



eClosings at Fannie Mae

eClosings facilitate a better quality mortgage closing process for both lenders and consumers while efficiently moving the housing finance industry forward through automation.

What is an eClosing? An eClosing is the act of closing a mortgage loan electronically. This occurs through a secure electronic environment where some or all of the closing documents are executed and accessed online (also known as the “execution” phase of creating an electronic mortgage loan).

NOTE: This is often a hybrid process in which certain key documents (e.g., Note, Security Instrument) are printed to paper and traditionally wet-signed while other documents throughout the process are signed electronically (see [eMortgages Fact Sheet](#)).

Benefits and Features

Improving Risk Management

- Reduces operational errors
- Increases data quality
- Improves regulatory compliance through automated audit trails
- Improves document execution
- Eliminates inefficient workflows

Enabling Process Efficiency

- Reduces costs
- Consistency/accuracy in closing process
- Reduces origination cycle time
- Fewer errors (and easier detection)
- Automates post-closing processes

Improving Borrower Experience

- Promotes knowledgeable, empowered borrowers
- Increases awareness of closing process
- Better educated borrowers
- Differentiate your organization from competition
- Ability to transfer cost savings to consumer

Fannie Mae Promotes and Supports eClosings through ...

Fannie Mae encourages eClosings as a way to promote an enhanced consumer experience while improving lender efficiencies and data quality.

- No approval necessary to eSign most closing documents – **electronic signatures** are permitted per our *Selling Guide*. Enabling eSign and/or eClosings as part of the **Closing Disclosure** implementation is a logical step.
- eNote signature and delivery require special approvals.
- Although lenders can **eClose without seeking Fannie Mae approval**, selling/servicing eMortgage (eNotes) does require program approval.
- **Transparency and accessibility** of electronic data is crucial.
- Enables better **management of compliance** and timelines by eliminating the usual wait times for traditional mail.

Reflections on eClosings

(From CFPB’s Mortgage Closings Today)

“An individual mortgage generates on average about 6,000 pieces of paper across all stakeholders from start to finish. The paper and storage costs for this title company amount to \$20 to 30 million annually.”

~ *Misc. Title Company*

“Approximately 30% of the loan cost comes from post-closing activities, which could be minimized through automation with an eClosing solution. For example, lenders can eliminate the step of scanning paper documents to send the loan file and automate some time-consuming quality control checks.”

~ *Misc. Technology Vendor*

Related Resources



For more information visit the eClosings/eMortgage page: www.fanniemae.com/singlefamily/emortgage

✉ Contact us: eMortgage_info@fanniemae.com

Selling Guide Updates

- Electronic Records, Signatures, and Transactions ([A2-5.1-03](#))
- Lender’s Documents of Custodian’s Electronic Transactions with Third Parties ([A2-5.1-04](#))