Farm Credit Administration

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INFORMATIONAL MEMORANDUM

November 15, 2000

To: The Chief Executive Officer
All Farm Credit System Institutions

From: Roland E. Smith, Director
Office of Examination

Subject: Digital Signature Issues

Attached is a copy of the September 30, 2000 *Bank Technology Bulletin* issued by the Federal Deposit Insurance Corporation (FDIC). While the bulletin's intended audience is commercial banks, it addresses four critical issues that any financial institution, including Farm Credit System institutions, should consider when using digital signature technology.

As discussed in the Farm Credit Administration's Bookletter BL-041, the "Electronic Signatures in Global and National Commerce Act," (Public Law 106-229), more commonly referred to as the E-Sign Act, provides for the legal validity of electronic signatures on a variety of documents such as loan and lease applications, contracts, and employment applications. The E-Sign Act will likely result in the greater use of digital signatures.

If you have any questions about the FDIC bulletin, please call Tom Glenn, Special Examination and Supervision Division, Office of Examination, at (703) 883-4412, or correspond with him on the Internet at e-mail address *glennt@fca.gov*.

Attachment