Maryland Land Title Association

Remote Online Notarization in Maryland 2.0

How to Prepare Your Team and Your Customer for Creating a Seamless RON Transaction

INSTRUCTOR
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Michael C. Ridgway, Esquire

For over 36 years, Mike has been practicing law, focusing on real estate law matters, and conducting settlements throughout the MD, DC and VA markets. Mike has taught hundreds of Continuing Education courses throughout Maryland, DC and Virginia for realtors and title agents over his career, focusing not only on the legal aspects of the course content, but focusing on the practical applications and how realtors and title agents can use this information in the course to better support their clients' needs and help them and their clients achieve success in their transactions.

He has focused his career in efforts to help realtors and title agents grow their business. Mike has been a licensed attorney in Maryland since 1985. Mike has held leadership roles in law firms and title agencies over his 35 year career, including leadership roles in Ridgway and Griffin, Chartered, and Universal Title, a large regional title agency serving MD, DC and VA. Mike is currently the CEO, President and majority owner of Community Title Network, LLC, a title agency which provides residential and commercial settlement services in MD, DC, VA, and DE. He is also the Managing Member in the Ridgway Law Group, LLC which focuses its practice on providing legal assistance in real estate transactions and other commercial and residential real estate matters.

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RON 2.0
E –Closings and
Electronic Notarization- Maryland
Update

How to be fully prepared for performing
successful RON closings

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WHAT WE ARE DISCUSSING TODAY

AGENDA

- Understanding consumer demand for E –Commerce
- Sharing information on growth of E closings and RON closings
- Update on the RON landscape
- Choosing a RON Vendor **Partner**
  - Factors in determining your choice
  - How to vet a RON vendor
  - Seeking training and Resources
  - How many to choose

WHAT WE ARE DISCUSSING TODAY

AGENDA

- IT infrastructure requirements –do you need to upgrade?
- Preparing all the Stakeholders in the process
- The "Magic Sauce" – what we learned after we started
- The "Next Frontier" of virtual closings being prevalent – when will it arrive?
- What needs to happen for RON's to be commonplace

Growing E-Commerce Consumerism
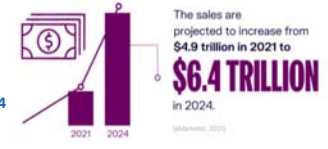
How have **your** buying habits changed?
- Personal
- Business

Growing E-Commerce Consumerism

Online Sales Growth
is Unstoppable

- Online sales projected to increase 26.7% in 2021
- 200% growth from 2019 to 2024
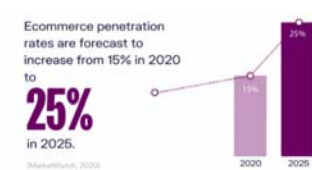- Increases throughout many industries

The sales are projected to increase from $4.9 trillion in 2021 to **$6.4 TRILLION** in 2024.

2021   2024

Growing E-Commerce Consumerism

The Future of E-Commerce
After COVID- 19
.

- 67% increase in 5 years
- Penetration rates projected to go from 15% to 25%
- 24,000 brick and mortar retail stores projected to close over that time
  - 12,000 consumer electronics stores
  - 11 home furnishings and grocery stores

Ecommerce penetration rates are forecast to increase from 15% in 2020 to **25%** in 2025.

2020   2025

Growing E-Commerce Consumerism

Mobile Shopping is Growing

- **projected to grow 18.8% in 2021**
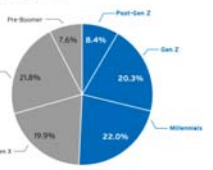- **Millenials and Gen Z Consumers driving this growth**

Sales made via mobile devices are on the rise and will total
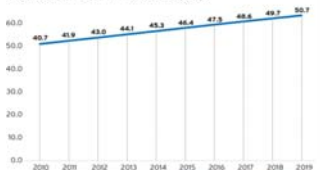
$3.79 trillion

in 2022.

