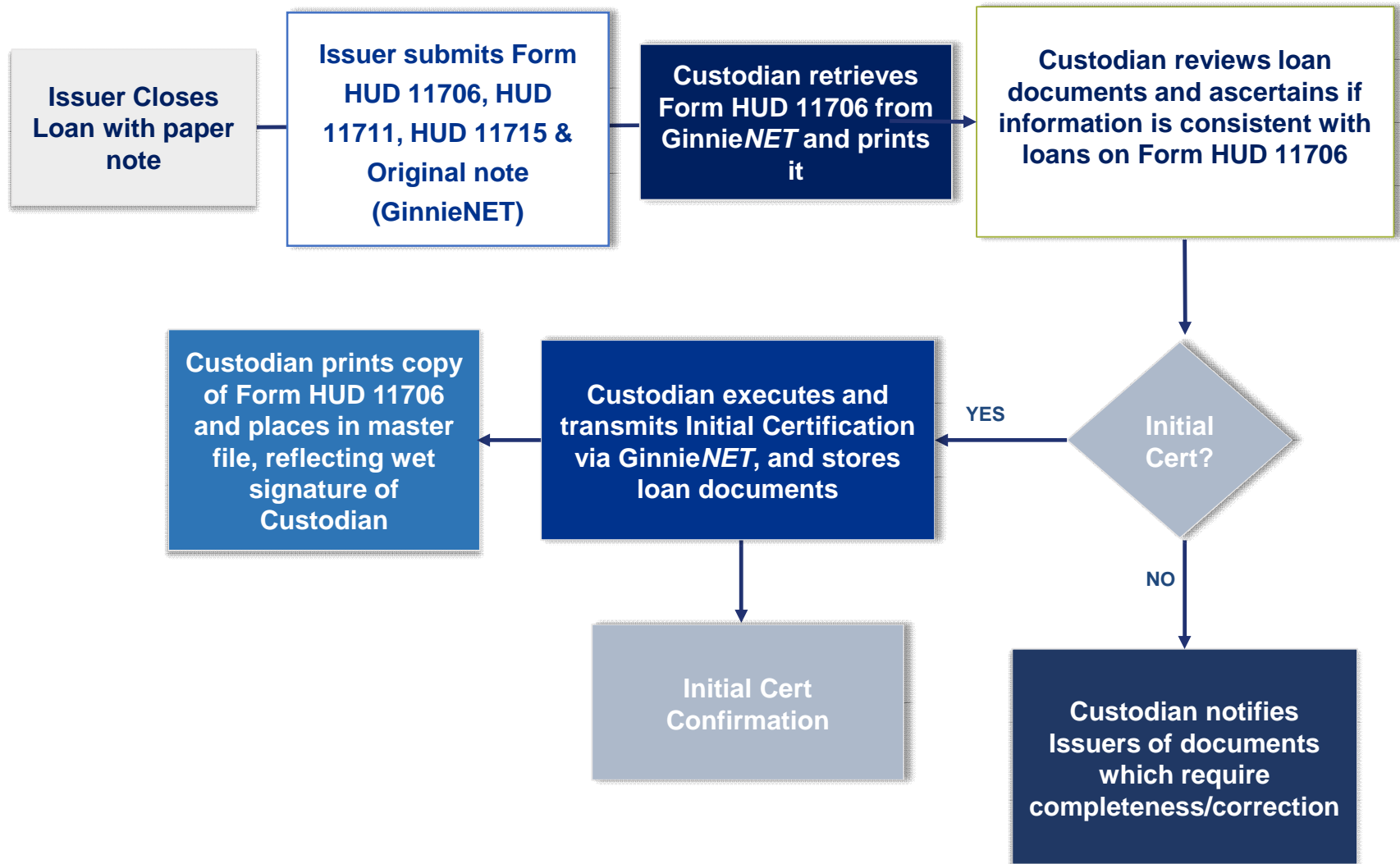
eNotarization

In-Person Electronic Notarization (IPEN) and Remote Online Notarization (RON) is permitted, if the following criteria is met:

