

October 2020



# TITLE *TECHNOLOGY*

Special Report



Produced by:



# ABOUT US

*The Title Report* is a production of October Research, LLC specializing in business news and analysis for the settlement services industry and is published 24 times a year.

Contact information:  
October Research, LLC  
ATTN: The Title Report  
3046 Brecksville Road, Suite D  
Richfield, OH 44286  
Tel: (330) 659-6101  
Fax: (330) 659-6102  
Email: [contactus@octoberresearch.com](mailto:contactus@octoberresearch.com)

CEO & Publisher  
Erica Meyer

Editorial & Publishing  
*Editorial Director*  
Mark Lowery

Editors  
Andrea Golby, *The Legal Description*  
Mike Holzheimer, *Valuation Review*  
Tracey Read, *RESPA News*

Seminars and Webinars  
Tara Quinn, *Director*

eCommerce  
Rick Harris, *eCommerce Director*  
Scott Honeycutt, *Graphic Design*

Sales & Marketing  
Jeff Dashiell, *Senior Account Manager*  
Jake Dean, *Sales Support*  
Alissa Shively, *Marketing Manager*

Circulation / Customer Service  
Kathy Hurley

Business Offices  
Sam Warwar, Esq.

TO SUBSCRIBE, PLEASE GO TO  
[OctoberStore.com](http://OctoberStore.com)

Copyright © 1999-2020  
October Research, LLC  
All Rights Reserved.

Any copying or republication without the express written or verbal consent of the publisher is a violation of federal copyright laws and the publisher will enforce its rights in federal court. The publisher offers a \$500 reward for information proving a federal copyright violation with regard to this publication. To obtain permission to redistribute material, obtain reprints or to report a violation of federal copyright laws, please call 330-659-6101, or email: [customerservice@octoberresearch.com](mailto:customerservice@octoberresearch.com).



OCTOBER KNOWLEDGE...  
RESEARCH THE COMPETITIVE ADVANTAGE  
L.L.C.

# EDITOR'S NOTE

## What a difference a year can make.

Dear Readers,

In last year's *Title Technology Special Report*, we highlighted vendors, title companies and underwriters using technology to create process efficiencies and consistency to market their services, recruit employees, and protect customer data.

In focusing on these disruptors, we aimed to show all corners of the industry how the real estate process was rapidly changing, and how technology could help companies stay ahead of the curve and meet the changing expectations of consumers and business partners.

It's doubtful that anyone stills needs to be convinced of the vital connection between technology and the title insurance industry. COVID-19 may have been the most convincing argument ever.

In order to continue doing business, following the onset of the pandemic, Realtors moved to virtual showings, appraisers increased their use of technology to examine properties, and title agencies deployed remote online notary and curbside closings to conduct business.

None of this would have been possible if the technology we often feature in the pages of *The Title Report* was not available.

The question becomes: What happens when the pandemic ends? We hope the answer is companies in the title insurance industry will continue to seek out technology that improves the process for all involved. And we will keep highlighting that technology.

Mark Lowery  
Editorial Director  
[mlowery@octoberresearch.com](mailto:mlowery@octoberresearch.com)