Millenials and Gen Z make up 42.3% of the population and are the largest 2 classes of home buyers

Impact Of Younger Generations On Commerce
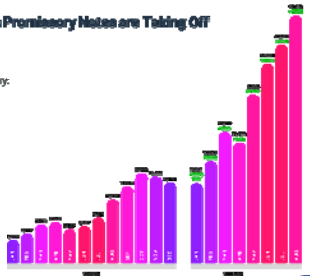
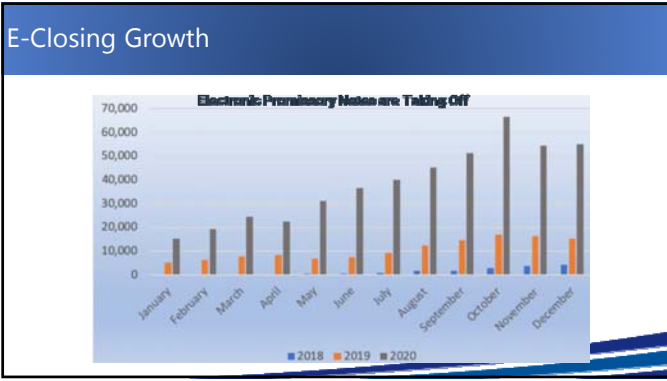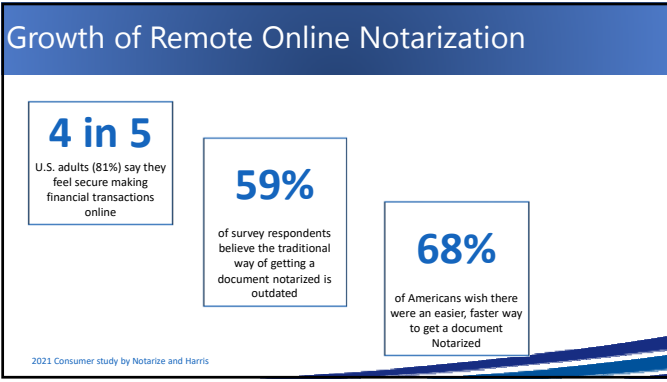## E-Closing Growth

Electronic Promissory Notes are Taking Off

eNotes added to MERS® eRegistry:

2018: ~17,000
2019: 127,358
2020: 235,199
June – August, 2020: 122,362

E-Closing Growth

Growth of Remote Online Notarization

4 in 5

U.S. adults (81%) say they feel secure making financial transactions online

59%

of survey respondents believe the traditional way of getting a document notarized is outdated

68%

of Americans wish there were an easier, faster way to get a document Notarized

2021 Consumer study by Notarize and Harris

Growth of Remote Online Notarization

- ALTA - 547% increase in usage among a surveyed group in 2020

- 164% in lender transactions in 2021 YTD

- 327% in title transactions in 2021 YTD

- 38 states now have permanent RON legislation in place

Remote Online Notarization (RON) Growth

Remote Online Notarization (RON) Growth
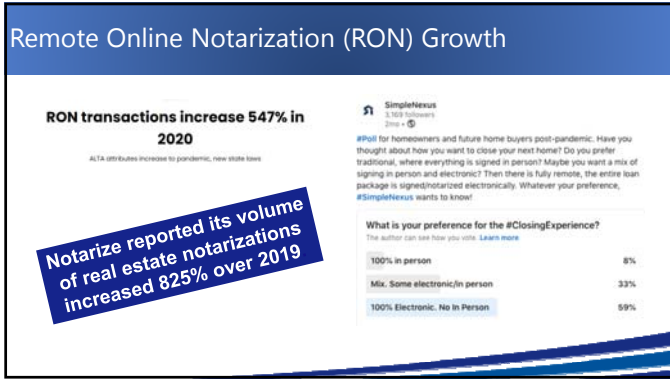
RON transactions increase 547% in 2020

ALTA attributes increase to pandemic, new state laws

Notarize reported its volume of real estate notarizations increased 825% over 2019

SimpleNexus
3,169 followers
2mo

#Poll for homeowners and future home buyers post-pandemic. Have you thought about how you want to close your next home? Do you prefer traditional, where everything is signed in person? Maybe you want a mix of signing in person and electronic? Then there is fully remote, the entire loan package is signed/notarized electronically. Whatever your preference, #SimpleNexus wants to know!

