



Freddie Mac eMortgage Guide

Version 9.0

DISCLOSURE NOTICE, DISCLAIMER

This *Freddie Mac eMortgage Guide*® (eMortgage Guide) is for Freddie Mac Seller/Serviceicers that enter into negotiated agreements with Freddie Mac to originate and sell eMortgages to and/or service electronic Mortgages for Freddie Mac. eMortgages are Mortgages that are originated using a “Transferable Record” also referred to as an electronic Note or “eNote.” An eMortgage may also have an electronic or paper Security Instrument and certain other paper or Electronic Records, which are part of the Mortgage File Documents. If a Seller/Serviceicer enters into an agreement with Freddie Mac to sell and/or service eMortgages, the requirements contained herein will be incorporated into and become a part of and will amend and supplement the Freddie Mac Single-Family Seller/Serviceicer Guide (“Guide”) and Seller/Serviceicer’s other Purchase Documents.

The requirements in this eMortgage Guide are subject to revision by Freddie Mac at any time at its sole discretion. Notwithstanding anything contained in the Guide or Seller/Serviceicer’s other Purchase Documents to the contrary, any such revision shall be effective as of the date specified by Freddie Mac. The information contained in this eMortgage Guide is not a statement of law and does not create any rights for any Seller/Serviceicer or any third party, other than Freddie Mac. This eMortgage Guide Version 8, replaces and supersedes, in its entirety, Version 7 of the Freddie Mac eMortgage Guide.

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Section 1: Introduction

1.1 Introduction

An eMortgage is a Mortgage that is originated using an “Electronic Note” or “eNote”. The Security Instrument and other loan documents can be paper or Electronic Records.

Most types of Mortgages are eligible for delivery to Freddie Mac as eMortgages. Mortgages that are not currently eligible for sale to Freddie Mac as eMortgages, due to additional risks associated with such Mortgages, are identified and set forth in Section [2.4](#) below.

1.2 About This Guide

This *Freddie Mac eMortgage Guide*® (“eMortgage Guide”) sets forth Freddie Mac's requirements that Seller/Servicers, Custodians and System Providers must comply with to create, store, sell, and service eMortgages. The requirements and specifications in this eMortgage Guide are based, for the most part, on the requirements of E-SIGN, which is a law that was adopted by Congress and signed into law by the president in 2000, and the UETA, which was adopted by NCCUSL and recommended for adoption by the 50 states, the District of Columbia, and U.S. possessions and territories in 1999.

1.3 Interpreting Requirements Set Forth in This eMortgage Guide

In any interpretation of Seller/Servicer Purchase Documents with respect to the special requirements applicable to eMortgages, the requirements set forth in this eMortgage Guide and the amendment that incorporates this eMortgage Guide into Seller/Servicer's Purchase Documents shall prevail over conflicting or contradictory requirements in the Freddie Mac Single-Family Seller/Servicer Guide (the “Guide”). Except as expressly agreed in writing between Seller/Servicer and Freddie Mac, eMortgages must comply with the requirements in the Guide.

1.3.1 Complying with eMortgage Requirements

If Freddie Mac, in its sole discretion, determines that a Seller/Servicer is eligible to sell and/or service eMortgages, Freddie Mac shall prepare an attachment or amendment to a Seller/Servicer's Purchase Documents, which shall incorporate this eMortgage Guide by reference. Seller/Servicers and their System Providers (and if applicable, Correspondents and/or Mortgage Brokers) must comply with the requirements specified in this eMortgage Guide. In addition, contracts between the Seller/Servicer and any Service Provider(s) (and if applicable, Correspondents and/or Mortgage Brokers) regarding the provision of eMortgage closing services and eNote Vault System services, will be required by Freddie Mac to contain certain terms and conditions. Seller/Servicers will be required to make certain representations and warranties regarding their compliance with requirements in this eMortgage Guide and in other Purchase Documents.

The Seller/Servicer is solely responsible for any failure to comply with the provisions of the MERS eRegistry Membership Agreement, including, but not limited to, any rules, and procedures and any liability that it or Freddie Mac incurs as a result of Seller/Servicer's registration of (or failure to timely register) eNotes in the MERS eRegistry. A transfer of control identifying Freddie Mac as the “Controller” of an eNote registered in the MERS eRegistry does not relieve the Seller/Servicer from its responsibility to comply with all applicable provisions of the MERS eRegistry Rules, this eMortgage Guide and

Seller/Servicer's other Purchase Documents.

1.4 Capitalized Terms

Capitalized terms used herein shall have the meanings ascribed to such terms in the Guide, this eMortgage Guide, Seller/Servicer's other Purchase Documents, E-SIGN, and UETA.

Section 2: Selling eMortgages

2.1 Seller Eligibility Requirements

2.1.1 Seller Approval

Seller/Servicers who wish to sell eMortgages to Freddie Mac should contact their account manager or the Freddie Mac eMortgage Team (eMortgage_Team@freddiemac.com) to begin the process of determining their eligibility. As part of the Seller/Servicer approval process, Seller/Servicer's systems used to originate and close eMortgages ("eClosing System") and store Electronic Notes ("eNote Vault System"), must go through the Freddie Mac approval process outlined below.

If a Seller/Servicer is approved by Freddie Mac to sell eMortgages to Freddie Mac, the Seller/Servicer's Purchase Documents will be amended to incorporate this eMortgage Guide and other applicable terms and conditions. Freddie Mac's approval of an entity as a Seller of eMortgages to Freddie Mac does not necessarily mean that such entity will also be approved as a Servicer of eMortgages for Freddie Mac or vice versa. The approval process to service eMortgages is outlined in Section [3](#).

2.1.2 eClosing and eNote Vault Systems Review and Approval

The eClosing System and eNote Vault System review and approval process includes an initial due diligence process to confirm compliance with requirements outlined in section [2.2](#) and [2.3](#). In addition, the systems must go through periodic and as needed reviews to confirm continued compliance with Freddie Mac eMortgage requirements.

2.1.3 Due Diligence and Approval Process

If the eClosing System and eNote Vault System ("Systems") were not previously reviewed by Freddie Mac, the Systems must go through the due diligence process. The due diligence process includes following steps:

Note: Some of these steps can be performed simultaneously

- A demonstration of the Systems for Freddie Mac's review
- Submission of a certified third party security assessment report which may be a network vulnerability scan or penetration test of the Systems, acceptable to Freddie Mac conducted within 30 days of request for approval and provided to Freddie Mac. Freddie Mac will, in its sole discretion, determine whether the results are acceptable. Some of the known tools to Freddie Mac are IBM RATIONAL APPSCAN®, HP WebInspect®, Tenable Nessus®, Acunetix®, QualysGuard®.
- Completion of the Systems testing that includes verification of integration with MERS eRegistry and eDelivery systems, among other things. If using vendor provided Systems, execution of a Freddie Mac provided certification form by the System Provider's Chief Technology/Security Officer (or comparable titled employee of the System Provider) and submission of the executed certification form to Freddie Mac
- If using a proprietary system, execution of a Freddie Mac provided certification form by the Seller's Chief Technology/Security Officer (or comparable titled employee of Seller) and submission of the executed certification form to Freddie Mac
- A legal analysis of the Seller's System and the System Provider's System (if using vendor provided systems) and the System policies, procedures and processes, by an attorney selected and paid for by Freddie Mac (which may include Seller and System

Provider delivering new or supplemental written, executed certifications provided by Freddie Mac)

If the due diligence review of the Seller, System Provider and Systems is acceptable to Freddie Mac, in its sole discretion, the Seller will be approved, thereby permitting Seller to sell eMortgages to Freddie Mac in accordance and compliance with Seller's Purchase Documents

2.1.3.1 Systems Previously Reviewed by Freddie Mac

If a System Provider's eClosing System and eNote Vault System were previously reviewed by Freddie Mac for use by another Seller/Servicer, only Systems testing which includes verification of integration with MERS eRegistry and eDelivery systems, is required.

However, if material modifications are made to a Freddie Mac reviewed vendor System, execution of a Freddie Mac provided certification form by the Seller's Chief Technology/Security Officer (or comparable titled employee of Seller) and submission of the executed certification form to Freddie Mac will be required.

Freddie Mac reserves the right to require a full technical, security and legal review and analysis of any previously approved Seller, System Provider and System.

Notwithstanding Freddie Mac's legal analysis or technical and security analysis of Seller and the System Provider, and the eClosing System and/or eNote Vault System: (i) Seller/Servicer remains solely responsible and liable for any error, omission, System malfunction and/or negligence caused by: the System Provider, eClosing System, eNote Vault System and/or Seller and (ii) Freddie Mac undertakes no responsibility and/or liability whatsoever in connection with any error, omission, system malfunction and/or negligence caused by the System Provider, eClosing System, eNote Vault System and/or Seller in connection with Seller's use of such eClosing System and/or eNote Vault System.

2.1.3.2 Notice of Significant Changes to eClosing System and/or eNote Vault System

Subsequent significant changes to the Seller eMortgage Closing System and/or Seller eNote Vault System are those that may materially and adversely affect the performance of the Seller eMortgage Closing System and/or Seller eNote Vault System. Freddie Mac requires Seller to give Freddie Mac 90 days' advance written notice of any significant proposed change to the: (i) Seller eMortgage Closing System and/or Seller eNote Vault System and (ii) Seller's eMortgage Closing policies, procedures and/or processes. Significant changes shall include any change that would be reasonably likely to adversely affect the enforceability of the eNotes or other eMortgage documents or compliance with ESIGN and/or the UETA.

2.1.4 Ongoing Reviews

The Seller/Servicer must (or cause the System Provider to) provide third party administered annual system/network/application scans and reports of findings and remedial actions taken to address the findings discovered in the scan. Freddie Mac may require an SSAE 18 or other comparable type of audit acceptable to Freddie Mac, in its sole discretion. A copy of the audit shall be provided to Freddie Mac within 30 days of its completion.

In addition, Freddie Mac reserves the right, in its sole discretion, to require that the legal

analysis, technical review and security review be updated, in the event of any material change to the operation or effectiveness of the eClosing System and eNote Vault Systems.

Freddie Mac will provide Seller with 30 days' notice before the Seller (and/or the System Provider) is required to provide an SSAE 18 or other comparable type of audit report or an updated legal analysis, technical review and security review, unless such review is being conducted pursuant to Guide Series 1000, 2000 and/or 3000.

2.1.5. Correspondents and Mortgage Broker Loans

If Seller has been separately approved in writing by Freddie Mac to deliver Mortgages originated by Seller's Correspondents and Mortgage Brokers, an approved eMortgage Seller may also deliver eMortgages to Freddie Mac originated by Seller's Correspondents and Mortgage Brokers, provided that:

- The vendor and the eClosing Systems and eNote Vault Systems used by any such Correspondent or Mortgage Broker are either: (i) listed as Freddie Mac reviewed vendors on FreddieMac.com; or (ii) reviewed by Freddie Mac before Seller delivers eMortgages; and
- All such eClosing Systems and eNote Vault Systems comply (and remain in compliance) with the requirements in this eMortgage Guide at all times

Seller must require its Correspondents and Mortgage Brokers to agree, in a written agreement, that the Correspondents and Mortgage Brokers shall:

- Identify all of their eClosing System and eNote Vault System providers to Seller;
- Represent and warrant to, and covenant with, Seller that:
 - Each such eClosing Systems and eNote Vault Systems complies with ESIGN and the applicable UETA and Freddie Mac's eMortgage Guide requirements, and
 - All eMortgages sold to Seller by such Correspondent or Mortgage Broker comply with all other applicable laws and regulations, Freddie Mac's eMortgage Guide requirements and Seller's Purchase Documents.
- Comply with the eNote Recourse requirements in Section-[2.5.5](#) and eNote Transfer Warranty requirements in Section-[2.5.7](#) of this eMortgage Guide.

Seller must always know and approve the eClosing Systems and eNote Vault Systems being used by its Correspondents and Mortgage Brokers.

Seller is solely and absolutely responsible for: (A) all acts, omissions and errors of each Correspondent and Mortgage Broker in connection with eMortgages sold to Seller and which Seller delivers and sells to Freddie Mac and (B) its Correspondents' and Mortgage Brokers' eClosing Systems and eNote Vault Systems compliance with Freddie Mac's requirements.

2.2 eClosing Requirements

The Seller/Servicer originating and closing eMortgages must comply with following requirements.

2.2.1 eClosing System Requirements

The eClosing System used by the Seller/Servicer to close eMortgages must:

- Verify the Borrower's identity and authority to sign the eNote and other Electronic Records.
- Clearly identify the symbol or Process to be used as an Electronic Signature by the Borrower

and the purpose of the Electronic Signature.