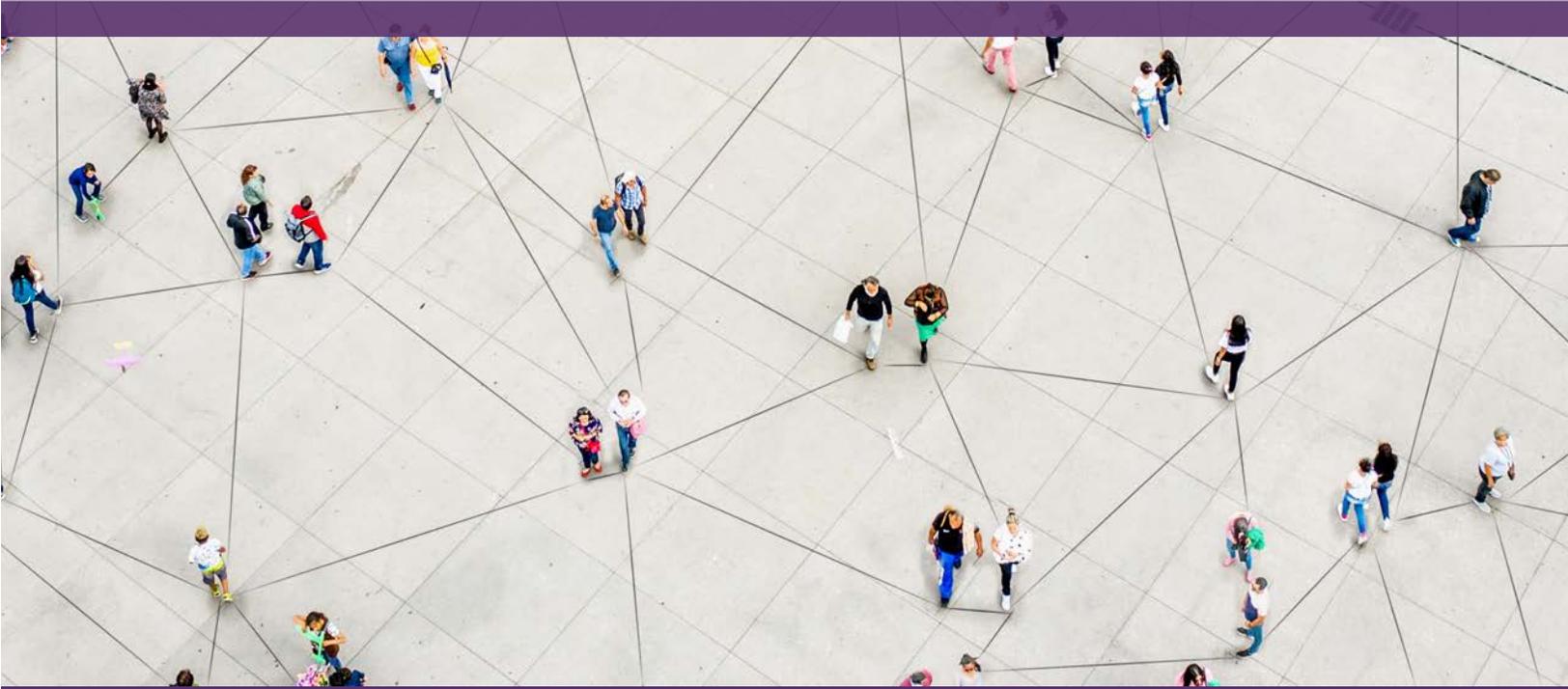




# Tap Into The Power of Connection:

*We've started utilizing several eClosing integrations on RamQuest's Closing Market network in recent months. Doing this has enabled us to continue to perform closings and service customers, ensuring that documents are signed and/or notarized without missing a beat while respecting social distancing requirements.*

Rose Moshier  
RamQuest Customer  
Chief Compliance Officer, ATA National Title Group



You'll tap into the power of connection when you access the industry's largest network of integrated providers to ensure flexibility when you need it most. Whether it's creatively doing business despite pandemic restrictions or staying current in a changing competitive landscape, you'll find all the services your business needs to adapt with RamQuest's Closing Market network.

**See how the power of connection sets your business up for success at our free webinar: [RamQuest.com/Connection](https://www.ramquest.com/Connection)**



# CONTENTS

- 4 Pandemic accelerates technology adoption
- 7 Artificial intelligence's many title applications
- 10 The continuing shadow of Blockchain
- 12 Digital lenders eye future technology advancements
- 14 How one title company uses technology to gain an edge

## Pandemic accelerates technology adoption

If necessity is the mother of invention, then public emergencies may be the accelerator of technology adoption, at least in the title insurance and real estate industries.

There always have been innovative, tech-savvy companies in the real estate space. However, the industry in the past had become known for paper-heavy processes not necessarily designed for consumer convenience.

That began to rapidly change with the arrival of the coronavirus pandemic. Realtors navigated to virtual showings, appraisers increased their use of technology to examine properties, and title agencies have gone to remote online notary (RON), curbside closings and other methods to keep cash registers ringing while many Americans were quarantined in their homes.

“The pandemic has absolutely had a positive impact on technology adoption,” DataTrace Vice President of Product and Strategy **Jim Portner** said. “Title automation broadly covers everything from end-to-end title production systems to automation of title evidence manufacturing (search and examination functions) to automation of closing processes through new technology, such as remote online notarization (RON). All are seeing a huge lift.”

As the pandemic took hold, many companies had to scramble to shift their employees from behind cubicles at offices to their homes to ensure business could continue amid publicly mandated shutdowns. Once that transition was made,

companies had to ensure they could do business in a way that protected both employees and customers.

“COVID-19 has driven the title and settlement industry, its customers, and regulators into implementing digital transformation initiatives at an unexpected pace,” Adeptive Software Senior Vice President of Strategy and Product **Gorkem Kuterdem** said. “Especially for an industry that is slow to change.

““

The real estate industry is resilient, and the pandemic has brought forward innovations that will leave a lasting impact on the housing market.

— **Joel Gottsegen**,  
Co-Founder and Chief Technology Officer,  
Qualia

””

“The use of video, for closings, and also communication between team members, partners, and clients has skyrocketed,” Kuterdem said. “We’ve (our industry) learned we can adjust quickly when left with no choice to operate when there are government mandates.”

Companies had to make sure they had the technology in place to accomplish all these objectives.

“The real estate industry is resilient, and the pandemic has brought forward innovations that will leave a lasting impact on the housing market,” Qualia co-founder and Chief Technology Officer **Joel Gottsegen** explained. “This year marks a turning point for real estate as we embrace digital transformation and technology as the way forward.”