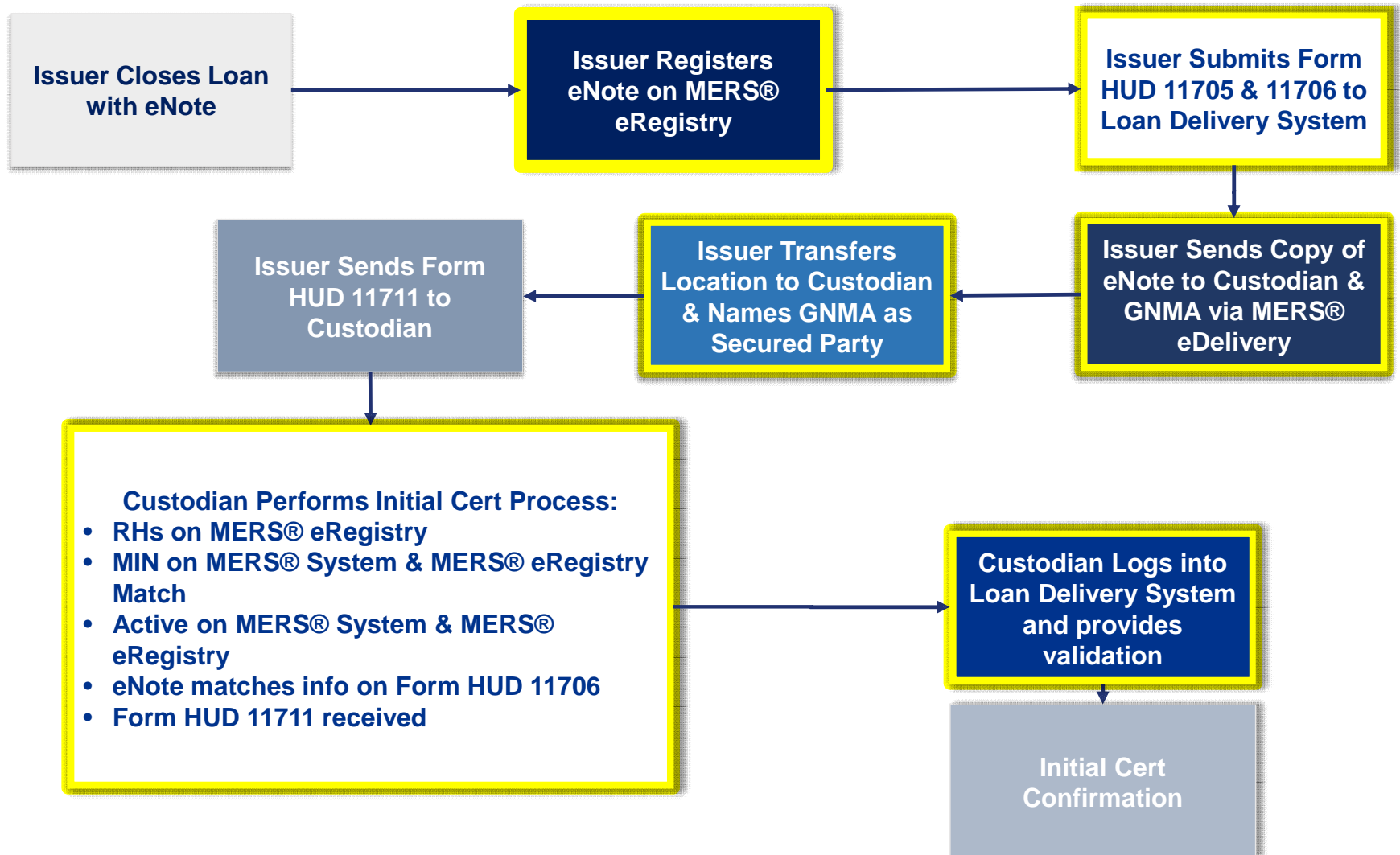
- ✓ *The Notary public is properly licensed and authorized to perform the notarial act.*
- ✓ *The use of IPEN/RON by the notary is permissible in the state in which the mortgaged property is located.*
- ✓ *The use of IPEN/RON does not inhibit the recordability of the security instrument or any other loan documents which must be recorded in the applicable land records.*
- ✓ *The use of IPEN/RON does not create any exceptions or exclusions in the title policy.*
- ✓ *The platform utilized to facilitate the RON complies with the Mortgage Industry Standards Maintenance Organization's RON Standards.*



