



# ***GSE UPDATE AND MERS eREGISTRY***

MBA's Legal Issues In  
Mortgage Technology  
Conference

Las Vegas, Nevada  
November 19, 2004

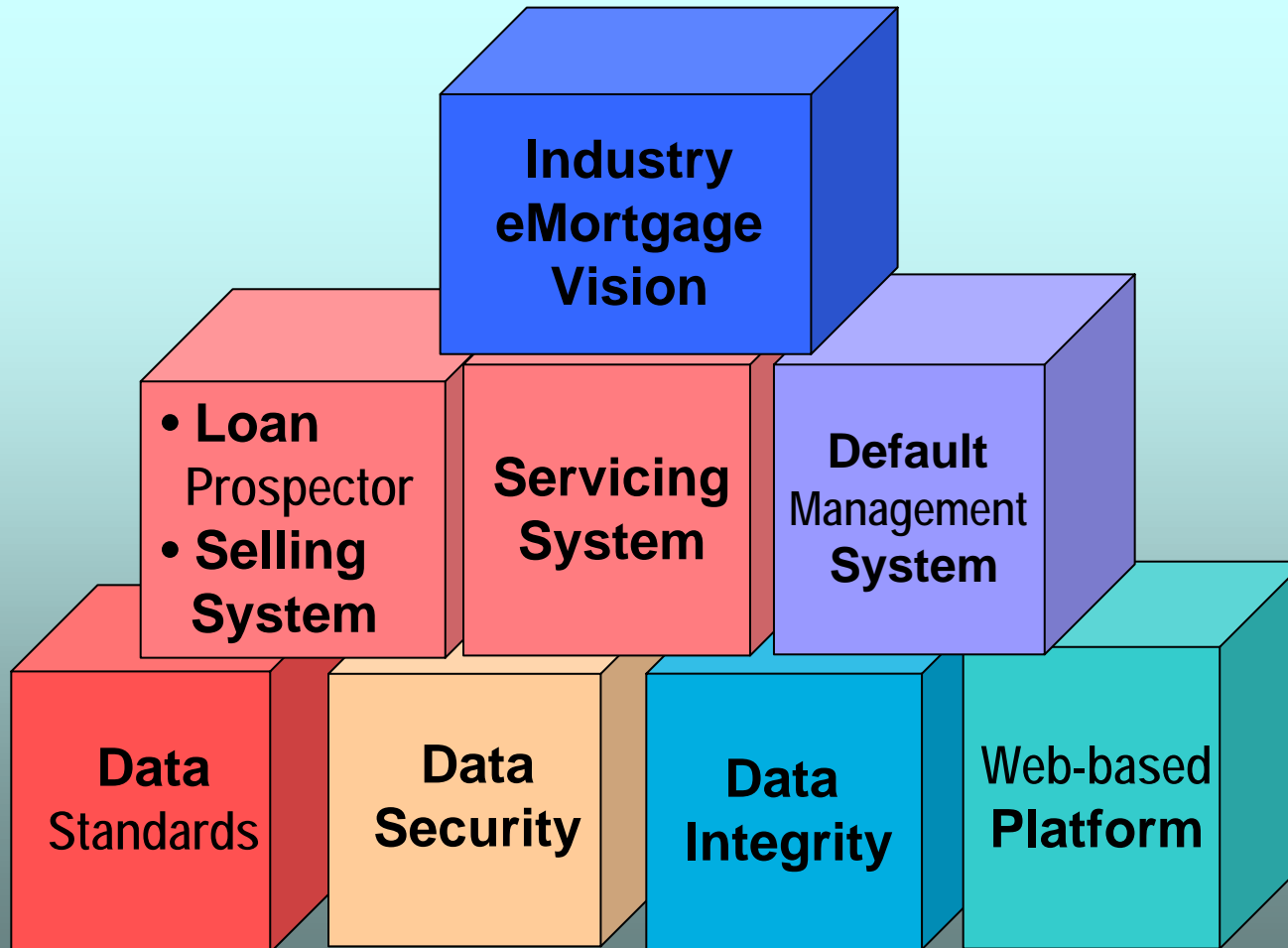
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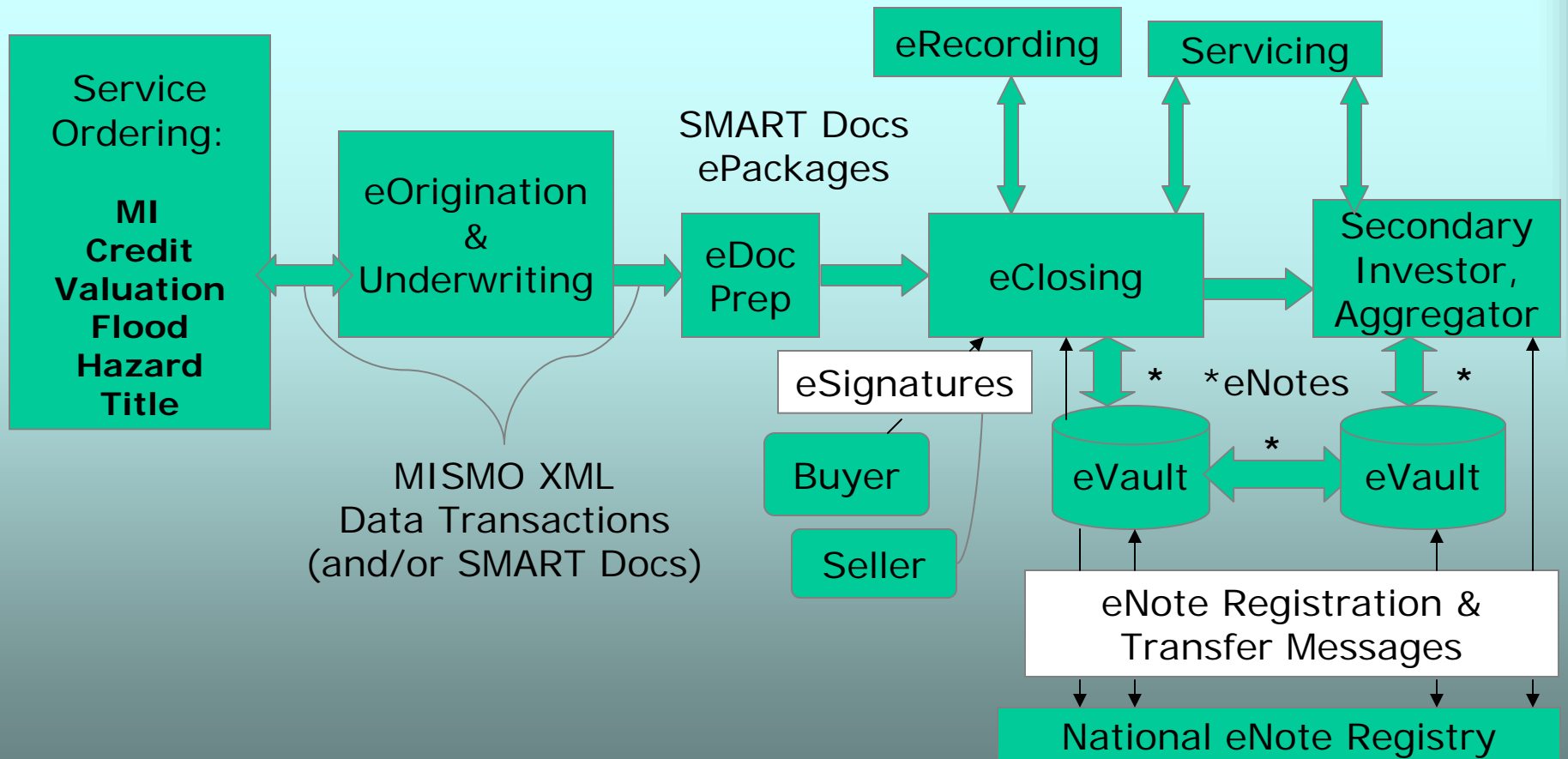
## *Building Blocks of Freddie Mac Technology*