- Present Electronic Records in compliance with all applicable state and federal requirements concerning the content, display and format of information and retention (as required for paper records). As an illustration only, some of the formatting and display requirements that must be observed include:
 - Physical location of particular information, such as disclosures that are required to appear just above the signature line; and
 - Requirements that certain information is boxed, segregated, or separately displayed
- Clearly identify the Electronic Record being signed.
- Capture clear evidence of the Borrower's intent to adopt the Electronic Signature and to electronically sign the eNote and other Electronic Records.
- Attach the Electronic Signature to, or associate the Electronic Signature with, the eNote and any other Electronic Records executed by the Borrower.
- Attribute the Electronic Signature to the applicable Borrower.
- Include the Borrower's printed name in a visible and legible manner on the Electronic Record; and include date and time stamp of the time of Borrower's execution of the eNote and any other Electronic Records.
- Tamper Seal the eNote and any other SMART Documents after each Borrower signs and immediately after the last Borrower signs and register the eNote with the MERS eRegistry.
- Log the validations (re-computations of Hash Values) of eNotes' and any other SMART Documents' interim and/or final Tamper Seals and confirmations of eNotes' and other SMART Documents' DTDs/Schemas and permit Seller and Freddie Mac to verify the same
- Distinguish the Authoritative Copy from any copy of the Authoritative Copy. The screen on which the Authoritative Copy appears must clearly and conspicuously state that the viewer is viewing the Authoritative Copy. The screen on which a copy of the Authoritative Copy appears must clearly and conspicuously state that the viewer is viewing a copy of the Authoritative Copy. If Seller/Service Provider wishes to use a different method to identify the Authoritative Copy and/or a copy of the Authoritative Copy, the Seller/Service Provider must obtain express approval from Freddie Mac.
- Create and store a record of each eNote and Electronic Record presented and signed ("eClosing Transaction Record"). The eClosing System must also, among other things, track and log actions related to the creation, signing and transferring of the eNote and other Electronic Records using the System. Such information must be contained in the eClosing Transaction Record. The eClosing Transaction Record must be retained and maintained by the Seller/Service Provider and, if the related eMortgage or servicing of the eMortgage is transferred, it must be retained and maintained by the subsequent Seller/Service Provider. The eClosing Transaction Record, at all times, must be stored and maintained in a manner that preserves the integrity and reliability of the eClosing Transaction Record for the life of the applicable eMortgage plus seven years.
- Provide reasonable evidence that Electronic Records created and maintained by the System are not (and have not been) subject to unauthorized access or alteration. In the event of unauthorized access or alteration, the System Provider must have processes in place to promptly notify affected Seller/Service Providers, Borrowers, other parties and Freddie Mac, as applicable
- Be capable of accurately reproducing the fonts, styling, margins, and other physical features of the eNotes and other Electronic Records when electronically displayed and printed post-execution and as required by state and/or federal law. In addition, the system must permit the party viewing or printing the Electronic Record to ascertain:
 - The content of the Electronic Record;

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

Additional details on Electronic Signature requirements are provided in [Appendix B](#).

2.2.2 Mandatory eNote Language

The eNote created must include the language provided in [Required Changes to Uniform Instruments for Electronic Notes](#), which is incorporated herein by this reference and made a part hereof.

2.2.3 Mandatory Electronic Record Types, Tamper Seals & Certificate Authority

Seller/Servicer must use the following electronic document types:

- The eNote must be a valid, Version 1.02 MISMO Category 1 SMART Document, signed using an Electronic Signature process, and secured by a Tamper Seal; and
- All other Mortgage File Documents may be MISMO Category 1, Category 2 or 4 Version 1.02 SMART Documents or Portable Document Format (PDF) documents.

Seller/Servicer must use Operational Research Consultants ("ORC") or DigiCert as its Certificate Authority ("CA") and obtain Freddie Mac's express written consent before using any other Certificate Authority for eMortgages intended for sale to Freddie Mac.

2.2.4 Document Licenses

All eNotes and other Electronic Records, regardless of format, must have no licensing conditions that would prohibit, limit or inhibit Freddie Mac from using the eNote and other Electronic Records for any customary business purpose. In addition, Freddie Mac shall not be required to pay any royalties or any other fees for its use of the eNotes and Electronic Records.

2.3 eNote Vault System Requirements

The eNote Vault System used by the Seller/Servicer, must store the Authoritative Copies of eNotes before the eMortgages are purchased by Freddie Mac and must store copies of the Authoritative Copies of the eNotes thereafter and must comply with following requirements:

- Interface with MERS® eRegistry.
- Support the MISMO industry standard document version in which the eNote and other electronic documents were originally created for the life of loan plus seven years.
- Support one or more authentication methods to authenticate user access.
- Protect system integrity through appropriate measures such as safeguarding against malware, firewall and network perimeter security controls, etc.
- Verify document integrity including, but not limited to, compliance with eNote Document Type Definition ("DTD") or schema and eNote Tamper Evident Seal before accepting documents.
- Log the validations (re-computations of Hash Values) of eNotes' and any other SMART Documents' Tamper Seals and permit Seller and Freddie Mac to verify the same
- Have the capability to transfer eNotes and any other Electronic Mortgage File Documents in the eNote Vault System to another eNote Vault System using MERS eDelivery.
- Prevent unauthorized viewing of the most sensitive data and documents through restricted access.

- The eNote Vault System screen on which the Authoritative Copy appears must state that the eNote being viewed is the Authoritative Copy.
- The eNote Vault System screen on which a copy of Authoritative Copy appears must state the eNote being viewed is a copy of the Authoritative Copy.

If Seller/Servicer wishes to use a different method to identify the Authoritative Copy and/or a copy of the Authoritative Copy, they must obtain express approval from Freddie Mac in advance.

Additional details on the above requirements are provided in [Appendix C](#).

2.4 Eligible eMortgage Types and/or Products

Upon obtaining Freddie Mac's express written approval to sell eMortgages to Freddie Mac, the Seller/Servicer may sell all Mortgage types and/or products eligible under Seller's Purchase Documents to Freddie Mac as eMortgages, except for the following which are not permitted currently:

- Mortgages secured by Mortgaged Premises located in Puerto Rico
- Mortgages in which a Power of Attorney is used for any Borrower
- Texas Equity Section 50(a)(6) Mortgages
- New York Consolidation, Extension and Modification Agreement ("NYCEMA") Mortgages
 - Note: An eMortgage may be refinanced into NYCEMA using the NYCEMA process provided in [Appendix F](#).
- Mortgages in which the Borrower is a trust of any type

In addition, a Freddie Mac-approved eMortgage Seller/Servicer may only sell the following Mortgage types and/or products to Freddie Mac as eMortgages on a negotiated basis, even if otherwise eligible as paper-based Mortgages under Seller/Servicer's Purchase Documents:

- Mortgages secured by Manufactured Homes
- Biweekly Mortgages
- Cooperative Share Mortgages

Seller acknowledges and agrees that each eMortgage sold to Freddie Mac hereunder shall be originated using the same credit, collateral, and underwriting requirements applicable to identical paper Mortgages, as set forth in Seller's Purchase Documents.

2.5 Closing and Delivering eMortgages

Seller/Servicer will be required to:

- Close the eMortgage with the applicable Fannie Mae/Freddie Mac Uniform Security Instrument, naming MERS as the original mortgagee of record, solely as the nominee for the lender and the lender's successors and assigns. For eMortgages on properties in Maine, beginning January 1, 2018, utilize instead the Maine Uniform Security Instrument Form 3020 (**NOT** naming MERS as original mortgagee of record) and assign the security instrument to MERS, utilizing the Fannie Mae/Freddie Mac MERS Mortgage Assignment (Form 3749).
- Provide the Borrower with a paper copy of the eNote and all other Mortgage documents, unless the Borrower expressly agrees, in writing or electronically, to receive an electronic copy of the eNote and all other Mortgage File Documents. It is the Seller/Servicer's responsibility to provide copies of the eNote and other Mortgage File Documents, if requested by the Borrower in the future.

- Register an eNote with the MERS eRegistry, using a MIN, as soon as possible, but no later than one (1) Business Day after the eMortgage loan closing date. Registration must occur before delivery and certification.
- Deliver the Authoritative Copy of the eNote, using MERS eDelivery, to Freddie Mac's eNote Vault System. Upon receipt of the eNotes, the Freddie Mac eNote Vault System will validate (re-compute) all of the eNotes' tamper-seals and compare them with the corresponding tamper-seals in the MERS® eRegistry.
- Retain a copy of the Authoritative Copy of the eNote in Seller/Servicer's eNote Vault System.
- Send an offer of transfer of Control and Location status of the eNote to Freddie Mac using the MERS eDelivery.
- Deliver the required loan data to the Freddie Mac Loan Selling AdvisorSM.
- Insert Investor Feature Identifier (IFI) 251 in one of the IFI fields in Loan Selling Advisor that identifies the loan as an eMortgage.
- Deliver the MERS Mortgage Identification Number (MIN).
- Clear all critical purchase edits for eMortgages in Loan Selling Advisor.

Before Freddie Mac purchases an eMortgage, the eNote must be certified by Freddie Mac to make sure eNote data matches with data delivered in Loan Selling Advisor. Any other certification arrangement must be expressly approved by Freddie Mac. The certification requirements are provided below.

2.5.1 eNote Certification

Freddie Mac may agree to provide its automated eNote certification process to Seller/Servicer or it may provide Freddie Mac's manual eNote certification process to Seller/Servicer. Freddie Mac will make that determination at the time of Seller/Servicer's approval to sell eMortgages.

- **Automated eNote Certification.** Freddie Mac's eNote Vault System provider also provides automated eNote certification services to Freddie Mac. Such automated eNote certification will occur after the eNotes are in the Freddie Mac eNote Vault System and Seller/Servicer has provided all required loan data to Loan Selling Advisor.
- **Manual eNote Certification.** In the event Freddie Mac determines that Seller/Servicer must use the manual eNote certification process, in addition to applicable Note verification requirements as identified in Section 6304.3(a) of the Guide, the Freddie Mac approved eNote certifier must verify that:
 - Loan Selling Advisor properly identifies eMortgages by confirming that;
 - The term "EMTG" is on the Form 1034E in Loan Selling Advisor or on a printed version of 1034E; or
 - The "Enote Indicator" column in the data export from Loan Selling Advisor is "true"; or
 - A check mark is in a column denoted with or labeled with a lower case "e", in the certification screens in Loan Selling Advisor;
 - The MIN in Loan Selling Advisor from the Security Instrument is the same as the MIN on the eNote;
 - The Tamper Seal on the eNote matches the Tamper Seal stored in the MERS eRegistry;
 - Freddie Mac is the Controller of the eNote and the Location of the eNote in the MERS eRegistry;
 - When the eNote is viewed online, there is a representation of the typed name and

Electronic Signature of the Borrower's, a time and date stamp associated with and located near the Borrower's electronic signature, and the Borrower's legal signing capacity, if signing other than in an individual capacity;

- When the eNote is viewed online, MERSCORP Holdings, Inc., a Delaware corporation, has been named as the "Operator of the Registry" in the Uniform eNote;
- If the eNote has been modified, the MERS eRegistry reflects the modification; and
- The eNote is a valid Version 1.02 MISMO Category 1 SMART Document.

Seller/Service is responsible for resolving discrepancies before certification can be completed. If the eNote does not meet certification requirements and the Seller/Service has been unable to resolve outstanding issues, the eNote will be transferred back to Seller/Service before purchase.

2.5.2 eMortgage Post-Closing and Pre-Delivery Corrections

2.5.2.1 Major Corrections

If Seller discovers a major error, which is an error or omission affecting the enforceability of the eNote, Electronic Security Instrument or other Electronic eMortgage file documents ("Major Error") after closing, but before delivery to Freddie Mac, Seller may correct such Major Error by:

- Re-closing the eMortgage; or
- Having each Borrower execute a completed paper or Electronic modification agreement, comparable to the sample provided in [Appendix G](#). The modification agreement must comply with applicable Freddie Mac Selling and Servicing requirements in the Guide and State law, and recorded (if required to be effective). Seller must obtain an endorsement to the title insurance policy that reflects the recordation (if required) of the modification agreement.

Seller may not use this procedure to modify an eNote, Electronic Security Instrument or other Electronic eMortgage file documents after the eMortgage has been delivered to and purchased by Freddie Mac, unless Seller obtains Freddie Mac's advance express written consent. Freddie Mac may withhold such consent in its sole discretion.

eNotes, Electronic Security Instruments and Electronic eMortgage file documents corrected as set forth herein must be, accurate, valid, effective and enforceable (as a first lien) and in compliance with all applicable State and federal laws, regulations and rules, including without limitation, E-SIGN and the UETA, as enacted in the applicable jurisdiction.

Seller will: (i) revise the fields in the MERS eRegistry for each such modified eMortgage to reflect that the eNote has been modified; (ii) update Seller's eNote tracking system to reflect that an eNote has been modified.

Seller must: (i) store Electronic copies of such executed recorded or unrecorded (if recording is unnecessary to maintain first lien status) modification agreements (and other Electronic eMortgage file documents) in Seller's eNote Vault System or eMortgage File Documents Storage System; (ii) deliver all such documents as Electronic Records, in an Electronic format acceptable to Freddie Mac's eNote Vault System for storage with related eNotes; and (iii) deliver a paper copy of such documents to the Borrower.

The Major Error correction process above is provided as a convenience for Seller, and not as legal advice. Seller is (and remains) solely responsible for the validity, effectiveness and

enforceability of any eNote or other Electronic Record corrected in this manner. Seller must confer with its applicable legal counsel before using this process in any State. Freddie Mac assumes no liability for the correction process used by Seller.

2.5.2.2 Minor Corrections

If Seller discovers a minor error, (which is a scrivener's or ministerial error or omission not adversely affecting the enforceability of any eNote, Electronic Security Instrument or Electronic eMortgage file documents) ("Minor Error") in any eNote, Electronic Security Instrument or Electronic eMortgage file document after closing, but before delivery to Freddie Mac, Seller may correct any such Minor Error using the procedures and processes below:

- Seller may, pursuant to a limited power of attorney or closing compliance authorization agreement duly executed by the Borrower:
 - make corrections only to a Seller certified paper copy of the eNote, Electronic Security Instrument or Electronic eMortgage File document marked "Copy", as applicable; and
 - execute an affidavit similar to the sample provided in [Appendix H](#) and insert the applicable information on the form similar to the sample provided in [Appendix I](#).

