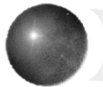


*Electronic Mortgage Closing
In North Carolina –
Why We Must Lead*



Honorable Elaine F. Marshall
North Carolina Secretary of State

Ozie H. Stallworth,
Electronic Notarization and Notary Enforcement Director
February, 2017



***WHAT IS AN ELECTRONIC
MORTGAGE CLOSING?***



eMortgage Definition

An eMortgage is a mortgage loan where the critical loan documentation, specifically the promissory note (eNote), is created electronically, executed electronically, transferred electronically and ultimately stored electronically.

An “eClosing” produces an “eMortgage” only if the promissory note is signed electronically.

- Fannie Mae eClosings and eMortgages (eNotes) FAQ, 11/2015

3



eClosing Definition

An eClosing is the act of closing a mortgage loan electronically. This occurs through a secure electronic environment where some or all of the closing documents are executed and accessed online.

This is often a hybrid process in which certain key documents (e.g., Note, Security Instrument) are printed to paper and traditionally wet-signed while other documents throughout the process are signed electronically.

- Fannie Mae eClosings and eMortgages (eNotes) FAQ, 11/2015

4



Components of eClosing

- ⊕ eNote
 - ⊞ Mismo 3.3 smart doc
- ⊕ eClosing Solution
 - ⊞ System that allows closing docs to be signed, notarized and delivered electronically
- ⊕ eVault
 - ⊞ Secured mechanism to store the eNote

5



Types of eClosings

- ⊕ Hybrid
 - ⊞ Combination of eSignatures and wet signatures (Note and notarized docs)
- ⊕ Electronic
 - ⊞ All docs including the Note and recordable docs are electronic (true paperless process)

6



WHY ECLOSINGS?

7

The Benefits

Customer Satisfaction – Competitive Edge

- Consumers demand faster, better, and more reliable service/processes
- Customer retention efforts are key
- Creates educated and empowered consumers
- Closings go from 1 hour to 15 minutes

Reduce Operational Costs by:

- Validating Data Earlier in the Process

Improved Data Integrity/Transparency (Day One Certainty)

Post-Closing Activities Significantly Reduced/Eliminated

Faster Delivery into the Secondary Market

Eliminates Inefficient Workflows – Less Errors in “e”

Reduction in Loan Origination Cycle Times – Time is Money

8

eMortgage Update

The Right Time - The Market Landscape

2016 FHFA Scorecard

- Assess and, as appropriate, implement strategies to improve the lending industry's ability to originate and deliver eMortgages to the Enterprises
- Survey, industry feedback/outreach, and strategies - focused in 2016

CFPB Pilot Proved

- Better consumer understanding
- More efficient process
- Greater feeling of consumer empowerment

Compliance

- eClosing technology providers support and ensure compliance
- TRID is driving data standards - delivering docs early in the process

Servicing

- Customers are asking for it – more servicers entering the space
- GSEs updated sub-servicing strategy - opened the market

9

eMortgage Update

The Right Time - The Market Landscape

GSE Support

- Have been purchasing eNotes for 12 years
- Teams in place to support integration/implementation
- Clear and concise guidelines
- Educational efforts

Mini-Aggregators

- Multi-tenant eVault – game changer
- Two more organizations building this model - competitive 'e' edge solution
- Some offering pricing incentives to persuade correspondents to do "e"

Technology Solutions

- Becoming more and more sophisticated
- Technology organizations teaming up to gain market share
- More testing to become operationally enabled than ever before

Baby Boomers

- By 2016, 80% of the workforce will be made up of millennials
- They will buy 2- 4 houses in their lifetime – customer retention is key

10



WHY NORTH CAROLINA MUST LEAD

11



- ⊕ Ensure Safety for Consumers
 - ⊞ Keep N.C. Mortgage Infrastructure Intact
 - Role of attorneys
 - ⊞ eNotarization –
 - in-person vs remote (via webcam)
 - ⊞ Protect N.C. Business Interests/Economy
- ⊕ North Carolina is Prepared to Lead!

12



N.C. IS POSITIONED TO LEAD

13



Legal Framework

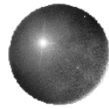
- ⊕ North Carolina currently supports the following components of eCommerce:

eSignatures ✓

eNotarization ✓

eRecording ✓

14



Electronic Signatures

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. NCGS 66-312(9)



15



- ⊕ 1998 NC eCommerce Act
 - ❖ Authorized public agencies to accept eSignatures
 - ❖ Afforded eSignatures the legal equivalence of manual signatures
- ⊕ 2000 NC Uniform Electronic Transactions Act (NCUETA)
 - ❖ Provided legal recognition of eRecords, eSignatures and eContracts
 - ❖ Acknowledged recording of eDocuments

16

Common Electronic Signatures

➤ Digitized Signature



➤ Tiff Image

➤ Click Through



➤ Digital Certificate



17

Common Electronic Signatures (continued)

➤ Electronic “Check Box”

➤ “I agree to accept” buttons



➤ Holographic Signature / Signature Pad



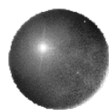
18



North Carolina's eSignature Vendor



19



Electronic Notarization

The eNotarization process is identical to a traditional paper notarization



20



⊕ 2005 Electronic Notarization Act

- ⊠ Authorized electronic notarizations
- ⊠ Authorized Secretary of State to create Administrative Rules
- ⊠ Required eNotaries to register with the State
- ⊠ Required a course of Instruction

21



⊕ 2007 Electronic Notarization Administrative Rules

- ⊠ Physical Appearance requirement
- ⊠ Security of the eSignature and eSeal
- ⊠ Specifications for eNotary solutions and providers of solutions
- ⊠ Separate attestation requirement

22



eNotarization – Registration Process

⊕ Requirements:

- ❖ Hold a valid NC notary commission
- ❖ Complete a 3 hour eNotary course and exam
- ❖ Submit online application to SOS w \$50 registration fee
- ❖ Take the Oath of Office at the Register of Deeds

The eNotary registration coincides with the regular notary commission term.



23

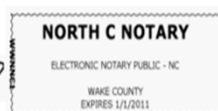


eNotarization – Signing Process

- ⊕ Personal appearance
- ⊕ Identification of principal signer
- ⊕ Voluntary signing of document
- ⊕ Complete notary certificate
- ⊕ Affix eNotary signature & eNotary seal

An electronically notarized document will have the image of the eNotary seal and the eNotary's handwritten signature.

North C. Pirkey



24



What's The Difference?

- ⊕ The Tools!!!
- ⊕ All the Same Time Honored Notary Principles Apply!
- ⊕ The document can be transmitted, printed, emailed, or stored on a storage device.

25



eNotary Program

- ⊕ 1000+ active eNotary
- ⊕ 85 eNotary Instructors
- ⊕ All Community Colleges authorized to provide the eNotary course

26



eNotarization – Solution Providers

- ⊕ Must apply to be authorized
- ⊕ Must verify status of eNotary before providing solution
- ⊕ Submits exemplar of the eNotary signature and seal
- ⊕ Required to take N.C. eNotary course



27



Electronic Notary Solution Providers

- ⊕ The Department will:
 - ❖ Ensure that all eNotarization solutions meet the legal, technical and performance standards of the state
 - ❖ Publish a list of authorized solutions on our website
 - ❖ Not endorse any e-notary solution or provider of e-notary solutions

28



Current Authorized Solution Providers

- ⊕ World Wide Notary
- ⊕ Simplifile
- ⊕ Electronic Document Logistics
- ⊕ Settleware
- ⊕ DocVerify
- ⊕ DocuSign
- ⊕ Corporation Service Company

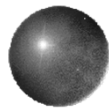
29



Electronic Notary Signature & Seal

- ⊕ Security
 - ⊠ Must be tamper evident
 - ⊠ Kept under the sole control of the Notary
 - ⊠ Controlled and used only by the Notary
 - ⊠ Passwords, PINS and other authentications must be used

30



Electronic Recording

It's still recording, only the medium and delivery mechanism has changed.



