



Ginnie Mae

**Digital Collateral Program
Guide**

eGuide

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1000.00 Digital Collateral Guide Overview

1100.00 Purpose of this Guide

This Ginnie Mae Digital Collateral Guide (eGuide) provides the requirements applicable to Ginnie Mae Mortgage Backed Securities (MBS) Program Participants that have been approved by Ginnie Mae to securitize Digital Pools or Loan Packages using Ginnie Mae's MBS Securitization Platform.

1200.00 eGuide Revisions

The requirements in this eGuide are subject to revision by Ginnie Mae at any time and at its sole discretion. Any revisions to this eGuide shall be effective as of the date specified by Ginnie Mae in an All Participants Memorandum (APM).

1300.00 Incorporation into the MBS Guide

The requirements of this eGuide shall be incorporated into and supplement the Ginnie Mae Mortgage Backed Securities Guide (MBS Guide), as applicable to any Issuer or Document Custodian that is approved to participate as an elssuer or eCustodian respectively. Approved elssuers and eCustodians must continue to comply with all requirements in the MBS Guide and the Guaranty Agreement, as well as the requirements in this eGuide. In the event that any provision in this eGuide is in conflict with, or inconsistent with any provision of the MBS Guide or the Ginnie Mae Guaranty Agreement, the provisions in the MBS Guide or the Guaranty Agreement, as applicable, shall govern and control.

1400.00 Capitalized Terms, Abbreviations, and Initialisms

Any capitalized terms, abbreviations, or initialisms contained in this eGuide shall have the meaning provided in the eGuide Glossary below or the MBS Guide.

1500.00 General Notice Requirements

Any notices to Ginnie required by this eGuide, may be submitted via email to the Issuer's Account Executive unless otherwise indicated herein.

2000.00 Application and Approval to Issue Digital Pools and Loan Packages

All MBS Program Participants seeking to participate in Ginnie Mae's Digital Collateral Program as an elssuer or an eCustodian must request and receive prior Ginnie Mae approval.

2100.00 elssuer Eligibility Requirements

Issuers seeking approval to securitize eMortgages in Ginnie Mae's Digital Collateral Program must meet the following requirements to become an elssuer:

2110.00 elssuer Application

The Issuer must submit the elssuer Application to Participate in the Digital Collateral Program, Appendix V-08 of the MBS Guide, including all corresponding certifications. The application must be signed by an employee of the Issuer identified on the currently valid Form HUD 11702 submitted to Ginnie Mae, and submitted via email to DCPA@hud.gov. Hard copy paper submissions will not be accepted. Ginnie Mae, in its sole discretion, may refuse to grant elssuer status if Ginnie Mae determines that the applicant has failed to meet the requirements set forth in this eGuide, or if Ginnie Mae otherwise determines that approval of the applicant would be detrimental to the safety and soundness of the MBS Program. Issuers who have notified Ginnie Mae of an impending merger or acquisition, pursuant to their notice obligation under the MBS Guide, will not be approved as elssuers until a date after the effective date of the merger or acquisition.

2120.00 Active Issuer Requirement

An elssuer applicant must be a Ginnie Mae approved Issuer and have issued Ginnie Mae securities in each of the three (3) calendar months preceding the application date reflected on the Application to Participate in the Digital Collateral Program.

2130.00 Good Standing Requirement

An elssuer applicant must not have received a notice of violation (NOV) or a civil money penalty (CMP) in the six (6) months preceding the application date reflected on the elssuer Application to Participate in the Digital Collateral Program.

2140.00 eNote Origination and eClosing System Requirements

An elssuer applicant must have the ability to originate and secure Eligible eNotes as detailed in Section 2500.00 using an eClosing system that meets the requirements in Section 2400.00.

2150.00 eNote Safekeeping and eVault Requirements

An elssuer applicant must have unrestricted access to a Qualified eVault that meets the requirements in Section 2600.00 and be able to store and transfer the Authoritative Copy of eNotes.

2160.00 Qualified eRegistry Participant Requirement

An elssuer applicant must be integrated with a Qualified eRegistry. At this time, the MERS® eRegistry is the only Qualified eRegistry that meets the standards of ESIGN and the Ginnie Mae Digital Collateral Program. Applicants for elssuer approval must therefore meet all requirements imposed by MERSCORP Holdings, Inc. to be considered an active MERS® eRegistry Participant and MERS® System Member in good standing.

