

November 15, 2021

APM 21-07

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael Drayne, Acting Executive Vice President

SUBJECT: eSignatures and Remote Online Notarization on Loan Modification Agreements

In consideration of the impact of the COVID-19 pandemic and associated insuring agency guidelines for mortgage servicing, Ginnie Mae understands that certain features of the Digital Collateral Program, namely the ability to use electronic signatures and to adopt remote online notarizations, are flexibilities that would benefit all Issuers and borrowers in the government-backed mortgage segment. Therefore, effective with the publication of this APM, Ginnie Mae hereby permits the use of electronic signatures and remote online notarization for loan modification agreements on “paper” mortgages. Requirements for modifications of eMortgages or eNotes will be addressed in a separate APM.

Effective immediately, all approved Ginnie Mae Issuers are permitted to use electronic signatures when executing loan modification agreements provided that:

- 1) The promissory note is a paper promissory note bearing a wet signature;
- 2) The electronically signed loan modification agreement complies with the recording jurisdiction's recordation requirements; and
- 3) The eClosing platform or other system(s) the Issuer uses to obtain and maintain borrowers' electronic signatures on the loan modification agreement must:
 - Clearly support the verification of the Borrower's identity;
 - Clearly identify the symbol or process used as an electronic signature by the borrower and the purpose of the electronic signature;
 - Present the loan modification agreement in compliance with all applicable state and federal requirements concerning the content, display, and format of information and retention (as required for paper records);
 - Clearly identify the loan modification agreement as the electronic record being presented for electronic signature;
 - Capture clear evidence that is compliant with all applicable state and federal requirements (including ESIGN) of the borrower's agreement to receive electronic records and the borrower's intent to adopt the electronic signature and to electronically sign the loan modification agreement and other electronic records as applicable, and maintain a record of such agreement;
 - Attach the electronic signature to, or associate the electronic signature with, the loan modification agreement and any other electronic records associated with the loan modification 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 loan modification agreement;
 - Include a date and time stamp on the loan modification indicating when the borrower executed the loan modification agreement;
 - Track and log actions related to the creation and signing of the loan modification agreement;
 - Provide reasonable evidence that loan modification agreements created and maintained by the system are not (and have not been) subject to unauthorized access or alteration;
 - Be capable of accurately reproducing the fonts, styling, margins, and other physical features of the loan modification agreement when electronically displayed and printed post-execution and as required by state and/or federal law; and
 - In all other ways ensure that the document produced is in compliance with insuring agency guidelines and Ginnie Mae's guidance on Loan Modifications.
- 4) The electronically signed loan modification agreement is delivered to the Document Custodian in hard copy or delivered via electronic transmission with the express consent of the Document Custodian, bearing evidence of recordation, including information relating to the date and time of recordation. If a Document Custodian accepts an electronic copy in lieu of the hard copy, the Custodian is responsible for producing and placing a hard copy of the Loan Modification Agreement in the pool and loan file. If the Modification Agreement is delivered via electronic submission it may be delivered as a MISMO Category 1, 2 or 4 Version 1.02 SmartDoc document or Portable Document Format (PDF) document.

Remote Online Notarization (RON)

Ginnie Mae is also permitting the use of Remote Online Notarization (RON) for notarizations associated with Loan Modification Agreements subject to the Notarization Requirements outlined in Section 3250.00 of the Digital Collateral Program Guide, Appendix V-07 of the MBS Guide (eGuide).

Please note that the securitization of mortgages where the promissory note is an eNote is reserved for participants in the Digital Collateral program only (approved specifically as eIssuers). This memorandum does not permit Issuers that have not been approved as eIssuers to securitize or deliver for securitization by Ginnie Mae mortgages where the Promissory Note is an eNote. All other loan and pool certification requirements not expressly addressed by this memorandum remain unchanged.

If you have any additional questions about the content of this Memorandum, contact your Account Executive in the Office of Issuer and Portfolio Management.



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