

Section 1.32 – Electronic Signature Requirements

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Overview

General

SunTrust allows the use of electronic signatures on:

- Appraisals, and
 - Sales contracts (all parties to the sales contract) and any applicable addendums, and
 - Initial disclosures and initial loan application (i.e., 1003).
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Related Bulletins

General

Related bulletins are provided below in PDF format. To view the list of published bulletins, select the applicable year below.

- [2018](#)
- [2016](#)
- [2015](#)
- [2014](#)

Note: There were no related bulletins in 2017.

Eligibility of Electronic Signatures

General

- SunTrust defines an “Electronic Signature” as an electronic symbol or process attached to, or logically associates with a contract or other record executed or adopted by a person with the intent to sign the record.
 - SunTrust defines “Initial Disclosures” as any disclosures required to be provided to applicants under state or federal law or by SunTrust’s Seller Guide prior to the loan closing date.
 - An indication of the eSignature and date must be clearly visible when viewed electronically or on paper.
 - Photocopies, facsimile or imaged electronic documents having a “wet” or ink signature are acceptable.
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Agency Loan Programs

- SunTrust allows the use of electronic signatures on:
 - Appraisals,
 - Sales contracts (all parties to the sales contract) and any applicable addendums,
- Note:** The lender must take reasonable steps to determine that the sales contract is validly signed by the correct parties in all required places.
- References:
- See the “Electronic Transmission of Appraisal Reports” subtopic in the “Appraisal Requirements” topic in [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional guidance.
 - See the additional Freddie Mac LPA loan requirements for electronic real estate purchase and sale agreements outlined below.
- Initial disclosures and initial loan application (i.e., 1003), and
 - as permitted in the “General Income Documentation Requirements” and “General Asset Documentation Requirements” located in [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide*.
 - Electronic signatures on sales contracts are not eligible when a notary is required.
 - **Additional Freddie Mac LPA Loan Requirements for Electronic Real Estate Purchase and Sale Agreements**
 - **Local Customary Real Estate Broker Contracts**
 - A local customary real estate broker purchase and sale agreement (“Contract”), used in the ordinary course of the residential real estate business in a State (excluding contracts for the purchase and sale of residential Real Estate Owned (REO) and short sales) delivered to the lender as a paper copy of a Record or as an Electronic Record, which has been signed by the buyer and/or the seller of real estate using a copy or representation of their respective written signature or an Electronic Signature, which is attached thereto or logically associated therewith, is acceptable in lieu of obtaining an original paper Contract or copy of an original paper Contract signed with a pen and ink signature, provided that:
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Eligibility of Electronic Signatures, Continued

Agency Loan Programs, *continued*

- **Additional Freddie Mac LPA Loan Requirements for Electronic Real Estate Purchase and Sale Agreements, continued**
 - **Local Customary Real Estate Broker Contracts, continued**
 - The Electronic Contract process is managed by a licensed real estate broker
 - The Electronic Contract otherwise complies with all of Freddie Mac's requirements
 - The Electronic Contract is true, complete, accurate and duly signed by the parties
 - Any affidavits or other notarized documents associated with such Electronic Contract must be original paper documents signed with pen and ink signatures and must be notarized and stamped with a traditional notary seal, if applicable
 - **REO Contracts**
 - An Electronic REO Contract, for the purchase and sale of residential real estate, signed by Freddie Mac (or its designee) as the seller of the REO and/or the buyer of the REO using an Electronic Signature is acceptable in lieu of obtaining an original signed paper Contract or copy of an original paper Contract signed with a pen and ink signature, provided that:
 - The Electronic Contract process is managed by a licensed real estate broker
 - The Electronic Contract otherwise complies with all of Freddie Mac's requirements
 - The Electronic Contract is true, complete, accurate and duly signed by the parties
 - Any required affidavits or other notarized documents associated with such Electronic Contract must be original paper documents signed with pen and ink signatures and must be notarized and stamped with a traditional notary seal, if applicable
 - **Short Sale Contracts**
 - Short sale Contracts, for the purchase and sale of residential real estate, signed by the seller and/or the buyer of the real estate using Electronic Signatures is acceptable in lieu of a paper original or copy of a paper original Contract signed with a pen and ink signature, provided that:
 - The Electronic Contract process is managed by a licensed real estate broker
 - The Electronic Contract otherwise complies with all other Freddie Mac requirements
 - The Electronic Contract is true, complete, accurate and duly signed by the parties
 - Any required Short Sale affidavits or other notarized documents associated with such Short Sale Contract, must be original paper documents signed with pen and ink signatures and must be notarized and stamped with a traditional notary seal, if applicable.

