

## **Three Minute Tech Tip - #46**

This week's TechTip comes to us from Mr. Internet, Michael Russer and cover's the details of a recent eClosing and how it has transformed the entire closing process

### **Today's Tech Tip: Closed In 13 Minutes**

Imagine buying a home where you spend just 13 minutes at the closing table and only have to sign once. You read that right, just once —instead of the dozens and dozens of documents typical of most real estate closings. While this may sound like science fiction, it just recently happened for a client of Stephanie Evelo of The Evelo Team in Indianapolis, IN. And the benefits to buyers and their agents are truly huge.

This eClosing, as it is known, is largely a Stewart Title innovation that came about working tirelessly over the past several years to perfect the process of the a truly paperless real estate transaction through their SureClose® and eClosingRoom™ services. However, this particular eClosing would not have happened without the full and enthusiastic cooperation of First Republic Mortgage in Indianapolis as well.

The critical elements to making this all possible include a secure online transaction coordination and closing system that has the ability to store legally binding digital documents including all title, deed and loan instruments. In addition, this system must be able to allow the parties to the transaction review and approve these documents through a secure password-protected Website, well in advance of the closing. And, this system also allows the buyer to sign a special electronic pad just once so that her signature is then instantly placed electronically on all the appropriate documents. The system secures and encrypts each of those replicated digital signatures in a manner so that they are legally binding and cannot be altered in any way. In fact, once the transaction is closed, the entire document set is placed in a secure electronic "vault" where they can never be altered and only viewed with the appropriate password access. It is this ability to give the buyer a secure online way to pre-review and approve their title and loan documents and then sign just once at the closing table that drastically cuts the time at closing to an average of about 13 minutes.

### **Collaborative Effort**

But this is just the beginning. While Stewart Title created and continues to perfect this innovative online secure closing system, they needed a lender that would work with them seamlessly within this purely digital domain. Enter David Richey of First Republic Mortgage in Indianapolis. David's company is a

mortgage lender that sells their loans directly to Fannie Mae. It was David that spearheaded the effort to have both his company and Fannie Mae participate in these first eClosings. The key was having an electronic vault technology that allowed the originating lender and their investor (in this case Fannie Mae) to have immediate access to the complete set of loan documents without ever printing, scanning or storing the reams of paper that typically associated with each loan transaction. According to David "This allows us to ship the completed loan package off to our investor much more quickly and with much less likelihood of being incomplete. And this translates to lower loan rates and fees to the buyer because we don't have to lock the rate in for as long as otherwise would be required."

### **Buyers Love It**

Okay, let's take a step back and see what we have here. Buyers and their agents save an enormous amount of time at the closing table, which also equates to greatly reducing the chances of a closing "blowup". REALTOR Stephanie Evelo says "Our team could not believe just how easy and quick the whole closing process was." And the buyer, Jane Ratliff, a 73-year-old Indianapolis widow, said the decision to be involved in the state's first eClosing was simple. "It was going to be quicker and I would only have to sign once," said the admitted non-computer user. This was the seventh home purchase for Ratliff, but she said, "I'm nervous about getting another house, but not about the closing."

In addition to the buyers feeling much more comfortable about the process (because they could pre-review all the documents ahead of time) they also can save considerable money on their loan. And finally, the title company and lender benefit because of the much more efficient and error-resistant way the whole process works.

So where's the downside? Well only that this type of closing will spread very gradually rather than like wildfire. According to Stewart Title District Manager Tom Fickle, who headed up Stewart Title's involvement in this eClosing, "Regional differences in the way closings are conducted are the main factor. For this to work effectively it requires lenders, recorders and notaries who accept secure digitally signed documents, and this acceptance will take time to extend across the country."

While the eClosing may not be available in your region just yet, it is coming. The benefits to all the parties involved are just too great to stop this train of innovation. And when it finally arrives in your area get ready to do your closings in a whole new, wonderfully paper cut-less way.

Time's up! Gotta go. Have suggestions for other Tech Tips? E-mail me.

As always, feel free to contact the Regional help desk with any tech support questions at [help@remax-nj.net](mailto:help@remax-nj.net) or (888) 54-REMAX

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