



Keys to success with digital closing

Unlock ROI and a streamlined end-to-end mortgage experience with Blend Close



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Introduction

Digital closing is here to stay, and lenders and borrowers across the country are getting on board. So are Blend's customers — and they're seeing powerful results with a fully end-to-end digital mortgage experience. Lenders are utilizing Blend's digital closing solution to provide a better closing experience for all stakeholders, drive efficiency gains, and realize a significant return on investment.

But change isn't always easy. We recognize that there are challenges associated with implementing a digital closing solution, particularly for three key groups: borrowers, loan teams, and settlement agents. In this success kit, we'll outline what to expect, how to proactively work with these three groups, and our best practices for maximizing adoption.

You'll also have the chance to dive into lender success stories to discover how Blend Close works in action — and how it can work for you too.

Gaurav Nagla
Product Manager, Blend Close



Section 1

The rising tide of digital closing

Digital closing is the wave of the future, and the numbers prove it. With 37 states now allowing remote online notarization (RON), many of which passed this legislation in 2020 and 2021, and high demand for online banking services, the amount of title and settlement companies offering digital closings has increased by 228% since 2019¹. Since the introduction of Blend Close, we've seen this rising tide in action.

ALTA 2021

Lenders and title agencies are looking at Blend

23,000+

loans closed per month
digitally through Blend Close
by the end of Q1 2022.

9,500+

title agencies now
use Blend Close.

135+

lenders have signed on to offer
their customers a digitally-enabled
closing experience through Blend.

33,000+

settlement agents
now use Blend Close.

“”

With all the progress we’ve made to provide a better mortgage application experience for consumers, enhancing the closing process is the next critical step in giving customers the experience they deserve when financing the home of their dreams.

Executive
Top 5 bank in the U.S.

