



**Ginnie Mae**

# **Digital Collateral Program Guide**

eGuide

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## 1000.00 Digital Collateral Program Guide Overview

### 1100.00 Purpose of this Guide

This Government National Mortgage Association (Ginnie Mae) Digital Collateral Program Guide (eGuide) provides the requirements of, and procedures applicable to, the Digital Collateral Program, which is Ginnie Mae's program for the securitization of Digital Pool/Loan Packages.

### 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 in 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 in the Digital Collateral Program as an elssuer or eCustodian respectively. Approved elssuers and eCustodians must continue to comply with all requirements in the MBS Guide and applicable Ginnie Mae 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 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 Section References

Unless otherwise specified, any "Section" references herein are to sections of this eGuide.

### 1600.00 General Notice Requirements

Any notices to Ginnie Mae 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 Pool/Loan Packages

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

### 2100.00 elssuer Eligibility Requirements

An Issuer seeking approval to securitize Digital Pool/Loan Packages in the Digital Collateral Program must meet the following requirements to be eligible for approval by Ginnie Mae as an elssuer.

#### 2110.00 elssuer Application

An elssuer applicant must submit the elssuer Application (Appendix V-08: elssuer Application to Participate – Digital Collateral Program of the MBS Guide) to Participate in the Digital Collateral Program, including all corresponding certifications. The application must be signed by an officer of the applicant identified on form HUD 11702 and submitted via email to [DCPA@hud.gov](mailto: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. elssuer applicants 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. Ginnie Mae's approval of an institution as an Issuer does not imply or constitute approval to securitize Digital Pool/Loan Packages as an elssuer.

## **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 date of its application to 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 date of its application to the Digital Collateral Program. If an NOV or CMP is received while the Issuer's application is in process, Final Approval for the Digital Collateral Program will not be granted until the matter is considered to be resolved, as stated in writing by Ginnie Mae.

## **2140.00 eNote Origination Requirements**

An elssuer applicant must have the ability to originate Eligible eNotes (see Section 2500.00), and other related Electronic Records, using a Qualified eClosing System that meets the requirements of Section 2400.00. An elssuer applicant may, additionally or alternatively, aggregate Eligible eNotes for delivery in a Digital Pool/Loan Package, in which case it is the elssuer's responsibility to ensure that the eClosing System used by its counterparty (e.g., correspondent lender) to originate such Eligible eNotes is a Qualified eClosing System.

## **2150.00 eNote Safekeeping and eVault Requirements**

An elssuer applicant must have unrestricted access to a Qualified eVault to store, manage, and transfer copies of Eligible eNotes it delivers to Ginnie Mae in Digital Pool/Loan Packages.

## **2160.00 Qualified eRegistry Participant Requirement**

An elssuer applicant must be integrated with a Qualified eRegistry. Currently, the MERS® eRegistry is the only Qualified eRegistry that meets the requirements of ESIGN and UETA and is approved for use in the Digital Collateral Program. An elssuer must maintain the status of 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 applicant, 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

Lastly, the applicant 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 utilize a Ginnie Mae approved eCustodian to provide custodial services for its Digital Pool/Loan Packages. At the time of application, there must be an executed form HUD 11715 Master Custodial Agreement in place between the elssuer applicant and such eCustodian.

## **2190.00 Other elssuer Requirements**

elssuers are responsible for meeting all other requirements of the MBS Guide and the Guaranty Agreement. In its application, an elssuer applicant must identify dedicated personnel to collaborate and coordinate efforts with



Ginnie Mae on 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 Digital Collateral Program.

## **2200.00 eCustodian Eligibility Requirements**

A Document Custodian seeking approval to provide custodial services for Digital Pool/Loan Packages in the Digital Collateral Program must meet the following requirements to be eligible for approval by Ginnie Mae as an eCustodian.

### **2210.00 eCustodian Application**

An eCustodian applicant must submit the eCustodian Application to Participate in the Digital Collateral Program, Appendix V-09 of the MBS Guide, including all corresponding certifications. The application must be signed by an authorized officer of the applicant 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 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. eCustodian applicants 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 eCustodians until a date after the effective date of the merger or acquisition. Ginnie Mae's approval of an institution as a Document Custodian does not imply or constitute approval to provide custodial services for Digital Pool/Loan Packages as an eCustodian.

### **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 date of its application to 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 date of its application to the Digital Collateral Program.

### **2240.00 eNote Safekeeping Requirements**

An eCustodian applicant must have unrestricted access to store, manage, and view copies of eNotes in a Qualified eVault (see Section 2600.00). The applicant 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 Qualified eRegistry Participant Requirement**

An eCustodian applicant must be integrated with a Qualified eRegistry. Currently, the MERS® eRegistry is the only Qualified Registry approved for use in the Digital Collateral Program. An eCustodian must maintain the status of an active MERS® eRegistry Participant and MERS® System Member in good standing

### **2270.00 [Reserved]**

### **2280.00 [Reserved]**

### **2290.00 Other eCustodian Requirements**

eCustodians are responsible for meeting all other requirements of the MBS Guide, the Master Custodial Agreement form HUD 11715, and the Guaranty Agreement. In its application, an eCustodian applicant must identify dedicated personnel to collaborate and coordinate efforts with Ginnie Mae on 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 Digital Collateral Program.

## **2300.00 Dedicated Personnel Requirements**

Digital Collateral Program applicants 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. Approved Digital Collateral Program participants must maintain such points of contact with Ginnie Mae throughout their participation in the Digital Collateral Program.

## **2400.00 Qualified eClosing System Requirements**

### **2410.00 General Requirement**

Eligible eNotes, and other related Electronic Records, delivered in Digital Pool/Loan Packages must be signed electronically using a Qualified eClosing System.

### **2420.00 Qualified eClosing System Requirements**

A Qualified eClosing System is an eClosing System that meets the following requirements:

- Designed in compliance with applicable federal, state, and local laws, rules, and regulations concerning privacy, data security, and record retention.
- Presents Electronic Records in compliance with applicable federal, state, and local laws, rules, and regulations concerning, but not limited to, the content, format, and display of information.
- Support the verification of the Borrower's identity utilizing a Multi-Factor Authentication process.
- Clearly identify the symbol or process used as the Borrower's Electronic Signature and the purpose of the Electronic Signature.
- 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 consent to receive Electronic Records and the Borrower's intent to adopt the Electronic Signature and to electronically sign the eNote and other Electronic Records.
- Attach or associate any Electronic Signature to/with the relevant Electronic Record that was signed.
- Attribute any Electronic Signature to the applicable signer.
- Clearly and legibly display any signer's printed name directly above, below, or in close proximity to the location on the Electronic Record where their Electronic Signature will be applied.
- Support the ability to determine the date and time any Electronic Signature was applied to an Electronic Record.
- Apply a Tamper-Evident Seal to Electronic Records immediately after the last signer has applied their Electronic Signature.
- Prevent alterations to Electronic Records between Electronic Signatures by one/several signers prior to application of a Tamper-Evident Seal at the conclusion of signing.
- Register the eNote with the MERS® eRegistry after a Tamper-Evident Seal has been applied to it.
- Create, store, and make accessible and retrievable to parties with rights to such access an Audit Trail of critical events and actions occurring in an eClosing including, but not limited to:
  - Date and time any signers successfully completed each and ultimately all factors of the Multi-Factor Authentication process;
  - Date and time any signers accessed the eClosing System;
  - Date and time any signers consented to the use of Electronic Records and Electronic Signatures;
  - Date and time each Electronic Record was presented for Electronic Signature(s);
  - Date and time each Electronic Record was signed, including the type(s) of Electronic Signature used, the attribution of the Electronic Signature(s) to the signer(s), and the attribution of the Electronic Signature(s) to the Electronic Record;
  - Date and time a Tamper-Evident Seal was applied to each signed Electronic Record.
  -
- Provide reasonable evidence that Electronic Records created and maintained by the eClosing System are not and have not been subject to unauthorized access or alteration. In the event of unauthorized access or alteration, the eClosing System provider must have procedures in place to promptly notify the issuer.

- Be capable of accurately reproducing any Electronic Record signed in the eClosing System. This includes both the capability to electronically display the Electronic Record and print it to paper. Such reproduction must include the contents, fonts, styling, margins, and all other physical features of the Electronic Record as may be required by state and/or federal laws, including an indication that it is a reproduction of an Electronic Record that was electronically signed. In addition, the eClosing System must permit the party viewing or printing the Electronic Record to ascertain:
  - The content of the Electronic Record; and
  - The name(s) of the signer(s) of the Electronic Record and the legal capacity in which they signed (if signing is occurring pursuant to a Power of Attorney, the Borrower name(s) must be ascertainable).
- Be capable of producing Eligible eNotes that meet all requirements of Section 2500.00.

## **2430.00 Retention of eClosing Audit Trail**

elssuers are responsible for retaining the eClosing Audit Trail for any eMortgage delivered in a Digital Pool/Loan Package. Such Audit Trail must be stored and maintained in a manner that preserves the integrity and reliability of the Audit Trail for the life of the applicable eMortgage plus seven (7) years.

## **2440.00 Change of eClosing System Provider**

If an elssuer changes from one eClosing System provider to another then it must notify Ginnie Mae of the change before the new system is utilized. Ginnie Mae may, in its sole discretion, require the elssuer to submit to additional review, testing, and/or approval.

## **2500.00 Eligible eNote Requirements**

elssuers must have the capability to produce and deliver Eligible eNotes. An Eligible eNote must meet the following requirements.

### **2510.00 eNote Technical Requirements**

The eNote must be a valid Version 1.02 MISMO Category 1 SMART Doc®, which is generated, displayed, and signed electronically using a Qualified eClosing System, and secured by a Tamper-Evident Seal.

### **2520.00 Insuring Agency and State and Local Requirements**

The eNote must reflect any and all 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. Issuers should always follow the guidance promulgated by the FHA, VA, USDA, or PIH as well as state and local law to generate the promissory note language as discussed in Section 2520.00. However, for eNote eligibility, Ginnie Mae requires 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 promissory note preceding the signature block with the appropriate clause number of the note. The text “[Sign Original Only]” which appears on the paper promissory 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]<sup>1</sup>. 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.
- (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 Borrower's signature on any eNote delivered to Ginnie Mae is not permitted to be an audio or video recording or comprised exclusively of biometric data.

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<sup>1</sup> Insert "MERSCORP Holdings, Inc., a Delaware corporation" as the name of the Operator of the Registry.