31



- ✦ 2005 NC Uniform Real Property Electronic Recording Act (URPERA)
 - ✦ Recognized eDocuments as equivalent to an original
 - ✦ eSignatures satisfies any signature requirement for recordable documents
 - ✦ Recognized authenticity of an electronically notarized document
 - ✦ Authorized the Secretary of State to develop Rules through an appointed Council (Electronic Recording Council)

32



2007 Electronic Recording Standards

- ❖ Data and Document Formatting
- ❖ Payment of Recording Fees
- ❖ Security
- ❖ Trusted Submitter Registration
- ❖ Submission for Recording
- ❖ Document Return
- ❖ E-Document Processing Methods and Systems
- ❖ Security Backup and Disaster Recovery
- ❖ Notary Acknowledgement/Signature
- ❖ Long Term Retention and Preservation of Digital Records.
- ❖ eRecording Maps/Plats

33



Verifying an Electronic Record

- ❖ G.S. 47-14 requires a Register of Deeds to verify the officer's signature, commission expiration date, and the official seal prior to recording a record
- ❖ NC eNotary rules ensures the same process for eDocuments
- ❖ **THE ONLY CHANGES ARE THE TOOLS!**

34



Verification per G.S. 47-14:

- Notary Signature
- Official Seal
- Commission Expiration Date

North Carolina Department of the Secretary of State
Charitable Solicitation Licensing

Signature Amendment Form
for charitable or sponsor organizations

Applicant Organization's Name: North Carolina Notary Association

Confirmation that signer of previously filed license application performs duties of treasurer or chief fiscal officer:
As the signer of the previously submitted license application and attachments, I affirm that although I do not possess the title of "treasurer" or "chief fiscal officer" of the applicant organization, I perform the duties of the treasurer or chief fiscal officer of the applicant organization, and that I acted in such capacity in preparing, signing, and filing the previously submitted license application and attachments.

Signature: *Jay Smith*
 Signer's Name (Print): Jay Smith
 Signer's Title (Print): Treasurer
 Date: July 17, 2007

Notarization: The following is for an electronic notary public to place you under oath and then notarize your signature:

State of North Carolina
 County of Wake

Sworn to and subscribed before me this the 17th day of July
 in the year of 2007

Notary Public's Signature: *Ozie H. Stallworth*
 Notary Public's Name (Print): Ozie H. Stallworth
 Date Notary Public's Commission Expires: May 30, 2011

Ozie H. Stallworth
 Electronic Notary Public
 Wake County, North Carolina
 My Commission Expires May 30, 2011

CCL Contact Information: Agency internet site: www.ncsps.com; Electronic Mail: ccl@ncsps.com
 Telephone: (919) 837-2214; Toll free for NC residents: 1-888-630-4393
 Facsimile: (919) 837-2202
 Mailing Address: P.O. Box 29822, Raleigh, NC 27628-0822

Signature Amendment Form for charitable or sponsor organizations Form Revision: 1 Effective Date: June 7, 2005 Page 1 of 1

35



HOW TO START ERECORDING

36



Select an eRecording Vendor

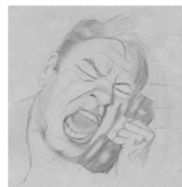
- ⊕ Corporation Service Company (Ingeo)
- ⊕ Simplifile
- ⊕ Indecomm Global Services
- ⊕ eRecording Partners Network (EPN)
- ⊕ Intek
- eRecording is NOT done via email!

37



Execute a Submitter Agreement

- ⊕ General recording parameters for each county
 - ⊠ Fees
 - ⊠ Hours of operation
 - ⊠ Return To options
 - ⊠ Payment options
 - ⊠ Administrative contact



38



Must Submit Original Documents

⊕ NC G.S. 47-14

- ⊞ Authentication is the responsibility of the submitter
- ⊞ Submitter must include related language on first page of document before recording

“Submitted electronically by (submitter’s name) in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the (county name) County Register of Deeds.”



North Carolina E-Recording Counties

September 26, 2016



Legend
NC State Map by County
E_Record

| | |
|--|----------------------|
| | Yes (73) |
| | Within 12 months (5) |
| | No (22) |



73 North Carolina Counties eRecording as of 12/12/16

| | | | | |
|-----------|------------|-------------|-------------|--------------|
| Alamance | Chatham | Halifax | Mitchell | Rowan |
| Alexander | Cleveland | Harnett | Montgomery | Sampson |
| Alleghany | Columbus | Haywood | Moore | Scotland |
| Avery | Craven | Henderson | Nash | Stanly |
| Beaufort | Cumberland | Hoke | New Hanover | Surry |
| Bertie | Currituck | Iredell | Onslow | Transylvania |
| Bladen | Dare | Jackson | Orange | Union |
| Brunswick | Davidson | Johnston | Pamlico | Wake |
| Buncombe | Duplin | Lee | Pender | Watauga |
| Burke | Durham | Lenoir | Perquimans | Wilson |
| Cabarrus | Forsyth | Lincoln | Pitt | Yadkin |
| Caldwell | Franklin | Macon | Randolph | Yancey |
| Caswell | Gaston | Madison | Richmond | |
| Carteret | Granville | McDowell | Robeson | |
| Catawba | Guilford | Mecklenburg | Rockingham | |



eRecording Percentages By County

4/7/2016

| County | Percentage | County | Percentage | County | Percentage |
|------------|------------|-------------|------------|--------------|------------|
| Alamance | 70% | Forsyth | 50% | Pamlico | 15% |
| Alexander | No Data | Franklin | 45% | Pender | No Data |
| Alleghany | 1% | Gaston | 50% | Pitt | 35% |
| Avery | 25% | Granville | 40% | Randolph | 26% |
| Beaufort | 5-7% | Guilford | 45% | Richmond | No Data |
| Bertie | 40% | Halifax | 11% | Robeson | 45% |
| Bladen | 10% | Harnett | 40% | Rockingham | 50% |
| Brunswick | 5% | Haywood | 20-25% | Rowan | 25% |
| Buncombe | 21% | Henderson | 14% | Sampson | 25% |
| Burke | 20% | Hoke | 20% | Scotland | 5% |
| Cabarrus | 30% | Iredell | No Data | Stanly | 2% |
| Caldwell | 35% | Jackson | No Data | Surry | 50% |
| Carteret | 40% | Johnston | 38% | Transylvania | 18% |
| Caswell | 5% | Lee | No Data | Union | 40% |
| Catawba | 18% | Lenoir | 25% | Wake | 50-70% |
| Chatham | 30% | Lincoln | 40% | Watauga | 15% |
| Columbus | 15% | Madison | 5% | Wilson | 40% |
| Cleveland | 20 to 25% | McDowell | 25% | Yadkin | 20% |
| Craven | 30% | Mecklenburg | 56% | Yancey | 30% |
| Cumberland | 37% | Mitchell | 36% | | |
| Currituck | 15% | Moore | 40% | | |
| Dare | 10% | Nash | 35% | | |
| Davidson | 50% | New Hanover | 31% | | |
| Duplin | 20% | Onslow | 25% | | |
| Durham | 53% | Orange | 50% | | |



3 Types of eRecording Submissions

- ⊕ Understand document submission levels or models

- ⊕ Level 1 – Scanned image



- ⊕ Level 2 – Scanned image + index data



- ⊕ Level 3 – Electronic image + electronic data



43



eRecording - Benefits

- ⊕ Easier document creation
- ⊕ Eliminate redundant data entry
- ⊕ Reduce errors
- ⊕ Improve turnaround time
- ⊕ Quicker submission of documents to Recorder
- ⊕ Reduce document rejections



