



*Powering the Business of Real Estate*

## **Title & Closing Management Tools**

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## Introduction

Since its inception in 1998, Realec Technologies, Inc. (Realec®) has specialized in delivering the most efficient and cost-effective information exchange to and from mortgage originators and their settlement service partners.

Realec is a proven technology partner that has one of the best track records of any technology partner serving Mortgage Lenders. Realec's tools have become recognized as one of the widest adopted technology platforms in the Mortgage Industry and Realec is widely recognized as a company with strong values and a proven ability to deliver on commitments to our clients.

Currently used by the majority of the top mortgage lenders, Realec dominates the mortgage industry's Electronic Partner Network (EPN) market through solutions offering efficient ordering, managing and tracking of settlement services.

By turning a PC or LOS system into a safe, secure and fully integrated portal for the fulfillment of real estate transactions, the Realec Exchange™ offers unprecedented control over the origination, fulfillment and delivery of a full spectrum of core real estate products and services.

Realec's iSelect™ Suite has become the industry's leading order and intelligent vendor management solution representing the single most sophisticated and efficient intelligent ordering engine in use today. By automatically applying a lender's own predetermined criteria, iSelect connects with exactly the right product, from exactly the right provider -- easily and efficiently.

In order to meet the potential requirements from these reforms lenders must have a dynamic solution for vendor management, product management and service level tracking and management. Realec provides the a suite of technology solutions, experienced staff and industry expertise to assist our customers in meeting the ever changing needs for the management of settlement services.

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## **Title / Closing Solutions**

Realec offers an innovative suite of tools for managing the Title and Closing workflow within a lender's closing operation. Realec's suite of tools includes the following solutions:

- Largest Network of Title & Closing Companies
- Intelligent Product Selection
- Rules Based Provider Selection
- Data Centric Product Return – Title / HUD Data
- Real-time Service Collaboration
- Curative Issue Management Tools
- Document Sharing
- HUD-1 Collaboration
- Exception Based Product Processing
- Service Level Evaluation

Realec has a comprehensive suite of solutions designed to uniquely meet lenders' needs in each of these areas. This document will focus on outlining the Realec solutions available for several of these areas.

## **Electronic Partner Network**

No eCommerce platform has better relationships or connections with the settlement service side of the lending process than Realec. The Realec Exchange is the preferred EPN for interfacing with lenders/clients of all the leading settlement service providers. In addition, the market leader in title fulfillment designates Realec as its sole network for communicating electronically with its customers.

These relationships mean that Realec alone has the ability to provide you a fully inter-connected world of service providers. Realec believes that the settlement services providers are key strategic partners to mortgage lenders and without strong relationships with the service provider's true collaboration and enhanced e-commerce cannot be achieved.

Realec has fully embraced the business of providing mortgage origination settlement services and has built integration paths directly into service providers' workflow systems. Additionally, Realec has worked with independent software providers to build integrations into workflow solutions used by thousands of independent service providers across the country.

Through the use of an electronic partner network the lender is able to derive the following immediate benefits:

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- Reduced Technology Costs
  - Reduced Technology Risk
  - Reduced Vendor Dependence
  - Reduced Switching Risks
  - Increased Flexibility in Vendor Management

When it comes to electronic connections, RealEC offers the most extensive and highest quality electronic connections and provider relationships available in the industry today.

The most common approach by today's largest Title and Closing companies is to convince you, the lender, to utilize their web site or to directly integrate into their systems. All too often lenders fall into this very appealing trap. If you directly connect to your Title / Closing vendors, then you eliminate your flexibility to switch vendors. It is increasingly difficult to manage your Title / Closing vendors when it will take weeks or months to switch to a competitor. Increase your leverage, strengthen your partnerships and have complete vendor freedom with the use of RealEC.

## **Title & Closing Connections**

RealEC's extensive EPN includes connections to thousands Title and Closing professionals. RealEC's EPN has the largest selection of local Title and Closing offices of any EPN solution. RealEC's owners include Fidelity National Financial, LandAmerica Financial and Stewart Title Company.

