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eClosing and Online Notarization : A Title and Lender Perspective

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eSign Transformation

	eSign	eClosing	Online Closing
Reduces paper & no. of signatures	X	X	X
Allows early document review	X	X	X
Available in any state (hybrid)	X	X	1
Allows eNotary (state specific)	X	X	X
Affords lenders eNote savings		X	X
Reduced fraud with KBA/F. ID			X
Anytime / Anywhere Remote Closing			X

What is eClosing?

Consumers expect a digital solution to improve their home buying experience. By digitizing the home buying process, we can deliver the products and services the way customers want it, enabling consumer choice and a better experience for homebuyers of all ages.

What is the difference?

Traditional eClosing process is electronic, though still requires a face-to-face closing with a notary present in the same room as the signor. Today, hybrid eClosings would allow the title and settlement industry to begin some form of e-Closings while working with technology providers, Secretaries of State, county recorders and state legislatures to move the industry toward a full eClosing in the near future.

OnLine eClosing in the real estate transaction is the future of everything, as technology is a big motivator to the next generation of underwriters and customers. A full eClosing would enable customers to close on a new home from anywhere they want. The notary experience is fully online using two-way video conference.

Requirements	Traditional eClosing	OnLine eClosing
eSignature <small>Creates equal status between electronic signatures and electronic documents and those which involve paper. eSignature is used for both pre-closing and closing documents.</small>	✔	✔
State-by-state regulations		
eNotary (Physical presence) <small>Process which enables a state approved and certified eNotary affixes an electronic signature and notary seal to an electronic document, such as a PDF. The eNotary and signer must still be in the same physical location to meet the requirement for "physical presence" in nearly all of the states.</small>	✔	
eNotaryRemote (Virtual presence/remote) <small>Process where signer's personal appearance requirement is met via the internet or video conference using a webcam. This means the signer could be located anywhere in the world and appear before the eNotary by means of a live, two-way video conference. The eNotary keeps a recording of the meeting.</small>		✔
State-by-state regulations		
eRecording <small>Authorizes a county clerk or county recorder to accept electronic documents for recording and to index and store those documents, including recordation of instruments affecting real estate.</small>	✔	✔
<small>*eRecording does not require the security instrument to be electronically executed. A county often records a scanned image of the paper security instrument when it eRecords.</small>		
County-by-county regulations		

Industry Landscape

eClosing/eMortgage Enablers

Electronic Recording

Electronic Notarization

Insurers/Investors

Warehouse Lenders

Title Insurers

Servicing

Document Custodians

Technology

Current Status

80% of the country's population lives in eRecording enabled county

Growing support. eNotarization bills introduced and passed in several states

FNMA/FHLMC active. Correspondents coming online. VA and FHA accept electronic signatures on loan documents (FHA excludes eNotes)

Several warehouse lenders ready to provide eNote warehouse line

Starting to eEnable offices, eNotary and remote notary acceptance in early stages

Progress in sub-servicing space

Increased interest from document custodians

Several vendor solutions available to support document production, collaboration and signatures

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Also available as part of the eCourse

[2017 The Future of Residential Mortgage Lending eConference](#)

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