44



eRecording – Benefits (continued)

- ⊕ Prompt confirmation and receipt of document recordation
- ⊕ Seamless integration with current document management systems
- ⊕ Improve overall level of service



45



E-recording: Title Issues Being Discussed

Commercial & Residential transactions

- ⊕ Minimizes the “gap” on commercial transactions
- ⊕ Not all counties accept all / any e-recording
- ⊕ Pre-recording requirements (PIN's, tax certs, forms)
 - ⊗ Go to “Real Estate Recording Guide” on ntiweb.com for specific county information & recording requirements
- ⊕ Special recording requirements of various counties → rejections
- ⊕ Order of (delays in) recording – immediate? After those physically present? Tax office pickup?
- ⊕ On-line update issues:
 - ⊗ Proposed Notice of Settlement Act under discussion]
 - ⊗ On-line indexes – how current?
 - ⊗ On-site title examiner updating?
 - ⊗ AOC index delays
 - ⊗ “Temporary” boxes at Clerk and Register offices

46



SECRETARY OF STATE ECLOSING PILOT PROGRAM

47



Mission Statement

- ✦ To encourage every entity conducting business in North Carolina to take full advantage of the many benefits provided by transacting business electronically.



48



Stakeholders Responded

Lenders

- North State Bank
- Uwharrie Bank
- State Employees Credit Union

Organizations

- NC Bar Association, Real Property Section
- N.C. Commissioner of Banks
- Land Title Association
- N.C. Bankers Association
- N.C. Association of Registers of Deeds

Investors

- Fannie Mae
- Freddie Mac
- Federal Home Loan Bank of Atlanta

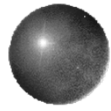
49



eClosing Pilot Facts

- ⊕ First State Sponsored eClosing Pilot
- ⊕ Full End-to-End eClosing (Paperless)
- ⊕ eNotarization (In-Person)
- ⊕ Will Produce:
 - ▣ Best Practices Document
 - ▣ Report on Benefits of eClosing
 - ▣ Spin-Offs in Other States

50



eSignature, eNotarization, eClosing Demo

DocuSign Help

Input Password and Pin

LOG IN TO DOCUSIGN No Account? Sign Up

docusign_notary1@outlook.com ←

..... ←

Forgot your password?

LOG IN

COMPANY LOGIN

More log in options

Have questions?
Our new support center is now live!
Find answers here

52

DocuSign Home Manage Send Dashboards Reports Electronic Notary1 334858

Create

Select "Create Envelope"

Current Filter: Status - In Process Search Envelopes

Envelope

| From | Subject | Sent | Completed | Status |
|-----------------|---|-------------------------|-----------|------------|
| Notary Sender | Please DocuSign this document: CLE Demo Doc.pdf | 4/8/2016 8:55:31 AM PT | | In Process |
| Notary Sender | Please DocuSign this document: Simple Sample eNotarization | 4/6/2016 1:31:25 PM PT | | In Process |
| Ozie Stallworth | Please DocuSign this document: Test Doc NCBA CLE.pdf | 4/6/2016 1:07:14 PM PT | | In Process |
| Notary Sender | Please DocuSign this document: State of North Carolina Power of Attorney (Healthcare Directive) | 3/21/2016 3:10:47 PM PT | | In Process |
| Notary Sender | Please DocuSign this document: CLE Demo Doc.pdf | 2/24/2016 8:52:51 AM PT | | In Process |
| Notary Sender | Please DocuSign this document: CLE Demo Doc.pdf | 1/27/2016 9:58:34 AM PT | | In Process |

Search Folders

- Awaiting my Signature
- Expiring Soon
- Out for Signature (1)
- Completed

Templates

- My Templates
- Shared Templates
- All Account Templates
- PowerForms

Summary Document

Envelope Status: In Process Hide Completed

Envelope Subject: Please DocuSign this document: Test Doc NCBA CLE.pdf

Pages: 1

- Sent by Ozie Stallworth (docusign_notary1@outlook.com) | 4/6/2016 1:04:47 PM PT
- Signed by Kimberly Korando (kiorando@smithlaw.com) | 4/6/2016 1:06:07 PM PT
- Signed by Lisa Glover (lisa.glover@townofcar.org) | 4/6/2016 1:07:12 PM PT
- Signed by Ozie H Stallworth (Ozaria97@gmail.com) | 4/6/2016 1:10:09 PM PT
- Next to notarize Ozie Stallworth (docusign_notary1@outlook.com)

53

DocuSign Home Manage Send Dashboards Reports Electronic Notary1 334858

Documents for Signature

Browse from my Computer

Choose an Online Document

Upload document

Recipients and Routing

Recipient Email Add Me

Recipient Name

Add Signer Add CC

Order Diagram

Email Message

Please enter a personalized subject and message so the recipient can verify that the signing request is legitimate.

Email Subject to All Recipients (required)

Email Message to All Recipients

Add a Note to

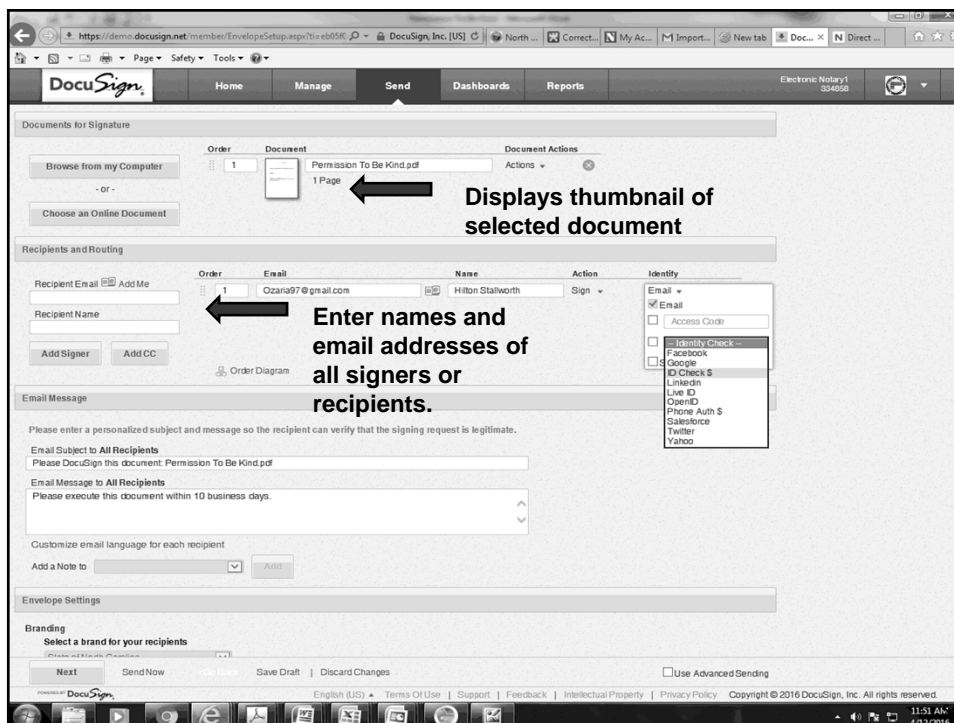
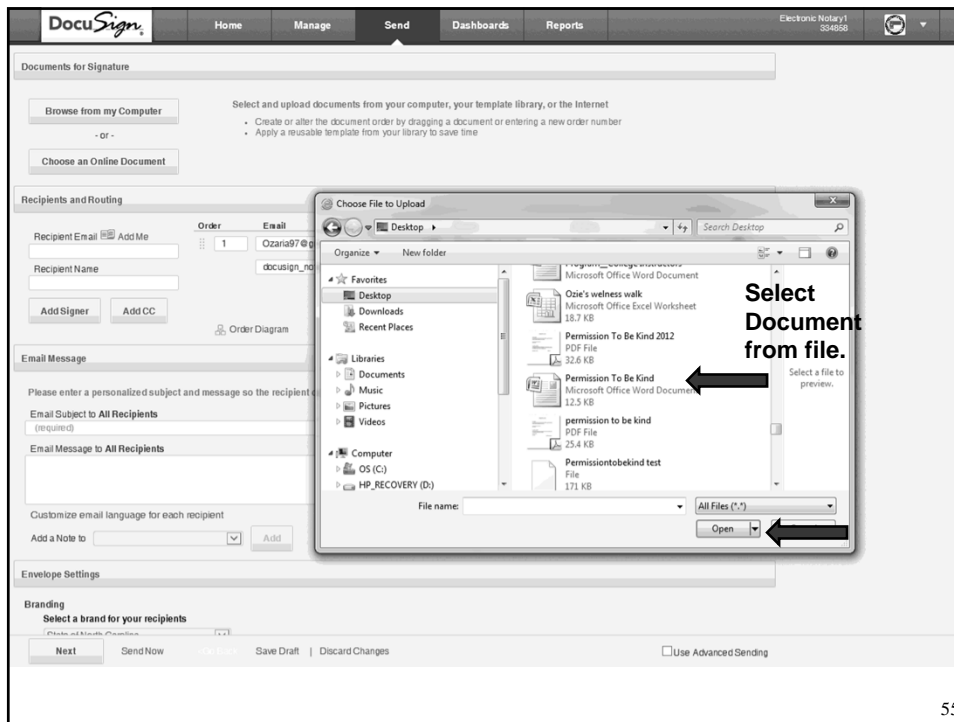
Envelope Settings

