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## TitleTRACK

### Advantages of paperless real estate transactions

In comparison with most other areas of the country, our own Rochester marketplace seems to have been more successful in overcoming many of the challenges involved with the significant and continuous changes in the economic, financial and housing markets.

The strengths in Rochester's educational resources, partnerships in the academic and business communities and the many decades of major corporate structure have been the backbone of the conservative and secure real estate lending environments, both in residential lending and major commercial development projects.

Compared to New York state averages, the local median household income and property values here are significantly above the state's average, with the renting percentage being below state average.

This is a direct result of the Rochester area not falling victim to the sub-prime mortgage housing bubble and the over-inflated home values experienced in many real estate markets throughout the United States. Development is occurring here at a steady pace with only moderate negative impact by the economic recession.

Because of this relative industry stability, Rochester would be a superb location to entertain the idea of using a relatively new and innovative process of paperless real estate transactions. This process could, in fact, become instrumental in the development of national or global business use.

This paperless process has more value than just leaving your real estate closing with a CD containing electronic versions of all closing documents. This process will save the consumer and all professionals involved time and money while ensuring security and compliance with the industry's new and ever-changing lending and legal regulations.

Document management is the industry goal looking into the future of this paperless real estate transaction. This process does not produce paper and the revisions to contracts and all consumer signed documents are stored securely online.

The idea of paperless real estate transaction technology is obviously not brand new. It has been in the industry for a decade following the Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transaction Act.

Both acts were passed to ensure that paperless real estate transactions signed electronically were legally binding. It has become clear that innovation and the paperless real estate transaction are essential in maintaining accurate consumer records and coordinating a seamless real estate transaction with great benefits to the consumer, the lending institutions and all the real estate professionals involved.

Paperless real estate transactions save time, and time is money. The process of : accepting a purchase and sale contract; executing closing documents, the promissory note and mortgage; a compliance review by the lender; transferring the deed and the mortgage to be verified and recorded at the county office building; and issuing the title on the property — all can be sent electronically to the market for loan servicing rights. This process from beginning to end can be completed within one business day.

Despite these benefits, very few large lending institutions have adopted the totally paperless real estate transaction. Many have entertained bits and pieces of this technology but may simply feel the entire process could be a costly overall change in the way they conduct business.

But considering the savings on paper, postage and courier fees, the price of installing the new technology could well be cost effective. Market research studies also clearly show that consumers place value on any company's commitment to being environmentally friendly and that is a factor in their buying decisions.

With the evolution of the local credit unions and smaller banks, this paperless process is already being used more frequently in local real estate transactions. In our own Rochester marketplace, consumers and many real estate professionals have experienced how this level of technical innovation provides advantages and benefits for all of the parties involved with the process.

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