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# Security for Electronic Signatures and Records in E-Mortgages

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# Overview



- E-Mortgages
  - Ensemble of standards and technologies required to prepare, execute, process and store all or part of the documents required for a mortgage.
- E-Records
  - Records created, processed and stored solely in electronic format
  - E-Mortgage
    - SMART Doc
    - E-Signed PDF
- E-Signatures
  - Electronic, legal equivalent to paper signatures
- E-Vaulting and E-Storage
  - E-Vaulting – electronic processing and storage of electronic mortgage notes and related documents that will meet the legal requirements of electronic promissory notes
  - E-Storage – electronic storage of electronic documents that will meet requirements of investors and government agencies

# Electronic Signatures Security

- Electronic Signatures
  - *electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record*
  - Method of Signing
  - Authenticates the Record
  - Authenticates the User
  - Captures Intent
- Security - Digital Signatures
  - cryptographic process to authenticate the origin and integrity of a data message
- Methods of Signing (act of signing)
  - Digitized Signature Capture
  - Click-Through
  - PIN or Text input

# Electronic Signatures Security cont.

- Document Authenticity
  - Digital Signatures
  - Method of attachment or association
    - Embedded
    - non-embedded
- User Authenticity
  - Knowledge-based authentication
  - User ID, PIN
- Verification
  - SMART Doc
  - E-Signed PDF
  - Others

# Electronic Transactions – Audit Trails



- Document Audit Trails
  - System
  - Parties
  - Transaction
  
- Transaction Audit Trails
  - Documents Ensemble
  - Logins and Log files
  - Viewed Web Pages
  - Electronic Transmission
  - MERS
    - Registration
    - E-Delivery
  
- Audit Trail Security
  - Electronic and Digital Signatures
  - SISAC Accredited digital certificates

# E-Mortgage Security



- E-Closing
  - Documents: Note/Security Instrument/Others
  - Execution, E-Notarization
  - Initiate MERS E-Note Registration
- E-Recording
  - URPERA – Uniform Real Property Electronic Recording Act
- E-Delivery
  - MERS E-Delivery
  - Proprietary E-Delivery

# E-Mortgage Security cont.



- MERS Registration
  - system of record for the mortgage industry to identify the current Controller (holder) and Location (custodian) of the Authoritative Copy of e-Notes
  - DOES NOT STORE THE E-NOTE
  - Distinguishes the Authoritative Copy
  - Authoritative Copy - Electronic equivalent of an original copy – a copy that is under control of the owner or custodian of the document. All other copies are identifiable as copies.

# E-Mortgage Security cont.

- E-Storage and Document Custody
  - E-Vault used to store E-Mortgage documents
  - Provide secure electronic safekeeping
  - Maintain Custodial control to match Registry
  - Certification on E-Mortgage documents
  - Follow applicable E-Mortgage Guidelines from major investors

# Conclusion

- Security is a process, not just a technology
- It needs to apply end-to-end to prevent security holes and unwanted fraud
- E-Mortgages can be more secure than the paper world when implemented correctly