

Electronic Signatures Reference Guide

Short Sale, Deed in Lieu and Real Estate Owned
January 2013

Electronic Signatures Reference Guide

- Bank of America and Electronic Signatures
 - Bank of America now accepts electronic signatures on some documents collected during the short sale process. The change has been made in response to feedback we have received from real estate professionals.
 - Each real estate partner or agent is responsible for selecting its own third-party service provider (i.e., e-sign vendor) to present electronic documents and capture electronic signatures on its e-signing platform.
 - Each agent must perform its own due diligence on an e-sign vendor and its e-signing platform to, among other things, ensure the e-signing platform's ability to comply with the various Bank of America requirements set out below.
 - Each agent must enter into its own contract with its selected e-sign vendor that, among other things, obligates the e-sign vendor to comply with the bank's requirements.
 - Those requirements are set out below and on the Bank of America Real Estate Agent E-Transaction Terms of Service Disclosure.
 - All costs, expenses and risks associated with an agent's use of its chosen e-signing platform are borne by the agent, not Bank of America.



Electronic Signatures Reference Guide

- Overview
 - This reference guide will help Bank of America's real estate partners understand the process required for submitting documents presented on an e-signing platform, including those that are electronically signed.
 - In this guide, you will learn how to submit documents electronically, including those containing electronic signatures for the Short Sale, Deed in Lieu and Real Estate Owned divisions.
- Objectives
 - By the end of the guide, you should understand:
 - The process required to submit documents electronically, including those with electronic signatures.
 - Which types of documents can contain e-signatures.

Electronic Signatures Reference Guide

- What Is an Electronic Signature?
 - An electronic signature:
 - E-SIGN/UETA — an electronic sound, symbol or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.
 - Consists of one or more letters, characters, numbers or other symbols in electronic form incorporated in, attached to or associated with an electronic document.
 - Identifies a particular person as the source of the electronic message.

Documents on Which E-Signatures May Be Used

Bank of America Divisions That Accept E-Signatures

- Short Sale*
- Deed in Lieu (DIL)
- Real Estate Owned (REO)

* Bank of America accepts e-signatures on proactive short sales (transactions initiated **without** an offer), such as the HAFA and Cooperative programs. For FHA, VA and traditional short sales (transactions submitted **with** an offer), check with your specialist to determine if e-signatures are accepted.

Notes

- **For short sale and DIL:** Notarized, LLC and trust documents are not accepted with e-signatures; handwritten ("wet") signatures must be obtained for them.
- **For REO:** Business entity documents are accepted with e-signatures. Notarized documents require wet signatures.
- **For FHA, VA or traditional short sale files:** Submit initial documents with wet signatures. The Bank of America specialist will confirm upon review of file if any additional documents may contain e-signatures.
- **Note:** There are many disclosures, contract documents, etc., and documents vary from state to state. Additional forms may be required other than those listed above.

Short Sale Files Without an Offer

Sampling of documents allowed to contain e-signatures:

- Approval Letter
- Arm's-Length Transaction
- BAI (Borrower Acknowledgment of Interest)
- Bank of America E-Transaction Consent Disclosure
- Bank of America Third-Party Authorization
- Dodd-Frank Certification
- MLS (Multiple Listing Service) Agreement
- Preliminary HUD-1
- Purchase Contract & Addendums
- RASS (Request for Approval of Short Sale)
- RMA (Request of Modification and Affidavit)
- Short Sale Marketing Extension Agreement
- Short Sale Addendum
- Short Sale Agreement

Requirements for Accepting E-Signatures

- Read This Before Submitting E-Signatures
 - When using an e-sign vendor to produce e-signed documents, the requirements on the following pages must be met in order for the documents to be accepted by Bank of America.
 - There are **no exceptions** to the following requirements. If the requirements are not met when documents are submitted, the documents:
 - Will be rejected at the document review stage by the associate assigned to the file.
 - Must be corrected or handwritten signatures (“wet signatures”) must be obtained.
 - Any signing platform selected by an agent must be able to:
 - Comply with the [Authentication Requirements for E-Signed Transactions](#).
 - Comply with the [Disclosure, Audit & Integrity Requirements for E-Signed Transactions](#).
 - Proceed to the [Authentication Disclosure, Audit & Integrity Requirements](#).

Electronic Signatures Reference Guide

- Authentication Requirements for E-Signed Transactions
 - The signing platform must provide the following capabilities and features to the customer and the authorized third party (user/signer):
 1. KBA (Knowledge-Based Authentication) identity validation.
 - KBA validation authenticates the user/signer by answering random questions selected from public and commercial information related exclusively to the signer.
 - The user/signer must use KBA.
 2. An email address exclusive to the user/signer for authentication on the signing platform.
 - The user/signer must use an exclusive email address created by the e-signer prior to the signing event. (This address does not have to be created on the signing platform.)
 3. The ability to create a password or passcode for validation by the signing platform.
 - The user/signer must use this exclusive password or passcode.