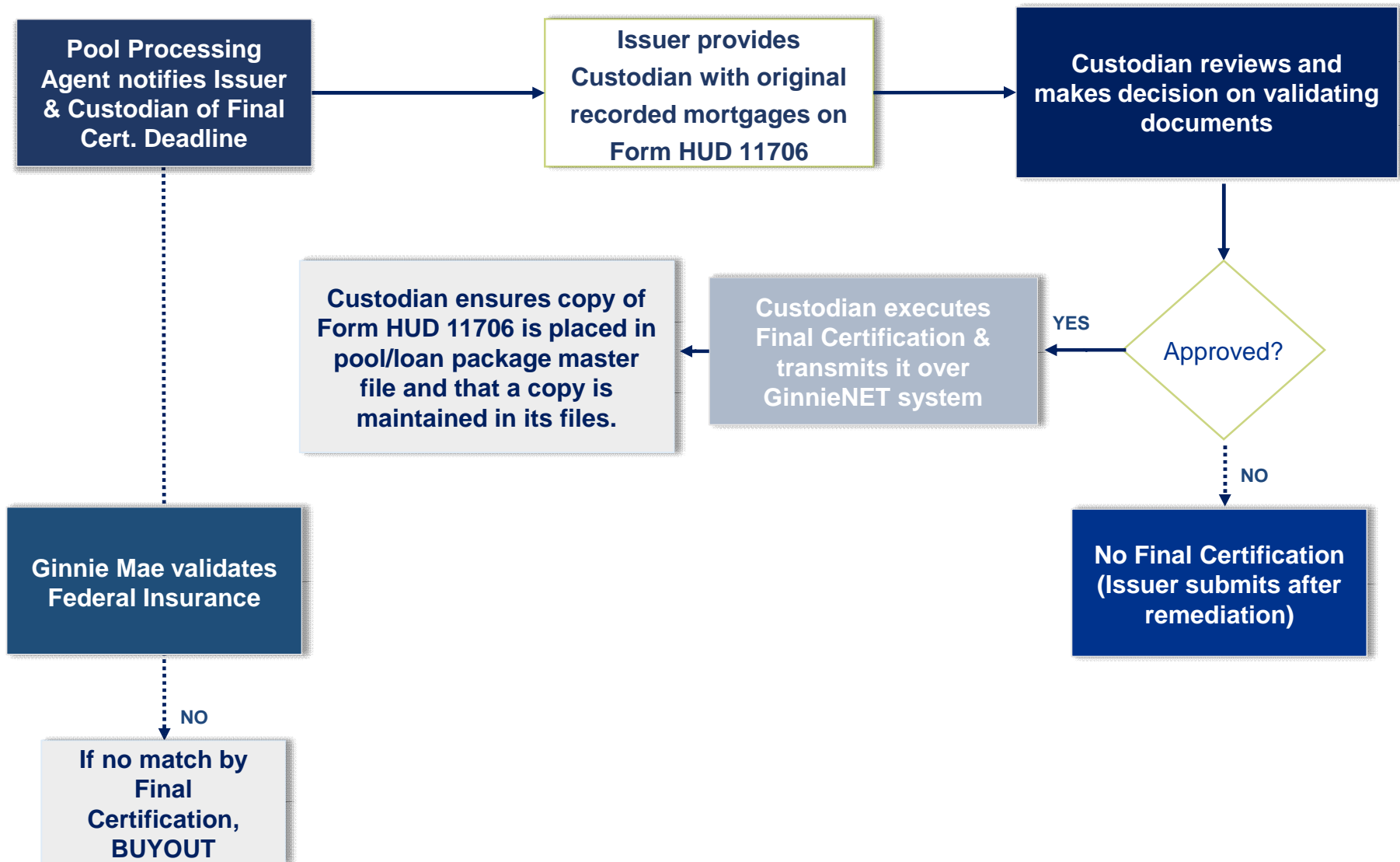
Loan Delivery & Certification For Paper Notes



