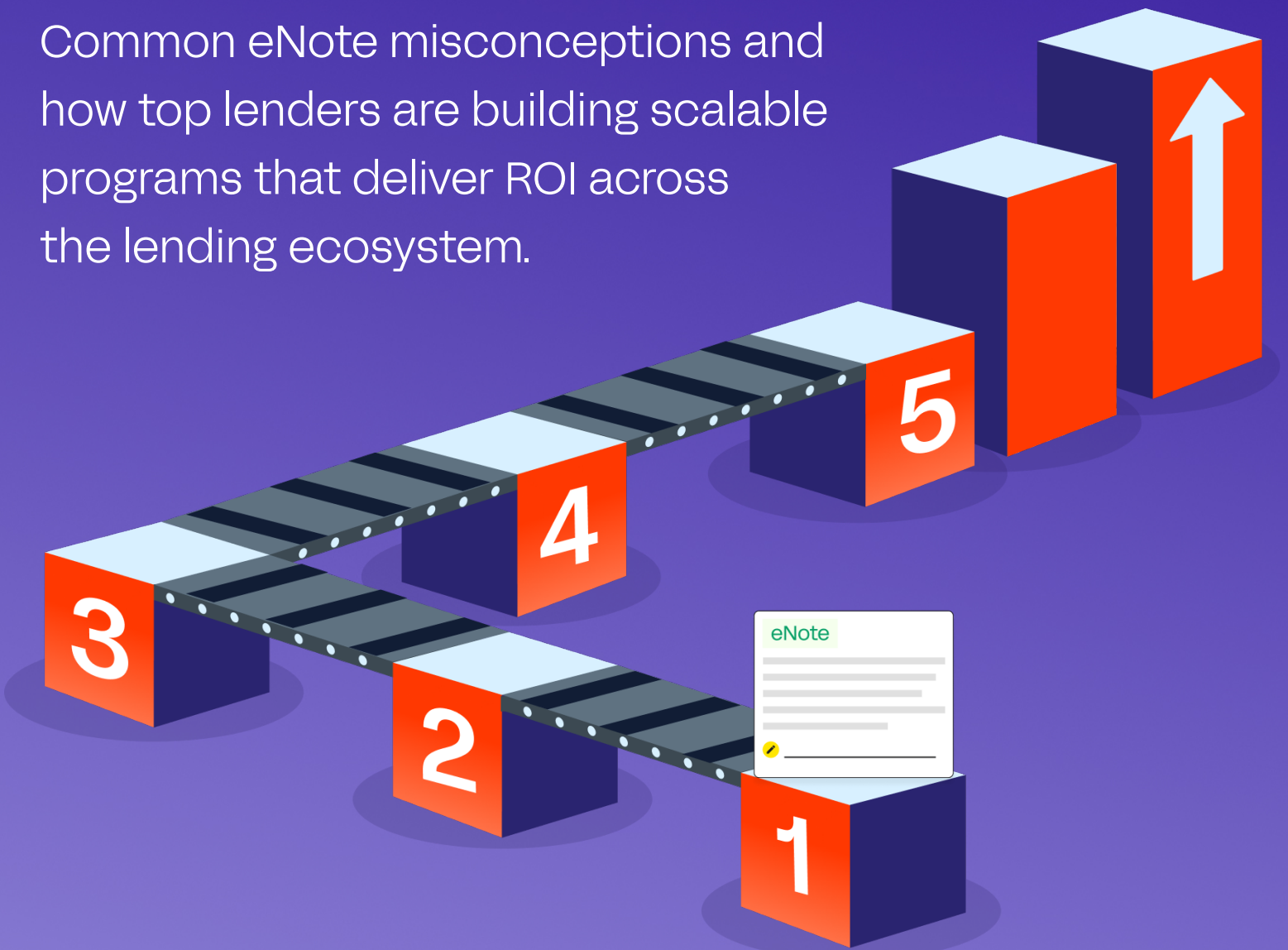


BEYOND eNOTE MYTHS

The Lender's Guide to Scaling Adoption & Maximizing Value

Common eNote misconceptions and how top lenders are building scalable programs that deliver ROI across the lending ecosystem.







