



ASF Evening Series

Digital conveyancing for financial institutions

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The Australian property market at a glance





Panel members

Panel members

- Francesca Rush (Clayton-Utz)
- Marielle Yeoh (PEXA)
- Shane O'Sullivan (PricewaterhouseCoopers)

Moderator

- Jade Chong (ASF-FLYP / PricewaterhouseCoopers)



Topics covered

- The idea of eConveyancing
- The platform and implementation process
- Key concepts integral to the platform
- Market reaction, collaboration and its challenges
- Current and future challenges
- Automation and link to securitisation



Journey of eConveyancing

- COAG initiatives to improve states co-operations
- The PEXA platform is regulated by the Australian Registrars National Electronic Conveyancing Council (ARNECC)
- Short term aim: support acceleration of eConveyancing
- Long term aim: ensure consistency of practice and to achieve digital conveyancing across all transactions

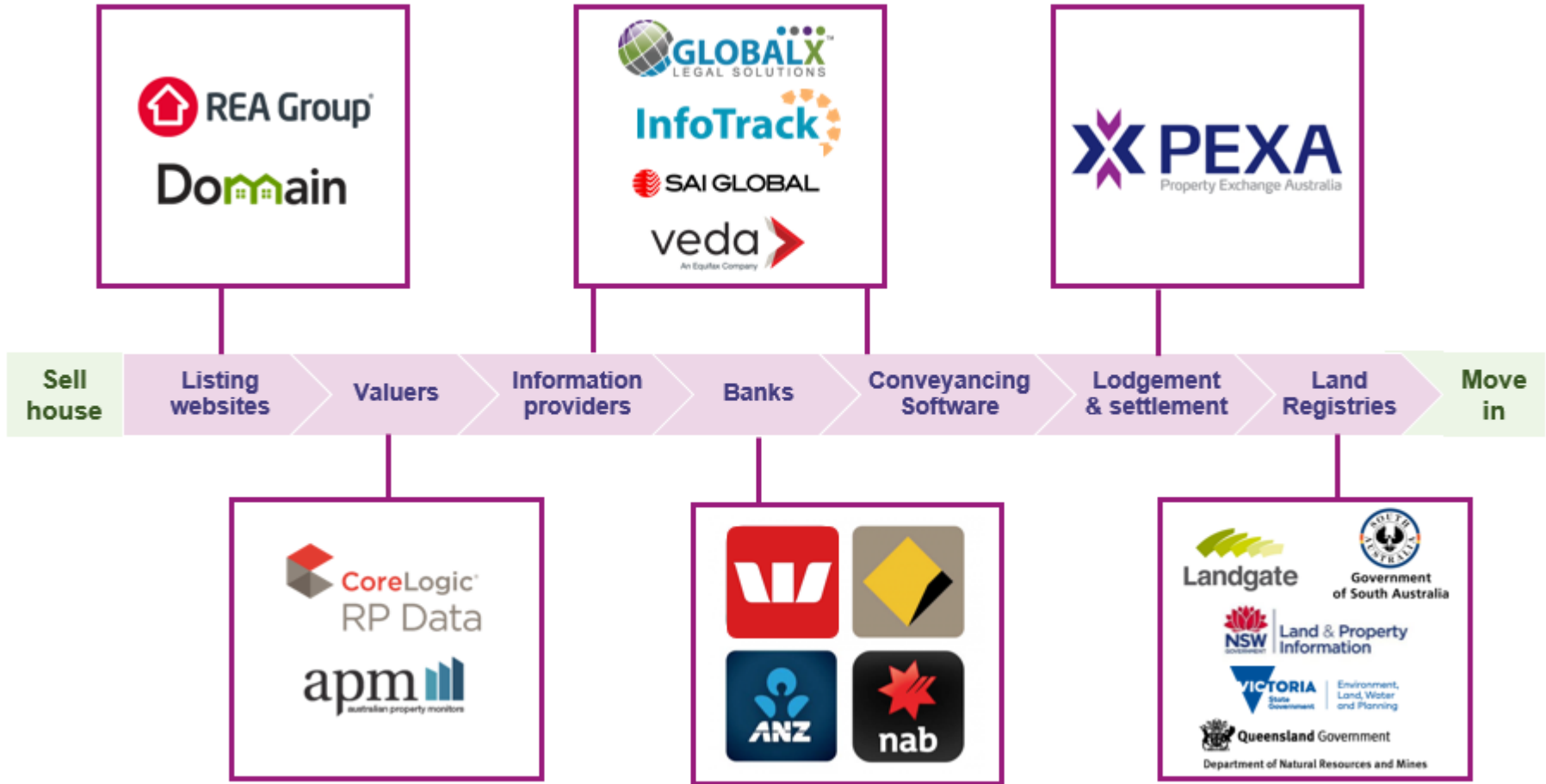


PEXA

- Property Exchange Australia is Australia's online property exchange network
- PEXA Snapshot at October 2017
 - Live in VIC, NSW, WA, QLD & SA
 - **120+** financial institutions joined network
 - **4,800+** practitioner firms are active Australia-wide
 - Over **599,000 transactions** completed
 - Over **\$74 billion** worth of property value settled
 - Top five ranking in **Deloitte's 'Tech Fast' 500**
 - **Asia Pacific companies' list**



PEXA is one point of a broader industry shift to a digital property industry





Key concepts integral to the platform operations

- Co-operation between title offices
- Verification of Identity (VOI)
- Enabling of digital signatures
- Electronic platform to transact
- Standard operational guidelines for Financial Institutions, Lawyers and Conveyancers



PEXA: An industry collaboration story

- E-Conveyancing national, intergovernmental approach is born in 2008
- Shareholders comprise 4 largest state governments, banks & industry participants
- Robust network built through collaboration with peak bodies representing banks, lawyers, conveyancers and land registries
- Today: Australian property market's world-leading e-conveyancing hub





Collaboration

- Real time sharing of relevant data and information
- Real time funds transfers
- Development of the “source funder” solution



Challenges, potential solutions and automation

- Digital signatures for borrowers
- Verification of Identity (VOI)
- Memorandum of Common Provisions
- National Mortgage Form project
- Upstream and downstream impact of the process flow
- Automation and AI technologies for end-to-end digital experience
- Change management (team, processes, framework)



Advantages of eConveyancing

- Reduced time on the phone
- Less time spent preparing documents
- Lodgement verification
- Physical attendance at settlement no longer required
- No bank cheques
- Title activity checks
- Less likely settlement delays
- Stamp duty verification
- Transfer lodged at time of settlement
- Lodgement gap cover
- Less time spend on post-settlement tasks



What does it mean for securitisation?

- Securitisation investors maybe bearing the aggregated risks of the process
- Distinguishing factors for investors
- Addresses process compliance and data quality issues
- May impact the current securitisation process:
 - Offering documents, legal opinions
 - Due diligence audit, ongoing compliance reporting
 - Request for different data points from rating agencies
- A great next step.....



Questions

- Questions?

