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THE REAL ESTATE PROFESSIONAL'S GUIDE TO ELECTRONIC SIGNATURES

Get all the facts about eSigning in Real Estate and a checklist to help you choose an easy, secure and compliant solution.

INTRODUCTION

The volume of documents and paperwork generated in a single real estate transaction is remarkable. Every sales contract, addendum, agreement and legal document can be multiple pages, needing initials and signatures from multiple parties.

Real estate is a business built on relationships and speed. In this fast-paced market, your clients, agents and vendor partners need (and expect) a secure, convenient way to sign and complete transactions in seconds—on any device.

- **Are you still printing, scanning, mailing, faxing and filing paper documents?**

- **Are you wasting time chasing down in-person signatures?**

- **Are you storing paper files with private information in an unsecure location?**

- **Are you struggling with complex and changing regulations for eSigning real estate documents?**

- **Are you spending more time on paperwork than closing new deals?**

> **An electronic signature, or eSignature, solution gives you a competitive edge and is one of the most important investments you can add to your PropTech toolbox.**

If you answered yes to any of these questions, read on to discover how electronic signatures make life easier for real estate firms and professionals around the world.

This ebook will help you learn the advantages of electronic signatures in the real estate industry, how to use them, critical security and compliance considerations, what to ask potential eSignature vendors and other important information to help you navigate your journey.

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WHAT IS AN ELECTRONIC SIGNATURE?

Before we dive into the many advantages and considerations of electronic signatures, let's start with what they are. You might be surprised to learn there is a difference between an electronic signature and a digital signature because the two terms are often used interchangeably.

Electronic Signature

An electronic signature is simply the digital counterpart of a handwritten version. This can be the image of your signature pasted in a Word document. It can even be your mail signature.

Digital Signature

A digital signature is the most advanced and secure type of electronic signature that relies on a **cryptography-based technology.**
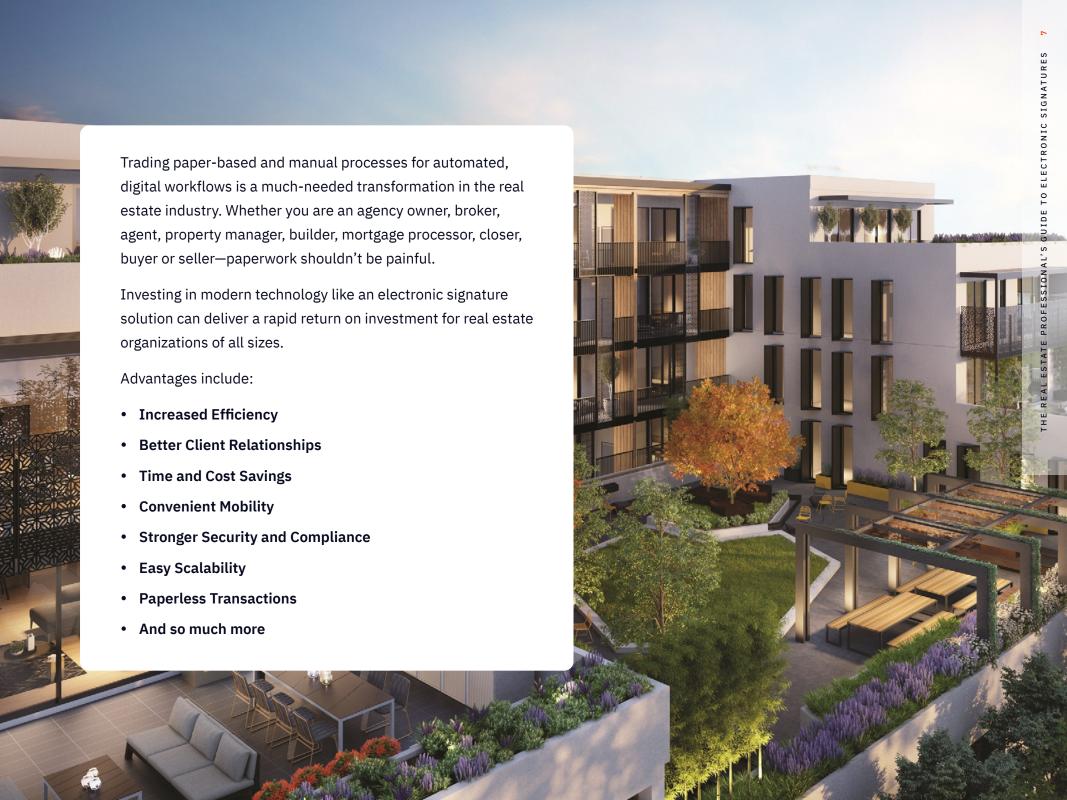
They use the standards and procedures of Public Key Infrastructure (PKI) to sign electronic data with a cryptographic key. This ensures the contents of the message cannot be modified or tampered with, without breaking the validity of the digital signature.