Introduction

In today's margin-compressed market, every basis point counts. Lenders report high production costs and a \$28 net loss per loan.¹ Origination volume is unpredictable and investors are more selective, pursuing high-quality loan packages that align with their objectives and risk tolerance. To drive sustainable growth, there are no shortcuts or quick wins. As a lender, you need high impact, structural upgrades that will transform your operations.

Electronic promissory notes (eNotes) are one of the most effective structural upgrades in the industry.

eNotes are not a new, experimental, or emerging technology. Registered eNotes have increased by nearly 135% over the past 3 years², backed by major investors—including Fannie Mae, Freddie Mac, and Ginnie Mae—who all accept and promote eNote adoption in the market.

When implemented with a deliberate strategy, eNotes create value that cascades across the entire lending ecosystem. For lenders this means:

 5+ days reduction in dwell time by accelerating deliver to investors ³	 Up to 10 bps pricing gain from delivering loans to investors 5 days faster ³	 \$213+ average savings per loan ³	 100% elimination of note loss, damage, and transit risk
--	---	--	---

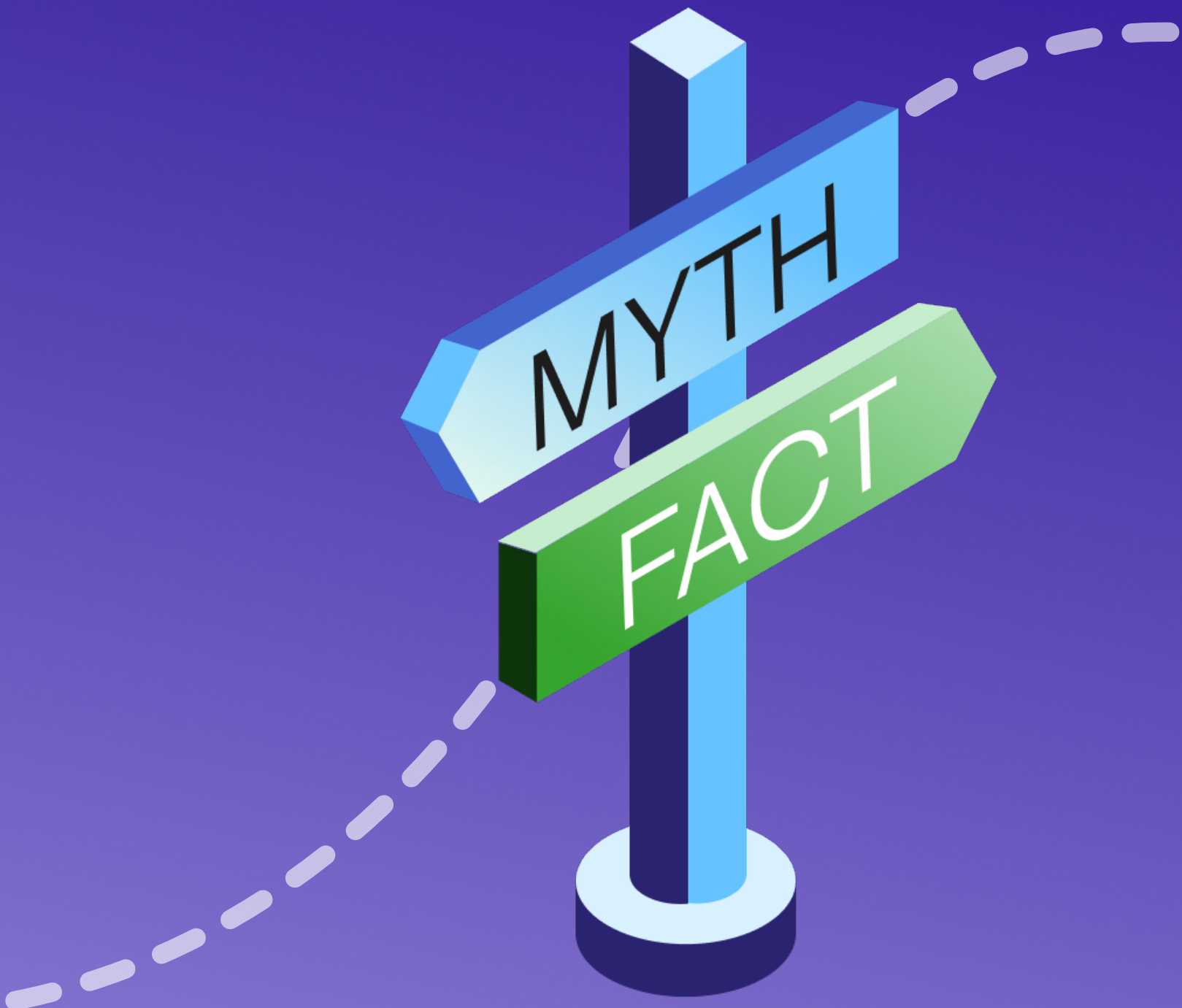
And yet, **most promissory notes are still executed in paper and wet-ink**—a manual process that introduces risk, slows down operations, and increases costs at every handoff. There are three primary misconceptions that discourage lenders from prioritizing eNote adoption:

