

State of the Union Address TRID & eMortgage Update

Tim M. Anderson
Director of eServices
DocMagic, Inc.

TRID Update

- Over 25 Closing Collaboration Portals available today
- Workflow issues between title companies and lender
- No clear guidance on best practices for process
- Both sides waiting for each to lead
- Lender (liability) driven process

TRID Update

- Big concern on what CFPB is going to use for compliance audit
 - Penalties \$5,000, \$25,000, \$1,000,000 million
- Need ability to show proof of compliance
 - LE & CD
 - Delivery & acknowledgement
 - Date & time stamp audit trail
 - Very hard to do in a paper based process world

eClosing Pilot Update





Consumer Financial
Protection Bureau

eClosing



Director Cordray Address @ Annual MBA Conference

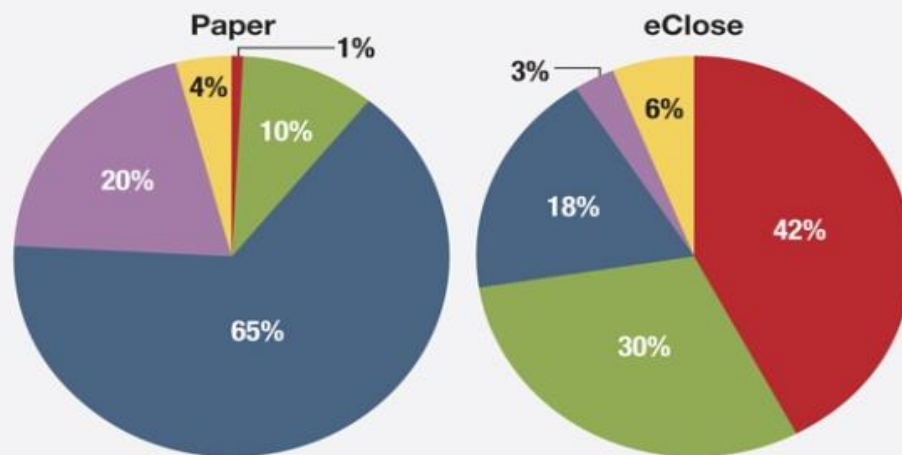
"This is something that we think is the direction industry is intending and wanting to go. It is the future. But the future can be here much sooner than maybe it otherwise would be" and "we are on board with that," Cordray said. "We think the advantages for industry, the efficiencies and accuracy that this kind of process will create can also incorporate some really consumer-friendly aspects, consumer education and the like. And on the whole, [it] can be a win-win on both sides of the closing table."

CFPB eClosing Pilot Results

Time Savings

Closings took measurably less time for homebuyers using the CFPB's eClosing process compared to those using a paper process

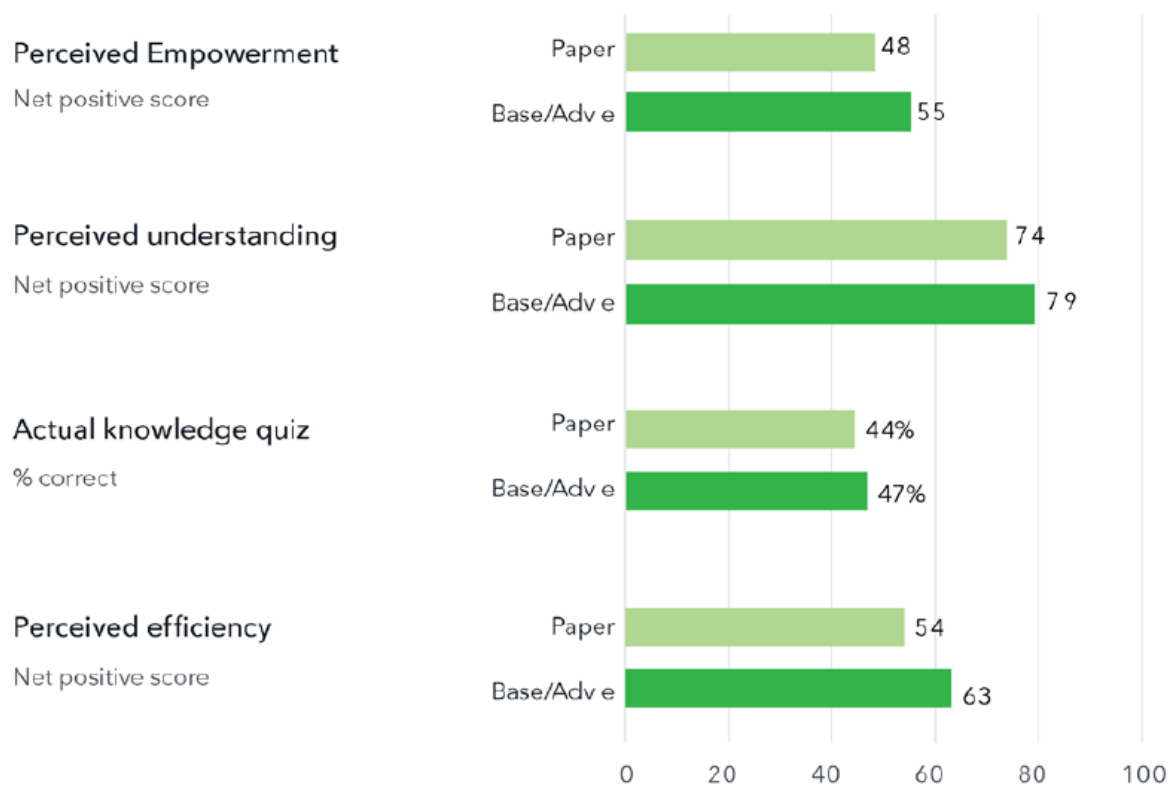
Minutes at closing table: **>15** **15-29** **30-59** **60-90** **<90**



