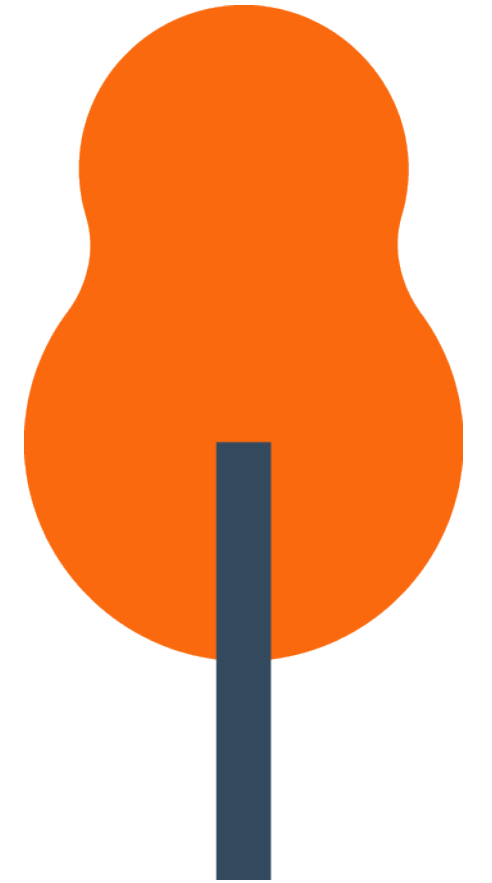


The Road to eNotes



**FHLBank**
Topeka



We know Members have been talking about the convenience of using eNotes for a long time.



And FHLBank Topeka
has been listening.



Although the road to eNotes acceptance is a winding one, we're navigating all of the curves.



And our destination—
accepting residential
mortgage eNotes
as collateral—
is in sight!

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**We know
eNotes offer
many benefits to
both Members
and borrowers:**

**Reduced shipping &
storage fees**

Fewer errors

Improved audit trail

**Borrowers can review loan
documents prior to closing
at their convenience**

**Flexible location
for closing**

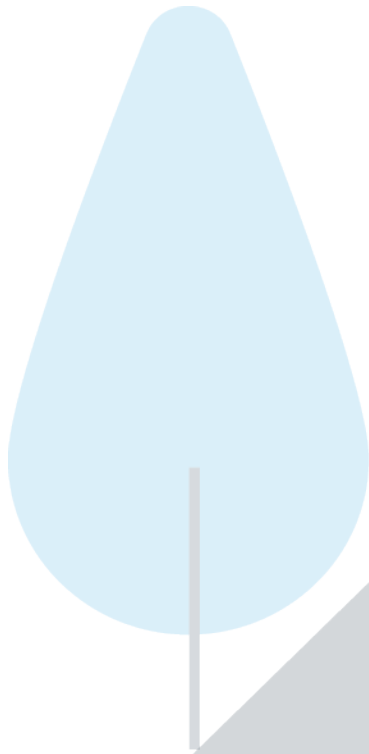
Faster funding

Less paper waste

**Elimination of
lost notes**

**Increased
collateral control**

**Faster & easier
signing process**



The FHLBank System has already started the journey toward accepting eNotes for residential mortgage collateral, and we're proud to have hit several mile markers.