“COVID has certainly helped push the industry toward using new technology,” RamQuest President **Brooks Yeager** told *The Title Report*. “Hopefully, as business starts to normalize, we’ll see companies continue to implement new technology, so they’re not only prepared for another unforeseen situation but they’re also giving consumers convenient, innovative

## The New State of Title Automation

# TitleIQ™ ENTERPRISE

### Nationwide. Search & Examination. Integrated.

TitleIQ Enterprise™ delivers an entirely new automated way to efficiently produce title reports and commitments while reducing costs and complexities.

Powered by the industry's largest title database, TitleIQ Enterprise provides unified title search and examination nationwide through a single platform directly into your closing system – improving operational efficiency, quality and productivity.

### Single Source for Nationwide Title Search & Examination

The New State of Title Automation, TitleIQ Enterprise:

- Centralized Order Management
- Unified Title Search Workflows & Nationwide Coverage
- Advanced Technologies & Automation Efficiencies
- Single Examination Workbench & Verification
- Electronic Title Report & Commitment Delivery
- Direct Title Production System Integration

Move your title business forward  
today with TitleIQ Enterprise

 [DataTraceTitle.com/TitleIQEnterpriseTR](https://DataTraceTitle.com/TitleIQEnterpriseTR)

 800.221.2056

 545+ Title Plants

 Nationwide Recorded  
Property Data

 7 Billion Document Images

 Trusted Title Production  
Expertise

*Meet evolving  
market conditions  
& client demand  
across all  
transaction types  
& geographies*

ways to close.”

## The great migration to WFH

Perhaps the first shift in the title industry was the adoption of new internal processes to communicate with teams and making the transition to remote work to maintain business continuity.

“The need to move into a remote work environment is driving companies to explore their tech stacks to ensure their ability to provide services to their clients in a seamless manner,” The Closing Exchange CEO **Alan Frelix** said. “The ability to integrate component solutions to the desired workflow is the prerequisite to meet the needs of clients.”

“Of the many considerations for remote work, one of the most important is having the right tools and technologies in place,” Gottsegen said. “For title businesses, relevant tools include internal software that facilitates collaboration via group chat functionality, video conference solutions, and workflow management features, as well as closing software that facilitate e-signing and eRecording with county clerk offices.”

## Operating during a pandemic

Gottsegen said new digital practices like remote notarization gained traction as title companies sought solutions to provide customers with safe, contactless closing options.

Coupled with temporary state regulatory authorizations for RON, GSE acceptance of RON transactions, and innovations in RON and remote ink-signed notarization tools purpose-built for title companies, an increasing number of title agencies offered remote notarizations as an option to homebuyers.

Qualia said it has seen title companies conduct five times more transactions per agent using its digital solutions.

“The title companies that leverage digital tools to streamline processes have been able to scale up and down easily alongside rapidly changing transaction volumes,” Gottsegen said.

He said thus far during the pandemic title companies have been inundated with home purchases and especially refinances, which reached their highest level in seven years.

“This rapid increase in volumes has strained older systems, and as a result, many title companies have sought out streamlined tools that can automate manual processes to save time and money,” Gottsegen said.

Yeager said digital closing technology vendors saw a huge

increase in demand for their products, as the title community swiftly learned about different types of closings and what they could do in their jurisdiction and the number of RON closings increased.

“After the initial wave, title agents started looking for ways to keep business running while using technology to minimize the time spent in a face-to-face closing,” Yeager said. “Many have continued down this path, but most have been sidelined with a different, ALBEIT good, problem. Business is booming and, as a result, most companies are not making the time to implement new technology while their employees are working overtime to get closings done.”

Frelix said many of The Closing Exchange’s clients reached out for guidance and assistance about how to execute digital closing transactions.

“Fortunately, we were already prepared to provide eSign, hybrid, iPen and RON services to them in a seamless manner, leveraging our integrations and partnerships,” Frelix said. “We also fielded a number of requests to design and implement solutions for the various RIN and executive order RON services that title companies and lenders we’re facing.”

“While the technology is available for each of these transaction types, it is critical to design the workflow and to ensure that all parties involved in the transaction understand the steps required and how best to use the technology,” Frelix added. “Technology alone is not the answer to everything that is being asked of title companies during this pandemic.”

## Surviving the technology tidal wave

So how do smaller title companies decide what technology is a must have to give themselves a better chance of surviving?

Yeager believes technology can level the playing field for many companies in the title industry.

“A small company is often nimbler and able to adapt to change more quickly than a large operation,” Yeager said. “This can be a huge advantage, giving a small company every opportunity to jump ahead of larger competitors by putting a solid implementation plan in place and rolling out new technology quickly.”

Portner agreed.

“With respect to title evidence manufacturing, it is technology that can actually level the playing field for smaller companies,” he said. “Large companies have traditionally benefited from economies of scale not available to smaller companies. Smaller companies should now be closely looking at title automation solutions for title evidence manufacturing.”

