



STANDARDS AND PROCEDURES FOR ELECTRONIC RECORDS AND SIGNATURES
Creating industry wide standards for electronic records and signatures

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November 29, 2006

VIA EMAIL

RE: SPeRS Update Initiative

Dear SPeRS Member/User:

Thank you for your participation in the initial SPeRS effort. The SPeRS guidance published in 2003 has become an important resource to many sectors of the financial services industry. It has been embraced by the mortgage banking, automobile finance, and the variable annuities industries, helping inform both the legal and technical standards that are being adopted by these industries to enable electronic transactions.

To continue to provide the financial services industry with relevant guidance, the Board of the Electronic Financial Services Council (EFSC), which administers SPeRS, has studied the current market environment. The EFSC Board has determined that an update to SPeRS at this time would be warranted, and we would like to inform you of the plans for this enhancement.

Initial SPeRS Update (Already Funded)

The EFSC Board will use the available funds, including EFSC dues, to draft an update to the existing SPeRS manual. The revision would reflect:

- **New Federal agency guidance**
- **Secondary market requirements**
- **Industry specific standards**
- **Court decisions that have been promulgated, published, or developed since the initial publication of SPeRS in 2003.**

We will develop this portion of the updated SPeRS manual over the coming months, with a goal of providing the revision during late winter/early spring 2007.

Potential SPeRS Expansion (Additional Funding Required)

While the EFSC Board believes that this update will further enhance SPeRS' utility, the Board has identified other areas where SPeRS could be further expanded. However, these activities are beyond our current resources. The areas of enhancement we have identified that would require additional funding include the following topics:

- **Electronic Record Retention and Data Management** (including expanded discussion of issues related to: (1) building record retention and data management systems to address issues of enforceability and admissibility and meeting regulatory requirements; and (2) the creation, storage and transfer of transferable records and electronic chattel paper);
- **Electronic Recordation and Notarization** (including development of legal and behavioral standards to facilitate a uniform approach for electronic recordation and notarization processes); and
- **Privacy and Security** (including the current state of the law, security audit methodologies, and state and federal enforcement actions).

Any expansion of SPeRS beyond the planned initial update will require additional funding commitments from a reconstituted SPeRS Drafting Committee. We are trying to determine the degree to which interest exists in the marketplace for an expansion and the scope of any such expansion. If you think your company would be interested in participating in the reconstituted SPeRS Drafting Committee and would be willing to consider additional funding (amount to be determined based on scope desired) to expand SPeRS, please indicate your intent at the bottom of the letter and return it to us via fax at 202.349.8080 (attention Ms. Sue Kilgore) or via e-mail at info@spers.org.

We value your continued involvement in the SPeRS process and look forward to your input.

Sincerely,



John Taggart, Genworth Financial
Chair, SPeRS Drafting Committee
Member of the Board, EFSC

Our organization has an interest in exploring the scope and costs of preparing an expansion of SPeRS. (Please check one.)

Yes _____

No _____