

May 23, 2022

**APM 22-04**

**MEMORANDUM FOR:** All Participants in Ginnie Mae Programs

**FROM:** Alanna McCargo, President

**SUBJECT:** Ginnie Mae Digital Collateral Guide (eGuide) Updates

In 2020, Ginnie Mae published its Digital Collateral Program Guide (eGuide), Appendix V-07 of the MBS Guide, via APM 20-10, announcing the launch of the pilot phase of its Digital Collateral Program, which permits approved Issuers to securitize loans containing electronic promissory notes (eNotes) and other digitized loan documents. Since then, Ginnie Mae has continued to assess and develop its Digital Collateral Program, to provide our elssuers with an updated and enhanced eGuide. While some of the key features of the new eGuide are highlighted below, please read the revised eGuide for full program guidance. The changes are effective beginning June 1<sup>st</sup>, 2022.

#### **Revised requirement for Remote Online Notarization recording storage**

The length of time an elssuer is required to either maintain the recording of a notarial ceremony or maintain the ability to access and reproduce the recording of a notarial ceremony has been revised from the life of the loan to the greater of 10 years or the minimum period required by applicable law. Please see “Notarization Requirements” (3250.00) in the eGuide,

#### **Revised procedures related to MERS® eRegistry addition of the Transfer of Control and Location with Secured Party transaction**

Ginnie Mae will permit the use of the Transfer of Control and Location with Secured Party transaction by a warehouse lender at the direction of an elssuer to add Ginnie Mae as Secured Party on an eNote. Please see “General Requirements for Delivery of eNotes” (4400.00) in the eGuide.

#### **Revised requirements and procedures for the release of documents, including the release of Secured Party, due to a loan buyout from a pool**

The eGuide is updated to include procedures for the eCustodian to notify Ginnie Mae after it has duly executed a Form HUD 11708 with certain reason codes. For buyout types related to payment in full, completion of a foreclosure, satisfaction through hazard or flood insurance, eminent domain, or condemnation, Ginnie Mae does not need to release its Secured Party designation prior to the elssuer deactivating the eNote on the eRegistry.



The eGuide is also updated to include details on the information necessary for requests to remove or reverse Secured Party. Please see “Release of eDocs and Loan Files Received in Hard Copy” (5610.00), “Transfers of Location of Authoritative Copy of eNote” (5620.00), “Removal of Ginnie Mae from the Secured Party Field Due to Loan Liquidations” (6210.01), “Issuer Responsibility for MERS® eRegistry Transaction After a Buyout” (6240.00), and “Format for Requests to Remove or Reverse Ginnie Mae from the Secured Party Field” (6210.03) in the eGuide.

### **Updates to extend the changes announced in APM 21-07 (eSignatures and Remote Online Notarization on Loan Modification Agreements) to eNotes**

As announced in APM 21-07, Ginnie Mae permits the use of electronic signatures and electronic notarization, including Remote Online Notarization (RON), when executing Loan Modification Agreements to “paper” notes. The eGuide has been updated to allow eModifications to eNotes. The “Prohibition on Electronic Loan Modifications” (5720.00) and “Prohibition on Electronic Loan Modifications” (6220.04) sections of the eGuide have been removed. Please see “Electronically Signed Modification Agreements” (4640.00), “Electronically Recorded Security Instruments and Modification Agreements” (5210.00), “Required Documents” (5420.00), “Required Documents” (5530.00), “Document Review Procedures for Recertification” (5540.00), “Loan Modification Agreements” (5710.00), “eMortgage Loan Modifications Subject to a Trial Payment Period” (6220.01), “eMortgage Loan Modifications occurring without a Trial Payment Plan” (6220.02), and “Securitization of eMortgage Loan Modifications” (6220.02) in the eGuide.

### **Added procedures for refinancing an original loan containing an eNote using a New York Consolidation Extension and Modification Agreement (NY CEMA)**

The eGuide is updated to include procedures for an issuer to use when an eNote is being bought out because it is being consolidated into a NY CEMA. These changes do not allow for the origination of a NY CEMA as an eNote. Please see “New York Consolidation Extension and Modification Agreement (NY CEMA)” (6260.00) in the eGuide.

### **Added requirements and procedures for eNotes executed using a Power of Attorney**

The eGuide is updated to include policy and procedures for the acceptance of eNotes executed using a Power of Attorney. Please see “Other Exclusions” (3240.00), “Delivery Requirements for eNotes Executed by an Attorney-in-Fact” (4410.00), “General Requirements for the Receipt and Storage of eNotes” (5100.00), and “Required Documents” (5310.00) in the eGuide.

### **Added procedures for making minor corrections to eNotes**

The eGuide is updated to include procedures for corrections to eNotes, with Ginnie Mae approval, where a minor, clerical error is detected after the eNote is executed and registered on the eRegistry. Please see “Defects related to eNote” (5820.00) in the eGuide.



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## Other Changes

- Updates to prohibit eCustodians from using an elssuer's eVault. Please see "eVaults by Third Parties" (2640.00), "General Requirements for the Receipt and storage of eNotes" (5100), eNote (5330.03), and "Transfer of Issuer Responsibility that also Require a Transfer of Custodial Responsibility" (6440.00) in the eGuide.
- Included Reversal transactions of Loan Modifications, Assumptions, and Deactivations as required eServicing functions. Please see "eServicing Requirements" (2170.00) in the eGuide,
- Revised procedures for reviewing the MERS® eRegistry Master Servicer and Subservicer fields. Please see "eNote" (5330.03) in the eGuide.
- Removed the requirement that elssuer makes available a certified printed copy of the original eNote to the Document Custodian when delivering an eNote with a loan modification agreement. Please see "Securitization of eMortgage Loan Modifications" (6220.03) in the eGuide.
- Included the requirement that an eCustodian notify Ginnie Mae and the elssuer in the event of identified system deficiencies. Please see "Required Notifications Related to System Deficiencies" (7100.00) in the eGuide,

The changes listed above are not an exhaustive list and should not be relied on for compliance. Issuers should read the full eGuide to ensure they comply with the updated requirements. If you have further questions, please contact your Account Executive in the Office of Issuer and Portfolio Management directly.



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