

Why eNotes are a game changer

for efficiency, cost control, and risk reduction

In today's lending environment, margin pressure leaves little room for inefficiency. Warehouse shipping costs, custodian fees, and lost-note risk quietly add expense and uncertainty after closing — right when you need speed and certainty to fund and deliver loans. These costs are not new, but they are harder to absorb in a purchase-driven market where timelines are tight and competition is intense.

Electronic promissory notes, or eNotes, address these pressures directly. By replacing the physical note with a secure digital asset, you remove long-standing sources of delay, cost, and risk from post-closing workflows while accelerating funding and investor delivery.

eNotes at a glance

Up to 5 days¹
faster closing-to-funding

~\$450 saved²
per loan vs. paper

57% / 80%³
less dwell time / fewer errors

Section 01

What changes when your note is digitized

A shift that enables meaningful gains in speed, cost control, and risk reduction.

An eNote is the legal equivalent of a paper promissory note. Your borrower's obligation does not change, but how the note is controlled, managed, and safeguarded does.

In a paper-based process, ownership depends on possession of a single original document. When that document is delayed, damaged, or misplaced, the effects ripple through funding, delivery, and post-closing operations — regardless of how carefully the process is managed.

In a digital environment, the MERS® eRegistry replaces physical possession as the anchor point:

- Only one copy is recognized as the authoritative eNote, regardless of how many copies exist
- Control and location are tracked electronically throughout the life of the loan
- Transfers of control are recorded as they occur — no physical movement required

¹ Fannie Mae, "eLending," Single-Family. <https://singlefamily.fanniemae.com/media/41581/display>

² Freddie Mac, "How eMortgages and Digital Efficiencies Elevated PRMI." <https://sf.freddiemac.com/articles/insights/how-emortgages-and-digital-efficiencies-elevated-prmi>

³ National Mortgage News, "eClosings Can Save Lenders \$444 Per Loan, Report Finds." <https://www.nationalmortgagenews.com/news/eclosings-can-save-lenders-444-per-loan-report-finds>

Section 02

The business benefits of eNotes

Speed, cost reduction and risk control — in every loan.

Faster funding and delivery

Every paper note handoff adds time. With eNotes, control moves between parties in minutes, not days.

What you eliminate:

- Overnight shipping to warehouse lenders
- Manual receipt confirmation across parties
- Physical receipt delays for investor delivery

Post-closing teams spend less time tracking and more time clearing loans for sale.

Cost savings that add up

Paper-note costs have long been treated as unavoidable. They quietly accumulate with every loan.

eNotes reduce or eliminate:

- Courier and overnight shipping fees
- Physical storage and vaulting charges
- Custodian fees per document
- Staff time on shipment tracking and exceptions

Cost predictability improves as well — fewer surprises appear late in the process.

Less risky by design

A paper note has one fundamental weakness: there is only one original. Loss, damage, or compromise creates exposure that no manual process fully eliminates.

eNotes are built differently:

- Tamper-evident safeguards built into execution
- Integrity verifiable at any point in the loan lifecycle
- Control and transfer fully auditable via MERS® eRegistry
- Physical shipping risk eliminated entirely

The result: fewer lost-note affidavits, fewer downstream complications, and greater confidence delivering loans to warehouse lenders and investors.

These operational improvements extend beyond your internal teams.

Borrowers may never think about promissory notes, but they notice delays, uncertainty, and post-closing follow-ups. By streamlining note execution and delivery, eNotes help shorten closings, reduce downstream issues, and make the overall borrower experience more predictable.

Section 03

The role of the eVault

Digital custody infrastructure for consistent, scalable results

To deliver these benefits consistently and at scale, lenders need the right digital custody infrastructure in place. That role is filled by the eVault, which serves as the system of record for electronic loan assets, including eNotes.

The eVault:

- Integrates with the MERS eRegistry to enforce control and maintain clear audit trails
- Supports rapid, secure transfer of control between parties
- Connects with loan origination and closing systems
- Scales as your digital closing volume grows

When eNotes and eVaults work together, you gain consistency across workflows — not isolated improvements.

Section 04

Why eNotes make sense now

eNotes remove sources of delay, cost, and risk while strengthening control and compliance.

Margin pressure, market competition, and borrower expectations are converging in ways that leave little room for post-closing inefficiency. Lenders are being asked to do more with the teams they already have, while managing:

- Tighter funding timelines with less tolerance for shipping delays
- Lower investor acceptance of post-closing issues and exceptions
- Increasing difficulty absorbing per-loan overhead in a margin-compressed market

In this environment, paper-based note processes are increasingly difficult to justify.

What has changed is not simply how promissory notes can be delivered, but what lenders are expected to manage once a loan closes. As those expectations continue to rise, eNotes are no longer an optional technology initiative. They are foundational infrastructure for lenders who need to operate with speed, predictability, and confidence after closing.

Talk to DocMagic

For more than 20 years, DocMagic® has supported lenders with eVault technology, electronic document execution, and digital collateral management across origination, post-closing, and investor delivery. That experience reinforces a simple reality: paper notes introduce friction and exposure by design, while digital infrastructure reduces both. Learn more about [DocMagic's SmartSAFE® eVault](#).

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