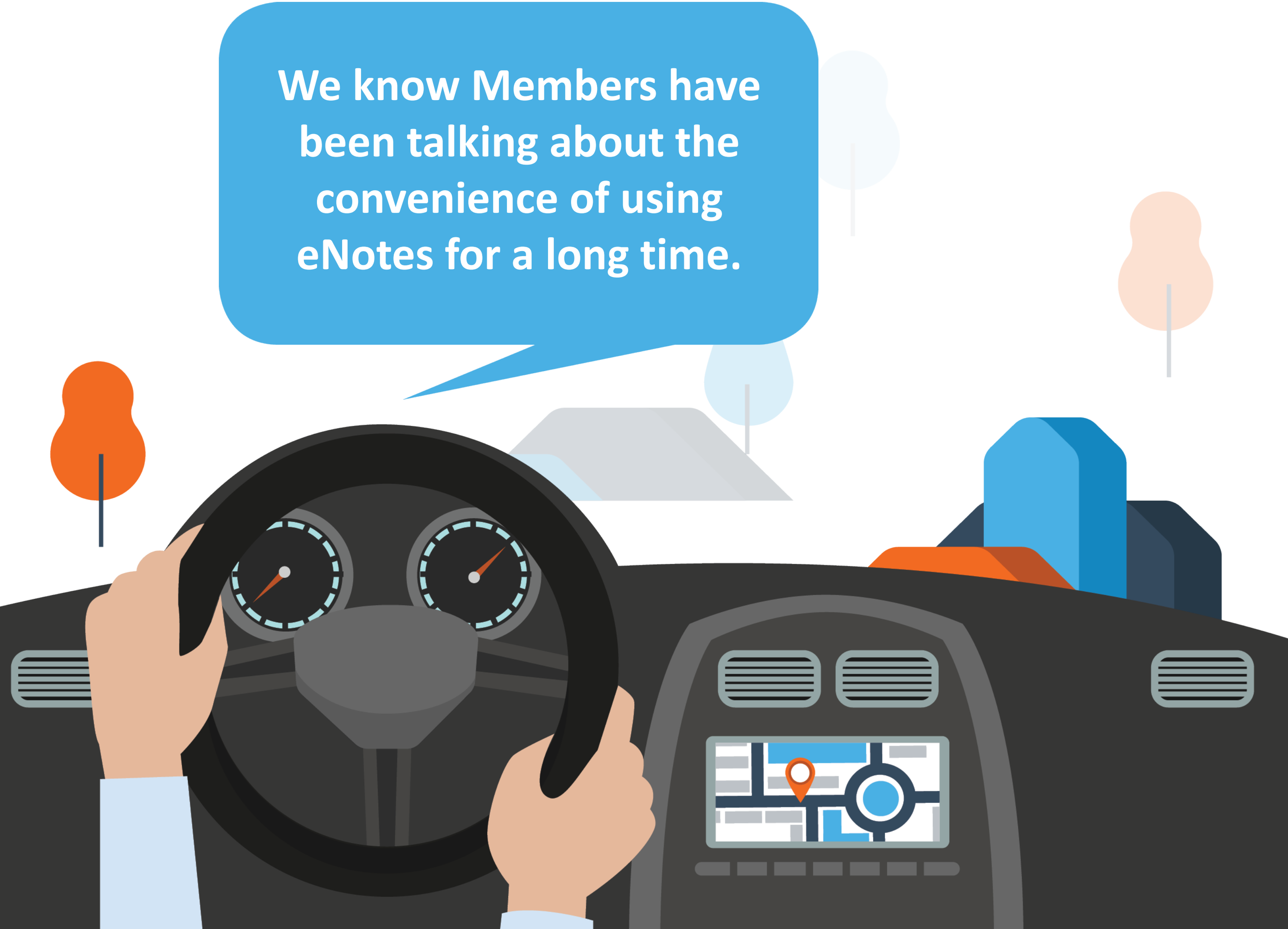
# The Road to eNotes

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.