Through our ownership, RealEC is positioned to have direct, electronic access to the largest network of branch offices including the following brand names:

- Fidelity Title
  - LSI
  - ServiceLink
  - LandAmerica Title
  - LandAmerica OneStop
  - Commonwealth Land Title
  - Lawyer's Title
  - Stewart Title
  - Stewart Mortgage Information
  - Chicago Title
  - Security Union Title
  - Ticor Title
  - Alamo Title
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Realec also has integrations with the largest Title and Closing Service companies in the country include the following:

- First American
- Old Republic Title
- General American Corp. (GAC)
- ATM Corporation
- Express Financial
- Investor's Title
- Group 9
- Optima
- NREIS
- Southwest Financial

And thousands more....

Furthermore, Realec has integrations or strategic relations with the leading supplier's of Title and Closing software packages. Through these connections Realec has access to the largest suite of independent Title and Closing agents. Realec has connections or strategic relationships with the following leading Title and Closing software packages:

- SoftPro
- RamQuest
- AIM for Windows
- AIM
- NGS
- Sierra
- SIMON
- TEAM

Simply put, no solution can provide you a wider array of connected Title and Closing partners than Realec. Visit Realec and see what a difference connecting through Realec makes.

### **Single Connection**

Very few lenders's choose to put all their eggs in one basket, so to speak. As such most lenders utilize a large network of Title and Closing agents to provide Title and Closing Services. Unfortunately for most lenders, without the use of Realec's leading technology, are forced to work through 5 or more different Title Company web sites. As a result the Loan Processor is required to remember 5, 6, 7+ different usernames and passwords, and are required to remember which Title

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Company they used on each loan just to check the status of their order.

The inefficiency and productivity loss from this model is staggering. RealEC provides a simple, easy to use and easy to implement solution to this all too common problem. Through the use of the RealEC Exchange the lender is able to place orders, check status, deliver electronic messages, communicate securely, and share and view online documents with over 12,000 different vendors on ONE SCREEN.

## **Order Management & Collaboration**

RealEC offers a comprehensive electronic order management and collaboration solution for mortgage lenders. Through the use of RealEC's Exchange Tools the following features are available:

- Real-Time Order Placement via RealEC's secure web site or direct from your Loan Origination System
  - Instant Order Status and updates from the Title and Closing Agent. Know the status of each appraisal from the click of a mouse, no more phone and email tag.
  - Shared Communication Log between the Title or Closing Agent, the Loan Officer, Loan Processor, Lender's Closing Management Staff and any other parties associated with the transactions.
  - Store all the communication and discussions regarding the closing in a single, secure and electronic file.
  - RealEC's automated service notification engine electronically delivers updates to your order over the web, through email, fax, or directly to your Loan Origination System.
  - All comments and events on each closing are Date / Time stamped to create an external audit trail.
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## Curative Issue Management

RealEC's Title Solutions closely tracks the curative status on each loan. Through electronic collaboration with the Title or Closing Agent, RealEC's solution tracks each curative issue and the status of the Title on your loan.

- Real-time Curative collaboration – Receive an electronic record of all the curative issues on your loan
- Track Curative Documents – Upload and share curative documents between all parties on the transaction
- Track Curative Issue Ownership – Manage each curative issue and track the ownership of each item.
- Curative Restrictions – Through RealEC's solutions the lender can restrict the ability to schedule the closing until each curative issue is resolved and the loan is "Clear to Close"

## Closing Process Management

RealEC's Closing Solutions provide robust electronic collaboration with the Title or Closing Agent. With the RealEC solution you can track and manage each item within the Closing Workflow Process. The following are examples of areas that you can track and manage electronically with your Title and Closing partners:

- **Track Title Issues** - Track all the items on the property:
    - Liens
    - Judgments
    - Assignments
    - Mortgages
  - **Manage Payoffs** - Track detailed payoff data including payoff letters, amounts, expiration dates and payoff responsibility.
  - **Follow Subordinations** – Track detailed subordination information including the ownership of the subordination process.
  - **Schedule Closing** – Request the closing date and time and manage rescheduled closings through a single interface.
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- **Assign Notary or Agent Network Closings** – Assign closing orders to Notaries or Agent Networks for closings. Track the assignment of the individual closing agent.
  - **Deliver Closing Packages** – Deliver your Closing Packages to the Closing Agent through a secure portal.
  - **Track and Management Document Shipments** – Track the delivery and shipment of all documents throughout the process including carrier, tracking numbers and dates.
  - **Manage Closing Package Reviews** – Track closing package reviews performed by your provider. Track individual problems with the closing package or the signed documents.
  - **Track Borrower Rescissions** – Track and manage borrower rescissions.
  - **Deliver Funding Information** – Deliver and manage information on the funding status and track when loans are Clear to Fund.
  - **Manage the Recording of the Documents** – Track the recording status of each document through RealEC. Track when documents were delivered for recording. Also track the final recording information on each document.