**Researched
Thoroughly**

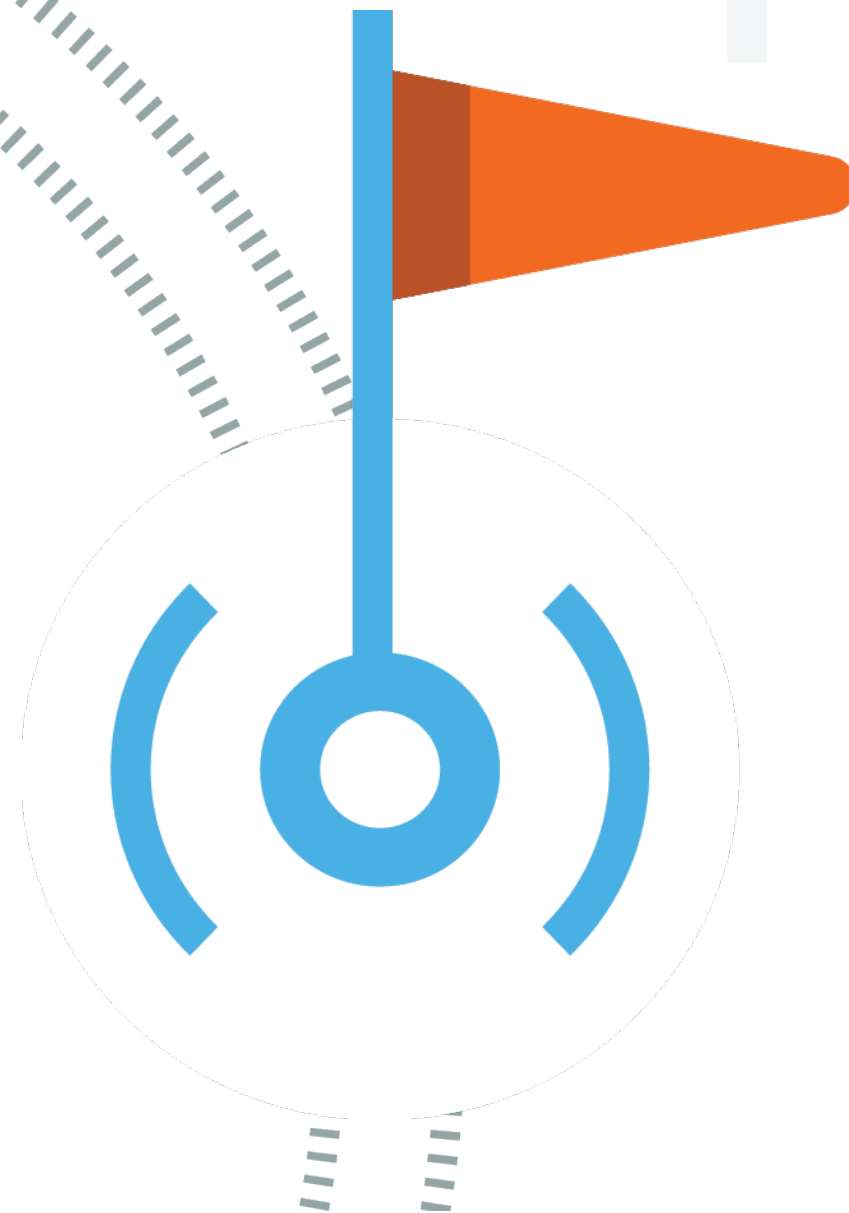
**Engaged with
Subject Matter
Experts**

**Completed Key
Action Steps**

Researched Thoroughly



**Attended demonstrations
of eNotes and eVaults**



Researched Thoroughly

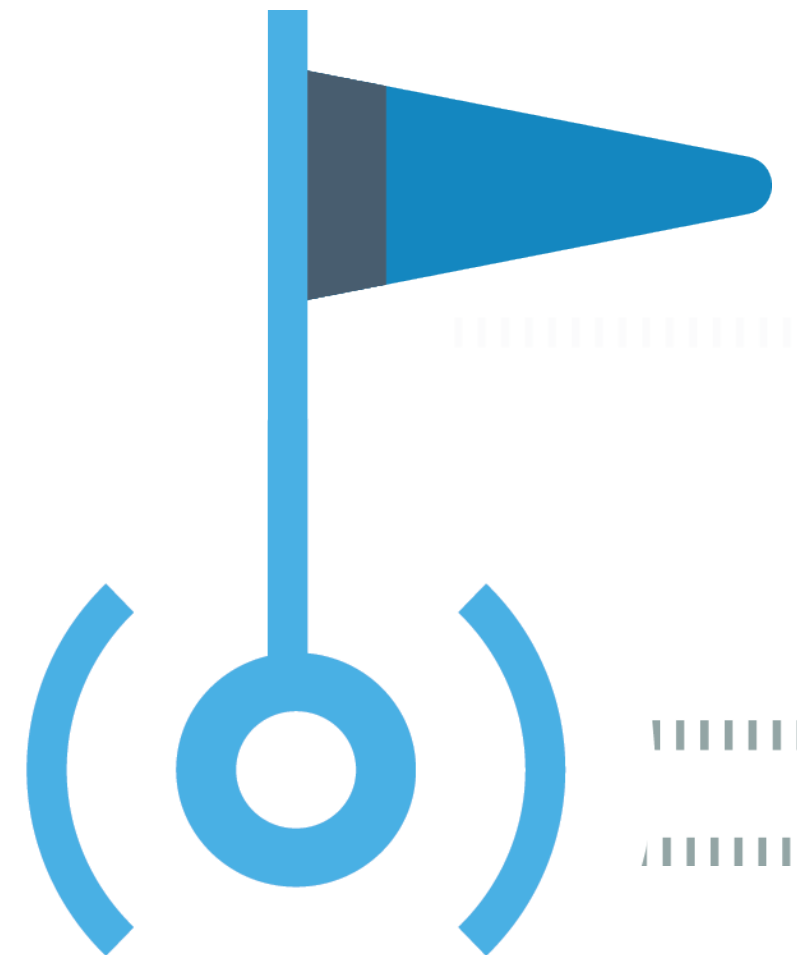


**Attended MISMO[®] events
and worked with industry
professionals to better
understand best practices
and standards**

MISMO is the standards development body for the mortgage industry. MISMO stands for Mortgage Industry Standards Maintenance Organization.