2170.00 eServicing Requirements

An elssuer applicant must have demonstrated experience servicing eNotes which requires the Issuer, at a minimum, to have and maintain staff with sufficient expertise in performing transactions in a Qualified eRegistry, as well as the internal processes and systems required to perform the following functions on the Qualified eRegistry:

- eNote Registration
- Add Ginnie Mae as Secured Party
- Perform Registration Reversals
- Initiate and accept Transfers of Control
- Initiate and accept Transfers of Location
- Initiate and accept Transfers of Servicing
- Report Loan Modifications and Reversals of Loan Modifications
- Report Assumptions and Reversals of Assumptions
- Deactivate and Reverse Deactivation on eNote records for the following reasons:
 - Loan payoffs
 - Loan charge-offs
 - Conversion of eNotes to paper notes

Lastly, the elssuer must demonstrate to Ginnie Mae its readiness to meet the operational eServicing procedures in Section 6000.00.

2180.00 eCustodian Requirement

An elssuer applicant must demonstrate an established relationship with a Ginnie Mae approved eCustodian and that the files corresponding to its Digital Pools and Loan Packages will be reviewed, stored, and certified by a Ginnie Mae approved eCustodian. This will require the elssuer to execute or have executed a Form HUD 11715 Master Custodial Agreement with an entity approved as an eCustodian. The existing version of the Form HUD 11715 suffices for this purpose. Any elssuer and eCustodian applicants may submit a joint application to participate in Ginnie Mae's Digital Collateral Program by submitting the elssuer Application to Participate in the Digital Collateral Program, Appendix V-08 and the eCustodian Application to Participate in the Digital Collateral Program, Appendix V-09 as part of a single application.

2190.00 Other elssuer Requirements

An elssuer is responsible for meeting all other requirements of the MBS Guide and the Guaranty Agreement. In addition, an elssuer applicant must be able to identify dedicated personnel to collaborate and coordinate efforts with Ginnie Mae during the initial phases of the Digital Collateral Program, as described in Section 2300.00.

Ginnie Mae reserves the right to decide, in its sole discretion, who may participate in the Ginnie Mae Digital Collateral Program.

2200.00 eCustodian Eligibility Requirements

2210.00 eCustodian Application

Ginnie Mae's approval of an institution to serve as Document Custodian does not imply or constitute approval to provide custodial services for eNotes or other eDocs. Before accepting any eNote or any eDocs from an issuer, an institution must apply for and receive Ginnie Mae approval to act as an eCustodian of loan files corresponding to a Digital Pool or Loan Package by submitting the eCustodian Application to Participate in the Digital Collateral Program, V-09 of the MBS Guide, including all corresponding certifications, via email to DCPA@hud.gov. Hard copy paper submissions will not be accepted. Ginnie Mae, in its sole discretion, may refuse to grant eCustodian status if Ginnie Mae determines that the applicant has failed to meet the requirements set forth in this eGuide, or if Ginnie Mae otherwise determines that approval of the applicant would be detrimental to the safety and soundness of the MBS Program.

2220.00 Active Custodian Requirement

An eCustodian applicant must have provided custodial services for a Ginnie Mae Issuer, under a duly executed Form HUD 11715, for each of the three (3) calendar months preceding the application date reflected on the eCustodian Application to participate in the Digital Collateral Program.

2230.00 Good Standing Requirement

An eCustodian 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 date reflected on the Application to participate in Digital Collateral Program.

2240.00 eNote Safekeeping Requirements

An eCustodian applicant must have unrestricted access to store and view copies of eNotes in a Qualified eVault. See Section 2600.00 for Qualified eVault Requirements. The eCustodian must also have a means of storage that will associate an eMortgage's electronic records with the loan's corresponding paper records, in accordance with Section 5230.00.

2250.00 eNote Subject Matter Expertise

An eCustodian applicant must demonstrate to Ginnie Mae that its staff has sufficient training and expertise performing custodial functions with eNotes and associated loan documents to implement the controls and perform the document review, storage, and certification processes identified in Section 5000.00.

2260.00 MERS® System MERS® eRegistry Access Requirements

An eCustodian applicant must be integrated with the MERS® eRegistry and meet all requirements imposed by MERCORP Holdings, Inc. to be considered an active MERS® eRegistry Participant and a MERS® System Member in good standing. The eCustodian will need to access the MERS® eRegistry and MERS® System records for each eMortgage in its custody to complete the Initial Certification, Final Certification, and Recertification procedures delineated in Section 5000.00.

2270.00 [Reserved]

2280.00 [Reserved]

2290.00 Other eCustodian Requirements

An eCustodian applicant is responsible for satisfying all other requirements provided under the MBS Guide, the Master Custodial Agreement Form HUD 11715, and the Guaranty Agreement, as applicable. In addition, an eCustodian applicant must be able to identify dedicated personnel to collaborate with Ginnie Mae during the initial phases of the Digital Collateral Program, as described in Section 2300.00.