Section 2

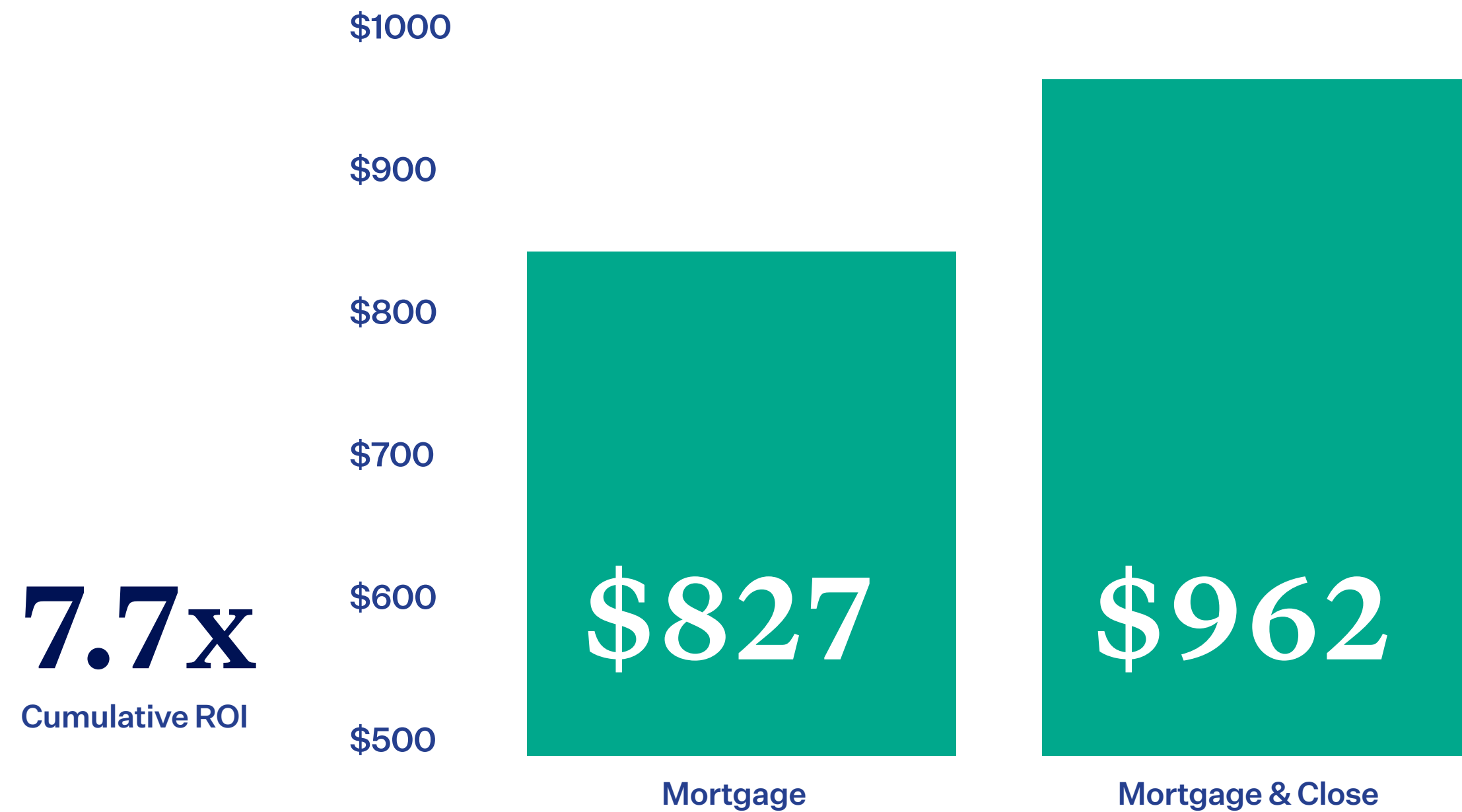
The value of Blend Close, explained

Realizing ROI

For lenders that choose Blend, adding digital closing capabilities with the Blend Mortgage Suite can result in achieving new levels of simplicity, efficiency, and ROI — all while ensuring a seamless customer experience throughout the entire mortgage journey.