## 2550.00 Change of eNote Provider

If an elssuer changes from one eNote provider to another then it must notify Ginnie Mae of the change. Ginnie Mae may, in its sole discretion, require the elssuer to submit to additional review, testing, and/or approval.

## 2600.00 Qualified eVault Requirements

elssuer, and eCustodian applicants must have unrestricted access to a Qualified eVault.

### 2610.00 Qualified eVault Storage Requirements

Each eNote in a Digital Pool/Loan Package must be executed using a Qualified eClosing System and the Authoritative Copy of each such eNote must at all times be stored in a Qualified eVault.

### 2620.00 Qualified eVault Definition

A Qualified eVault is an eVault 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.
- Validates the integrity (i.e., Tamper-Evident Seal, DTD, schema) of any eNotes or Electronic Records transmitted to the eVault.
- Logs any validations of eNotes or other Electronic Records transmitted to the eVault.
- Allows Ginnie Mae, elssuers and eCustodians to validate compliance with eNote DTD or schema and eNote Tamper-Evident Seal requirements.
- Has the capability to transfer copies of 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 non-Authoritative Copies of eNotes stored in the eVault.
- Provides a user interface for viewing Authoritative and non-Authoritative Copies of eNotes.
- Supports a user's ability to ascertain whether the copy of an eNote being viewed through the eVault's interface is either the 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 backup 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 uses a minimum of 2048-bit RSA key and 128-bit AES key.
  - Ensures that data is encrypted both while in transit and at rest.

### 2630.00 Required Practice Transactions

Each Digital Collateral Program applicant must successfully complete a set of practice transactions involving sample eNotes in the non-production environments of its Qualified eVault and the MERS® eRegistry. Each sample eNote must meet the requirements for being an Eligible eNote (see Section 2500.00) and must not contain actual borrower or loan data. Further, the data used in the sample eNotes must be varied (e.g., different mortgagors, property addresses, interest rates).

The practice transactions required of an applicant will vary depending on the type of application(s) being submitted, and potentially other factors as determined by Ginnie Mae in its sole discretion. Completion of practice



transactions may require coordination with partners (e.g., the elssuer's eCustodian), technology providers, and Ginnie Mae. Specific instructions will be provided to an applicant upon Ginnie Mae granting it Conditional Approval to participate in the Digital Collateral Program. Practice transactions may include, but are not limited to, the following:

- Completion of a modified form HUD 11706 reflecting data used in the sample eNotes.
- Registration on the MERS® eRegistry.
- eDelivery of sample eNote copies of an Eligible eNote to Ginnie Mae and to the elssuer's eCustodian.
- Transfer of Location to the elssuer's eCustodian.
- Addition of Ginnie Mae as Secured Party.
- Transfer of Servicing to name a Subservicer.
- Reporting a Loan Modification to the MERS® eRegistry.
- Reporting an Assumption to the MERS® eRegistry.
- Deactivation from the MERS® eRegistry (e.g., Paid Off, Charged Off).
- Reversal of a Loan Modification, Assumption, or Deactivation reported to the MERS® eRegistry.
- Completion of a form HUD 11708 to simulate the buyout of a loan from a Digital Pool/Loan Package.
- Initial Certification by the eCustodian.

### **2640.00 eVaults Provided by Third Parties**

elssuers and eCustodians in the Digital Collateral Program can either build their eVault in-house or obtain via purchase or license, a third-party vendor product (including software, hardware, and services) that provides equivalent technology eVault resources. Ginnie Mae does not endorse or recommend the use of any specific third-party vendor eVault solution. Each elssuer and eCustodian bears the responsibility for the overall competence of any system selected and compliance with all Ginnie Mae requirements. All contracts between an elssuer or eCustodian and any third-party eVault provider must specify: 1) that any eNotes stored in the eVault as part of a Digital Pool or Loan Package are the property of Ginnie Mae, 2) such eNotes are not subject to any disputes between the eVault provider and the elssuer or eCustodian, 3) the eVault provider will comply with Ginnie Mae's instructions to transfer any copies of any such eNotes, as well as any other electronic documents or records relating to such eNotes, to Ginnie Mae or its designee in the event of Issuer or Document Custodian change or default.

### **2650.00 Technology Certifications**

Any elssuer, or eCustodian seeking approval of a system as a Qualified eVault must submit to Ginnie Mae a written review provided by an independent third-party technology specialist known nationally in the technology and mortgage industry as having proficiency with respect to eVault and eNote storage systems. This report should confirm that the eVault meets industry guidelines set forth by MISMO, the MERS® eRegistry, and Ginnie Mae.

### **2660.00 Annual Audit Requirements**

Ginnie Mae requires any eVault used to maintain and/or transact against electronic records corresponding to a Digital Pool/Loan Package to be reviewed and certified annually by MISMO or a similar organization to confirm that the eVault meets applicable mortgage industry standards.

### **2670.00 GSE eMortgage Technology Provider Lists**

Ginnie Mae will consider eVault providers identified on Fannie Mae's or Freddie Mac's eMortgage Technology Provider Lists as evidence that a given eVault solution meets the requirements for a Qualified eVault detailed in Section 2600.00. However, Ginnie Mae reserves the right to request additional information and written certifications from an elssuer or eCustodian to validate compliance against Ginnie Mae's requirements. elssuers and eCustodians are responsible for notifying Ginnie Mae immediately in cases when an eVault that is being utilized by the elssuer or eCustodian for loan documents relating to a Digital Pool/Loan Package is removed from one or more of the GSE's eVault technology provider lists.

### **2680.00 Change of eVault Provider**

If an elssuer or eCustodian changes from one eVault provider to another then it must notify Ginnie Mae of the change. Ginnie Mae may, in its sole discretion, require the elssuer or eCustodian to submit to additional review, testing, and/or approval.

## **2800.00 [Reserved]**

## **2900.00 [Reserved]**

## **3000.00 Structuring Digital Pool/Loan Packages**

### **3100.00 Eligible eNote Requirements**

To be eligible for a Digital Pool/Loan Package, the eNote associated with any eMortgage must meet the Eligible eNote Requirements in Section 2500.00.

### **3200.00 Mortgage Loan Parameters**

In addition to the Eligible eNote Requirements in Section 2500.00, eMortgages must meet the following requirements to qualify as eligible collateral for Ginnie Mae securities:

#### **3210.00 Eligible Loan Types**

Only eMortgages for Single-Family forward rate loans, including FHA-Insured Single-Family Loans, VA Guaranteed Single-Family Loans, and RD-Insured Single-Family Loans are eligible for Digital Pool/Loan Packages. Loans for Home Equity Conversion Mortgages, Manufactured Housing Loans, or Multifamily Loans are ineligible at this time.

#### **3220.00 Loan Purpose Requirement**

Only eMortgages that constitute Initial Purchase Loans or Refinance Loans are eligible collateral.

#### **3230.00 Fixed Rate/Level Payment Requirement**

Only eMortgages with fixed interest rates and level monthly payments are eligible collateral. eMortgages for loans with payment schedules other than level monthly payments, including Adjustable Rate Mortgages and Graduated Payment Mortgages are ineligible at this time.

#### **3240.00 Other Exclusions**

eMortgages for the following types of loans are not eligible for inclusion in a Digital Pool/Loan Package:

- New York Consolidation, Extension and Modification Agreement Mortgages
- Mortgages in which the Borrower is a trust of any type
- Mortgage loans secured by properties in Puerto Rico

#### **3250.00 Notarization Requirements**

All elssuers are responsible for ensuring compliance with all federal, state, and local laws, rules, and regulations governing notarization for any eMortgage delivered to Ginnie Mae. In-Person Electronic Notarization (IPEN) and Remote Online Notarization (RON) are permitted if and only if the following criteria are met:

- The notary public is properly licensed and authorized to perform the notarial act in the state in which the notarial act is performed, at the time it was performed, including specific licensing for, or meeting any requirements specific to, IPEN/RON in the state.
- 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 County land records.
- The use of IPEN/RON does not compromise the first lien status of the loan, nor create any exceptions or exclusions in the title policy.
- The use of RON by the notary is permissible if the laws and regulations of the state in which the mortgaged property is located either expressly permit the use of RON or expressly accept RON performed out-of-state in accordance with the laws of the state in which the notarial act is performed.
- For RON transactions, the elssuer must either maintain the recording of the notarial ceremony, or maintain the ability to access and reproduce the recording of the notarial ceremony (if such recording is maintained by a third party such as an individual notary or third party notary platform) for the greater of 10 years or the minimum period required by applicable law.

- Any platform utilized to facilitate RON must comply with the MISMO RON Standards.

### **3260.00 Legal Requirements**

elssuers may only deliver eMortgages into the MBS Securitization Platform using systems that comply with this eGuide. A breach under this eGuide is a breach under the MBS Guide and the Guaranty Agreement. The elssuer makes the following representations and warranties with respect to each eMortgage submitted as collateral for Digital Pool/ Loan Packages:

- Each eMortgage is evidenced by an Eligible eNote that is a valid and enforceable Transferable Record pursuant to ESIGN and UETA, as applicable, and there is no flaw or defect with respect to the eNote that would confer upon a subsequent transferor, or Ginnie Mae as a secured party, less than the full rights, benefits and defenses of Control (as defined by UETA and ESIGN) of the Transferable Record;
- The elssuer is an entity entitled to enforce the eMortgage;
- All Electronic Signatures associated with the eMortgage, including, but not limited to, the eNote are authenticated and authorized;
- The elssuer has established procedures and controls limiting access to eMortgage delivery and the MERS® eDelivery to duly authorized individuals, and Ginnie Mae is entitled to rely on any transmission, transfer or other communication via these systems to be the authorized act of the elssuer;
- Any transfers of Control of the eNote are authenticated and authorized;
- The eVault technology solution used, or to be used, to store the eNotes by the eCustodian, as it relates to the storage and ongoing maintenance of Electronic Signatures and eDocs, meets the requirements of ESIGN and UETA, including, without limitation, Section 201 of Title II of ESIGN and Section 16 of the model UETA, and any other appropriate state and federal laws, and does not endanger any safe harbor given by these laws;
- The Authoritative Copy of the eNote has not been altered since it was signed electronically by the Borrower(s); and
- 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.

### **3300.00 MERS as the Original Mortgagee Requirement**

Each eMortgage included in a Digital Pool/Loan Package must be originated with Mortgage Electronic Registration Systems, Inc. (MERS) as the Original Mortgagee ("MOM").

