

Short-Term Benefits of eTitle

A Lender's Perspective

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Agenda

- **Why eTitle Policies?**
 - The Idea
 - Overcoming Bottlenecks
 - Our Approach

- **A Look at the Numbers**
 - Final Documents
 - It's really not that expensive, is it?
 - Paper/eTitle Comparison

- **Lenders' Benefits and eTitle Flow**

- **Takeaways**



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eTitle - The Idea

Wouldn't it be better if...

- We didn't have to pursue missing final documents?
- Documents owed to us could be received in electronic format (Images and Data)?
- We expanded on our catalyst mantra?
- We saved money, and a forest to boot?



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eTitle – Overcoming Bottlenecks

- Paradigm shifts all around
 - » Government
 - » Industry
 - » Legal
 - » Investor
 - » Security / Information Technology
- Requires partnerships, relationships, and perseverance internally and externally.
- Need to understand the internal (mortgage industry) forces that hinder us.
- Need to understand the external (counties, settlement, investor, etc.) forces that hinder us.
- A Game Plan – Capitalize on opportunities, shore up weakness, maximize strengths and mitigate risks.



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eTitle – Our Approach

- » Established Settlement and County Liaison positions
 - Better manage and understand external influences
 - Collaborate across functional and industry lines
 - Increased awareness of Final Doc issues throughout various organizations
 - Increase throughput via programs and bulk receipt of documents, images and/or data



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Final Documents

- WFHM processes millions of final documents.
- Bulk and Electronic data and images represented only a small percentage of all documents received.
 - » And even those we had to ask for.
- Let's do a cost exercise using hypothetical numbers



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It's not really that expensive, is it?

Documents That Arrive On Their Own							
Title Policy 1,000,000	Mortgage 1,000,000	Effort	Cost	Title Company Effort Expense	Mortgage Company Expense	Settlement Company Comment	Mortgage Company Comment
		Postage	\$ 0.34	\$ 680,000.00			
		Paper	\$ 0.30	\$ 600,000.00		10 pages	
		Envelope	\$ 0.03	\$ 60,000.00			
		Process (stuffing, copying, imaging - etc)	\$ 1.00	\$ 1,000,000.00			
		Open	\$ 0.15		\$ 300,000.00		
		Process (imaging, routing)	\$ 0.57		\$ 1,140,000.00		
Total Estimated Cost				\$ 2,340,000.00	\$ 1,440,000.00		

All cost figures are estimates

It's not really that expensive, is It?



Documents That Require Procurement							
Title Policy 300,000	Mortgage 300,000	Effort	Cost	Title Company Effort Expense	Mortgage Company Expense	Settlement Company Comment	Mortgage Company Comment
		Calling	\$ 0.35	\$ 210,000.00	\$ 210,000.00		
		Research	\$ 10.00	\$ 3,000,000.00	\$ 1,700,000.00	Hourly Wage \$10.00 time - 30 minutes	Hourly Wage \$10.00 Time 17 minutes
		Print Time	\$ 0.17	\$ 100,000.00	100,000.00	Hourly Wage \$10.00 time - 1 minute	Hourly Wage \$10.00 time - 1 minute
		Paper	\$ 0.30	\$ 180,000.00	\$ 54,000.00	10 pages	3 Pages - fax request
		Open	\$ 0.15		\$ 90,000.00		
		Process (imaging, routing)	\$ 0.57		\$ 342,000.00		
Total Estimated Cost				\$ 3,490,000.00	\$ 2,496,000.00		

All cost figures are estimates

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Paper/eTitle Comparison

- Using the figures and cost estimates above, it costs Settlement companies...
 - \$5.82 per document when a lender has to ask and receive paper
 - \$1.17 per document when paper is sent without having been asked
 - \$0.57 per document when an image is sent without having been asked



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Lender Benefits from eTitle

- Defect Reduction
 - Reduce transportation errors (sent to wrong location)
 - Reduce receiving errors
 - Reduce data errors (e.g., entry of recording data)
- Cost Reduction
 - Receiving, storing and transporting paper
 - Imaging
 - Keying from image
 - Data purchase costs (e.g., recorded mortgage data)
 - Custodial expenses – receiving, filing, etc.
 - Reduce need to secure missing mortgage documents
 - Total lender cost elimination estimate: \$2- 4 per loan