Seller must: (i) store Electronic copies of eMortgage File documents in Seller's eNote Vault System or Electronic eMortgage File Documents Storage System; (ii) deliver [Appendix H](#) and [Appendix I](#) as Electronic Records, in an Electronic format acceptable to Freddie Mac's eNote Vault System for storage with related eNotes; and (iii) deliver a paper copy of such documents to the Borrower.

Seller agrees that eNotes, Electronic Security Instruments and Electronic eMortgage File documents corrected as set forth herein shall be accurate, valid, effective and enforceable (first lien) and in compliance with all applicable state and federal rules, regulations and laws, including without limitation E-SIGN and the UETA, as enacted in the applicable jurisdictions.

Seller may not use this procedure to correct any eNote, Electronic Security Instrument or Electronic eMortgage file document after the eMortgage has been purchased by Freddie Mac, unless Seller obtains Freddie Mac's advance express written consent. Freddie Mac may withhold such consent, in its sole discretion.

The Minor Error correction process above is provided as a convenience for Seller and not as legal advice. Seller is (and remains) solely responsible for the validity, effectiveness and enforceability of any eNote or other Electronic Record corrected in this manner. Seller must confer with its applicable legal counsel before using this process in any State. Freddie Mac assumes no liability for the correction process used by Seller.

2.5.3 Electronic Record Image Quality

If an Electronic Record is delivered to the Freddie Mac eNote Vault and such Electronic Record is deemed to have unacceptable image quality by Freddie Mac, Freddie Mac shall have the right, in its sole discretion, to require Seller/Service to provide an electronic copy of the Electronic Record that is acceptable to Freddie Mac.

2.5.4 eMortgage File Documentation Management

The Mortgage File Documents for eMortgages delivered may contain paper and electronic documents, so long as Seller/Servicer: (i) maintains records that cross-reference the paper and electronic documents, and (ii) promptly delivers the documents to Freddie Mac or its designee in the format required by applicable law and/or Freddie Mac's requirements.

If some of the Mortgage File Documents are paper and some are electronic, the paper documents must be retained as required by the Guide, and the other Electronic Mortgage File Documents must be retained in Seller/Servicer's eNote Vault System. If the eNote Vault System does not allow storage of Electronic Mortgage File Documents other than the eNote, these documents must be stored securely in a eMortgage File Document Storage System as defined in this eMortgage Guide, in compliance with the requirements of this eMortgage Guide, the Guide, and Seller/Servicer's other Purchase Documents.

2.5.5 Selling eNotes With or Without Recourse

Unless Seller/Servicer and Freddie Mac have agreed (or subsequently agree) in Seller/Servicer's Master Agreement or other Purchase Documents to the contrary, eNotes sold hereunder will be sold by Seller/Servicer "without recourse", as that term is used and described in Article 3 of the model Uniform Commercial Code the "UCC" promulgated by NCCUSL, as amended from time to time, and Section 6201.7(b) of the Guide. Seller/Servicer shall nevertheless remain responsible and liable for: (i) for all of its representations, warranties, covenants and agreements under Seller/Servicer's Master Agreement, the eMortgage Guide, and other Purchase Documents including, without limitation, any repurchase or indemnification agreements applicable to any eMortgage sold hereunder and (ii) the eNote transfer warranties set forth in subsection [2.5.7](#) below.

2.5.6 Title Insurance Requirements

Each eMortgage must be insured by a lender's title insurance policy written on the ALTA® 2006 Loan Policy (adopted by ALTA 06/17/06) or the standard ALTA Short Form Residential Loan Policy One-to-Four Family (adopted by ALTA 06/17/06). In the event the policy is not one of the ones described in the immediately preceding sentence, Seller/Servicer represents and warrants that the coverage the title insurance policy provides is equivalent to the coverage provided in the ALTA 06/17/06 lender's title insurance policies.

2.5.7 eNote (Negotiable Instrument) Transfer Warranties

Notwithstanding the transfer warranties or anything else contained in Section 3-416 of Article 3 of the UCC, Seller/Servicer, as transferor of each eNote transferred to Freddie Mac hereunder for consideration, hereby warrants to Freddie Mac, as transferee, and to Freddie Mac's successors and/or assigns, as successor transferees, that:

- Each eNote is being maintained in an eNote Vault System that satisfies the requirements of Section 16(b) and (c) of UETA and Section 201(b) and (c) of the E-SIGN Act and eNote Vault System requirements specified in this eMortgage Guide;
- The transferor is duly authorized to transfer each eNote;
- The transferor is a person or an organization entitled to enforce each eNote;
- All Electronic Signatures attached to or logically associated with each eNote, and in connection with any prior authorization to transfer, are authentic, authorized, genuine and enforceable against the party purporting to have electronically signed;
- Each eNote has not been altered since it was executed by the Borrower(s);

- Each eNote is not subject to a defense or a claim of recoupment of any party that can be asserted against the transferor;
- The transferor has no knowledge of any insolvency proceeding commenced or threatened with respect to the Borrower(s) on each eNote; and
- Each eNote has at all times been maintained by a person identified as the person: (a) to whom the eNote was issued or transferred; and (b) asserting control of the eNote, or that person's designated custodian.

Freddie Mac and any successor transferee accepting a transfer of Control and Location of the eNotes sold hereunder in good faith may recover from the Seller/Servicer, as transferor, damages for breach of any of the warranties set forth in this paragraph, in an amount equal to the loss suffered as a result of the breach, but not more than the unpaid principal balance of the applicable eNote at the time of any such breach, plus expenses and loss of interest incurred as a result of the breach.

Seller/Servicer and Freddie Mac agree that under no circumstances shall the transfer warranties or any conditions precedent to enforcement of such transfer warranties contained in Section 3-416 of Article 3 of the UCC (or in the Uniform Commercial Code as enacted in the state in which the Mortgaged Premises is located) apply to eNotes sold to Freddie Mac hereunder.

2.5.8 Special eMortgage Representations, Warranties and Covenants

In addition to making all applicable representations and warranties in the Guide and Seller/Servicer's Purchase Documents, Seller/Servicer further represents and, warrants to (and covenants with) Freddie Mac, with respect to each and every eMortgage (both Retail eMortgages and Wholesale Home eMortgages) sold to Freddie Mac, that:

- All Borrowers electronically signed the Electronic consent form ("Electronic Consent Form") in advance of being presented with any Electronic Record to be signed;
- The Electronic Consent Form provided to the Borrower(s) complies with: (a) Seller/Servicer's Purchase Documents as amended by this eMortgage Guide; (b) Section 101(c) of Title I of E-SIGN; and (c) all other applicable laws, regulations and rules;
- The eNote and other Electronic Mortgage documents, the systems and processes used to create, register, transfer, store, retrieve, maintain and secure these documents, and the Electronic Signature process used by Borrower to electronically sign these documents comply with: (a) Seller/Servicer's Purchase Documents as amended by this eMortgage Guide; (b) E-SIGN and/or UETA, as enacted by the applicable jurisdiction, including, without limitation, Section 201 of Title II of E-SIGN and Section 16 of UETA; and (c) all other applicable laws, regulations and rules;
- The Electronic Record identified as an eNote is a "Transferable Record" and is a valid, Version 1.02 MISMO Category 1 SMART Document;
- All required disclosures under applicable law, were provided to the Borrower either on paper or electronically. If the disclosures were provided electronically, then they were provided after the Borrower was presented with and executed the Electronic Consent Form; and
- No eMortgage was funded at loan closing by the proceeds from the sale of such eMortgage to Freddie Mac.

2.6 Use of eMortgage Warehouse Lender

This Section supplements and amends Chapter 6305 of the Guide by setting forth the

requirements for Seller/Servicers and their Warehouse Lenders with respect to eMortgages. A Freddie Mac-approved Seller/Servicer that is also approved by Freddie Mac to originate and sell eMortgages to Freddie Mac, may enter into an eMortgage Warehousing Agreement with a Warehouse Lender (“WHL”) to facilitate the closing or purchase of eMortgages, and may grant the WHL a lien, interest and/or security interest in certain eMortgages (“Pledged eMortgages”) and related pledged eNotes (“Pledged eNotes”). The WHL must duly execute and deliver to Freddie Mac a completed Warehouse Lender Agreement [Form 994SF](#) before delivering and selling any Pledged eMortgages to Freddie Mac. Either the original paper [Form 994SF](#) signed by Seller/Servicer has to be sent to Freddie Mac by mail or a scanned copy of the Seller Servicer signed [Form 994SF](#) has to be electronically delivered to Freddie Mac at counterparty_authorization@freddiemac.com. The requirements applicable to Seller/Servicers and Warehouse Lenders for the delivery of Pledged eMortgages are attached hereto as [Appendix E](#), which is incorporated herein by this reference and made a part hereof.

2.7 Post Purchase Support

A Seller/Servicer that creates, stores or transfers an eNote purchased by Freddie Mac must cooperate with Freddie Mac in all activities necessary to enforce the Security Instrument and eNote. Promptly upon request by Freddie Mac, the Seller/Servicer must provide or, if applicable, cause their third-party Service Provider to provide to Freddie Mac an affidavit or certification regarding the creation and/or maintenance of the eNote, other Electronic Records in the Mortgage file and other Custodial Documents in connection with the eMortgage. The affidavit or certification must be in a form appropriate to ensure admissibility of the eNote, other Electronic Records in the Mortgage file and other Custodial Documents in a legal proceeding and must include, among other things:

- A description of how the executed eNote and other Electronic Records have been stored to prevent against unauthorized access and unauthorized alteration and a description of how the System can detect such unauthorized access or alteration;
- A description of the System controls in place to ensure compliance with E-SIGN and the UETA, including, without limitation, Section 201 of Title II of E-SIGN and Section 16 of UETA;
- A description of the steps followed by a Borrower to execute the eNote or other Electronic Record using the eClosing System;
- A copy of each screen, as it would have appeared to the Borrower, of the eNote or other Electronic Record that Freddie Mac is trying to enforce when the Borrower signed the eNote or other Electronic Record;
- A description of the System controls in place at the time of signing to ensure the integrity of the data
- Testimony by an authorized official or employee of the Seller/Servicer and/or System Provider and/or Correspondent or Mortgage Broker to support admission of the eNote and other Electronic Records into legal proceeding to defend and enforce the eMortgage.

Section 3: Servicing eMortgages

3.1 Becoming an eMortgage Servicer

Seller/Servicers who wish to service eMortgages for Freddie Mac should contact their servicing representative or Freddie Mac eMortgage Team (eMortgage_Team@freddiemac.com) to begin the process of determining their eligibility under Freddie Mac's requirements.

To service eMortgages, Seller/Servicer must:

- Be a Freddie Mac approved Seller and/or Servicer under the Guide.
- Be a member in good standing of MERSCORP Holdings, Inc.
- Be an approved member and user of the MERS System, MERS Delivery and MERS eRegistry.
- Have the approved eNote Vault system to support the following (See [Appendix C](#) for eNote Vault System requirements). If the eNote Vault System was not previously reviewed by Freddie Mac, the eNote Vault system must go through the due diligence process, similar to the one described in Section 2.1.3, as they apply to the eNote Vault System. Please note that for Servicers that are also Sellers, since the Freddie Mac approval process to deliver eMortgages to Freddie Mac includes eNote Vault approval, no separate approval of eNote Vault is required to service eMortgages:
 - Ability to maintain a copy of the Authoritative Copy of the eNote and its Tamper Evidence Seal for the life of loan.
 - Ability to identify all eMortgages in its servicing portfolio.
 - Ability to record all status changes and required actions that occur during the life of the eMortgage in the MERS eRegistry.
 - Ability to accept an offer of “Change of Control” from Freddie Mac, in the event of a foreclosure or other servicing legal matter.
 - Ability to create an offer of “Change of Control” to Freddie Mac, in the event of termination of a foreclosure or other servicing legal matter.
 - Ability to confirm that the MERS eRegistry accurately reflects the “Controller” and “Location” at all times.
 - Ability to accept a transfer of the Authoritative Copy of the eNote from Freddie Mac's eNote Vault System using MERS eDelivery, in the event of an eMortgage repurchase by Seller/Servicer.
 - Ability to securely store Electronic copies of all loan file documents. A Servicer can store all Electronic Mortgage File Documents in eNote Vault, if the eNote Vault System allows such storage. If the eNote Vault System does not permit storage of Electronic Mortgage File Documents other than the eNote, a Servicer must have a secure eMortgage File Document Storage System (see [Appendix D](#) for requirements) for storing those documents.
- Have documented eNote servicing procedures.

If Seller/Servicer is approved by Freddie Mac to service eMortgages, Servicer's Purchase Documents will be amended to incorporate this eMortgage Guide and other applicable terms and conditions. eMortgage Servicers are required to service eMortgages in accordance with the Guide as amended and supplemented by this eMortgage Guide and Seller/Servicer's other Purchase Documents. The approval by Freddie Mac of an entity as a Servicer of eMortgages for Freddie Mac does not mean that such entity will also be approved as a Seller of eMortgages to Freddie Mac.

If a Seller/Servicer's MERS membership is terminated or if the Servicer is unable to record life of loan events in the MERS eRegistry, the servicing of Freddie Mac's eMortgages will be transferred to an approved eMortgage Servicer whose MERS membership is in good standing and who is able to record such events in the MERS eRegistry.

