The Road to eNotes

FHLBank Topeka

We know Members have been talking about the convenience of using eNotes for a long time.

And FHLBank Topeka
has been listening.

Although the road to eNotes acceptance is a winding one, we’re navigating all of the curves.

And our destination—accepting residential mortgage eNotes as collateral—is in sight!

We know eNotes offer many benefits to both Members and borrowers:

- Reduced shipping & storage fees
- Fewer errors
- Improved audit trail
- Borrowers can review loan documents prior to closing at their convenience
- Flexible location for closing
- Faster funding
- Less paper waste
- Elimination of lost notes
- Increased collateral control
- Faster & easier signing process

The FHLBank System has already started the journey toward accepting eNotes for residential mortgage collateral, and we're proud to have hit several mile markers.

Researched Thoroughly

Engaged with Subject Matter Experts

Completed Key Action Steps

Researched Thoroughly

Attended demonstrations of eNotes and eVaults

Researched Thoroughly

Attended MISMO® events and worked with industry professionals to better understand best practices and standards

MISMO is the standards development body for the mortgage industry. MISMO stands for Mortgage Industry Standards Maintenance Organization.

Engaged with Subject Matter Experts

Met with industry participants who are originating, selling and buying eNotes

Engaged with Subject Matter Experts

Engaged the services of a professional to help Banks bridge the requirements with regulations

Engaged with Subject Matter Experts

Provided stakeholder feedback to MERS® as part of its development of the Secured Party field to ensure the FHLBs' interest in eNotes is reflected on the MERS eRegistry

Completed Key Action Steps

Formed working groups consisting of all 11 FHLBanks (the System) to evaluate eNotes as eligible collateral

Completed Key Action Steps

Formed a System legal group to review agreements and requirements

Completed Key Action Steps

Developed a governance committee and charter

Completed Key Action Steps

Developed a strategic roadmap and implementation plan

We're proud of how far we've come—and we're refueling for what lies ahead:

Planned Destinations on Our eNote Journey:

- Implement a strategic roadmap
- Create RFP to send to eVault vendors
- Review and update agreements with vendors, Members & shareholders

Planned Destinations on Our eNote Journey:

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Until we reach our final destination, you can help ensure your eNotes are on the right path.

Follow these directions for eNote eligibility:

- Comply with ESIGN and UETA laws
- Loan Origination Software must create a MISMO SMART Doc 1.02
- Tamper-evident signature required
- Retained in an eVault
- Registered with MERS eRegistry

The System and FHLBank Topeka are still constructing full eligibility guidelines

Are we there yet?

eNote acceptance is on the horizon!

Stay tuned!

Look for more updates, including a target launch date, as we keep moving toward the next mile markers. Until then—join us for the ride! Contact us for any questions you have about eNotes.

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