

**CMG Financial Correspondent Lending**

**ELECTRONIC SIGNATURE POLICY**

**Objective**

The objective of this Policy is to provide CMG Financial Correspondent Lending's Sellers with detailed guidelines regarding Electronic Signature requirements. The scope of this policy includes all instances where an original, wet signature is not used, such as a signature stamp.

In all circumstances that permit Electronic Signatures, **the Electronic Signature and Date must be clearly visible**. Electronic Signatures are never permitted on any documents that require notarization or witnesses and are not permitted on any final closing documents.

**Initial Disclosures**

For all loan programs that permit electronic signatures on initial disclosures, the following requirements apply:

The Correspondent Seller is required to validate that their document delivery company is contracted to deliver initial disclosures to the consumer with the option for Electronic Signatures in compliance with the Electronic Signatures in Global and National Commerce Act (E-Sign Act), the Uniform Electronic Transactions Act (UETA), and the IRS's IVES Participant Guidelines for the 4506-T.

**FANNIE MAE & FREDDIE MAC**

For Fannie Mae and Freddie Mac loan programs, Electronic Signatures are permitted on the Initial 1003 and all Initial Disclosures. The Correspondent Seller is required to ensure all of the Real Estate Brokers listed on the Sales Contract are licensed and that the Sales Contract is signed by the correct parties in all required places.

**Note:** For Sale by Owner (FSBO) purchase transactions are not managed by a licensed Real Estate Broker, so Electronic Signatures are NOT permitted on the Sales Contract. Additionally, if either the Seller(s) or Buyer(s) are not utilizing a licensed Real Estate Broker, then Electronic Signatures are NOT permitted for that party.

**FHA**

For FHA loan programs, Electronic Signatures are permitted on the Initial 1003 and Initial Disclosures.

Electronic Signatures are permitted on Real Estate Sales Contracts. The Correspondent Seller must ensure the Sales Contract is signed by the correct parties in all required places.

**Note:** The Amendatory Clause and Real Estate Certification are attachments to the Sales Contract so these documents may be electronically signed.

**VA**

For VA loan programs, Electronic Signatures are permitted on the Initial 1003 and all Initial Disclosures.

Electronic Signatures are permitted on Real Estate Sales Contracts. The Correspondent Seller must ensure the Sales Contract is signed by the correct parties in all required places.

**USDA**

For USDA loan programs, Electronic Signatures are NOT permitted on any documents including the Initial 1003, all Initial Disclosures and the Real Estate Sales Contract.

**JUMBO & AIO**

For Jumbo and *All In One*<sup>TM</sup> (AIO) loan programs, Electronic Signatures are permitted on the Initial 1003 and all Initial Disclosures.

Electronic Signatures are permitted on Real Estate Sales Contracts. The Correspondent Seller must ensure the Sales Contract is signed by the correct parties in all required places.

**POWER OF ATTORNEY**

Electronic Signatures are not allowed for loan transactions utilizing a Power of Attorney (POA).

**SUMMARY**

The table below summarizes the ability to permit Electronic Signatures per each loan program. Please refer to the details above to ensure full compliance with the requirements.

| <b>Loan Program</b> | <b>Initial Disclosures</b> | <b>Sales Contract</b> |
|---------------------|----------------------------|-----------------------|
| Fannie Mae          | Yes                        | Yes*                  |
| Freddie Mac         | Yes                        | Yes*                  |
| FHA                 | Yes                        | Yes                   |
| VA                  | Yes                        | Yes                   |
| USDA                | No                         | No                    |
| Jumbo               | Yes                        | Yes                   |
| AIO                 | Yes                        | Yes                   |

*\*Sales Contract must be managed by a licensed Real Estate Broker.*

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