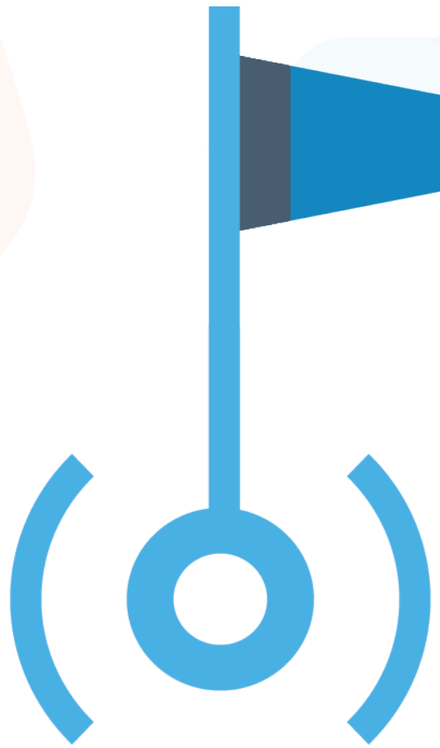
# And our destination—accepting residential mortgage eNotes as collateral—is in sight!

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

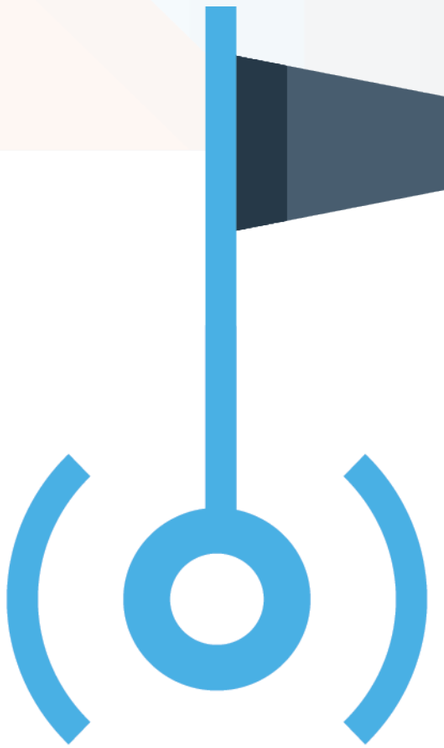
- Reduced shipping & storage fees
- Fewer errors
- Improved audit trail
- Borrowers can review loan documents prior to closing at their convenience
- Flexible location for closing
- Faster funding
- Less paper waste
- Elimination of lost notes
- Increased collateral control
- Faster & easier signing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

