

# Stewart Title

Title Company Unveils the First Full-Production Electronic Mortgage Closing Room



Stewart Title Co., a wholly owned subsidiary of Stewart Information Services Corp., has more than 6,200 locations throughout the United States that issue title insurance and manage real estate escrow and closing transactions.

Like many organizations in the mortgage market, the company was swimming in a sea of paper. Even though the organization had taken steps to consolidate and centralize transactions through the development of their SureClose transaction management platform, it still did not have a solution in place to realize its goal of providing a completely paperless closing process for the real estate industry and consumers. SureClose unites all the parties in the closing process, enabling them to monitor

the status of the transaction, view, print and download documents, post and receive messages, and be notified of events.

## THE CHALLENGE

As a technology pioneer, Stewart Title began in the late 1990's to develop an e-closing solution. At the time, there were many challenges associated with making electronic mortgage closings a reality. Industry-wide data and document standards were not in place. Federal-level

legislation did not exist and state-level legislation did not adequately address the components of the electronic mortgage process. These factors contributed to a lack of acceptance of eMortgages by lenders, investors, and other parties.

When the Electronic Signatures in Global and National Commerce (E-SIGN) legislation passed in 2000, it laid the foundation for consumer-facing electronic transactions, such as mortgages. Work by industry standards bodies over the next four years, such as the Mortgage Bankers Association's Mortgage Industry Standards Maintenance Organization (MISMO), built the necessary data and document standards within the market to support broader adoption of eMortgages. These factors, combined with the recent development of best practice guidelines and strong market education efforts, have helped to drive widespread industry acceptance of eMortgages. Today more than 55% of consumers shop for their mortgage online.

Even with the legislative and market hurdles beat, there were other challenges to address in Stewart Title's development of its eClosingRoom. The solution needed

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to be able to handle document and data review, signing, notarization/witnessing, recording, and negotiability.

In order for the solution to be successful, it also needed to be intuitive and easy-to-use for all parties, particularly for consumers and notaries that will be executing electronic closings. Finally, the solution needed to be web-based, to provide electronic closing capabilities to anyone, at anytime, wherever Internet access was available.

### THE SOLUTION

As the first and only Title Company to develop an electronic closing platform, Stewart Title turned to Silanis' market expertise to build a platform that would meet the needs of all parties involved in the electronic closing. From supporting consumer signing of disclosures and documents, to providing support for digital notary signatures and seals, the platform had a diverse set of requirements.

The eClosingRoom is a custom-built portal that leverages and integrates Silanis' ApproveIt Web Server and ApproveIt Transferable Records Manager products, and combines them with a custom application. In addition to

providing the infrastructure technology for the eClosingRoom, Silanis also led the architecture development for this project – driving business requirements gathering, project planning, implementation and design of the system.

The eClosingRoom separates electronic closing and mortgage transaction documents into three groups, and sorts them according to status. It supports:

- documents that need to be reviewed and/or accepted, but do not require a signature
- document that need to be signed, but do not require notary/witnessing
- documents that need to be signed and require a notary/witness signature.

Depending on the type of document and the signing environment – either

a pre-closing remote transaction or a face-to-face signing at the closing table – consumers use different types of electronic signature technology to sign.

Using the platform's zero-download browser-based environment, customers are able to review and electronically sign the non-notary/witnessed documents from the privacy of their home or office prior to arriving at the actual closing. For documents signed remotely over the Web, consumers use a "click-to-sign" method that places virtual yellow stickies where the signatures or initials are required. Consumers simply click the arrows through their web browser to sign the documents. This significantly reduces the amount of time spent at the closing table, which saves the consumer time, and ultimately increases the title company's ability to handle more closings.

**"STEWART TITLE IS DEDICATED TO ENHANCING THE REAL ESTATE TRANSACTION PROCESS," SAID STEWART MORRIS JR, PRESIDENT AND CO-CEO OF STEWART INFORMATION SERVICES CORP. "WITH E-SIGNATURE TECHNOLOGY, WE INTEND TO REDUCE THE TIME AND COST TO CLOSE FOR THE LENDER AND TO IMPROVE THE CUSTOMER EXPERIENCE IN BUYING, SELLING, AND IN BORROWING USING E-MORTGAGE TECHNOLOGY."**

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For face-to-face document review and signing at the closing table, parties sign in real-time using a small LCD signature pad to capture an electronic handwritten signature.

Parties serving a notarial role in the transaction use digital signatures. This method combines a captured, digitized handwritten signature with the digitized image of the Notary's seal or stamp and any additional data required for Notarization. A digital certificate - either self-signed, or issued through a 3<sup>rd</sup> party Certificate Authority, such as VeriSign - is also used added to this method of signing for enhanced user authentication. Notaries can either notarize the documents individually or handle the entire package at once.

### THE BENEFITS

Combining electronic commerce, electronic document preparation, document delivery, automated workflow, transaction management and a virtual transaction folder with electronic closings, signatures and recordings, provides title offices with the ability to dramatically streamline processes. This will result an improved process for all parties involved - the title company, the

realtor, lender and most importantly, the consumer.

The significant reduction or complete elimination of paper-based processes will enable title offices to save time and money associated with the physical preparation, handling, printing, storing and archiving of real estate closing documents and packages. Title offices will improve their workflow and business processes while increasing productivity, reducing errors and omissions, and improving overall transaction turn-around time. This will ultimately lead to a significant increase in transaction capacity at each office - without adding resources. ↻

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