**eRecording to Usher in Era of Integrated Mortgage Disclosures**

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“More than a decade into the title insurance industry’s effort to streamline title processes with technology, eRecording — in its various iterations — will offer even more advantages come August 2015, when the Consumer Financial Protection Bureau’s (CFPB) integrated mortgage disclosures will change the closing process as we know it today, according to a panel at the American Land Title Association’s (ALTA) annual convention.

Compliant and accurate documentation of the closing and settlement process will become more important than ever after Aug. 1, 2015, when the new RESPA-TILA forms must be used, the panel told attendees of the trade association’s 2014 Annual Convention, held last month in Seattle, in a session titled, “E-Recording Overview and Charging Accurate Closing Costs.”

“The CFPB is a data-driven organization, and they have indicated that they are ready and willing to take

enforcement actions, and they are putting a lot of responsibility on the lenders to make sure they are using the best information available,” said panelist **Brian Benson**, CEO of ClosingCorp Inc. “That clearly trickles downhill to the rest of us, and we are in a situation where we clearly have to employ the technology that is available to provide accurate title pricing and deliver it in a way it can be consumed. Based on the way the rules and tolerance buckets are changing, it’s really important that lenders and title companies are in synch and can manage the moving pieces within the closing process.”

At the same time, “We’re seeing right now that lenders are choosing their providers based on who has invested in technology and can play in that ecosystem,” Benson added. “It doesn’t have to be a burden; it can be an opportunity, because those who can do it will clearly thrive in that arena.”

“People have associated eSignatures, eClosings and eNotarization with eRecording, but none of them are required in order to do eRecording. eRecording can be done regardless of whether the other ‘e’ items are used,” said **Jerry Lewallen**, president of the E-Recording Partners Network and a member of the board of directors for the Property Records Industry Association (PRIA).

Currently, about 1,200 recording offices, or just fewer than 70 percent of the U.S. population, have adopted eRecording, he said. “There shouldn’t be a big mystery about what eRecording is today,” Lewallen said. “It truly is something that has been around for a number of years, there are a lot of people doing it and it offers a number of advantages.”

eRecording increases the speed at which you get documents back from county or government recorders, protects the security of documents with sensitive consumer information, enables you to track the progress and locations of documents at all times, offers the ability to quickly handle document rejections — and above all, document and audit all of these processes later, Lewallen said. “Having those data points will provide a place for them in your title production system, and having someone responsible for reviewing that information and making sure it gets back into the fi le will help you be ready from an auditability standpoint,” he added.

**Patrick Curry**, president and CEO of Waco Title, which does business from 17 locations in Arkansas and Missouri, provided real-life examples of how eRecording has enabled his company to respond to regulator inquiries. “One of the things that came out of the CFPB audits at our bank level is you have a creation date, a revision date and a reviewed date. They want to see all of those things in there. Remember that this is a working, living document, and they want to see to see that this is happening,” Curry said.

In a related discussion, **Judi Souza**, a 40-year veteran in the title industry and a certified senior escrow offi cer at Escrow Expertise, advised attendees to carefully and accurately document closing costs, adopt written policies and procedures for every aspect of your business, train all employees and managers against those policies and procedures, audit to make sure they are being followed and track consumer complaints and resolution. “Transparency of fees and passing those on to consumers is very important. The CFPB’s focus is on consumers, and ours should be likewise,” Souza said.

**Don O’Neill**, executive vice president and chief compliance offi cer at WFG National Title Insurance Co., noted that eRecording technology can help ALTA members comply with Best Practices Pillar No. 4, which requires title companies to “adopt standard real estate settlement procedures and policies that help ensure compliance with federal and state consumer financial laws as applicable to the settlement process.” O’Neill noted that there are two components to this pillar: The first focuses on reviewing the legal and contractual requirements of your obligations to record documents, and to incorporate that into your company’s written policies and procedures; and the second component requires companies to develop methods for reviewing title commitments to ensure that premiums are calculated correctly.

“We are downstream from mortgage origination, just like we are downstream from real estate transactions that are purchase transactions. We are third-party service providers, and I encourage companies to start using some of the common nomenclature and terminology associated with this business,” O’Neill said. eRecording can make all of these processes easier, more accurate and more efficient, Benson said, “which is a very attractive value proposition to take to your lenders.” “It doesn’t have to be complex,” he noted. “These are easy, affordable tools. These are things that are increasingly becoming not just nice to do, but in today’s world, something you really have to do. It’s a way for you to tell your regulators you are doing things the right way and following the right rules and processes .”