Branding

Select a brand for your recipients

State of North Carolina

54



DocuSign Home Manage **Send** Dashboards Reports Electronic Notary1 334958

Documents for Signature

Browse from my Computer - or - Choose an Online Document

| Order | Document | Document Actions |
|-------|-------------------------------------|------------------|
| 1 | Permission To Be Kind.pdf 1 Page | Actions |

Recipients and Routing

| Order | Email | Name | Action | Identify |
|-------|-----------------------------|-------------------|----------------------------------|----------|
| 1 | Ozaria97@gmail.com | Hilton Stallworth | Sign with Notary | Identify |
| | dcusign_notary1@outlook.com | Ozie Stallworth | Find an Electronic Notary Public | |

Add Signer Add CC

Order Diagram Note: Sign with Notary is free for a limited time.

Email Message

Please enter a personalized subject and message so the recipient can verify that the signing request is legitimate.

Email Subject to All Recipients
Please DocuSign this document: Permission To Be Kind.pdf

Email Message to All Recipients
Please execute this document within 10 business days.

Customize email language for each recipient
Add a Note to [dropdown] Add

Envelope Settings

Branding
Select a brand [dropdown]

Next Send Now Save Draft Discard Changes Use Advanced Sending 57

Signing with Notary is the highest form of identity proofing.

Create individual notes for each signer.

DocuSign Home Manage **Send** Dashboards Reports Electronic Notary1 334958

To: Ozie Stallworth [dcusign_notary1@outlook.com]; Hilton Stallworth [Ozaria97@gmail.com];

Message: Please DocuSign this document: Permission To Be Kind.pdf

Tag for: Hilton Stallworth [Ozaria97@gmail.com]

Signature Optional Signature Initial Signer Attachment Full Name First Name Last Name Email Address Company Title Date Signed Approve Decline Data Field Check Box Radio Button Drop Down Note Formula

Drag a tag onto the document to assign a task to a recipient. To tag for a different recipient, click on that recipient's name on the left.

Permission to be Kind

give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____ personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Witness my hand and official seal this the _____.

Send Preview <Go Back | Save Draft | Discard Changes Use Advanced Sending 58

DocuSign Home Manage **Send** Dashboards Reports Electronic Notary1 334658

To: Ozie Stalworth [docusign_notary1@outlook.com], Hilton Stallworth [Ozaria97@gmail.com];

Message: Please DocuSign this document: Permission To Be Kind.pdf

Tag for:

Hilton Stallworth [Ozaria97@gmail.com]

Signature
Optional Signature
Initial
Optional Initial
Signer Attachment
Full Name
First Name
Last Name
Email Address
Company
Title
Date Signed
Approve
Decline
Data Field
Check Box
Radio Button
Drop Down
Note
Formula

Permission to be Kind

Date Signed

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

Sign Here

Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____ personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Witness my hand and official seal this the _____.

(Official Seal)

Click to SEND the document.

59

DocuSign Home Manage Send Dashboards Reports Electronic Notary1 334658

Create

Current Filter: (none) Search Envelopes

| To | Subject | Sent | Completed | Status |
|---|--|-------------------------|-------------------------|------------|
| Hilton Stallworth; Ozie Stalworth | Please DocuSign this document: Permission To Be Kind.pdf | 4/12/2016 8:56:17 AM PT | | In Process |
| Kimberly Korando; Lisa Glover; Ozie H Stalworth; Ozie Stalworth | Please DocuSign this document: Test Doc NCBA CLE.pdf | 4/6/2016 1:07:14 PM PT | | In Process |
| Lisa Glover; Kimberly Korando; Ozie H Stalworth; Ozie Stalworth | Please DocuSign this document: Test Doc NCBA CLE.pdf | 4/6/2016 10:57:22 AM PT | 4/6/2016 12:28:12 PM PT | Completed |

Envelope Status: In Process

Envelope Subject: Please DocuSign this document: Permission To Be Kind.pdf

Pages: 1

1. Sent by Ozie Stalworth (docusign_notary1@outlook.com) | 4/12/2016 8:56:17 AM PT
2. Next to sign Hilton Stallworth (Ozaria97@gmail.com)
3. Next to notarize Ozie Stalworth (docusign_notary1@outlook.com)

Shows who needs to sign the document.

60

Signer(s) will receive email notification.