“These automation solutions are as available to smaller, regional operations as they are to large, nationwide providers,” Portner added. “With these solutions complimenting their existing processes, a smaller provider can focus more energy on building and maintaining business as a local market expert, while still realizing the same production efficiencies that larger providers enjoy.”

Frelix said it is critical for smaller companies evolve in an efficient and scalable manner to not just meet the needs of their clients, but to proactively guide their clients into the digital future.

“In order to do this, these companies must, first, define the customer experience they wish to provide to their clients and then they must find business partners that make it easy for them to make the transition,” Frelix said.

He said title company executives either can have invest in continuous learning about each solution or identify a partner who acts as conduit to the information and the technology needed to provide the services. He also recommends selecting partners that will educate your company about the market and technology advances, as well as support your sales efforts.

With fewer barriers to change management, Gottsegen said smaller title companies are oftentimes able to adopt emerging technologies faster than larger title companies.

“Title companies, both large and small, should consider the

long-term view of adopting technology and the potential for saved time and money,” he said. “They should consider what kinds of time-consuming manual tasks can be automated and how they can streamline and simplify the closing experience.

“How can they save time per file so they can process more transactions with the same size staff? How can they increase efficiency to take a closing from an hour-long process down to five minutes?” Gottsegen asked. “Title companies should also consider how best to work with the broader real estate ecosystem, especially as other real estate professionals make the shift online. It’s increasingly important to keep pace with partners and have the ability to provide a consistent closing experience. Ultimately, the title companies who can create a better customer experience will be the ones to succeed and grow their businesses.”

“COVID-19 has forced title companies to re-evaluate their priorities and project goals to focus on how to do business differently,” Adeptive Software Account Director **Holly Battaglia** said. “Meaning adding platforms/tools/technology to allow for the continuance of closings but at a safe distance.

“Some title agencies who were hesitant or not offering RON services, as they felt personal interaction provided a better quality of service or feared the potential for fraud, have now set those fears aside and quickly implemented touchless/contactless experiences and a remote notary process,” she said.

## Artificial intelligence’s many title applications

The phrases artificial intelligence (AI) and machine learning can conjure images of that universal, frustrating experience of not being able to reach a human during an outreach to a company’s customer service line.

We’ve probably all screamed “representative” into a telephone at some point in the past trying to navigate past a company’s screening process to connect with a person.

But the reality is we all benefit from different applications of AI every day, whether that’s through use of ridesharing apps such as Uber and Lyft, spam filters incorporated into our email accounts, or mobile check deposits. There are countless other examples.

Title companies and underwriters, software companies and real estate companies increasingly are deploying AI and machine learning to different parts of the real estate process. Often, the AI applications don’t replace humans, as much as

they free employees for critical tasks that demand a human touch.

Consider:

- Agents National Title Insurance Co. (ANTIC) launched an automated title data search and decision engine (REalSearch) which uses artificial intelligence and machine learning, combined with sound underwriting guidelines, to search both traditional and non-traditional property data sources. ANTIC said REalSearch provides an instantaneous, highly accurate, and secure title product that allows title agents to close transactions faster and with less title clearance.
- Beeline, a new digital home loan lender that allows consumers to apply for loans directly from their phones and receive pre-approvals in as little as 15 minutes, said it uses both artificial intelligence and personal “loan guides” to simplify the home lending process.

- Adeptive Software partnered with Alanna.ai to add an artificial intelligence-based customer assistant to its ResWare platform. Adeptive said its AI assistant will provide the first AI-based automated customer service in the title industry. Adeptive said clients using its Alanna customer service resource can communicate with customers 24/7 via text or website chat, using every day conversational language. Adeptive said Alanna can answer questions about office hours, provide live updates on one or several files, access documents, or ask for a seller net sheet or buyer closing cost estimate.

accumulate, the computer becomes more and more self-sufficient, creating a tighter end-to-end digital flow,” Iannitti said. Ultimately, it helps lenders more quickly and easily transition to a seamless eClosing workflow, thus creating a competitive advantage for us over systems that are unable to perform this function.”

**Jay Roberts**, chief technology officer at Florida Agency Network (FAN) said added AI enables FAN to provide after hours and weekend responses to general and transaction specific questions.

“There are tasks that are better suited for machines, and there are tasks that are better suited for humans,” First American Underwriting Innovation Director **Justin Earley** said. “The business that figures out how best to strike this balance wins.”

“The home buying and selling process is very active after 5 p.m. and on weekends,” Roberts said. “That is where our clients have learned to love the instant response to transaction specific question like ‘how much do I need to bring for closing?’ or ‘how can I send you my deposit?’

## Gaining competitive advantages through AI

DocMagic’s stated mission is to lead the country in the digitization of the mortgage process.