### **3400.00 Eligible Pool Types for Digital Pool/Loan Packages**

The following pool types are permitted for Digital Pool/Loan Packages. No other pool types are permitted.

- Ginnie Mae I Single Family Pools (X SF)
- Ginnie Mae II Custom Single-Family Pools (C SF)
- Ginnie Mae II Multi Issuer Pools for Single-Family Loans (M SF)
- Multi-Issuer Jumbo Mortgage (MJM SF) Pools
- Extended Term (C ET) Pools

### **3500.00 Special Restrictions Applicable to Digital Pool/Loan Packages**

Digital Pool/Loan Packages may consist either entirely of eMortgages or of eMortgages commingled with mortgage loans originated with paper promissory notes. Digital Pool/Loan Packages are prohibited from containing any Converted eNotes, which is a mortgage loan originated with an eNote that has subsequently been converted to a paper promissory note (this is not the same as modification of an eNote where the modification itself is paper, which is permitted).

Unless expressly permitted under the MBS Guide, mortgage loans originated with eNotes that have subsequently been converted to paper promissory notes are prohibited in all Ginnie Mae pools or loan packages.

### **3600.00 Other Parameters Applicable to Digital Pool/Loan Packages**

Digital Pool/Loan Packages are subject to all other pooling eligibility parameters in the MBS Guide, including, but not limited to, the mortgage and pool parameters in Chapters 9 and 24 of the MBS Guide.



## 4000.00 Digital Pool/Loan Package Delivery

### 4100.00 Obtaining eMortgage Issuance Authority for Digital Pool/Loan Packages

Each issuer must apply for and receive eMortgage Issuance Authority prior to delivering eMortgages for securitization. eMortgage Issuance Authority governs the number of eMortgages (regardless of the principal balance associated with each loan) that an issuer may securitize in the Digital Collateral Program. At the time Ginnie Mae grants Final Approval to an Issuer to participate in the Digital Collateral Program as an issuer, Ginnie Mae will also grant it an initial amount of eMortgage Issuance Authority. To obtain additional eMortgage Issuance Authority, issuers must send a request to [DCPA@hud.gov](mailto:DCPA@hud.gov) with details on their planned future eMortgage delivery volume. Ginnie Mae does not charge additional fees for eMortgage Issuance Authority. Digital Pool/Loan Packages are still subject to Ginnie Mae's requirements pertaining to Commitment Authority, which is a separate process.

### 4200.00 Use of eDocs as Digital Equivalents

This eGuide authorizes the use of certain electronic files as digital equivalents of documents required for Initial Certification, Final Certification, and Recertification under the Document Custody Manual (DCM), Appendix V-01 of the MBS Guide. All collateral documents, identified in Section 4600.00, other than the promissory note may be delivered as MISMO Category 1, 2 or 4 Version 1.02 SMART Doc documents or Portable Document Format (PDF) documents. Please see Section 2500.00 for specific standards relating to the promissory note under Eligible eNote Requirements.

### 4300.00 SFPDM HUD 11706 Submission Requirement

All issuers must execute and submit a Form HUD 11706 electronically through Ginnie Mae's Single Family Pool Delivery Module (SFPDM) for any Digital Pool/Loan Package delivered for securitization. Hard copy submissions of Form HUD 11706 are not permitted for any Digital Pool/Loan Package.

### 4400.00 General Requirements for Delivery of eNotes

Prior to securitization, the Authoritative Copy of any eNote associated with a loan identified on a Form HUD 11706 must have at all times been stored in a Qualified eVault. To deliver an eNote for securitization by Ginnie Mae, the issuer must ensure that Ginnie Mae is named in the Secured Party field for the corresponding eNote record on the MERS® eRegistry and that a copy of the Authoritative Copy of the eNote is sent via MERS® eDelivery to Ginnie Mae's eVault. Further, the issuer must ensure that by the time the MERS® eRegistry is updated to reflect Ginnie Mae as the Secured Party, all other MERS® eRegistry fields are consistent with Ginnie Mae's Pool Certification Requirements (see Section 5000.00). This means, among other things, that the MERS® eRegistry rightsholder fields corresponding to the eNote being delivered do not reflect any parties other than the issuer, eCustodian, and, if applicable, an eSubservicer. As with paper promissory notes pooled for securitization, all eMortgages must be free of any liens (including warehouse lines) at the time of securitization.

#### 4410.00 Delivery Requirements for eNotes Executed via Power of Attorney

eNotes that are executed by an attorney-in-fact pursuant to a Power of Attorney have the following additional requirements for delivery:

- Whether the Power of Attorney is electronic or paper-based, an active and valid copy of the Power of Attorney must be delivered to the eCustodian's eVault using MERS® eDelivery along with the corresponding eNote. If a paper-based Power of Attorney, containing a wet-ink signature, is required for enforcement of the eNote, the Power of Attorney should be delivered to the eCustodian as a paper document and a copy of the Power of Attorney should be eDelivered to the eCustodian's eVault.
- If eNotarization is used to notarize the Power of Attorney, the eNotarization is subject to the notarization requirements outlined in Section 3250.00.

### 4500.00 General Requirements for the Transmission and Delivery of eDocs

The Authoritative Copy of each eNote in a Digital Pool/Loan Package, as well as all other collateral documents pertaining to such Digital Pool/Loan Package must be stored by the eCustodian. Issuers may transmit loan documents electronically to an eCustodian in lieu of a hard copy or hard copy original as required by the Document Custody Manual, Appendix V-01 of the MBS Guide (DCM). Issuers and their corresponding eCustodian must implement and maintain processes and controls for transmission of loan files in accordance with all federal and state laws and regulations governing the protection of Personally Identifiable Information. These processes and controls must prevent unauthorized access to the documents being transmitted.

## **4600.00 eDocs Accepted as Digital Equivalents of Hard Copy Documents**

The following loan documents may be transmitted electronically to a custodian in lieu of a hard copy, subject to the requirements and specifications below.

### **4610.00 Electronic Copy of Form HUD 11711A/B**

elssuers may deliver the executed form HUD 11711A/B corresponding to any loans in a Digital Pool/Loan Package as a PDF file.

### **4620.00 Electronically Recorded Security Instruments**

elssuers may deliver an electronically signed, notarized, and recorded security instrument that meets the requirements of Section 5210.00. Security instruments that do not meet the requirements of 5210.00 must be delivered per existing MBS Guide requirements. An electronic image of a wet-signed security instrument that has been digitized and electronically recorded is also permissible, provided it reflects evidence of recordation, including information relating to the date and time of recordation (see Section 5210.00).

### **4630.00 Title Policies**

The elssuers may deliver a copy of the title policy corresponding to any loan in a Digital Pool/Loan Package as a PDF file.

### **4640.00 Electronically Signed Modification Agreements**

The elssuers may deliver an electronic modification agreement that meets the requirements of Section 5210.00 and was signed using a Qualified eClosing System (see Section 2400.00). Modification agreements that do not meet the requirements of 5210.00 must be delivered per existing MBS Guide requirements. elssuers are not permitted to deliver an electronically signed modification agreement if: a.) the security instrument, as modified by the electronically signed modification agreement, would be invalid or unenforceable or would no longer be in first lien position; b.) the recording jurisdiction does not permit or provide for recordation of electronic documents; or c.) the elssuer is unable to comply with the recording jurisdiction's recordation and formatting requirements for an electronic document's recordation.

## **4700.00 [Reserved]**

## **4800.00 [Reserved]**

## **4900.00 [Reserved]**

## **5000.00 Digital Pool/Loan Package Certification**

### **5100.00 General Requirements for the Receipt and Storage of eNotes**

Prior to initiating the Document Review Procedures for Initial Certification, Final Certification, or Recertification, eCustodians must ensure that the Authoritative Copy of any eNote associated with a loan identified in a form HUD 11706 received by the eCustodian is stored in a Qualified eVault. For eNotes executed pursuant to a Power of Attorney, the eCustodian must also ensure that a copy of the Power of Attorney was received in its eVault. The eCustodian must have the agreements, licenses, and user credentials necessary to access the Qualified eVault and perform the document review procedures detailed below. All other document and document review requirements detailed in Chapter 3 of the DCM for Initial Certification that are not addressed expressly in this eGuide apply without modification to loans in Digital Pool/Loan Packages.

### **5200.00 General Requirements for the Receipt and Storage of eDocs**

#### **5210.00 Electronically Recorded Security Instruments and Modification Agreements**

Electronically signed, notarized, and recorded security instruments or modification agreements may be submitted electronically to an eCustodian if and only if:

- The security instrument or modification agreement is an eDoc that was originally submitted for recordation through a process available and approved at the corresponding county or state recorder's office; and

- The eDoc reflects evidence of recordation, including information relating to the date and time of recordation; and
- The file containing the eDoc is delivered as an eDoc type permitted in Section 4000.00.
- If a security instrument or modification agreement is signed electronically, printed, and submitted for recording in hard copy, with the hard copy retained by the county or state recorder's office, then the eCustodian may accept an electronic copy of the security instrument or modification agreement bearing evidence of recordation and reflecting the certification of the county or state recorder's office that such copy is a true copy of the original recorded security instrument or modification agreement.

Note that an electronic image of a wet-signed security instrument or modification agreement that has been digitized and electronically recorded also meets the requirements of this section for electronic submission to an eCustodian.

## **5220.00 eDoc File Naming Requirements**

At the time of storing an eDoc that is authorized by this eGuide and at all times thereafter, the file name of each file containing an eDoc must contain the following components:

- Ginnie Mae Loan Package/Pool Number
- Loan's MIN (MERS® Mortgage Identification Number)
- A short description of the document type (e.g., title policy, security instrument, Form HUD 11711A)

## **5230.00 eDoc Storage Requirements**

### **5230.01 System Requirements**

For the storage of eDocs, the eCustodian must use a system that is set up with measures that ensure system integrity. These measures include a firewall, network perimeter security controls, and safeguards against malware. The system must also support one or more authentication methods to authenticate user access, and track and prevent unauthorized viewing of the files and data. The system must employ a backup and recovery system capable of retrieving archived/backup material within a 24-hour period of a reported instance or activation of the eCustodian's disaster recovery plan involving any of Ginnie Mae's assets.

### **5230.02 Use of an eVault for Storage of eDocs**

The eCustodians may use a Qualified eVault for storage of eDocs so long as the eVault supports the storage, grouping, retrievability, and file naming requirements in Section 5200.00.