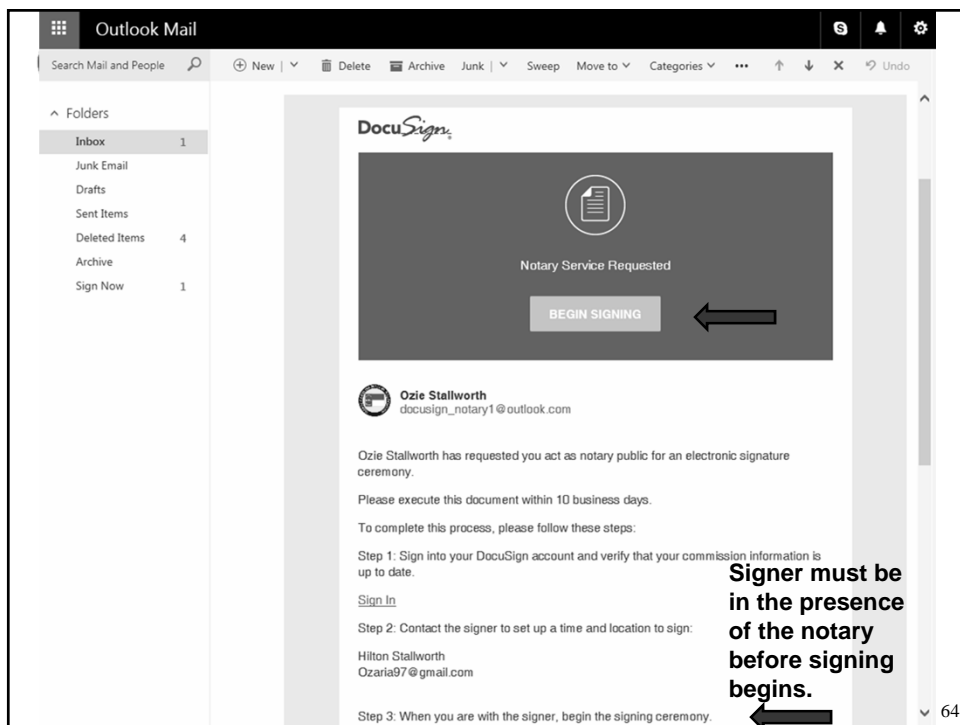
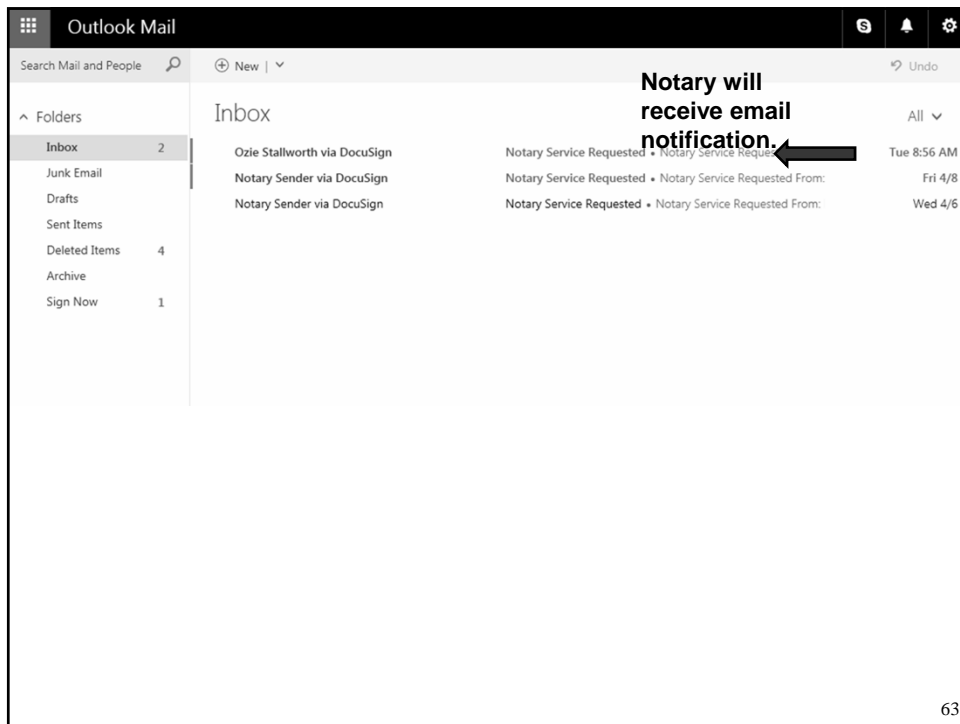
The screenshot shows a Gmail inbox with a search bar containing 'docusign'. The left sidebar shows folders like 'Compose', 'Inbox (2,896)', 'Important', 'Sent Mail', 'Drafts (57)', and 'All Mail'. The main inbox area lists several emails from 'Ozie Stallworth via Docu.'. The top email is highlighted, and an arrow points to its subject line: 'Ozie Stallworth via Docu. Please DocuSign this document: Permission To Be Kind.pdf - you electronically sign documents while witnessed by me'. Other emails include 'Notary Sender via DocuSI.', 'Powerpoint presentation - Beverly, I hope you get this on at least one of your email accounts.', 'Ozie stallworth (2)', 'Ozie Stallworth via D. (2)', and 'Ozie Stallworth via Docu. Completed: Please DocuSign this document: Test Doc NCBA CLE.pdf - completed Please DocuSign it'.

61

Signer will only be able to review the document until they are before the notary to sign.


The screenshot shows an email from 'Ozie Stallworth' with the subject 'Please review and sign your document'. The main body of the email contains a large grey box with the DocuSign logo and the text 'Please review and sign your document.' Below this is a button labeled 'Review Documents' with an arrow pointing to it. The email text continues: 'Ozie Stallworth has requested that you electronically sign documents while witnessed by a notary public. Please execute this document within 10 business days. The following notary public will contact you to schedule a convenient time and location to conduct the signing ceremony: Ozie Stallworth, docusign_notary1@outlook.com, 4159715444, 222 Tar Heel Lane Chapel Hill NC 85978. In the meantime, you can review the documents which you will be asked to sign. Thank you! Ozie Stallworth'.


62



DocuSign

Witness a Signature

 **Notary:** Ozie Stalworth (docusign_notary1@outlook.com) ←

 **Signer:** Hilton Stallworth (Ozaria97@gmail.com) ←

You have been asked to witness a signing with your DocuSign Electronic Notary Public credentials. As a notary public you will:


- 1 Pass control to Hilton Stallworth and observe the signing process.
- 2 Take control, confirm your DocuSign credentials and your commission information.
- 3 Apply your notarial seal to the document and complete the notarial act.

When you are ready to begin the notarial act, **pass control to Hilton Stallworth.**

Notary and signer are in the same room using the same computer.

CANNOT notarial act

65



Definitions

✦ Satisfactory Evidence of Identity [10B-3(22)]

- ✦ "Satisfactory evidence of Identity" - Identification of an individual based on either of the following:
 - At least one current document issued by a federal, state, or federal or state-recognized tribal government agency bearing the photographic image of the individual's face and either the signature or a physical description of the individual.
 - The oath or affirmation of one credible witness who personally knows the individual seeking to be identified.

66

Acceptable Forms of Identification



Military ID



Valid Passport



Driver License



Legal Presence
No Lawful Status



Out of State
Driver License

Please Review & Act on These Documents

DocuSign

Ozie Stallworth
Electronic Notary

**Must consent to
use eSignatures.**

Please execute this document within 10 business days.

Please read the Electronic Records and Signature Disclosure.
 I agree to use electronic records and signatures.

CONTINUE OTHER ACTIONS

DocuSign Envelope ID: A758C910-40EF-41DC-81B0-9A312F8ADDE9

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www.docusign.com

Permission to be Kind

4/14/2016

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

Sign

Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____ personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Please review the documents below. OTHER ACTIONS ▾

DocuSign Envelope ID: A758C910-40EF-41DC-81B0-9A312FBADDE9

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Permission to be Kind

4/14/2016

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

Click to sign

Sign
↓

Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____ personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Witness my hand and official seal this the _____

Official Signature of Notary (Official Seal)

69

Select the sign field to which you wish to add your signature. OTHER ACTIONS ▾

Adopt Your Signature

Confirm your name, initials, and signature.

Full Name
Hilton Stallworth **Initials**
HS

Select Style Draw Select or draw a signature

PREVIEW

DocuSigned by:
Hilton Stallworth
323ECB45A1364AC...

DS
HS

Change Style

By selecting Adopt and Sign, I agree that the signature and initials will be the electronic representation of my signature and initials for all purposes when I (or my agent) use them on documents, including legally binding contracts - just the same as a pen-and-paper signature or initial.

ADOPT AND SIGN CANCEL

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____

70


DocuSign Envelope ID: A758C910-40EF-41DC-81B0-9A312FBADDE9

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 www.docuSign.com

Permission to be Kind

4/14/2016

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

DocuSigned by:

 1378111-3824238


Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____ personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Witness my hand and official seal this the _____.

Official Signature of Notary (Official Seal)

Done! Click Finish to send the completed document.  **FINISH** OTHER ACTIONS ▾

71

DocuSign Envelope ID: A758C910-40EF-41DC-81B0-9A312FBADDE9

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 www.docuSign.com

Permission to be Kind

PASS CONTROL

Now the signer passes control back to the notary to complete the process.

To complete the electronic signing process please pass control back to the **Notary Public**.

CONTINUE ▶

the year and

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____ personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Witness my hand and official seal this the _____.