By adding Blend Close to our mortgage offering, lenders can realize a cumulative ROI of \$962 per loan.

Potential benefits to lender per loan²



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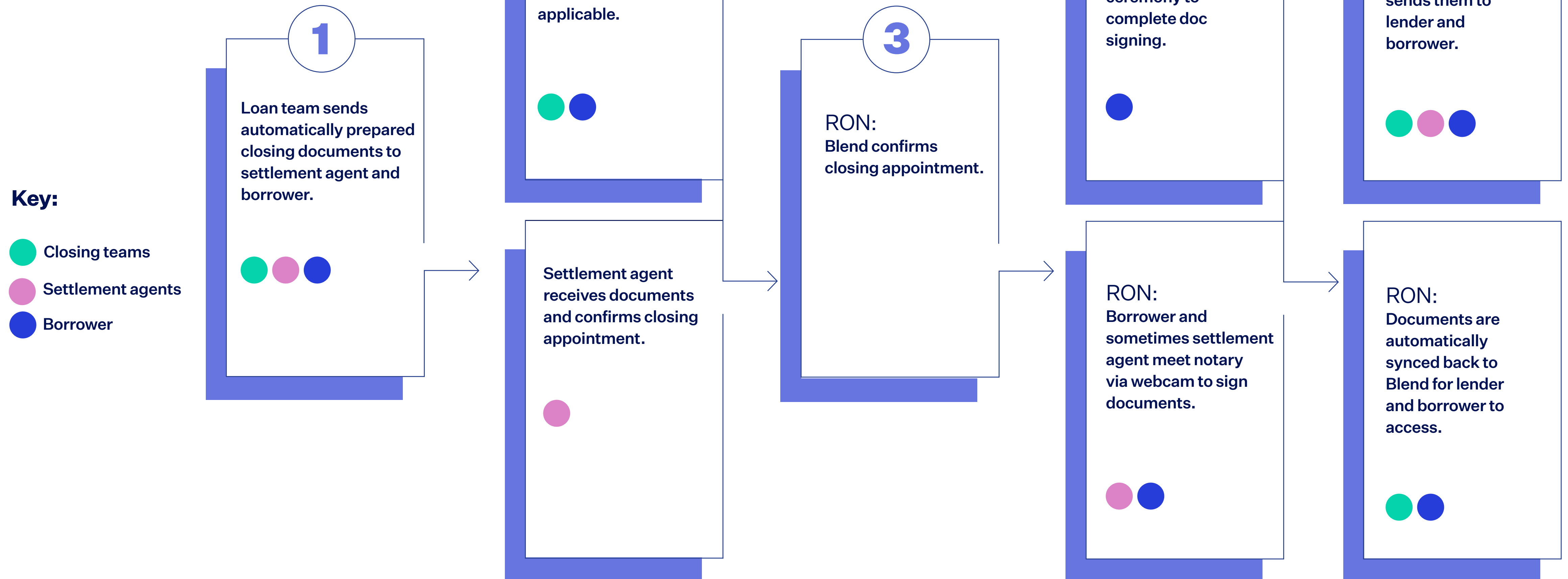
Our goals were to be able to have a quicker customer experience with shorter closing times, not only for our customers, but for our sales staff, for our title partners, and for our real estate partners.