### **5230.03 Use of a System other than an eVault for Storage of eDocs**

The eCustodians may use a system other than a Qualified eVault for storage of eDocs so long as the system supports the storage, grouping, retrievability and file naming requirements in Section 5200.00.

### **5230.04 Linking, Grouping and Retrievability Requirements**

eCustodians must store eDocs in an electronic folder or other linking/grouping method such that all eDocs pertaining to any single loan are easily identifiable, grouped, and retrievable by the Loan's MIN. Similarly, all loan eDoc folders or groupings pertaining to any single Digital Pool/Loan Package must be easily identifiable, grouped, and retrievable by reference to the Digital Pool/Loan Package Number.

## **5240.00 Storage and Electronic Format Requirements for Hard Copy Documents**

eCustodians that receive a hard copy of any document required for the Initial Certification, Final Certification, or Recertification of a Digital Pool/Loan Package must store the hard copy document in accordance with the procedures set forth in the DCM and must also create an electronic image of the same to be stored electronically in accordance with the requirements in Section 5200.00.

## **5300.00 Initial Certification of Digital Pool/Loan Packages**

### **5310.00 Required Documents**

To complete the Initial Certification of a Digital Pool/Loan Package, an eCustodian must first have access to view and validate the following pool and loan documents for each loan in the corresponding Digital Pool/Loan Package:

- Form HUD 11706
- Form HUD 11711A/B
- eNote
- Power of Attorney, if the eNote was executed by an attorney-in-fact using a Power of Attorney
- Modification agreement, if the eMortgage has been modified (see Section 5700.00 for review procedures applicable to modification agreements) contains procedures for reviewing eMortgages with loan modification agreements.
- Please note that copies of the intervening assignments of the security instrument are not required for eMortgages included in a Digital Pool/Loan Package because each of these loans must be originated with MERS as the Original Mortgagee

## **5320.00 Required Systems Access**

### **5320.01 MERS® System Access**

To complete the Initial Certification of a Digital Pool/Loan Package, an eCustodian must have access to the MERS® System records for the corresponding eMortgage(s). The elssuer and eCustodian are responsible for ensuring that such access is obtained in compliance with any applicable MERS® System requirements.

### **5320.02 MERS® eRegistry Access**

To complete the Initial Certification of a Digital Pool/Loan Package, an eCustodian must have access to the MERS® eRegistry records for the corresponding eMortgage(s). The elssuer and eCustodian are responsible for ensuring that any such access is granted to the eCustodian.

### **5320.03 Qualified eVault Access**

To complete the Initial Certification of a Digital Pool/Loan Package, an eCustodian must have access to the Authoritative Copy of the eNote for the corresponding eMortgage(s). The elssuer and eCustodian are responsible for ensuring that such access is obtained in compliance with any applicable requirements set forth by the third-party eVault provider, if a third-party eVault provider is utilized.

## **5330.00 Document Review Procedures for Initial Certification of Digital Pool/Loan Packages**

### **5330.01 Form HUD 11706 Review Procedures**

The eCustodian must follow the document review and verification procedures detailed in Chapter 3, Part B Section 6(a) of the DCM, except that if an electronic version of the form HUD 11706 was provided to the eCustodian, the eCustodian is not also required to store a hard copy of the form in the Pool Master File.

### **5330.02 Form HUD 11711A/B**

The eCustodian must follow the document review and verification procedures detailed in Chapter 3, Part B Section 6(b) of the DCM, except that an eCustodian must reject any Form HUD 11711A/B that indicates the existence of a second-party interest. If an electronic version of the form HUD 11711A/B was provided to the eCustodian, the eCustodian is not also required to store a hard copy of the form in the Pool Master File.

### **5330.03 eNote**

The eCustodian must access the Authoritative Copy of each eNote in a Digital Pool/Loan Package. The eCustodian must confirm that a Tamper-Evident Seal has been applied to each eNote, that such Tamper-Evident Seal is valid, has not been compromised, and that the recalculated value of the Tamper-Evident Seal matches the Tamper-Evident Seal value stored for the corresponding eNote record on the MERS® eRegistry. Additionally, the eCustodian must confirm that each eNote contains the proper eNote heading (see Section 2530.01) and eNote clauses (see Section 2530.02). If, during Initial Certification, the eCustodian determines that an eNote does not meet the requirements of the MBS Guide and this eGuide, it must reject the eNote per the provisions of 5820.00.

The eCustodian must follow the document review and verification procedures applicable to promissory notes detailed in Chapter 3, Part B Section 6(c) of the DCM. In addition to the review and verification procedures applicable to paper notes, the eCustodian must also validate the following information against the corresponding MERS® eRegistry eNote record:

- MIN associated with the eNote and the corresponding loan registration on the MERS® System match.
- The Authoritative Copy of the eNote is stored in a Qualified eVault.
- Loan registration is in an “Active” status on the MERS® System.
- eNote record is in an “Active” status on the MERS® eRegistry.
- Borrower Name(s) and Property Address match the loan information in the form HUD 11706.
- MERS® eRegistry Controller field lists the elssuer.
- MERS® eRegistry Location field lists the eCustodian. For purposes of this requirement, the eCustodian is deemed to be the entity providing the Qualified eVault even in cases when the Qualified eVault is obtained from a third-party vendor so long as the eCustodian, as applicable, has established a contractual right to access and use such Qualified eVault.
- MERS® eRegistry Secured Party field lists Ginnie Mae.
- MERS® eRegistry Secured Party Delegatee field is blank.
- MERS® eRegistry Controller Delegatee for Transfers field is blank or lists the eCustodian.
- MERS® eRegistry Master Servicer field lists the elssuer or a Ginnie Mae approved eSubservicer. If a Ginnie Mae approved eSubservicer is listed as the Master Servicer on the MERS® eRegistry, the eCustodian must verify that the eSubservicer and elssuer have a duly executed and current form HUD 11707 Master Servicing Agreement, which may be retrieved from the Ginnie Mae Master Agreements Management System (MAMS) or the elssuer.
- If the MERS® eRegistry Subservicer field is populated, it lists a Ginnie Mae approved eSubservicer. If a Ginnie Mae approved eSubservicer is listed as the Subservicer on the MERS® eRegistry, the eCustodian must verify that the eSubservicer and elssuer have a duly executed and current form HUD 11707 Master Servicing Agreement, which may be retrieved from the Ginnie Mae Master Agreements Management System (MAMS) or the elssuer.

### **5340.00 Procedures for Completing Initial Certification**

The eCustodian must follow the Procedures for Completing the Initial Certification in Chapter 3, Part B Section 7 of the DCM.

## **5400.00 Final Certification Process for Digital Pool/Loan Packages**

### **5410.00 Final Certification Deadline**

Final Certification for Digital Pool/Loan Packages must be completed within 12 months from the issuance date of the corresponding security.

### **5420.00 Required Documents**

To complete the Final Certification of a Digital Pool/Loan Package, an eCustodian must first have access to view and validate the following pool and loan documents for each eMortgage in the corresponding Digital Pool/Loan Package:

- Form HUD 11706
- Original security instrument securing repayment of the indebtedness signed by the mortgagor and recorded. An electronic copy of a security instrument suffices so long as it meets the requirements detailed in Section 5210.00. In cases where the original security instrument is delivered in hard copy, the eCustodian must store the hard copy document in accordance with the procedures set forth in the DCM and must also create an electronic image of the same to be stored electronically in accordance with the provisions in Section 5200.00.
- A copy of the Mortgagee's title insurance policy, which may be delivered as an eDoc. In cases where the title policy is delivered in hard copy, the eCustodian must create an electronic image of the title policy and store it electronically in accordance with the provisions in Section 5200.00.

Modification agreement, if the eMortgage has been modified (see Section 5700.00 for review procedures applicable to modification agreements)

### **5430.00 [Reserved]**

### **5440.00 Document Review Procedures for Final Certification**



## 5440.01 Procedures for Reviewing the Security Instrument

The eCustodian must follow the document review and verification procedures applicable to security instruments that are detailed in Chapter 3, Part C Section 7(a) of the DCM, except that for eMortgages included in a Digital Pool/Loan Package the eCustodian must also:

- Verify that the security instrument was originated with MERS as the original mortgagee.
- Verify that the loan has not been deactivated or deregistered on the MERS® System. eMortgages that are not registered on the MERS® System at the time of loan and pool certification are not acceptable collateral for a Digital Pool/Loan Package.
- Validate that the MIN associated with each eMortgage is reflected on the MERS® System as an active registration and that it matches the MIN associated with the corresponding eNote on the MERS® eRegistry.
- For security instruments that were submitted for recordation electronically, the eCustodian must verify that the electronic image of the security instrument bears evidence of recordation, including information relating to the date and time of recordation.

## 5440.02 Procedures for Reviewing the Title Insurance Policy

The eCustodian must follow the document review and verifications procedures detailed in Chapter 3, Part C Section 7(c) of the DCM, except that it may conduct such review against a title insurance policy submitted as an eDoc.

## 5450.00 Procedures for Completing Final Certification

The eCustodian must follow the Procedures for Completing the Final Certification in Chapter 3, Part C Section 9 of the DCM.

## 5460.00 Application of Final Certification Requirements to R&W Issuers

The Final Certification Requirements detailed in this eGuide apply to all Digital Pool/Loan Packages including those Digital Pool/Loan Packages submitted by an issuer with an existing Representations and Warranties (R&W) Agreement with Ginnie Mae. R&W Agreements are not applicable to Digital Pool/Loan Packages.

# 5500.00 Recertification Process for Digital Pool/Loan Packages

## 5510.00 General Requirements

Recertification of a Digital Pool/Loan Package that has received a Final Certification is required if there is a Transfer of Issuer Responsibility and/or a Transfer of Custodial Responsibility affecting such pool or loan package. If the Digital Pool/Loan Package has not received a Final Certification prior to the Transfer of Issuer and/or Custodial Responsibility, and the new eCustodian completes a Final Certification, Recertification is not required.

## 5520.00 Recertification Deadline

Recertification for a Digital Pool/Loan Package must be performed within twelve (12) months of the pool or loan package transfer date.

## 5530.00 Required Documents

To complete the Recertification of a Digital Pool/Loan Package, an eCustodian must first have access to view and validate the following pool and loan documents for each eMortgage in the corresponding Digital Pool or Loan Package:

- Form HUD 11706
- Form HUD 11711B
- eNote
- Original security instrument securing repayment of the indebtedness signed by the mortgagor and recorded. An electronic copy of a security instrument suffices so long as it meets the requirements detailed in Section 5210.00 of this eGuide. In cases where the original security instrument is delivered in hard copy, the eCustodian must store the hard copy document in accordance with the procedures set forth in the DCM and must also create an electronic image of the same to be stored electronically in accordance with the provisions in Section 5200.00.