Official Signature of Notary (Official Seal)

Done! Click Finish to send the completed document. **FINISH** OTHER ACTIONS ▾

72

DocuSign

Witness a Signature

Notary: Ozie Stalworth (docusign_notary1@outlook.com)
Signer: Hilton Stallworth (Ozaria97@gmail.com)

To continue the notarial act, please confirm your DocuSign account credentials.

Email: docusign_notary1@outlook.com
Password:

[Forgot your password?](#)

Notary enters credentials to access the eNotary signature and seal.

73

DocuSign

Witness a Signature

Notary: Ozie Stalworth (docusign_notary1@outlook.com)
Signer: Hilton Stallworth (Ozaria97@gmail.com)

Enter the type of ID used by the signer to confirm his or her identity, as well as any additional information about the signing session.

Jurisdiction:
Type of ID:

Journal Notes (177 characters remaining):

Credible (Identifying) Witnesses: [Add witness](#)

Notary records information for the journal.

74

Request for Notarial Act DocuSign

Ozie Stallworth
Electronic Notary1

Please execute this document within 10 business days.

Please review the documents below. ▶ CONTINUE OTHER ACTIONS ▾

FIELDS

- Signature
- Initial
- Date Signed
- Notarial Seal
- Name
- State
- County of Commission
- Street Address
- Telephone Number
- Commission Number
- Commission Expiration Date
- Text
- Checkbox
- Notarial Certificate

DocuSign Envelope ID: A758C910-40EF-41DC-81B0-9A312FBADDE9

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www.docuSign.com

Permission to be Kind

4/14/2016

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

DocuSigned by:

1177891108020484

Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that _____ personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Witness my hand and official seal this the _____.

75

Notary must Drag & Drop signature and seal.

Permission to be Kind

FIELDS

- Signature ▶
- Initial
- Date Signed
- Notarial Seal ▶
- Name
- State
- County of Commission
- Street Address
- Telephone Number
- Commission Number
- Commission Expiration Date
- Text
- Checkbox
- Notarial Certificate

4/14/2016

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

DocuSigned by:

1177891108020484

Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that Hilton Stallworth personally appeared before me this day, and acknowledged the due execution of the foregoing document.

Witness my hand and official seal this the 4/14/2016.

Official Signature of Notary

DocuSigned by:

325FCB45A1364AC...

(Official Seal)


OZIE H STALLWORTH
Electronic Notary Public
Wake County
North Carolina
Commission Expires 5/30/2018

Done! Click Finish to send the completed document. ▶ FINISH OTHER ACTIONS ▾

76

Completed: Please DocuSign this document: Permission To Be Kind.pdf

Ozie Stallworth via DocuSign <dse_demo@docuSign.net> to me 5:37 PM (0 minutes ago)



Your document has been completed


[REVIEW DOCUMENT](#)

Ozie Stallworth
docusign_notary1@outlook.com

All parties have completed Please DocuSign this document: Permission To Be Kind.pdf.
Please execute this document within 10 business days.

77

Notification to view the document will be sent by email to all parties.



Electronically signed and notarized document.

DocuSign Envelope ID: A758C910-40EF-41DC-81B0-8A312F8A00E9

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Permission to be Kind

4/14/2016

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.

DocuSigned by:
Hilton Stallworth
1120968080000

Hilton Stallworth

Wake County, North Carolina

I, Ozie H. Stallworth, a notary public for Wake County certify that hilton stallworth personally appeared before me this day, and acknowledged the due execution of the foregoing document.
Witness my hand and official seal this the 4/14/2016

DocuSigned by:
Ozie Stallworth
323ECB45A1384AC

Ozie Stallworth
docusign_notary1@outlook.com
Wake County
Electronic Notary in North Carolina

▼ Less Detail

Company
Public Notary
4156715444
222 Tar Hill Lane
Chapel Hill, NC 27607
United States

(Official Seal)

OZIE H STALLWORTH
Electronic Notary Public
Wake County
North Carolina
Commission Expires 5/30/2016

Mouse over notary signature to see verification of credentials

78

DocuSign Home Manage Send Dashboards Reports Electronic Notary 354858

Create Current Filter: Status - Completed Search Envelopes Actions

| From | Subject | Sent | Completed | Status |
|-----------------|---|-------------------------|-------------------------|-----------------------------|
| Ozie Stallworth | Please DocuSign this document: Permission To Be Kind.pdf | 4/12/2016 8:56:17 AM PT | 4/14/2016 2:37:22 PM PT | Completed |
| Notary Sender | Please DocuSign this document: State of North Carolina Power of Attorney (Healthcare Directive) | 4/8/2016 5:00:31 PM PT | 4/8/2016 5:07:54 PM | Done |
| | | 2016 10:57:22 AM PT | 4/6/2016 12:28:12 P | Form Data |
| | | 2016 10:07:23 AM PT | 4/6/2016 10:18:26 A | Forward |
| | | 3/2016 12 | | History |
| | | 9/2016 4:0 | | Certificate |
| | | 3/2016 10:16:56 AM PT | 2/10/2016 10:16:56 | Open |
| Notary Sender | Please DocuSign this document: Simple Sample eNotarization | 2/10/2016 7:27:22 AM PT | 2/10/2016 7:27:22 A | Export Selected as CSV |
| Notary Sender | Please DocuSign this document: Simple Sample eNotarization | 2/10/2016 7:18:20 AM PT | 2/10/2016 7:18:20 A | Transfer Selected Ownership |

Print complete History and Audit Trail of the document or a Certificate of Completion.

Summary Document


DocuSign Envelope ID: A758C910-40ef-41dc-81b0-9a312fbadde9

REGISTRATION DOCUMENT ONLY
PROVIDED BY DOCUSIGN ONLINE SIGNING SERVICE
100 2nd Ave. Suite 3000 Seattle Washington 98101 (206) 219-0200
www.docuSign.com

Permission to be Kind

4/14/2016

I give permission to my friends to treat me as though it is my birthday every day of the year and to shower me with gifts of kindness each time they see me.



Hilton Stallworth

Wake County, North Carolina

Hilton Stallworth

I, Ozie H. Stallworth, a notary public for Wake County certify that personally appeared before me this day, and acknowledged the due execution of the foregoing document.

4/14/2016

English (US) Terms Of Use Support Feedback Intellectual Property Privacy Policy Copyright © 2016 DocuSign, Inc. All rights reserved. 79

https://demo.docuSign.net/Member/EnvelopeHistory.aspx?tee=a758c910-40ef-41dc-81b0-9a312fbadde9&f=a758c910-40ef-41dc-81b0-9a312fbadde9&nu=1&trm=1461600812481 DocuSign, Inc. (US)

Envelope History Print Close

Envelope Details

| | |
|---|--|
| Subject Please DocuSign this document: Permission To Be Kind.pdf | Documents Permission To Be Kind.pdf |
| Envelope ID a758c910-40ef-41dc-81b0-9a312fbadde9 | Recipients Hilton Stallworth [Ozaria97@gmail.com] Ozie Stallworth [docuSign_notary1@outlook.com] |
| Sent 4/12/2016 8:56:17 AM PT | Status Completed |
| Created 4/12/2016 8:23:59 AM PT | Status Date 4/14/2016 2:37:22 PM PT |
| Location DocuSign | Holder Ozie Stallworth |