- 1 Investors and other secondary market partners don't accept eNotes yet.**
- 2 eNotes require fully digital closings with eNotarization.**
- 3 eNote use is restricted to certain states and counties.**

This guide debunks these myths, and outlines how top-performing lenders are building scalable eNote programs that deliver ROI at every link in the chain.



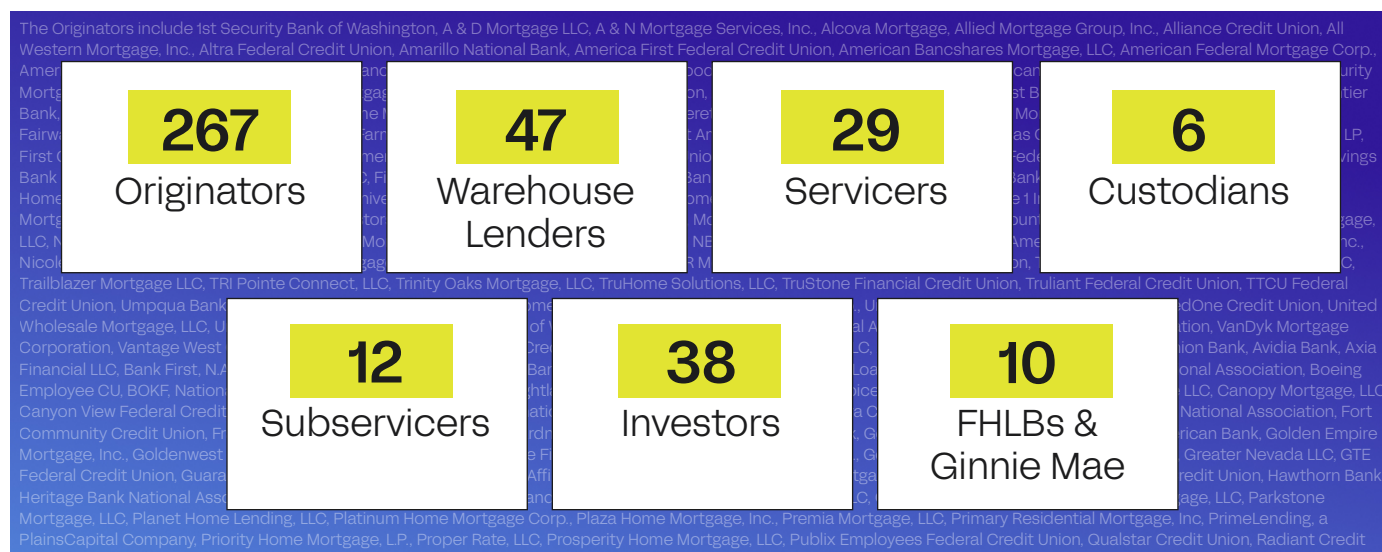
3 eNote Myths, Debunked



MYTH #1

Investors and other secondary market partners don't accept eNotes yet.