- A copy of the Mortgagee's title insurance policy, which may be delivered as an eDoc. In cases where the title policy is delivered in hard copy, the eCustodian must create an electronic image of the title policy and store it electronically in accordance with the provisions in Section 5200.00.

Modification agreement, if the eMortgage has been modified (see Section 5700.00 for review procedures applicable to modification agreements)

### **5540.00 Document Review Procedures for Recertification**

To complete the Recertification of a Digital Pool/Loan Package, an eCustodian must follow the document review and verification procedures in Sections 5330.01 (form HUD 11706), 5330.02 (form HUD 11711B), 5330.03 (eNote), 5440.01 (Security Instrument), 5440.02 Policy), and, if applicable, 5700.00 (Loan Modification Agreements). The eCustodian must confirm that a Tamper-Evident Seal has been applied to each eNote, that such Tamper-Evident Seal is valid, has not been compromised, and that the recalculated value of the Tamper-Evident Seal matches the Tamper-Evident Seal value stored for the corresponding eNote record on the MERS® eRegistry. Additionally, the eCustodian must confirm that each eNote contains the proper eNote heading (see Section 2530.01) and eNote clauses (see Section 2530.02). If, during Recertification, the eCustodian determines that an eNote does not meet the requirements of the MBS Guide and this eGuide, it, or the elssuer, must notify Ginnie Mae immediately via email at DCPABuyout@hud.gov. All eNotes with defective Tamper-Evident Seals are considered deficient instruments and will require that the elssuer submit a Lost Instrument Bond in order to meet Recertification requirements.

### **5550.00 Procedures for Completing Recertification**

The eCustodian must follow the Procedures for Completing the Recertification in Chapter 3, Part D Section 4 of the DCM.

## **5600.00 Release of Document from Custody**

### **5610.00 Release of eDocs and Loan Files Received in Hard Copy**

elssuers must submit and eCustodians must receive a duly executed form HUD 11708 prior to releasing from custody the hard copy of any loan file corresponding to a Digital Pool/Loan Package. The eCustodian must continue to store and retain, for fourteen (14) months from the date a loan is bought out of a pool, an electronic copy of any files released as well as an electronic copy of the form HUD 11708 in accordance with the provisions in Sections 5100.00 and 5200.00. An eCustodian is not authorized to change the location of the Authoritative Copy of an eNote without Ginnie Mae approval (as this is exclusively within the authority of Ginnie Mae), however, elssuers and eCustodians are authorized to print a certified copy of an eNote as needed for foreclosure, loss mitigation, or other servicing related activities.

For all Release of Document requests for loan files corresponding to an eMortgage in a Digital Pool/Loan Package, the eCustodian must follow the Procedures for the Release and Return of Documents detailed in Chapter 7, Part A Section 2 of the DCM. If the form HUD 11708 is submitted for a buyout type with one of the following Reason Codes: 2-Repurchase of Delinquent Loans, 4-Loss Mitigation, 5-Substitution or 6-Other, then the eCustodian must send a request via email to DCPABuyout@hud.gov for Ginnie Mae to release its Secured Party designation on the MERS® eRegistry. This request should only be sent after the eCustodian has reviewed and executed the form HUD 11708, which should be included with the request. For additional information on requests for release of Secured Party, see Section 6210.00.

### **5620.00 Transfers of Location of Authoritative Copy of eNote**

elssuers and eCustodians may not initiate a Transfer of Location of an eNote in a Digital Pool/Loan Package, unless the corresponding eMortgage has been bought out from the Digital Pool/Loan Package (see Section 6210.00), and either Ginnie Mae has approved the Transfer of Custodial Responsibility for the corresponding Digital Pool/Loan Package or Ginnie Mae has approved a Transfer of Issuer Responsibility that requires a Transfer of Location (i.e., the Transferee elssuer utilizes a different eCustodian than the Transferor elssuer). By virtue of its rights and authorities as the Secured Party, Ginnie Mae will need to approve any such transfers in the MERS® eRegistry. The transferring entities must coordinate with Ginnie Mae to effectuate the necessary updates to the MERS® eRegistry by contacting DCPA@hud.gov, no later than fourteen (14) calendar days prior to the effective date of such transfer.

## **5700.00 Certification of eMortgage Loan Modifications**

## 5710.00 Loan Modification Agreements

A modified eMortgage may be redelivered into a Digital Pool/Loan Package provided that: a.) the loan modification agreement is executed in paper bearing wet signatures or is executed electronically and meets the requirements for eDocs in Section 4000.00, b.) the elssuer or its eSubservicer updates the MERS® eRegistry to report the modification agreement either as paper or electronic, as appropriate; and c.) the elssuer delivers the original paper loan modification agreement or the electronically signed and recorded loan modification agreement to the eCustodian of record for the corresponding eNote for review and certification. Modified eMortgages may only be certified as part of a Digital Pool/Loan Package, and may not be certified as part of a pool or loan package containing only paper promissory notes even if the loan modification agreement was executed in hard copy.

The eCustodian must perform the document review and verification procedures applicable to all loan modifications in Chapter 3 of the DCM. For modified eMortgages, the eCustodian must also access the MERS® System and MERS® eRegistry to validate that:

- The MIN on the modification agreement matches the MIN on the MERS® eRegistry for the initial eMortgage;
- The eNote record on the MERS® eRegistry is flagged to indicate a paper or electronic modification, as appropriate;
- The eNote record remains in an Active status on the MERS® eRegistry;
- The information on the loan modification agreement matches the information on the Authoritative Copy of the eNote;
- The loan modification agreement is not a NY CEMA.

## 5800.00 Defect Remediation

### 5810.00 Defects Related to MERS® System and MERS® eRegistry

The eCustodian must notify the elssuer of any defect or deficiency in the certification process related to the MERS® System or MERS® eRegistry. Prior to Initial Certification, the elssuer or eCustodian must perform any necessary updates to the MERS® System and/or MERS® eRegistry. For eMortgages that have received Initial Certification, the elssuer must receive approval for any transactions that require approval from Ginnie Mae as the Secured Party.

### 5820.00 Defects Related to eNote

If an eCustodian identifies an eNote defect (e.g., invalid/compromised Tamper-Evident Seal, information does not match form HUD 11706, does not meet pooling parameters) during Initial Certification, the eCustodian must reject the eNote and request that the elssuer submit a new form HUD 11706 that excludes it.

If an elssuer or eCustodian identifies an eNote defect after Initial Certification, but prior to completion of Final Certification or Recertification, the elssuer or eCustodian must notify Ginnie Mae immediately via email at [DCPABuyout@hud.gov](mailto:DCPABuyout@hud.gov). All eNotes with incurable defects are considered deficient instruments and will require that the elssuer submit a Lost Instrument Bond to meet Final Certification or Recertification requirements.

If an elssuer becomes aware of an eNote defect at any time after the relevant Digital Pool/Loan Package has been fully certified, the elssuer must notify Ginnie Mae by email at [DCPA@hud.gov](mailto:DCPA@hud.gov). Ginnie Mae will work with the elssuer, and potentially other relevant parties such as the elssuer's technology provider(s), to determine the cause of the defect and the appropriate resolution. Ginnie Mae may also require the elssuer and/or its eCustodian to remediate the cause of the defect, which may require obtaining the services of a new technology provider, as a condition of retaining approval to participate in the Digital Collateral Program.

In most cases, eNote defects must be addressed by the execution of a new promissory note, replacing the one with a defect. If such new note is an eNote then a copy must be eDelivered to Ginnie Mae's eVault. In some cases, the nature of an eNote defect, as determined by Ginnie Mae in its sole discretion, may be minor and capable of correction without the need for the Borrower to execute a new promissory note ("minor correction"). In such cases, the defect cannot be in any of the fields certified by the eCustodian (as detailed in Chapter 3, Part B Section 6(c) of the DCM) and cannot adversely affect the enforceability of the eNote.

Upon receipt of written approval by Ginnie Mae to address an eNote defect as a minor correction, an elssuer can use the authority granted to it by a duly executed limited power of attorney from the Borrower to make the correction to a certified, printed copy of the eNote. The elssuer must also prepare and execute an affidavit identifying and correcting the clerical error in the eNote. The affidavit can be prepared and signed electronically or



as a paper document with a wet-ink signature. The correction must not affect the validity, enforceability, or First Lien position of the mortgage loan and be in compliance with all applicable laws, rules and regulations. The elssuer must deliver the following to the eCustodian for storage with the Digital Pool/Loan Package: 1) the certified, printed copy of the eNote, 2) the affidavit, and 3) a copy of Ginnie Mae's approval. All documents should identify the Ginnie Mae Loan Package/Pool Number and the loan's MIN.

## **5900.00 Notification Requirements**

### **5910.00 eNote Related Deficiencies**

An elssuer or eCustodian must notify Ginnie Mae via email at [DCPA@hud.gov](mailto:DCPA@hud.gov) upon identification of an eNote in a Digital Pool/Loan Package for which the Tamper-Evident Seal has been determined to be compromised or invalid.

### **5920.00 System Related Deficiencies**

An elssuer or eCustodian must notify Ginnie Mae within 48 hours upon learning of any attempted security breach, situation, event, unauthorized access or occurrence that compromises the secure transmission or receipt of confidential data files stored in its Qualified eVault or the confidentiality, integrity, and enforceability of associated records and eDocs concerning an eMortgage in a Digital Pool/Loan Package. The notification must include Date/time of Cyber Incident, A summary of the incident based on what is known at the time of notification, and Designated point(s) of contact who will be responsible for coordinating any follow-up activities on behalf of the notifying party.

### **5930.00 System Unavailability**

An eCustodian must notify its elssuer clients and Ginnie Mae at the earliest possible date in cases where its ability to retain use of and access to a Qualified eVault is at risk for any reason, including potential lapses in contracted services.

## **6000.00 Servicing and Investor Reporting Obligations for Digital Pool/Loan Packages**

### **6100.00 General Servicing and Investor Reporting Responsibilities**

Except as otherwise expressed in this eGuide, elssuers are responsible for all servicing, investor reporting, and investor accounting obligations required under the MBS Guide for any Digital Pool/Loan Package.

