

# SureDocs

SureDocs®, by a la mode, enables mortgage professionals to produce electronic versions of mortgage disclosure documents, send the disclosures to borrowers in a secure GLB compliant manner, and get them electronically signed and returned in hours or even minutes. This document answers the questions lenders may have about the underlying technology in SureDocs, current Federal and State e-signature laws and the product's adherence to industry standards.

## Technology Overview

SureDocs is an Internet-enabled desktop software product that contains two components; a Microsoft® Windows print driver for creating PDF files, and a desktop application for combining documents, rearranging pages and performing other page editing functions.

In order to prepare the PDF for signing, the desktop application allows for both an automatically placed electronic signature, borrower initials, and date tags at appropriate places where a borrower would normally hand sign. A 128 bit SSL connection is used to upload documents to the SureDocs server. Documents are never sent as attachments in e-mail. Instead, borrowers are notified via e-mail and provided with hyperlinks back to a secure website where they can view and electronically sign the documents over an encrypted connection.

From the web-based signing interface, the borrower can review all the disclosure documents before initiating the signing process. When signing, the borrower clicks to apply an electronic signature and initial images to each of the tagged locations on the document. Each signature and set of initials image is stamped with a unique serial number which is recorded on the SureDocs server along with the time stamp of the signature and the current IP address of the signer.

When all signers have applied their electronic signatures, a server side digital certificate belonging to a la mode is applied to the document to provide a tamper evident seal and notifications are sent back to the mortgage broker or loan officer confirming the document has been signed.

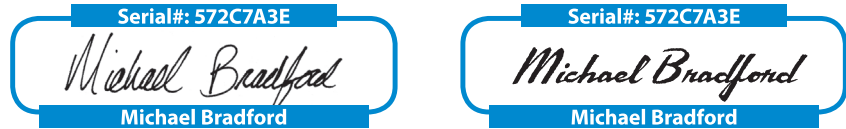
## What You Receive

Throughout this process, you receive an industry standard PDF file that can be read with the free Adobe Acrobat reader or any other PDF viewer software. At all points on the document where you would normally see a hand written signature or initials, you'll see a SureDocs electronic signature and/or initial. So, even though they're electronically signed, they retain the look, feel and utility of standard hand-signed documents. Each e-signature is comprised of the signer's name in either an image of their actual signature or a scripted simulated signature and a unique serial number. Figure 1 shows examples of the two types of signatures applied by SureDocs.

**Documents are uploaded via a 128 bit SSL connection. Each signature is recorded with a unique serial number, time stamp and the IP address of the signer.**



Figure 1: The first example below is an actual signature image. The second example is simulated in a scripted font. Both are as valid and enforceable under the law as a wet ink signature on paper.



## Legality of Electronic Signatures

An electronic signature is an “electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.” For example, a signature can be typed text, an image, a holographic signature or even a digital (PKI based) signature.

Through various legislation, including the state-based Uniform Electronic Transaction Act (“UETA”), and the federal Electronic Signatures in Global and National Commerce Act (“ESIGN”), both the states and federal government have put in place a framework to enable completely electronic transactions — including e-signatures.

ESIGN and UETA are both broad, general acts that cover both consumer and commercial transactions. Both Acts are based on three core principles:

1. A record or signature may not be denied legal effect or enforceability solely because it is in electronic form.
2. If a law requires a record to be in writing, an electronic record satisfies the law.
3. If a law requires a signature, an electronic signature satisfies the law.

The Uniform Electronic Transactions Act (UETA) is a model act promulgated by the National Conference of Commissioners on Uniform State Laws in 1999. UETA was created to prepare state laws for electronic commerce transactions. Almost every state, including the District of Columbia, has enacted some version of UETA. Under UETA, the term “Electronic signature” means “an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.”

In June of 2000, the United States Congress enacted the Electronic Signatures in Global and National Commerce Act (ESIGN) to facilitate the use of electronic records and signatures in interstate or foreign commerce. ESIGN defines “electronic signature” to mean “an electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.”

Both UETA and ESIGN set out the legal framework for the permissible use of electronic signatures. UETA and ESIGN are designed so that a signature, contract, or other record relating to such transaction may not be denied legal effect, validity, or enforceability solely because it is in electronic form.

While the laws governing electronic signatures are broad enough to include voice signatures, current residential mortgage investor requirements prohibit voice signatures at this time.

## Applicability to Mortgage Documents

Under the law, all documents in the mortgage process can be signed electronically. In fact, some lenders are already closing loans electronically. However, a great place to start are the disclosure and origination documents at the beginning of the transaction. By automating the disclosure process, documents are delivered faster to consumers and lenders and the origination process is simplified. Seeing the benefits, many investors are already accepting the disclosures and origination documents electronically.

Signatures obtained  
through SureDocs are  
ESIGN and UETA compliant.

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Guidance has been provided by The Office of the Comptroller for the Currency published Advisory Letter 2004-11 entitled "Electronic Consumer Disclosures and Notices" in October of 2004. In 2001, the Federal Reserve Board published Interim Final Rules addressing the provision of electronic disclosures under Regulation Z (Truth in Lending) and Regulation B (Equal Credit Opportunity Act).

### Verification of Identity

An optional feature of SureDocs is the ability to verify the identity of borrowers. The feature uses a service provided by Wave Systems and Equifax that performs a "soft hit" on the signer's credit report to formulate a series of multiple choice questions that the signer must answer before viewing or signing documents. A positive identification from this service is highly reliable because it employs out-of-wallet type questions not typically known to persons other than the signer.

### Verifying the Authenticity of Signed Disclosures

SureDocs provides lenders with a web interface at [www.SureDocs.com](http://www.SureDocs.com) for verifying the authenticity of signed documents. By entering the serial number and signer's name, you can verify that the serial number/name combination is valid, the precise date and time and IP address from where the document was signed, as well as whether or not proper ID Verification was performed on the signer.

### Questions and Inquiries

For any additional questions regarding technology, compliance or integration solutions, please contact:

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### About a la mode

Founded in 1985, a la mode develops desktop, mobile, and Web tools for the mortgage and real estate industries. a la mode's mission-critical products are used by hundreds of thousands of appraisers, agents, inspectors, and lending professionals to complete the nation's real estate transactions. a la mode's state-of-the-art offices located in Salt Lake City, Orlando, Oklahoma City, and Washington, DC are home to more than 250 employees. For more information, visit [www.alamode.com](http://www.alamode.com).

