



## **Requirements for Electronic Note Modifications and Copies of Note Modifications Effective November 1, 2021**

Effective November 1, 2021, FHLBank Atlanta (Bank) expanded collateral eligibility to accept the following types of loan modifications:

- Electronically signed loan modifications of wet-inked original promissory notes
- Copies of wet-inked loan modifications of wet-inked original promissory notes

To be eligible, the loan modifications must meet the requirements listed below. Loan modifications executed before November 1, 2021, that meet these requirements will also be eligible. The eligibility changes do not apply to e-notes collateral. Please contact your [collateral relationship specialist](#) at **1.800.536.9650** with any questions.

### **REQUIREMENTS FOR ELECTRONIC NOTE MODIFICATIONS**

The following requirements apply to electronically signed loan modifications (e.g., DocuSign, DocMagic, etc.) of wet-inked promissory notes and apply to all loan portfolios except Residential Available for Sale (RAFS) collateral, and all shareholders, regardless of credit score:

1. The original, wet ink paper note is in the shareholder's possession or the shareholder maintains control via a document custody or servicing agreement and can deliver the original note for review
2. The electronically signed loan modification is an amendment to the paper note and is not a restatement of the note that purports to replace the paper note (i.e. it is not being converted into an eNote) or changes the ownership of the note
3. The electronically signed loan modification must be a valid and enforceable transferable record pursuant to E-SIGN and UETA or other applicable law without any defect that would cause the Bank, or a subsequent transferor, to have less than full rights, benefits and defenses of control (as defined by UETA, E-SIGN, or applicable law) of the transferable record, and should include language to evidence compliance with E-SIGN and applicable UETA requirements
4. The electronic signing of the note modification must occur on, or prior to, the effective date of the change addressed by the note modification
5. A copy of the electronically signed loan modification must be maintained in a format that is accessible by the Bank, stored with the related loan documentation, and be available for review by the Bank
6. Evidence of the borrower's affirmative consent to conduct the loan transaction electronically and evidence of the borrower's execution of the electronic signature for a specific document must be maintained in a format that is accessible by the Bank, stored with the related loan modification, and available for review by the Bank

7. If the electronically signed loan modification requires an amendment to the mortgage as well as the note, the shareholder must comply with all recording requirements for the jurisdiction in which the property is located and the original mortgage is recorded. The Bank will accept E-Notarization or remote online notarization if the subject state has enacted laws or regulations allow for the same, and the applicable county recording office accepts them. Shareholders are responsible for knowing and complying with such laws; the Bank will not provide guidance on a jurisdiction by jurisdiction basis
8. Despite eSignature Laws that may permit eSignatures in various forms, including biometrics (such as fingerprint, voice, facial or retinal recognition) and video and/or audio recordings, an eSigned loan modification by biometric means (such as fingerprint, voice, facial, or retinal recognition) or by audio or video recording is ineligible
9. Control of the electronically signed note modification may not be assigned to any party other than the Bank (excluding for the purposes of servicing and custodial arrangements)
10. The electronically signed modification must be in an electronic format free from any licensing condition that would prohibit, limit, or inhibit the Bank (or any downstream investor or assignee of the Bank) from using the electronically signed note modification in support of any business purpose
11. The Bank (or any downstream investor or assignee of the Bank) must not be required to pay any royalties or any other fees for its use or access to the electronically signed note modification.
12. All other loan collateral eligibility requirements remain in effect, including, but not limited to, the Guidelines to Promote Responsible Lending

Loans reported in the RAFS portfolio that have electronically signed modifications are ineligible.

### **REQUIREMENTS FOR COPIES OF NOTE MODIFICATIONS**

The following requirements apply to copies of loan modifications of wet-inked promissory notes and apply to all loan portfolios, except RAFS collateral, and all shareholders, regardless of credit score:

1. The original, wet-inked, paper note is in the shareholder's possession or the shareholder maintains control via a document custody or servicing agreement and can deliver the original note for review
2. The loan modification is an amendment to the wet-inked, paper note and is not a restatement of the note that purports to replace the paper note (i.e. it is not being replaced by a scanned or imaged note modification) or changes the ownership of the note
3. If the loan modification requires an amendment to the mortgage as well as the note, the shareholder must comply with all recording requirements for the jurisdiction in which the property is located and the original mortgage is recorded
4. The copy of the wet-inked note modification must be maintained in a format that is accessible by the Bank, stored with the related loan documentation, and be available for review by the Bank
5. All other loan collateral eligibility requirements remain in effect, including, but not limited to, the Guidelines to Promote Responsible Lending
6. Loans reported in the RAFS portfolio that have only copies of wet-inked loan modifications of wet-inked promissory notes are ineligible.