

The new way to close mortgage loans



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On the surface, the CFPB's TRID regulations had to do with a document, the new Integrated Disclosure. In reality, the change impacted far more than the documents we share with borrowers – it marked a shift in how the industry handles the data underlying those documents. Really, you might say that TRID was the final push that drove the industry toward electronic lending. At the very least, it opened the door.

The CFPB's goal in enacting TRID was to ensure that lenders report accurate numbers to their borrowers on disclosure forms. In order to do so, the industry needs to handle data in a new, more connected process that is only possible with tightly integrated systems. You need the data and the documents, but it's the process that will ensure regulatory compliance.

It's about much more than just documents

What underlies TRID compliance is technology: it's the all important third leg that will guarantee accurate loan pricing data, ensure that that data makes it onto the correct forms, get them executed by the borrower within the statutory timeframes, and finally — and perhaps most importantly — document the entire process for government auditors. TRID is forcing us to change the way we close loans, and this is not a bad thing.

DocMagic has been a longtime proponent of this very kind of industry shift, and had been developing the technology to accomplish it long before the CFPB invited us to be part of its eClosing pilot. The experiment so exceeded expectations that the CFPB was, from that point on, finally convinced of the benefits of closing all loans electronically. But we were already there.

Specifically, DocMagic's Total eClose™ solution combines all the elements of TRID compliance into a new, streamlined and electronic mortgage closing process. Getting that critical data correct necessitates that lenders have a vetted process, one that works every time. From there, we take that accurate data and use it to populate compliant loan documents, which are then delivered to the consumer in accordance with regulatory timeframes.

A complete solution for the new way to close mortgage loans

If that was all Total eClose™ offered lenders, it would be a required component of their modern lending operations, but

it actually offers more. Since we have now bundled the data, the process, and the documents required for closing the loan, we can leverage that electronic information in new ways to further empower lenders, investors, and borrowers alike. It's what has allowed us to create tight integrations with other systems that, when combined, enable the electronic mortgage.

Total eClose™ brings together additional components, including access to an extensive eDocument library featuring eSignature technology, generation of a MISMO category one compliant SMARTDoc eNote, eNotarization technology for all 50 states, direct connectivity with the MERS eRegistry, long-term storage within a secure, certified eVault, an Investor eDelivery channel and an irrefutable Audit Trail for proof of compliance. Now, for the first time ever, all of the components required for the eMortgage are available in a single platform. And just in time.

Both government auditors and secondary market investors are eager to see mortgage lending go paperless. As the CFPB and the GSEs continue to require more information electronically, the need to have a suite of tightly integrated systems wrapped around a single closing system is imperative. Lenders not using a true closing collaboration platform will find it impossible to meet these requirements, the consequences of which are great. Total eClose™ offers that system and makes it simple, intuitive, and efficient – a goal that's been part of our corporate DNA since Dominic Iannitti started the company nearly 30 years ago. ■

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