

Digital Closing Readiness Checklist



FIRST STEPS

- Designate someone in your company as the Digital Closing expert.
- Become familiar with your state's legal framework for Digital Closings:
 - Uniform Electronic Transaction Act (UETA)
 - eRecording Laws (URPERA)
 - Determine which documents are being accepted for eRecording by the local recorder's office or which allow a "papering-out" recording in the alternative.
 - Determine the type of eNotarization allowed. In Person Electronic Notary (IPEN) and/or Remote Online Notary (RON).
 - Are there any specific transaction restrictions or requirements with which you should be familiar?
 - Determine if the state or other governmental agency (e.g., Secretary of State) require licensing and/or approval of eNotarization solution providers.

RESEARCH SOLUTIONS

- Reach out to your underwriters to obtain any resources they have on Digital Closings and to be aware of their requirements, if any.
- Reach out to your state Land Title Association to obtain any resources they have on Digital Closings.
- Use the ALTA Marketplace to research and schedule demos with various Digital Closing vendors to determine if they meet your specific workflow needs and the requirements in your state.

COVER LOGISTICS

- Get set up with a vendor for doing eRecordings, if available in your jurisdiction(s).
- Document sample workflow and processes relating to Digital Closings and have a plan for "papering out" if necessary and if allowed by law.
- Check with your insurance broker to ensure you have coverage for Digital Closings or electronic notarial acts (including RON).

SET GOALS

- Evaluate where you hope to gain efficiencies in your workflow.
 - Leading and trailing documents (e.g. pre-closing occupancy agreements; contract addendums).
 - Curative documents and third-party documents (lien releases, etc.).
 - Documents that don't require recording.
- Evaluate where and how you hope to improve your customer experience, recognizing that Digital Closings are not for everyone.
 - Speed and convenience factors.
 - Safety and fraud prevention.

GETTING STARTED – CASH & SELLER SIDE ONLY TRANSACTIONS

- Identify documents which can be eSigned and/or eNotarized.
- Partner with a Digital Closing provider and upload your documents/templates into their platform.
- Determine if agency staff need to become eNotaries and be on boarded with a Digital Closing service provider? If so, who?
- Ensure that all parties to the transaction want to conduct the transaction electronically and are willing to give their consent to it.
- Ensure that participants are technologically equipped and capable of participating in a Digital Closing (particularly if it is a RON closing).

GETTING STARTED – WORKING WITH LENDERS

- Find a lender who is interested in pursuing a Digital Mortgage strategy.

Note: It is exceedingly difficult to enter the Digital Closing space without having a live client who is ready to work through the process with you. Each Lender has a unique process. Each technology vendor has unique characteristics. It is virtually impossible to prepare for all lenders and all technology vendors in advance.

- Find out if the lender has already selected a Digital Closing service provider.

Note: The lender may wish to drive this process. If this is the case, the agent should engage with the lender and service provider to determine any equipment requirements, system requirements, and workflow. Ask the lender and service provider for any specifications, workflows, tutorials, and training they have. If they don't have them, jointly develop them with the parties.

If the lender hasn't selected a service provider, educate yourself and be prepared to provide them with solutions. You can find out which options are available through the ALTA Marketplace, your underwriter, or other agents.

□ Schedule a meeting with the lender to discuss the Digital Closing process. The following questions will help guide you through this discussion:

- *In which counties/states do they plan to offer Digital Closing services?*
- *What types of transactions will they be Digitally Closing (purchase, refinance, HELOC)?*
- *Will they want hybrid or full Digital Closings?*
- *Will they want IPEN, RON or both options?*
- *Who will brief the borrower on the option for a Digital Closing?*
- *Who will train the borrower on how to use the Digital Closing platform?*
- *How will the loan package and settlement documents be delivered to the borrower?*
- *Who will be in charge of the process to ensure each party completes tasks as expected and can adjust to process anomalies (if consumer eSigns in advance, or declines to eSign)?*
- *Which vendor(s) will the agency be required to utilize/register with to conduct Digital Closings? What are the costs involved?*
- *Does their Digital Closing service provide the following?*
 - *eSignature capability.*
 - *IPEN capability.*
 - *RON capability.*
 - *Registration for eNotary certificate/stamp.*
 - *Consent and ID verification/authentication of closing parties.*
 - *Video recording and video storage for RON closing.*
 - *eNote and eVault capabilities.*
 - *Multi-factor authentication for all parties to ensure the appropriate people have the appropriate access.*
 - *Tamper evident seal to ensure documents have not been modified after signing.*
 - *Audit log of all the critical events of the entire process to forensically provide evidence of all activities. How long is it stored and where?*
 - *Integration with eRecording provider.*
- *Will documents be in a format that is eRecordable?*
- *Does the county recorder's office accept eRecording? If so, which documents?*

PREPARING FOR YOUR FIRST TRANSACTION

- Work with a vendor and/or lender on an implementation timeline.
- Document the workflow process you will be using for a Digital Closing.
- Ensure the instructions to the signing agent (closer or escrow officer) are clear and easy to follow.
- Test the process.

Note: Have the Lender generate several test loans and run them through the entire process. Follow the documented workflow and note where pain points exist so the workflow can be revised. If the Lender is unable to utilize a testing environment, consider utilizing friendly live files (employee loans, voluntary beta testers, etc.).

Alternatively, if you haven't identified a lender who is ready to offer Digital Closings, consider whether you can utilize the Digital Closing vendor for cash or seller side only transactions.

- Solicit feedback!

Note: Request feedback on the experience from the consumer, funder, realtors, and any other parties involved. Utilize the feedback to make appropriate adjustments to the workflow. Continually revise the workflow to improve the consumer experience.