“Learned responses help us deliver consistent info to repeated questions like a level one help desk, and auto escalating to our closing teams as needed,” he said. “It’s our thought the virtual closing assistant instills a feeling of calm to both

“We strive to create a seamless process built around interoperability between disparate systems and collaboration between relevant parties,” DocMagic President and CEO **Dominic Iannitti** said. “We need humans involved at critical junctures of the workflow, like when it’s time for various parties to collaborate, but what we don’t want is humans having to perform clerical tasks because the computer can’t do it. This is where AI comes into play.”

““

There are tasks that are better suited for machines, and there are tasks that are better suited for humans.

— **Justin Earley**,  
Director,  
First American  
Underwriting Innovation

””

sides of the transaction and an experience they will want to repeat.”

States Title recently launched a product (Instant Closing Disclosure) designed to help lenders save time in completing the loan closing process. The company said rather than relying on escrow employees to manually review closing disclosure documents to verify data and fees, Instant Closing Disclosure uses data science to automatically deliver settlement statements.

Iannitti said preparing documents for eSignatures (or eEnabling) is an example of humans performing clerical tasks that can be automated.

“The conventional closing process costs too much, takes too long and is too confusing,” States Title CEO **Max Simkoff** said. “Especially now, when millions of homeowners are looking to refinance their mortgages and loan volume is extraordinarily high.”

“In the traditional scenario, a person is drug through a laborious, highly cumbersome process of going through a document package one page at a time, spotting signature lines, checkboxes, and other elements and overlaying the appropriate controllers,” he said. “This is a slow, dreary process that kills the groove. The only reason humans are doing it is because computers are terrible at it.”

## Is AI worth the investment?

Iannitti called DocMagic’s development of AutoPrep a quantum leap from paper to pixels.

DocMagic created AutoPrep to make PDFs “eEnabled” automatically in seconds.

“From a pure business standpoint, this means that we can extend our addressable market and better serve people that do not benefit from working with natively eEnabled documents,” Iannitti said. “So we’re extending our addressable market while fulfilling our promise to out-imagine and out-innovate the competition. The R&D

“Since this is machine learning, the computers sometimes ask: ‘Hey human, does this look right?’ As the learning cycles



**ResWare<sup>®</sup>**  
powered by adeptive

# Your Tech Foundation for Electronic Closings

**91%**

of customers  
experienced efficiency  
improvements with  
ResWare

**From the established to the newcomers —**  
ResWare is the platform of choice for innovation,  
automation, and efficiency.

[sales@adeptivesw.com](mailto:sales@adeptivesw.com)

| (303) 554-0301

| [adeptivesw.com/2020](https://adeptivesw.com/2020)

*ResWare customer experience study conducted by Satrx Solutions.*

investment we put into going down this path has already paid for itself.”

FAN Chief Operating Officer **Mike LaRosa** said implementing Alanna.ai as a “virtual assistant” for parties to its transactions was a relatively inexpensive financial commitment, and the effort to integrate with its closing software platform was absolutely worth the time.

“Once implemented, we immediately realized a return on our investment,” LaRosa said.

“Client usage stats within the first month indicated that there was instant adoption, and the respective reduction in client calls was apparent.

“The most compelling first-month statistic was a contemporaneous 32-user period of time, meaning that 32 people were interacting with our AI-based query system at the same time, getting answers to commonly-asked transaction questions without requiring direct staff involvement,” LaRosa said.

“I don’t have enough data yet to try and calculate ‘salary savings’ in actual time saved, but the impact goes well beyond salary dollars. Every question presented via Alanna.ai as opposed to a phone call to an office represented one less interruption in our workflow, and additional time to spend focused on customer service and additional marketing efforts.”

## The continuing shadow of Blockchain

Perhaps more than any other existing technology, Blockchain has the potential to revolutionize the real estate process, making it quicker, more efficient, and much less vulnerable to fraud.

Experts say Blockchain can regulate the closing workflow through what is essentially a transmittal summary while keeping sensitive data protected and allowing all parties to be net funded at closing.

Some in the industry initially feared Blockchain could make title insurance obsolete. Today, the concern of many industry insiders isn’t the future of title insurance. Rather, the concern is whether Blockchain will ever overcome the significant hurdles preventing implementation on a scalable and reliable manner.

Still, even as the buzz surrounding Blockchain as it relates to the title industry has waned considerably, disrupters, innovators and others are using it in some capacities to get a leg up on the competition.

“Rainier Title has collaborated with Ubiquity to build out its future real estate transactions with Blockchain technology to better secure real property records in our areas of coverage and create a seamless transaction,” CEO **Bill Bergschneider** told *The Title Report*.

“We believe this will save time, create a more secure close and allow for a better consumer experience as our systems grow,” he said. “We anticipate utilizing tokenized contracts in the future as we continue to explore and enhance the capabilities of Blockchain to secure future transactions.”