Activity history

| Time | User | Action | Activity | Status |
|-------------------------|--|-------------------|--|-----------|
| 4/12/2016 8:23:59 AM PT | Ozie Stallworth (English (US)) [Web:199.90.74.9] | Registered | The envelope was created by Ozie Stallworth | Created |
| 4/12/2016 8:56:17 AM PT | Ozie Stallworth (English (US)) [Web:10.103.48.185] | Sent Invitations | Ozie Stallworth sent an invitation to Hilton Stallworth [Ozaria97@gmail.com] | Sent |
| 4/12/2016 8:56:17 AM PT | Ozie Stallworth (English (US)) [Web:10.103.48.185] | Notary Designated | Ozie Stallworth designated Ozie Stallworth [docuSign_notary1@outlook.com] as the notary for Hilton Stallworth [Ozaria97@gmail.com] | Sent |
| 4/12/2016 8:56:17 AM PT | Ozie Stallworth (English (US)) [Web:10.103.48.185] | Sent Invitations | Ozie Stallworth sent an invitation to Ozie Stallworth [docuSign_notary1@outlook.com] | Sent |
| 4/14/2016 2:24:35 PM PT | Hilton Stallworth (English (US)) [Web:199.90.74.9] | Viewed | Hilton Stallworth viewed the envelope [documents:(Permission To Be Kind.pdf)] | Sent |
| 4/14/2016 2:30:36 PM PT | Hilton Stallworth (English (US)) [Web:199.90.74.9] | Signed | Hilton Stallworth signed the envelope | Sent |
| 4/14/2016 2:32:55 PM PT | Ozie Stallworth (English (US)) [Web:199.90.74.9] | Notary Auth | Ozie Stallworth was authenticated as a valid electronic notary public by the state of North Carolina | Sent |
| 4/14/2016 2:32:57 PM PT | Ozie Stallworth (English (US)) [Web:199.90.74.9] | Viewed | Ozie Stallworth viewed the envelope [documents:(Permission To Be Kind.pdf)] | Delivered |
| 4/14/2016 2:37:22 PM PT | Ozie Stallworth (English (US)) [Web:199.90.74.9] | Notarized | Ozie Stallworth notarized the envelope | Completed |
| 4/14/2016 2:39:44 PM PT | Hilton Stallworth (English (US)) [Web:199.90.74.9] | Viewed | Hilton Stallworth viewed the envelope [documents:(Permission To Be Kind.pdf)] | Completed |

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Location of the original document is recorded. →

Signer events show eSignature, IP address of signer, email address and time stamp of when it was sent, viewed & signed. →

Each event type is recorded. →

Includes the eSignature disclosure. →

DocuSign
eSignature

Certificate Of Completion

Envelope ID: A759C91040EF41DC81806A312F8A0DE9 Status: Completed

Subject: Please DocuSign this document: Permission To Be Kind.pdf


Source Envelope:

| | | |
|---|---------------|-----------------------------|
| Document Pages: 1 | Signatures: 2 | Envelope Originator: |
| Certificate Pages: 4 | Initials: 0 | Cde Dzialowom |
| AuthNac: Enabled | | 222 Tar Heel Lane |
| Envelope Clamping: Enabled | | Chapel Hill, NC 27578 |
| Time Zone: (UTC-08:00) Pacific Time (US & Canada) | | oocsign_notary1@outlook.com |
| | | IP Address: 199.90.74.9 |

Record Tracking

| | | |
|----------------------------|-----------------------------|--------------------|
| Status: Original | Holder: Cde Dzialowom | Location: DocuSign |
| Sent: 4/12/2016 8:23:59 AM | oocsign_notary1@outlook.com | |

Signer Events

| Signature | Timestamp |
|---|---|
| Hilton Dzialowom Cde167@gmail.com Security Level: Notarized Signing (Notary, Cde Dzialowom, Account Authentication (None))  | Sent: 4/12/2016 8:56:16 AM Viewed: 4/14/2016 2:24:35 PM Signed: 4/14/2016 2:30:36 PM Using IP Address: 199.90.74.9 |

Electronic Record and Signature Disclosure

Approval ID: 0369060a-1205-4205-9484-799148951d

| In Person Signer Events | Signature | Timestamp |
|------------------------------|-----------|-----------|
| Editor Delivery Events | Status | Timestamp |
| Agent Delivery Events | Status | Timestamp |
| Intermediary Delivery Events | Status | Timestamp |
| Certified Delivery Events | Status | Timestamp |
| Carbon Copy Events | Status | Timestamp |

Notary Events

| Notary Address | Timestamp |
|--|------------------------------|
| 222 Tar Heel Lane Chapel Hill NC 27578 | Sent: 4/12/2016 8:56:17 AM |
| Notary Signer: Hilton Dzialowom | Viewed: 4/14/2016 2:32:57 PM |
| Notary Designated By: Cde Dzialowom | Signed: 4/14/2016 2:37:22 PM |
| Security Level: Email, Account Authentication (None) | Freedom Signing |

| Envelope Summary Events | Status | Timestamps |
|-------------------------|------------------|----------------------|
| Envelope Sent | Marked/Encrypted | 4/12/2016 8:56:17 AM |
| Certified Delivered | Security Checked | 4/14/2016 2:32:57 PM |
| Signing Complete | Security Checked | 4/14/2016 2:37:22 PM |
| Completed | Security Checked | 4/14/2016 2:37:22 PM |

Electronic Record and Signature Disclosure

Now we are ready to Send the closing documents to the Register of Deeds though an E-Recording vendor

- For this demo we have partnered with Simplifile. There are other E-Recording Vendors available. You will need to discuss the options available with the recording Register of Deeds.



Log in

simplifile.com/#!/login/

simplifile

marc

LOG IN

Forgot username or password?

83

Enter State, County, Description

1

2

3

North Carolina

Test County

123 Main St

Create New Package

| Package | Recipient | Docs | Status | Status Date |
|--|---------------------|------|----------|-----------------------|
| <input type="checkbox"/> 28907-001 | Test County NC, NC | 2 | Rejected | Mon 05/18/15 11:26 AM |
| <input type="checkbox"/> Untitled Package | Alamance County, NC | 1 | Draft | Tue 06/14/16 1:53 PM |
| <input type="checkbox"/> Test | Dare County, NC | 1 | Draft | Tue 06/14/16 1:49 PM |
| <input type="checkbox"/> Leins | Washington DC, DC | 1 | Draft | Thu 06/09/16 2:40 PM |
| <input type="checkbox"/> Test Beaufort Package | Beaufort County, NC | 0 | Draft | Thu 06/02/16 7:04 PM |
| <input type="checkbox"/> 16001 Smith | Gaston County, NC | 2 | Ready | Fri 06/10/16 11:39 AM |