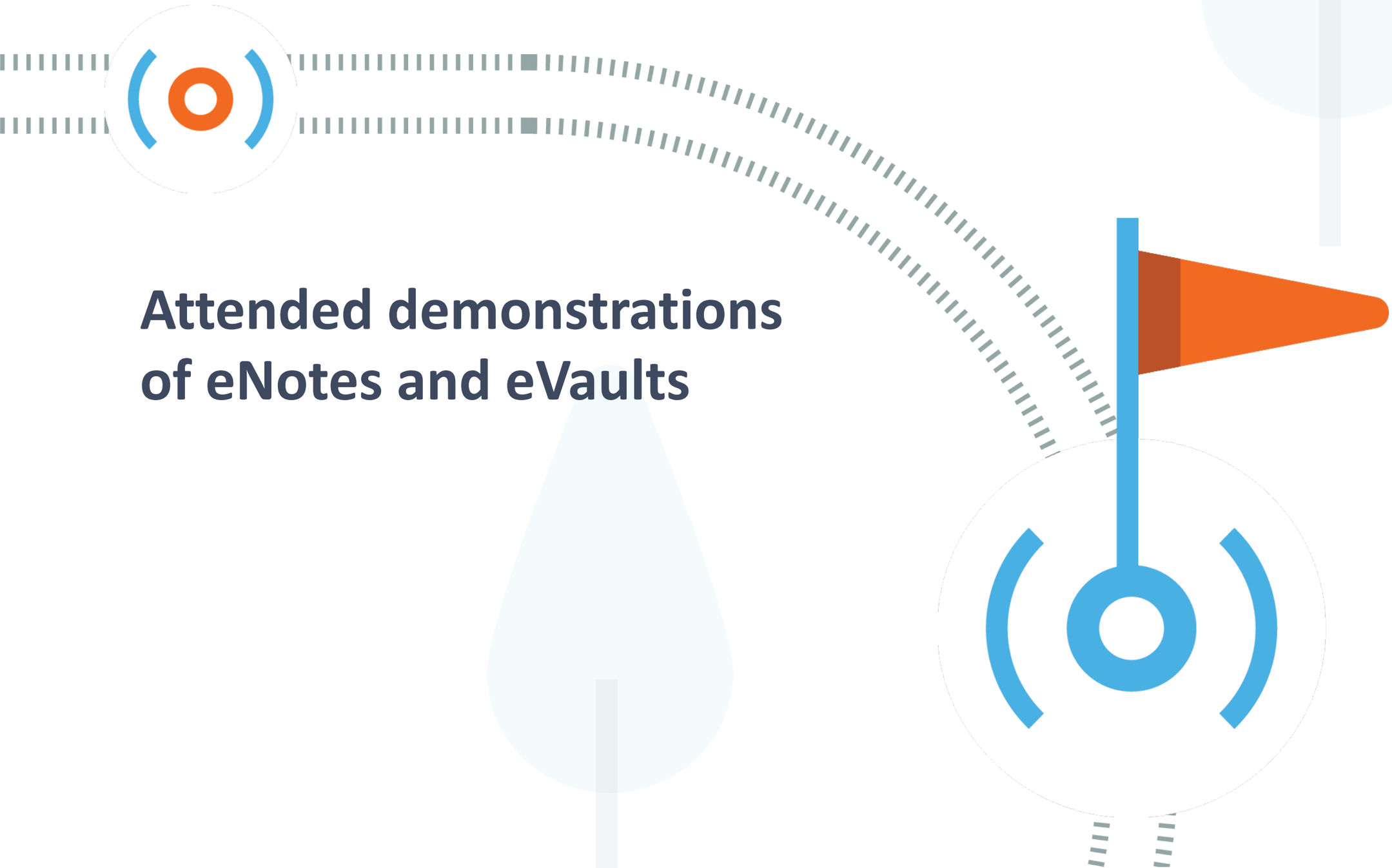


**Engaged with Subject Matter Experts**



**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

