eRecording in the Digital Age:
Modernization Task Force Committee

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CSC

About Us

We support
10,000+
law firms, including the most prominent in the U.S.

We provide solutions to
3,000+
financial market customers

We serve
180,000+
corporate customers

We're headquartered in Delaware and have office locations
WORLDWIDE

We protect more than
65%
of the 100 Best Global Brands® — including 7 of the Top 10

We serve
90%
of the Fortune 500®

CSC

CSC Solutions

Companies around the world partner with **CSC**® because we offer knowledge-based solutions that help businesses run smoother and smarter. Our personal approach and applied expertise create a competitive edge that helps our clients perform at their best.

Registered Agent Services

- Same Day Service of Process
- SOP Manager^{SM}
- Electronic SOP
- Compliance Calendar®

UCC Search & Filing

- Search
- Filing
- Monitoring
- CSCFinancialOnline^{SM}
- CSC Lien Perfect^{SM}

Real Estate Recording & Searching

- Real Estate Document eRecording
- Paper Document Recording
- Full Service Document Recording

Matter & Deal Management

- Service of Process
- SOP Manager^{SM}
- CSC Matter Management^{SM}

Corporate Filings & Documents

- Entity Formation Services
- Certificates of Good Standing
- Annual Reports
- Articles of Amendment
- Foreign Qualification
- Document Retrieval
- Global Transaction Services
- CSCNavigator®
- CSC Dealroom®

Entity Management & Compliance

- Corporate Entity Tracking
- Annual Reports
- Delaware eFiling
- Business Licenses
- Global Subsidiary Management Solutions
- Global Legal Entity Identifiers
- Corporate Tax Solutions
- CSC Entity Management^{SM}

Global Financial Markets

- SPV Establishment and Management
- Independent Directors and Compliance
- Financial and Accounting Services
- Corporate Trustee and Agency
- Specialized Outsourcing Services
- International Expansion Services

Digital Brand Services

- Domain Management & Strategy
- Online Brand Protection
- Cyber Security Services
- Anti-Counterfeiting Solutions
- Enforcement Services
- Trademark Services

Increasing Pressure to Go Digital in the Real Estate Industry

Digital tools were being adopted prior to 2020 by the full range of stakeholders in the real estate industry, including:

Home buyers

The three most popular sources home buyers used in home search:
Online website (93%)
Real estate agent (86%)
Mobile, website, or app (73%)[1]

Borrowers

50% of borrowers said they chose a lender based on whether they offered an online application or portal, and 47% said access to an online portal for uploading documents electronically was a factor in their decision.[2]

Financial institutions

48% of lenders reported putting significant effort into both their front- and back-end digital transformation. [3]

Settlement agents

In a survey of title agents, respondents said renewed sales and marketing approaches, new technology, and cost reductions represented the best opportunities. Cyber threats concern them more than any other business problem.[4]

1 NAR Real Estate in a Digital Age 2019 Report
2 Ellie Mae Borrower Insight Survey 2019
3 Fannie Mae Mortgage Lender Sentiment Survey 2020
4 2020 Voice of the Title Agent Special Report

Advantages of Technology Adoption in 2021 and Beyond

- The shift to digital transactions has occurred over the last several years, but the pandemic has now made technology a necessity.
  - Reduction of operation costs
  - Increased efficiency
  - A positive borrower experience
  - Reliable security and storage
  - Real-time sharing and accessibility feasibility
  - New operation standards with longer-term affects, including increased flexibility and migration

State Challenges and Solutions

- Overall, most states have had one of the following scenarios:
  - Permanent RON laws
  - Emergency authorizations

- What's legal may not get authorized—all parties need to agree
  - County support and adoption
  - Underwriter approval
  - GSE acceptance

- Solutions
  - Counties have adapted guidelines to assist with faster implementation
  - Technology (eSigning and RON) expanded document acceptance processes
  - More efficiency led to improved customer service
  - eRecording enabled states to pivot in face of pandemic

Recent Standards and Legislation Support the Rise of Digital

- **MISMO**
  - New standards finalized September 2019 allowing the use of audio-visual communication devices to notarize documents (RON) in all states
  - Credential analysis procedures and technology are widely accepted as identity proofing processes
  - Free to the public and no license required to use these standards

- **TILA-RESPA**
  - Integrated disclosure rule (TRID) requires electronic audit trail for lenders for regulatory audits

Kentucky Legislation Updates:

Senate Bill 114

permits the use of electronic recording ("e-recording") of real estate documents by county clerks.