Digital signatures enable you to comply with the most demanding regulatory requirements because they provide:

- **An extra level of security and encryption**

- **The highest levels of assurance of each signer's identity**

- **Authenticity and integrity of the document**

In this ebook, we use the term 'electronic signature' throughout to simplify terminology.

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WHY ARE ELECTRONIC SIGNATURES SO VALUABLE IN REAL ESTATE?

Trading paper-based and manual processes for automated, digital workflows is a much-needed transformation in the real estate industry. Whether you are an agency owner, broker, agent, property manager, builder, mortgage processor, closer, buyer or seller—paperwork shouldn't be painful.

Investing in modern technology like an electronic signature solution can deliver a rapid return on investment for real estate organizations of all sizes.

Advantages include:

- **Increased Efficiency**

- **Better Client Relationships**

- **Time and Cost Savings**

- **Convenient Mobility**

- **Stronger Security and Compliance**

- **Easy Scalability**

- **Paperless Transactions**

- **And so much more**

Complete Transactions in Minutes, Not Days

Efficiency is the name of the game in real estate. You're writing offers at midnight in a multiple offer situation. You're negotiating deals while ordering your morning coffee. If you can't get documents signed and submitted in a matter of minutes, it can cost you a deal.

Electronic signatures can accelerate real estate transactions in many ways.

- **Reduce redundant tasks with time-saving templates and document packages**

- **Eliminate the need for physical, in-person signings and printing**

- **Enable any person to sign any document in seconds**

- **Ensure the same, or better, level of security and trust as conventional signatures**

Empower Everyone to Do Business Anytime, Anywhere

You must provide superior service and an excellent experience to be successful in real estate—and that means for your clients, agents and employees. Whether you're selling a property or onboarding a new agent or employee, if all you can offer is stacks of paper or outdated technology, your reputation and your revenue will suffer.

- **Sign any document on the go, anywhere in the world, from any device**

- **Send, sign, approve and track signatures in one solution**

- **Securely archive, store, access and audit documents**

- **Gain full visibility into your document lifecycle**

Make Security and Compliance Effortless

When it comes to any type of signature in real estate, that signature must be authentic and legally binding.

Compliance is equally important.

No matter where your real estate transactions occur—locally, regionally or globally—there are specific laws and regulations for electronic signatures you must adhere to. When you are doing business through cross-border transactions, it gets even more complex.

How do you minimize risk?
If your organization doesn't have dedicated security and legal teams to ensure you are meeting all these complicated requirements, you're not alone. That's why you want to choose a high-trust electronic signature solution and vendor that does the heavy lifting for you behind the scenes.

How do you know if your electronic signatures are compliant?
Read Section 4 for more details on country-specific laws and regulations.

Did you know...

Electronic signatures are actually more secure than a manual signature on paper?

Thanks to document encryption, you are guaranteed the document remained unchanged after signing.

Scale Your Real Estate Business on Demand

Your real estate business is sure to grow as you add agents, employees and clients. You might find yourself expanding to new locations or taking advantage of a merger or acquisition opportunity. It's important to future-proof your business today with scalable technology.

A Software-as-a-Service (SaaS) electronic signature solution enables you to:

- **Provide powerful cloud technology to everyone with a lower cost of ownership**

- **Scale users and volume up or down quickly as your needs change**

- **Control costs with predictable subscription pricing**

- **Work and collaborate from any location and device**

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HOW CAN YOU USE ELECTRONIC SIGNATURES IN REAL ESTATE?

Technically, any document that requires a signature can be signed electronically as long as any defined regulations and laws are met (be sure to check with your legal professionals). In real estate, that means **a lot of documents.** Just think of all the time and paper you could be saving!

The use cases for electronic signatures in real estate are endless:

- **Real Estate Purchase Contracts**

- **Real Estate Listings**

- **Contract Addendums**

- **Client / Agency Agreements**

- **Regional and Local Required Documents**

- **Appraisals and Disclosures**

- **Rental and Leasing Agreements**

- **Mortgage Documents**

- **Titles and Deeds**

- **Internal Contracts and Agreements**

- **Inspections**

- **Tax Documents**

- **NDAs**

PLUS! Easily package commonly used documents to automate signature requests, saving you even more time and effort.

