

## Guardian and CIC Facilitate the Use of Electronic Signatures

DENVER—Sensing a growing demand to adopt e-signatures both at the point-of-sale and at closing, document preparation vendor Guardian Mortgage Documents and electronic signature and biometric signature validation vendor Communication Intelligence Corp. have formed an alliance to seamlessly integrate e-signatures with mortgage documents.

“It’s been a long haul to get e-signature technology adopted,” said Guido DiGregorio, chairman and CEO at CIC. “There have been several factors that have inhibited adoption. In order to do e-signatures, especially with financial applications, you have to have a complete enough solution to address all the lender’s needs with the e-signature as one component within the actual document.

“We integrated two factors, the document generation and delivery, through Guardian and the e-signature and authentication through our company. Our technology speaks to validating the process and the authentication of that process. Also, it has a high acceptance rate among real people.

“This is the biggest transaction in a person’s life and it has a lot of legal parameters,” said Mr. DiGregorio. “So we need to make sure everyone will accept this technology and that it is legally binding. I just came back from a technology summit and interacted with top-level executives and there is no question that those associated with mortgage had a heightened awareness and appreciation for what automation can do.

“This technology enhances the value of data and creditworthy applicants. There’s plenty of lending to be done despite this downturn. What’s going on in the industry now just heightens the demand for this technology.”

“The industry is picking up in this area of e-signatures,” added Tim Anschutz, vice president of marketing at Guardian. “A lot of people have viewed a document solution and e-signatures as two separate

initiatives. The power of combining this is huge. The lender can now go through just one implementation to realize e-signature pickup.

“Previous to this year there was a lot of banter and talk about e-signatures, but we’ve seen a change over the past year to action. Instead of talking about how we should do this, lenders are saying we want to do this and here are our specs. If you look at the technology considerations on the plate of most lenders today in terms of budget, e-signatures have been in the top two or three. It’s all about creating efficiencies. Up until now when we’ve talked about integrating e-signatures with documents one of the things we run into is lenders asking if you and your business partners have the ability to perform. Does the e-signature vendor have experience?” noted Mr. Anschutz. “CIC is well established and has had a lot of success in the insurance world. The confidence level is extremely high.”

CIC has provided e-signature technology to large Fortune 500 companies. The company’s first major deployment dates back to 1995, and involved handwritten biometric signature verification and digital certificates to authenticate personnel for the loan pooling and transfer of mortgages through JPMorgan Chase to Ginnie Mae. CIC touts that it serves AIG, Charles Schwab, Prudential Nationwide, Snap-On Credit, State Farm and Wells Fargo.

Mr. DiGregorio sees the value proposition for lenders as overwhelming. “The time to record a document goes from minutes to seconds. This shortens the time to originate a loan dramatically. The insurance industry really took a lead. We had three of the top insurance providers spearheading this.

“Insurance transactions happen face-to-face, via the Internet or over a call center. Early adopters took laptops out in the field for life insurance agents. They compressed the cycle by two-thirds. They

capture the signature and send that out to all other parties. The key in insurance was the face-to-face e-signing. They had 92% acceptance rate by the customer. The issue for insurance was coming to grips with the various independents that work for several insurance providers. Getting independents in the loop without paying for hardware spurred the rise of Internet e-signing that doesn’t require hardware. In insurance there are a number of forms that are regulated and they’re governed by the NAIC on the state level,” noted Mr. DiGregorio. “There was a tremendous incentive to automate because you have to go state-by-state to get approvals to make the transaction close.”

So, we support every kind of tablet on the market to make hardware adoption easy as well. We also do other methodologies like voice and fingerprinting that will catch on in the future. We’ll fit whatever business methodology makes sense.”

“For Guardian it was a key point that we align ourselves with someone that can support a breadth of hardware pieces,” added Mr. Anschutz. “As we move down the road we’ll see a lot of different applications being used to capture an e-signature. CIC and Guardian will be scalable to be able to accept all those strategies.

“The industry anticipated that disclosures would lead the way. We still think that, but we’re engaged in just as many discussions about closing as disclosures. We’re experiencing a surge in the number of institutions that want to talk e-signatures. I’m not sure if there’s a commonality for where lenders want to plug in.

“A lot of it has to do with dealing with older legacy systems and practices that they have in place,” said Mr. Anschutz. “Those lenders that have been involved in the evolution of SMART Docs are going that way and those that deal with PDF are looking to maximize that investment as well. We’ll see e-signatures on a lot of different flavors of documents going forward.”