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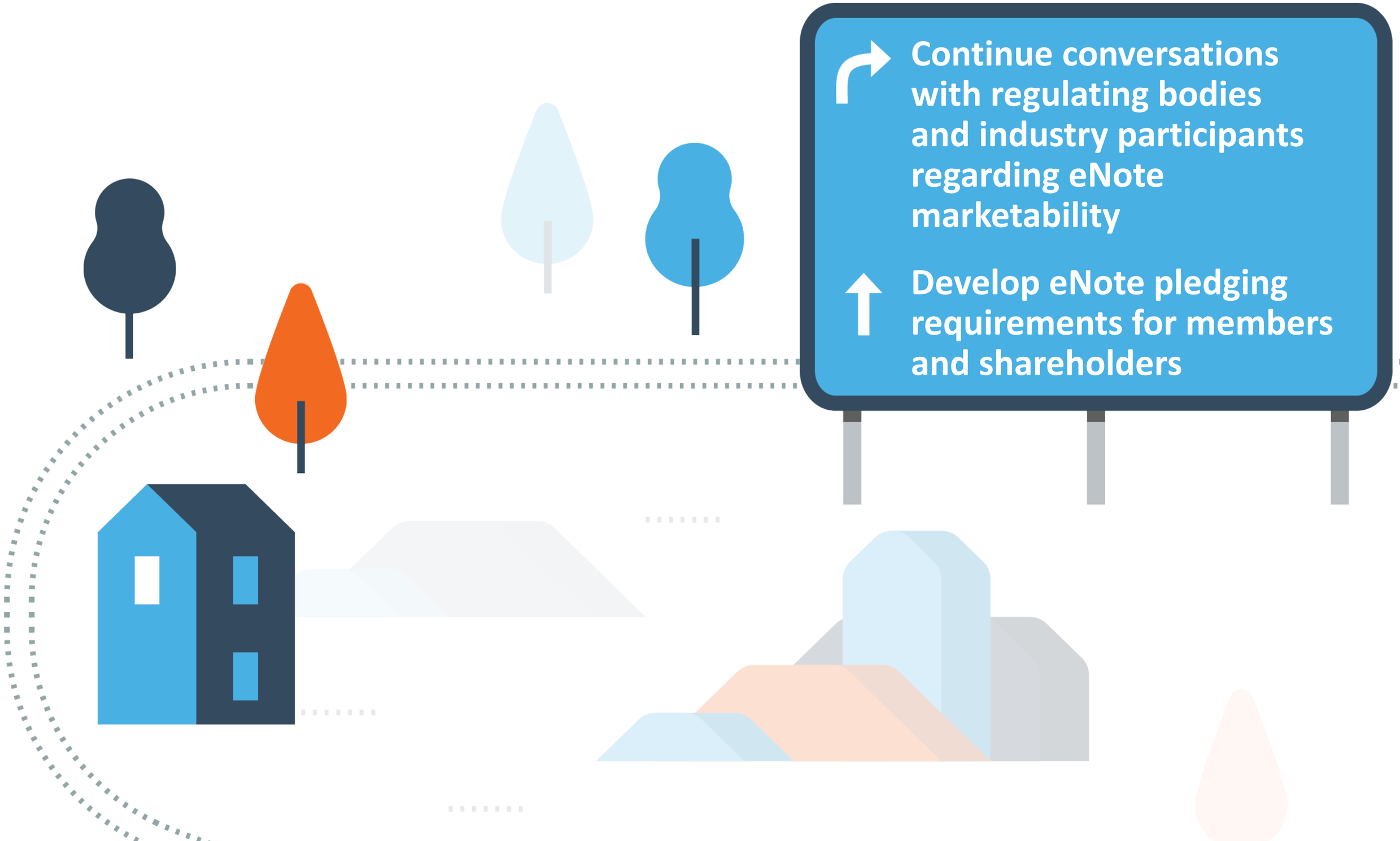
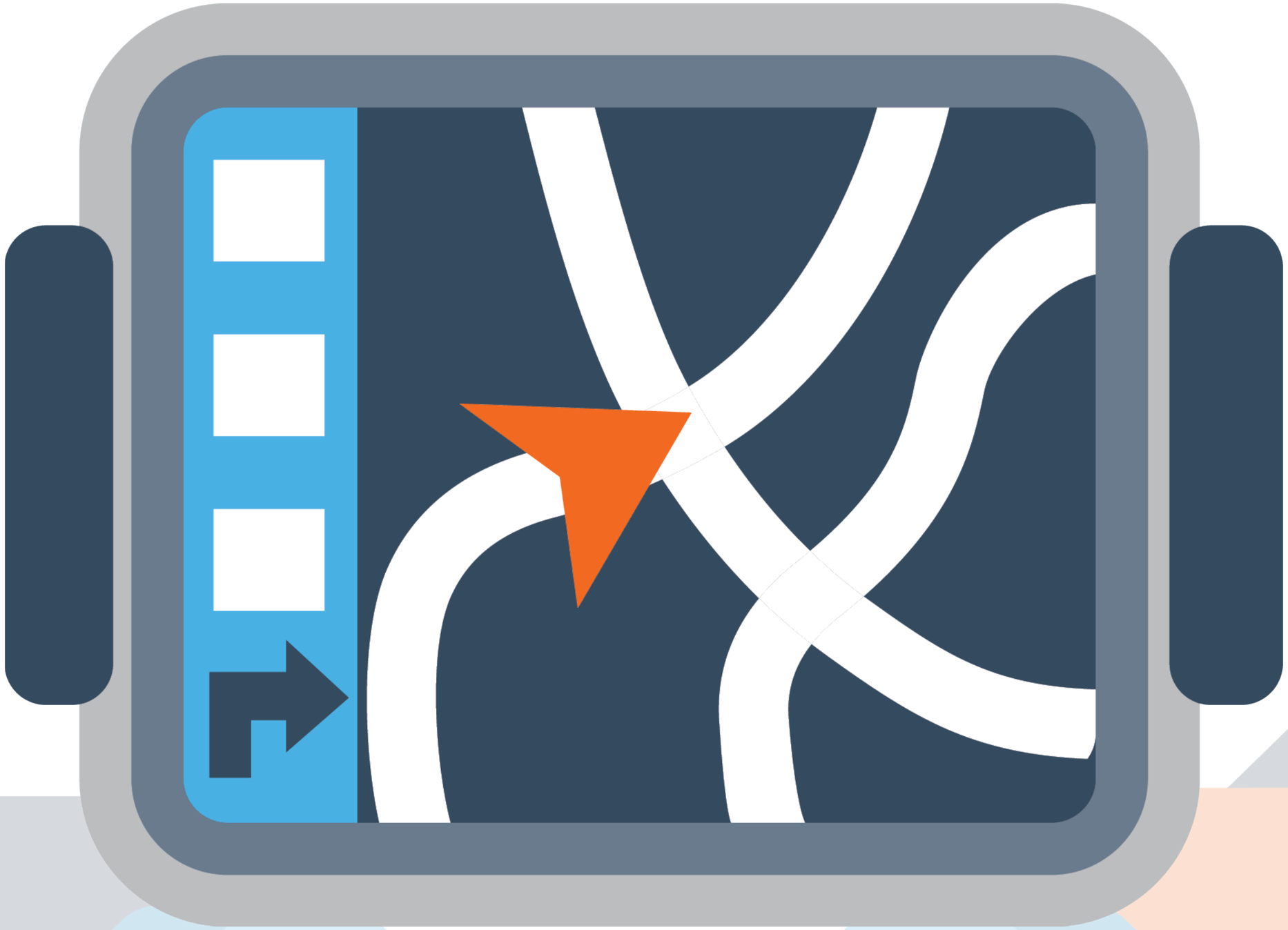