- **Real Estate Sale**

- **Real Estate Listing**

- **Agent Onboarding**

- **Property Lease**

- **Mortgage Approval and Processing**

- **Escrow and Closing Documents**

- **Bank Wire Transfers**

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ARE ELECTRONIC SIGNATURES LEGALLY BINDING?

Yes.

An electronic signature is legally recognized and enforceable in almost every part of the world. The electronic IDentification, Authentication and trust Services (eIDAS) regulation has been directly applicable to all member states of the European Union since 2016 to enable secure, seamless electronic interactions.

In the United States, the Uniform Electronic Transactions Act (UETA) and ESIGN Act were passed to help govern electronic transactions. Many other regions and countries have or are in the process of enacting similar laws and regulations around electronic identification and trust services. They recognize the important role they play in enabling businesses and governments to securely conduct electronic transactions within and across borders.
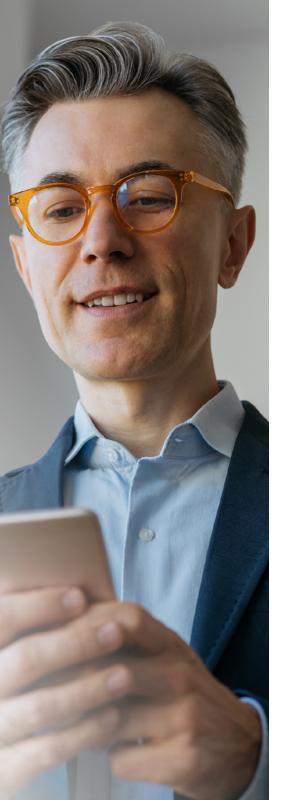
Download our **legal whitepaper** conducted by DLA Piper and read all about these important regulations, including an assessment on how Nitro Sign Premium complies with these regulations

- **eIDAS**
- **UETA & eSIGN ACT (United States)**
- **FAES ("ZertES" in German) (Switzerland)**
- **ETA (Australia)**
- **Hong Kong**
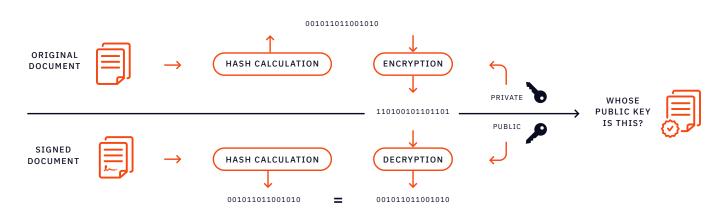- **Singapore**

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HOW DO ELECTRONIC SIGNATURES WORK?

Electronic signatures are based on a specific protocol, called Public Key Infrastructure (PKI). This protocol uses cryptographic algorithms to create two long numbers. These are called keys. One of the keys is public, the other one is private.

As electronic signatures are unique to a signer, each time a signer signs the document, the signature is created using the signer's private key. This private key is always securely kept by the signer and is included in the signature when he signs. Basically, the electronic signature securely associates a signer with a document in the form of a coded message. Next to this key, the signature also contains the certificate of the signer including the public key and other information, like date and time at which the document was signed.

Before signing, a cryptographic function is used to create a message digest (comparable with some data), called a hash. Afterwards, this hash is encrypted (signed) with the private key of the signer and included in the electronic signature.

When the document arrives at the receiver, another hash will be created. By decrypting the hash that was included in the signature, you will be able to compare it with the hash that was created for the document. If they don't match, the receiver of the document will see that the document is tampered with, resulting in an invalid electronic signature.

001011011001010

ORIGINAL DOCUMENT → HASH CALCULATION → ENCRYPTION

PRIVATE

110100101101101

PUBLIC

WHOSE PUBLIC KEY IS THIS?

SIGNED DOCUMENT → HASH CALCULATION → DECRYPTION

001011011001010 = 001011011001010

A variety of signing methods

Many different signing methods exist. These methods can vary from simple, like an approval button or a handwritten signature, to more advanced or qualified signatures, and very secure signing methods like signing with a national electronic ID card.

What you need to know is that, depending on the signing method, a signing process is often preceded by **user authentication**. This is the process of verifying someone's credentials prior to giving access to a system – in this case, signing electronically.

Authentication contributes to the enforceability of signed documents as it validates with whom a company, organization or institution is transacting with. Whether or not a company decides to ask for an authentication during the signing process will depend on the value of the transaction and the trade-off with user experience.

