

THE WAREHOUSE LENDER'S PERSPECTIVE

BENEFITS OF IMPLEMENTING eNOTES

- Eliminates risk of lost notes.
- Improves control of collateral.
- Reduces exposure to double pledging.

AN EXAMPLE OF THE PROCESS

1. Borrower executes an eNote at the closing table.
2. Originator registers the eNote on the MERS[®] eRegistry.
3. Originator initiates Transfer of Control and Location to warehouse lender.
4. Upon sale of eNote to Investor, Warehouse Lender initiates Transfer of Control and Location to Investor.

ADDITIONAL SETUP CONSIDERATIONS

- MERS[®] eDelivery is used to receive and send copies of the eNote to trading partners.

- Warehouse Lenders can create MERS Org IDs that reflect the relationship with their customer.
Example: *Warehouse Lender as Secured Party and Designee for ABC Mortgage Co.* This helps readily identify that the Warehouse Lender is associated with the eNote through the Originator. It also helps the Investor to identify the parties involved in the sale and delivery of an eNote to the Investor.
- Option: Replace Bailee Letter with a single tri-party agreement between Investor, Originator and Warehouse Lender

GET CONNECTED TO THE MERS[®] eREGISTRY

1. Sign the MERS[®] eRegistry Addendum located on the Member website. We'll assign you an integration resource to get you started and work with you throughout the integration effort.

For more information, complete the form located at mersinc.org/MERSeNS

2. Select a vendor to provide your closing system and eVault (such as MERS[®] eNote Solutions) or develop your own system and establish connectivity to the MERS[®] eRegistry.
3. Complete a procedures document that describes how the business processes relate to transactions on the MERS[®] eRegistry.
4. Test MERS[®] eRegistry transactions.
5. Go live in production.

INFORMATION YOU'LL NEED TO MOVE AHEAD

- Are your customers ready to close eNotes?
- Are your customers' investors ready to buy eNotes? Go to mersinc.org/eRegistry to see a list of companies integrated with the MERS[®] eRegistry.
- Who is your eVault provider? Have you seen a demo of MERS[®] eNote Solutions?