

# Five Keys to Lights-Out eClosings

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A Paperless Workflow Can Seamlessly  
Integrate Every Component of the Closing  
Process, Automatically

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For many lenders, especially those who sell off their production to government-sponsored enterprises, wholesale lenders or aggregators, the digital journey in loan processing culminates in the electronic closing (eClosing). While the enabling federal legislation for electronic transactions was passed by Congress in 2000, the complexities of the lending business put eClosings beyond the reach of many mortgage lenders. Now, that is changing.

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A recent study by an industry consulting firm revealed that 93% of lenders are planning a move to hybrid eClosings (involving a blend of electronic and ink-signed documents) in 2022. It's a smart strategy that offers many benefits, for the lender and borrower. But to really complete the journey to digital lending, it's important to keep the transaction electronic all the way through post-closing. To do this requires an eClosing platform that makes it as easy to close electronically as it is to originate the loan.

Loan origination software and services such as LoanComplete™ from Fiserv have always been focused on enabling lenders to manage more loans with fewer resources, including paper. By automating workflows, tracking documents and integrating paper-free processing, our digital loan origination offerings meet this need. Now, a new integration of LoanComplete with the Total eClose application from DocMagic makes it possible to skip the hybrid step and go all the way to eClosings.

## Five Keys to eClosing With the Lights Out

Lenders like the idea of "lights-out" processing because it implies that they don't have to assign human resources to a function that automation is capable of handling. Much of the work involved in originating the loan now falls into this domain, but the closing has typically been more complex.

For example, the guidelines for TILA-RESPA integrated disclosures (TRID) made it necessary for the lender to be very sure of the information it was sending back to the borrower about the loan, the timing of those messages and the tolerance for error in the closing costs. Non-compliance was not an option.

Now, with tools such as LoanComplete and DocMagic's Total eClose, lenders can actually achieve a 100% paperless workflow that seamlessly integrates every component of the closing process automatically, with regulatory compliance assured.

What does it take to keep the process electronic all the way through to closing? In evaluating a solution for this purpose, lenders should make sure it has the following key features:

- **A full eDocument library** – Paper documents are still important, but lights-out eClosing requires a library of fully compliant digital documents
- **A SMARTDoc eNote** – Selling the note in an electronic format requires the lender to meet the formatting requirements of the investors
- **eNotary technology, including remote online notarization (RON)** – RON technology connects borrowers, lenders and their settlement services providers
- **Seamless connection to the MERS® eRegistry** – This is the industry's leading eRegistry and has become the system of record for ownership of mortgaged assets
- **A certified eVault** – A secure, online location where the eDocuments can remain for the life of the loan

In the case of Total eClose from DocMagic, all of these elements have been bundled into a single-source platform with a transparent and compliant eClosing process that guides users through every step, while ensuring strict compliance adherence in all 50 states.

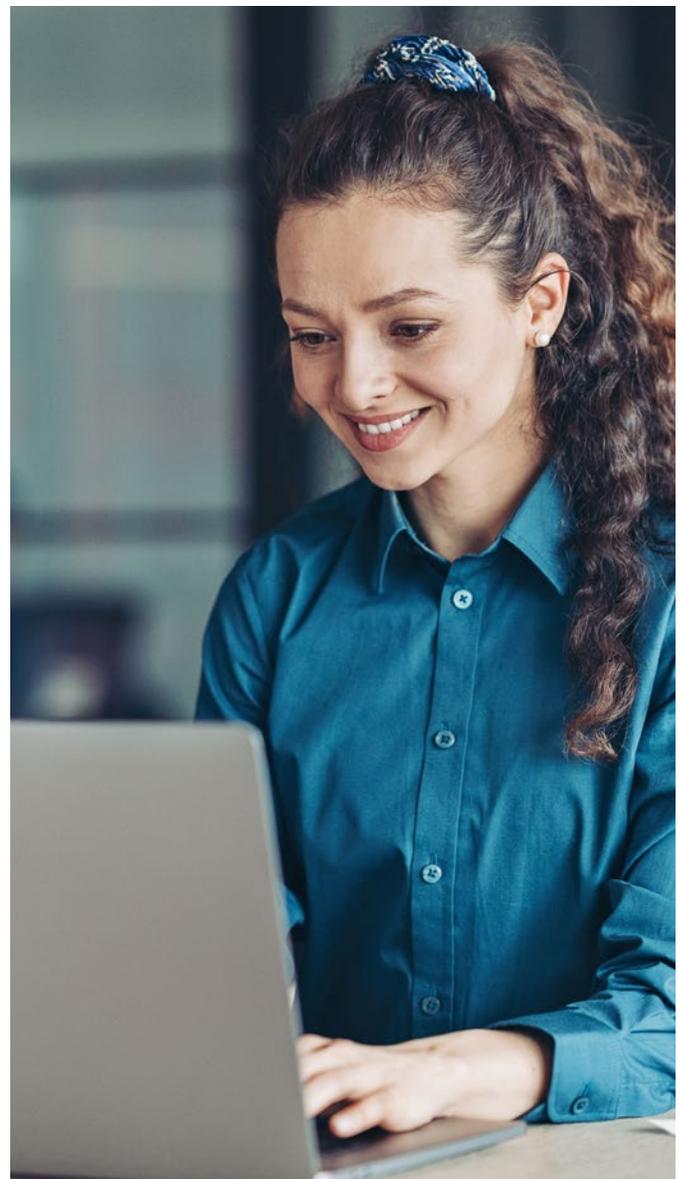
DocMagic provides compliant eSignatures and fully electronic eDelivery, with detailed audit trails to track the entire process. And, Fiserv digital lending technology ensures that the data is right as it enters the closing system, making the final step of the digital journey simple. So, it's a lights-out process for the lender.

## The Next Level

Hybrid eClosings may make sense for many lenders, offering some savings of time and resources. But they should also understand that the technology exists right now to further enhance their loan processing by performing all steps in the electronic domain. With developments such as the integration of Fiserv and DocMagic solutions, the benefits of full eClosings are in reach, promoting efficiency and offering an additional competitive advantage.

## About the Author

Richard Novak is Vice President and General Manager of Real Estate Lending at Fiserv. He is a financial services veteran with a multi-disciplinary background and over 30 years of experience in banking, real estate and investments, focusing on leveraging customer-centric digital experiences and analytics to drive business results. With experience at Ginnie Mae, Fannie Mae, Wells Fargo and Fiserv, Novak is a proven change agent with a record of developing simple, effective strategies and making them operational in complex organizations.



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For more information about digital lending solutions from Fiserv:

 800-872-7882

 getsolutions@fiserv.com

 [fiserv.com](https://www.fiserv.com)

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