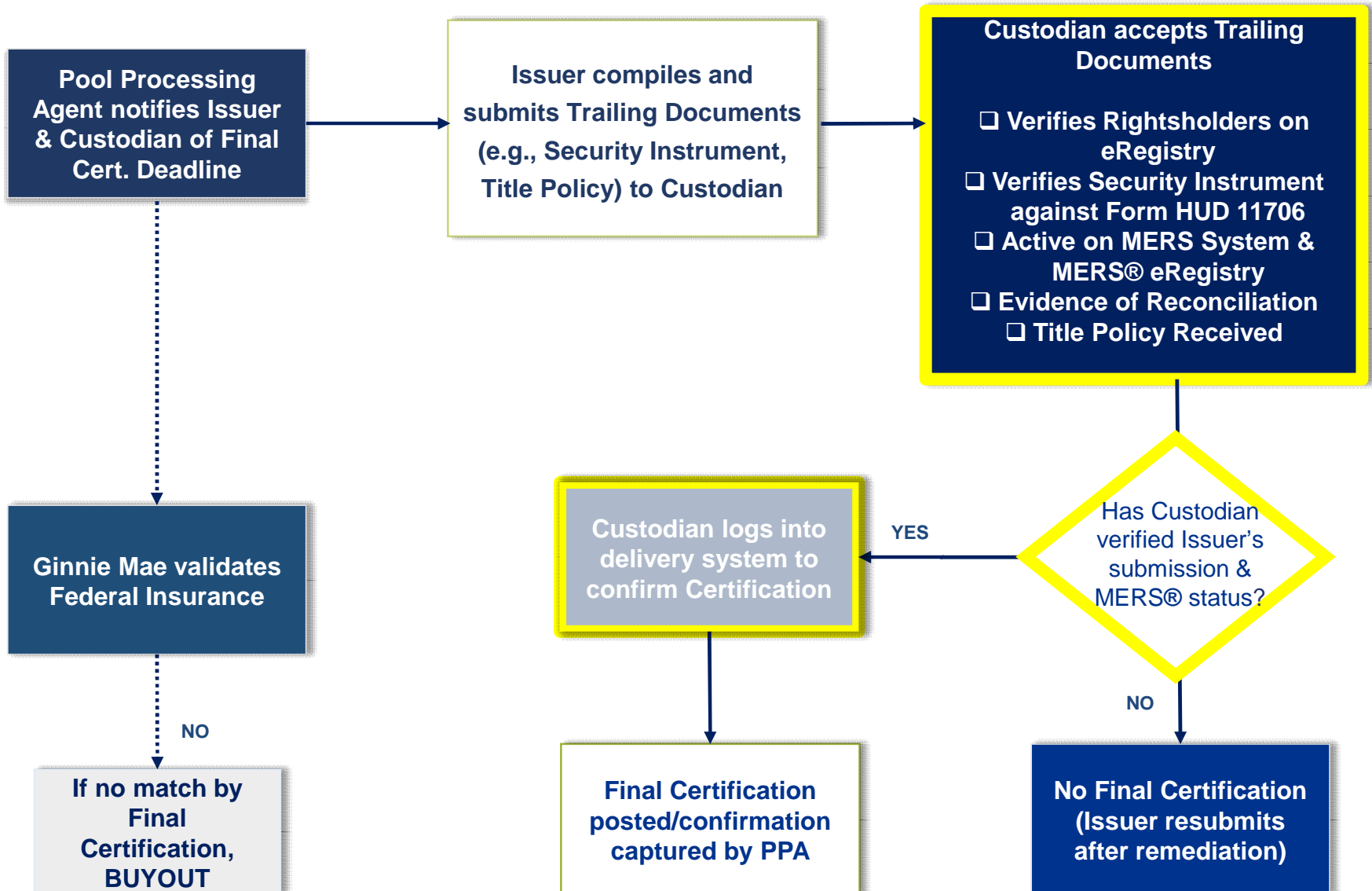
Loan Delivery & Certification For eNotes