## **HUD-1 Management Tools**

RealEC's HUD-1 Collaboration Tools allow the Lender and Closing Agent to eliminate costly HUD-1 errors through an on-line collaboration process. How it works:

- Lender uploads the initial version of the HUD-1 or Closing Instructions to RealEC's Secure Web Site.
  - RealEC's Notification System instantly notifies the Closing Agent of a HUD-1 available for viewing or that the lender has requested a HUD-1 be prepared.
  - Closing Agent views the HUD-1, notates any errors or changes they wish to make, along with notes regarding the justification for the change
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- Closing Agent uploads updated HUD-1 for Lender review
  - Lender reviews updated HUD-1 and electronically Accepts or Rejects the HUD-1.
  - If the HUD-1 is Accepted, the Closing Agent is instantly notified and delivered the final HUD-1 for closing
  - All comments and changes on each HUD-1 are Date / Time stamped to create an audit trail.

## **Document Management**

Realec provides the lender and closing agent a complete electronic document management and collaboration tool. Through the use of Realec's Tools the following features are available:

- Real-time document collaboration – delivers documents from your LOS or document preparation system directly to the closing table.
- Receive real-time, electronic copies of all Title and Closing documents. Including Title Reports, Survey's, Plat Maps, Payoff Statements, HUD-1 and Closing Statements, Proof of Insurance and any other document related to the closing.
- Closing Document Delivery – Securely deliver documents directly to the Closing Agent. Eliminate fax and overnight charges.

## **Service Level Management**

Realec offers a comprehensive electronic order management and collaboration solution for mortgage lenders. Through the use of Realec's Exchange Tools the following features are available:

- Electronically store detailed Title and Closing Vendor information include available services, coverage areas, licensing, insurance, credentials and fee schedules
  - Store and manage the performance of each Title / Closing Agent for each product in each zip code. Track not only their turn time performance, but also their fees, quality
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measurements, and compliance to your workflow and quality requirements.

- Instant Access to suite of reports designed to allow you to compare and contrast the performance of your vendor panel for each product, program and geographic area.
- Utilize iSelect to rank and group your vendor into meaningful groupings to ensure you are always selecting the optimal provider for your Title or Closing service.

## **Workflow Management Tools**

RealEC provides a web-based tool for managing the appraisal workflow within your lending operations. The RealEC workflow tools allow the lender perform the following functions:

- Automatically order all your appraisal or settlement services. Through iSelect's rules based engine, define the criteria and timing of order placement.
- Electronically manage the fee negotiation process. Prevent the vendor from increasing the appraisal fees without your approval.
- Automatic appraisal order reassignment. iSelect automatically reassigns orders based upon your assignment rules. In the event that the vendor exceeds your assigned time allowance or if the vendor fails to accept your order.
- Do you have special conditions that need to be met for certain types of properties? Or for specific service providers? No problem—your conditions are seamlessly incorporated into your automated workflow.
- Manage appraisals via Work Queues. Assign orders to Work Queues based upon appraisal status or individual status events / actions. Assign individual staff members to manage and work with specific queues.

## **Reporting Tools**

RealEC provides a comprehensive suite of pre-defined reports designed to assist you in managing your appraisal process.

- Real-Time Reporting – All reports are run real-time, so your data and information is always current.
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- Utilize Vendor performance reports including the performance and review results date
  - XML Data Warehouse – RealEC automatically stores into a relational database every part of your Appraisal, including the performance information, results of the appraisal review. – Combine loan data, appraisal data and review data to perform real-time sophisticated analysis.
  - RealEC reporting and analytic tools you are able to access current and historical appraisal and property data combined with loan information provide your robust analysis and historical comparisons.
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## Intelligent Product Selection

### *iSelect*<sup>™</sup> - *ProductSelect*<sup>™</sup>

Intelligent Product Management is defined as the automated placement of the optimal settlement services, custom selected, for each individual loan. As the industry's leading Intelligent Order Management engine, iSelect's robust decision engine provides customers the optimum solution for managing the product ordering process.