This is not true—eNote acceptance in the secondary market is already widespread. Fannie Mae, Freddie Mac, Ginnie Mae, and more than 35 non-agency investors currently accept eNotes, alongside over 45 warehouse lenders and 40 servicers/subservicers.⁴ At current levels of investor acceptance, roughly 70% of loans originated today could be eNotes, but eNotes accounted for just 9.2% of all new originations in 2024.²



Still, some lenders hesitate—either waiting for 100% portfolio eligibility or holding out for “best execution” optionality. The reality is, by delaying eNote adoption, these lenders are trading real, measurable savings for a theoretical benefit. Hybrid closings with an eNote save up to \$210 per loan³ through operational efficiencies and stronger secondary market execution—value that far exceeds the “best ex” flexibility some lenders are seeking to preserve.

The math is simple: the more eNotes lenders originate, the more savings they unlock. Whether adoption starts small or scales quickly, the value compounds with every transaction. Waiting for 100% eligibility may feel like the safer play—but it's actually the most expensive. Every day you delay, you're losing dollars chasing dimes.



MYTH #2

eNotes require fully digital closings with eNotarization.

This is false. Promissory notes, including eNotes, are not typically notarized or recorded. This means they can be electronically signed (eSigned) even when other documents in the closing package require wet signatures and notarization.

As a result, eNotes can be used in hybrid closings: the eNote and certain documents are eSigned, while others—like the security instrument—are wet-ink signed and notarized traditionally. This is the most common path to scaling adoption—starting with hybrid closings and advancing to hybrid closings with eNotes. Unsurprisingly, the vast majority of eNotes today are executed as part of hybrid digital closings.

MYTH #3

eNote use is restricted to certain states and counties.

Also false. Federal and state laws permit the use of eNotes in all 50 states, and county-level electronic recording (eRecording) eligibility is not a limiting factor since eNotes are not typically recorded in public land records.

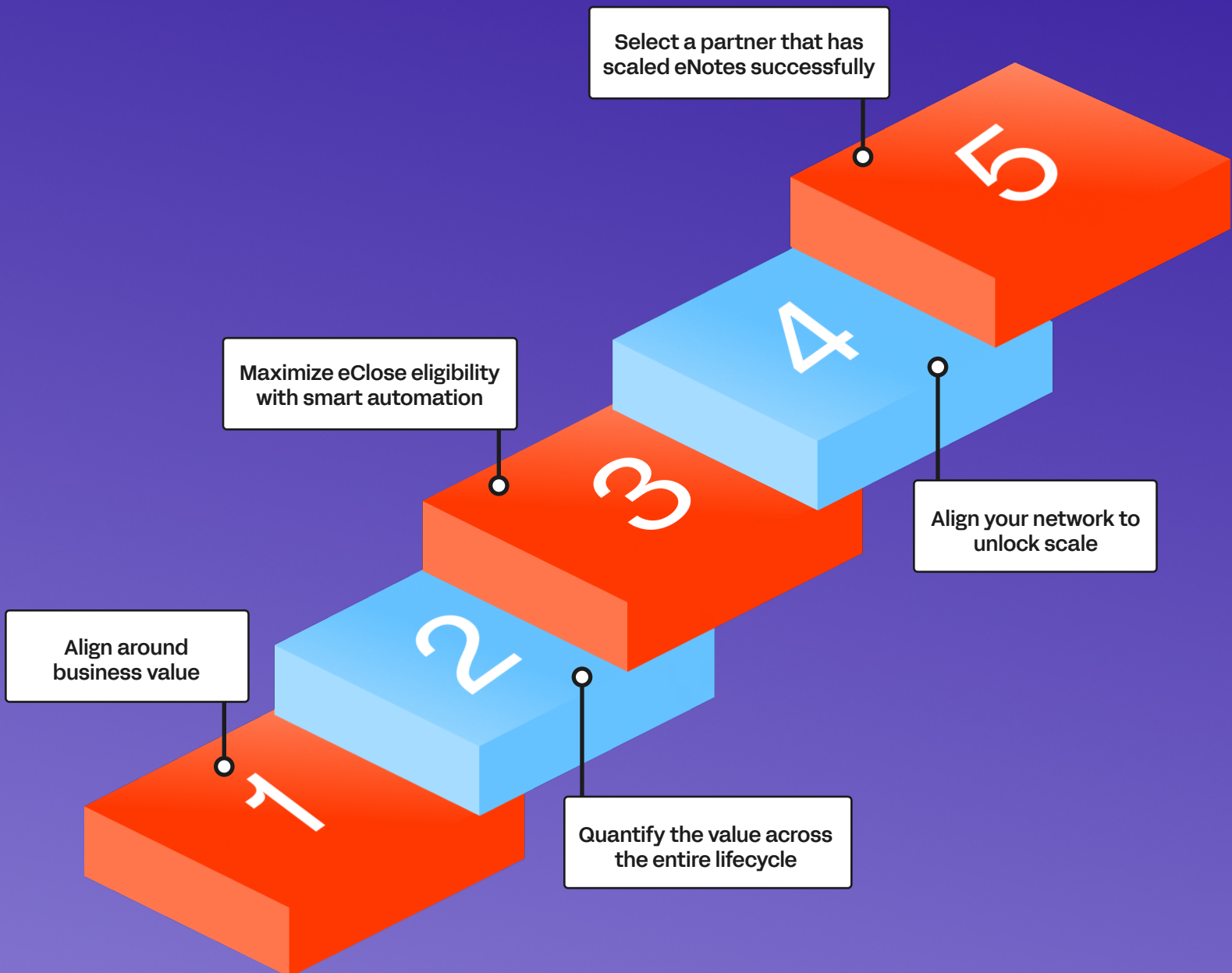
A lender's eligibility for eNote closings ultimately depends on just two key factors: (1) whether the borrower consents to a digital closing (eSign consent), and (2) trading partners acceptance of eNotes.