3.1.1 Becoming an eMortgage Servicing Agent

To become an eMortgage Servicing Agent to service Freddie Mac eMortgages, a prospective eMortgage Servicing Agent must: (i) be an approved Freddie Mac Servicer and Servicing Agent and (ii) be fully capable of fulfilling all of Freddie Mac's requirements in the Guide, this eMortgage Guide, and Seller/Servicer's other Purchase Documents.

A prospective eMortgage Servicing Agent may utilize its principal's (the eMortgage Seller/Servicer's) eNote Vault System (which has been approved by Freddie Mac) and principal's servicing staff to perform the life of loan updates needed in the MERS eRegistry and to initiate/accept Transfer of Control and Location requests as needed during an eMortgage Servicing. The prospective eMortgage Servicing Agent and the eMortgage Seller/Servicer must include any such arrangement in the servicing procedures, which must be provided to Freddie Mac for its review, in its sole discretion.

Any eMortgage Servicing Agent Approval is limited to being an eMortgage Servicing Agent for only the identified eMortgage Seller/Servicer. A prospective eMortgage Servicing Agent that wishes to be an eMortgage Servicing Agent for more than one eMortgage Seller/Servicer must obtain Freddie Mac's separate and specific approval for each eMortgage Seller/Servicer.

3.2 Servicing Performing Loans

3.2.1 eMortgage Modification Requirements – Performing Loans

In addition to complying with the requirements set forth in Section 8103.7(c) of the Guide regarding modification of a performing loan owned by Freddie Mac, when a performing eMortgage is modified, a paper modification agreement must be signed by the Borrower with pen and ink. The original signed modification agreement must be stored as a paper agreement. The Seller/Servicer must: (a) update the MERS eRegistry to provide notice of the modification agreement; (b) retain a copy of the modification agreement; and (c) deliver the original modification agreement to the Document Custodian, in accordance with the Guide and this eMortgage Guide.

Freddie Mac will consider, on a case-by-case basis, requests from Seller/Servicers to use electronic modification agreements. Seller/Servicers must obtain Freddie Mac's specific and express written consent to use electronic modification agreements.

3.2.2 Transfer of Mortgaged Premises – Assumption of eMortgages

In addition to complying with the requirements set forth in the Guide regarding the assumption of an assumable Mortgage, after the Seller/Servicer qualifies the new Borrower to assume an eMortgage, the Borrower must sign a paper assumption agreement with pen and ink. The original signed assumption agreement must be stored as a paper agreement. The Seller/Servicer must: (a) update the MERS eRegistry to provide notice of the assumption agreement (modification agreement); (b) retain a copy of the assumption agreement; and (c) deliver the

original assumption agreement to the Document Custodian in accordance with the Guide and this eMortgage Guide.

Freddie Mac will consider, on a case-by-case basis, requests from Seller/Servicers to use electronic assumption agreements. Seller/Servicers must obtain Freddie Mac's specific and express written consent to use electronic assumption agreements.

3.2.3 eMortgage Payoffs

In States that require the return of a paper Note marked "paid-in-full" upon loan pay off, Seller/Servicer, will provide the Borrower with a Seller/Servicer certified paper copy of the eNote (**marked "Copy" and "paid-in-full"**). In such States, Seller/Servicer must also deliver a letter to the Borrower that explains that the Borrower is receiving a paper copy of the eNote which was originally registered in the MERS eRegistry and that Seller/Servicer has caused the eNote to be de-activated on the MERS eRegistry due to payment in full. In addition, Seller/Servicer will provide such Borrower with all other documents and information required by law.

3.2.4 Conversion of the eNote to a Paper Note

Neither Seller/Servicer nor any other party may convert an eNote owned by Freddie Mac into a paper-based Note without Freddie Mac's prior specific and express written consent. In the event Freddie Mac gives its specific and express written consent, the Seller/Servicer must comply with Freddie Mac's instructions in connection with such conversion. The one exception to this requirement is when a Seller/Servicer is servicing an eMortgage originated in New York and the same Borrower later wishes to refinance the eMortgage using the New York CEMA process and documents. In such case, a Freddie Mac Seller/Servicer shall comply with the requirements in [Appendix F](#), which is attached hereto, incorporated herein and made a part hereof.

3.2.5 Voluntary eMortgage Repurchase Request

In addition to complying with the repurchase requirements set forth in the Guide, when a Seller/Servicer makes a request to repurchase an eMortgage, Seller/Servicer must identify the loan as an eMortgage.

3.2.6 Damage or Loss of Mortgage File Documents

Seller/Servicers shall be solely responsible for all costs of restoring all Electronic Mortgage File Documents damaged or lost for any reason. Seller/Servicer must maintain back-up copies of all Electronic Mortgage File Documents in accordance with [Appendix C](#) and [Appendix D](#) (if a separate eMortgage File Document Storage System is required for Electronic Mortgage File Documents other than the eNote). In the event that an electronic Mortgage File Document is not recoverable from a backup copy or otherwise, Seller/Servicer indemnifies Freddie Mac for any losses, damages, claims, penalties, fines and costs (including court costs and reasonable attorneys' fees) incurred by Freddie Mac caused by Seller/Servicer's inability to restore any electronic Mortgage File Documents.

3.3 Servicing Non Performing Loans

For non-performing eMortgages, Seller/Servicer must comply with the loss mitigation requirements set forth in the Guide for paper Mortgages, as amended and supplemented by this eMortgage Guide.

3.3.1 eMortgage Modification Requirements – Non-Performing Loans

In addition to complying with the requirements set forth in the Guide, when modifying a non-performing eMortgage, the Seller/Servicer must have the Borrower sign a paper modification agreement. The original signed modification agreement must be stored as a paper modification agreement. The Seller/Servicer must: (a) update the MERS eRegistry to provide notice of the modification agreement; (b) retain a copy of the modification agreement; and (c) deliver the original modification agreement to the Document Custodian, in accordance with the Guide and this eMortgage Guide.

Freddie Mac will consider, on a case-by-case basis, requests from Seller/Servicers to use electronic modification agreements. Seller/Servicer must obtain Freddie Mac’s specific and express written consent to use electronic modification agreements.

3.3.2 Foreclosure, Bankruptcy, or Other Legal Proceedings

The Seller/Servicer must contact Freddie Mac at Legal_eMortgage@freddiemac.com before pursuing legal action or foreclosure with respect to an eMortgage. Seller/Servicer, in connection with its management of loss mitigation activity performed by outside foreclosure or litigation counsel, must consult and cooperate with Freddie Mac to determine appropriate requirements for foreclosure and litigation in cases that involve an eMortgage. If the property is secured by an eMortgage, the Seller/Servicer must refer the foreclosure to a law firm the Seller/Servicer selected and engaged under the requirements in Guide Chapter 9501, *Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters*.

3.3.2.1 Servicers Who Must be the Note Holder (Controller) to Proceed in Legal Matters

In States in which Seller/Servicer must be the holder of an eNote prior to commencing legal action, such as a foreclosure or filing a Proof of Claim or other filing or action in a Borrower’s bankruptcy proceedings (“Freddie Mac Default Legal Matters”) or other litigation (collectively, “Legal Action”) in connection with Servicing a Mortgage, Seller/Servicer must request a “Change of Control” from Freddie Mac. The request for “Change of Control” of the eNote in the MERS eRegistry must be sent to Freddie Mac at Loan_Delivery_Funding_Ops@freddiemac.com, at least three (3) Business Days before Change of Control is needed. Seller/Servicer must describe the necessity for the Change of Control and the date by which Freddie Mac should send an offer of Change of Control to Seller/Servicer via the MERS eRegistry®. Once Seller/Servicer’s request is confirmed to be in compliance with this subsection, Freddie Mac will send an offer of Change of Control of such eNote to Seller/Servicer via the MERS eRegistry.

From the moment Seller/Servicer accepts the offer of Change of Control; (i) Freddie Mac shall automatically and conclusively deemed to be Seller/Servicer’s “designated custodian”, as defined or described in the UETA and E-SIGN, and will maintain the eNote in its eNote Vault System, in trust, for the benefit of Seller/Servicer; and (ii) Seller/Servicer shall be conclusively deemed to be the “holder” of such eNote as the term “holder” is defined in Article 1 of the Uniform Commercial Code, as enacted in the applicable State. Seller/Servicer will be responsible for confirming that Servicer is identified as the “Controller” in the MERS eRegistry.

During the period of time Seller/Servicer, is the “Controller” of the eNote in the MERS eRegistry, Freddie Mac will remain the “Location” in the MERS eRegistry and maintain the Authoritative Copy of the eNote as Seller/Servicer’s “designated custodian”. Freddie Mac shall at all times, however, be the owner or beneficial owner of the eNote, under Seller/Servicer’s

Purchase Documents.

When the Legal Action is concluded, Seller/Servicer shall promptly offer a “Change of Control” of the eNote back to Freddie Mac, except as provided in Chapter 8107 of the Guide. Upon Freddie Mac’s acceptance of the Change of Control, Freddie Mac shall be the “Controller” and Freddie Mac, shall automatically and immediately cease maintaining the eNote in trust, for the benefit of the Seller/Servicer as its “designated custodian” and resume maintaining the eNote for itself.

Except as provided herein, Legal Actions related to eMortgages must be processed and administered in the same manner as Legal Actions related to paper Mortgages as set forth in the Guide.

3.3.3 Producing the eNote for Legal Proceedings

If the Seller/Servicer is required to produce a copy of the eNote for foreclosure, bankruptcy, or other legal proceedings, Seller/Servicer shall produce a Seller/Servicer certified paper copy of the eNote (marked “Copy”) together with a required affidavit.

3.4 Transfer of Servicing of eMortgages

3.4.1 Transfer of Servicing and Custody

A Transfer of Servicing of eMortgages, whether voluntary or involuntary, must be to a Freddie Mac-approved Seller/Servicer which has also been specifically and expressly approved by Freddie Mac to service eMortgages (Refer to Section [3.1](#) above). Once the Transferee Servicer is approved and the Transfer of Servicing is approved by Freddie Mac, the Transferor Servicer and Transferee Servicer must take any and all actions necessary to transfer the servicing of the eMortgages in accordance with Freddie Mac’s requirements (refer to Chapter 7101 of the Guide). The Transferor Servicer, in addition to complying with the requirements in the Guide, must change the “Servicer” designation in the MERS System and the MERS eRegistry, to the Legal Name and MERS Organizational Identifier of the Transferee Servicer.

The Transferor Servicer must instruct the Document Custodian, storing and maintaining paper documents related to all eMortgages included in the Transfer of Servicing, to transfer such paper documents to the Document Custodian used by the Transferee Servicer. Transfers of Servicing of eMortgages must comply with the Guide, eMortgage Guide and Seller/Servicer’s other Purchase Documents.

3.4.2 Transfer of Custodial Documents and Mortgage File Documents

Freddie Mac may at any time require the Seller/Servicer to deliver (or direct the Document Custodian to deliver) any of the following eMortgage documents to Freddie Mac or its designee:

- The copy of the Authoritative Copy of the eNote, any addenda, modifying instrument, power of attorney, original assignments and any other Custodial Documents; and
- Any Mortgage File Documents and other related documents in the custody of the Seller/Servicer, regardless of whether the documents are electronic or paper.

Seller/Servicers may entrust all or part of the Mortgage File Documents to the Document Custodian’s custody. Seller/Servicers must be able to promptly identify the Mortgage File Documents stored by the Document Custodian. The Seller/Servicer agrees to immediately

instruct the Document Custodian to deliver any such Mortgage File Documents to Freddie Mac (at the Seller/Servicer's expense) upon Freddie Mac's request.

If some or all Mortgage File documents are Electronic Records, Seller/Servicer must confirm that the Servicing Transferee has an eNote Vault System or other Electronic eMortgage File Document Storage System that can store all Electronic Mortgage File Documents. If the Servicing Transferee's eNote Vault System can only store eNotes, Seller/Servicer must confirm that the Servicing Transferee has a eMortgage File Document Storage System to store all other Electronic Mortgage File documents, before transferring the eMortgage File documents to the Transferee.

In addition, the Seller/Servicer agrees to indemnify Freddie Mac and hold Freddie Mac harmless from and against any loss, damage, or expense (including court costs and reasonable attorney fees) that Freddie Mac may incur as a result of Seller/Servicer's use of the Document Custodian to store all or part of the Mortgage File Documents.

3.5 Mortgage File Document Management Requirements

3.5.1 Storage of Paper Documents

Paper Mortgage File Documents must be stored in accordance with the requirements of the Guide, eMortgage Guide and Seller/Servicer's other Purchase Documents.

3.5.2 Cross Referencing Paper Mortgage File Documents to eMortgages

Paper documents that are part of the Mortgage File Documents must be cross-referenced to all Electronic Records stored in the eNote Vault System and as necessary, eMortgage File Document Storage System, such that, all the Records (both paper and electronic) are identified and cross-referenced to the applicable eMortgage.

3.5.3 Obtaining Access to Custodial Documents

Seller/Servicer must require the Document Custodian to promptly provide Freddie Mac with any Mortgage File Documents in the Document Custodian's possession. Seller/Servicer must complete and send to the Document Custodian a form entitled *Request for Physical or Constructive Possession of Documents* (Form 1036) to obtain any document (paper or electronic) from the Document Custodian.