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Eligibility of Electronic Signatures, Continued

Non-Agency Loan Programs

- SunTrust allows the use of electronic signatures on:
 - Appraisals, and
 - Sales contracts (all parties to the sales contract) and any applicable addendums.
 - Electronic signatures on sales contracts are not acceptable when:
 - a Power of Attorney (POA) is involved, or
 - a notary is required on a sales contract.
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Correspondent Lender Requirements for Delivering Loans to SunTrust with Electronic Signatures on Initial Disclosures and Initial Loan Application

General

- SunTrust requires Correspondent Lenders to represent and warrant the following:
 - Correspondent represents that the software and disclosures used comply with the applicable federal and/or state laws, regulations and rules including, the Uniform Electronic Transactions Act, as enacted in each applicable jurisdiction ("UETA") and the federal Electronic Signatures in Global and National Commerce Act ("ESIGN"), as applicable.
 - Correspondent will promptly notify Seller of any negative or adverse findings by each Correspondent's federal regulator with respect to any Correspondent's use of Electronic Records and Electronic Signatures in connection with creating and using Electronic Initial Loan Documents.
 - Certify (initially and then annually) in writing, that the Correspondent and its vendors (and all applicable Systems) are in compliance with the applicable requirements described herein.
 - All such Electronic Initial Loan Documents will be retained for the life of each applicable Mortgage plus seven years and, if servicing is transferred, securely transfer such Electronic initial Loan Documents to the transferee Servicer.
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Eligibility of Electronic Signatures, continued

Correspondent Lender Requirements for Delivering Loans to SunTrust with Electronic Signatures on Initial Disclosures and Initial Loan Application, (continued)

System Requirements

- The following are the minimum eligibility requirements for any systems used by Correspondent Lenders to generate electronically signed documents to deliver loans to SunTrust:
 - The Systems produce valid, enforceable and effective records and signatures under ESIGN and UETA, as applicable, and all other applicable state and federal laws.
 - The Systems electronically create and permit consumers to electronically sign a consent to receive and sign Documents electronically as required by ESIGN and provide consumers with pre-consent disclosures in compliance with ESIGN. The consent disclosures must include:
 - a clear statement of the consumer's right (if applicable) to have documents made available in paper or non-electronic form,
 - a statement of the right to withdraw consent and associated conditions, consequences, and fees that may apply,
 - how the consumer may, after consenting, obtain paper copies and any fees charged,
 - hardware and software requirements for access to and retention of electronic records,
 - the process for the consumer to retain a copy of the ESIGN Consent disclosure,
 - a description of the type or classes of transactions the consent applies to and, if applicable, a statement that the Consumer's consent covers the general use of electronic records and electronic signatures in connection with the Transaction,
 - procedures to withdraw consent,
 - procedures to update electronic contact information, and
 - electronic documents are properly created and electronically signed (if required) and will be valid, enforceable and effective in accordance with the terms thereof.
 - The Systems electronically create federal and state consumer lending disclosures that comply in all respects (conspicuousness, completeness and accuracy) with all applicable federal and state laws, rules and regulations.
 - Each electronic document created and used in the initial loan origination process complies with all applicable state and federal consumer protection and disclosure laws, and all other applicable laws and regulations.