

eClosing and eSigning

Real Estate Transactions



Many types of documents need to be signed in a real estate transaction. A number of factors are driving the real estate industry to transition from traditional paper and wet-ink signings to electronic signatures on digital paperless documents. This is known as a digital closing or more commonly called an eClosing.

TYPES OF eCLOSINGS

There are three basic versions of eClosings. Each type is distinguished by which closing documents are electronically signed and the type of notarization used.

HYBRID eCLOSING

In a typical hybrid eClosing, the lender's promissory note and any documents that require notarization (deed, mortgage, etc.) are signed with traditional wet ink on paper in the physical presence of a notary public. The rest of the closing documents, which do not need to be notarized, are digital and eSigned.

IN-PERSON eCLOSING

(AKA "FULL" ECLOSING)

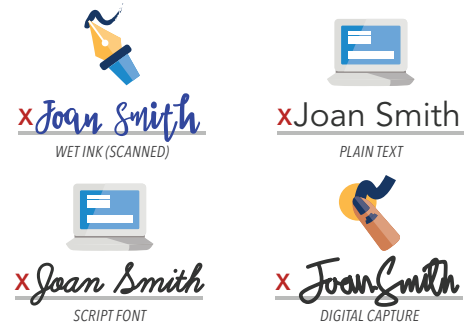
All documents are digital and eSigned. The lender's promissory note and any documents that require notarization (deed, mortgage, etc.) are eSigned, and the eSignature is executed in the physical presence of a notary public. The documents requiring notarization are eNotarized using a digital notary seal and the notary's eSignature. The rest of the closing documents, which do not need to be notarized, are digital and can be eSigned without a notary being physically present.

REMOTE ONLINE NOTARY (RON)

(AKA REMOTE ENOTARIZATION OR WEBCAM NOTARY) ECLOSING

All closing documents are digital and eSigned, and the lender's promissory note and any documents that require notarization (deed, mortgage, etc.) are eSigned as part of an online video session between the notary public and the buyer/seller/borrower. In the online video session, the notary interacts with the consumer in real time while the consumer eSigns documents. The notary then eNotarizes the relevant documents using a digital notary seal and the notary's eSignature. The rest of the closing documents, which do not need to be notarized, are digital and can be eSigned without a notary being physically present.

TYPES OF eSIGNATURES



A NEW LAYER OF SECURITY

eSignature platforms apply a "tamper-evident seal" to electronic documents. Any attempt to alter the documents will break the seal and expose that the documents have been changed.

BENEFITS OF AN eCLOSING

eClosings can enhance the closing experience for all the parties involved while improving efficiency.

Consumers can benefit from increased convenience and more time to review documents before signing. eSigning also helps accelerate the final closing with shorter signing appointments.

Settlement agents can benefit from shorter signing appointments and increased efficiency with some documents being signed in advance of the signing appointment. eSigning can also improve quality control by ensuring that there are no missed signatures.

Lenders can benefit from reduced risk and operational errors as a result of missing signatures. eSigning also allows lenders to offer a more convenient closing experience for their borrowers.

Visit the [First American eClosing and eSigning Knowledge Center](http://www.firstam.com/eclosing) for more information: www.firstam.com/eclosing