Engaged with Subject Matter Experts

**Met with industry participants
who are originating, selling and
buying eNotes**



Engaged with Subject Matter Experts

Engaged the services of a professional to help Banks bridge the requirements with regulations



Engaged with Subject Matter Experts

Provided stakeholder feedback to MERS® as part of its development of the Secured Party field to ensure the FHLBs' interest in eNotes is reflected on the MERS eRegistry



Completed Key Action Steps

**Formed working groups
consisting of all 11 FHLBanks
(the System) to evaluate
eNotes as eligible collateral**



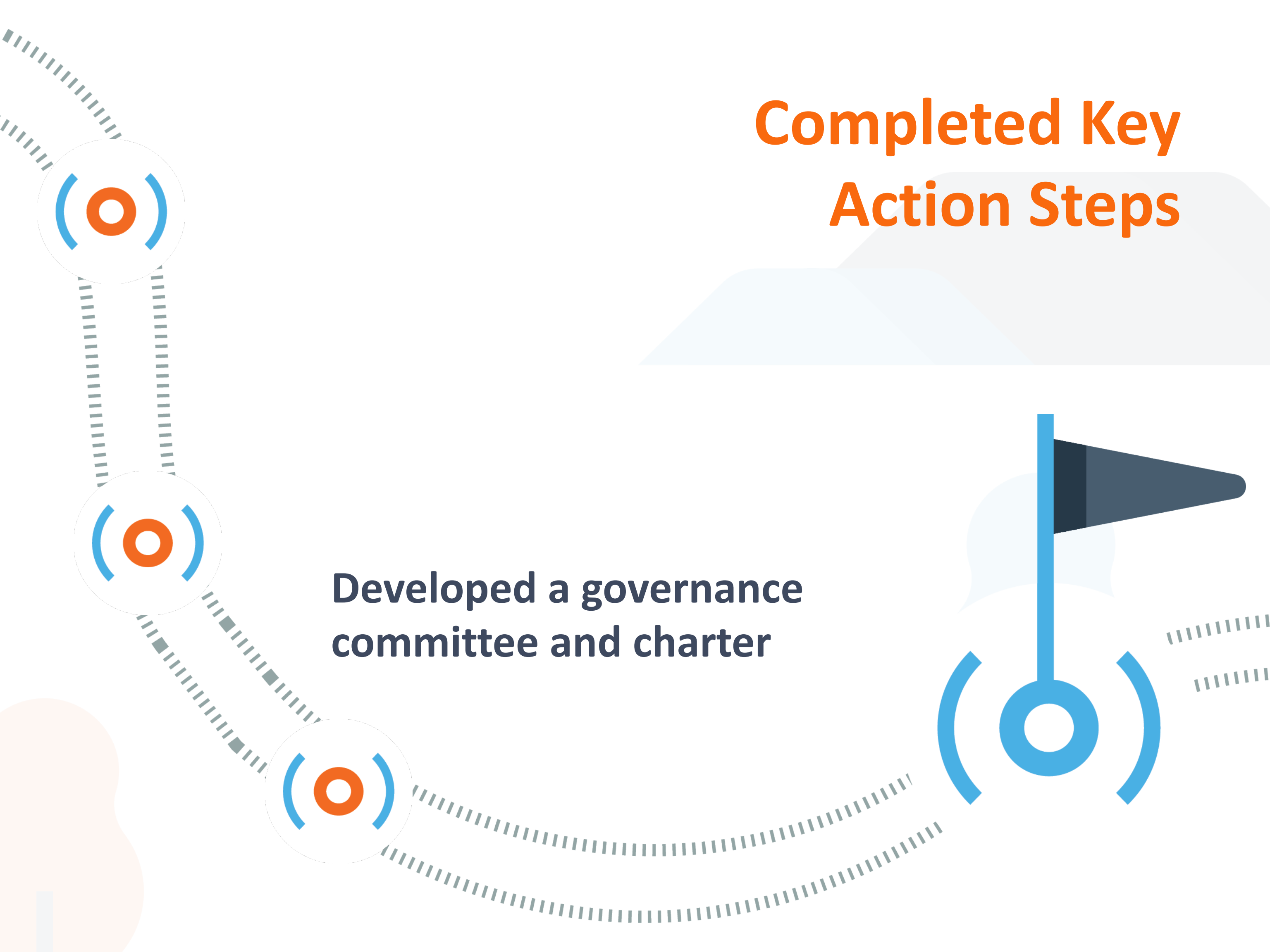
Completed Key Action Steps

**Formed a System legal
group to review agreements
and requirements**



Completed Key Action Steps

**Developed a governance
committee and charter**



Completed Key Action Steps

Developed a strategic
roadmap and
implementation plan





5

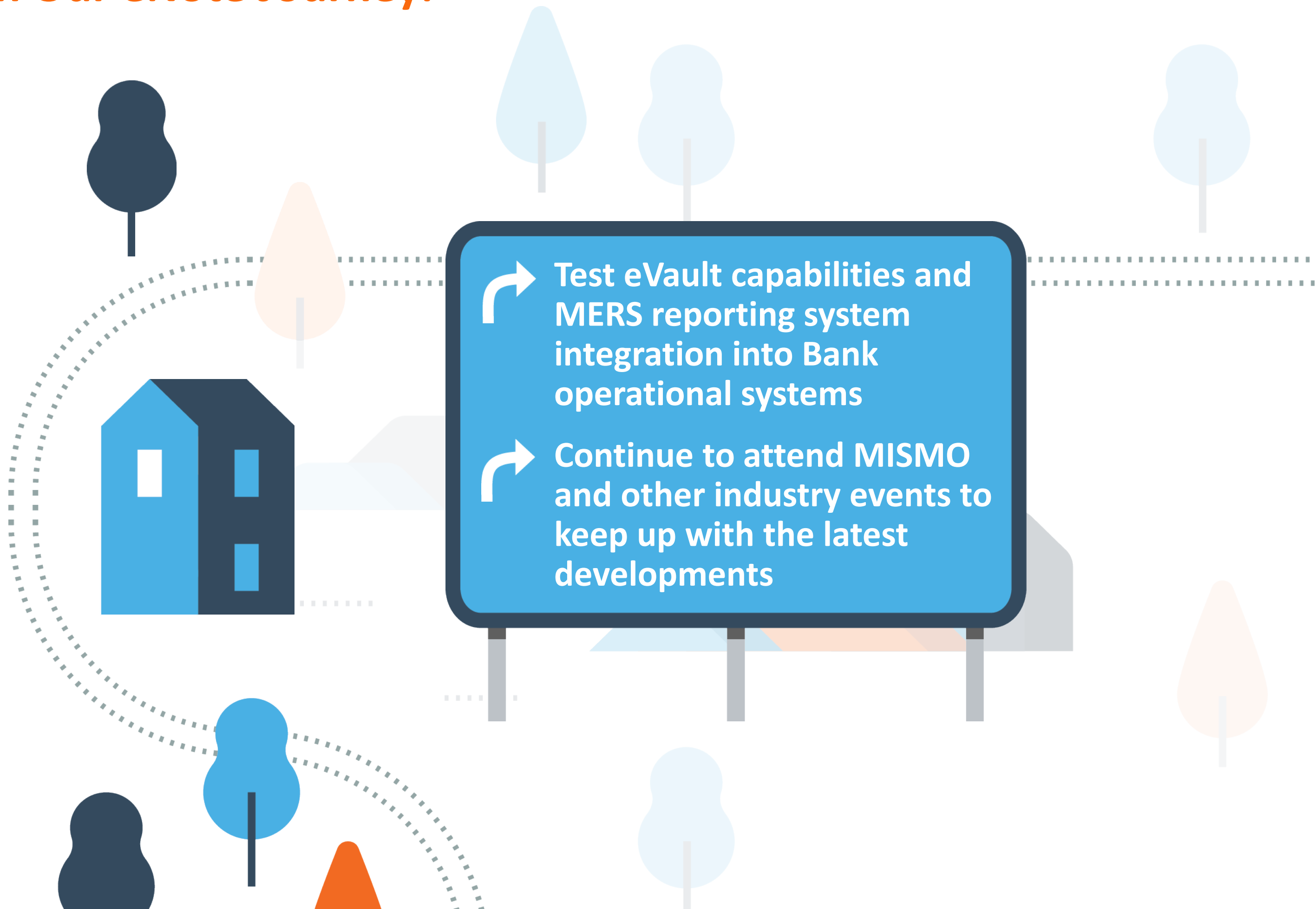
We're proud of how far we've come—and we're refueling for what lies ahead:

Planned Destinations on Our eNote Journey:

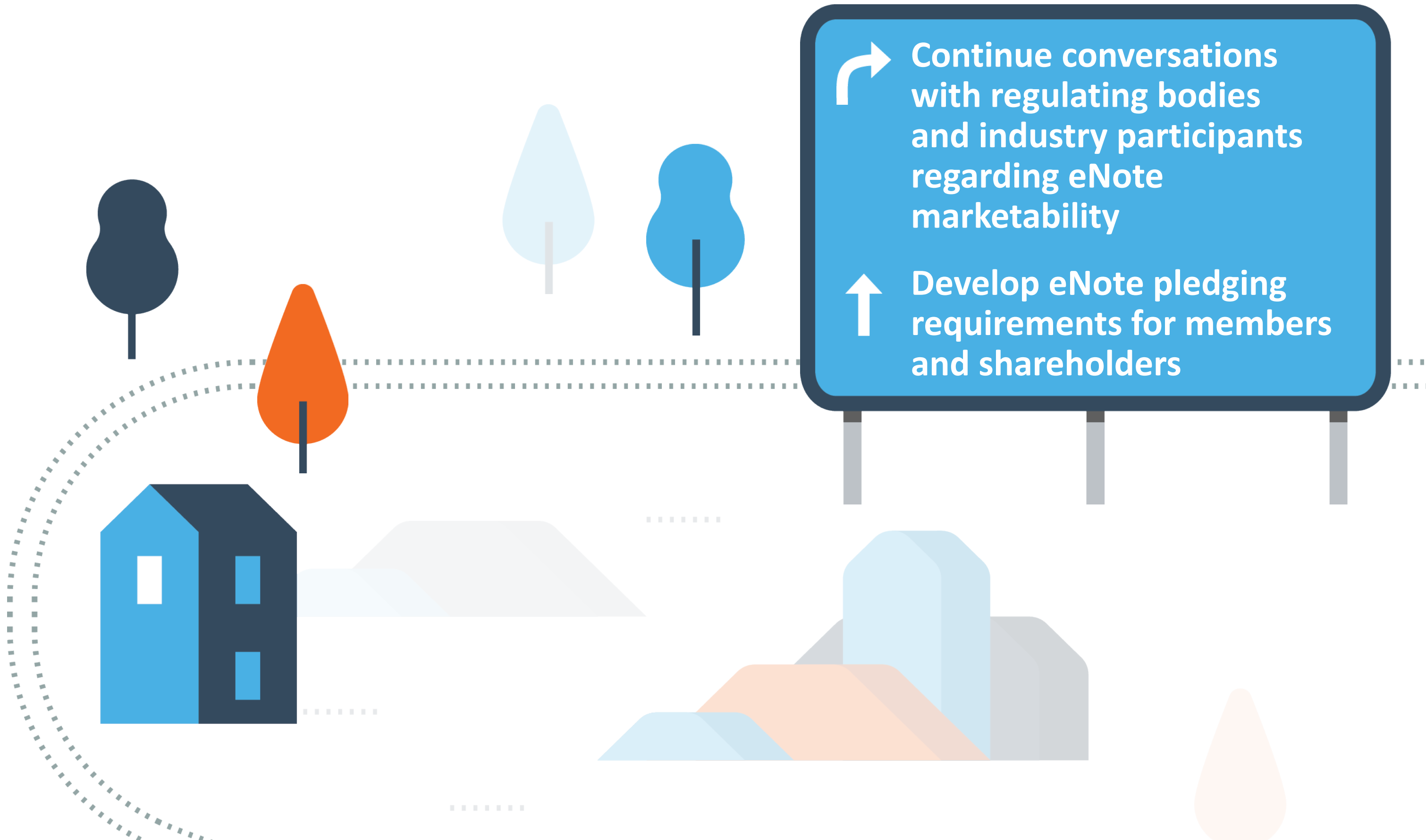
- ↑ Implement a strategic roadmap
- ↑ Create RFP to send to eVault vendors
- ↶ Review and update agreements with vendors, Members & shareholders



