

Dispelling the Myth(s) of eRecording

MBA's National Technology in Mortgage Banking Conference & Expo | March 25-28, 2007
Tampa Convention Center
Tampa, FL

Carmelo D. Bramante
Principal and Managing Director
CDB Consultancy, LLC
Washington, DC

MBA Panel Description

This panel dispels the myth that “eRecorders are holding up the electronic transaction.” Counties across the United States are open for business and readily accepting electronic documents to be recorded. Hear success stories from county courthouses implementing eRecording and discover ways to get your local recorder to take the next step.

What is eRecording

Electronic Recording redesigns the real estate recording process. E-Recording initially addressed the method of ***presenting*** real estate documents to the County Recorder and ***returning*** the documents to the closing agent, lender or mortgage servicer. The goal of electronic recording is to create efficiencies whereby costs are reduced for both the County Recorder and the Customer. However . . .

What is eRecording

. . . because federal E-SIGN and UETA allow for the replacement of paper and ink signatures with electronic records and signatures, other technologies may be introduced into the process to represent the real estate information to be recorded, i.e. scanned images, electronic documents, or electronic data (e.g., XML), which allows for the redesign of other processes within the Recorder's office, such as ***document examination, indexing, and collecting fees.***

eRecording Models

- 3 Models of eRecording
 - Model 1: Scanned paper (images)
 - Model 2: Scanned paper (images) with XML data
 - Model 3: Electronic presentation (e-doc format) with XML data
- eRecording Today
 - lien releases
 - Model 3 documents
 - closing docs
 - Model 1 or 2 documents
 - G2G
 - government tax liens and releases
 - court filings in land records

Lenders' Myths of eRecording

Which one is not a Myth?

1. ALL 3,600 recording jurisdictions need to be eRecording before I do eMortgages.
2. I first need to be connected to the recording jurisdictions I do business in.
3. Recorders need to be eRecording SMART documents.
4. Until all recorders are eRecording, I'm going to have to manage a hybrid world, which will cost me money.
5. Recorders won't be able to return to me (the same electronic formatted documents) what I sent them, with the recording data I need.
6. eNotarization does not require digital certificates for the notary's e-signature.
7. The only way to do (Models 1 and 2) eRecording is to have a centralized, batch processing center for scanning documents.
8. We'll never get to eRecording because recorders don't have the budgets to implement.
9. We'll end up with 3,600 different, non-standard ways to eRecord.

Dispelling the Myths of eRecording

Myth	Reality
1. ALL 3,600 recording jurisdictions need to be eRecording before I do eMortgages.	Roughly 10% of the recording jurisdictions handle 80% of loan originations.
2. I first need to be connected to the recording jurisdictions I do business in.	Current 230 eRecording counties handle about 40% of the volume; there's also value in eDisclosures and eNotes.
3. Recorders need to be eRecording SMART documents.	Recorders are <u>waiting</u> for SMART, or Intelligent PDF; they currently handle TIFF and MISMO/PRIA XML data.
4. Until all recorders are eRecording, I'm going to have to manage a hybrid world, which will cost me money.	Everyone will have to manage a hybrid world; not all trading partners will move <u>instantaneously</u> to e-documents.
5. Recorders won't be able to return to me (the same electronic formatted documents) what I sent them, with the recording data I need.	Recorders are prepared to return to submitter what they received, just like the paper world.
6. Under law, eNotarization does not require digital certificates for the notary's e-signature. Not a Myth	Under ESIGN, UETA and URPERA, notaries may use any type of electronic signature.
7. The only way to do (Models 1 and 2) eRecording is to have a centralized, batch processing center for scanning documents.	Lenders, servicers, and closing agents can scan, and deliver TIFF images, from their desk tops.
8. We'll never get to eRecording because recorders don't have the budgets to implement.	(No, it's about the "volumes"!) Current eRecording counties have implemented solutions without having budget issues.
9. We'll end up with 3,600 different, non-standard ways to eRecord.	PRIA works with MISMO on all levels: data, security, interfaces, e-doc formats, etc. Implementation is an issue for everyone to ensure uniformity, e.g., originating, closing, servicing, and recording systems