Source: CFPB

CFPB eClosing Pilot Results

FIGURE 1: ECLOSING VS. PAPER SUMMARY ANALYSIS^{38,39}



eClosing Pilot Takeaways

- eClosings can be successfully performed and lead to a positive consumer experience
- The underlying technology to support eClosings is fully functional
- Using a hybrid approach – some documents wet signed, some eSigned worked but added additional work; an all e process would be better
- Closing agents play a key role in the closing ceremony

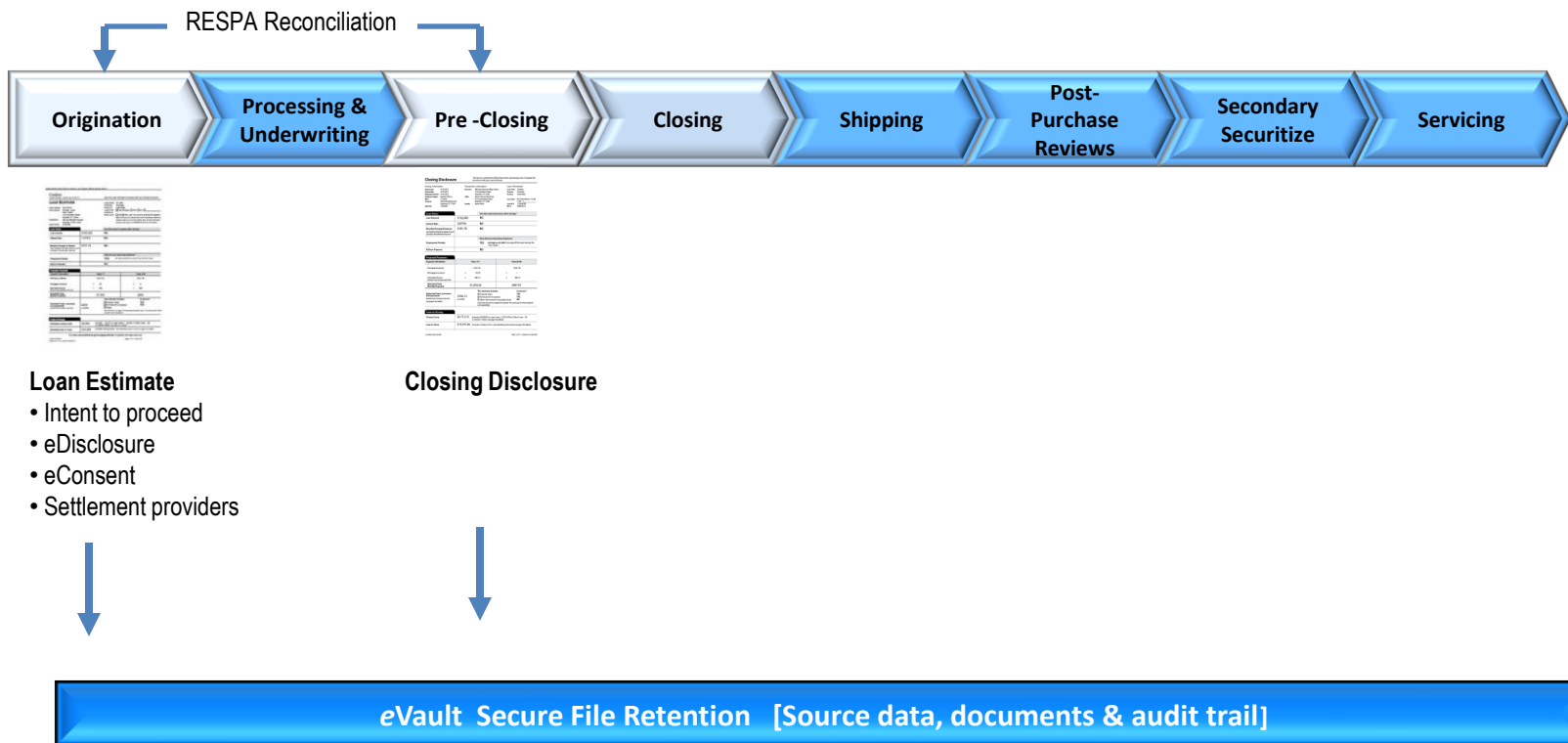
eMortgage Status

- MERS – As of 2/28 @ 336,364 eRegistration
