



EXECUTIVE BRIEF

How to Provide a Digital Closing for Today's Buyer

Homebuyer expectations are evolving

With more than 66 million millennials (those born between 1981-1996) expected to form 25 million households by 2025, expectations for what the process of buying a home should be like are transforming at breakneck speed. Meanwhile, the real estate industry is having a hard time keeping up, largely due to antiquated closing processes. This executive brief will explain how and why millennials' expectations differ from older generations', how the closing process often prevents those expectations from being met, and how you, as their real estate agent, and Doma can partner together to make closing a better experience.

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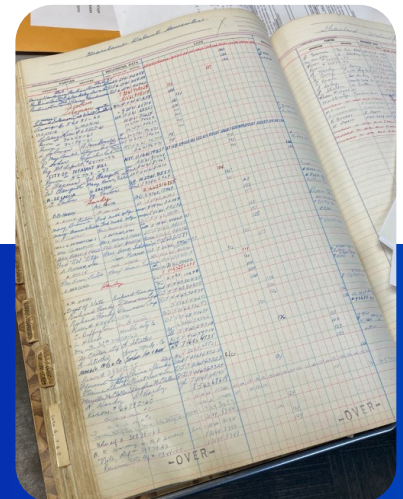


The paper bottleneck

Today, consumers can instantly stream the latest movies and TV shows, order meals to arrive within half an hour, access vacation rentals, check student-loan accounts, and hail rides across town all online. Millennials are increasingly accustomed to these types of online experiences, and they expect a similar experience when buying a home. They typically begin their homebuying process online by browsing listings and then expect the entire process to be digital—an expectation that ends up falling short. Imagine if you ordered a product online and clicked “buy,” only to find out that you had to sort out the delivery logistics yourself. This scenario is analogous to the abrupt letdown that many millennial buyers experience when it comes time to close on a home.

Millennials experience this letdown because although the internet is transforming parts of real estate purchases, the closing process typically lags. Archaic title and escrow processes are a big reason that real estate purchases miss the mark with millennials' expectations. These images below are from title plants and sadly representative of what buyers must contend with during closing. The large amount of (often redundant) physical paperwork required to buy a house is shocking to many millennials, as is the lack of transparency in the process. Buyers often lack a straightforward way to contact the people from the title company involved in their transaction and don't have a central location where they can get updates. For millennials accustomed to fully digital, seamless experiences, this is a huge—and stressful—surprise.

Thankfully, agents can mitigate this disappointment by educating clients about the closing process ahead of time, providing transparency during closing, and ensuring clients have options for how to sign.



Work toward a better closing

Educate buyers early in the process

Because the closing process is so unfamiliar for millennials (who are often first-time buyers), it represents an opportunity to make significant improvements. Start by engaging with and educating your clients, leveraging your online presence.

Increasingly, social media is one of the most viable ways to educate and engage with millennial clients (and potential clients), as on average they spend 2.5 hours each day on various platforms. Older millennials are more likely to connect and work with you on LinkedIn. To connect with younger millennials, you might be better off using TikTok and Instagram. Share content that helps them understand unfamiliar topics related to buying and closing on a home, like what home warranties entail or how homeowners' associations could affect their day-to-day once they move.

Once you've started working with a client, dive deeper into certain topics to prepare them for the closing process. For instance, one area that often causes significant confusion is trying to decipher preliminary reports. What is an encumbrance? What is a deed of trust? Before the closing even starts, set aside some time to walk your clients through prelims and how to read them. Go page-by-page (even paragraph-by-paragraph) through a prelim and define terms the client might not know. Later, you may want to educate your buyer about some particular aspects of the title report, such as easements or other potential issues down the road if they want to remodel or make additions to the home. This can be a great way to establish an ongoing relationship with a client.

Don't worry about creating all these materials yourself. Title and escrow partners (like Doma) can supply educational resources you can leverage to prepare millennial clients for this part of the homebuying process.



Provide digital transparency

As you look for ways to deepen your relationship with millennial clients, take into consideration how they interact with other service providers (such as tracking meal deliveries or packages). Throughout the homebuying process—but especially during closing—that same type of digital transparency can go a long way to relieve stressed-out buyers.