These misconceptions about eNotes have created a false narrative—one that downplays their impact and overlooks the significant value lost by keeping this critical closing document on paper. The opportunity is real—and bigger than most realize. The barriers are low, the benefits are high, and the time to act is now.

Keep reading to learn how top-performing lenders are cutting through the noise and building impactful eNote programs.



5 Steps to Building a High-Value, Scalable eNote Program



STEP #1

Align around business value, not just technology

The most successful eNote programs start with clear business goals. Whether that includes faster turn times, lower funding costs, or fewer repurchase risks, the lenders driving lasting adoption and real ROI align teams around specific outcomes—and support them with strong executive alignment and change management plans.

✓ Actionable Checklist

- Define your business objectives for eNote adoption (e.g., faster turn times, improved margin, reduced defects or suspense rates)
- Establish clear success metrics that align with these outcomes
- Quantify the opportunity in your pipeline (e.g., percentage of eNote-eligible volume, missed basis points)
- Build a cross-functional task force across teams such as capital markets, post-closing, secondary, legal, and IT
- Develop a change management plan that includes stakeholder training, internal communications, and progress tracking



“Ensuring your team is knowledgeable and well-prepared to scale eNote transactions makes adoption much smoother.”

– Kristen Manriquez, VP of Capital Markets



STEP #2

Quantify the value across the entire lifecycle

eNotes aren't a one-step improvement—they deliver cumulative, cascading value:

Stage	Origination	Delivery to WHL	Delivery to Aggregator	Delivery to Aggregator WHL	Delivery to Investor
					Delivery to Servicer
Manual Risk & Cost	Signature errors, paper versioning issues	Lost/damaged notes, long dwell times	Missing endorsements, wet-ink collateral errors, manual validation	Lost/damaged notes, delayed funding, incomplete note packages	Delivery lags, QC issues, lower pricing, manual data entry
eNote Advantage	Error-proof execution, audit trail, compliance guardrails	Digital transfer in minutes, full traceability	Secure digital delivery, no missing endorsements, clean transfer	Instant, tamper-proof delivery with eNote auto-validation	Immediate transfer, faster sale, robust audit trail
Lender Savings Per Hybrid With eNote Transaction	Up to \$210 per loan ³				

