



# Process Improvement

## A Wakeup Call

The mortgage process itself is a source of frustration for too many borrowers and that has to change.

By Tony Garritano

**I**t is time for a change. The mortgage process is still a mystery to many. ClosingCorp, a provider of residential real estate closing cost data and technology for the mortgage and real estate services industries, released the results of a nationwide survey which reveals that approximately two-thirds of Millennials, adults between the ages of 18-34, who plan to buy a home are unaware of closing costs. The survey also found that across all adult age brackets, more than one-third of potential homeowners are “Not Very” or “Not At All” aware of closing costs.

“Much has been written about Millennials because they are the largest generation so far in

realtor, lender, title and other settlement fees also have a significant impact on the down payment and cash outflow from the borrower perspective. Not understanding how everything is related can be a real impediment for first-time homebuyers who want to get into the market.”

The “ClosingCorp National Closing Costs Survey” of more than 1,000 adults, also showed that most people learn about closing costs from realtors, or by doing their own research. In fact, Millennial homeowners are more likely to learn about closing costs from a realtor as opposed to a lender by a ratio of nearly two-to-one.

This study is very interesting in that it shows Millennials are more dependent on realtors than previously presumed. We know they are **more tech-savvy** than their predecessors.

U.S. history, and their longstanding impact on the real estate market and economy is going to be huge,” said Brian Benson, CEO of ClosingCorp. “Their buying behaviors are much different than previous generations, and of particular concern to the industry is that they are waiting longer to buy their first homes.

This study emphasizes the need to better educate Millennials, and really all consumers in general, on the real estate closing process. While interest rates are often the driving force in initiating a real estate transaction, the

“This study is very interesting in that it shows Millennials are more dependent on realtors than previously presumed,” said Benson. “We know they are more tech-savvy than their predecessors, so we believe this really highlights the complexity of a residential real estate transaction. Whether they are researching a home on their own or getting help from an interested third party, the bottom line is that people need access to the correct information, and it needs to be simple for them to understand. With the upcoming changes to the disclosure process being made by the Consumer Financial Pro-

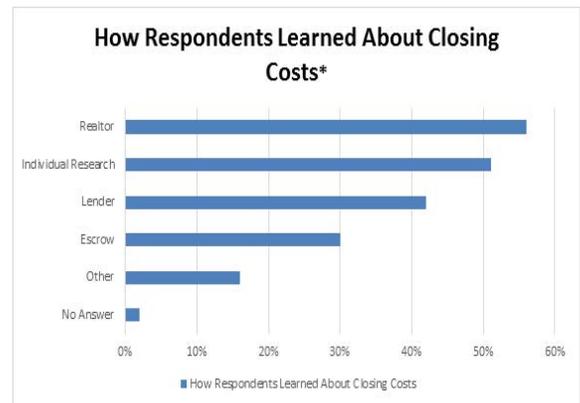
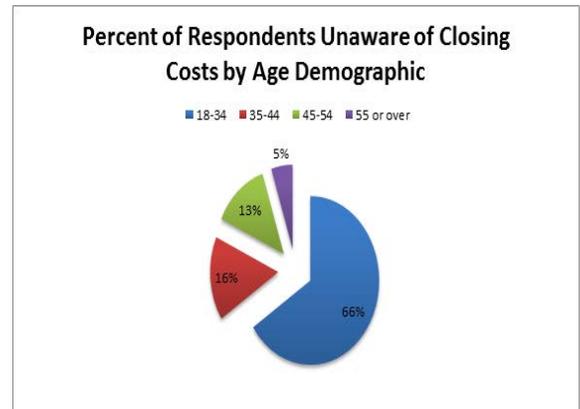
tection Bureau this August, we as an industry should be stepping up our proactive education efforts to ensure homebuyers are fully prepared to make the most significant financial transaction of their lives."

I find all of this very troubling. Borrowers shouldn't be in the dark about closing costs or other parts of the mortgage process. The best way to improve this is to automate the origination process with technologies like e-signatures. For example, Capsilon has launched a new version of its flagship product, Capsilon DocVelocity, that includes support for the electronic delivery, signing and vaulting of borrower disclosures and other mortgage-related documents.

The bottom line is that we need to **embrace technology** to dramatically improve the process for borrowers.

This new version of DocVelocity gives users the ability to automatically assemble disclosure packages and email them to borrowers to sign electronically. Borrowers access the new DocVelocity Signing Table, an intuitive user interface for electronic signing of mortgage-related documents, to provide consent to receive electronic disclosures and to review and e-sign the documents. Compliant with the Uniform Electronic Transaction Act (UETA) and the Electronic Signatures in Global and National Commerce Act (E-Sign Act), the new DocVelocity electronic transaction capabilities further Capsilon's vision of straight-through processing (STP) of mortgage loans by reducing the labor associated with printing, assembling, packaging and shipping documents that need to be signed by borrowers.

The DocVelocity E-Vault, a secure location where legally binding, authoritative copies of electronically signed documents and their related transaction documents are stored and managed, is also new in this latest release of DocVelocity. Fully



integrated with DocVelocity, the DocVelocity E-Vault protects assets using robust encryption, time-stamps documents and wraps them with a tamper-evident seal, maintains an audit trail for every stored asset and controls access to these documents with customer-defined user privileges.

These new E-Signing and E-Vaulting capabilities also help lenders demonstrate compliance by providing tracking and evidence of electronic delivery, proof that disclosures were delivered within the required timeframes and support for the authenticity and non-repudiation of electronic signatures.

In addition to the new electronic transaction capabilities, this new version of DocVelocity includes significant enhancements to the document management and document workflow capabilities of DocVelocity. These document management enhancements include a myriad of new capabilities to speed workflow. The bottom line is that we need to embrace technology to dramatically improve the process for borrowers. ❖

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Tony Garritano is Chairman and Founder of PROGRESS in Lending. As a speaker Tony has worked hard to inform executives about how technology should be a tool used to further business objectives. For over 10 years he has worked as a journalist, researcher and speaker. He can be reached via e-mail at [tony@progressinlending.com](mailto:tony@progressinlending.com).