Part of this transparency involves setting expectations up front with your buyer about closing costs, what documents they will need to review, and timing. It also involves providing visibility into the closing process. Of course, you can't always control whether something goes wrong during the closing, but people tend to be much more forgiving if you've kept them in the loop throughout the process. By partnering with a forward-thinking title and escrow vendor, such as Doma, you can give millennials on-demand visibility and proactive notifications at key milestones, as well as educational materials on what those milestones mean. Working with a responsive title and escrow partner prevents “blackout periods” when the buyer feels lost because they've heard nothing about how their closing is progressing.

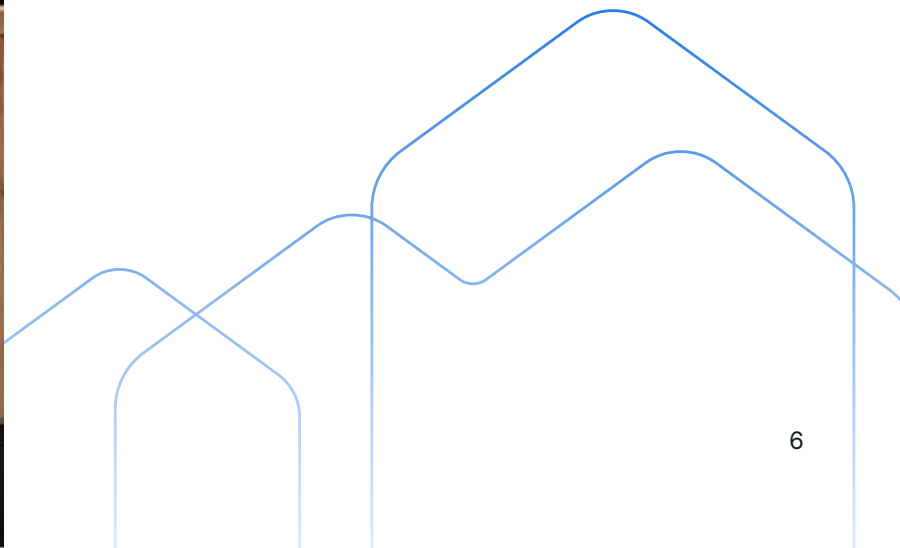
Just as a buyer can get frustrated when things go awry in the closing and no answers are readily available, they'll also give you credit for keeping them in the know. A more modern title and escrow process becomes a game-changer in addressing the millennial market.

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Provide options for signing

Meeting millennials' expectations means meeting them where they are, in the moment, and supporting their preferences. This applies not only to providing digital transparency, but also to offering options for signing. Millennials are very accustomed to—and comfortable with—the ability to sign documents in ways that suit their schedules and lifestyles. Of course, some buyers will still want the in-person interaction and full walk-through in an office or at the buyer's current home. Others don't have the time or interest, or they expect things to happen on demand.

This is where you can differentiate yourself by offering hybrid options for the buyer and the convenience of full remote online notarization (RON) for the seller, depending on the state. With hybrid closings, customers can review documents (and sign many of them) prior to the final closing, which can speed up the process. It's important to walk millennial clients through their signing options up front, especially in cases where a portion of documents will need to be signed in-person. Especially with millennials, do your best to avoid unpleasant surprises!



Earn repeat business

Instead of settling for the outdated closing experience that buyers have grudgingly endured, adopt a streamlined title and escrow process—the end-to-end seamless, digital-first experience millennial buyers are looking for. Doing so will earn you loyal clients who will come back to you over the lifetime of their real estate journey and refer you to others as well. **The result: a continuously growing and thriving business for you.**

Visit **www.doma.com** to learn more about how you can implement new digital strategies to simplify real estate transactions and improve your ability to appeal to the millennial generation.

Check out the **Homebuyer's Guide** which you can share with clients to help demystify the homebuying process.

About Doma

Doma is a real estate technology company that is disrupting a century-old industry by building an instant and frictionless home closing experience for buyers and sellers. Doma uses proprietary machine intelligence technology and deep human expertise to create a vastly more simple and affordable experience for everyone involved in a residential real estate transaction, including current and prospective homeowners, mortgage lenders, title agents, and real estate professionals. With Doma, what used to take days can now be done in minutes, replacing an arcane and cumbersome process with a digital experience designed for today's world.

Contact **localexpert@doma.com** to uncover how you can increase turnaround times and achieve operational efficiencies.

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