All three items above are required on each e-signature transaction for any customer or authorized third party (user/signer) to meet authentication requirements for e-signed transactions.

Electronic Signatures Reference Guide


- Disclosure, Audit & Integrity Requirements for E-Signed Transactions
 - The signing platform must generate and provide to the user/signer:
 - The Bank-provided [E-Transaction Consent Disclosure](#), also prior to his or her receipt of any document on the e-signing platform (except for the vendor disclosures).
 - Disclosure must be printable and retainable; user/signer must be encouraged to do so.
 - The e-signing platform must then also obtain user/signer consent to obtain documents electronically and agreement to use electronic signatures on any documents presented.
 - Consent must be obtained on e-signing platform from each user/signer in a manner that reasonably demonstrates his or her ability to receive electronic documents.
 - The e-signing platform must then generate and provide to each user/signer:
 - A printable/retainable copy of:
 - All documents presented on the e-signing platform, including those that are electronically signed.
 - A tamper-sealed certificate of completion, transaction log or other e-signing platform audit trail (audit log) when the entire signing transaction is completed by all user/signers.

Electronic Signatures Reference Guide

- Disclosure, Audit & Integrity Requirements for E-Signed Transactions
(continued)
 - The e-signing platform must also generate and provide (and include in audit log):
 - An IP address on all activity related to each e-signature transaction (including document level audit detail).
 - A Globally Unique Identifier (GUID) or transaction identification number that is:
 - Associated with each user/signer and document at the time of authentication and signature creation.
 - A hash of any digital signature by means of which the e-signing platform tamper-seals each document.
 - Any change in the underlying document would produce a different hash value when subsequently validated on the signing platform, which would then be evidence of tampering.
 - A visible e-sign vendor stamp or electronic signature on the document to indicate the e-sign vendor that made the e-signing platform available.
 - The [Bank of America E-Transaction Consent Disclosure](#) must be returned with all other documents.

Electronic Signatures Reference Guide

- How to Accept and Submit E-Signed Documents

Step	Action
1	If choosing option to use e-signatures on documents, determine if e-service provider being used for transaction meets all e-signature requirements (Pages 7-9 of this guide).
2	<p>Ensure authentication level is set at the required level to proceed with e-signature process. (All three are required.) Authentication levels are typically set by the account owner (i.e., authorized third party or borrower) and are typically located in the account settings.</p> <p>Knowledge-Based Authentication. This option requires signers to validate their identity by answering questions taken from public and commercial databases. (See example below.) E-sign vendors may have different names for this authentication level, so please check with your e-sign vendor for the exact name of this option that must be selected. <i>If they don't offer this option, you will not be able to use this vendor.</i></p> <ul style="list-style-type: none">Email exclusive to user/signer.Password or passcode established and exclusive to user/signer. 


Electronic Signatures Reference Guide

- How to Accept and Submit E-Signed Documents (continued)

Step	Action
	<div><p>This Document Requires Identity Verification</p><p>Please Answer the Following Questions:</p><p>1. Which one of the addresses below have you ever lived at?</p><ul style="list-style-type: none"><input type="radio"/> 1294 Main st. Chicago, IL<input type="radio"/> 10451 3rd st. New York, NY<input type="radio"/> 1508 Wright Ave. Sunnyvale, CA<input type="radio"/> None of the above</div>
3	<p>Ensure that user/signer account is set up to record the stamp verification of the e-sign vendor that facilitated the e-signature on each page of the e-signature document/transaction. This stamp will typically appear at the top or bottom of each page.</p> <p>If you are unsure of how to set this account setting please check with the e-Sign Vendor for direction on account settings. <i>If it doesn't offer this option, you will not be able to use this vendor.</i></p>
4	Complete e-signature transaction with user/signer.


Electronic Signatures Reference Guide

- How to Accept and Submit E-Signed Documents (continued)

Step	Action
5	<p>Gather all documents with e-signatures and the required validation requirements (Pages 6-9 of this guide).</p> <ol style="list-style-type: none">Bank of America E-Transaction Consent (found on Agent Resource Center) https://bankofamerica.com/realestateagentTransaction-specific audit logs provided (See example below.) <p>Confirm audit log contains the following information:</p> <ul style="list-style-type: none">Globally Unique Identifier (GUID) or Transaction ID #IP address of all users/signers involved in e-signature transactionHash of digital signature used to tamper-seal each documentHistory of signing events for all users/signers for each document  <p>Certificate of Completion</p> <p>Envelope Number: 7CD60461F53C47F4AE9721E0F9F6E8F Subject: Generic NDA for Demo Source Envelope: Document Pages: 2 Certificate Pages: 4 AutoNav: Enabled Envelope Stamping: Enabled</p> <p>Status: Completed</p> <p>Signatures: 1 Initials: 0</p> <p>Envelope Originator: Terri Frohmiller - BoA Demo 1301 2nd Ave Seattle, WA 98101</p> <p>Record Tracking</p> <p>Status: Original 4/18/2012 9:13:01 AM PT</p> <p>Holder: Terri Frohmiller - BoA Demo terri.frohmiller@docusign.com</p> <p>Location: DocuSign</p> <p>Document ID: 88</p>

