



Credit Bulletin

Federal Home Loan Bank of Indianapolis

Collateral Eligibility – eNotes Now Accepted for Pledge

August 11, 2021

To All Members:

The Federal Home Loan Bank of Indianapolis (FHLBank Indianapolis/Bank) is now accepting eNotes for first lien 1-4 family residential mortgage loans as collateral.

What is an eNote?

An eNote is a promissory note created, signed, and stored electronically in an eVault in accordance with the standards for “transferrable records” under the Electronic Signatures in Global and National Commerce Act (ESIGN) and Uniform Electronic Transactions Act (UETA). eNotes are created and executed electronically via an “eClosing,” which is a process of closing and storage a mortgage loan electronically in what is known as an “eVault.”

To be considered a transferrable record, an eNote must follow certain guidelines, as detailed in the informational materials linked below. Note that there are very important distinctions between an eNote and an Electronic Note and between an actual eNote and an eSignature.

Eligibility Requirements

In order to pledge eNotes as collateral, members must comply with the Bank’s [Electronic Promissory Notes \(eNotes\) Collateral Acceptance Requirements and Guidelines](#) and Members must execute an eNotes Addendum to the Advances Pledge, and Security Agreement. eNote collateral must be delivered to the Bank’s eVault, or another eVault arrangement approved by the Bank, and the Bank must be listed as the secured party in the MERS eRegistry. An [eNotes checklist](#) is available to assist your institution in preparing to pledge loans as collateral with eNotes.

More information regarding loans with eNotes as collateral is available at fhlbi.com/enotes, including short video tutorials regarding “What is an eNote?”,

“eClosing Overview”, “eRegistry Overview”, “eVault Overview”, an in-depth webinar on “Understanding eNotes”, and FAQs.

FHLBank Indianapolis remains dedicated to providing our members with liquidity and funding solutions. If you would like to discuss the eligibility of eNotes loan collateral in more detail, contact Rebecca Baskerville, Collateral Operations Manager, at either rbaskerville@fhlbi.com or 317-465-0462; or David Weidinger, at either dweidinger@fhlbi.com or 317-465-0447.

Sincerely,



D. Scott Stansberry
FVP, Credit Risk Director