Designed to facilitate the selection of the appropriate product for each individual loan, iSelect makes the optimum product selection decision through a predefined set of criteria, in a consistent and automated format, every time. The iSelect engine utilizes information from the lender's production systems to make the product selection decision. The use of an Intelligent Process for product section provides the following benefits

- Reduce Costs – Eliminate Costs for incorrect products
- Reduce Risk – Control products via Underwriting
- Reduce Duplicate Order Placement
- Eliminate Inefficiency

With *iSelect*<sup>™</sup> - *ProductSelect*<sup>™</sup> tools, lenders can develop sophisticated rules to automatically order the optimal product for each situation. Utilizing the ProductSelect engine, customers may design a custom decision matrix for automated ordering of their settlement services. The flexibility of the iSelect matrix enables the customer to utilize this platform for all loan types. The iSelect decision engine uses numerous data points, a small sample of which are listed below, to make the product selection:

- Loan Amount (Loan Amount Ranges)
- Loan to Value (LTV)
- Sales Price (Sales Price Ranges)
- Loan Program (Lender Defined)
- Property Geographic Area
- Credit Score
- Underwriting Decision and Recommendations
- Unlimited User Defined Fields

From these criteria the Product Selection system selects the appropriate product order and automatically places this order with the provider of choice.

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Most lenders utilize manual efforts or adapted AUS decisions to make settlement service product selections. Unfortunately, neither model lends itself to sophisticated and accurate selection of settlement service products. Often times the result is an incorrect product being ordered that requires subsequent products be ordered – thus delaying the loan closing and increasing lenders’ costs. Another common problem is “over” ordering of products. This is the situation where the loan processor inadvertently orders the most expensive or highest coverage product just “to be safe”. Through an automated and optimized product ordering matrix the lender can be assured that no additional time or expense is being added to the origination projects.

## **Intelligent Provider Selection**

### ***iSelect* – ProviderSelect™**

Intelligent Provider Selection is the process of incorporating sophisticated decision logic into the selection and management of settlement service providers.

Realec’s ***iSelect* - ProviderSelect** offers a sophisticated decision matrix for automating the service provider selection process. When layered upon Realec, this engine offers customers the industry’s most powerful, automated tool for selecting and routing orders to the industry’s most extensive service provider network. The integrated network of service providers, along with the existing technological infrastructure of Realec, provides *iSelect* instant access to the largest network of service provider resources.

Lenders traditionally manage their vendor network utilizing the following criteria:

- Pricing
- Product Turn-Time
- Volume Capacity
- Product Coverage Areas
- Loan Characteristics
- Business Allocation Agreements

Occasionally, other factors such as reinsurance programs or revenue sharing joint ventures influence the choice of providers. To support these requirements, the *iSelect* engine was developed to automate the management of the lender’s network of service providers utilizing the following variables:

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- Loan Data
  - Pricing Agreement Data
  - Volume Capacity Points
  - Product Coverage Areas
  - Product Allocation by Percentages

The iSelect structure enables each customer to manage a specific decision matrix in determining the optimal routing of each order. iSelect stores and tracks information on each service provider, including performance, pricing, capacity, coverage, service levels and availability. This information is aggregated based on each specific product and geographic area in order to provide optimum decisioning.

The iSelect decision engine utilizes the customer's matrix to evaluate the list of service providers and determine the service provider who best matches the customer's criteria. Utilizing criteria such as the items listed above, the lender is able to design a sophisticated rules matrix for selection and allocation or orders.

## **Advanced Vendor Decision Tools**

### ***DecisionSelect***

A number of Mortgage Lenders have increased the degree of sophistication upon which they base their vendor management decisions. For the more advanced vendor management and strategic sourcing based organizations, Realec has introduced the next generation of vendor decisioning tools, ***DecisionSelect***.

***DecisionSelect*** introduces a whole series of unique and innovative methods to enhance vendor management. These new methods include the following:

***Real Time Scheduling*** – Through the use of the ***DecisionSelect*** tools and close collaboration with the lender's available vendors, lenders are able to track the closing agent's availability windows for closings and schedule appointments in real time at the point of sale.

