



## Electronic Signature Modification Guidelines

Electronically signed loan modifications of wet-inked promissory notes are acceptable subject to the following:

- The original, wet ink paper note is in the member's possession (or with a custody service) and is available for Bank review; and
- The electronically signed loan modification merely amends one or more terms of the original paper note and does not supersede, restate or replace the original paper note. Importantly, the original note remains in force and the modification does not constitute a refinancing. Loan modifications advancing new funds or capitalizing unpaid interest are considered a refinancing and a restatement of the original terms; a wet-ink signature is required; and
- A copy of the electronically signed loan modification must be stored with the related loan documentation for the loan, maintained in a format that is accessible by the Bank and be available for review by the Bank; and
- The electronically signed loan modification must be signed using electronic signature technology that complies with the ESIGN Act.
- Modifications clearly to the borrower's benefit (such as a reduced interest rate), various forms of borrower acknowledgement will be accepted, provided that a copy of the borrower acknowledgment includes identification of the promissory note being modified, is stored with the related loan documentation for the loan, is maintained in a format that is accessible by the Bank and is available for review by the Bank.
- If the electronically signed loan modification requires an amendment to the mortgage as well as the note, the member must comply with all recording requirements for the jurisdiction in which the property is located and the original mortgage is recorded.