

The Intangible's

Underlying

Tangible

(Intangible – Secondary Market Certificates)

(Tangible – Promissory Note + Perfected Security Instrument)

Chattel Paper *

"Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

UCC 9-102; Definitions and Index of Definitions

Goods *

"Goods" means all things that are movable when a security interest attaches. The term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

UCC 9-102; Definitions and Index of Definitions

General Intangible *

"General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

UCC 9-102; Definitions and Index of Definitions

Instrument *

"Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include (i) investment property, (ii) letters of credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

UCC 9-102; Definitions and Index of Definitions

Tangible Chattel Paper *

"Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

UCC 9-102; Definitions and Index of Definitions

Control of Electronic Chattel Paper *

A secured party has control of electronic chattel paper if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

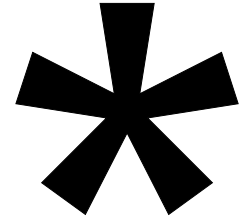
- (A) A single authoritative copy of the record or records exists that is unique, identifiable, and, except as otherwise provided in divisions (D), (E), and (F) of this section, unalterable;
- (B) The authoritative copy identifies the secured party as the assignee of the record or records;
- (C) The authoritative copy is communicated to and maintained by the secured party or its designated custodian;
- (D) Copies or revisions that add or change an identified assignee of the authoritative copy may be made only with the participation of the secured party;
- (E) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and
- (F) Any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

UCC 9-105; Control of electronic chattel paper

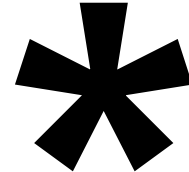
**Intangible (Investment Trust Vehicle)
Interest in Personal Property
“Collateral”
(Electronic Chattel)**

Personal Property Laws apply to the Intangible
Real Property Laws apply to underlying Tangible

Failure to comply with Tangible Laws nullifies Underlying Collateral



**“Tangible” (Chattel)
“Collateral Offering”
(Electronic Mortgage Package)**



**Paper Mortgage Package
Conversion
To
Electronic Mortgage Package**

Lacks Supporting Laws



“Tangible” Paper Mortgage Package
Interest in Real Property



Negotiable Instrument + Perfected Security Instrument

Tangible *
(Paper Promissory Note)

UCC Article 3

Tangible *
(Paper Security
Instrument)

Laws Local Jurisdiction

E-Sign/UETA Excludes UCC Article 3

Flow of Collateral

