



eClose: How to choose the right eClose solution

Clear Pathways to Fully Digital Mortgage Closings

Competition in the mortgage marketplace is growing. While social distancing necessitated a change in how closings are conducted, the convenience those processes afford will remain forever.

Today, homebuyers can apply and qualify for a mortgage while standing in their dream house. And like many industries, customer demand is driving innovation. Hybrid closings will continue to increase where meeting face-to-face is not possible—or no longer preferred. The time is now for a fully digital homeownership experience.

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Why Digital Closings Are Now the Gold Standard

Simplicity. Convenience. The Power of Choice.

Consumers expect instant access to mortgage information and won't spend time making calls to coordinate showings or filling out paperwork. Technology has given consumers the power to expedite the entire real estate purchasing process. They demand a lending experience that keeps them informed 24/7. Lack of transparency can quickly devolve into a negative closing experience. eClose processes create confidence for all stakeholders. Borrowers have time to review disclosures and closing packages, lenders simplify workflows, settlement agents streamline task management and status updates, and post-closers receive closing documents electronically. eClosing helps lenders simplify workflows to deliver operational efficiency and transparency at every stage of the loan closing process.



Borrowers demand faster closings

81% of consumers prefer to sign loan documents electronically. ⁱ

51% are comfortable with a completely digital mortgage experience. ⁱⁱ



Digital has become the preferred method

90% of the package can be reviewed in advance and signed electronically. ⁱⁱⁱ

2.3 days faster closing than the traditional in-person experience. ^{iv}



Holding off on going digital can be very costly

\$444 saved per loan by lenders who implemented eClosings. ^v

\$100 per-loan costs saved by Settlement agents with a digital close. ^{vi}

ⁱ "Three Reasons the Mortgage Industry Is Embracing eClosing." Finastra | ⁱⁱ "Competing on Customer Experience in US Mortgage." McKinsey & Company | ⁱⁱⁱ "Mortgage eClosing: The Path to eSignatures." Finastra | ^{iv} "What Is eClosing and How Is It Helping Home Buyers?" Nasdaq | ^v "eClosings Can Save Lenders 444 Per Loan, Report Finds." Arizent | ^{vi} "Closing Costs Shot up in 2021." National Mortgage News



Benefits for Lenders, Settlement Agents and Homebuyers

Close faster and significantly reduce errors.

Losing hours—or days—because documents need to be redrawn and re-signed can quickly become a real time challenge during the closing phase of the borrower journey. When customers can review and even sign disclosures and closing packages ahead of time, less time is spent at the closing table. With real-time visibility into if, when, and how the borrower has signed documents, settlement agents and attorneys can add or quickly redraw documents for closing packages.



31%

reduction of errors and improved loan quality with eClosing.ⁱ

7 days

days saved in processing/funding cycle with eClosing.ⁱ

104

minutes saved by eClosing for title agents with improved lender communication, ease, and reduced time during closing.ⁱ

ⁱ "Impactful ROI for Lenders and Title Agents." Businesswire

Deliver stellar experiences that build partner relationships and improve retention.

Providing a seamless closing experience is crucial to building borrower and partner relationships. Consumers accustomed to a digital point of sale experience can become frustrated with the lack of digital capabilities in the closing stages. Digital closing tools meet clients' expectations and desires for simplicity. With a single platform solution, loan originators, borrowers, settlement agents, and partners enjoy a fast and frictionless process accessible from their smartphones.

Reduce cost-to-close by improving productivity.

By minimizing the amount of work loan processors or title and settlement agents must complete, lenders can enhance efficiency and reduce cost-to-close. Fully remote eClosings and Hybrid eClosings help foster productivity by reducing the administrative labor required to process documents. Automated push notifications reduce the time lenders spend drafting, sending, and keeping track of important emails and texts, ensuring more streamlined and organized communication across all parties.

Streamline the process for investors to win more business.

Lenders can also leverage existing technologies and layer on new technologies to eliminate expensive, slow, and error-prone paper-based processing. This increases net financial revenues by lowering warehouse line-of-credit mortgage financing, allowing lenders to sell mortgages to investors more quickly. Investors can then easily keep track of the promissory note and their ownership interest.



eClosings generally only take about 10 minutes through nCino, so if an agent is not on time for a closing appointment, they truly might miss it! The nicest thing about a shortened closing process is that it leaves more time for the buyer, sellers, and agents to wrap things up and celebrate the new homeowners. It's a better experience for everyone involved."

Altra FCU

Real Estate Agent Partner

Understanding the Terminology.

There are different types of eClosings, depending on which documents are signed digitally. The following terms are commonly used throughout the eClosing process.

eClosing: Indicates some portion of settlement documents were electronically signed by the borrower, notary, or both.