### **6200.00 Special Considerations for eMortgages**

#### **6210.00 Release or Reversal of Ginnie Mae from the Secured Party Field**

##### **6210.01 Release of Ginnie Mae from the Secured Party Field Due to Loan Liquidations**

For all eMortgage buyouts and loan liquidations except for those due to payment in full, completion of a foreclosure, satisfaction through hazard or flood insurance, eminent domain, or condemnation, Ginnie Mae will need to release its Secured Party position on the MERS® eRegistry. elssuers must continue to utilize the buyout process established for all loans, including the submission of the form HUD 11708 to their eCustodian. Once the eCustodian has reviewed and executed the form HUD 11708, the eCustodian must email a copy of the fully executed form HUD 11708 to Ginnie Mae at [DCPABuyout@hud.gov](mailto:DCPABuyout@hud.gov) and request that Ginnie Mae release its Secured Party designation on the MERS® eRegistry. Once Ginnie Mae has released its Secured Party designation, it is the responsibility of the elssuer to submit any subsequent MERS® eRegistry transactions (e.g., Transfers of Control and/or Location, reporting of modifications, reporting of Assumptions) as necessary. For requirements regarding buyouts due to payment in full, completion of a foreclosure, satisfaction through hazard or flood insurance, eminent domain, or condemnation, see Section 6240.00.

##### **6210.02 Reversal of Ginnie Mae from the Secured Party Field Due to Erroneous Entry**

If Ginnie Mae is erroneously named in the Secured Party field for an eNote record on the MERS® eRegistry, the elssuer must email Ginnie Mae at [DCPA@hud.gov](mailto:DCPA@hud.gov) to request that Ginnie Mae reverse the transaction naming it in the Secured Party field (i.e., removing Ginnie Mae as Secured Party).

### 6210.03 Format for Requests to Release or Reverse Ginnie Mae from the Secured Party Field

All requests to Ginnie Mae for the release or reversal of Ginnie Mae from the Secured Party field must include the following information:

- elssuer Name;
- elssuer ID Number;
- MERS MIN(s);
- elssuer Loan #(s);
- Pool #, if applicable;
- FHA/VA/RHS/ §184 Number(s);
- Indication of whether the request is related to a buyout or erroneous entry;
- If related to a buyout, include the buyout reason; and
- If related to an erroneous entry, an explanation.

See Appendix C for an example of a request for release of Secured Party.

## 6220.00 eMortgage Loan Modifications

### 6220.01 eMortgage Loan Modifications Subject to a Trial Payment -Plan

If on an eMortgage the elssuer is required to initiate a Trial Payment Plan with a Borrower pursuant to the loss mitigation guidance issued by the federal agency insuring or guaranteeing such eMortgage, the elssuer may initiate the Trial Payment Plan without requesting a buyout. If the Borrower completes the Trial Payment Plan successfully, the elssuer must buy out the loan prior to executing the permanent loan modification. A buyout for this purpose will not require Ginnie Mae approval.

### 6220.02 eMortgage Loan Modifications Occurring without a Trial Payment Plan

An elssuer may, but is not required to, buy out an eMortgage that has a balance that is due but unpaid for the equivalent of three-monthly payments without Ginnie Mae approval. For purposes of this Section, Ginnie Mae regards Borrower payments missed for any reason as due but unpaid, even in cases where the elssuer must continue to treat the loan and borrower as current from a credit reporting perspective. Examples include payments missed because of disaster-related forbearances or borrower relief measures mandated by state and local laws and regulations. If, as permitted under this Section, an elssuer needs to modify an eMortgage that is considered due but unpaid for an equivalent of three (3) monthly payments and the borrower is not subject to a trial payment period, the elssuer must buy out the loan prior to executing a loan modification.

### 6220.03 Securitization of eMortgage Loan Modifications

For approved elssuers, Ginnie Mae will accept delivery of loan modification agreements for eMortgages provided that: a.) the loan modification agreement is executed in paper bearing wet signatures or is executed electronically and meets the requirements for eDocs in Section 4000.00, b.) the elssuer or its eSubservicer updates the MERS® eRegistry to report the modification agreement either as paper or electronic, as appropriate, and c.) the elssuer delivers the original paper loan modification agreement or the electronically signed and recorded loan modification agreement to the eCustodian for review and certification. Modified eMortgages shall only be pooled in a Digital Pool/Loan Package. Ginnie Mae requires the eCustodian to perform the document review and verification procedures applicable to all Loan Modifications as well as those procedures in Section 5710.00.

## 6240.00 elssuer Responsibility for MERS® eRegistry Transaction After a Buyout

The elssuer is responsible for ensuring that any necessary updates in the MERS® eRegistry are performed after an eMortgage is bought out from a Digital Pool/Loan Package and Ginnie Mae has released its Secured Party designation on the eNote record. For buyouts due to payment in full, completion of a foreclosure, satisfaction through hazard or flood insurance, eminent domain, or condemnation, the elssuer should complete the necessary updates in the MERS® eRegistry with Ginnie Mae remaining named as the Secured Party on the eNote record. If for any reason a reversal of the eRegistry deactivation is necessary, the elssuer must send notice to Ginnie Mae via email to DCPABuyout@hud.gov to ensure that Ginnie Mae removes itself from the Secured Party field on the MERS® eRegistry for the reactivated eNote record.

## 6250.00 Other Required Notifications

Any elssuer that needs to coordinate the timing of Ginnie Mae's removal from the Secured Party field in connection with servicing activities or other mortgage loan lifecycle events not expressly addressed in this eGuide may contact Ginnie Mae at [DCPA@hud.gov](mailto:DCPA@hud.gov). Any Assumption of an eMortgage in a Digital Pool/Loan Package must be reported to the MERS® eRegistry.

## 6260.00 New York Consolidation, Extension and Modification Agreement (NY CEMA)

NYCEMA's are not accepted for eNote securitization at this time. In the event that an eMortgage in a Digital Pool/Loan Package is being refinanced using an NY CEMA, the elssuer is required to follow the buyout process established for all loans, including the submission of the form HUD 11708 to its eCustodian and completion of the steps detailed in Section 6210.01 to ensure that Ginnie Mae releases its Secured Party designation for the eNote record on the MERS® eRegistry. After Ginnie Mae releases Secured Party, the elssuer is responsible for transferring Location of the Authoritative Copy of the eNote from the eCustodian to itself and doing the following:

- Complete their Qualified eVault's procedure for converting an eNote to a paper promissory note including, but not necessarily limited to, printing a paper note (replacing the eNote) bearing indication that it is an original paper promissory note resulting from the conversion of an eNote.
- Deactivate the eNote record on the MERS® eRegistry using a deactivation status of Converted to Paper.
- Print from the MERS® eRegistry the registration and transfer history and status information for the MIN, identifying the now former eNote, and attach it to the paper note.
- With the advice of legal counsel, prepare and sign an affidavit for attachment to the paper note, that includes the following information:
  - The paper note is a complete, accurate, and true copy of an eNote that has been converted to paper and that is now, together with the MERS® eRegistry information attached to it, considered to be the original note.
  - A description of the process used to convert the eNote to paper, including the date of conversion and the party who performed the conversion.
  - The borrower expressly agreed that the eNote may be converted to a paper note and would thereafter be a valid negotiable instrument governed by the Uniform Commercial Code in effect in the jurisdiction where the property is located.
  - The MERS® eRegistry, which is the registry in which the identity of the note holder (i.e., Controller) and any party to whom the eNote has subsequently transferred was recorded, shows that the eNote has been converted to a paper note.
  - The organization who converted the eNote to paper maintained control of the eNote at the time the conversion was processed.
- If the NY CEMA is being originated by a lender other than the one who originated the eNote, the eNote lender signs an allonge transferring its interest in the now paper note to such lender and attaches it to the paper note.

## 6300.00 Restrictions on Subservicing

Digital Pool/Loan Packages may only be serviced by approved elssuers and may not be subserviced by another Ginnie Mae Issuer other than the Issuer of Record without written consent from Ginnie Mae. Ginnie Mae's approval of a Master Servicing Agreement, form HUD 11707, between an elssuer and another Issuer does not, by itself, constitute Ginnie Mae approval for the elssuer to delegate servicing responsibilities for Digital Pool/Loan Packages. Any elssuer that seeks to delegate servicing responsibilities for a Digital Pool/Loan Package must obtain separate and express approval in writing from Ginnie Mae to ensure that the subservicer is also an approved elssuer and qualifies as an eSubservicer. Ginnie Mae reserves the right to approve or deny an applicant's proposed subservicing arrangement.

Issuers applying to participate as eSubservicers must submit an elssuer Application to Participate in the Digital Collateral Program, Appendix V-08 of the MBS Guide, making clear that they wish to also qualify as an eSubservicer, by email to [DCPA@hud.gov](mailto:DCPA@hud.gov). Ginnie Mae's approval of an applicant as an elssuer does not constitute approval of such applicant as an eSubservicer. Ginnie Mae requires any eSubservicer be named in either the Subservicer or Master Servicer field on the MERS® eRegistry for any eNote in a Digital Pool/Loan Package.

## 6400.00 Transfers of Issuer Responsibility

## **6410.00 General Requirements**

An elssuer may request a Transfer of Issuer Responsibility for a Digital Pool/Loan Package using the process in the Pool Transfer System (PTS) applicable to all pools and loan packages backing Ginnie Mae guaranteed securities described in Chapter 21 of the MBS Guide.

## **6420.00 Special Restrictions Applicable to Transfers of Digital Pool/Loan Packages**

Transfers of Issuer Responsibility for Digital Pool/Loan Packages will be approved only in cases where the Transferee Issuer is also an approved elssuer with an existing relationship to an approved eCustodian. Even in cases when the Transferee Issuer is an elssuer, Ginnie Mae may, in its sole discretion, deny the transfer request.

## **6430.00 Updates to the MERS® eRegistry Associated with a Transfer of Issuer Responsibility**

Upon approval of a transfer request involving a Digital Pool/Loan Package by Ginnie Mae, the Transferor elssuer may initiate a Transfer of Control with Secured Party for each relevant eNote record on the MERS® eRegistry to the Transferee elssuer at any time after the Sale Date, but no later than the close of business on the Servicing Transfer Date specified in the Ginnie Mae Assignment Agreement (MBS Guide Appendix VIII-3). The Transferee elssuer is responsible for ensuring that Ginnie Mae is identified in the Secured Party field on the MERS® eRegistry for each relevant eNote record within one (1) business day from the date that the MERS® eRegistry is updated to reflect the Transferee elssuer as the new Controller. Failure to identify Ginnie Mae as the Secured Party within one (1) business day from the date that the MERS® eRegistry is updated to reflect the Transferee elssuer as the new Controller shall constitute an Event of Immediate Default under the MBS Guide and the Guaranty Agreement. To expedite processing of large transfers (i.e., involving numerous loans), the Transferor elssuer should initiate a batch transfer to the MERS® eRegistry rather than initiating each transfer individually.