Bergschneider said Blockchain will simplify Rainier’s record keeping and title examination process.

### Hype followed by waiting

In the two years prior to 2020, the title industry was flush with news concerning Blockchain developments. In 2018, First American Financial Corp. launched a shared Blockchain system designed to increase efficiency, reduce risk, and improve the title production process.

First American said the system is intended to facilitate the exchange of prior title insurance policies between underwriters that contribute to the system. Old Republic Title Insurance Group committed to be the first to participate in the Blockchain.

CEO **Dennis Gilmore** said, “the potential exists to create a robust exchange of title insurance policy information that delivers greater transparency, efficiency and accountability to the industry and enhances the closing experience for consumers.”

The company said each policy included in the Blockchain system will be coded with a unique identifier by property, streamlining the search process and increasing the accuracy of searches for prior title insurance policies. First American said its Blockchain will augment the common practice of sharing policy information among title insurance underwriters with emerging technology to further increase efficiency and lower risk in the title production process.

A mere three months later, in February 2019, Propy completed a real estate transaction in Vermont performed entirely on Blockchain. The deal involved a 12-foot strip of land in Burlington, which historically had been owned by a public utility. The deal closed and was solidified with a deed that was recorded in the Burlington Land Records, which

includes a hash and QR code recorded on the Blockchain.

Propy CEO **Natalia Karayaneva** said the deal highlighted the transparency Blockchain brings to the real estate industry, as well as showcases a real use case example of cryptocurrency being used in the mass market.

Propy has become a leader in the Blockchain movement and, in 2019, received a major financial supporter. Through its real estate technology fund Second Century Ventures, the National Association of Realtors (NAR) made a strategic investment in the company.

NAR said its investment in Propy will leverage its network of 1.3 million Realtors and its community of real estate and tech executives.

Also, in 2019, SafeChain partnered with independent title agents in Ohio in launching a Blockchain-backed network that enables peer-to-peer transfers of prior title insurance policies.

The company said the network will streamline the title search process and drive down costs for member agencies. SafeChain CEO **Tony Franco** called the network a starting point.

## Blockchain's eventual arrival at the dance

So, when will Blockchain become the standard for conducting business? No one is quite ready to predict that answer. Many draw parallels to the Internet, which took off after corporations identified it as a must-have for conducting business.

Even so, Blockchain news involving the title industry continues to trickle out, though not as rapidly as it had.

In July, Veritable Data Solutions, Inc. launched a Blockchain-powered smartphone application it said enables notaries to prevent title theft from elderly and other vulnerable victims. The company said Veri-Lock empowers notaries to become gatekeepers who shield homeowners from real estate scams.

Veritable co-founder **David Fleck** said the company also has developed its own permissioned Blockchain for the Veri-Lock app using HyperLedger Fabric.

More recently Ubitquity launched a Blockchain marketplace it called an absolute gamechanger for the title industry. Ubitquity said its BlockSTRACT allows title companies to place a request for abstracting work to clean-sweep the chain of title when insuring a real estate transaction.

Ubitquity said once a bid is inputted in the system, the platform proceeds to ping a pool of highly qualified abstractors and title production vendors.

Ubitquity founder and CEO **Nathan Wosnack** said

BlockSTRACT opens access to land record data in a trusted, secured environment, while providing a space for a more collaborative and sharing-base ecosystem.

Ubitquity Chief Business Development Officer **Ian Staley** said the platform can be leveraged beyond the title industry and is something that can revolutionize the way that other industries share data and contract work.

“

We anticipate utilizing tokenized contracts in the future as we continue to explore and enhance the capabilities of Blockchain to secure future transactions.

— **Bill Bergschneider,**  
CEO, Rainier Title

”



# Digital lenders eye future technology advancements

The real estate industry hasn't traditionally been known as an early adopter of technology.

Even so, there always have been disruptors in the process who have created niches for themselves by deploying technology to make the process of buying a home easier, quicker and more efficient. On the top of that list are digital lenders.

This group is attracting attention. Recently, digital lender Blend secured \$75 million in Series F funding led by a fintech-focused venture capital firm backed by major banks and financial institutions. The company said the funding will be used to accelerate the development of its unified digital platform for mortgages, consumer loans, and deposit accounts. Blend's platform is used by more than 250 financial institutions.

And in September, Rocket Companies, the parent of Quicken Loans and Amrock, reported that Quicken Loans' second quarter was the most active and profitable quarter in the company's 35-year history. Quicken Loans reported second-quarter origination volume of \$72.3 billion, up 126 percent compared with the \$32 billion originated one year ago.

So, when a group of digital lenders gets together to discuss, among other things, technology advancements which could push the homebuying experience closer to being fully digital from beginning to end, industry insiders should take notice.

Such a high-level discussion took place at the 2020 National Settlement Services Summit (NS3) during the Digital Lender Panel. Featured speakers included **Staci Hughes**, vice president of Mortgage Operations, Reali; **Jeremy Potter**, senior director of strategy and innovation, Quicken Loans; and **Landy Liu**, general manager, Better.com, who moderated the session.