Traditional Closing: When borrowers schedule an in-person closing with a title agent or attorney, closing documents are “wet signed” on paper. Documents are typically notarized in-person with a notary seal.

Remote Online Notarization (RON): Digital eSigning process where documents are also electronically eNotarized. Borrowers/Notary need not be physically present to complete a RON settlement. The transaction occurs via a two-way webcam on a secure online portal.

In-Person Remote Notary (IPEN): Borrower and notary meet in person, and Notary applies an electronic seal to all required digital documents.

Hybrid eClose: Documents required to be recorded and notarized on paper are signed by the customer, while closing documents not requiring notarization are eSigned.

eRecording: eTransfer and eRecording of loan documents, wholly controlled by the state and county jurisdiction where lending occurs. Offered by Settlement Agents where applicable, and no additional technology needed.

eNote: Electronic promissory note. To be negotiable and transferable it must be labeled the authoritative copy of the promissory note. It is created, executed, registered, transferred, and ultimately stored electronically. A scanned, signed paper note is not an eNote.

eVault: Electronic repository that stores copies of eNotes. Connection to the MERS® eRegistry enables the capability to validate, maintain, transfer, and report life-of-loan events for eNotes (e.g., such as Paid in Full).

eRegistry: MERS® eRegistry is the only national registry for mortgage eNotes and is the system of record for identifying the Controller (holder) and Location (custodian) of the authoritative eNote copy. The Controller of an eNote can have equivalent rights as that of the “holder in due course” of a paper negotiable promissory note.

eMortgage: Use of electronic processes and signatures during production. Specifically, eSigned closing documents paired with an original electronic promissory note (eNote) at a minimum, signed on an eClosing platform and registered with the MERS® eRegistry within 24 hours of closing.

Choosing the Right eClose Solution

Most lenders have adopted a closing model where disclosures are delivered and signed electronically, but recordable documents are wet-signed papers in the physical presence of a notary. For lenders seeking a full eClose solution, convenience, increased security, multi-party access/participation (important for attorney-closing states), and borrower experience are critical.

Leverage a paperless digital approach

- ✓ **Ease of use**
- ✓ **24/7 on-the-go access**
- ✓ **Task notifications**
- ✓ **Share info with a click**
- ✓ **Collaborate on a single platform**
- ✓ **Digital audit trail**



1. Find a solution that enables single sign-on convenience.

With a single platform solution, loan originators, borrowers, settlement agents, and partners enjoy a fast and frictionless process accessible from their smartphones. Understanding each consumer touchpoint, including scheduling communication, coordination, lender and title document preparation, and final execution is critical to creating an easy-to-follow, digital closing solution.

2. To meet consumer expectations, a mobile app is a must.

Mobile is fast becoming the preferred user channel—even for financial decisions. Borrowers want streamlined lender interaction, a seamless single sign-on experience, and insight into the overall process to transact confidently. A downloadable mobile app enhances referral partnerships and enables loan officer productivity outside the office. With a faster, easier, and more secure way to chat and receive automated status updates, lenders can prevent mistakes from impacting customers and maintain borrower confidence throughout the process.

3. Find a scalable solution that supports multiple closing scenarios.

Find an eClose solution that gives your organization the ability to go as digital as you want. Easily transition from paper to hybrid eClose—or include eNote—to improve loan quality, data accuracy, and compliance while also accelerating the loan process. With so many interpretations of what constitutes a “true” eClose, when you partner with the right software provider, a Hybrid eClosing can be a plug-and-play solution that scales as your business evolves.

4. Consider eRegistry integration.

After closing an eNote, a lender registers it on the MERS® eRegistry, the system of record for identifying the Controller (holder) and Location (custodian) of the Authoritative copy of an eNote. Understanding the full signing workflow—including scheduling, communication, coordination, lender and title document preparation and final execution—is critical to creating an improved, digital version of the process. Partner with a technology provider that has already done the heavy lifting of developing and managing eClose solutions and testing them for validity via MISMO’s eClose and RON certifications.

5. Evaluate your workflows to uncover significant savings.

Maximizing ROI with digital loan and postclose processes requires considering the dual needs of retail consumers and loan investors. Eliminate outdated processes and improve operational efficiency. eClose provides lenders significant cost savings and proven ROI.

Lenders using
nCino Mortgage save
an average of **\$444¹**
in operational
cost per loan

How much can you save?

Request a free demo and learn how much **ROI** and efficiency gains you can have with nCino Mortgage to increase profits with eClose.

- ✓ **\$160+: Hybrid eClose**ⁱ
- ✓ **\$300+: Hybrid + eNote**ⁱⁱ
- ✓ **\$444: Full eClose (RON)**ⁱⁱⁱ

ⁱ nCino ROI analysis | ⁱⁱ nCino ROI analysis | ⁱⁱⁱ Notarize and Marketwise Advisors, LLC ROI of eClosing Study



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