3.5.4 Document Retention Period and Accessibility

All Mortgage File Documents must be stored either in their original Electronic format or paper form; provided, however, Seller/Servicer may convert certain original paper Mortgage File Documents to Electronic documents in accordance with Section 3302.2 of the Guide, for the life of the applicable eMortgage plus seven years. All Mortgage File Documents (Electronic or paper) must be capable of being retrieved and printed in a manner that accurately reflects the information originally contained in the document promptly upon Freddie Mac's request.

3.6 Special eMortgage Servicing Representations and Warranties

Seller/Servicer represents and warrants to (and covenants with) Freddie Mac that:

- All eMortgages will be serviced in accordance with the requirements in the Guide, eMortgage Guide and Seller/Servicer's other Purchase Documents.
- Seller/Servicer has (and shall maintain at all times) connectivity to the MERS System,

eRegistry and eDelivery.

- Seller/Servicer is (and shall be at all times) in compliance with the provisions of the MERS Membership Agreements and MERS Rules of Membership.
- All eMortgages that are modified comply with: (a) the requirements in the Guide, eMortgage Guide and Seller/Servicer's other Purchase Documents; (b) E-SIGN and/or the UETA, as enacted by the applicable State, including, without limitation, Section 201 of Title II of E-SIGN and Section 16 of the applicable UETA; and (c) all other applicable laws, regulations and rules.
- All eMortgages (and modified eMortgages) are valid, enforceable and effective, and each eMortgage (and modified eMortgage) is (and continues to be) a first lien on the Mortgaged Premises.
- Seller/Servicer has not (and will not), through any act or omission on its part, cause any eMortgage it services for Freddie Mac to become invalid, ineffective or unenforceable or to lose its first-lien status.

3.7 Amendments to eMortgage Guide

The provisions of this eMortgage Guide and Seller/Servicer's other Purchase Documents may be modified, supplemented or amended by Freddie Mac upon 30-days prior written or electronic notice to Seller/Servicer, notwithstanding any provision of this eMortgage Guide or the Guide to the contrary, including, without limitation, Section 1.2 of the Guide. The provisions of this eMortgage Guide and Seller/Servicer's other related Purchase Documents may be terminated by Freddie Mac upon 30-days prior written notice unless terminated sooner and without notice pursuant to the Guide.

Appendix A: eMortgage Guide Glossary

Alteration means a change to the terms or conditions of a Record or Electronic Record and/or a change in the variable information added to the Record or Electronic Record after it is signed or, if it is not required to be signed, after it has been delivered.

Authoritative Copy means the copy of the Transferable Record (eNote) that has been registered in the MERS[®] eRegistry and is stored by the entity named in the Location specified in the MERS[®] eRegistry.

Borrower means a person defined as a consumer under the federal E-SIGN Act, to the extent E-SIGN applies to a transaction; for the purposes of this eMortgage Guide, “Borrower” also includes any and all persons obligated under the terms of any applicable eNote, as the context shall permit or require.

Copy of the Authoritative Copy means a copy of the Transferable Record (eNote) that has been registered in the MERS[®] eRegistry.

Control means that a Person has Control of an eNote if a system employed for evidencing the transfer of interests in the eNote reliably establishes that Person is the Person to whom the eNote was issued or transferred pursuant to Section 16 of UETA and Title II, Section 201 of E-SIGN.

Controller means the entity named in the MERS[®] eRegistry as the entity who has Control of the Authoritative Copy of the eNote.

Custodial Documents mean (i) the Note or Authoritative Copy of the eNote and any Note or eNote addenda; (ii) any modification, conversion, reset or assumption agreements; and (iii) any intervening assignments.

Delegatee means a member of the MERS[®] eRegistry authorized by the Controller to perform certain MERS[®] eRegistry transactions on the Controller’s behalf.

Digital Signature means the result of encrypting a *hash value* with a private key. Digital signatures in the mortgage banking industry are also known as Tamper Seals, Tamper seal Signatures, and Tamper Evident Signatures.

Document Custodian means a federally regulated financial institution that offers storage and maintenance services for promissory Notes, eNotes and other types of legal documents for the benefit of other parties. See Freddie Mac Custodial Agreements (Forms 1035 or 1035e) for usage of the term.

eClosing System has the meaning set forth in Section 3.1 of this eMortgage Guide.

Electronic Mortgage or eMortgage means Mortgages that were originated using an eNote. An eMortgage may also have an electronic or paper Security Instrument and certain other paper or Electronic Records, which are part of the Mortgage File Documents.

Electronic Note or eNote means an Electronic Record that would be a promissory note if it was issued in paper, and that the Borrower has agreed to issue as a Transferable Record.

Electronic Note Vault or eNote Vault System means an electronic storage system that uses computer hardware and software to store and maintain eNotes (Transferable Records) and other Electronic Records.

Electronic Signature means an electronic 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.

E-SIGN means the federal Electronic Signatures in Global and National Commerce Act (15 U.S. Code, Chapter 96) signed into law in 2000.

Freddie Mac Single-Family Seller/Servicer Guide (“the Guide”) means Freddie Mac's requirements for the sale and servicing of Mortgages secured by residential 1- to 4- unit properties. The Guide is one of the Purchase Documents, as that term is defined in the Guide, under which Seller/Servicers agree to sell Mortgages to or Service Mortgages for Freddie Mac (Refer to Sections 1101.1 and 1101.2 of the Guide for more information about the Guide)

FTPS stands for File Transfer Protocol Secure. This is an extension of FTP that adds support for the Transport Layer Security (TLS) and the Secure Sockets Layer (SSL) cryptographic protocols.

Hash Value means the result of a *hashing algorithm* and is a unique, fixed sized computed value that represents any arbitrary length string (such as a document). Hash values are also known as **message digests, hash values, hash codes, hash sums**, or simply **hashes**.

Hashing Algorithm means a mathematical function that maps any arbitrary length string (such as a document) to a unique computed fixed length value. Since this value is unique to the document, if the document were altered, the result from applying the hashing algorithm to the altered document would be different from applying the mathematical function to the original document. The difference in results from the hashing algorithm indicates tampering of the data integrity of the original document.

Holder means a Person described in Section 16(d) of UETA and in Title II, Section 201(d) of E-SIGN who has Control of a Transferable Record and who is named as the Controller in the MERS[®] eRegistry. (Also known as Note Holder.)

HTTPS stands for Hypertext Transfer Protocol Secure. This refers to a combination of the Hypertext Transfer Protocol with the SSL/TLS protocol to provide encryption and secure identification of the server.

Location means the organization (business entity) named on the MERS[®] eRegistry that stores and maintains the Authoritative Copy of the eNote either as Controller or as a designated Document Custodian on behalf of the Controller.

MERS[®] means Mortgage Electronic Registration Systems, Inc.

MERS[®] eDelivery means a MERS[®] system (operated by MERSCORP, Inc.) that is used by MERS[®] eRegistry Members to deliver documents and data ("eMortgage Packages") from one MERS[®] eRegistry Member to another using the same infrastructure, open system-to-system interface and standards of the [MERS[®] eRegistry](#).

MERS[®] eRegistry means 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 an eNote, and the Delegatee, if any, who is authorized by the Controller to make certain updates in the MERS eRegistry on behalf of the Controller.

MERS[®] System means an electronic registry (operated by MERSCORP Holdings, Inc.) that tracks changes in loan servicing and beneficial ownership rights. Member companies update the registry via MERS[®] OnLine (the browser-based interface) or through batch file interfaces.

MIN means Mortgage Identification Number, which is the 18-digit number composed of a seven-digit organization ID, 10-digit sequence number, and check digit. The MIN is used to cross-reference eNotes registered on the MERS[®] System and MERS eRegistry. The MIN is also used to cross-reference eNotes to modifications and addenda.

MISMO[®] means Mortgage Industry Standards Maintenance Organization, which is the body created by the Mortgage Bankers Association of America (MBA) in October 1999 to develop, promote, and maintain voluntary electronic commerce standards for the mortgage industry.

Modification Agreement means an agreement that amends a Mortgage or eMortgage. If the Note is an eNote that is registered in the MERS[®] eRegistry, the Servicer, as Delegatee, must initiate a modification flag update in the MERS[®] eRegistry and register the Modification Agreement. (The eNote and the Modification Agreement are cross-referenced on the MERS[®] eRegistry).

MOM means MERS[®] as the Original Mortgagee. This language is written into security instruments to establish MERS[®] as the Original Mortgagee and nominee for the Lender, its successors, and assigns.

Mortgage File Documents means all Mortgage documents from the Mortgage closing (including paper or Electronic Records), other than the original Note or Authoritative Copy of the eNote, any Note or eNote addendums, any ARM conversion instrument, any balloon/reset instrument, any Modification Agreements, Assumption Agreements and any intervening assignments.

eMortgage File Documents Storage System means an Electronic computer storage system in which the Seller/Servicer stores Electronic Mortgage file documents safely, securely and confidentially in accordance with the Guide and eMortgage Guide.

NCCUSL means the National Conference of Commissioners on Uniform State Laws.

Paid Off means a Note or eNote has been paid in full. If the debt instrument is an eNote registered in the MERS[®] eRegistry, the Servicer must initiate a change status request in the MERS[®] eRegistry reflecting a payoff of the eNote.

PIN means personal identification number.

Process means a series of actions or steps necessary to perform a particular task or meet a particular requirement. Except where applicable law or the context requires otherwise, a Process may be deployed through electronic means, or involve steps or actions that are non-electronic, or may involve a combination of both electronic and non-electronic means, steps or actions.

Record or Electronic 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.

Registration Reversal means a transaction that reverses the registration of an eNote from the MERS[®] eRegistry, typically an erroneous registration.

Salted Hash means a random set of bytes (the salt), which are added to a data set before calculating the Hash; also known as an initialization vector.

SFTP means Secure File Transfer Protocol. Any network protocol that provides secure file transfers. An example of this is FTP over SSL.

SMART Document or SMART Doc means an electronic document created to conform to a specification standardized by MISMO. A SMART Document locks together data and presentation in such a way that it can be system-validated to guarantee the integrity of the document. There are different categories of SMART Docs as specified by MISMO.

System means a computer system, or any component of such computer system, used to create, register, sign, transfer, store, maintain, retrieve, and/or secure an eNote, Custodial Document or other Mortgage File Document.

System Provider means an entity providing a System, or any component of such System, used to create, register, sign, transfer, store, maintain, retrieve, and/or secure eNotes or other Mortgage File Documents.

Tamper Seal, Tamper seal Signatures and Tamper Evident Signatures mean a Digital Signature applied to an electronic record. The Tamper Seal can be verified to ensure that no changes have been made to the electronic record since the seal was put in place.

Transfer of Control means the transfer, within an eNote registry, by a transferor with “Control” of an eNote, to a transferee, for the purpose of transferring the: (i) right, title, and/or interest in an eNote and/or (ii) custody of an eNote. The purpose of a Transfer of Control must be provided in an agreement duly executed by the transferor and transferee. If the MERS[®] eRegistry is the

designated Note Holder Registry, it means a change of “Control” and “Controller”.

Transferable Record means an Electronic Record as described in Section 16 of UETA and in Title II, Section 201 of E-SIGN. A Transferable Record is referred to herein as an eNote.

UCC means the Uniform Commercial Code, which is a model commercial transactions statute promulgated by NCCUSL and which has been published and distributed by members of NCCUSL to the states, territories and possessions of the United States for enactment. UCC Article 3 governs negotiable instruments, including paper notes.

UETA means the Uniform Electronic Transactions Act of 1999, which is a model act promulgated by NCCUSL and which has been published and distributed by members of NCCUSL to the states, and territories and possessions of the United States for enactment. UETA and E-SIGN govern eNotes.

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Appendix B: Electronic Signature Requirements

Electronic Transaction Disclosures: Borrower Consent and Access to Electronic Records

Before a Borrower (“Consumer”) uses an eClosing System, the Consumer, as part of the Consumer’s consent Form, must be given a “clear and conspicuous” disclosure statement in accordance with the requirements in Title I, Section 101(c) (1) (A), (B) (C) and (D) of E-SIGN. Some of the key disclosures, requirements and issues include, but are not limited to:

- Obtaining Consumer’s express consent
- Identifying what the consent applies to
- The right to withdraw consent and the consequences of doing so
- How to withdraw consent
- Consumer’s right to get a paper copy of the Electronic Records
- A statement to the Consumer of the necessary hardware, software and system requirements
- A reasonable demonstration that the Consumer can access Electronic Records regarding consent and the information that is the subject matter of the consent
- Hardware, software and system changes that require: Notice of revised hardware and software requirements and right to withdraw consent without fees or consequences not previously disclosed

On the loan settlement (closing) date, Seller/Servicer must obtain the Borrower’s express consent to use the eClosing System. The Borrower must electronically sign the Consent Form before signing the eNote or any other Electronic Record. The Borrower’s consent must be obtained on the loan settlement (closing) date even if Seller/Servicer previously obtained the Borrower’s consent to engage in an eMortgage transaction. The executed Consent Form must be securely stored either with the eNote or with other electronic Mortgage File Documents.

Who Must Expressly Consent

Express consent must be obtained electronically from each Borrower participating in the eMortgage transaction.

Establishing That the Borrower Used the eClosing System

The System and/or Processes used by the Seller/Servicer must establish, to Freddie Mac’s satisfaction, that the Borrower electronically signed the Consent Form, eNote and any other related Electronic Records. For example, the Borrower may enter information into the System that is personal and attributable only to the Borrower such as, a confidential user ID, password and/or personal identification number (“PIN”) before electronically signing an eNote or any other Electronic Record.