✓ Actionable Checklist

- Use real loan data and secondary market partners to size current eNote-eligible volume
- Estimate the compounding efficiency and cost-saving ROI potential across all stages
- Assign executive ownership and set goals to improve KPIs around each stage



“Increasing our hybrid and eNote adoption has accelerated delivery to our warehouse partners and investors by eliminating signing errors and streamlining the process for our post-closing team.”
 – Eric McCall, Vice President





STEP #3

Maximize eClose eligibility with smart automation

One of the biggest levers for scaling eNote adoption is knowing how “e” or digitized each loan can be—and automating that decision early in the process. Top lenders implement eligibility engines that determine the optimal level of digitization upfront, without compromising compliance or investor acceptance.

Actionable Checklist

- Automate eligibility engines within your eClose solution
- Configure rules for investor, warehouse, title, and borrower requirements
- Identify opportunities for eNotes, RON, eNotarization, and hybrid configurations on a loan-by-loan basis
- Route each loan to the highest-eligible digital workflow
- Track eligibility trends to continuously refine automation logic and improve pull-through



STEP #4

Align your network to unlock scale

True scalability requires more than internal automation—it depends on coordination across the entire lending ecosystem. Top performing lenders focus on what is controllable: aligning with trading partners to remove friction and build momentum.

✓ Actionable Checklist

- Set clear workflows and communication protocols with warehouse lenders, investors, custodians, and doc prep providers
- Proactively confirm eNote readiness with secondary market partners and identify gaps
- Share your eNote roadmap with key stakeholders
- Track missed eNote-capable volume due to partner limitations
- Use early wins and transaction volume to encourage lagging partners to accept eNotes



"We partnered closely with our lenders to understand where eNote volume was already possible—and helped them unlock it by providing the liquidity they needed. Aligning on requirements early on made the transition to eNotes smooth, strategic, and scalable for everyone involved."

– Steve Kolker, Managing Director, Chief Production Officer



STEP #5

Select a partner that has scaled eNotes successfully

eNote success isn't a one-and-done implementation—it's an ongoing operational shift that impacts your teams, processes, and partners. The most successful programs are built with long-term support in mind. As you evaluate partners, look beyond all the entire package—consider their people, technology, and network.

✓ Actionable Checklist

- Evaluate the potential partner's track record of bringing organizations to high adoption of eNotes
- Learn the onboarding, training, and dedicated support resources available
- Vet the provider's support for both lender and investor-side workflows
- Assess how their product roadmap aligns with your long-term digital strategy



“Implementing new technology is challenging, but Snapdocs acted as an extension of our team, shouldering much of that burden. Their expertise was invaluable in our digital transformation.”

– Alyssa North, SVP of Operations



Conclusion

eNote technology is proven. The investor base is wide. The ROI is real. The only question is: Are you capturing the full value?

Lenders that build scalable, end-to-end eNote programs are seeing faster closings, stronger pricing, fewer errors, and better liquidity. The ones that wait risk being left behind.

Snapdocs helps hundreds of lenders and secondary market participants go beyond basic digitization to unlock meaningful ROI. Learn why Snapdocs is trusted to power 1 in 6 eNote originations, and how we can help your organization achieve eNote adoption at scale.

Schedule a Meeting →

About **snapdocs**

Snapdocs is the mortgage industry's leading digital closing platform. Powering millions of closings each year, Snapdocs combines an open platform, patented AI technology, the largest settlement network, and a team of industry experts to ensure digital closing success. Our proven approach enables market-leading lenders and title companies to automate the closing process and turn it into a competitive advantage. Using Snapdocs, lenders and title companies close more loans at lower costs while delivering the modern, referral-worthy digital experience borrowers expect. For more information, please visit snapdocs.com.

Footnotes

¹ [2025 Q1 Quarterly Mortgage Bankers Performance Report](#)

² [MERS® eRegistry eNote Count](#)

³ [2024 Edition The ROI of Digital Closings](#)

⁴ [MERS® eRegistry Participant Data](#)