

Business Requirements for HAMP eSign Solutions

This document details process and technology requirements for technology vendors looking to develop solutions to support electronic signing of Home Affordable Modification Program (HAMP) documents.

Introduction

HAMP is a key component of the Obama administration's efforts to stabilize the housing industry and to help stem the rise in foreclosures. The mortgage industry supports the use of electronic signatures and electronic documents, or "eSign," as a means of achieving operational efficiencies and providing customer-benefiting processes. This requirements document is intended to ensure that HAMP eSign solutions meet industry standards and requirements for use of electronic signatures, and provides for a consistent process and document format across vendors.

The Making Home Affordable Home Affordable Modification Program Supplemental Directives provide detail on a uniform loan modification process to be used by all HAMP-participating servicers, and give detailed guidance on borrower qualification, program documents, and process requirements. Any technical solution intended to support the HAMP process must comply with program requirements as outlined in the Supplemental Directives or subsequent announcements which may further amend these requirements. Application providers must ensure that eSign solutions comply with section 101c of E-SIGN (the federal law which governs electronic signature transactions).

HAMP eSign Solution Business Requirements

Across the mortgage industry, lenders and servicers have achieved significant benefits through the use of electronic documents, electronic distribution, and electronic signing. Providing borrowers a secure, online option for accessing, printing, and electronically executing HAMP modification documents creates a more efficient, streamlined process for both the borrower and the servicer.

There are many components to the HAMP fulfillment process, and we encourage solution providers to work closely with servicer customers to understand their specific needs and requirements. Some of the basic components are discussed below, including specific technical requirements for electronically signed HAMP modification documents.

Electronic Documents

Any automated HAMP fulfillment platform must accept a combination of data and documents from servicers for distribution and/or eSign. Specific requirements and capabilities will differ by customer; some servicers may prefer to outsource document creation by providing only data for document generation, while others will want to upload completed documents generated in-house for electronic distribution and/or signature. Most servicers will likely require a combination of these approaches.

Fannie Mae, as the HAMP program administrator, and Freddie Mac, see great value in the inherent capabilities of true electronic documents, and both support the efforts at MISMO to standardize electronic document

definitions and data mapping. To that end, we require that the final eSigned modification document be a Category 3 SMARTDoc (v1.02) and be created using MISMO standard data definitions and data mapping. In addition:

- The “_Type” attribute in the document Header should reflect “LoanModification” for HAMP modification documents.
- The “_FormNumberIdentifier” attribute in the document header should reflect “3157e” for the HAMP Modification Agreement.

Electronic Distribution

Providing a means of ensuring delivery to and attention by the consumer will help servicers reduce manual follow up and improve execution rates. Solutions should include:

- Undeliverable message handling.
- Automated reminders to borrowers that have not completed document signing or have items outstanding.
- Tracking/reporting on case fulfillment status.

Secure Borrower-facing Web Site

Providing secure, convenient access for borrowers to interact with their servicer is an important aspect of HAMP eSign fulfillment. Through this Web site, borrowers should be able to:

- View and print HAMP documents.
- Submit information and documents to servicers via Web forms, upload, or fax-in solutions.
- View status and/or any outstanding borrower actions.
- Electronically sign the Home Affordable Modification Agreement.

Additional eSign Requirements

- eSign solutions must be in compliance with the Federal E-SIGN law and include components such as an appropriate level of borrower authentication, and borrower eSign authorization.
- After execution of the HAMP documents, including the Home Affordable Modification Agreement, the documents should be tamper-sealed prior to vaulting.
- The service should provide for eNotarization when required.
- The service should include a detailed, electronic audit record of all activities to support the HAMP compliance and audit requirements.
- The service should alert the servicer upon document execution, and provide secure transmission of the completed documents to the servicer, or provide the capability for the servicer to access and export executed documents.
- If the loan that is being modified was originally executed electronically (electronic Promissory Note, aka eNote) and was registered on the MERS eRegistry, then upon execution of the HAMP modification, the service will need to update the MERS eRegistry to reflect the modification.