Electronic Signatures Reference Guide

- How to Accept and Submit E-Signed Documents (continued)

Step	Action
	<p>Certificate of Completion</p> <p>Envelope Number: D8E0AF6665FD4A948B6553545AC2E68F Status: Completed</p> <p>Subject: Please DocuSign this document: Dell Laser MFP 1815_20121108082558.pdf</p> <p>Source Envelope:</p> <p>Document Pages: 4 Signatures: 2 Envelope Originator:</p> <p>Certificate Pages: 5 Initials: 0 Tammie Crane</p> <p>AutoNav: Enabled 32019 NE Corral Creek Rd.</p> <p>EnvelopeID Stamping: Enabled Newberg, OR 97132</p> <p>tammie@homesbycrane.com</p> <p>IP Address: 50.39.233.196</p> <p>Record Tracking</p> <p>Status: Original Holder: Tammie Crane Location: DocuSign</p> <p>11/8/2012 9:34:47 AM PT tammie@homesbycrane.com</p> <p>Signer Events</p> <p>Signature Timestamp</p> <p>Kristen Hardy DocuSigned by: Sent: 11/8/2012 9:42:50 AM PT</p> <p>kristen@danhardyproperties.com  Delivered: 11/8/2012 12:29:09 PM PT</p> <p>Hardy Properties 2A6B9DA7182C4AE... Signed: 11/8/2012 12:29:23 PM PT</p> <p>Security Level: Email, Account Authentication (None), Access Code, Authentication</p> <p>Using IP Address: 50.53.145.247</p> <p>Authentication Details</p> <p>IDCheck:</p> <p>Transaction: 8020706782731</p> <p>Result: failed</p> <p>Vendor ID: RSA</p> <p>Type: iAuth</p> <p>Performed: 11/8/2012 8:20:23 PM GMT</p> <p>Question Details:</p> <p>failed property.association.multiple.real</p> <p>passed property.city.fake</p> <p>failed property.county.real</p> <p>IDCheck:</p> <p>Transaction: 8020706881258</p> <p>Result: passed</p> <p>Vendor ID: RSA</p> <p>Type: iAuth</p> <p>Performed: 11/8/2012 8:28:56 PM GMT</p> <p>Question Details:</p> <p>passed livedat.subdivision.fake</p> <p>passed property.city.real</p> <p>passed property.county.real</p> <p>passed county.lived.multiple.real</p> <p>passed property.association.multiple.real</p> <p>passed corporate.association.real</p> <p>Consumer Disclosure:</p> <p>Accepted: 11/8/2012 12:29:09 PM PT</p> <p>ID: 5b73831b-a249-4370-b30c-76c90ff601f7</p>

Security Level

ID Check

Electronic Signatures Reference Guide

- How to Accept and Submit E-Signed Documents (continued)

Step	Action
6	<p>Submit all e-signature and bank-required documents at initiation in first Equator task due or upon first document request of the short sale (SS), Deed in Lieu (DIL) or Real Estate Owned (REO) transaction.</p> <p>For REO transactions, proceed to Step 7.</p>

Electronic Signatures Reference Guide

- How to Capture Reporting









- To capture reporting for REO transactions that were completed using electronic signatures, you will be required to use the following process when uploading a completed and electronically executed contract into the Send Signed Contracts Task in Equator.

Step	Action
7	<p>Follow the steps below to ensure you are completing the tracking process appropriately</p> <ol style="list-style-type: none">1. Buyer(s) execute documents with electronic signatures2. Open <i>Send Signed Contracts Task</i>3. Upload the contracts4. Notate in the Comments section with the below verbiage template Electronic signatures used to execute contracts

- For an example of what the [Send Signed Contracts Task](#) should reflect, see Page 15.

Electronic Signatures Reference Guide

- Send Signed Contracts Task
 - Example of what the Send Signed Contracts Task should reflect:

Send Signed Contracts (This Task has already been closed)	
Upload CHL Addendum: *	 . BofA Addenda
Upload State Contract:	 . State contract
Upload State Rider:	No files have been uploaded.
Upload Mold Water Disclosure:	 . Mold/water
Upload MLS: *	 . MLS
Upload Lead Based Paint Addendum:	 . LBP
Upload Miscellaneous Documents:	 . Buyer acknowledgement  . Verified Funds  . checklist
Upload Selection Settlement Agent:	No files have been uploaded.
Comments:	Electronic Signatures used to execute contracts