

How IPEN Technology is Creating Closing Efficiencies for Lenders





Brendon Weiss,
Co-Founder, EscrowTab

As lenders continue their digital transformation, they are finding more investors willing to purchase eNotes and more states making Remote Online Notarization (RON) available to home buyers. Still, the vast majority of closings continue to take place in person. Fortunately, new technology is improving in-person closings as well.

This new tech that's available for borrowers to use at the closing table uses a method of notarization referred to as In-Person Electronic Notarization (IPEN). To find out more about IPEN technology, we spoke with Brendon Weiss, co-founder of EscrowTab. EscrowTab provides title companies, lenders and signing agents a software solution to close loans electronically nationwide using its new IPEN solution.

Q: What exactly is In-Person Electronic Notarization (IPEN) and how is it different from what notaries do today?

Weiss: First, thank you for inviting me to be interviewed for this article. At a time when everyone involved in the sale of a home and origination of a mortgage is looking to ensure borrowers have the best experience possible, EscrowTab seeks to provide lenders, title, settlement and notaries with an edge that will draw those customers back to them for future lending transactions.

As we all know, when a meeting or business deal is very important to us, we typically try to hold it in-person. In-Person Electronic Notarization (IPEN) occurs when the borrower and notary signing agent are in the same location and the borrower applies electronic signatures to documents. A notary signing agent is allowed to electronically notarize the documents without any paper involved.

Even though electronic notary laws have been on the books for more than 20 years, there really hasn't been a successful platform for the in-person electronic notarization of loan documents. So, we decided to change that.

EscrowTab provides title/closing agents an experience using hardware and software that works together seamlessly to provide the IPEN eClose that lenders want for themselves and for their borrowers who are purchasing a home, seeking a home equity loan or going through a loan modification.

EscrowTab provides customers all the critical pieces of an eClosing. It includes:

- Doc Prep with OCR/AI auto tagging, flagging and document identification
- Auto-generated GSE and MISMO-compliant eNotes from PDF documents using EscrowTab's OCR
- eClosing without any lender integrations
- An eVault that allows the eNote to be auto-registered with the MERS® eRegistry and securely stored; it also has the capability to register and transfer eNotes to trading partners.

Q: How does EscrowTab change things for mortgage lenders?

Weiss: EscrowTab enables lenders to move forward with eClosings without changing their existing process or acquiring additional technology and captures the borrower's forensically verifiable electronic signature on the documents.

For example, the document upload/delivery to the title company is exactly the same as lenders do today. Once documents are delivered, the title company will manage the settlement process. It's that easy. Importantly, EscrowTab does not require an integration with any of the lender or title software systems.

Unless the lender requires a wet signed note, all loan documents will be loaded into EscrowTab by the title company, and if run through EscrowTab's auto-tagging DocPrep functionality, a QC check will run at the end of the closing to ensure all tagged fields were completed correctly.

If the lender is already set up for eNotes, or looking to move forward with eNotes, EscrowTab makes that easy as well.

MISMO compliant eNotes will be generated within EscrowTab's proprietary eVault using the PDF that was delivered to the title company. Once signed, the eNote will be registered, and transferred to the lender's trading partners – getting them paid much more quickly on the sale of those notes.

Either way, as soon as the documents are signed, they show up in the secure eVault for post-closing processing, saving the lender time and money.

Q: How does this change things for notary signing agents?

Weiss: Having better technology to manage the work the signing agents do literally changes their lives. We demonstrated our technology at the National Notary Association's annual conference this summer and the notary signing agents were very excited about the problems EscrowTab solves for them in an intuitive way.

Rather than spending time printing hundreds of pages of documents before heading out for the day, uploaded closing documents are assigned to the notary signing agent for execution, removing the need for them to print all those documents.

If a document is updated prior to closing, the title company can update it in real time – no rescheduling of the closing to print off a new doc set.

Once at the closing table, the borrowers sign the documents with a forensically verifiable handwritten signature on an EscrowTab-enabled tablet. EscrowTab is the only company allowing eNotes to be signed this way.

And if a borrower signs in the wrong location or checks the wrong box, there is no need to find a printer. The page in EscrowTab is cleared and resigned. The software tracks everything and lets the signing agent know that all the documents have been properly executed.

We have thousands of closing agents preparing to close in EscrowTab and we're adding more every day. Once the notary's profile is created, we can get them a device and they can be trained to close their first loan in 72 hours or less.

Q: Are there other benefits coming from IPEN, and for whom?

Weiss: There are benefits to everyone in the mortgage ecosystem. For borrowers, it's a safer experience with more data security because their personal financial information hasn't been printed out and carried across town.

For lenders, by capturing the borrower's forensically verifiable signature on the documents, there is added security should a loan be challenged in foreclosure. Auto indexing and document stacking make quality control fast and easy and automatic delivery of eNotes to investors speeds up payment cycles, reducing warehouse costs. Signature validation cuts out fraud.

Title companies can manage closings easier and spend less time on QA/QC, saving them money. They can close more loans with fewer people. And closing agents love it.

Q: Why is this an innovation the industry needs now?

Weiss: During the pandemic, borrowers showed the industry that they wanted to close in person, as 95% of the closings were face-to-face. Everyone wants to go fully digital, but that doesn't necessarily mean remote. The industry needs a solution for fully digital eClosings in person, and EscrowTab provides it.

Not every lender is ready to go fully digital now. Many are not yet originating eNotes but this is the next step in that journey. By adopting an IPEN-ready technology solution now, lenders and title companies will be prepared to take the next step in their digital transformation.



Find out more by visiting EscrowTab online today. escrowtab.com