2300.00 Dedicated Personnel Requirements

Applicants for Ginnie Mae's Digital Collateral Program must identify one or more employees who will be designated as the primary points of contact for collaborating and coordinating efforts with Ginnie Mae and Ginnie Mae's agents during the Digital Collateral Program. At least one of the employees identified by each applicant must have the necessary delegated authority to implement changes to the entity's securitization and/or pool or loan package delivery and certification processes as may be needed to test or validate various pooling scenarios and to collaborate with Ginnie Mae and its agents in the identification of best practices, process improvements, and MBS Program policy enhancements.

2400.00 Qualified eClosing System Requirements

2410.00 General Requirement

An issuer applicant must use a Qualified eClosing System to generate and execute eNotes and other Electronic Records related to loans securitized in a Digital Pool or Loan Package.

2420.00 Qualified eClosing System Requirements

The system used by an issuer to perform eClosings must meet the following requirements to be a "Qualified eClosing System" within the meaning of this eGuide:

- Support the verification of the Borrower's identity.
- Clearly identify the symbol or process used as an Electronic Signature by the Borrower and the purpose of the Electronic Signature.
- Present Electronic Records in compliance with all applicable state and federal requirements concerning the content, display, and format of information and retention (as required for paper records).
- Clearly identify the Electronic Record being signed.
- Capture clear evidence that is compliant with all applicable state and federal requirements (including ESIGN) of the Borrower's agreement to receive Electronic Records and the Borrower's intent to adopt the Electronic Signature and to electronically sign the eNote and other Electronic Records, and maintain a record of the Borrower's agreement.
- Attach the Electronic Signature to, or associate the Electronic Signature with, the eNote and any other Electronic Records executed by the Borrower.
- Attribute the Electronic Signature to the applicable Borrower.
- Include the Borrower's printed name in a visible and legible manner on the Electronic Record; and include date and time stamp of the time of Borrower's execution of the eNote and any other Electronic Records.
- Tamper Seal the eNote and any other Smart Doc[®] after each Borrower signs and immediately after the last Borrower signs.
- Register the eNote with the MERS[®] eRegistry within one (1) business day of the date of the eMortgage closing.
- Log the validations (re-computations of Hash Values) of eNotes and any other Smart Doc[®] documents' interim and/or final Tamper Seals and confirmations of eNotes and Smart Doc[®] Document Type Definition (DTDs)/schemas.
- Create and store a record of each eNote and Electronic Record presented and signed ("eClosing Transaction Record"). The eClosing System must also, among other things, track and log actions related to the creation, signing, and transferring of the eNote and other Electronic Records using the System. Such information must be contained in the eClosing Transaction Record. The eClosing Transaction Record must be retained and maintained by the Issuer. The eClosing Transaction Record, at all times, must be stored and maintained in a manner that preserves the integrity and reliability of the eClosing Transaction Record for the life of the applicable eMortgage plus seven (7) years.
- Provide reasonable evidence that electronic records created and maintained by the system are not (and have not been) subject to unauthorized access or alteration. In the event of unauthorized access or alteration the system provider must have protocols in place to notify the lender immediately about such unauthorized access or alteration.
- Be capable of accurately reproducing the fonts, styling, margins, and other physical features of the eNotes and other Electronic Records when electronically displayed and printed post-execution and as required by

state and/or federal law. In addition, the system must permit the party viewing or printing the Electronic Record to ascertain:

- The content of the Electronic Record;
- The name of the Borrower signing the Electronic Record and the legal capacity in which the Borrower signed; and
- The time and date the Electronic Record was signed.

- Be capable of producing eNotes that meet all requirements of Section 2500.00.

2500.00 eNote Document Specification Requirements

The elssuers must have the capability to produce and deliver Eligible eNotes. To be an Eligible eNote, a document must meet the following requirements.

2510.00 eNote Technical Requirements

The eNote must be a valid, Version 1.02 Mortgage Industry Standards Maintenance Organization (MISMO) Category 1 Smart Doc®, which is generated, displayed, and signed electronically using a Qualified eClosing System, and secured by a Tamper Seal.

2520.00 Insuring Agency and State and Local Law Requirements

The eNote must reflect any and all other clauses required by state and local jurisdictional law, as well as by the federal agency providing the mortgage insurance or guaranty, as it would for paper promissory notes. All elssuers are responsible for ensuring that the eNote being executed by the Borrower reflects any and all language, clauses, and disclosures mandated by the insuring or guaranteeing agency, and any legal requirements relevant to the property's jurisdiction, and also bear responsibility for updating their eClosing System and eNote document format to implement any changes required by these agencies.