Identify the Electronic Records to Be Signed

The eClosing System must be designed so that the eNote and other Electronic Records to be signed by the Borrower are clearly identified for the Borrower and are individually presented to the Borrower for review and electronic signing. For each Electronic Record that is required to be signed, the Borrower must take an action that expresses the Borrower’s intent to sign the Electronic Record being presented. A single Electronic Signature cannot be applied to multiple Electronic Records.

Establish the Borrower's Intent to Use an Electronic Signature

Seller/Servicer must assure that the Borrower is aware of the legal consequences of the use of an Electronic Signature. The eClosing System and/or Process used for electronically signing eNotes and other Electronic Records with Electronic Signatures must:

- Provide the Borrower with notice of the effect the Electronic Signature will have;
- Provide a mechanism or process for the Borrower to confirm that the Borrower intends to electronically sign the Electronic Record(s) presented;
- Provide the Borrower with notice that an Electronic Signature will be attached to, or logically associated with, an eNote and other Electronic Records, as applicable; and
- Capture the Borrower's acknowledgment that his or her Electronic Signature has been attached to, or logically associated with, the eNote or other Electronic Records, as applicable.

Attaching or Logically Associating an Electronic Signature to (or with) an Electronic Record

The System must be designed to permit Freddie Mac, its designees, and/or its successors or assignees (when reviewing an electronically signed eNote or other Electronic Record and its audit trail), to promptly determine:

- That the Borrower's Electronic Signature has been attached to, or is logically associated with, the eNote or other Electronic Record;
- The type of electronic symbol or Process used;
- The name of the Borrower (the name must be typed or otherwise expressed in a visible way on the Electronic Record); and
- The time and date stamp of the Electronic Signature.

Ineligible Types of Electronic Signatures

At this time, Freddie Mac will not purchase an eMortgage if any of the Electronic Signatures is an audio or video recording or is solely biometric data (such as fingerprint, voice, facial, or retinal recognition Systems).

Presence at Signing

In states that do not permit remote Electronic Notarization, each Borrower must be physically in the presence of the closing agent and/or a notary public coordinating the signing of the eNote and other Electronic Records; however, all Borrowers do not have to be in each other's presence at the time of signing. In states that permit remote Electronic Notarization, eMortgages in which the Borrower's Electronic Signature on an Electronic Security Instrument or other Electronic closing document is remotely and electronically notarized, are eligible for purchase by Freddie Mac, provided that the notary public is licensed and domiciled in the State in which the Mortgaged Premises is located and the Electronic Notarization law was enacted. Interstate, remote, Electronic Notarization is not permitted at this time.

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Appendix C: eNote Vault System Requirements

Securely Receive Electronic Records

The eNote Vault System must support multiple methods of delivery of eNotes, other electronic Mortgage documents, and data. At a minimum, the eNote Vault System must be able to:

- Securely receive eNotes and other Custodial Documents;
- Use X.509 digital certificates for device/server-based TLS/SSL session authentication. Mutual authentication is recommended but not required. To ensure data confidentiality and integrity in transit, the digital certificate must support a minimum SHA-256 signing hash and TLS sessions that use a minimum of 2048 bit RSA key and 128 bit AES key;
- Acknowledge the success or failure of the eNote transfer to sending Systems, and have logging and reporting capabilities for eNote transfer events;
- Logically associate any riders, addenda, or other modifying instruments, whether electronic or paper, with the eMortgage using the MIN and/or Freddie Mac loan number; and
- Ensure time stamps on all operating systems so delivery and transmit time integrity is verifiable in an electronic forensic investigation.

Specifications for integration with Freddie Mac Systems will be provided separately and included in an amendment to Seller/Servicer's Purchase Documents.

User Authentication

The eNote Vault System must support one or more authentication methods, such as unique user ID/password, S/Key, two-factor authentication, password tokens, Kerberos, biometrics, smart card authentication, various vendor solution single sign-on products, and/or X.509 digital certificates. Freddie Mac recommends the use of individual or organizational digital certificates.

If the eNote Vault System uses an ID/password for user authentication, the party controlling access to the eNote Vault System must impose password complexity rules. The password should meet the following criteria:

- Eight characters, at least one uppercase character, at least one special character, and at least one number;
- Password aging and enforce password change every 90 days;
- The storage of user passwords as a Salted Hash;
- System lockout after three (3) unsuccessful login attempts;
- Lock a user account for a period of 30 minutes after 3 unsuccessful login attempts;
- The approval of accounts by authorized management prior to granting access;
- User enrollment and registration in accordance with a documented and trackable account provisioning process;
- Password history set to retain and restrict reuse of passwords (10 count max.);
- Passwords must not contain characters from the corresponding account name / ID;
- No dictionary word (forward or backward);
- Cancel a session after 20 Minutes of inactivity;
- Enable a mandatory reset of a password when a user logs on with a temporary password; and
- Use credential vaulting for privileged system and process account passwords.

The party must follow the best practices of U.S. federally regulated financial institutions to distribute user IDs and credentials to users. For example, if using e-mail, two separate e-mails should be used, one for the user ID and another for the password. The eNote Vault System

should require users to reset passwords upon initial login.

Support Role-Based Access Controls

The eNote Vault System should:

- Support groups controls;
- Support separation of duties through assigned authorizations;
- Enable least privilege allowing only authorized access for users;
- Display an approved system use notification message or banner before granting access;
- Limit the number of concurrent sessions for each account;
- Provide tiered access and permission to have detailed and flexible access control over user permission levels;
- Detect and block unauthorized access requests, log such events, and alert operational staff of failed access attempts;
- Implement session management techniques to prevent unauthorized users from establishing or intercepting a valid session ID and accessing any resources within the application; and
- Terminate access either by an active logout from the application or by predetermined system timeout parameters.

Ensure System Integrity

The eNote Vault System must, at a minimum, provide the following protections:

- Safeguard against malware and other malicious or destructive software coding by detection and removal at network ingress and egress points; end point mobile devices; desktops; servers; and storage devices;
- Appropriate firewall and network perimeter security controls;
- Host-based intrusion detection/prevention;
- Configuration management controls to ensure baseline data versioning (e.g., use a release engineering System to ensure that the correct code libraries and modules are released, create and apply a version numbering scheme into software and track that number back to specific source files, use a documented change management Process, ensure that the correct patches are released for the version of the software to which the patches apply.
- Support cryptographic mechanisms to protect the integrity and confidentiality of information in transit and at rest;
- Security controls to check the validity of data input and output;
- Sensitive or potentially harmful information must not be captured in logs and administrative messages;
- Capability to protect on-line transactions to prevent incomplete; transmission, miss-routing, unauthorized message alteration, unauthorized disclosure, unauthorized message duplication or replay; and
- Enable the fail in known-states in the event of a system failure. Failure in a known secure state helps prevent a loss of confidentiality, integrity, or availability during the system failure.

Verify Electronic Record Integrity

The eNote Vault System must have the capability to verify document integrity including, but not limited to, compliance with eNote Document Type Definition (“DTD”) or schema and eNote Tamper Seal before accepting third-party submissions into the eNote Vault System.

The eNote Vault System must be able to verify Tamper Seals applied to eNotes by:

- Checking the Certificate Revocation List (CRL) for revoked digital certificates;
- Checking online certificate status protocol (OCSP); the use of OCSP is strongly recommended to validate certificates in real-time (live connection to OCSP service needed);
- If real-time validations of certificates using OCSP is not feasible, then CRL list must be updated frequently prior to tamper sealing eNotes;
- Verifying root certificates for certificates and Tamper Seals are issued by trusted third-party providers;
- Comparing the eNote Tamper Seal in the MERS eRegistry by comparing the hash value of the eNote in the incoming package with the hash value of the same eNote as registered in the MERS eRegistry; and
- Checking eNote Tamper Seals on demand or in batch mode.

The eNote Vault System must also be capable of:

- Rejecting eNotes and/or other electronic documents by notifying the submitting party of an invalid Tamper Seal;
- Recovering uncorrupted data from backup devices if the current data is determined to be invalid;
- Notifying Controller or Controller's System that the eNote's Tamper Seal has been determined to be invalid;
- Recording the Tamper Seal validation in an event log for audit purposes;
- Applying a Tamper Seal to a specific eMortgage file during eNote Vault System-to- eNote Vault System transfers; and
- Validating the entire certificate chain of eNote Vault System-to-eNote Vault System transfers.

The eNote Vault System must use a Certificate Authority ("CA") that: (a) issues organizational digital certificates to facilitate the use of electronic signatures when conducting high-risk transactions; (b) is compatible with the MERS eRegistry; (c) is commonly used by U.S. federally regulated financial institutions; and (d) is acceptable to Freddie Mac.

Transfers of eNotes and Other Electronic Records

The eNote Vault System must have the capability to transfer eNotes and any other electronic Mortgage File Documents in the eNote Vault System to another eNote Vault System. The party that controls the eNote Vault System must use MERS[®] eDelivery as its means of making such transfers. The eNote Vault System must maintain the confidentiality, integrity, and enforceability of eNotes at rest and in transit. The eNote Vault System must track and provide feedback regarding transfer success or failure.

Physical Security Requirements

The eNote Vault System in which the eNotes and other Electronic Records reside must comply with the standards set forth in the most recent version of the *MISMO eMortgage Vaulting Guide*[®]. The eNote Vault System must employ the highest level of physical security for the eNote Vault System and address, among other things, access control, surveillance, fire suppression, water detection, and other disasters and hazards (e.g., earthquake, hurricane, tornado, tsunami, flood, mudslide, landslide, etc.). Minimum requirements for the eNote Vault System include:

- Control entry to the facility containing eClosing / eNote Vault systems using physical access devices (e.g., keys, locks, combinations, card readers) and/or guards;
- Discreet building signage;

- Building entrances and exits that are monitored for unauthorized access and activities;
- Two forms of authentication for entry of authorized staff to the data center, such as photo ID scan card and either a biometric device or a number keypad;
- Additional authorization verification for access to the eNote Vault System;
- Monitor physical access to the information system to detect and respond to physical security incidents using real-time physical intrusion alarms and surveillance equipment;
- Commercially reasonable physical security for all other electronic Mortgage File Documents;
- 24 hours, 7 days a week operation (allowing downtime for upgrades, maintenance, and repairs);
- Restrict visitor access to the facility. The visitors must be escorted and their activities must be monitored;
- Redundant primary Systems (power, connectivity) and sub-systems (HVAC, telecommunications) and appropriate backup capabilities (battery power, generator);
- Provide an uninterruptible power supply to facilitate an orderly shutdown of the system in the event of a primary power source loss;
- Employ automatic emergency lighting that activates in the event of a power outage or disruption;
- Employ fire suppression and detection devices/systems that activate automatically and notify the organization and emergency responders in the event of a fire;
- Protect the facility from damage resulting from water leakage by providing master shutoff valves that are accessible and working properly;
- Must abide by local building and construction codes; and
- Data centers and rooms that house information technology (IT) Systems must have mechanisms that automatically and immediately alert the System Provider or party maintaining such System that the temperature and relative humidity in such data centers or rooms is outside the temperature range (high or low) recognized by the U.S. federally regulated financial institutions industry as the appropriate temperature range for maintaining hardware, software and data safely and soundly.

Backup/Business Continuity

The eNote Vault System must store at least two backup copies at all times. The eNote Vault System must restore archived/backup materials within 24 hours of a request. In case of data corruption, archived data must be restored to the point of failure within 10 minutes.

- Ensure that business units, data centers and applications and technology stacks must be recoverable in the event of disaster;
- System shall perform regular backups of all Electronic Records and restore Electronic Records that are damaged, corrupted, or lost;
- System shall have at least one geographically remote disaster recovery site in addition to the primary site and must be separated by minimum distance of at least 100 miles. The disaster recovery site must be in a different power grid and not be susceptible to the same potential disasters as the primary site; and
- The BCP / DR must be tested at least annually and the results of such tests must indicate whether the Recovery Time Objective (RTO) of less than 24 hours, and Recovery Point Objective (RPO) of less than 10 minutes can be met in the event of a disaster. Any discrepancy shall be noted in the assessment report.

Restricted eNote Access

The eNote Vault System must store, segregate and isolate eNotes, Electronic Records and loan data received from multiple parties and prevent any other party from accessing or viewing any other party's eNotes, Electronic Records and loan data. For example, the eNote Vault System

may restrict access and viewing by segregating eNotes, Electronic Records and loan data by server, database, or by the use of file system permissions, authorizations, virtual machine or otherwise.

eNote Vault System Data Security

The eNote Vault System must prevent unauthorized viewing of the most sensitive data and documents through restricted access. Some recommended best practices for protecting the confidentiality of data include, but are not necessarily limited to:

- Establishing an encrypted channel (e.g., HTTPS, SFTP, FTPS) for the transmission of the most sensitive data;
- Encrypting the most sensitive data before transmission over an insecure channel.
- Use and support National Institute of Standards and Technology (NIST) and Federal Information Processing Standard (FIPS 140-2) specified encryption algorithms – for example, AES (Advanced Encryption Standard) and 3DES – as encryption algorithms;
- Encrypting the most sensitive data before storing it (e.g., encrypting a file or database);
- Generating a message digest for password value and storing it for subsequent comparison for validation; and
- Separating administrative responsibilities of encryption key management from those of System management.