Potter said most of the recent technology advances, including remote online notarization and eClosings, have been consumer-facing. He said he expects more focus in the future on the less-sexy backend of the homebuying process.

"Underwriting, the closing and delivery of the loan, the

delivery of the collateral post-closing. And the delivery of that to the right investor. Certainly, there are now startups all the way up to the big lenders and service providers and tech companies rushing into mortgage to look at that," Potter said. "To now say, 'we see what happened with the application, now let's look at all of the other links in the chain to have the fully digital experience.'

"We're not just talking about the consumer-facing part," Potter said. "That goes all the way through to the delivery to the investor and the servicing of the loan. And there hasn't been a lot of innovation around things like mortgage servicing for a long time. We're starting to see that momentum. And that tells me there are a lot more people looking to innovate from underwriting through [the end of the process]."

Hughes said she'd like to see a better application of technology when it comes to compliance with industry rules and regulations.

"I'd like to see if regulation can meet us halfway," she said.

As an example, Hughes pointed to more-advanced ways of gaining appraisals, especially during times such as the COVID-19 pandemic when getting internal appraisals are more difficult, if not impossible.

The trio also discussed what distinguishes digital lenders from traditional lenders.

"Most of [our] process is done through Internet. We're not getting paper and pen anymore," Hughes said. "The borrower's not coming in and sitting at our desk. We're not meeting them face-to-face. We are able to meet with anyone and everyone."

"They provide the information. We either get it through a PDF or we get it through an integration," she said. "It allows the borrower to not be structured or penalized by banking hours. It allows the people to be more flexible and have them be able to still do a refinance or purchase of their new home on their schedule."

Potter rejected the notion that digital lenders are only focused on digital transactions.



There hasn't been a lot of innovation around things like mortgage servicing for a long time. We're starting to see that momentum.

— **Jeremy Potter**,  
senior director of strategy  
and innovation,  
Quicken Loans





# Innovative Cloud Solutions

Explore a suite of secure digital real estate and mortgage eClosing products that power closings wherever you are



**20% of U.S. Real Estate Transactions**

are Powered by Qualia's Platform



**500,000+ Title and Escrow Agents**

Lenders, and Realtors Use Qualia



**5x More Transactions Closed**

by Agents a Month Using Qualia



Visit [qualia.com/titletech2020](https://qualia.com/titletech2020) to learn more

“When we launched Rocket Mortgage, I think there was a sense you have to be all in digital or you’re a traditional lender. I think what everyone would say today is it’s really ‘and’ both or ‘and’ more,” he said. “Because it’s kind of layering those digital tools and digital opportunities with all of the other features or options a customer can choose to do however they want to do the task that’s in front of them... It’s really about rolling about the most features and the most solutions for all of your customers.”

Liu called the transition toward digital a “no-brainer.” But he cautioned that traditional methods are not likely to go away any time soon, as there is not yet a heightened consumer expectation especially when it comes to purchase transactions.

“It’s about presenting as many options as your consumers want,” Liu said.

“And meeting consumers where their needs are as opposed to saying, ‘This is the end solution and we’re going to only offer you a digital closing.’ People still expect a range of different flavors out there.”

Potter said he expects a lot of the innovation used to keep business rolling during the COVID-19 pandemic will stick around.

“I don’t see it as one of these things where there’s some mandate. I don’t even think there’s some expectation from consumers, to be honest, that everyone needs to be all digital in everything all the time,” Potter said.

“Certainly, consumer expectations continue to increase. And consumer expectations continue to be driven by a lot of other consumer products. It’s not about end-to-end, fully digital tomorrow. The more you can offer a digital option, you are going to make those clients that want that even happier. But it doesn’t mean that every client, every time is going to want the fully digital experience.”

Hughes added: “The whole point of technology is to provide solutions to problems that we’ve been struggling with and battling with for decades. Real estate and mortgage are industries that have been a little bit slower in getting into that digital age or using technology.”

## How one title company uses technology to gain an edge

In the past several years, States Title has positioned itself at the forefront of companies using technology to gain an edge against competitors.

In 2019, the company received a patent for “predictive machine learning models.” States said that invention would allow the company to optimize the value-maximizing point in the instant underwriting model by modifying the previously well-known Markov Chain Monte Carlo technique with unique title-specific mathematical components.

State’s Chief Data Scientist **Andy Mahdavi** previously applied the Markov technique to study dark matter, using galaxy cluster data from NASA satellites. Prior to joining States, Mahdavi developed hyper real-time fraud protection at Capital One.

Earlier that same year, States was granted a patent which protects the company’s use of data science to create predictive title insurance by assigning a risk score to indicate how safe a property is in terms of potential liens or other liabilities that may cloud a property’s title.