Uniform Real Property Electronic Recording Act (URPERA)

allows clerks and recorders to e-record real property transactions and land records

Revised Uniform Law on Notarial Acts (RULONA)

a uniform law allowing notaries to electronically perform notarial acts

Uniform Electronic Transactions Act (UETA)

Act makes many electronic documents and e-signature legally valid

Enjoy the Benefits of Going Digital with eRecording

- Convenience, speed, transparency, communication
  - Documents are submitted in seconds, not hours or days
  - Submissions are date and time-stamped
  - Recording offices process on a first-come, first-served basis
  - Documents are returned same-day on average
  - Acknowledgements are returned to customers electronically

- Security
  - Retain control of your documents throughout the process
  - Secure web connections, including HTTPS web service with data and documents protected by transport layer security (TLS) aka secure sockets layer (SSL) encryption

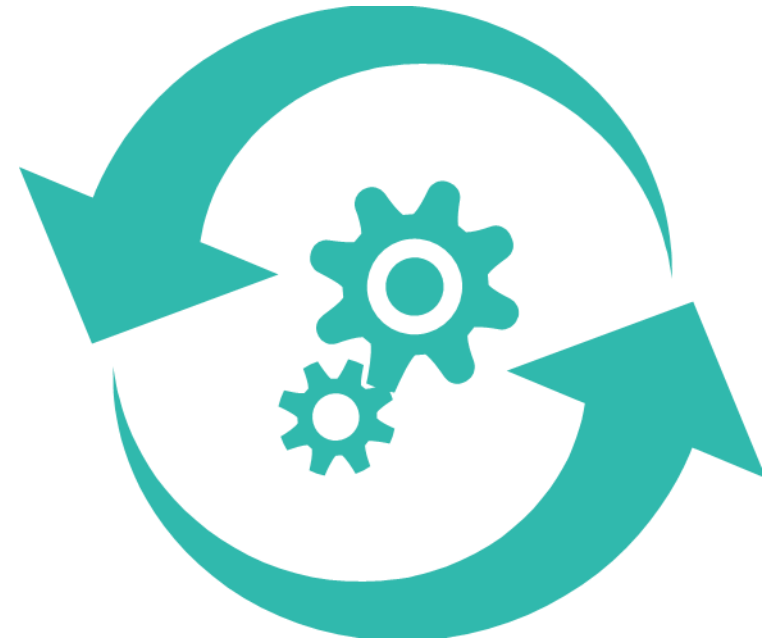# LIFE CYCLE OF A DIGITAL DOCUMENT

SUBMITTER

COUNTY RECORDER

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Submitter
- CREATE DOCUMENT
- SCAN DOCUMENT
- UPLOAD TO EPREPARE
- ENTER INDEXING DATA
- SEND DOCUMENT TO COUNTY
- DELIVER TO COUNTY VIA WEB SERVICE

County Recorder
- RETURNS RECORDED DOCUMENT, RECEIPT, AND DATA VIA EPREPARE
- INDEXES DOCUMENTS
- IMAGES DOCUMENTS
- ENDORSES DOCUMENTS (APPROVED)
- CALCULATES PAYMENT
- COUNTY REVIEWS DOCUMENT(S)

Value of eRecording

- Reduce costs
- Record documents faster
- Reduce document rejections
- Improve document security
- Eliminate payment errors
- No need to cut checks
- Improve productivity
- **Improve reliability**

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eRecording Reliability: Security Matters

