



Process Improvement

Opinions Are Changing

Many players within the space are radically changing their opinions about the value of e-mortgages. Here's why:

By Tony Garritano

I think that the mortgage industry is coming around to the idea that the electronic mortgage is not just the way the industry needs to go, it's the way the industry has to go right now.

For example, eLynx has determined that there are substantive benefits across all stages of the mortgage cycle to moving towards digital, data-validated loan files. Origination, secondary marketing and servicing all gain from migrating away from paper-based methodologies that restrict accuracy and transparency, according to eLynx's CEO and president, Sharon Matthews.

"Paperless mortgages will soon reach a tipping point, though not everyone realizes it," said Matthews.

before commitment and delivery, which will lead to greater private mortgage capital infusions," she said. "Servicers benefit by leveraging the uniform data when boarding loans, and for ongoing quality control and analytics that protect both lenders and investors, and augment the viability of mortgage investment vehicles," Matthews continued. "Consumers benefit from lower origination costs using digital processes and delivery, as well as increased online capabilities, which Millennials and other younger borrowers demand today."

eClosings are the final step and they are coming, said Alec Cheung, eLynx vice president of product management and

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"The entire industry uses loan systems that create electronic files that allow for the electronic movement of documents and data during the mortgage process. As the industry migrates to MISMO standards and the Uniform Closing Dataset, the benefits for all become clear," she explained.

"Origination benefits through the electronic delivery of Know Before You Owe (KBYO) disclosures and the better use of mortgage data to enable transparency for borrowers, GSEs and private investors alike. With higher quality data, investors can better evaluate loan portfolios well

marketing, who participated closely in the successful CFPB eClosing pilot that concluded this past August. "The pilot made it clear that eClosings can be successfully performed at scale and lead to a positive experience for consumers, as proven by borrower surveys," said Cheung. "Process, not technology, is the determining factor. Borrowers did embrace electronic closings and technology is not the primary hurdle," he noted.

"Process is where the last roadblocks remain but those are starting to erode. Investors have long hung on to paper documents. Notaries have yet to

solve electronic notarization. Closing are used to paper-based processes dictated by lender and investor requirements,” he said. “We’re working within our very large nationwide network of closing agents and notaries to support the paperless migration.” Any time a technology offers a process that makes loans better, faster and cheaper to create, the industry will eventually get behind it, Matthews believes. “The digital revolution is here and everyone in the mortgage value chain benefits from data-validated mortgages,” she said. “And that includes consumers



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and real estate agents. The CFPB and the GSEs are solidly behind going digital, and the Uniform Closing Dataset is the next big requirement looming for lenders now that the KBYO deadline has passed,” Matthews noted. “Starting as early as the second quarter of 2017, the GSEs will only purchase loans that conform to the Uniform Closing Dataset,” she said. “When the data is standardized, everyone will be a winner, both inside and outside the industry.”

And lenders are starting to move on e-mortgage initiatives. For example, Mid America Mortgage Inc. will utilize DocMagic’s SaaS-based compliance and mortgage loan document engine together with the on-premise solutions of DocMagic’s recently acquired eSignSystems patented eSigning, eNotary, eVaulting, eRegistration and eRetention solutions. This is the first time since the acquisition of eSignSystems in October 2014 that the combination of technologies will be jointly utilized to facilitate a complete eClosing and validate DocMagic’s eMortgage model.

“We made the decision to sign with DocMagic and its subsidiary division eSignSystems because of the unique capabilities of the combined technology components, together with the most powerful eMortgage reputation and expertise in the industry,” said Jeff Bode, president of Mid America Mortgage. “The blend of these technologies integrated with our loan origination system (LOS), Mortgage Machine, establishes the path for us to close our loans electronically. DocMagic’s solutions are ready today for eClosing, and now that the GSE’s are accepting eNotes, their advance readiness for electronic closings is critical to Mid America’s short and long-term eStrategy.”

“The marriage of our SaaS and on-premise solutions delivers a unique value proposition for Mid America,” said Dominic Iannitti, president and CEO of DocMagic. “DocMagic’s SaaS model compliantly delivers dynamic, intelligent, data-driven loan documents and disclosures with a full eClosing for borrowers. eSignSystems’ on-premise platform provides Mid America with internal controls and tools to configure the solution to their specific business processes and the ability to efficiently work with third parties to achieve an eMortgage.” ❖

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