Although authentication doesn't necessarily mean a more cumbersome user experience, it is still more complex and demands more from the user than a simple scribble with the finger on a smartphone or desktop.

In this section, we will give you more insights into which signing methods exist today.

DISCLAIMER: The information in this section is for general informational purposes only and is not intended to constitute legal advice. Nitro does not guarantee the information contained herein is up-to-date or accurate nor we make any statements on the legal validity of signing methods. Please note legislation governing electronic signatures is changing quickly and can differ in each jurisdiction. If you have questions about the content or statements made in this section, or about whether Nitro's solutions fit the needs of your organization, please reach out to a legal professional in your region.

There are several signature options organizations can use when they don't need to authenticate the user.

Manual scribble

Using a mouse, touchpad, stylus or even a finger, the signer can draw their signature on a touchscreen. This is also considered an electronic signature.
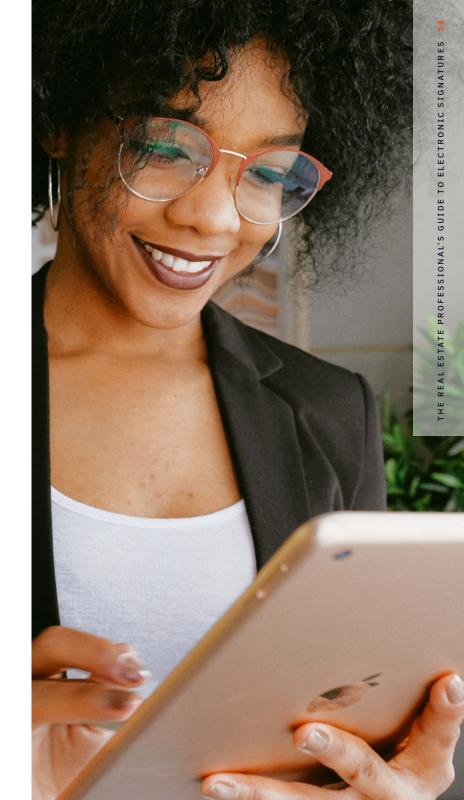
Aa **Handwritten signature**

Using a keyboard, the signer can type their name and then choose from pre-configured handwritten fonts the style they want to represent their signature.

OK **Approval Button**

Using a mouse, the signer simply clicks on an approval button, which results in an approval signature.

When organizations need to validate the user is who they say they are, there are a number of ways to authenticate them.

Biometric Signature

The signer uses a biometric signature pad or biometric pen to sign with a biometric signature. This captures different characteristics of the signer like the pressure, location of the pen and more.

Signing with a Smartcard or Token (USB)

In order to sign documents, the signer has to put their smartcard in a card reader or a token in a USB port and enter their personal PIN code to authenticate themselves.

Login and Password (including SSO)

- In some onboarding processes, a user identifies themself by choosing his username (often email address) and password. This can happen with or without a one-time verification upfront via, for example, Face2Face or video verification.

- Using the single-sign-on (SSO) principle, signers can use the credentials they've established to sign into a company's platform and also sign documents. This is often combined with multi-factor authentication.

One-time Password (OTP) via SMS or Email

When signing with this signing method, the mobile phone number or email address of the signers must be known. In return, they'll receive a one-time password, via SMS or email, which is needed to authenticate themselves.

Mobile Identities

A mobile identity refers to a person's digital identity and the technology used to manage it, meaning an application on a smartphone, tablet or other wearable technology.

Public/ Government/ Initiatives

To access secure online government applications, some governments created authentication services which can be used to electronically sign documents.

Bank Authentication (sometimes in combination with MNO´s = mobile network operators)

In some countries, there are also bank initiatives that create a personal electronic ID for secure identification. The bank identity can either be mobile, where the identity is stored on a mobile SIM card, or contained on another hardware authenticator, like a bank card reader or one-button authenticator.

Biometric Authentication

Before signing, a secure authentication process can be performed that relies on the unique biological characteristics of individuals to check they are who they say they are.

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CAN YOU INTEGRATE ELECTRONIC SIGNATURES WITH OTHER SOFTWARE?

When implementing electronic signatures, you can make your life easier by **integrating the solution into your existing business applications**. Additionally, it is recommended to make sure the electronic signature solution fits with your customers' systems. You also want to see if it includes easy-to-use application programming interfaces (APIs) that help you customize the solution for your specific needs.

Most solutions are built to integrate with the latest operating systems and browsers, but do check if it runs smoothly on the latest versions before you make your choice. For instance, some electronic signatures use Java, but Google Chrome no longer runs Java applets and it's likely other browsers may follow suit. Therefore, check how the solution works in all commonly used browsers because you want to make it easier, not harder, for your customers and employees to complete contracts and transactions.