Recently, States introduced an instant Closing Disclosure (CD) which uses data science to automatically deliver a

CD, rather than relying on escrow employees to manually review CD documents and “stare and compare” to verify data and fees.

The new product enables lenders to get settlement statements back from escrow officers in as little as one minute, versus hours or days.

States said this latest innovation is part of its mission to create an instant mortgage closing experience for lenders and consumers.

“The conventional closing process costs too much, takes too long, and is too confusing. Especially now, when millions of homeowners are looking to refinance their mortgages and loan volume is extraordinarily high,” CEO **Max Simkoff** said. “States Title can help lenders close loans more quickly at a lower cost.”

“We remain laser focused on our vision of creating an instant closing experience, and this new product brings us another step closer,” Simkoff said.

“Instant Closing Disclosure eliminates manual processes and reduces touch points, while ensuring high standards of accuracy, improving the experience for both lenders and

consumers.”

The new product features:

- Document parsing. The company said the technology automatically extracts and interprets unstructured information from CD documents (this step is optional if the lender would prefer to exchange fee level data via an integration).
- Natural language comprehension. The algorithm adapts to all variations of wording used by all lender customers to describe the more than 30 different types of possible fees, reads them with the expertise of a human title professional, and corrects any typographic errors.
- Fee reconciliation. The product automatically reconciles fees after data is extracted and interpreted, eliminating human error.
- Discrepancy identification. The service runs an automatic quality check on the closing disclosure and notifies the lender of potential issues.
- Closing Disclosure generation. The product automatically sends the settlement statement or structured fees back to the lender.
- Agnostic integration. Instant Closing Disclosure is an agnostic solution that lets the lender work within their preferred platform. It directly integrates into the lender’s workflow without any changes.

States Title’s clients include some of the U.S.’s largest mortgage lenders, including Home Point Financial and Sierra Pacific Mortgage. The company insured more than \$1.3 billion in 2019.

Home Point Financial President and CEO **Willie Newman** said States is helping it provide customers with a mortgage experience that is simple, straightforward, data-driven, and can be completed quick.

“Instant Closing Disclosure, along with Instant Underwriting and States Title’s service model, are helping to make that a reality in a space that’s been long overdue for innovation,” Newman said.

In May, States Title closed a Series C financing round of \$123 million, led by Greenspring Associates, a Baltimore-headquartered venture capital investor. Other investors include Foundation Capital, Assurant, FifthWall Ventures, Lennar Ventures, and SCOR Global P&C Ventures.



States Title has developed an automated, patented technology that streamlines the laborious title and escrow process, emerging as the market leader in an industry that historically lacks meaningful innovation.

— **Jim Lim**,  
managing general partner, Greenspring  
Associates



“States Title has developed an automated, patented technology that streamlines the laborious title and escrow process, emerging as the market leader in an industry that historically lacks meaningful innovation,” **Jim Lim**, managing general partner of Greenspring Associates, said following the announcement of the closure of the financing round.

“We are thrilled to support States Title as they advance the vision of an instant mortgage that closes

with one tap.

“Especially in the current economic climate, the mortgage industry needs to be re-imagined with transformative technological solutions to reduce costs and improve the customer experience. States Title is leading the vanguard of this transformation,” Lim said.





FLEXIBILITY

**Our CXChoice™ platform gives you your choice how to close.**

We provide flexibility and multiple closing options, including mobile notary, eSignings, Remote Online Notarizations (RON) and hybrid closings – so you can tailor your closing services to your customers’ needs. In addition, you have the ability to flex between signing types mid-transaction.

**We are connected, so you don’t have to be.**

CXChoice leverages integrations with most title production software giving you the ability to immediately become e-enabled, regardless of your workflow and technology and without the need for additional staffing and overhead. And, we have APIs for custom integrations into your systems.

**We help facilitate your eClosings.**

With our eClosing Facilitation clients engage TCX to facilitate eSignings, Hybrid eSignings, IPEN, and Remote Online Notarizations (RON) via CXChoice integrations and partnerships. As RON legislation transactions expands, leverage our trained and vetted panel of notaries to execute RONs in all approved states. Also, utilize our document tagging engine and eClose Facilitation to coordinate the distribution of the eSign documents for preview and release the day of signing saving you time and resources.

**We help manage your costs.**

With CXChoice you can expand your capacity and reduce your costs by outsourcing aspects of your workflow. Leveraging our capabilities, you can offset the costs of your existing staff responsible for signings, eliminate the need to train and develop a panel, remove the need to vet for third-party oversight with TCE verification, and replace the need to handle corrections or post-closing issues.

**Visit [TheClosingExchange.com](http://TheClosingExchange.com) to see how CXChoice can help transform your signing experience.**

833.432.4321

[www.TheClosingExchange.com](http://www.TheClosingExchange.com)

[Sales@TheClosingExchange.com](mailto:Sales@TheClosingExchange.com)