***Vendor Grouping & Tiers*** – Through the use of ***DecisionSelect***, lenders are able to define specific groups and tiers of Title and Closing Vendors based upon key loan characteristics. This innovative methodology allows the lender

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to configure groupings based upon loan programs, loan and property types, branch offices or any other defined set of data.

***Provider Qualification Rules*** - Through the use of the Provider Qualification Tools, the lender is able to define distinct groups of vendors assigned by pre-defined loan criteria.

*Example – Lenders can define a set of Title Companies who offer alternative title products that service only A paper loans, with loan values under \$550,000, with a property type of single family and that are in the state of Texas.*

These Provider Qualification rules can be defined until all the lender’s loan profiles are serviced by a series of title company grouping.

This innovative methodology allows the lender to define vendor groupings based upon loan programs, loan and property types, branch offices or any other defined set of data.

***Exclusionary Rules*** - RealEC also offers the ability for the lender to define “Exclusionary Rules” for each vendor. These rules are designed by the lender and allow for additional filtering to be applied before allocation of the order to the provider. Exclusionary Rules enable the lender to provide a granular level of filtering that prevents orders that fail to meet the defined criteria from being delivered to a specified vendor.

*Example – If a title company’s alternative title product only accepts loans with a loan amount less than \$500,000 the Exclusionary Rule will not allocate an order to the service provider if the loan amount was greater than \$500,000.*

***Opportunity Cost Allocation*** – RealEC’s Opportunity Cost Allocation introduces a new model for order allocations. RealEC’s newest tools provide the lender the ability to allocate orders by percentage of opportunity instead of a percentage of actual orders. This “Opportunity Cost” model of allocations is designed to allow for a configurable percentage allocation based upon the vendor’s “opportunity” to receive an order. In the event that the vendor is unable to accept and process the offered order due to program limitations or geographic coverage issues, this order is still counted as an attempt to send an order to the vendor. The Opportunity Cost model allows the lender to

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reward vendor with more flexible program requirements or greater coverage areas.

## **Security and Assurance**

RealEC understands that in today's environment, protecting your borrower's information is more critical than ever. At RealEC security and privacy is of utmost importance. Rest assured that RealEC is protecting your data.

- RealEC's Network Security Program assures you data is secure, 24 x 7 x 365.
  - TruSecure Certified by the leading Network Security Company – Cybertrust – Assures data security
  - RealEC's network is protected and monitored 24 x 7 x 365 for intrusions, hacking, viruses, worms and a whole host of other security concerns
  - RealEC's Data Center incorporates the latest technology for ensuring fault tolerant performance. Including advanced server clusters, load balancing server farms and multiple fiber-based storage area networks, RealEC network infrastructure is designed to provide the maximum possible uptime.
  - RealEC has a fully redundant Recovery Center capable of servicing all your orders and technology in the event of a natural disaster. RealEC's primary data center replicates your data real-time to the Recovery Center to ensure the maximum possible assurance of recovery in the event of a disaster.
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## Conclusion

Management of Settlement Services and lenders' key business partners is vital to the timely execution of an efficient, effective and customer friendly loan origination and closing experience for the borrower. Too often lenders manage their Settlement Service Product and Partners through inefficient and aging systems adapted from incompatible systems. In today's connected, always-on world borrowers are expecting a much higher degree of sophistication, service and collaboration with their lender.

Realec believes and has proven to our customers that through the use of our innovative technology, combined with a disciplined vendor management methodology and collaborative service execution, the lender can significantly improve the quality and execution of the loan as well as significantly reduce cost of originating their loans.

Realec is proud to have a long track record of providing successful, on-time and on-budget solutions for our customers. Before selecting an eCommerce platform, consider one that has been tailored specifically for your use and the needs of your industry.

Realec is one of the most financially sound technology suppliers in the market today. With our ownership consisting of equity from three of the top four largest Title Underwriters, you can be assured that Realec will be the technology supplier of choice in the Mortgage Industry for many years to come.

Take a moment to contact Realec at 877-2-Realec or [sales@realec.com](mailto:sales@realec.com), and let us show you how we can help you improve your lending operations.

If you are still unsure, then ask around. Realec will be glad to provide references and examples of how your competition has successfully implemented Realec's solutions.

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