Eric Johnson, VP Mortgage Closing/Post Closing,
First State Bank of St. Charles

² Blend customers who responded to a 2021 Marketwise Survey. The results of this survey are based on an independent study performed by MarketWise Advisors. All data in this report comes directly from customers who use Blend Close as part of their origination process. Individual results may vary.

Driving success with Blend Close

With Blend, lenders can choose either a hybrid or RON (remote online notarization) closing. Closing teams, settlement agents, and borrowers all work together in one portal, supporting clear lines of communication. Automation expedites both types of closing.



Lenders are able to...

close more loans, faster

Blend Close saves time by enabling:

- Loan teams to sync closing details from the LOS and **automate closing document preparation for eSigning**, including an eNote
- Loan teams and settlement agents to manage upcoming closings with a real-time view of **eSign status** and to sort based on closing date
- Loan teams to **send documents directly to the settlement agent** without needing to send them to the borrower first

With borrowers, settlement agents, and closing teams all working in one unified portal, communication is simplified and back-and-forth via email isn't needed. Closing teams can process more volume and expedite closings thanks to automation and simple communication between parties.

Benefits of digital closing according to Blend customers³

2 ▲

Additional loans closed per day

2 ▼

days off closing time

³ Ibid

...close on time

Cut down on closing delays and frustrations by:

- Minimizing document errors with **automated closing document preparation**
- Reducing missing or lost notes with **secure document management and use of eNotes**
- Enabling loan teams to share closing documents with borrowers, educate them on the process, and answer questions before the closing appointment. This functionality can help lenders avoid missing signatures and errors

Errors and missing pieces are the enemies of closing on time. With Blend, borrowers are given clearer instructions and ample time to prepare so they can minimize errors or missing signatures. Loan teams and settlement agents benefit from automation and securely transferred closing documents so closing delays can become a thing of the past.

Benefits of digital closing according to Blend customers⁴

11% ▼

Average reduction
in document errors

13% ▼

Reduction in
missing signatures

12% ▼

Reduction in
missing or lost
notes

⁴ Ibid

...and extend a great mortgage experience

Unify the loan process with one consumer portal from application to close. Lenders can extend a great mortgage experience by:

- Enabling consumers to complete the necessary steps to close a loan and reference completed closing documents all in one **Loan Hub**
- Answering questions. Loan teams can clarify any borrower confusion and ensure the borrower is comfortable with the upcoming process
- Streamlining **closing appointments**. Questions answered upfront can lead to quick and painless closing appointments so borrowers can end on a positive note

Digital closing can be daunting — but it doesn't have to be. Blend Close offers lenders the tools to demystify the process and make it as transparent as possible, offering the same level of service and ease — all in the same platform — that borrowers enjoyed throughout the application process.

