

MBA's National Technology Conference

Dispelling the Myth of ERecording

Tampa Bay, Florida, March 25, 2007

Mark A. Monacelli, PRIA President



Add Your Company Logo Here

The Myth or the Chicken or the Egg...

- “Getting consumers used to e-mortgages and getting lenders geared up to offer them should be easy compared to instituting the third important component of the e-mortgage industry: converting the 3,600 or so county courthouses to electronic record keeping.”

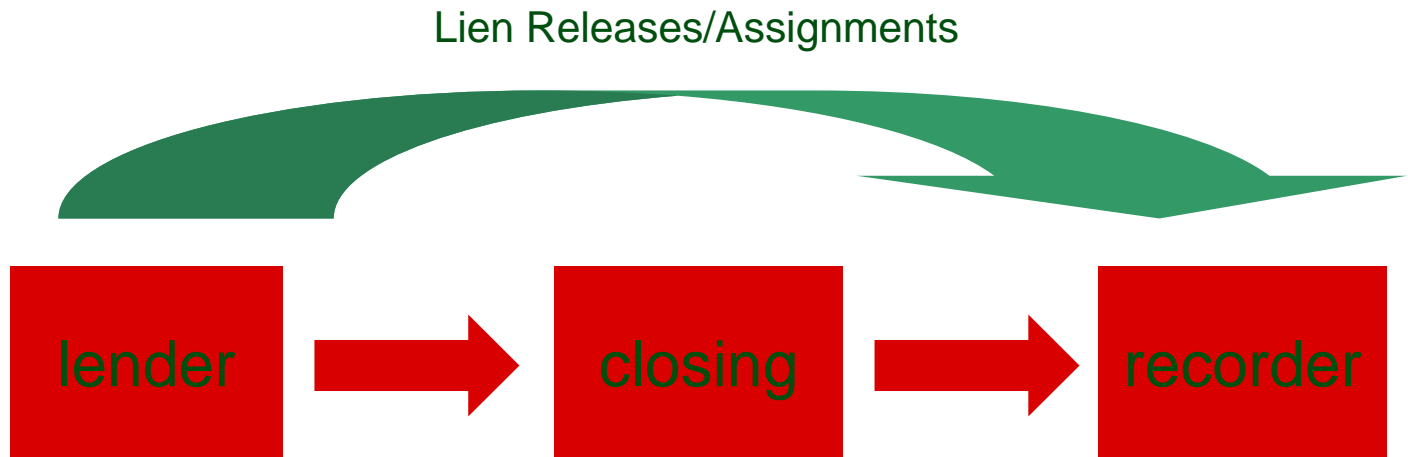
Les Christie, CNN Money

Add Your Company Logo Here



Dispelling Myth #1

- **There actually is four components**
 - Lender
 - **Settlement**
 - Recorder
 - Consumer



Mortgage transaction work flow

Dispelling Myth #2

- **There are approximately 3,600 recording jurisdictions within the United States that include counties, towns, parishes and Burroughs in Alaska.**

80/20 Rule*

U.S. County Population Size

- **32** **1,000,000+**
- **80** **500,001 - 1,000,00**
- **119** **250,001 - 500,000**
- **128** **150,001 - 250,000**
- **165** **100,001 - 150,000**
- **390** **50,001 - 100,000**
- **646** **25,000 - 50,000**
- **1581** **25,000 or less**



Chart based 3141 counties. Does not include towns, municipalities or Alaska Burroughs - approximately 3,600 recording jurisdictions

Less than 80% of mortgages are recorded in 20% of the counties

Add Your Company Logo Here

Number of eRecording Counties Today

- **PRIA has verified that there are 230 eRecording counties and they are listed on the PRIA website at www.pria.us. *Detailed information including the eRecording model, types of documents accepted, contact information, etc. is posted on the Members Only section.***
- **There are approximately 68 counties in the eRecording development stage.**



Here

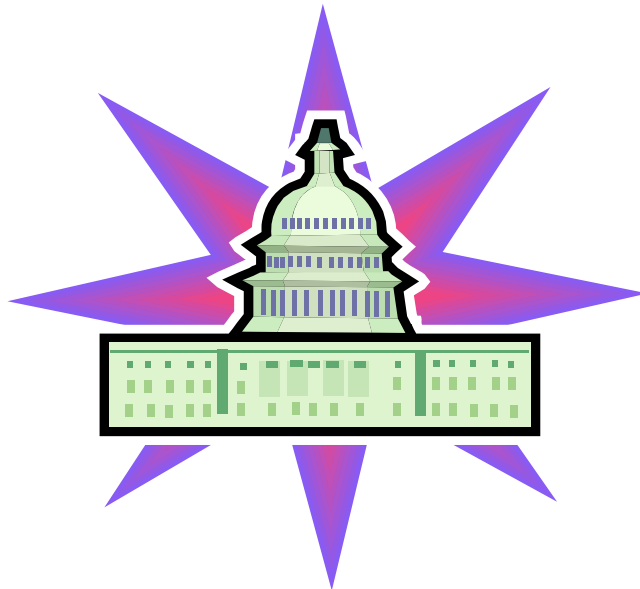
Ups and Downs of the Mortgage Industry

- **Now that the mortgage industry is in a down cycle, are lenders less/more likely to change their business model?**
- **Or, will the proactive lenders and closing agents position themselves for the next up cycle?**



Government must do more with less...

eRecording works and drastically reduces government's cost to process a transaction!!!



Add o Here

Facts and Barriers

- **Education**
 - Changing from a paper based business model to a technology business model is a complete paradigm shift
- **Industry Awareness**
 - Must engage the lender, settlement and recorder
- **SMART Document Availability**
 - Drives the Model 3 eRecording process
- **Misinformation can prohibit market place adoption**
 - eMortgages/eRecording is a pathway for ID theft
 - Restrictive notary requirements
- **Most lenders are not engaged at the state/local level where many decisions are being made**
 - In some cases, lenders at the local level seem to be misinformed and not in sync with national standards



Add Here

Standards versus Implementation

- **Developing data standards for eMortgages & eRecording is one thing-driving market place implementation & adoption of standards is another!**
- **The industry has come along way in developing technology standards and defining a process to work together! There still is, however, a great deal of opportunity to do much more in other areas!**

Data Standards and Implementation Alignment...