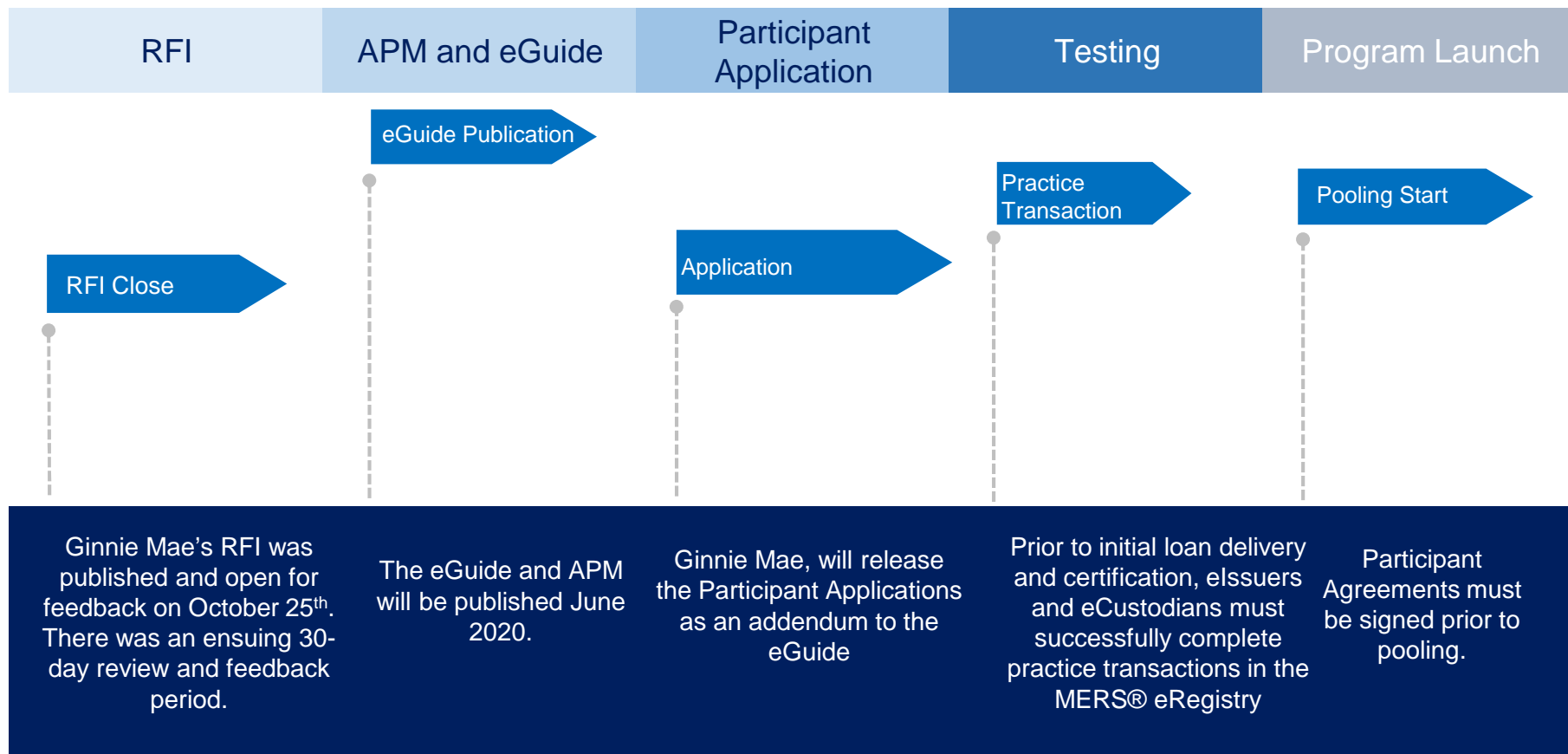
Final Certification For Paper Notes

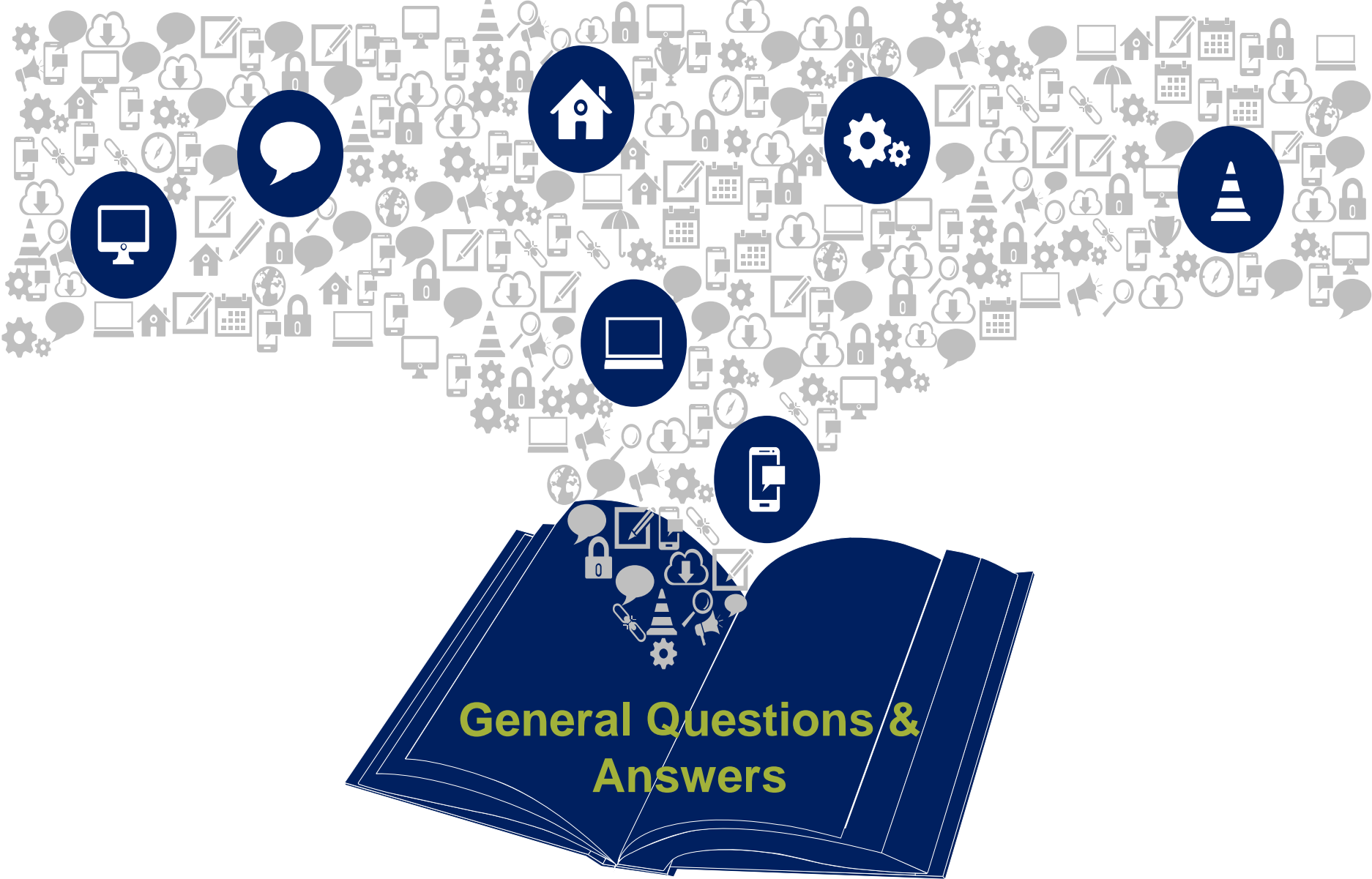


Final Certification For eNotes



Timeline





General Questions on Program and Outreach Session

When will the Digital Collateral Program begin, i.e., when can Issuers begin closing eligible eNotes?

Ginnie Mae plans to begin accepting applications for participation in June.

Will Ginnie Mae provide a link to the list of registered participants for this presentation?

No.

Will there be a recording of this webinar available?

No, a recording of this presentation will not be available, but the visual presentation will be posted on Ginnie Mae's website.

Questions on Program Integration

Once applications are being accepted, can anyone who gets approved start utilizing eNotes, or will there be a pilot?

Yes, once an Issuer is accepted into the Digital Collateral Program, they can securitize eNotes.

Will existing collateral be turned into an eNote, or will this only apply going forward?

Ginnie Mae does not permit the conversion of existing paper notes into eNotes. eNotes that are eligible must meet the requirements specified in the [MBS eGuide, section 2500](#):

- Technical Requirements