What is your preference for the #ClosingExperience?
The author can see how you vote. Learn more

100% in person	8%
Mix. Some electronic/in person	33%
100% Electronic. No In Person	59%

Remote Online Notarization (RON) Growth

National RON Legislation Update

- **SECURE Notarization ACT S. 3533 -116th Congress**
  - Initial Bill introduced March 2020 By Sen Cramer (R-ND) as part of initial Stimulus COVID-19 Bill
  - Never went anywhere- the California Factor

- **Re- introduced May 2021 by Sen. Mark Warner (D-VA) and Sen. Cramer in the 117th Congress (S.1625)**
  - ''Securing and Enabling Commerce Using Remote and Electronic Notarization Act of 2021''
  - Bipartisan legislation
  - Supported by ALTA, National Association of Realtors, MBA

Remote Online Notarization (RON) Growth

Lending Industry Update

- GSE's buying RON and Hybrid RON loans

- Ginnie Mae buying them as well

- Secondary Market is the bottleneck right now
  - When and how they will come into the market

Remote Online Notarization (RON) Growth

Maryland Secretary of State Approved RON Vendors

- Blend Labs, Inc.
- Digital Delivery, Inc.
- DocuSign
- DocVerify
- eNotaryLog, LLC
- Epic River Healthcare, Inc.
- KYS-Tech, Inc.
- Nexsys Technologies LLC

- Notarize Inc.
- NotaryCam
- OnlineNotary Inc.
- Pavaso
- SIGNiX
- Simply Sign LLC
- Stavvy, Inc.

as of September 8, 2021

Choosing a RON Vendor Partner

Factors

- What do you want to accomplish using this technology?
- What are your good lender clients thinking and or planning?
- What are your good lender clients using?
- Maryland Sec of State approval required of RON vendors
- Your Underwriter requirements or recommendations
- Integration with your production software
- IT upgrade requirements
- What is the RON vendor's vision? Does it meet your needs?
- What independence does the RON vendor allow?
- What other features do they offer?

Choosing a RON Vendor Partner

Vetting a RON vendor

- Read all the available literature
- Check with your underwriter
- Talk to other title agents using the vendor
- Make sure the system can perform currently all the functions that the sales person indicates
- Have them perform an actual RON using their system for you to witness

Choosing a RON Vendor Partner

Seeking Training and Available Resources
- Understand what their training regimen is and how the vendor will work with your team
- Ask the tough questions
- Get commitments for training from the vendor
- Does the vendor have a library of resources?
    - Videos?
    - Other?

Choosing a RON Vendor Partner

How Many RON Vendors should you Chose?

- Depends

- Focus on becoming proficient in one system before adding another system

Analyzing your IT infrastructure

Considerations

- The right hardware
- The right internet capability
- The right IT team
- The right **Security**

Preparing all the Stakeholders

Your Staff

- Analyzing how your workflows can and need to change
- Preparing your staff for changed workflows
- Preparing your staff to think, communicate , and prioritize differently
- Appropriate training for conducting RON closings

Preparing all the Stakeholders

Your Buyers and Sellers

- Orient them early in the process
- Create materials
- Send them to videos (yours or your RON vendor's)
- Remember, you have been doing RON's for a while but it is the signer's **first** experience

Preparing all the Stakeholders

Real Estate Agents

- Orient them early in the process
- Create materials
- Send them to videos (yours or your RON vendor's)
- Remember, you have been doing RON's for a while but it is the signer's **first** experience

Preparing all the Stakeholders

Lenders you work with

- Understand what systems they are using or planning to use
- How to have conversations with Lenders
  - o Operations staff
  - o Loan Officers
  - o Branch Managers
  - o Executives

The "MAGIC SAUCE"

Things we never thought of until we started doing RON Closings

The Next Frontier

**What needs to happen for more
RON closings to be more commonplace**

The Next Frontier

How the Next Frontier can lead to efficiencies

- Your operations
- Lender operations
- Handoffs between Lender and Title
- What this means for the closing process

EFFICIENCY   QUALITY   COSTS

The Next Frontier

How the Next Frontier will lead to customer benefits

Faster

Mortgage transaction times reduced from days and weeks to minutes.

RON portals completes online closings six days a week.

Cheaper

Saves up to $1,100 per closing.

Significantly reduce manual input, processes, and quality control.

Safer

Heightens ID validation and fraud prevention in three steps:

1. Knowledge-Based Authentication
2. Credential Analysis
3. Notarial Review

Q and A

Questions?

Thank you!

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