There are also standalone solutions offered in the market that allow you to log in to a central electronic signature portal. You might want to check the interface here as well. That way you can seamlessly integrate electronic signature functionality into your own web applications.

Do not forget about **responsive design**. Smartphones and tablets are about to surpass PCs in internet use. To meet your customers' expectations, check how the solution looks and works on smartphones and tablets. Of course, it should support both iOS and Android.

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HOW DO YOU CHOOSE THE RIGHT ELECTRONIC SIGNATURE SOLUTION?

To help you choose the right electronic signature solution, we have created a checklist for you. These are important considerations to ensure you select a user-friendly solution that will satisfy all parties involved, both inside and outside your organization.

Efficiency

☐ Does it enable you to sign the file types you typically use? (PDF, DOC, DOCX, TXT, XML)

☐ Does it work with your existing applications?

☐ Does it enable document tracking via an intuitive dashboard?

☐ Does the solution provide you with inbuilt automated signature flows?

☐ Does it integrate with your existing applications or those you might use in the future (e.g., contract management, HR services)?

☐ Does the vendor know and understand your business?

☐ Does it allow for company branding?

Legal

☐ Does it comply with the regulations relevant to your organization? (eIDAS, GDPR, etc.)

☐ Can you use it across borders? Does it comply with relevant regulations in the countries you are operating in — e.g., across Europe, the U.S. or Australia?

☐ Does it encompass the e-identities or relevant other identity methods in the countries you want to serve? (.beID, itsme, iDIN, SwissID)

☐ Does it support Advanced and Qualified Electronic Signature (AES and QES) for documents with multiple signers?

☐ Does it enable anyone to validate the signature, even without access to the system? In other words: are the documents self-contained? If not, you might need the signing provider later in case a dispute arises.

☐ Does the solution offer WYSIWYS: What You See Is What You Sign? If you want to make sure the whole document is read before signing, this feature is a must in the solution you choose. It ensures that the document can only be signed when it is fully read.

User experience

- [ ] Is it easy to prepare documents for signature?
- [ ] Is the solution self-explanatory and intuitive? Make sure your users do not need to follow training or read a manual to use it.
- [ ] Can you set the order of the signers?
- [ ] Does it offer a wide range of built-in signature methods (SMS code, mail code, challenge-response, eID, etc.)
- [ ] Can you offer a choice of signing methods to your signers on their preferred device(s)?
- [ ] Can you sign packages of documents?
- [ ] Does it provide the ability to sign on any device?
- [ ] Does it enable anyone inside or outside the organization to validate the signature even without accessing to the system?
- [ ] Does it fit in with the consumer flow? Test the complete end-to-end-flow to make sure it is a smooth user experience.
- [ ] Does it support multiple languages both for initiators and signers?

Technical requirements

- [ ] Do you want to use a cloud solution or self-host the solution? Is the solution available in the way you prefer? Does the software offer the required level of security?
- [ ] Does it create an electronic signature and hash for each signer in the transaction? In other words: does it tamper-seal the document between signers following the eIDAS requirements?
- [ ] Is it compatible with the latest versions of all common operating systems (both PC and mobile)?
- [ ] Does it offer a completely responsive design? Can users also sign on their smartphone or tablet?
- [ ] Does it have a flexible Application Programming Interface (API)?
- [ ] Is the solution easy to implement?
- [ ] Are there out of the box connectors available for programs, such as Microsoft Power Automate, Salesforce?

Cost

- [ ] What is the cost model of the solution? Do you pay per signature or for the complete solution? Do you need to buy or is SAAS (hiring) also an option? Estimate your future expenses.

ABOUT NITRO

Nitro is a global SaaS leader in PDF software, document management and electronic signatures.

Nitro's Productivity Platform includes powerful PDF tools, digital workflows, highly secure eSigning and identity verification capabilities. Its industry-leading business intelligence and analytics product measures ROI and quantifies sustainability efforts, all supported by a best-in-class customer success and change management support team.

With more than 3 million licensed users and 13,000+ business customers across 157 countries, Nitro serves 68% of the Fortune 500. For more information, visit:

info@gonitro.com   www.gonitro.com

Nitro Sign Premium gives real estate professionals an easy, secure and trusted tool to collaborate and sign documents anywhere, anytime.

Ready to learn more?

Get in touch for more information about Nitro solutions for Real Estate. We are here to answer your questions, schedule a personal demonstration or provide a free trial for your organization.

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