## *Industry eMortgage Goals*

- Build upon & extend MISMO data standards
  - Reuse industry-standard datasets
  - Add data points and XML standards needed for true “paperless” operation
- Develop standards, specifications & guidelines for fully electronic mortgage processing
  - Reduce re-keying & manual data verification
  - Increase efficiency & liquidity in the marketplace

# Process Flow Example



## *Key Legal Challenges Post-eSign*

- Authentication
- “Reasonable Demonstration” of Consumer Access
- Transferable Record (eNote)
  - HDC protection
  - “Single, unique, authoritative copy”

## *National eNote Registry*

- Central registry referenced in eNote text
- Identifies the entity “in control” of the eNote
- Points to the location of the authoritative copy

## ***SPeRS Initiative***

Standards & Procedures for electronic Records and Signatures (SPeRS)

Sponsored by Electronic Financial Services Council (EFSC)

*Provides guidance on how systems should interact with users when delivering information or obtaining signatures*

## Fitting Together ...

How do we choose our ESIGN and UETA solutions? What should we be thinking about?

How do we know this is the real eNote?

How do we create and process eMortgage files? How is the business data defined?

SPeRS<sup>SM</sup>

MERS  
eRegistry

MISMO

How do we know which digital sigs to trust?

SISAC



Property Records  
Industry Association  
PRIA:US

How do we plug all this into the County Recorder?

## *Freddie Mac Supports eMortgage...*

- Contributing to MISMO eMortgage standards initiatives
- Participating in MERS development of national eNote Registry
- Incorporating uniform legal language in the eNote
- Supporting implementation of SPeRS deliverables
- Refining Freddie Mac's eMortgage strategy based on industry feedback & open standards

## *Freddie Mac's Next Steps*

We believe in open standards, so Freddie Mac does not plan on developing and deploying proprietary e-mortgage systems. We plan to:

- Collaborate with industry technology groups and our customers to implement processes, standards and controls that streamline document and data flow
- Leverage the infrastructure of our new Selling System and best-in-class electronic document and electronic mortgage solutions



***Thank you***