

Paperless Real Estate Transactions

ESRA supports and encourages the nationwide adoption of fully paperless real estate transactions that consist of eDisclosures, eTransfers of title to real property and securing title insurance, and, if applicable, creating, delivering, executing, registering, securing, notarizing, recording and storing all mortgage loan documentation electronically. Due to limitations in law and regulations, a hybrid approach using both paper and electronic documents has provided a temporary solution.

ESRA recognizes that the mortgage lending and real estate industries would benefit from a fully electronic process that enables:

- the delivery of disclosures and other documents related to the search for, purchase and sale or refinance of, and transfer of title to, real property;
- the delivery and execution of mortgage loan documentation and disclosures, if applicable; and
- the delivery and execution of documents during closing at which title to real property is transferred and disclosures and any mortgage loan documentation are executed.

To achieve a completely electronic process for real estate transactions (e.g., cash sale, refinance, mortgage, property transfer), ESRA supports the adoption of:

- electronic delivery of all documents ("electronic records," as defined under the federal Electronic Signatures in Global and National Commerce Act (ESIGN), the Uniform Electronic Transactions Act (UETA), and the Uniform Real Property Electronic Recording Act (URPERA), as enacted in a particular jurisdiction) in disclosure, appraisal, deeds of conveyance, and settlement packages to all parties¹;
- the use of electronic signatures on all appropriate disclosure and settlement documents;
- the use of eNotarization for documents that are required to be acknowledged before a notary public; and
- the use of eRecording for documents that are required to be recorded.

In addition to the above, to achieve a completely electronic mortgage process, ESRA supports:

- the use of an electronically signed promissory note ("eNote") and the associated infrastructure required for their governance and management; and
- lender management of electronic records to satisfy legal and investor requirements.

ESRA supports and encourages the nationwide adoption of laws, regulations, standards, and investor guidelines that:

- advance, enable and support the adoption and interoperability of a fully electronic process that accomplishes the objectives above in all U.S. states and territories;
- are technology-neutral and device agnostic;
- enable full accessibility to the electronic process for people with disabilities; and
- embrace new technologies that eliminate current obstacles to achieving the nationwide adoption of a fully electronic process while still providing valid and reliable documentation under ESIGN and UETA.

ESRA opposes laws, rules, policies and procedures that create more stringent or burdensome requirements for electronic processes as compared to existing widely-accepted requirements for paper-based real estate transactions.

ESRA Headquarters

1250 24th Street NW
Washington, DC 20037
800-560-ESRA (3772)
ESRA@eSignRecords.org

¹ Including, but not limited to, purchasers, sellers, borrowers, appraisers, brokers, correspondents, title companies, settlement/escrow companies, lenders, aggregators, investors and servicers.

Interested in joining the conversation?

Contact ESRA today at ESRA@eSignRecords.org or 800-560-ESRA