



March 15, 2001

**BY FEDERAL EXPRESS**

Secretary  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Steven V.  
Ponto  
General Counsel  
and Secretary

RE: ESIGN Study-Comment P004102

Dear Sir or Madam:

Our company, Customers Forever, LLC, is extremely interested in the ESIGN legislation and the potential efficiencies which it can bring to the residential mortgage loan industry.

We provide Internet-based services to large servicers of first- and second-lien residential mortgage loans. Specifically, when a servicer contracts with us, the servicer is able to invite its mortgage loan customer to access through the Internet, on a secure password-protected website, information about that customer's mortgage loan at any time it is convenient for that customer. The servicer transmits updated information to us daily about the mortgage loan of each of its customers who have access to our website. This information is instantaneously posted so that the customer has up-to-the-minute information about his mortgage loan account, including, but not limited to, (i) a rolling payment history showing the allocation to principal, interest, and escrow; (ii) a summary of interest paid year-to-date, and for the previous year; and (iii) a summary of escrow transactions year-to-date and for the previous year.

Through our website, the customer will also have access to his Customer Information File, which is pre-populated with the kind of information from the servicer that is found on the standard FNMA/FHLMC Form 1003. When the customer accesses his loan information on our site, the customer is also given the opportunity to update his Customer Information File.

Whenever a servicer has information about loan products (such as a loan product shift, a rate term or cash-out refinance, or a home equity line of credit) which would benefit the customer based on his Customer Information File and loan account information, the Servicer can make the customer aware of that opportunity while the customer is visiting our website. If the customer chooses to pursue the offered loan product, he can initiate the transaction on-line. Our company also has arrangements with vendors to order and obtain credit reports, appraisals, surveys, and title insurance commitments on-line. The clear goal of our company is to utilize the Internet from the beginning to the end of the

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mortgage loan transaction. By doing so, we can achieve efficiencies, and corresponding cost reductions, which are beneficial to all concerned.

An obvious next step for us is to electronically transmit the loan origination-related disclosures which are required under federal and state law to be provided to the customer within three (3) days of application. Currently, these documents are printed out and sent by mail to the customer. Ultimately, we look forward to being able to electronically transmit the closing package to the customer and have the customer execute the closing documents, including the note and mortgage, electronically. Currently, the closing documents are also printed out and sent by express service to the customer, who executes them before a notary public and returns them to us by express service.

We would feel more comfortable in taking the step of electronically transmitting the loan origination-related disclosures to the customer if more guidance were provided under the E-SIGN legislation. The consent requirement set forth in the E-SIGN legislation seems rather cumbersome in the context of our operations. We are dealing with customers who by self-selection are oriented to receiving important financial information pertaining to their mortgage loan by electronic means. Electronic transmission of the disclosure documents would allow the customer to receive those documents within minutes of applying for a loan, with a corresponding savings in the time and cost of completing the loan transaction. Electronic transmission of the disclosure documents would also provide us with an electronic record of when the disclosures were sent and when they were received by the Customer as opposed to the mail process which provides us with no ability to track whether the Customer ever received the disclosures.

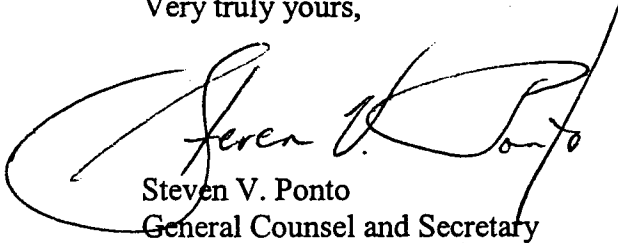
By applying for a mortgage online, it would seem implicit that the customer would want to maximize the use of the electronic medium in the processing of his loan. Rather than list each of the points enumerated in the consent provision of the E-SIGN legislation, it seems appropriate to us to inform the customer that by applying for a mortgage product on-line, he is consenting to our transmitting disclosure documents to him electronically for that mortgage loan transaction. We could also specify the minimum hardware and software requirements needed to access and retain copies of these disclosures. In the unlikely event that the customer does not have that necessary hardware and software or, if the customer prefers to receive hard copies of disclosure documents by express service, or wants those hard copies in addition to the electronically provided documents, he could be referred to a more traditional loan program provided by our servicer client which does not utilize the Internet. We also believe that any requirement that a client acknowledge receipt of a disclosure should be satisfied by the customer simply clicking a button that he is acknowledging receipt. Again, a customer would not be in a position to receive the disclosures electronically from us unless he first accessed his mortgage loan account

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information on our website by use of a unique password and then initiated the mortgage loan transaction on our site.

In closing, we are excited about the opportunities presented by the E-SIGN legislation and are eager to fully utilize the efficiencies which it makes possible. We believe some refinement of the consent requirement as discussed above can be helpful in fully achieving the objectives of the legislation. Thank you for your consideration of these comments in preparing your report to Congress.

Very truly yours,



Steven V. Ponto  
General Counsel and Secretary

cc: Ms. Sallianne Fortunato  
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Washington, D.C. 20230