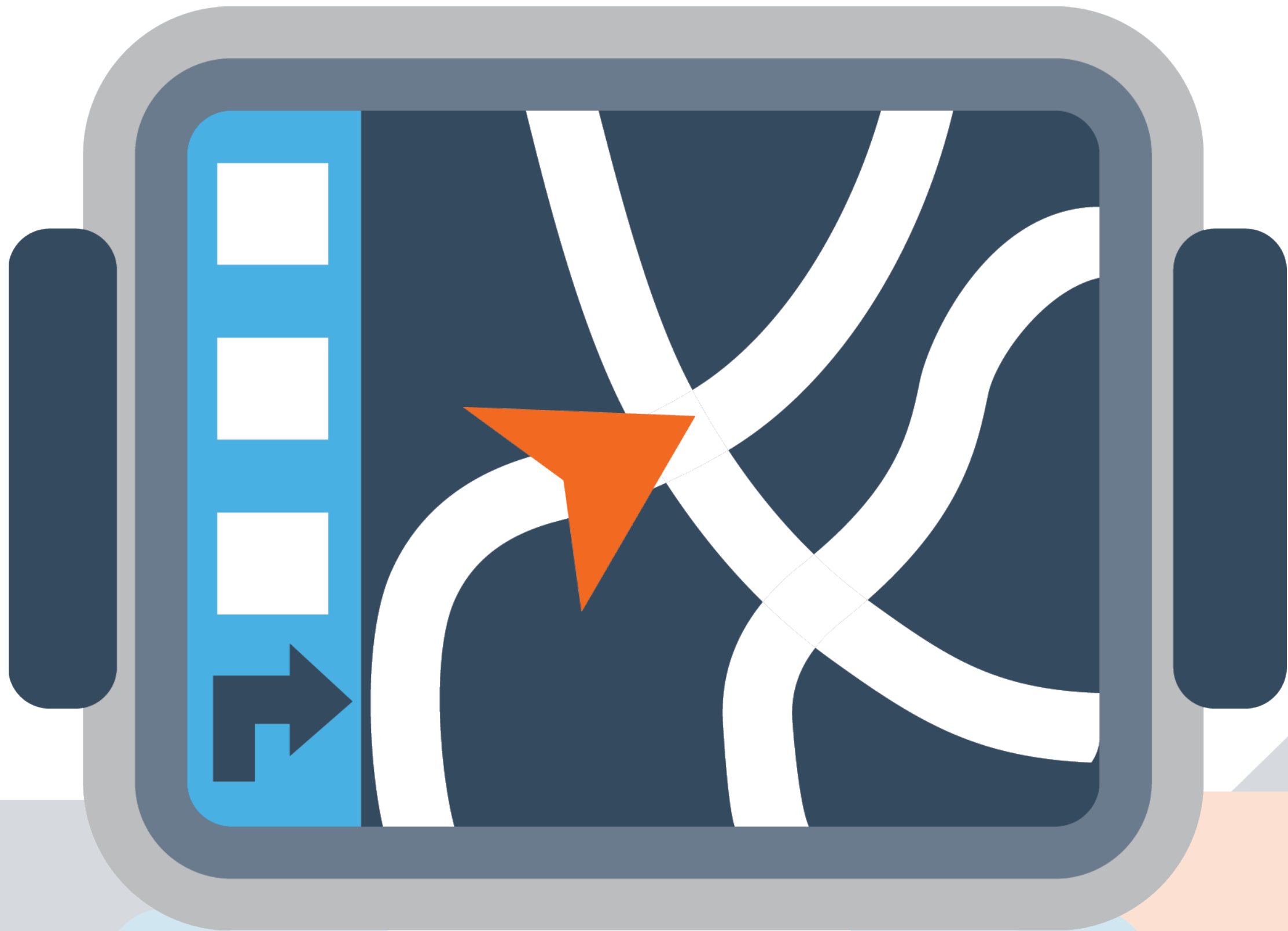
Planned Destinations on Our eNote Journey:



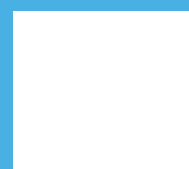