Data encryption

Disaster recovery in place

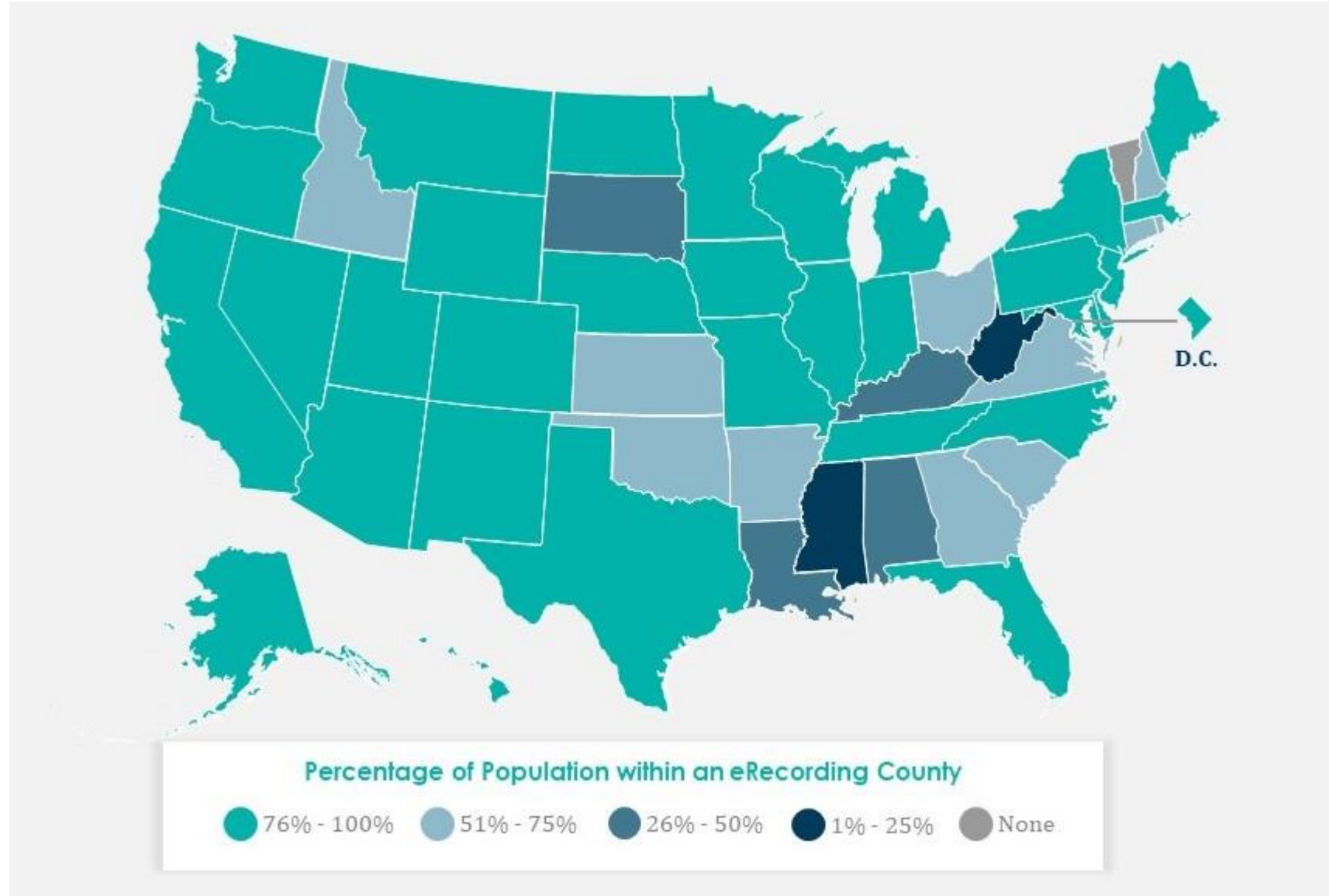Secure data storage facility

SOC 2 audited, secure, web-based

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Payment Process/Fee Reconciliation

- Improved Reporting capabilities

- No rejections due to payment

- Elimination of checks

- CSC advances fees to improve accuracy of payment

States that eRecord

Percentage of Population within an eRecording County

- 76% - 100%
- 51% - 75%
- 26% - 50%
- 1% - 25%
- None

Over 85% of the US population resides in a county that accepts eRecording.

COUNTY ACQUISITION PROCESS

- All Recording Jurisdictions are invited to eRecord
- CSC does not charge Recording offices for implementation
- MOU's are signed with each County/City/Parish/Town
- Jurisdiction provides ACH Bank Information for payment
- Integration with LRMS or a Stand Alone with Recording office
- Each Recording office determines Doc Types to eRecord

TEST, TRAIN, GO LIVE!

CSC's Kentucky County Coverage

- ✓ Allen
- ✓ Anderson
- ✓ Bullitt
- ✓ Carroll
- ✓ Christian
- ✓ Daviess
- ✓ Fleming
- ✓ Franklin
- ✓ Gallatin
- ✓ Garrard

- ✓ Grant
- ✓ Hardin
- ✓ Henderson
- ✓ Henry
- ✓ Jefferson
- ✓ Kenton
- ✓ Knott
- ✓ Laurel
- ✓ Lawrence
- ✓ Logan

- ✓ Madison
- ✓ Mason
- ✓ McLean
- ✓ Montgomery
- ✓ Oldham
- ✓ Pulaski
- ✓ Rowan
- ✓ Trigg
- ✓ Trimble
- ✓ Warren

Pending:
- Barren
- Bell
- Boone
- Boyd
- Campbell
- Clarke
- Hart
- McCracken
- Muhlenberg
- Ohio
- Pendleton

ALTA's Three Tips to Cope with Evolving Technology

Think long term

Think about how newly adapted technology solutions can continue to be part of your regular company routine going forward. There is likely great long-term value from many new solutions, and they don't have to be a temporary fix.

Perform a tech audit

While your team is more open to using technology and systems that might otherwise be overlooked, perform an audit of all your technology.

Consider remote production options

Help your team get back to work by finding industry partners that support and enhance your internal operations.

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Questions?