Track and Log Significant Events

The eNote Vault System must track and log significant security events such as authentication, authorization, and administrative activities to allow all actions to be traced to users. In addition, the eNote Vault System must record:

- eNote receipt and processing events, including communications between eNote Vault Systems;
- all transaction-related communications sent to, and received from, the MERS eRegistry;
- Login attempts by user ID;
- Successful and unsuccessful login attempts;
- Account locking events;
- Source of origin and type of access and the object or resource accessed;
- Time stamps in all log file and event records;
- IP addresses in all firewall, router, switch, and intrusion detection event logs;
- Invalid input attempts;
- Overwriting of memory storage before reuse;
- System errors;
- All file transfers from one System to another;
- Privileged System and process activities;
- Administrative access and actions on Web, and Platforms;
- All password changes; and
- Stopping and starting of System services.

All databases must record the following:

- Successful logins;
- Login failures;
- Database create, view, modify, delete events;
- Schema object create, view modify, delete events;
- Database privileged access – DDL (Data Definition Language), DML (Data Manipulation Language) and DCL (Data Control Language);

- All password change events;
- Add member to a database role events;
- Add or drop user role events;
- Role change events;
- Backup and restore events;
- Database synchronization and replication events; and
- All database management events.

All eNotes, Electronic Records and loan data stored in the eNote Vault System must record the following properties:

Created By	The name of the person who originally entered the information to create the eNote or Electronic Record.
Creation Date	The time and date when the eNote or Electronic Record was created. Use the time zone of the place where the eNote or Electronic Record was signed.
Modified By	Indicates the last user who modified the eNote or Electronic Record.
Modified Date	Indicates the date when the eNote or Electronic Record was modified last.
Export time	When the eNote or Electronic Record was exported successfully.
Failed export	When the eNote or Electronic Record was not exported successfully.

The eNote Vault System must alert the Chief Technology Officer/Security Officer or their staff, as appropriate, (“System Administrator”) in the event of a logging or processing failure (e.g., the file System fills up or is about to fill up).

The eNote Vault System must have thresholds set so that it will send an alert to the System Administrator if the log files threaten to fill up the file system (e.g., the file System reaches 90 percent of capacity).

The eNote Vault System should be configured so that the System Administrator or manager can only view log files and cannot modify them.

All System Administrator’s logins should be recorded so that it is possible to trace which System Administrator performed specific actions.

All information tracked and logged must be contained in an eNote Vault System transaction record (“eNote Vault Transaction Record”). The eNote Vault Transaction Record must be maintained by the Seller/Service and transferred and retained (as applicable) by a subsequent

Seller/Service. The eNote Vault Transaction Record, at all times, must be stored and maintained in a manner that preserves the integrity and reliability of the eNote Vault Transaction Record for the life of the applicable eMortgage plus seven years.

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Appendix D: eMortgage File Documents Storage System Requirements

eMortgage File Documents Storage System Data Security

Seller/Servicers must follow data privacy protection standards set forth in Section 8101.8 of the Guide. The eMortgage File Documents Storage System must also have user authentication and role-based access control capability. Some best practices for protecting confidentiality of data include, but are not necessarily limited to:

- Establishing an encrypted channel (e.g., HTTPS, SFTP, FTPS) for the transmission of the most sensitive data;
- Encrypting the most sensitive data before transmission over an insecure channel.
- Use and support National Institute of Standards and Technology (NIST) and Federal Information Processing Standard (FIPS 140-2) specified encryption algorithms – for example, AES (Advanced Encryption Standard) and 3DES – as encryption algorithms;
- Encrypting the most sensitive data before storing it (e.g., encrypting a file or database);
- Generating a message digest for password value and storing it for subsequent comparison for validation; and
- Separating administrative responsibilities of encryption key management from those of System management.

The eMortgage File Documents Storage System must also be capable of detecting unauthorized access to, and alterations of, Electronic Records, and alert the Seller/Servicer if access attempts exceed established thresholds.

Seller/Servicers are required to maintain the eMortgage File Documents Storage System and conduct periodic information security reviews of their data stored and maintained in the eMortgage File Documents Storage System based on, but not limited to, state and federal laws and regulations, E-SIGN, UETA, and requirements in the Guide, this eMortgage Guide and Seller/Servicer's other Purchase Documents regarding Record and Electronic Record retention.

Freddie Mac reserves the right to require the Seller/Servicer to implement additional security measures regarding their eMortgage File Documents Storage System.

Maintenance of eMortgage File Documents

The eMortgage File Documents Storage System must track and log user identity, specified actions performed (view, modify, delete, etc.) on Electronic Records, and the time and date of the event. The eMortgage File Documents Storage System must:

- Track and log:
 - All transactions associated with the use of a user ID;
 - All successful and unsuccessful logins;
 - All password changes;
 - Create, view, modify, delete actions;
 - File transfers from one System to another;
 - Stopping and starting of System services; and
 - All connections made to the System from another System
- Maintain a secure transaction record (“Servicing Transaction Record”) of Electronic Records accessed and keep such record as part of each Mortgage File Document for the life of the applicable eMortgage plus seven years;
- Perform regular backup of all Mortgage file documents and Electronic Records and restore

such Mortgage file documents and Electronic Records that are damaged, corrupted, or lost. All Electronic Records must be archived for the life of the applicable eMortgage plus seven years; and

- Create and maintain a Disaster Recovery/Business Continuity Plan (DR/BCP) that includes a backup storage site that is not susceptible to the same types of major disasters as the primary storage site (i.e., the backup site must be geographically remote from the primary site, and in a different power grid). Seller/Service's DR/BCP site must follow the guidance set forth in Section 2202.2(b) of the Guide. The DR/BCP must provide for recovery of functionality, availability, and data services back to the point of failure within 48 hours of a disaster.

Appendix E: Warehouse Lender Requirements

This Appendix E contains the requirements for Pledged eMortgages to be delivered to Freddie Mac for sale. The contents of this Appendix E and [Form 994SF](#) are hereby incorporated by this reference into Section 2.6 of this eMortgage Guide and Seller's Purchase Documents and are made a part thereof.

I Delivery and Transfer of Control to WHL

Seller may deliver certain Pledged eMortgages and the related Pledged eNotes to Freddie Mac, from time to time, that are eligible for purchase under Seller's Purchase Documents. WHL will, to facilitate Seller's sale of Pledged eMortgages to Freddie Mac: (i) execute a [Form 994SF](#) and deliver it to Freddie Mac at counterparty_authorization@freddiemac.com, (ii) accept a transfer of related Pledged eNotes from Seller and Seller's eNote Vault to WHL and WHL's eNote Vault, using MERS® eDelivery; and (iii) accept the transfer of controller status ("Control") and location organization status ("Location") of the related Pledged eNotes from Seller, using MERS® eRegistry.

II Delivery and Transfer of Control to Freddie Mac

Seller, WHL and Freddie Mac agree that WHL will: (i) transfer the related Pledged eNotes from WHL and WHL's eNote Vault to Freddie Mac and Freddie Mac's eNote Vault, using MERS® eDelivery and (ii) transfer Control and Location of the related Pledged eNotes from WHL to Freddie Mac, MERS® eRegistry. Freddie Mac will maintain and store the related Pledged eNotes for Seller's benefit commencing on the date and at the time the eRegistry reflects that Freddie Mac is the Controller and the Location of the related Pledged eNotes in the MERS® eRegistry.

III Accepted Purchase Offer

If Freddie Mac accepts Seller's purchase offer, Freddie Mac shall purchase the Pledged eMortgages and related Pledged eNotes by sending the Purchase Proceeds, on the Funding Date or Settlement Date, by wire transfer in accordance with the wire transfer instructions in Form 996E, executed by WHL and delivered by WHL to Freddie Mac. At the moment Freddie Mac sends the Purchase Proceeds, Seller's and/or WHL's: (i) rights, title and/or interest in such Pledged eMortgages and related Pledged eNotes shall be immediately, automatically, absolutely and unconditionally conveyed, transferred and assigned to Freddie Mac and/or (ii) security interest in or lien upon such Pledged eMortgages and related Pledged eNotes shall be immediately, automatically, absolutely and unconditionally released and relinquished to Freddie Mac. Thereafter, Freddie Mac shall be the sole and absolute owner of any and all rights, title, interest in such Pledged eMortgages and related Pledged eNotes, free and clear of any and all claims, interests, security interests and/or liens.

IV Declined Purchase Offer

Seller agrees that if Freddie Mac declines to purchase the Pledged eMortgages, WHL will: (i) accept a transfer of related Pledged eNotes back to WHL and WHL's eNote Vault from Freddie Mac and Freddie Mac's eNote Vault, using MERS® eDelivery; and (ii) accept the transfer of Control and Location of such related Pledged eNotes from Freddie Mac, using MERS® eRegistry.

V Capitalized Terms

Capitalized terms used herein that are not otherwise defined herein, shall have the meanings ascribed to such terms in the Guide or the Seller's other Purchase Documents.

VI Amendments to the Guide

Guide Chapter 6305 is amended and supplemented as follows:

- Guide Section 6305.1, is supplemented and amended to add the following definitions “Pledged eMortgages” and “Pledged eNotes” and paragraph as the final terms in Section 6305.1:

“Pledged eMortgages” means the same thing as “Pledged Mortgages”, as defined in the Guide, except that the evidence of indebtedness for a Pledged eMortgage is an eNote (Transferable Record) governed by the UETA and/or E-SIGN.

“Pledged eNotes” means the eNotes that are pledged to the Warehouse Lender together with the related “Pledged eMortgages”, as defined above.”

“For eMortgages, whenever the terms “Pledged Mortgages” and “Notes” are used in Chapter 6305, substitute the terms “Pledged eMortgages” and related “Pledged eNotes”. The following amended and supplemented Sections of Chapter 6305 contain the requirements for Pledged eMortgages and related Pledged eNotes.”

- Guide Section 6305.2, is supplemented and amended by adding the following two paragraphs as the last paragraphs of the Section:

“In addition, for Pledged eMortgage cash transactions, Warehouse Lender must transfer the related Pledged eNotes from WHL and WHL's eNote Vault to Freddie Mac and Freddie Mac's eNote Vault, using MERS® eDelivery. Seller must deliver any ancillary custodial documents to the Document Custodian or Designated Custodian identified in Seller's Freddie Mac Custodial Agreement, Form 1035. Concurrent with the Warehouse Lender's transfer of the related Pledged eNotes to Freddie Mac's eNote Vault, Warehouse Lender must transfer Control and Location of the related Pledged eNotes from Warehouse Lender to Freddie Mac, using MERS® eRegistry.”

“On the date and at the time that the related Pledged eNotes are received into Freddie Mac's eNote Vault and Freddie Mac is reflected as the Controller and Location Organization of the related Pledged eNotes, in the MERS® eRegistry, Freddie Mac will maintain and store the related Pledged eNotes for the benefit of Seller, until the date and at the time Freddie Mac either: (i) purchases the Pledged eMortgages by sending the Purchase Proceeds by wire transfer in accordance with wire transfer instructions in Form 996E, Warehouse Provider Release and Transfer, executed by Warehouse Lender and delivered to Freddie Mac; or (ii) declines to purchase the Pledged eMortgages, and transfers: (a) the related Pledged eNotes back to Warehouse Lender and Warehouse Lender's eNote Vault, using MERS® eDelivery; and (b) Controller Status and Location Organization Status, of the related Pledged eNotes, back to Warehouse Lender, using MERS® eRegistry.”

- Guide Section 6305.4 is amended and supplemented by adding the following two paragraphs as the last paragraphs of the Section:

“In addition, for Pledged eMortgage Guarantor and Multilender Swap transactions, Warehouse Lender must transfer the related Pledged eNotes from Warehouse Lender’s eNote Vault to Freddie Mac’s eNote Vault. Seller must deliver any ancillary custodial documents to the Document Custodian or Designated Custodian identified in Seller’s Freddie Mac Custodial Agreement, Form 1035). Concurrent with the Warehouse Lender’s transfer of the related Pledged eNotes to Freddie Mac’s eNote Vault, Warehouse Lender must transfer Control and Location of the related Pledged eNotes from Warehouse Lender to Freddie Mac, using MERS® eRegistry.”

“On the date and at the time that the related Pledged eNotes are received into Freddie Mac’s eNote Vault and Freddie Mac is reflected as the Controller and Location Organization of the related Pledged eNotes, in the MERS® eRegistry, Freddie Mac will maintain and store the related Pledged eNotes for the benefit of Seller. Freddie Mac shall cease maintaining and storing the related Pledged eNotes on the date and at the time Freddie Mac either: (i) purchases the Pledged eMortgages by sending the Purchase Proceeds by wire transfer in accordance with wire transfer instructions in Form 996E, Warehouse Provider Release and Transfer, executed by Warehouse Lender and delivered to Freddie Mac; or (ii) declines to purchase the Pledged eMortgages and transfers: (a) the related Pledged eNotes back to Warehouse Lender and Warehouse Lender’s eNote Vault and (b) Control and Location of the related Pledged eNotes, back to Warehouse Lender, using MERS® eRegistry.”

- Guide Section 6305.6 is amended and supplemented by adding the following paragraph as the last paragraph of the Section:

“In the event Freddie Mac declines to purchase some or all of the Pledged eMortgages and related Pledged eNotes delivered to Freddie Mac; Seller, Warehouse Lender and Freddie Mac agree that on the date and at the time Freddie Mac transfers: (i) the related Pledged eNotes back to Warehouse Lender and Warehouse Lender’s eNote Vault, using MERS® eDelivery and (ii) Control and Location of the related Pledged eNotes back to Warehouse Lender, using MERS® eRegistry, on such date and at such time, Freddie Mac shall immediately cease maintaining and storing related Pledged eNotes for the benefit of Seller.”