- PRIA – 1,411 eNotary counties representing @ 75% of total pop.
 - eNotary White Paper (education & adoption)
- MISMO eMortgage Workgroup
 - eWarehouse workgroup
 - SMARTDoc™ Verifiable Document
 - CFPB “machine readable format” = MISMO 3.3 & GSE’s Uniform Closing Dataset, (UCD)

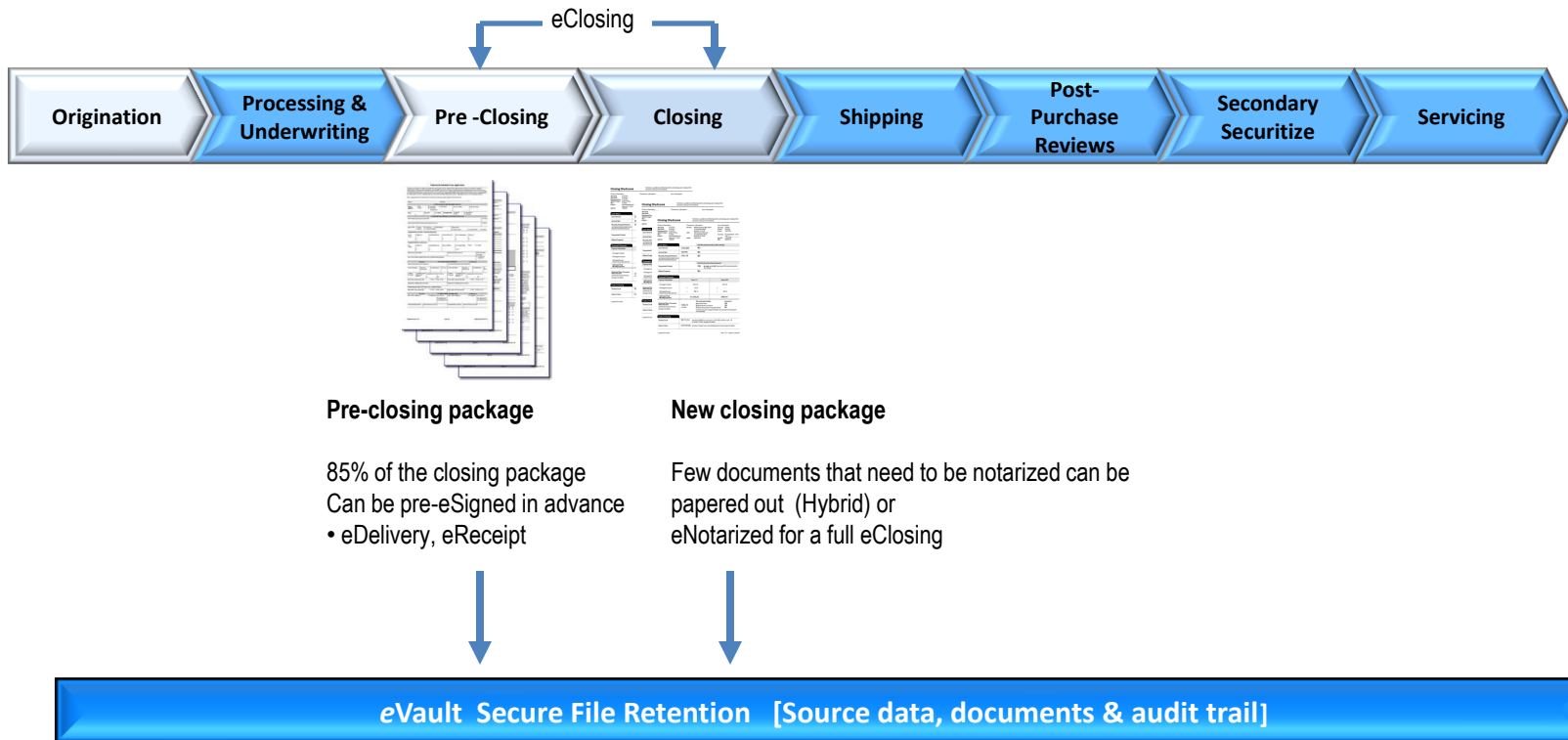
eMortgage Process Flow



eMortgage Process Flow



eMortgage Process Flow



eMortgage Process Flow



MERS eRegistry & eDelivery

- Fund without exceptions
- Or retain for servicing

eVault Secure File Retention [Source data, documents & audit trail]

Copy retained for minimum of 5 years