2530.00 Mandatory eNote Language

Ginnie Mae does not traditionally prescribe specific clauses or language to be included on a promissory note. Lenders should always follow the guidance promulgated by FHA, VA, USDA, or PIH as well as state and local law to generate the Note language as discussed in Section 2520.00. However, for eNote eligibility, Ginnie Mae will require the following elements.

2530.01 eNote Heading

The view of the eNote must contain the following heading.

“Note
(For Electronic Signature)”

2530.02 Required eNote Clauses

The eNote must contain the clauses (A) through (D), which must be viewable and acknowledged by the Borrower(s). Please note that the section or clause citations below may be altered or modified as needed from (A), (B), (C), and (D) to any other numbering convention needed to be consistent with the citation or clause convention used for other clauses in the eNote. If any such change is implemented, the elssuer must ensure that the cross-references and citations within each of these clauses retain the purpose and effect below, and no other aspect of these clauses is altered or modified.

An eNote must contain a new paragraph as follows as the last paragraph of the Note preceding the signature block with the appropriate clause number of the Note. The text "[Sign Original Only]" which appears on the paper Notes should be omitted from the eNote.

[##]. ISSUANCE OF TRANSFERABLE RECORD (ELECTRONIC NOTE)

- (A) Definitions: The following terms used in this Section 11 are defined as set forth below: (1) "Authoritative Copy" will have the meaning ascribed to such term in the UETA and E-SIGN (both as defined below), as amended from time to time; (2) "Electronic Note" means an electronically created note; (3) "Electronic Record" means a Record created, generated, sent, communicated, received, or stored by electronic means; (4) "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; (5) "E-SIGN" means the Electronic Signatures in Global and National Commerce Act, codified at 15 U.S.C. § 7001 et seq., as it may be amended from time to time, or any applicable additional or successor legislation that governs the same subject matter; (6) "Note Holder Registry" means a registry system that is used to record the issuance and transfer of Electronic Notes; (7) "Paper Note" means an Electronic Note that is converted into a paper note; (8) "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; (9) "Transferable Record" means an Electronic Record that: (i) would be a note under Article 3 of the Uniform Commercial Code if the Electronic Record were in writing and (ii) I, as the issuer, have agreed is a Transferable Record; and (10) "UETA" means the Uniform Electronic Transactions Act, as enacted by the jurisdiction in which the property is located, as may be amended from time to time, or any applicable additional or successor legislation that governs the same subject matter.
- (B) Issuance of Transferable Record: I have signed this Electronic Note using my adopted Electronic Signature. By signing this Electronic Note using my adopted Electronic Signature, I am: (1) promising to pay the amount owed, as evidenced by this Electronic Note, to the Note Holder, and (2) agreeing that this Electronic Note is a valid, enforceable and effective Transferable Record issued by me to the Note Holder under the transferable records provisions of UETA and E-SIGN. By virtue of my agreements above, this Electronic Note is a Transferable Record.
- (C) Identification of Registry and Note Holder: After I issue this Electronic Note to the Note Holder, the Note Holder will register this Electronic Note in the Note Holder Registry. This Electronic Note will be registered in the Note Holder Registry operated by [Insert Name of Operator of Registry]*. I agree that the Note Holder has the right, at any time to transfer the registration of this Electronic Note to another Note Holder Registry. The Note Holder Registry will contain the identity of the Note Holder and the location of the Authoritative Copy of this Electronic Note. I understand that I may request a copy of the Authoritative Copy of this Electronic Note from the Note Holder or the Note Holder's designee. The only copy of this Electronic Note that is the Authoritative Copy is the copy identified by the Note Holder named in the Note Holder Registry or the Note Holder's designee.
- (NOTE: Insert "MERSCORP Holdings, Inc., a Delaware corporation" as the name of the Operator of the Registry.)
- (D) Conversion to a Paper Note: I agree that the Note Holder has the right, at any time, to convert this Electronic Note into a Paper Note. If this Electronic Note is converted to a Paper Note: (1) the Paper Note will be governed by the negotiable instrument provisions of the Uniform Commercial Code as enacted in the jurisdiction where the Property Address is located; (2) a copy or representation of my Electronic Signature affixed or attached to a printed paper copy of the Electronic Note will be, for all legal purposes, my adopted, original, written signature on the Paper Note; (3) I have authenticated, issued and delivered the Paper Note to the Note Holder; (4) the Paper Note will be a valid original writing for all legal purposes; (5) upon conversion of this Electronic Note to a Paper Note by the Note Holder, my promise to pay the amount owed, evidenced by this Electronic Note, will automatically convert to, (without interruption, alteration or diminution) my promise to pay the amount owed, evidenced by the Paper Note; (6) I am bound by my promise to pay the amount owed evidenced by the Paper Note; and (7) the Note Holder will update the Note Holder Registry to reflect the conversion of this Electronic Note to a Paper Note and remove the registration of (de-activate) this Electronic Note in the Note Holder Registry such that the Electronic Note ceases to have any effect or validity.

