

The eClosing Implementation Road Map

Are you ready to begin your journey from paper closing to digital closing? The Freddie Mac eClosing implementation road map will get you there. **Our 5 check points** will help you identify the systems and partners needed and plan activities for successful eClosing implementation.

Chart your course, today. The journey starts here.



Check Point 1: Determine Scope

As you begin your journey, here are 3 key things to identify:

- Loan documents to digitize:
 - All closing documents.
 - All closing documents, except:
 - Electronic note (eNote aka eMortgage).
 - Electronically notarized (eNotarized) documents.
 - eNote and eNotarized documents.
- Channels in scope (retail, wholesale, correspondent).
- States/Countries in which you want to offer eClosings.

Check Point 2: Check Partner Readiness

Your key partners on this trip include closing agents, eNotaries, warehouse lenders, servicing buyers, subservicers, and document custodians. Check with them to see if they're ready to support eClosing.

Closing Agents

Ask your closing agents if they:

- Support eClosing.
- Use their own eClosing system or a lender's eClosing system.
- Support electronic notarization (if you want to include eNotarized documents in the eClosing).

Warehouse Lender (for eNotes that use warehouse funds)

Confirm that your warehouse lender (WHL) supports eMortgages and is on our [warehouse lender list](#). If they're not listed, refer them to our eMortgage team at eMortgage_Team@freddiemac.com.

Subservicer (for eNotes)

Ask your subservicer if they're ready to service eMortgages through their eVault. If they are, confirm that they're listed on our reviewed [eMortgage servicers list](#). If they're not listed, refer them to:

- [eMortgage Review/Approval Requirements](#) and click the Servicer Approval tab.
- Freddie Mac eMortgage team at eMortgage_Team@freddiemac.com.

Servicing Buyer (for eNotes)

If you don't retain servicing, ask your servicing buyer if they service eMortgages. If they do, confirm that they're on our [eMortgage \(eNote\) Servicers list](#). If they're not listed, refer them to:

- [eMortgage Review/Approval Requirements](#) and click the Servicer Approval tab.
- Freddie Mac eMortgage team at eMortgage_Team@freddiemac.com.

Electronic Notary Support for eNotarized documents

Contact the eMortgage_Team@freddiemac.com to confirm that the states in your scope support eNotarization.

Electronic Recording support for recordable documents

Visit the [Property Records Industry Associate web site](#) to see if the counties in-scope support eRecording.

Document Custodian (for eNotes)

Contact our eMortgage team at eMortgage_Team@freddiemac.com to confirm that your current document custodian is ready to support eNote custody.



Check Point 3: Build or Buy Systems —You're more than halfway there!

You'll need to build or buy the right technology and systems to help you seamlessly integrate the eClosing process into your current process. Here's what you need to know.

eClosing system

Determine if you want closing agents to conduct eClosings on the eClosing system you built or bought. If they conduct eClosings on their own systems, confirm that their eClosing system can support documents generated by your current document vendor for electronic signatures.

If you prefer to set up an eClosing system, build or buy one that complies with electronic signature laws (ESIGN and/or the UETA, as required), applicable state and federal laws and regulations and Freddie Mac requirements (Chapter 1402 of the [Freddie Mac Seller/Servicer Guide](#) and access [eMortgage System Security Best Practices](#)).

If you decide to use a vendor system, refer to [Freddie Mac reviewed vendors](#) for available solutions.

SMART Docs (for eNotes)

If your eClosing scope includes eNotes, update your document preparation systems to support SMART Doc eNote creation. Contact the eMortgage_Team@freddiemac.com, if you need eNote specification.

If you use a document preparation vendor, check out our [reviewed vendors](#) list to see if they support SMART Doc eNote. If they don't, consider partnering with one of our reviewed vendors.

eVault system (for eNotes)

Determine if you want document custodians to store eNotes in their eVault after the loan is closed/purchased, or if you want to build/buy your eVault system.

If you prefer a document custodian to store eNotes, check our [eNote Document Custodian web page](#) to see if they support eNote custody. If they don't, consider partnering with one of our eNote Document Custodians.

If you prefer to set up an eVault system, build or buy one that complies with:

- Electronic signature laws (ESIGN and/or the UETA, as required).
- Applicable state and federal laws and regulations.
- Freddie Mac requirements (Chapter 1402 of the [Freddie Mac Seller/Servicer Guide](#) and review our [eMortgage Best Practices](#)).

If you use a vendor system, visit our [reviewed vendors page](#) for lenders that provide eVault services.

Loan Origination System (LOS) Updates

- Add an eMortgage Indicator (ULDD attribute) on eNote loans.
- Logic to determine which documents can be electronically signed based on loan attributes, such as loan product and property address.
- Screens/Attributes to capture:
 - Borrower signing preference (wet-ink, remote online electronic, in-person electronic etc.).
 - Borrower readiness to participate in such transactions (i.e. do they have computer, internet connectivity, camera etc), if you're planning to offer remote online closings.
- Updates to closing instructions to alert closing agents to print paper notes without "e" language, if the borrower does not consent to esign.
- Logic to remove eMortgage indicator, if the borrower decides to wet-ink sign the Note or if their closing agent can't conduct eClosings.

MERS eRegistry (for eNotes)

Reach out to Sales-MERS@TheIc3.com to initiate the process to become member of the MERS eRegistry and complete necessary integration steps.

Recommended, but not required - Servicing System integration with eVault (for eNotes)

Integrate your Servicing System with your, or your Document Custodian's, eVault so that life-of-loan updates, such as payoffs and charge offs recorded on the servicing system, trigger updates to the eVault, which then updates the MERS eRegistry.

Check Point 4: Get Operationally Ready

The systems are in place, now ensure you're ready to actually originate and service eMortgages. Here's how:

- Review and update your closing, post-closing and loan delivery processes and procedures as necessary and train your employees.
- Update your servicing procedures to integrate servicing steps required to service eMortgages, if eNotes are in scope.
- Contact the eMortgage_team@Freddiemac.com for any assistance with the servicing procedures.
- Set up the closing agents and the notaries in your eClosing system, if you've implemented an eClosing system. If you're using a vendor-provided eClosing system, the vendor may be able to help you with the setup. If your closing agents are going to conduct eClosings in their systems, this step is not applicable to you.

Check Point 5: Secure Investor Approvals

Review investor approval requirements early in the implementation and contact them with any questions you have. This helps you minimize delays in obtaining their approval to deliver eMortgages.

For Freddie Mac, please refer to [Freddie Mac approval requirements](#) and contact eMortgage_Team@freddiemac.com with any questions about your specific approval requirements.

Note: Freddie Mac approval is required only if eNotes are included in-scope.

Congratulations!

You've successfully navigated from paper to digital closing. Get ready to close loans anytime, anywhere; improve your operational efficiency; and provide a seamless and efficient closing experience to your client.

For more information, visit our [Electronic Loan Documents web page](#)

For any questions or comments, contact eMortgage_Team@FreddieMac.com