eMortgage "Closing" Use Case (27Mar01)

Actors:
Borrower(s), Notary, Witness, Trusted Third Parties representing the Lender (closing agent, attorney, escrow agent settlement agent), lender funder, originating lender, seller, original mortgage lender, county recorder, tax authority, title underwriter, authenticator, secure closing environment, document preparer, realtor

Pre Condition: All documents are approved by all parties and reside with/in the secure closing environment and all financial transactions are approved. All required parties have "DC's". All parties have "opted in." Documents include:
   1.   {Documents to be listed later}

Post Condition: Documents are executed, money is transferred, deed is recorded, and insurance policy is issued. Documents include:
   1.   Promissory Note
   2.   Security Instrument
   3.   Assignments
   4.   Modifications
   5.   Consent and Disclosures
   6.   HUD 1
   7.   1003

Sequence Diagram 1 (Closing Use Case.vsd):
Assumptions: Single Borrower, this is the eMortgage vision. Conforming, O/O, Purchase, 30 Year, detached, minimal state requirements, fully electronic, no MI, closing agent is notary, notary function supports test of direst, all actors have access to SCE for collaboration, parties are geographically dispersed, all parties have consented, all parties have their DC, docs can be simultaneously signed except for notary (last to sign).

Alternative Use Cases:
   - Hybrid Transaction
   - New Refinance (no seller, 3 day recession)
   - Rate Reduction Refinance
   - 2^{nds}
   - Impact of Expanded Actors (i.e. multiple borrowers, escrow mgr, multiple authenticators/'witnesses)
   - Guarantor/MI Transaction
   - Co-op adds managing agent, collateral is stock in co-op. (i.e. collateral is not strictly real property)
   - Assumptions/1031 Tax Exchanges
   - REO
   - Bridge
   - Construction/Perm

Exceptions:
   - Some Party in the transaction fails authentication
   - System Failure (Hardware, Software, Connectivity)
   - Technological incompatibilities (security, encryption)
   - Bank refuses electronic $$ exchange

Issues Related to Use Case:
   - How else can notary detect duress
   - What happens when transaction is voided prior to completion (rescind or cancellation)? What happens to doc in SCE? Who has rights to cancel in SCE?
   - What does a witness attest to when not co-located for ceremony?
   - Do any actors have to be co-located?
   - Do co-ops fall under e-sign, ETA, & UCC legislation – can they be totally electronic?
   - Can stock pledge agreements be electronically signed under UCC Article 8?
   - How and when do recorders get paid? Some require payment prior to recording.

Requirements For SCE
   1.   Needs to protect view and access to each party's confidential financial information. (Privacy)