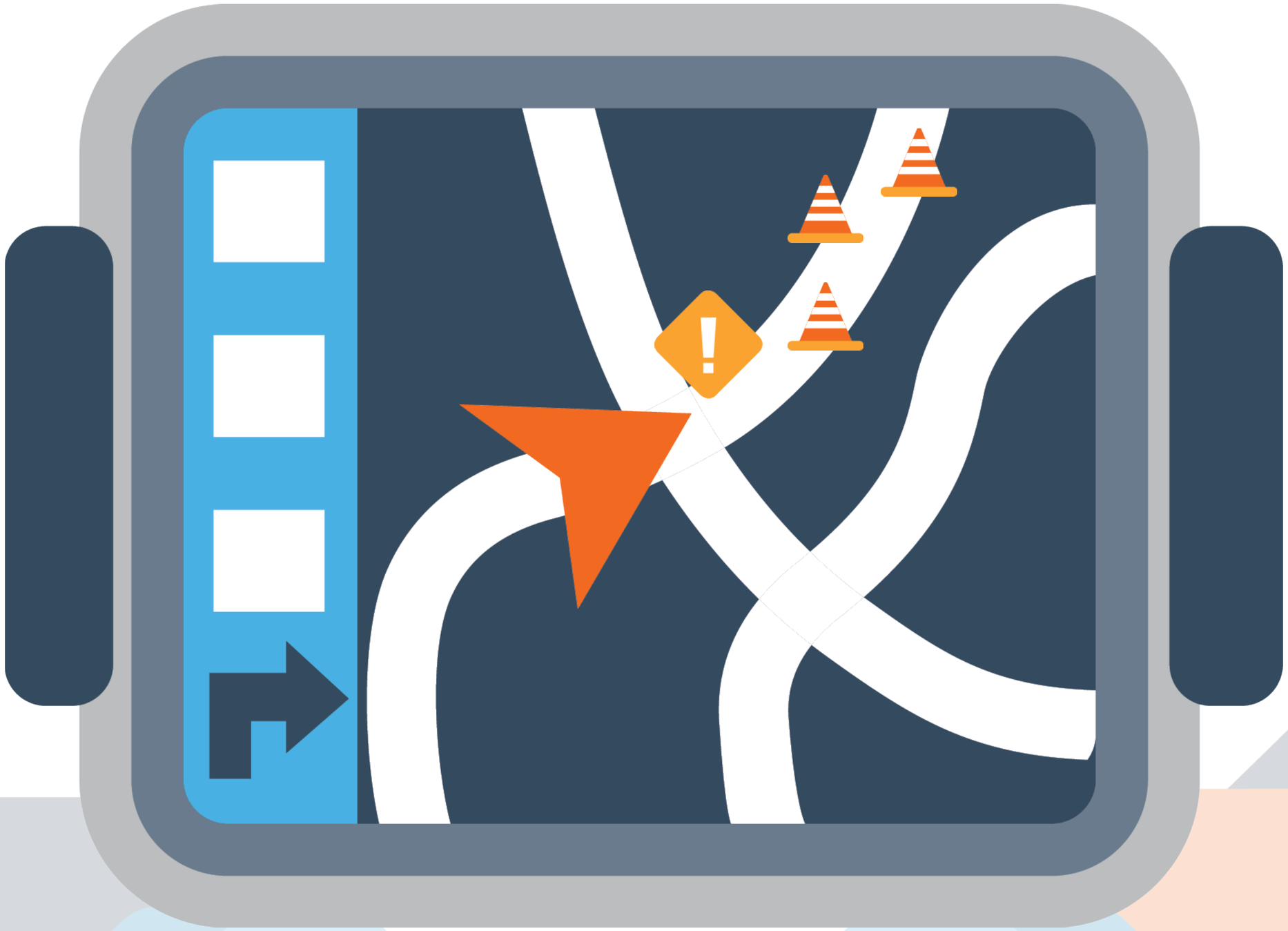
**Until we reach our final destination, you can help ensure your eNotes are on the right path.**



# 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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