## **6440.00 Transfers of Issuer Responsibility that also Require a Transfer of Custodial Responsibility**

In cases where a Transfer of Custodial Responsibility involving a Digital Pool/Loan Package is necessitated by a Transfer of Issuer Responsibility, the Transferee elssuer is responsible for ensuring that the Authoritative Copy of each relevant eNote is sent by eDelivery to its eCustodian and that Transfers of Location on the MERS® eRegistry are initiated to, and accepted by, such eCustodian within the timeframe provided in Section 6430.00. Further, the Transferee elssuer is responsible for ensuring that any eDocs associated with the Digital Pool/Loan Package being transferred are transmitted and stored in accordance with Section 6500.00.

# **6500.00 Standalone Transfers of Custodial Responsibility**

## **6510.00 General Requirements**

An elssuer may request a Transfer of Custodial Responsibility for one or more Digital Pool/Loan Packages in accordance with Chapter 7, Part 4 of the DCM.

## **6520.00 Special Restrictions Applicable to Transfers of Digital Pool/Loan Packages**

Transfers of Issuer or Custodial Responsibility for Digital Pool/Loan Packages will be approved only in cases where the Transferee eCustodian is also an approved eCustodian. Ginnie Mae may, in its sole discretion, deny the request.

## **6530.00 Updates to the MERS® eRegistry Associated with a Transfer of Custodial Responsibility**

Upon approval of a transfer request involving a Digital Pool/Loan Package by Ginnie Mae, the elssuer shall send a copy of all relevant eNotes to the Transferee eCustodian through MERS® eDelivery and must initiate Transfers of Location on the MERS® eRegistry to the Transferee eCustodian. The Transferee eCustodian is responsible for accepting the Transfer of Location no later than one (1) business day after the transfer request was initiated on the MERS® eRegistry.

## **6540.00 elssuer Responsibility for the Transfer of Loan Files**

The elssuer is responsible for ensuring that the Transferee eCustodian receives all the paper pool and loan files as well as the eDocs associated with the Digital Pool/Loan Packages being transferred, utilizing the requirements of

the MBS Guide and this eGuide. All eDocs should be transferred in a manner that ensures the ongoing validity and enforceability of the eDocs and their associated electronic signatures.

### **6550.00 eCustodian Responsibility for eDoc Storage**

Upon receipt of any eDocs, the Transferee eCustodian is responsible for storing such eDocs in accordance with Sections 5100.00 and 5200.00.

### **6600.00 Restrictions on Approval for Pools Issued for Immediate Transfer (PIIT)**

Digital Pool/Loan Packages are not eligible for participation in Ginnie Mae's PIIT Program. This prohibition applies to both Digital Pool/Loan Packages consisting entirely of eMortgages and those that are commingled (i.e., include a mix of eMortgages and loans with paper promissory notes).

## **7000.00 Additional elssuer Risks and Liabilities Applicable to Digital Pool/Loan Packages**

### **7100.00 Required Notifications Related to System Deficiencies**

All elssuers and eCustodians are required to notify Ginnie Mae within 48 hours upon identification of any attempted security breach, situation, event, unauthorized access, or occurrence that compromises the secure transmission or receipt of confidential data files stored in the eVault being utilized by the elssuer or its eCustodian, or the confidentiality, integrity, and enforceability of associated records and eDocs. The notification must include Date/time of Cyber Incident, A summary of the incident based on what is known at the time of notification, and Designated point(s) of contact who will be responsible for coordinating any follow-up activities on behalf of the notifying party.

### **7200.00 Required Notifications Related to a Material Change(s) in eClosing or eVault Services**

An elssuer must notify Ginnie Mae immediately in writing upon discovery that its ability to retain use of and access to a Qualified eClosing System or Qualified eVault is at risk for any reason, including potential lapses in contracted services. An elssuer is also required to notify Ginnie Mae immediately upon discovery of any system failure to its Qualified eClosing System or Qualified eVault. Ginnie Mae will work with the elssuer to develop a resolution plan for the Digital Pool/Loan Packages in the event that the elssuer is unable to retain use and access to a Qualified eVault.

### **7300.00 Required Notification Related to a Change of Status with MERS**

An elssuer or eCustodian must notify Ginnie Mae immediately in writing concerning any material change in its status as a MERS® System Member or MERS® eRegistry Participant resulting from non-compliance with the provisions of its MERS® System membership agreement or any other reason.

### **7400.00 elssuer Default**

The Guaranty Agreements and the MBS Guide, including this eGuide, set forth grounds on which Ginnie Mae, in its sole discretion, may declare an Issuer or elssuer in default of its responsibilities under the Ginnie Mae MBS Programs. Remedies available to Ginnie Mae in the event of a default, including termination of Issuer status and extinguishment of an Issuer's rights in its Ginnie Mae portfolio, are discussed in MBS Guide Chapter 23 and the Guaranty Agreement.

Any failure of the Issuer or elssuer to observe or comply with any of the terms and provisions of the Guaranty Agreement or the MBS Guide, including this eGuide, shall constitute an event of default, if it has not been remedied or corrected as determined by Ginnie Mae in its sole discretion, within thirty (30) days of notification by Ginnie Mae to the Issuer or elssuer. Certain failures are classified as Immediate Events of Default and will not entitle the Issuer or elssuer to a 30-day period of correction.

For violations that provide grounds for an Immediate Event of Default, as specified herein and in the Guaranty Agreement, Ginnie Mae may, at its sole discretion, exercise its rights to pursue all remedies under the applicable Guaranty Agreement, the MBS Guide, this eGuide, or applicable law, including the extinguishment of the Issuer's interests in the eMortgages backing Ginnie Mae guaranteed securities and effectuating a Transfer of Control for each such eMortgage to Ginnie Mae or its delegate (or designee).

In addition to the Events of Immediate Default listed in the Guaranty Agreement, this eGuide has added an Immediate Event of Default applicable to elssuers, which states: Failure to identify Ginnie Mae as the Secured Party within one (1) business day from the date that the MERS® eRegistry is updated to reflect a Transferee elssuer as the new Controller shall constitute an event of default under the MBS Guide and the Guaranty Agreement. Should an elssuer fail to name Ginnie Mae in the Secured Party field per the requirements of this eGuide, Ginnie Mae may extinguish the elssuer's interest in the eMortgages and return Control of the eNotes backing the Ginnie Mae securities to Ginnie Mae.

**8000.00 [Reserved]**

**9000.00 [Reserved]**



## 10000.00 eGuide Glossary

Term	Definition
<b>Assumption</b>	MERS® eRegistry transaction used to report a change including (a) a new borrower that assumes the outstanding mortgage debt, (b) a new borrower that is added to an existing loan obligation, and (c) an existing borrower that is removed from the loan obligation.
Audit Trail	A chronological and detailed list of critical events and actions occurring in, or reported to, a technology solution such as an eClosing System or eVault.
<b>Authoritative Copy</b>	The unique, identifiable, and unalterable copy of the Transferable Record (eNote) that is registered in the Qualified eRegistry and maintained within the Qualified eVault by the entity named in the Location field of the Qualified eRegistry.
<b>Borrower</b>	A person defined as a consumer under the federal ESIGN Act, to the extent ESIGN applies to a transaction; for the purposes of this eGuide “Borrower” also includes any and all persons obligated under the terms of any applicable eNote, as the context shall permit or require.
Conditional Approval	A stage in Ginnie Mae’s approval process of an elssuer or eCustodian, whose complete application to participate in the Digital Collateral Program has been reviewed and approved by Ginnie Mae, and advanced to the testing phase of the application process, during which it must successfully complete practice transactions to be considered for Final Approval.
<b>Controller</b>	The Participant named on the MERS® eRegistry that has Control (as defined in ESIGN) of the eNote and its Authoritative Copy.
<b>Controller Delegee for Transfers</b>	A MERS® eRegistry relationship that allows a Participant to initiate certain transactions on behalf of a Controller.
Converted eNote	A paper promissory note resulting from the conversion of an eNote. Upon successful conversion, the paper promissory note is treated as the original note going forward and the eNote record is deactivated on the Qualified eRegistry.
<b>DCM</b>	Ginnie Mae’s Document Custodian Manual, Appendix V-01 of the MBS Guide.
<b>Digital Collateral Program</b>	Ginnie Mae’s program for the securitization of Digital Pool/Loan Packages.
<b>Digital Pool/Loan Package</b>	A pool or loan package consisting either entirely of eMortgages or of eMortgages commingled with mortgage loans originated with paper promissory notes that is submitted by an approved elssuer as collateral for a Ginnie Mae MBS.
<b>Document Type Definition (“DTD”)</b>	A file that defines the “markup language” that will be used to describe the data. It defines and names the elements that can be used in the document, the order in which the elements can appear, the element attributes that can be used, and other document features.
<b>eClosing</b>	A process in which mortgage loan closing documents are signed electronically (whether remotely or otherwise), resulting in a set of closing documents, some of which reflect electronic signatures. For purposes of this eGuide, an eClosing must produce an Eligible eNote that is signed electronically.
<b>eClosing System</b>	A system used to review and electronically sign mortgage loan closing documents, which must meet the requirements in 2400.00 to be a Qualified eClosing System for Ginnie Mae.
<b>eCustodian</b>	An entity that meets the requirements in Section 2200.00 of this eGuide and has been specifically approved by Ginnie Mae to perform custodial services for Digital Pool/Loan Packages.