2540.00 Restrictions Against Certain Types of Electronic Signatures

The signature for any eNote delivered to Ginnie Mae may not be an audio or video recording or comprised exclusively of biometric data.

2600.00 Qualified eVault Requirements

The issuer and eCustodian applicants must have the capability to store copies of eNotes in a Qualified eVault, as described below, to receive Ginnie Mae approval for the securitization of Digital Pools or Loan Packages.

2610.00 Qualified eVault Storage Requirements

Ginnie Mae requires each eNote in its Digital Collateral Program to be executed in a Qualified eClosing System, as described in Section 2400.00, and the Authoritative Copy of each such eNote to be, at all times after initial

registration on the MERS® eRegistry, to be stored in a Qualified eVault as defined below.

2620.00 Qualified eVault Definition

For purposes of this eGuide, the term Qualified eVault means an electronic system for storing copies of eNotes and other eDocs that meets the following requirements:

- Interfaces and is integrated with the MERS® eRegistry and MERS® eDelivery.
- Supports the MISMO industry standard document version in which the eNote was originally created for the life of the loan plus seven (7) years.
- Supports at least one method to authenticate user access.
- Safeguards the integrity of the system and documents stored against malware.
- Supports a firewall as well as other network perimeter security controls.
- Verifies document integrity including, but not limited to, compliance with eNote DTD or schema and eNote Tamper Evident Seal before accepting documents.
- Logs the validations (i.e., re-computations of Tamper Seals) of eNotes and any other Smart Doc®.
- Allows Ginnie Mae, eIssuers and eCustodians to validate compliance with eNote DTD or schema and eNote Tamper Evident Seal requirements.
- Has the capability to transfer eNotes and other eDocs to another Qualified eVault using MERS® eDelivery. The eVault should capture and store sufficient information (including both successful and unsuccessful transactional level detail) to properly identify and provide necessary loan and pool level detail for both custodial parties involved in the electronic transfer of records to properly reconcile and report on the electronic records sent and received within the transfer.
- Restricts access to sensitive data and documents.
- Distinguishes Authoritative Copies of eNotes from retained or Non-Authoritative Copies of eNotes.
- Provides a user interface for viewing Authoritative and Non-Authoritative Copies of eNotes.
- When copies of eNotes are being displayed for users to view, there must be a clear indication to the user as to whether they are viewing an Authoritative Copy or a Non-Authoritative Copy of the eNote.
- Has backup copy and recovery capabilities for all electronic records (eNotes or eDocs). The recovery system or backup must restore archived/backup material within a 24-hour period of a reported instance. Any primary or backup data storage facilities (defined as any physical site offering equipment, servers, or any other computer storage device) used by eVault provider must be permanently housed within the United States of America. The eVault provider must have documented business continuity and disaster recovery plans, which include details on the eVault's application and data back-up process.
- Meets the following encryption requirements:
 - Encryption algorithms compliant with NIST and FIPS 140-2 guidance.
 - X.509 digital certificates for device/server-based TLS/SSL session authentication which support a minimum of SHA-256 signing hash.
 - TLS session that use a minimum of 2048-bit RSA key and 128-bit AES key.
 - Support multifactor authentication methods such as combinations of unique user ID/password, S/Key, Password tokens, Biometrics, Smart Card Authentication and X.509 digital certificates.

2630.00 Required Practice Transactions

Prior to the delivery of any production eMortgages to Ginnie Mae, eIssuers and eCustodians are required to successfully complete the following practice transactions in non-production environments of their Qualified eVaults and the non-production environment of the MERS® eRegistry, each as applicable to the eIssuer or eCustodian:

- Registration of an Eligible eNote on the MERS® eRegistry within one (1) business day of Tamper Seal date.
- Delivery of a copy of the eNote to Ginnie Mae and the eCustodian via MERS® eDelivery.
- Transfer of Location to the eCustodian for the eNote record.
- Addition of Ginnie Mae as Secured Party on the eNote record.
- Transfer of Servicing to name a Subservicer on the eNote record, if applicable.
- Update to remove Subservicer on the eNote record, if applicable.

2640.00 eVaults Provided by Third Parties