- Insuring Agency and State and Local Law Requirements
- Mandatory eNote Language
- eNote Heading
- Required eNote Clauses
- Approved Electronic Signature Format

Questions on Program Integration Cont'd.

Are there restrictions on electronic modifications?

Ginnie Mae's requirements for modifications will apply to all mortgages in the Digital Collateral Program and remain unchanged at this time.

If Ginnie Mae is registered as the Secured Party, then will the Controller remain in the Issuer's name?

Yes.

What is the final certification deadline for eNote pools?

The initial participants in the Digital Collateral Program will be asked to adhere to a shorter (6 month) timeframe. This will help Ginnie Mae test and solidify its internal processes. Once this test period is finished, the final certification requirements will be aligned to final certification requirements for paper notes.

Questions on Participation in the Program

Is there an eCustodian approved provider list?

There is no list at this time, but interested parties should refer to the approved [Document Custodian Directory](#) regarding their plans on becoming an eCustodian.

Will Ginnie Mae accept alternative title products in electronic form for a title policy?

Ginnie Mae's existing title policy coverage requirements remain unchanged for paper notes and eNotes except that upon launch of the Digital Collateral Program, Ginnie Mae will allow Issuer's to provide evidence of coverage through digital equivalents.

Questions on Integrating Paper Notes and eNotes

After a copy of the recorded electronic security instrument is delivered and it is accepted, can the paper original then be destroyed?

No, paper copies of the original security instrument must be maintained by the Issuer's document custodian at this time.

Will eNotes need to be pooled separately from paper notes?

Yes, but this is not expected to be a permanent restriction.

Are we able to co-mingle paper notes with eNotes in pools?

No, a pool must be either wholly paper notes or wholly eNotes.

Questions on MERS eRegistry

What position does Ginnie Mae take for an eNote in the eRegistry?

Ginnie Mae should be identified as the Secured Party for an eNote in the eRegistry.

Will all eligible eNotes need to be registered in MERS?

Yes.

Will the security instrument need to be registered in the MERS system for the corresponding eNote to be eligible for the Digital Collateral program?

Yes.