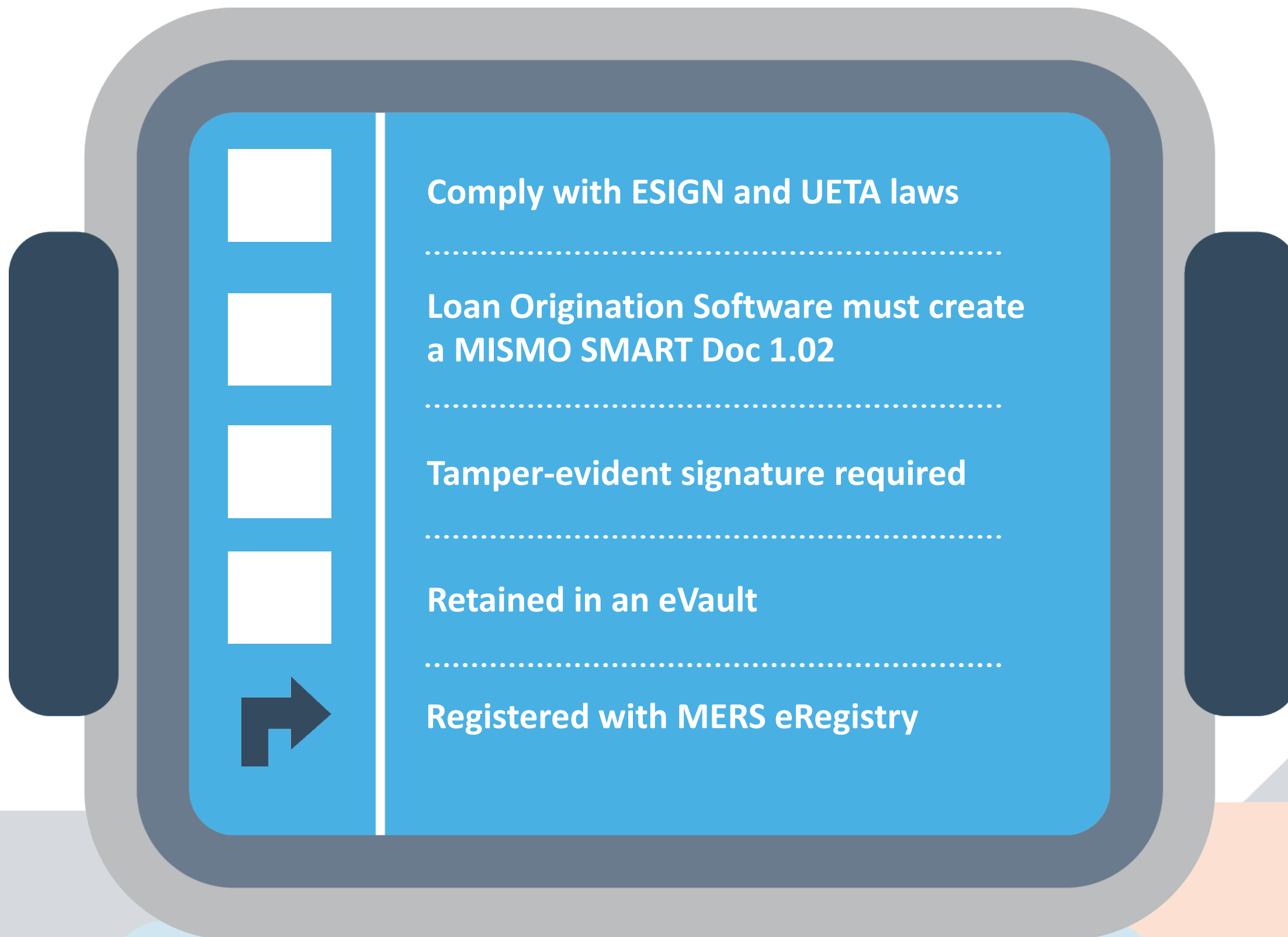
Planned Destinations on Our eNote Journey:



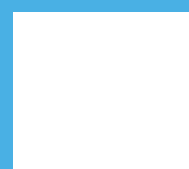
Until we reach our final destination, you can help ensure your eNotes are on the right path.



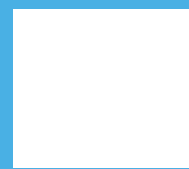
Follow these directions for eNote eligibility:



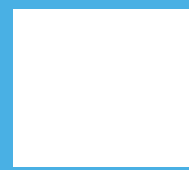
Comply with ESIGN and UETA laws



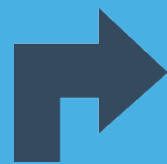
Loan Origination Software must create a MISMO SMART Doc 1.02



Tamper-evident signature required

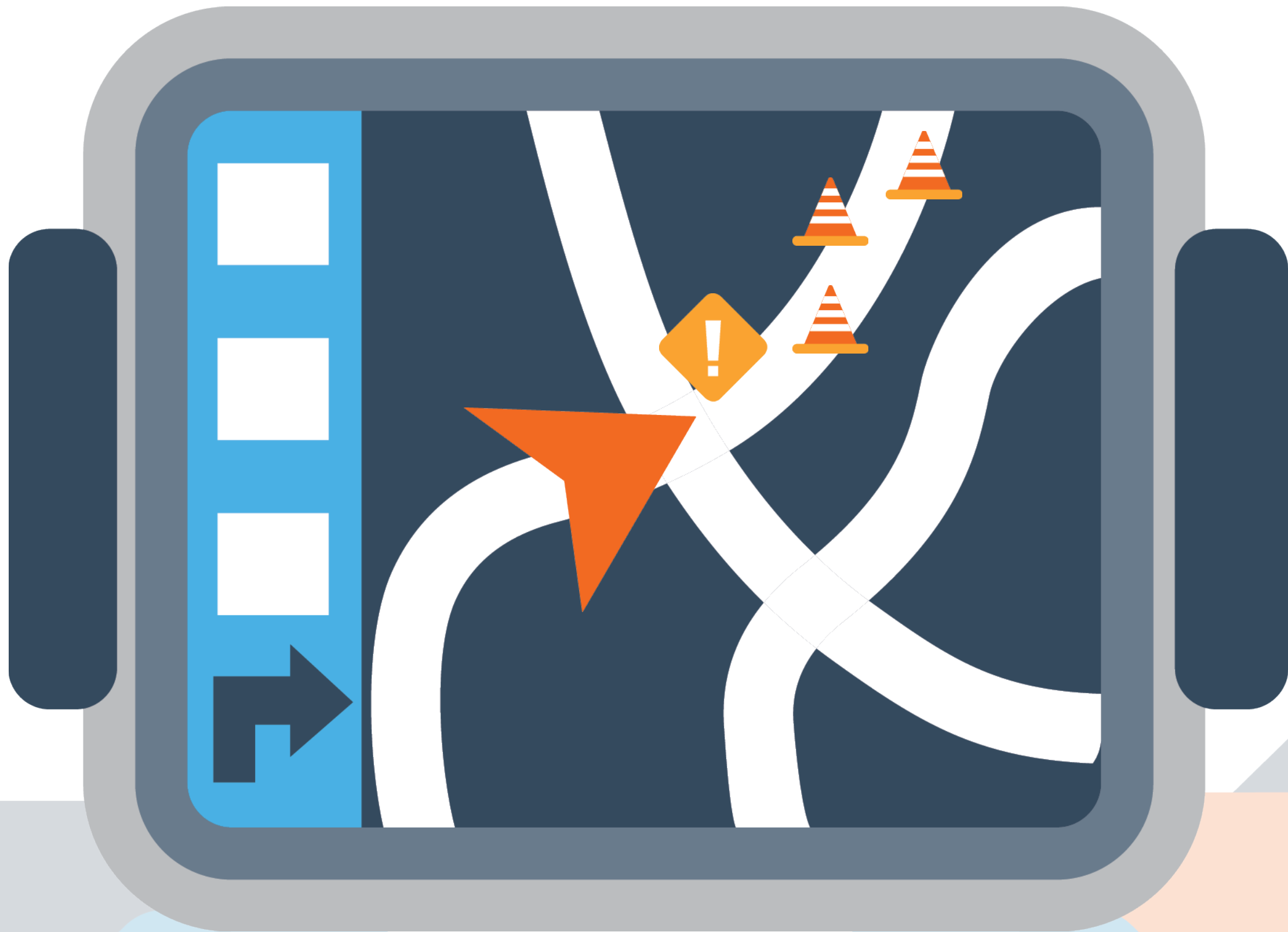


Retained in an eVault

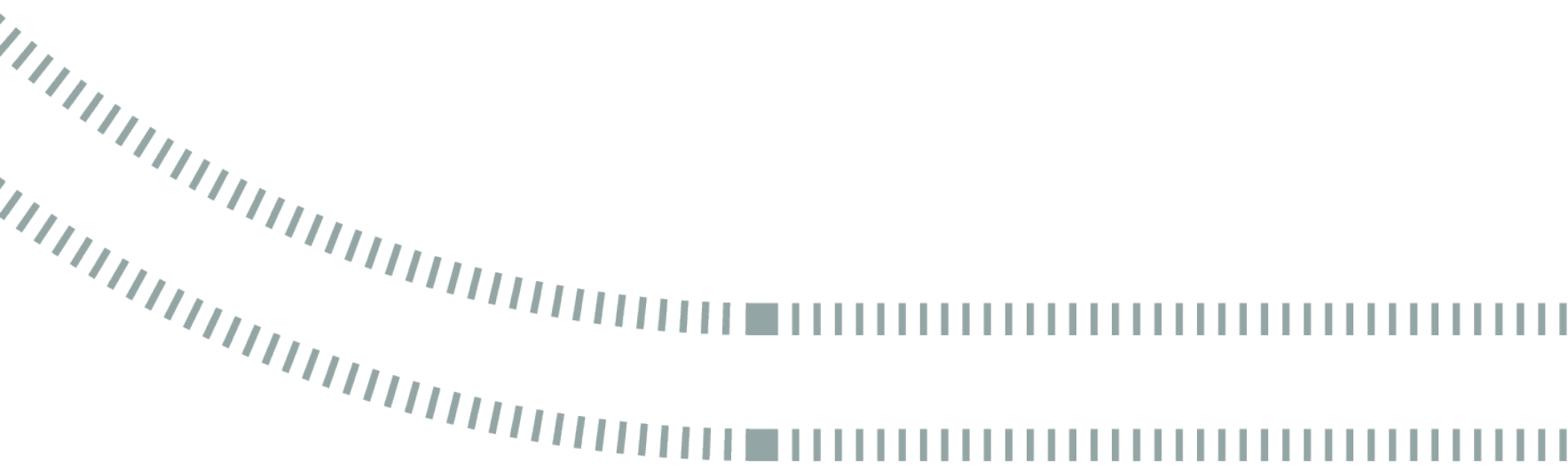


Registered with MERS eRegistry

The System and FHLBank Topeka are still constructing full eligibility guidelines



Are we there yet?



**eNote acceptance
is on the horizon!**



Stay tuned!

Look for more updates, including a target launch date, as we keep moving toward the next mile markers. Until then—join us for the ride! Contact us for any questions you have about eNotes.



Lance Liby | Chief Credit Officer | 785.478.8140

Kylie Mergen | Director of Financial Services | 785.478.8203

Amber Myers | Collateral Review Coordinator | 785.478.8195

