# Snapdocs solves the fragmentation challenge of digital closings at scale

HousingWire sat down with Aaron King, founder and CEO at Snapdocs, to discuss the underlying challenges and solutions to adopting digital closings.

**Q. There are many stakeholders in a real estate closing (lenders, consumers, title agents, underwriters, county recording offices, aggregators, etc.), and each of them have their own requirements when it comes to what can or can't be digital. How can the industry work toward all of these stakeholders accepting and adopting digital closings?**

A. This industry has been promised a digital closing for 20 years, and the truth is that we've had the necessary technology for at least that long. The reason it hasn't been adopted is because getting to digital closings at scale is no longer a technology challenge. It's a fragmentation challenge. There's no single participant in the closing process who can choose or even predict the constellation of companies that will be involved in that closing. For example, a lender may want to adopt digital closings, but in a purchase transaction, they often don't choose the escrow agent they'll be working with. Furthermore, they may sell their loans to a dozen different aggregators, but half of them don't accept eNotes. Then add to that the state laws, county recording office requirements, title insurance underwriter requirements, and consumers with different technical aptitudes. To adopt digital closings at scale, you need a tool that can handle multiple types of closings (paper closings, hybrid, eNotes, etc.) through a single interface. That tool also needs to be able to handle the logic for each of the requirements for these stakeholders, so it can intelligently route each closing to its most digital path.

**Q. What does a solution to the fragmentation challenge around closings look like?**

A. Besides consolidating all different closing options into a single tool, the solution has to also connect all participants in the closing process. It can't be intrusive, and it can't disrupt current workflows or systems that are already being used. Instead, it has to be complementary and agnostic — able to work with all the other software that lenders and settlement are already using, like their LOS, doc prep, and title production software. Lastly, the solution also has to make everyone's experience better, so it can't be built for just the lender, just the settlement company, or just the borrower. If only some parties are benefiting, it won't be widely adopted.

**Q. Is it possible to find a solution to the closing fragmentation problem that delivers value for everyone involved?**

A. Absolutely, and that's what we're doing at Snapdocs. We're solving the fragmentation challenge by creating a network of closing providers. We're connecting lenders, settlement, notaries, and borrowers through one platform, and the result is that the closing process becomes more efficient, transparent, and seamless for everyone. When one party uses Snapdocs, they also make closings better for their partners and their customers. This solves the adoption challenges we see with eClosing technology. For example, lenders often have a difficult time rolling out an eClosing solution to their settlement partners. They can't force new technology onto hundreds or thousands of settlement agents. Snapdocs is unique because we grew up through settlement. We have over 4,300 settlement companies actively using our platform. When lenders come on to Snapdocs, they plug into this existing network and instantly gain visibility into their closings with their settlement partners. We've spent years building tools for settlement and solving their biggest closing-related challenges. So, while we're providing value to lenders, settlement is getting immense value too. We truly understand the fragmentation challenge. This is why we're able to help lenders successfully navigate this transition to digital, and our clients experience significant gains in ROI because they're doing thousands of hybrid closings, instead of just one or two.

**Q. What are the biggest obstacles keeping digital closings from being adopted?**

A. There are three major obstacles. The fragmentation challenge is the first. The second obstacle is digital closings to date have required more work than paper closings. They've also been disruptive to workflows. They require you to add steps for classifying and annotating documents. Even template-based solutions need someone to manually create them and maintain them as documents change. The promise of technology is that it's supposed to make the closing process easier, but so far, it's made it more difficult. The third challenge is that most of the companies we've seen transitioning from paper to digital are trying to do it one big step. They go from a fully paper closing to a fully digital closing, only to realize that process doesn't scale. How companies approach implementing digital closings is critical to their success.

**Q. What are the benefits to fully digitizing the closing process?**

A. There are three main benefits: efficiency gains, a better borrower experience, and increased security. The closing process becomes faster, which means lenders can turn their credit lines faster. At Snapdocs, we've found that we can currently reduce time to close by an average of two days. You can also increase a closer's capacity by reducing manual work, emails, and phone calls. This can eliminate the need to bring on temporary staff during the busy seasons. There's massive efficiency gains for lenders and settlement that also result in happier customers, like reducing time spent at the closing table to just 15 minutes. Borrowers also get the ability to review their documents ahead of time and eSign. Instead of arriving at the closing with no idea of what they'll be signing, borrowers will have had time to look through the documents and ask questions. By digitizing the closing process, it also becomes more secure. You have less people handling documents, and documents will no longer get lost in the mail. You know exactly who accessed the documents, since you have an audit trail. The risk footprint is massively reduced as a result.

**Q. How does Snapdocs help digitize the mortgage process?**

A. For lenders, the closing is the last touchpoint with the customer in the entire mortgage process. It's the one that leaves a lasting impression, but it's one of the worst parts for everyone involved. This is why we're absolutely obsessed with perfecting the closing, and we're using digitization and automation to get there. Snapdocs plugs into any LOS and doc prep provider, intaking loan information and documents to automatically create a closing on the platform. Then, our AI bots go to work. The loan package is intelligently split, based on the needs of the investor and the needs of the lender. Any documents that can be eSigned are automatically annotated for eSignatures, dates, and any other fields that need to be completed. Within minutes, we're able to loop in the consumer to preview their documents, as well as settlement, so they can manage the closing. If it's a hybrid closing, borrowers can typically eSign up to 75% of the documents before their in-person closing appointment. By digitizing the closing process and automating time-consuming manual work, we're helping lenders and settlement become incredibly efficient across any type of closing — whether it's wet, hybrid, or digital —and deliver the closing experience that borrowers want today.