<b>eDoc</b>	A document that is created, accessed, presented, and/or signed electronically. An eDoc may be a paper document of which an electronic copy is made and maintained.
<b>Electronic Note or eNote</b>	A promissory note that is created, accessed, executed, transferred, and stored through electronic means, and meets the definition of a Transferrable Record under the federal ESIGN Act and the UETA.
<b>Electronic Records</b>	Records created, generated, sent, communicated, received, or stored by electronic means, as defined by ESIGN.
<b>Electronic Signature</b>	Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a Person with the intent to sign the Record, as defined by ESIGN. For purposes of eNote acceptability, the sound element has been removed from the definition.
<b>Electronic Signatures in Global and National Commerce Act (ESIGN)</b>	The Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §7001 et seq., is a United States federal law passed by the U.S. Congress to facilitate the use of electronic records and electronic signatures in interstate and foreign commerce by ensuring the validity and legal effect of contracts entered into electronically.
<b>Eligible eNote</b>	An eNote that meets the requirements of Section 2500.00 of this eGuide.
<b>elssuer</b>	A Ginnie Mae Issuer that meets the requirements of 2100.00 and has been approved by Ginnie Mae to securitize Digital Pool/Loan Packages.
<b>eMortgage</b>	A mortgage loan for which the promissory note is an Eligible eNote that was signed electronically using a Qualified eClosing System and registered with the MERS® eRegistry upon execution.
<b>eServicing</b>	The performance of loan servicing functions with regard to eMortgages.
<b>eSubservicer</b>	A approved Ginnie Mae Issuer and approved elssuer that, with Ginnie Mae's prior written approval, services the eMortgages in a Digital Pool/Loan Package under a subcontract with the Ginnie Mae elssuer that is responsible for the Digital Pool/Loan Package. The elssuer must have a separate approval to utilize a subservicer as an eSubservicer and not rely upon existing subservicer approval.
<b>eMortgage Issuance Authority</b>	Authority granted from Ginnie Mae to an elssuer, which allows an elssuer to securitize a specified number of eMortgages through Ginnie Mae's MBS Securitization Platform.
<b>eVault</b>	Electronic storage system that uses computer hardware and software to store and maintain eNotes (Transferable Records) and other Electronic Records. See also Qualified eVault.
<b>Final Approval</b>	Ginnie Mae's approval of an Issuer or Document Custodian to participate in the Digital Collateral Program as an elssuer, eCustodian, and/or eSubservicer. Only Issuers and Document Custodians that have submitted a complete application, successfully completed practice transactions, and satisfy any applicable initial and continuing eligibility requirements will be considered for Final Approval.
<b>Final Certification</b>	For any pool or loan package, a certification by a Document Custodian that the loan documents delivered by an Issuer satisfy all requirements of the MBS Guide, including this eGuide.
<b>Initial Certification</b>	For any pool or loan package, a certification by a Document Custodian to Ginnie Mae that the documents that have been delivered to it by the Issuer satisfy the requirements of the MBS Guide, including this eGuide, to the extent necessary for issuance of securities.
<b>Loan Modification</b>	An agreement to modify the rate and/or terms of a mortgage loan.
<b>Location</b>	The participant named on the MERS® eRegistry that maintains the Authoritative Copy of the eNote.



<b>Manufactured Housing Loans</b>	Manufactured Housing refers to structures that are transportable in one or more sections and may also be referred to as mobile housing. Loans for Manufactured Housing are generally classified as personal property and not classified as real estate.
<b>Master Servicer</b>	The participant named on the MERS® eRegistry that is authorized by the Controller to perform certain MERS® eRegistry transactions on the Controller's behalf.
<b>Mortgage-Backed Securities (MBS) Guide</b>	Ginnie Mae Mortgage Backed Securities Guide 5500.3, Rev-1.
<b>MBS Program</b>	This references the Ginnie Mae I MBS Program and the Ginnie Mae II MBS Program, as described in the MBS Guide.
<b>MBS Securitization Platform</b>	The program policy, technology, and processes used by elssuers and eCustodians to perform core enterprise securitization functions relating to Ginnie Mae securities, including loan pooling, loan pool and loan package certification, security issuance, investor accounting, and investor remittances.
<b>MERS</b>	Acronym for Mortgage Electronic Registration Systems, Inc., a Delaware corporation and wholly-owned subsidiary of MERSCORP Holdings, Inc.
<b>MERS® eDelivery</b>	A secure method for distributing eMortgage packages from one (1) Participant to another, using the existing MERS® eRegistry infrastructure and transaction security requirements.
<b>MERS® eRegistry</b>	The electronic registry (operated by MERSCORP Holdings, Inc.) that serves as the system of record to identify the current Controller and Location of the Authoritative Copy of registered eNotes. The MERS® eRegistry is the only Qualified eRegistry that meets the requirements of ESIGN and UETA and is approved for use in the Digital Collateral Program.
<b>MERS® System</b>	The national electronic registry owned and operated by MERSCORP Holdings, Inc. that tracks changes in servicing rights and beneficial ownership interests in mortgage loans secured by residential real estate.
<b>MIN</b>	Acronym for Mortgage Identification Number. The MIN is a unique 18-digit number that is permanently assigned to an eNote registered on MERS® eRegistry or a mortgage loan registered on the MERS® System.
<b>MISMO</b>	Acronym for the Mortgage Industry Standards Maintenance Organization.
<b>MOM</b>	A mortgage loan for which MERS is named as the original mortgagee, beneficiary, grantee, and/or nominee of the lender and lender's successors and assigns ("mortgagee") in the security instrument.
<b>Multi-Factor Authentication (MFA)</b>	A method of access control in which a user is granted access after successfully presenting identity evidence through a minimum of two of the following mechanisms: something they have (e.g., an identity credential, such as a driver's license or passport), something they know (e.g., knowledge-based authentication), something they are (e.g., biometrics).
<b>NCCUSL</b>	Acronym for the National Conference of Commissioners on Uniform State Laws.
<b>New York Consolidation, Extension and Modification Agreement (NY CEMA)</b>	An agreement utilized for refinances in lieu of the traditional cancellation of the old Mortgage Note and release of lien; combines into one set of rights and obligations, all the promises and agreements of existing Notes and Mortgages secured by Mortgaged Premises. This loan is commonly used by existing homeowners refinancing their home or prospective buyers saving on mortgage taxes, and only applicable to residents of New York. Mortgages secured by this agreement may not become Ginnie Mae eMortgages.

<b>Note Holder</b>	Person described in Section 16(d) of UETA and in Title II, Section 201(d) of ESIGN who has Control of a Transferable Record and who is named as the Controller in the MERS® eRegistry.
<b>Person</b>	An individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government agency, public corporation, or any other legal or commercial entity.
<b>Qualified eClosing System</b>	An eClosing System that meets the requirements of Section 2400.00 of the eGuide.
<b>Qualified eRegistry</b>	The system of record that identifies the Controller of a registered eNote, identifies the Location of the authoritative copy of the eNote, and meets the requirements of ESIGN and UETA to establish the legal effectiveness of electronic notes for mortgage loans. The MERS® eRegistry is the only Qualified eRegistry that meets the requirements of ESIGN and UETA and is approved for use in the Digital Collateral Program.
<b>Qualified eVault</b>	An eVault that meets the requirements of Section 2600.00 of the eGuide.
<b>Recertification</b>	For any pool or loan package, a certification by a Document Custodian that the loan documents satisfy the requirements of the MBS Guide, including this eGuide, following a transfer of Issuer responsibility or of Document Custodian responsibility.
<b>Registration Reversal</b>	The transaction used to reverse an eNote registration on the MERS® eRegistry.
<b>Remote Online Notarization (RON)</b>	A notarial act performed online where the notary public and the individual for which the notarial is being performed are in different locations.
<b>Secured Party</b>	The Participant named on the MERS® eRegistry that has been sold, pledged, assigned, or granted a security interest in the eNote by the Controller.
<b>Secured Party Delegatee</b>	The Participant named on the MERS® eRegistry that is authorized by the Secured Party to perform certain MERS® eRegistry transactions on the Secured Party's behalf.
<b>Single-Family Loans or Single-Family Mortgages</b>	Mortgages on one-to-four family residential housing units insured or guaranteed under the FHA, VA, RHS or § 184 programs.
<b>Smart Card Authentication</b>	A security process that uses a card storing encryption keys by which a person or entity can be identified for the purpose of obtaining access to system resources.
<b>SMART Doc®</b>	An electronic document based on a MISMO specification that locks together a document's data, visual presentation, and signatures such that it detects subsequent tampering and can be programmatically validated to guarantee original document's integrity.
<b>Subservicer</b>	The MERS® eRegistry participant named on the MERS® eRegistry that is authorized by the Master Servicer to perform certain MERS® eRegistry transactions on the Master Servicer's behalf.
<b>Tamper-Evident Seal</b>	A "seal" wrapping an Electronic Record that is created by a Digital Signature. The seal can be verified to ensure that no changes have been made to the Electronic Record since the seal was put in place.
<b>Transfer of Control</b>	A MERS® eRegistry transfer transaction used to change the current Controller of an eNote to another MERS® eRegistry Participant.
<b>Transfer of Control with Secured Party</b>	A MERS® eRegistry transfer transaction used to change the current Controller of an eNote to another MERS® eRegistry Participant while also adding or changing the Secured Party at the conclusion of the transfer.
<b>Transfer of Control and Location with Secured Party</b>	A MERS® eRegistry transfer transaction used to change the current Controller and Location of an eNote to another MERS® eRegistry Participant(s) while also adding or changing the Secured Party at the conclusion of the transfer.

<b>Transfer of Location</b>	A MERS® eRegistry transfer transaction used to change the current Location of an eNote to another MERS® eRegistry Participant.
<b>Transferable Record</b>	Transferable Record means an Electronic Record as described in Section 16 of UETA and in Title II, Section 201 of ESIGN, specifically an electronic record that a) would be a note under Article 3 of the UCC if the electronic record were in writing, b) the issuer of the electronic record has agreed that it is a Transferable Record, and c) relates to a loan secured by real property. A Transferable Record is referred to herein as an eNote.
<b>Uniform Commercial Code (UCC)</b>	UCC means the Uniform Commercial Code, which is a model commercial transactions statute promulgated by NCCUSL, adopted enacted as law by all 50 states and most, territories and possessions of the United States. UCC Article 3 governs negotiable instruments, including paper notes.
<b>Uniform Electronic Transactions Act (UETA)</b>	UETA means the Uniform Electronic Transactions Act of 1999, which is a model law promulgated by NCCUSL and which has been enacted in some form by 47 states. The three remaining states have enacted similar laws to govern electronic records and transactions. UETA provisions can modify or supersede ESIGN, by the terms of ESIGN, but only if the state's UETA provisions are consistent with ESIGN and meet other ESIGN requirements.
<b>X509</b>	The standard that defines the format of the public certificates (i.e., Digital Certificates) in the Public Key Infrastructure ("PKI") used by the MERS® eRegistry to encrypt data transmitted to/from the MERS® eRegistry and digitally sign the XML messages sent to/by the MERS® eRegistry.