Blend Close in action:

American Federal Mortgage

Blend has been helping American Federal Mortgage drive online traffic and grow digitally since 2019. Originally, American Federal retained a separate provider for hybrid close, but decided they needed an updated method for streamlining the closing process for customers, closing teams, and settlement agents. “People want to have an easier process. Time is valuable to the closing agents and to our customers,” said Andrew McElroy, SVP.

100% of loans now go through Blend Close. The American Federal team is now able to offer a truly end-to-end digital mortgage, and they are reaping the rewards of an expedited — and clearer — process.

“There is a lot less confusion around ‘what do I do for my closing’ because the borrowers have interacted with the Blend portal the entire time. Now they’re just going there to sign the closing documents. It’s very self-explanatory to the borrower,” McElroy noted.

Borrowers are finishing the process in as little as ten minutes, and some settlement agents have seen a **2x increase in volume**.

Read on to hear more from McElroy about how Blend Close has streamlined borrower journeys, expanded settlement agent capacity, and saved time for closing teams.

Section 3

3 common barriers to adoption and how to overcome them

To lenders, the value of a digital closing may be clear. But how do you get the three key stakeholder groups — borrowers, closing teams, and settlement agents — on board? We believe that clearly communicating the unique benefits of Blend's digital closing solution that serve each group is key. Let's dive into how Blend Close can serve borrowers, closing teams, and settlements — and how you can convince them it will.

- Navigating borrower hesitation
- Getting your team on board
- Overcoming settlement agent reluctance

Challenge: Navigating borrower hesitation

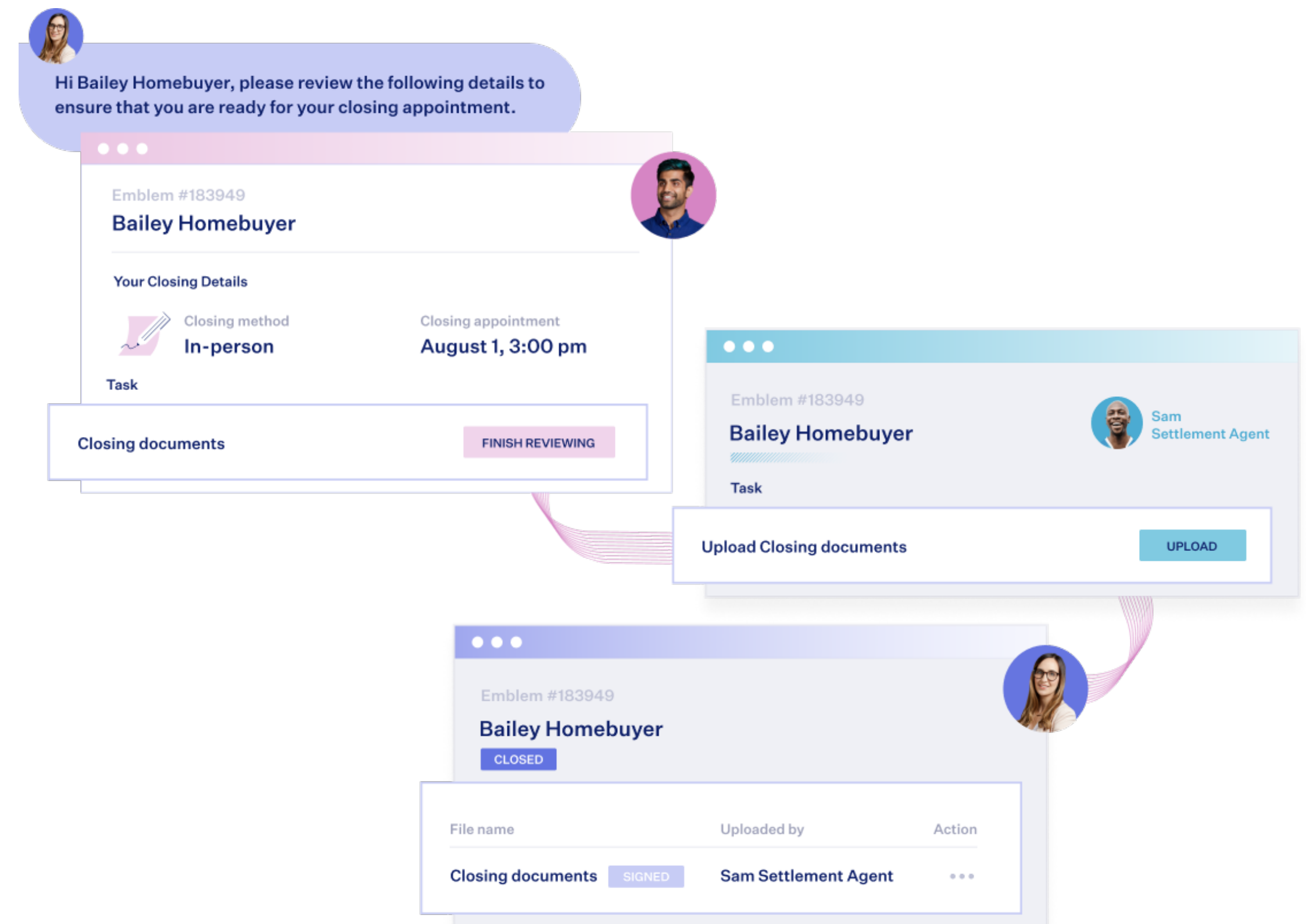
Faced with an uncertain and digitally intermediated process, some borrowers can be skeptical. Questions are normal, as your customers may want to understand how the process works and why it's being done in a digital way. Asking borrowers to exit one portal and enter another can add more friction to the process.

