

The Digital Mortgage

During the 2016 Super Bowl, a nation still recoiling from the housing crisis of the late 2000's was presented with a curious idea: a mortgage at the speed of spacecraft.

Quicken Loans' Rocket Mortgage grabbed viewers' attention with promises of a speedy mortgage buyers could apply for entirely on their phones, and the mortgage industry has been evolving ever since.

While some critics cringed at the carefree tagline "Push button, get mortgage," which conjured up a carefree pre-Great Recession vibe, the idea of the digital mortgage had been born.

BUILT FOR SPEED

Anyone who has ever gone through the process of applying for, getting approval and closing on a mortgage knows how exhaustive the process can be. The paperwork seems to never end, and of course there's the mountain of papers one must sign at closing. But with the availability of fast data speeds and technology such as webcams and digital signing software, the mortgage of the future will be a very different experience.

In early 2018, Troy, Mich.-based United Wholesale Mortgage began allowing home buyers in 16 states to obtain a mortgage entirely



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REAL ESTATE 101

First in the Digital Mortgage Space

In July 2017, United Wholesale Mortgage offered the country's first virtual e-closed mortgage. A couple refinancing the mortgage on their three-bedroom Chicago home, with an entirely online process. To see a video about the groundbreaking closing, visit <https://bit.ly/2CEZWla>.

online, with an entirely virtual process that doesn't require any actual pen and paper signatures.

"Virtual e-closing is available in 16 states now and we expect this will be the way all closings are done in the near future," said Mat Ishbia, President and CEO of United Wholesale Mortgage.

UWM's technology elimi-

nates the need for a notary to be present for the signing of the promissory note and mortgage, allowing closings from any computer, tablet or mobile device with a webcam and internet connection.

"To complete the virtual e-closing process, borrowers verify their identity with the notary via webcam," UWM said in a press release. "The

notary guides them through signing the documents and explaining what each document is for. Once done, all parties instantly receive the executed document package."

According to Ross Garcia, a writer for Forbes Magazine, you can think of him and his millennial peers for the shift in the industry. "In walk the millennials, for whom any-

thing longer than overnight delivery for an Amazon Prime product is deemed unacceptable," he writes. "We're impulsive. We expect information immediately. We make decisions quickly. And once we've decided, we want the end result now."

NOT SO FAST

But Garcia points out that there still will be — and should be — major hurdles to borrowing hundreds of thousands of dollars. Lenders will seek digital copies of your previously printed documents, such as W-2s, bank statements and tax returns.

After all, lenders are still responsible to investors and government bodies to cross all their T's and dot all their I's when it comes to making massive loans. Appraisals and other red tape can slow the process, as well. In addition, there will inevitably be concerns about privacy and data security,

It does make a certain amount of sense, however, that the mortgage industry come more fully into the digital age.

As Jim Rosen, writing for Progress in Lending, put it: "Borrowers live in a digital, connected world. They want their lender to move into their neighborhood, so to speak."



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HOMEWISE GLOSSARY

Interest accrual rate: The percentage rate at which interest accumulates or increases on a mortgage loan.

SOURCE: Federal Trade Commission

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