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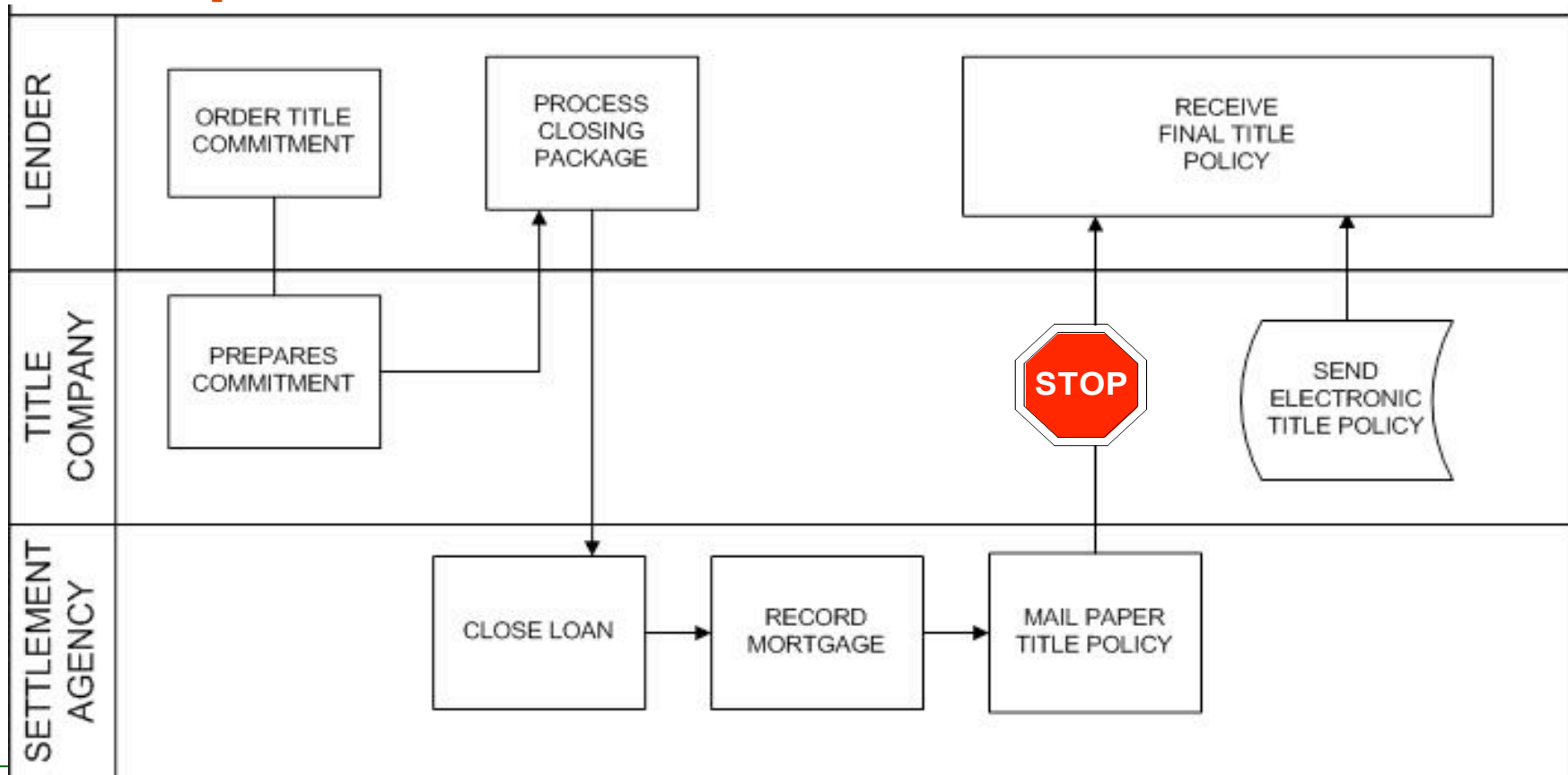
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eTitle in Paper Closing Process Flow: One Option



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Takeaways

- Image delivery is more cost effective than paper
- e-Title policy delivery is more cost effective than image delivery
- There's always a better way – Let's go for it!
- Where there's a will – There is a way!



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Next Steps on eTitle

- Each Title Company determines how to implement with each Lender, per individual business arrangements.



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