Customers may also react with hesitation to the need for self-service. Although this can be simple for some, it can be very daunting for others, especially as part of the high-stress homebuying process. If they're not comfortable with the novelty of closing, or if they've closed traditionally before and want to stick with what they know, they may default to the traditional method.

Key Challenges

- Uncertainty with digital process
- Resistance to self-service
- Incomplete understanding of their mortgage

Give borrowers step-by-step instructions to ease frictions



Solution:

Provide a guided, transparent process

Once borrowers reach closing, it's key to ease uncertainty.

With Blend's platform, lenders can:

- Offer uniformity and familiarity with Blend Signing Room integrated into the borrower app
- Provide an accessible and transparent process
- Clearly communicate the upcoming process and the steps necessary to close
- Finish strong with a streamlined closing appointment

“”

[Blend Close] is much more transparent for the customer. Before [Blend Close], borrowers show up the day of closing and have a stack of paper to go through and sign. Now, we send documents at least a day prior, giving the borrower time to read through them and ask questions, so when they show up at the closing table, they've already seen everything.

–Andrew McElroy, Senior Vice President,
American Federal Mortgage

Challenge:

Getting your team on board

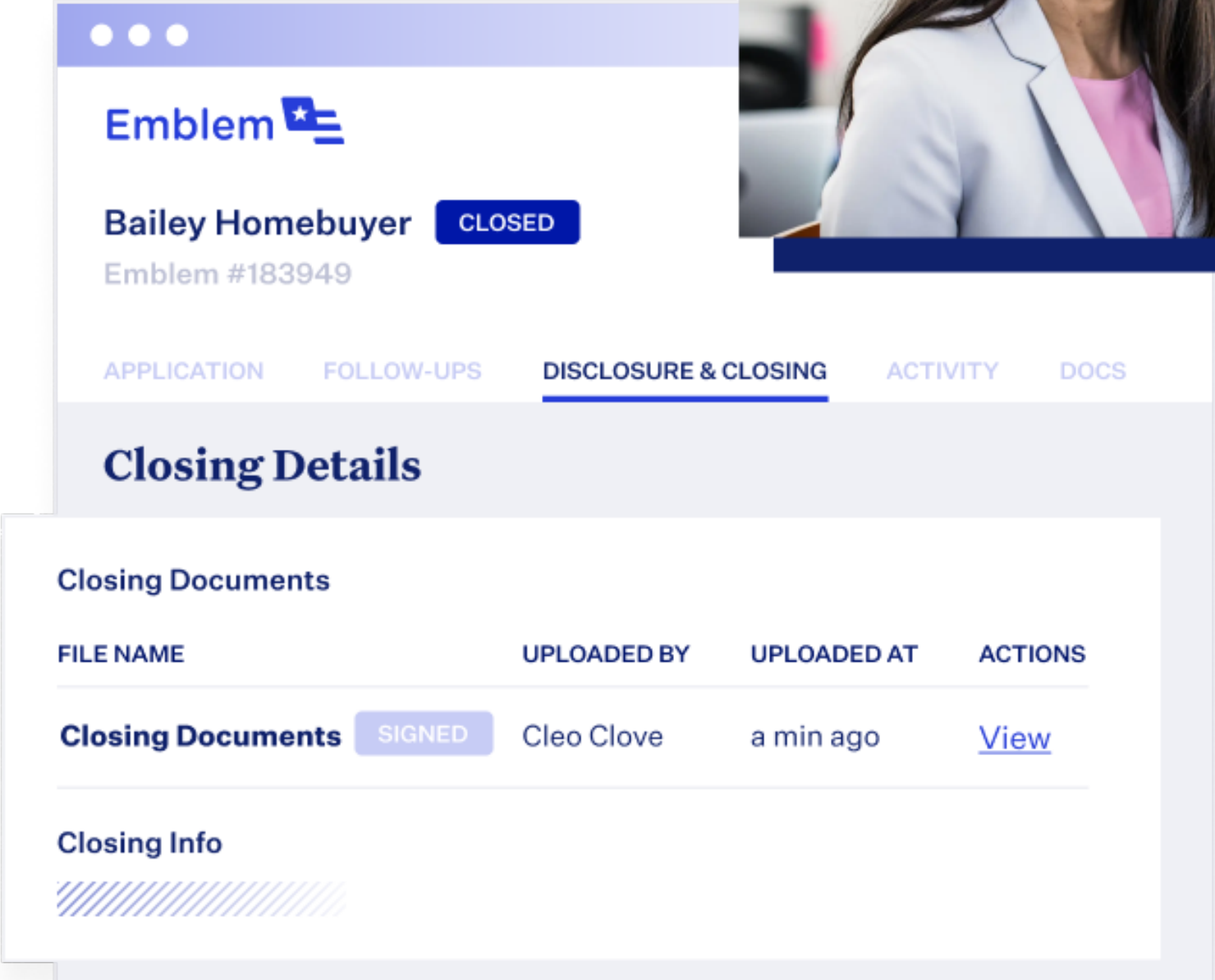

Your lending teams are used to managing just one type of closing — the traditional one. Now you're considering asking them to learn and manage multiple processes for different types of closings.

Getting your team on board can be a bit of a hurdle, especially if they imagine the transition process will be overwhelming. Additionally, they may be worried about settlement and title agents adopting the new methodology.

Key Challenges

- Devotion to tradition
- Unclear transition processes
- Feared misalignment with key partners
- Expectations that this will create more work, not less

Provide closing teams with all the documentation and information they need for each loan in one view.



The screenshot displays the Emblem software interface for a loan titled "Bailey Homebuyer" (Emblem #183949), which is marked as "CLOSED". The interface includes a navigation menu with tabs for "APPLICATION", "FOLLOW-UPS", "DISCLOSURE & CLOSING" (the active tab), "ACTIVITY", and "DOCS". Below the navigation, the "Closing Details" section is visible, featuring a "Closing Documents" table and a "Closing Info" section.

FILE NAME	UPLOADED BY	UPLOADED AT	ACTIONS
Closing Documents	Cleo Clove	a min ago	View

Solution:

Standardize for simplicity

Getting your closing teams to adopt a digital closing solution is simple with Blend. Blend Close involves the same process for all closing types. This makes it easy to standardize on the solution from day one.

