



Electronic Financial Services Council

Annual Meeting

Washington, D.C.
June 11-12, 2001



eOriginal History

- Four Years in the Making
- Strong, Scalable Product
- Enabling Legislation Now Enacted
- E-Sign/UETA Compliant
- Ready to Execute Now



- 1996 - 1999:
 - ▶ Defined the Market/Need
 - ▶ Influenced Legislation
 - ▶ Developed Architecture
- Year 2000:
 - ▶ Built Right Products
 - ▶ Assembled the Right Team
 - ▶ Laid Marketing Foundation
 - ▶ Legislation Enacted
- Year 2001:
 - ▶ Industry Adoption Starting Now

Lender Issues

- No immediate competitive pressure to do this
- Waiting for Fannie and Freddie to release their requirements
- Overwhelmed by the refinance boom
- Other projects taking priority
- Don't want to be an early adopter—want someone else to go first
- Need to get the big guys to commit to service paperless mortgages
- There are not enough settlement agents enabled
- There are not enough county recorders enabled



Adoption Update

- When, not if.
- Fannie Mae requirements expected by June 30th.
- Freddie Mac requirements expected in Quarter 3.
- Major lenders are poised.
- Title underwriters and doc prep companies are ready.

Adoption Update

□ Lenders

- XFCU, First Savings, Flagstar Bank have signed, and we are in full production with XFCU in the state of New York.
- Target is top 25 lenders in focused geographies
- Engaged with 15 of Top 25, late stage sales cycle with 6
- Executing “Production Loans” in 4 states by June 2001
- Integrating with doc prep companies that generate and deliver 100,000+ loan packages a month.
- We believe that we are near agreement to showcase our system in Q2, or early Q3, with a Top 10 lender and a Top 5 lender.

Adoption Update (continued)

□ County Recorders

- Target is top 205 counties, representing over 66% of all loan originations
- Integrating with key Land Record system providers that cover 1300+ counties nationally, including many in FL, NY, DC, VA, MD, MI, CO, CA, AZ, TX, PA, WA

Adoption Update (continued)

❑ Investors (GSE and Private)

- Close business and development relationship with GSEs. When e-mortgage MISMO & GSE requirements / standards complete, beginning on 7/01, our software will be in compliance
- Continuous product development, utilizing multiple data, document and business process structure, formats and methodologies (XHTML, XML, Word, PDF, TIFF, other)

Adoption Update (continued)

□ Title/Closing Agent

- Attorneys' Title, Stewart Title, Fidelity Title and the technology subsidiary of CATIC have signed agreements
- Late stage sales cycle with 3 of the Top 7 Title Underwriters
- Planned rollout to 20+ states in next 9 months.

Summary

How do we see the electronic mortgage solution being adopted by the mortgage industry?

There are three hurdles to broad scale industry adoption to revolutionary technology in the mortgage industry: governing legislation, now in place with E-Sign and UETA; industry standards, coming near term with pending publication of e-Mortgage standards; and a comprehensive, proven total business process and technology solution, from the lender to the closing table through to the secondary market, which, we believe, is the currently available eOriginal™'s Total Electronic Mortgage ASP Solution and an Enterprise-Mortgage solution that will be available in 2002. Technologies that successfully achieved broad-scale industry adoption by enabling businesses to realize the benefits of totally electronic solutions replacing processes previously dominated by paper records ultimately conquered an array of challenges. With legislation in place and industry standards on the way, we're witnessing an environment poised to adopt our end-to-end Electronic Mortgage Solution.

Mortgage Industry Forecast:

| | 2002 | 2003 | 2004 | 2005 |
|---|-----------|-----------|-----------|-----------|
| Annual Industry Total Mortgage Volume: | | | | |
| Annual Mortgage Volume Growth Rate | 2% | 2% | 2% | 2% |
| New Origination Mortgage Volume | 7,140,000 | 7,282,800 | 7,428,456 | 7,577,025 |

Industry e-Mortgage Adoption Rate:

| | | | | |
|---------------------------------|----|----|-----|-----|
| New Origination e-Adoption Rate | 2% | 5% | 15% | 30% |
|---------------------------------|----|----|-----|-----|

Annual Industry e-Mortgage Volume:

| | | | | |
|-----------------------------|---------|---------|-----------|-----------|
| New Mortgage e-Originations | 142,800 | 364,140 | 1,114,268 | 2,273,108 |
|-----------------------------|---------|---------|-----------|-----------|



Leasing Industry Adoption Update

- Following a successful 6-month pilot, the eOriginal™ solution for leasing has been integrated into IBM Global Financing's Global Customer Centre, which allows their customers to create, execute, view, store and transfer legally enforceable financing contracts securely over the Internet.



Brandon Hirsch
Assistant General Counsel

410-895-7687 – phone
410-659-9799 – fax

bhhirsch@eoriginal.com

www.eoriginal.com

