

# Guide to eClosing & eSigning



Many types of documents need to be signed in a real estate transaction. A number of factors are driving the real estate industry to transition from traditional paper and wet-ink signings to electronic signatures on digital paperless documents. This is known as a digital closing or more commonly called an eClosing.

## 5 Benefits of eClosing



\*Requires online notary. Not available in all states.

## Types of eSignatures

Not all signatures are created equal. Here are some of the options used in electronic documents.



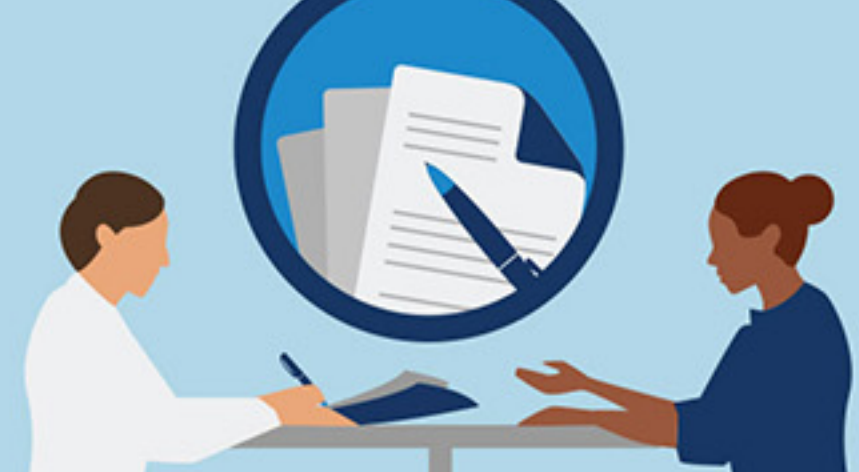
## A New Layer of Security

eSignature platforms apply a "tamper-evident seal" to electronic documents. Any attempt to alter the documents will break the seal and expose that the documents have been changed.

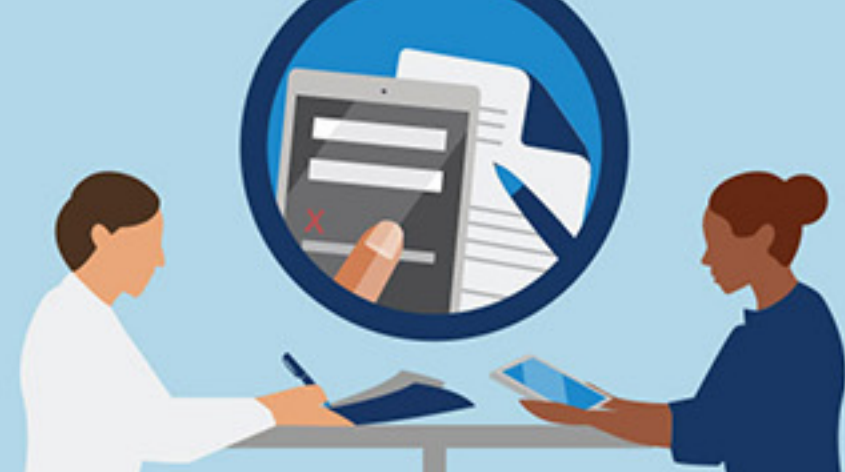


## Types of eClosings

Beyond the technology, local laws, customs, and underwriting requirements will determine what types of esignings are possible. These variations create different types of eclosings. When more types of closings become available, consumers will have more choices on how and where they will be able to complete their real estate transaction.



TRADITIONAL CLOSING



HYBRID eCLOSING



IN-PERSON eCLOSING



REMOTE NOTARY eCLOSING

### Traditional Closing

- All paper documents signed with wet ink.
- In-person notary.
- Traditional ID verification.

### Hybrid eClosing

- Procedural documents and disclosures are electronically signed.
- Wet ink signature on deed/mortgage and promissory note.
- In-person notary.
- Traditional ID verification.

### In-Person eClosing

- All documents are electronic.
- Signed on laptop or tablet.
- In-person notary.
- Traditional ID verification.

### Remote Notary eClosing

- All documents are electronic.
- Signed on laptop or tablet.
- Webcam notary.
- New means of ID verification needed.

## Types of Closing Documents that Require a Signature

There are three main types of documents in a typical real estate closing. While many documents require a signature, only certain documents are notarized and recorded with the county.



### Notarized Documents

- Transfer Deed
- Deed of Trust or Mortgage
- Power of Attorney
- Etc.



### Financial Documents

- Digital eNotes
- Lender's Promissory Note



### General Documents

- Customer Disclosures
- Procedural Documents
- Etc.

Stored with the Title Company and Lender with Copies Sent to the Customer.

Notarized and Recorded with County Recorder's office.



### Making it Official

The transfer of property ownership needs to be recorded in the public register. This land recording system has protected property ownership in the United States for hundreds of years.

Archived in an eVault and Registered with MERS.



### eVault and MERS®

An Electronic Promissory Note (eNote) must be stored in an eVault, which establishes that eNote as the "authoritative" copy. The eNote is simultaneously registered with the MERS System to record who "owns" each note.



### Archive and Distribution

Some closing documents are stored with the settlement company and some with the lender. Buyers and sellers also receive copies of the documents.



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