There are a number of time-saving features that make Blend Close attractive to closing teams.

Communicate these capabilities to your closing teams to get them on board:

- Minimize back and forth with borrowers
- Eliminate the need to track different versions of documents during redraw
- Avoid post-closing errors with Blend-generated eNotes
- Obtain a real-time status view on loans in one place
- Onboard settlement agent partners in one click
- Enjoy collaborating with all parties in the same intuitive portal

““”

[Blend Close] also helps us with things like signing mistakes and people putting the wrong dates.

–Andrew McElroy, Senior Vice President,
American Federal Mortgage

Challenge:

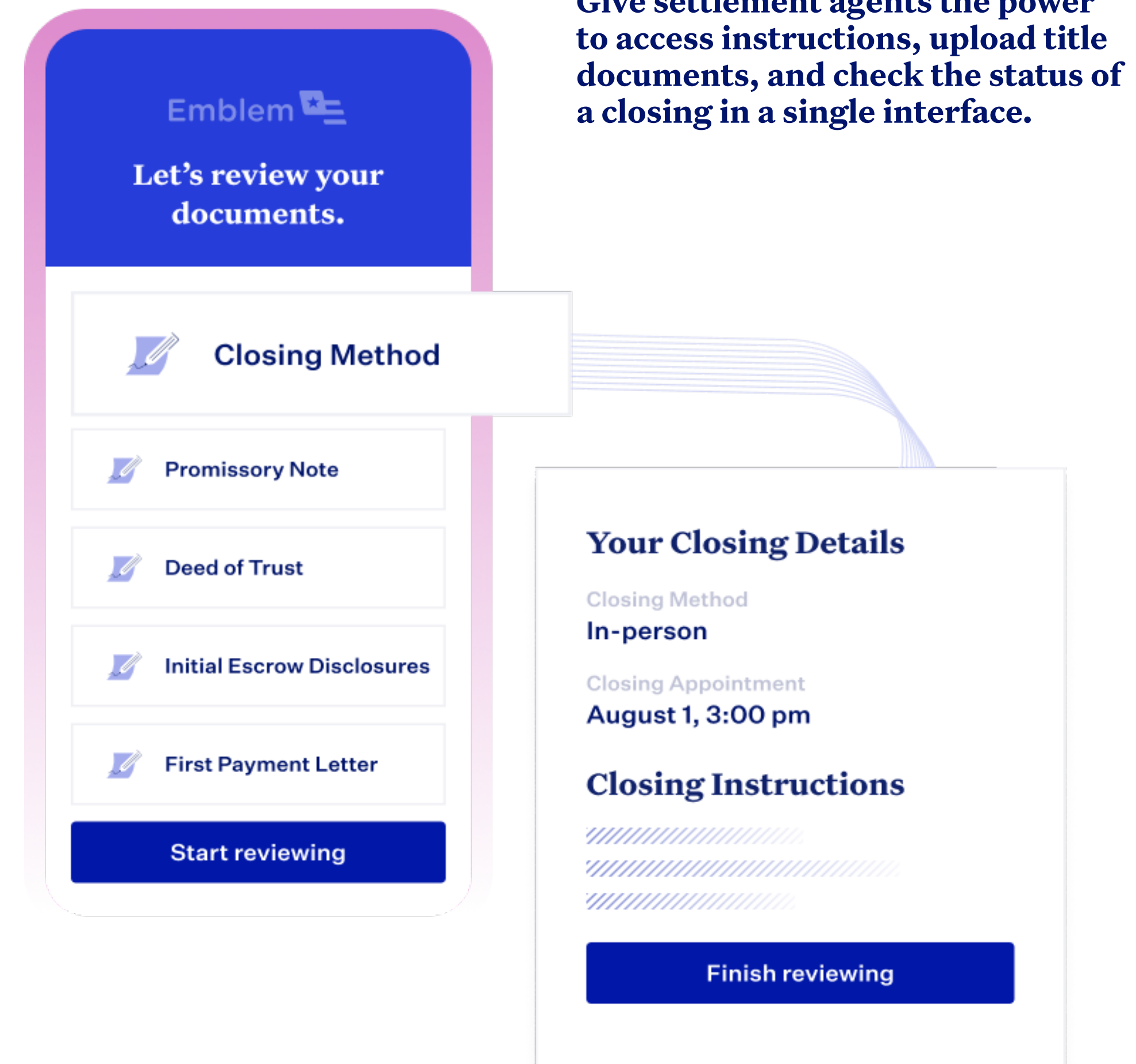
Overcoming settlement agent reluctance

Settlement agents might be wary of digital closings for a few reasons. Certain solutions require fees to access basic functionality, and some necessitate the creation and management of different login credentials for each lender a settlement agent works with.

Digital closing interfaces aren't always intuitive and easy to use, and agents may dread the prospect of a long training session to be able to get up and running with yet another tool.

Key Challenges

- Different systems for different teams
- Separate execution and communication applications
- Various log in credentials



Solution:

Cater to unique settlement needs

Blend Close won't make big waves for your settlement agents — other than in efficiency. In fact, Blend supports a more seamless experience by connecting closing teams and settlement agent partners. The change in process is minimal, but the impact is significant.

Highlight the following benefits to get settlement agents on board:

- Onboard in one click and use one set of login credentials for all Blend lenders
- Enjoy a holistic view of all closings in one interface
- Securely receive closing documents from the lender within the Blend interface and upload title documents for routing to a RON vendor
- Use the Settlement Agent Workspace to track the status of documents in real-time, review detailed closing instructions for each loan, and receive notifications when you need to take action
- Easily standardize on Blend for refis and purchases
- Collaborate easily with teammates, lenders, notaries, and attorneys
- Utilize Blend's live support, dedicated phone line, and resources

“”

Blend Close has allowed settlement agents to move from closing to closing faster than they did in the past.