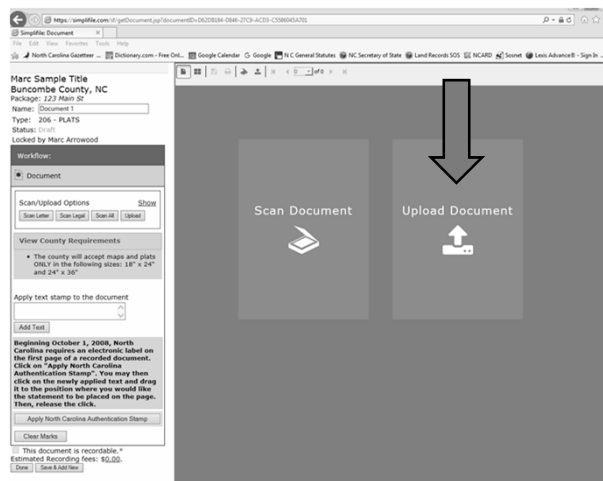
84

Select Document Type from Drop Down Menu



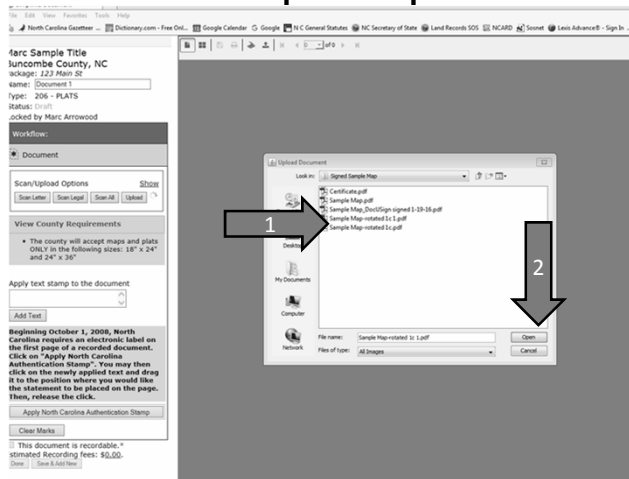
85

Upload Your Document



86

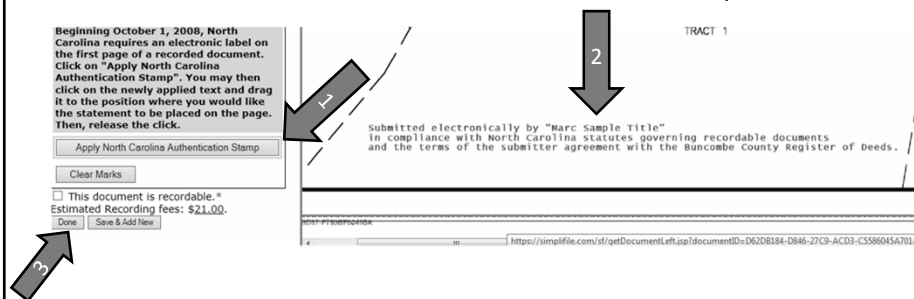
Navigate to the document, select and then pick open



87

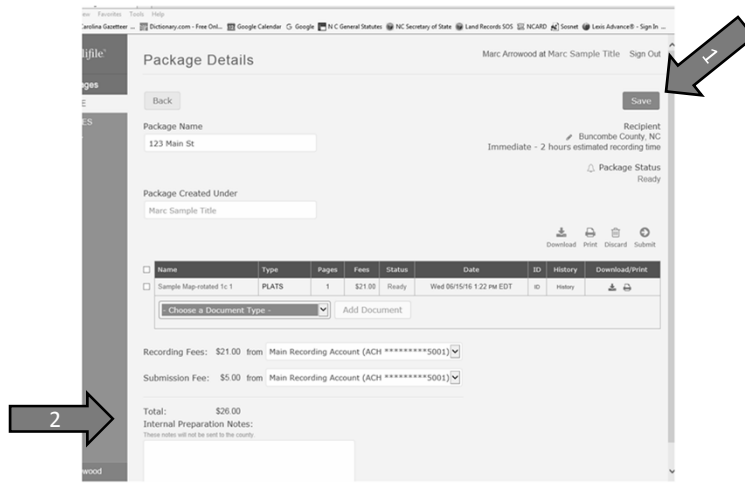
You must apply the Authentication Stamp

You can move the stamp around the plat and a double click will rotate the stamp 90°



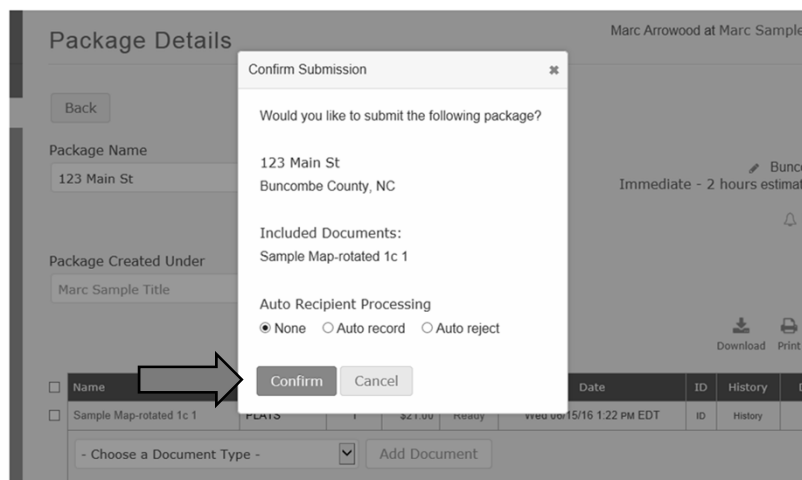
88

You are done – Save the package and notice the fee you will be charged



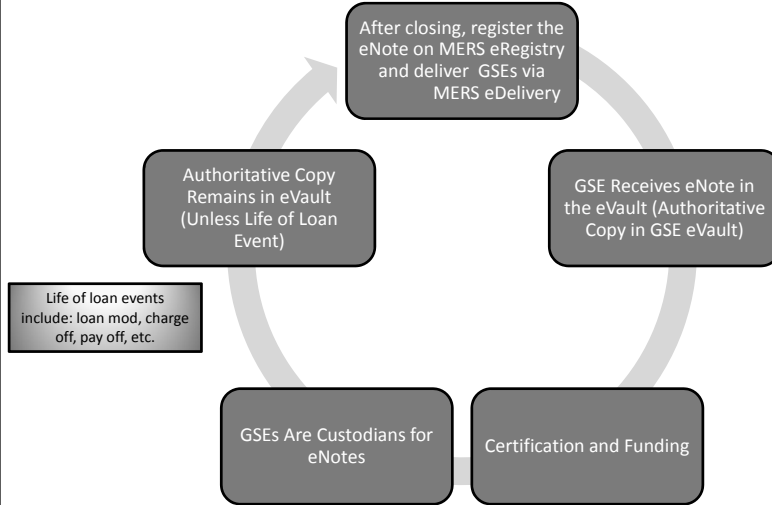
89

Confirm that you are finished

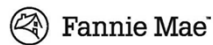


90

Delivering to the GSEs

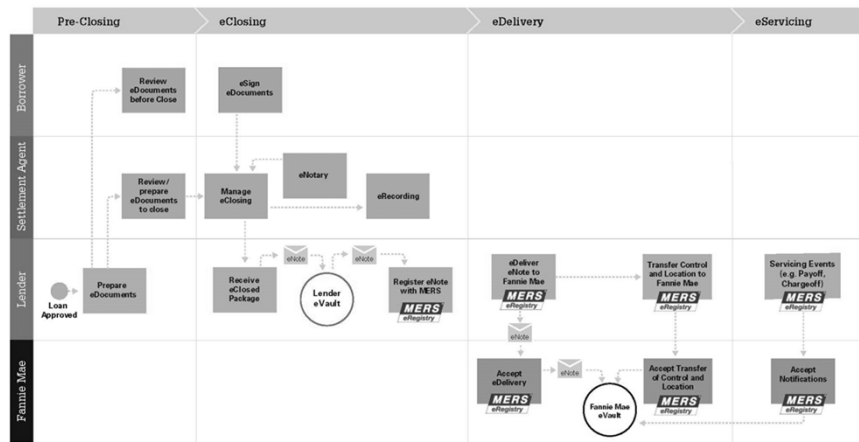


91



eMortgage Process: At-a-Glance

This graphical depiction represents a scenario where a lender directly sells to Fannie Mae, retains servicing, and is not reliant upon warehouse funding.



Overview

The purpose of the **Pre-Closing** activity is to send the closing package to the borrower for review prior to closing.

eClosing is a virtual room where the closing documents are electronically signed and the loan (eNote) is immediately registered with MERS eRegistry.

eDelivery of the eNote is initiated by the Lender when they are ready to sell to Fannie Mae and is delivered through MERS.

eServicing event requests are initiated by the Servicer as needed.

Keep in mind: Most of these activities take only a few minutes. However, depending on your operational procedures, the entire process may take 1 – 3 days.

Disclaimer: The above graphical depiction of the eMortgage process is for informational purposes only.

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92



Getting Set Up: It's Simple and Fast



Good information to know:

- *Our customers can get up and running in as little as a week*
- *Technology solution providers require no review from Fannie Mae*

93



Questions?

For additional questions on eNotarization contact:

Ozie Stallworth
Director of Electronic Notarization and Notary Enforcement
N.C. Department of Secretary of State
919-807-2295
ostallworth@sosnc.com

94