

Getting Ready to Use eDisclosures and eClosings (No eNote)

Getting ready to offer electronic loan documents and electronic signatures to your customers? Here are our tips to help you get started:

Check your systems comply with all applicable laws and regulations

In creating and managing electronic loan documents and in accepting electronic signatures, make sure the systems you use comply with the Electronic Signatures in Global and National Commerce Act (ESIGN), Uniform Electronic Transaction Act (UETA), and other applicable federal and state laws. In general, the systems must be able to:

- Create electronic documents and securely and electronically transfer such documents to the borrower for review.
- Capture and store the borrower's identity and authority to access and sign the electronic closing documents.
- Indicate on the electronic documents the process for providing an electronic signature and describe the purpose of the electronic signature.
- Clearly capture evidence of the borrower's intent to provide an electronic signature.
- Support electronic notarization if you intend to include electronic documents that require notarization and if permitted by the applicable state law.
- Capture and securely store a clear audit trail of all the events including, without limitation, the borrower's electronic consent to conduct electronic transactions. This includes the creation, transmission, and presentation of the electronic document and the borrower's electronic signature.
- Obtain and maintain an electronic storage repository.

Things to consider when choosing a vendor

We do not endorse any specific technology vendor; however, we recommend you check if the vendor is able to:

- Meet Freddie Mac's system requirements.
- Enforce business rules to ensure compliance with business, legal, and regulatory requirements.
- Provide a complete inventory of standard document packages for all major lending areas and all product types.
- Generate transaction-level tracking and reporting on file status.
- Create strong encrypted user authentication, as well as the option to restrict access to specific IP addresses, accounts, and data.
- Support a paper closing option if/when the borrower declines to close a loan electronically.
- Provide a full production disaster recovery and redundancy plan.
- Confirm that your title/settlement agents and document providers are ready to administer the execution of eClosing documents.

Review Freddie Mac requirements

- Our requirements for electronic transactions and documents are outlined in Chapter 1401 of our *SingleFamily Seller/Service Guide* (Guide).
- Our eClosing system requirements are outlined in Section 1402.4 of our Guide.
- Guide Exhibit 7 provides a list of initial loan documents and closing documents that may be created as electronic records and be signed electronically for mortgages you intend to sell Freddie Mac.