**–Andrew McElroy, Senior Vice President,
American Federal Mortgage**

Blend Close in action:

BMO Harris Bank

Amid rapid demand for digital closings, BMO Harris Bank sought to expand upon their partnership delivering exceptional experiences across mortgage and home equity products with Blend.

“BMO has accelerated our digital options for our customers, including both digital banking and digital lending,” Mark Shulman, head of consumer lending at BMO, said. The team implemented Blend Close: “In the case of lending, we expanded our offering of hybrid closing and introduced video close with online notary.”

Blend and BMO have worked hand in hand to ensure positive results for BMO customers. “Due to location challenges, it’s been extremely useful,” noted Shulman. The digital closing process takes as little as ten minutes, and both customers and settlement agents have reported positive experiences.

“”

We are always looking to make the entire process more convenient for our customers as we know they are busy, and traveling to a bank branch or title company may be inconvenient. Partnering with Blend will enable us to be on the forefront and continue our track record of innovation.

–Eric Johnson, Vice President of Digital Lending,
BMO Harris Bank

Blend Close in action:

BMO customers have been clear in their feedback

“”

Everything went smoothly, the notary was very knowledgeable and was able to walk me through everything. The instructions were very clear.

“”

It was very quick, we finished in about 10 minutes, didn't have any questions, and it was easy to use.

“”

I thought the video closing went well. The notary helping us was very easy to work with and helpful throughout the process.

Conclusion

With more and more lenders offering digital closings, you can't afford to get left behind. With our toolkit to get key stakeholders on board, you're armed to drive adoption and join the wave of the future. Once Blend Close is up and running, you'll be poised to deliver a fully digital end-to-end mortgage while driving efficiency for your teams and realizing ROI for your business.



Powered by Blend

Blend helps lenders maximize their digital agility. We streamline the journey from application to close for any banking product across every channel. Our Digital Lending Platform is used by Wells Fargo, U.S. Bank, and over 285 other leading financial institutions to acquire more customers, increase productivity, and deepen customer relationships.

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