












The mortgage industry's utility.

Mortgage Innovation: eNotes and the MERS® eRegistry



Benefits of eNotes

Benefit	Resulting In You Potentially ...
Eliminate Paper	<ul style="list-style-type: none"> Reducing costs of printing, shipping, scanning, faxing Eliminating the need to track allonges 
Gain Capital Efficiencies	<ul style="list-style-type: none"> Achieving quicker warehouse turn times Increasing production without increasing warehouse lines Improving delivery times to investors Increasing liquidity for investors  
Eliminate Lost Notes and Reduce Exposure to Double Pledging	<ul style="list-style-type: none"> Improving collateral control 
Improve Audit Trails	<ul style="list-style-type: none"> Proving which party is in the Controller field in a particular time period 
Gain Process Efficiencies and Automation	<ul style="list-style-type: none"> Decreasing costs Eliminating inefficient workflows Ensuring accuracy of data  
Security	<ul style="list-style-type: none"> Determining if data has been altered due to the unique tamper-evident digital signature  

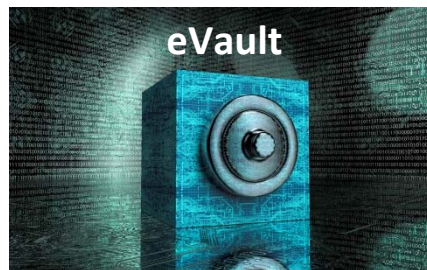
How Do You Become MERS® eRegistry Ready?

	Determine eVault provider	Identify source of SMART Docs	Identify closing platform	Determine if Warehouse Line is ready to fund eNotes	Determine if trading partners/customers are ready	Determine if subservicers are ready
Originator	✓	✓	✓	✓	✓	
Servicer	✓				✓	✓
Warehouse Lender	✓				✓	
Investor	✓				✓	
Document Custodian	✓				✓	

Importance of an eVault



All transactions on the MERS® eRegistry are system-to-system and are typically initiated via interfaces with an eVault



An electronic repository for delivery and storage of eNotes and other files



Importance of the MERS® eRegistry

- The legal system of record for identifying the Controller (holder) and Location (custodian) for the authoritative copy of a registered eNote
- Stores the unique tamper-evident digital signature
- Reflects all transactions on a MERS® eRegistry record
- Stores key information to readily identify the loan

MERS® eRegistry Participants

	Controller	Location	Servicing Agent
What Does This Role Indicate?	<ul style="list-style-type: none"> The party named on the MERS® eRegistry that has control of the Authoritative Copy of the eNote 	<ul style="list-style-type: none"> The party named on the MERS® eRegistry that maintains the Authoritative Copy of the eNote on behalf of the Controller 	<ul style="list-style-type: none"> The party authorized by the Controller to perform certain MERS® eRegistry transactions on the Controller's behalf
Who Can Be Named?	<ul style="list-style-type: none"> Originator Warehouse Lender Investor Servicer (or the party foreclosing on a loan) Other parties as appropriate 	<ul style="list-style-type: none"> Originator Warehouse Lender Document Custodian Investor Any authorized party 	<ul style="list-style-type: none"> Servicer Subservicer Any authorized party

eNotes: Identify the Authoritative Copy



How Does the MERS® eRegistry Work for Originating and Selling eNotes?



1. Borrower applies their electronic signature to execute the eNote at closing



2. Originator registers the eNote on the MERS® eRegistry, naming itself as Controller and Location



3. When the eNote is sold, the Originator (Controller) initiates a Transfer of Control transaction on the MERS® eRegistry to the new Controller



4. The new Controller confirms the transfer request on the MERS® eRegistry

MERS® eDelivery: The What and Why

- A secure method for sending copies of eNotes and other documents in any electronic format from one Participant of the MERS® eRegistry to another
- Benefits
 - Security: highly secure network
 - Speed: delivery in seconds
 - Connectivity: single connection delivery to one or multiple trading partners simultaneously
 - Recordation: eDelivery statuses are tracked on the MERS® eRegistry

How Does MERS® eDelivery Work?

MERS®
eRegistry
Participant
(Sender)



Copy of eNote and Other Documents



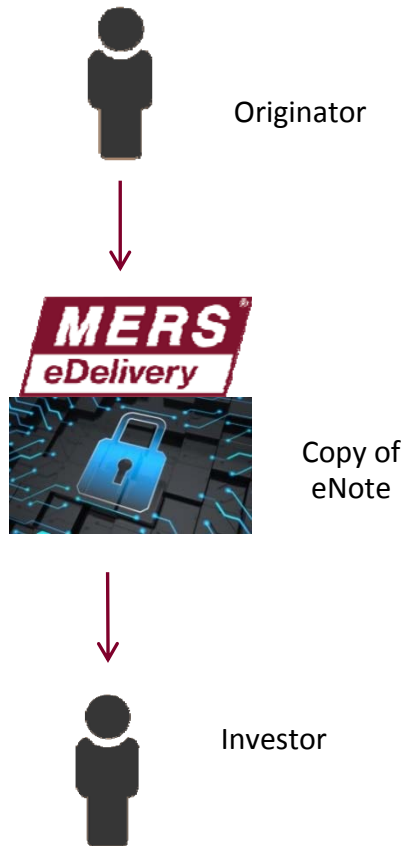
MERS®
eRegistry
Participants
(Recipients)



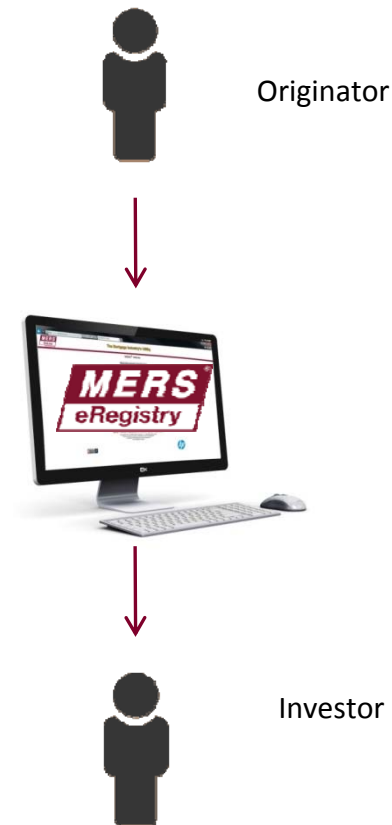
- Validates identity of sender and recipient
- Confirms receipt of MERS® eDelivery package
- Allows the recipient to notify the sender after opening the MERS® eDelivery package

What Occurs When an Investor Purchases eNotes?

1. Originator sends copy of eNote through MERS® eDelivery



2. Originator initiates the Transfer of Control on the MERS® eRegistry; investor confirms pending transaction





**What else do you
need to know?**

**To access additional information, visit
<http://mersinc.org/mers-registry>**



PROPRIETARY