- Guide Section 6305.8 is amended and supplemented by adding the following two paragraphs as the last paragraphs of the Section:

“Seller represents and warrants to, and covenants with, Freddie Mac that: (i) any and all Pledged eMortgages and related Pledged eNotes delivered by Seller and Warehouse Lender to Freddie Mac for purchase were funded by Warehouse Lender under the Mortgage Warehousing Agreement; (ii) Warehouse Lender is the only entity (other than Seller) that has any rights, title, interest and/or security interest in or lien upon such Pledged eMortgages and related Pledged eNotes; and (iii) any and all rights, title, interest and/or security interest in or lien upon such Pledged eMortgages and related Pledged eNotes that Seller or WHL has or may have, shall be immediately transferred, conveyed, assigned and absolutely and unconditionally released and relinquished to Freddie Mac on the date and at the time Freddie Mac sends the Purchase Proceeds for the purchase of such Pledged eMortgages and related Pledged eNotes, in accordance with the wire instructions in the Warehouse Lender Release and Transfer, Form 996E, executed by Warehouse Lender and delivered to Freddie Mac.”

“Warehouse Lender represents and warrants to, and covenants with, Freddie Mac that: (i) any Pledged eMortgages intended for sale to Freddie Mac by Seller and any related Pledged eNotes delivered to Freddie Mac by Warehouse Lender were funded by Warehouse Lender

under the Mortgage Warehousing Agreement; (ii) Warehouse Lender is receiving related Pledged eNotes from Seller or Freddie Mac or delivering related Pledged eNotes to Seller or Freddie Mac, as set forth herein; (iii) to the best of Warehouse Lender's knowledge and belief, Warehouse Lender is the only entity (other than Seller) that has any rights, title, interest and/or security interest in or lien upon, such Pledged eMortgages and related Pledged eNotes; and (iv) any and all rights, title, interest and/or security interest in or lien upon such Pledged eMortgages and related Pledged eNotes that Warehouse Lender has or may have shall be immediately transferred, conveyed, assigned and absolutely and unconditionally released and relinquished to Freddie Mac on the date and at the time Freddie Mac sends the Purchase Proceeds for such Pledged eMortgages and related Pledged eNotes, in accordance with the wire instructions in the Warehouse Lender Release and Transfer, Form 996E, executed and delivered to Freddie Mac by Warehouse Lender."

- Guide Section 6305.12 is amended and supplemented by adding the following paragraph as the last paragraph of the Section:

"Warehouse Lender acknowledges and agrees that: (i) Guide Section 6305.12, as amended from time to time, and as amended by this Agreement, is incorporated by reference into the Form 996E and applies to Warehouse Lender, (ii) Freddie Mac has no obligation to determine or verify the authenticity of any signature, or the authority of any signatory, on the Form 996E; and (iii) Warehouse Lender agrees to indemnify, defend and hold Freddie Mac harmless from and against any and all losses, costs, claims, actions, damages (including, but not limited to, indirect, incidental, special or consequential damages, whether foreseeable or not), liabilities, judgments, legal fees, counterclaims or defenses to which Freddie Mac may become subject or that arise out of or that occur in connection with, any challenge: (a) to the delivery and/or sale of the Pledged eMortgages and related Pledged eNotes to Freddie Mac by anyone; (b) to the effectiveness, enforceability, or validity of any Records and/or Electronic Records (including Form 996E) delivered or transmitted to Freddie Mac on the basis that the Records, Electronic Records or Warehouse Lender's employees' Electronic Signatures were not authorized, duly signed or approved by Warehouse Lender or (c) that is a repudiation of any signature affixed or attached to or logically associated with any Form 996E delivered, submitted or transmitted by Warehouse Lender to Freddie Mac."

VII Ancillary Custodial Documents

At the time Seller instructs the Warehouse Lender to: (i) deliver to Freddie Mac certain Pledged eNotes related to certain Pledged eMortgages that are eligible for purchase by Freddie Mac under Seller's Purchase Documents; and (ii) transfer Controller Status and Location Organization Status of the related Pledged eNotes, registered in the MERS® eRegistry, to Freddie Mac, Seller must concurrently deliver paper ancillary custodial documents to its Document Custodian or Designated Custodian, as applicable, which shall store and maintain custody and possession of such paper documents under Seller's Custodial Agreement, Form 1035. In the event Freddie Mac does not purchase certain Pledged eMortgages and related Pledged eNotes, Seller is responsible for arranging for the return of the ancillary custodial documents from the Document Custodian or Designated Custodian, as applicable.

VIII eNote Certification

After Seller's delivery of Pledged eMortgages and related Pledged eNotes to Freddie Mac, but before each Settlement Date/Funding Date for such Pledged eMortgages and related Pledged eNotes, all such related Pledged eNotes will be automatically certified by Freddie Mac. In the event automated certification is unavailable, Freddie Mac will have a third party manually certify such related Pledged eNotes.

IX Termination of Procedures

The warehousing procedures and process set forth in this Section 2.6 of the eMortgage Guide may be terminated by Seller, WHL or Freddie Mac by written notice delivered to the other Parties. Such notice may specify an effective date for such termination, but in no event shall the termination be effective less than thirty (30) days after such notice is sent; provided, however, the provisions of Section 2.6 (and all subsections herein) shall automatically terminate on: (i) the date Freddie Mac disqualifies or suspends Seller's eligibility to sell Mortgages or eMortgages to or service Mortgages or eMortgage for Freddie Mac, or (ii) the date of Seller's dissolution. Notwithstanding anything contained herein, the Seller's Purchase Documents or any other agreement to the contrary: (a) any and all representations, warranties, covenants, conveyances, assignments and transfers given by Seller to Freddie Mac in connection with Freddie Mac's purchase of eligible Pledged Mortgages and (b) any and all representations, warranties, covenants, conveyances, assignments, transfers, relinquishments and releases given by WHL to Freddie Mac in connection with Freddie Mac's purchase of eligible Pledged Mortgages, shall survive the termination hereof and shall remain in full force and effect, and be valid and enforceable.

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Appendix F: NY CEMA Refinance of NY eMortgage

New York CEMA Refinance of an eMortgage: Procedures and Processes		
Guide Reference: Sections 3301.3, 3401.3 and 4101.5	Effective Date:	Expiration Date:

NYCEMA Refinance of eMortgage

A New York Consolidation, Extension and Modification Agreement Mortgage (“NYCEMA Mortgage”) may not be closed as an eMortgage and sold to Freddie Mac; provided, however, Servicer may: (i) refinance eMortgages using the NYCEMA Mortgage process and documentation, or (ii) assist and cooperate with other lenders originating a refinance of eMortgages (serviced by Servicer) that wish to use the NYCEMA Mortgage origination process and documentation; provided that:

- (a) Servicer requests a change of control in the MERS® eRegistry from Freddie Mac to Servicer with the reason: “Servicer (or another lender) is originating a NYCEMA refinance of an eMortgage serviced by Servicer”;
- (b) If such request is confirmed to be in compliance with Freddie Mac requirements, Freddie Mac will send an offer of “Change of Control” of such eNote to Servicer via MERS eDelivery;
- (c) Servicer promptly accepts the offer of “Change of Control” from Freddie Mac;
- (d) After Servicer has accepted the offer of “Change of Control” of the eNote, Servicer will confirm that: (i) the MERS eRegistry reflects that Servicer is the “Controller”, as “Holder”, of such eNote and (ii) Freddie Mac is the “Location Organization”;
- (e) From the moment that Servicer accepts the “Change of Control” of such eNote, Servicer shall have “Control” of such eNote and shall be the “Controller” of such eNote entitled to enforce such eNote for the benefit of Freddie Mac, the eNote owner;
- (f) Servicer prints all pages of the eNote being refinanced under the NYCEMA Mortgage process to paper and certifies the paper copy is true, correct and complete in a blank space on the face of the eNote;
- (g) Servicer requests the MERS eRegistration history of the eNote from MERS eRegistry and attaches such history to the Servicer certified paper copy of the eNote;
- (h) Servicer, in consultation with its in-house or outside legal counsel, must prepare an affidavit to be signed by a duly authorized officer of Servicer and attach the affidavit to the Servicer certified paper copy of the eNote; and
- (i) the affidavit to be prepared by Servicer must include the following statements:
 - that the affiant is a duly appointed and authorized officer of Servicer, the “Controller” of the eNote, which was registered in the MERS eRegistry on or about _____,

20___ and has a MERS eRegistry Identification number of [INSERT MIN NUMBER];

- that the affidavit is attached to a complete, accurate, true and correct Servicer certified paper copy of the eNote, which evidences the borrower’s indebtedness;
 - that the eNote will be stored and maintained by the owner of the eNote throughout the NYCEMA refinance process;
 - that the Servicer certified paper copy of the eNote, to which the affidavit and MERS eRegistration history are attached, is intended to be delivered to the lender originating a NYCEMA refinance Mortgage;
 - that the Servicer certified paper copy of the eNote, together with the affidavit and MERS eRegistration history attached thereto, shall automatically convert into and become the one and only valid, effective and enforceable paper Note evidencing the borrower’s indebtedness upon Servicer’s receipt of all amounts due and payable under the eNote;
 - that the Servicer will de-activate the eNote in the MERS® eRegistry after Servicer’s receipt of all amounts due and payable under the eNote from the lender originating NYCEMA refinance Mortgage; and
 - that the Servicer will notify the lender originating the NYCEMA refinance Mortgage that the eNote has been de-activated on the MERS® eRegistry; and
- (j) In the event the NYCEMA refinance Mortgage **closes** as a paper NYCEMA Mortgage, it is eligible for purchase by Freddie Mac if the originating lender is a Freddie Mac Seller/Servicer and the paper NYCEMA Mortgage complies with the Seller/Servicer’s Purchase Documents; and
- (k) In the event the NYCEMA refinance Mortgage **fails to close**, Servicer must: (A) not deactivate the eNote on the MERS® eRegistry, (B) promptly send Freddie Mac an offer of “Change of Control” of the eNote using MERS® eDelivery and (C) confirm that Freddie Mac is once again the Controller of the eNote.

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Appendix G: Sample Pre-Delivery Loan Modification Agreement

_____ – [Space Above This Line for Recording Data] _____

**LOAN MODIFICATION AGREEMENT
(Providing for Modification to Electronic Note)**

This Loan Modification Agreement (Providing for Modification to Electronic Note) (“Agreement”), made this day of _____, between

_____ (“Borrower”) and _____ (“Lender”),

amends and supplements the Electronic Note dated _____ and secured by, the Security Instrument of the same date, which covers the real and personal property described in the Security Instrument and defined therein as the “Property”, located at: _____

_____ [Property Address] _____ the real property described being set forth as follows:

[Property Legal Description]

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

- (i) As of _____, 20__ the amount payable under the Note and the Security Instrument (the “Unpaid Principal Balance”) is U.S. \$_____, consisting of the amount(s) loaned to Borrower by Lender and any interest capitalized to date.

Borrower agrees to the following modification of the Note:

[Modified Terms and/or Conditions]

- (ii) Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of _____%, from _____, 20 __. Borrower promises to make monthly payments of principal and interest of U.S. \$_____, beginning on the ____ Day of _____, 20__, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on _____, 20__ (the “Maturity Date”), Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date. Borrower will make such payments at _____ or at such other place as Lender may require.
- (iii) Transferable Record. I agree that the Electronic Note as modified by this Agreement is a transferable record.

(iv) Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

-Borrower (Seal)

-Borrower (Seal)

-Borrower (Seal)

-Borrower (Seal)

State of _____ §

County of _____ §

This instrument was acknowledged before me on _____, 20 ____, by _____.

Notary Public

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Appendix H: Sample eDocument Ministerial Errors & Omissions Affidavit

eDOCUMENT MINISTERIAL ERRORS & OMISSIONS AFFIDAVIT

COMES NOW BEFORE ME, _____, a duly commissioned notary public for the State of _____, who, having been first duly sworn, deposes and says as follows:

- (i) I am an employee of _____ with responsibility to correct ministerial errors that have occurred in conjunction with Electronic documents, or “eDocuments.”
- (ii) Upon information and belief, _____ obtained a limited power of attorney and/or closing document correction agreement (*i.e.*, “Closing Document Correction Agreement”) associated with the loan(s) which is attached hereto as Exhibit [].
- (iii) Pursuant to the Closing Document Correction Agreement associated with such loan(s), on the date set forth below, I took the corrective action(s) set out in Exhibit [], which resulted in a **paper copy** (each, a “Corrected Copy”) of each eDocument identified therein, each of which Corrected Copy is attached to Exhibit [].
- (iv) It is my intention, and that of _____ that each Corrected Copy be read in conjunction with its original eDocument so as to reflect the true and correct version of the documentation supporting the loan(s) identified in the attached Exhibit [].

By: _____
Employee Signature

SWORN TO AND SUBSCRIBED in my presence this ____ day of _____, 20__.

Notary Public

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Appendix I: Sample Form-List of Minor Corrections
LIST OF CORRECTIONS

Loan(s) <i>(Please identify using borrower name, Seller loan number, and MERS MIN)</i>	eDocument(s) <i>(Please List)</i>	Corrective Action(s) <i>(Please List with respect to each eDocument)</i>