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Document Processing Systems Astounds Industry, Closes Nation's First Fully Paperless, Registered eMortgage

*Mortgage Technology Firm Provides First Commercially Available,
Reproducible Online Closing and Digital Signature System*

Novi, Michigan - (August 30, 2004) – Document Processing Systems, Inc. announced today the nation's first successful implementation of a fully paperless, all-electronic mortgage closing using the patent-pending DPS eMortgage Studio™, the Industry's leading Electronic Mortgage Document Management (EMDM) System. The DPS eMortgage Studio, which is a secure, collaborative environment, was used by all parties—the lender, document provider, title company, settlement agent, notary and borrower—to electronically create, execute, register and store all documents for the settlement.

"This process represents a giant leap forward in the way mortgage loans are settled," said Paul Rakowicz, President of DPS. "As lenders and title companies begin integrating this new paperless environment into the mortgage loan process, they will see a large decrease in the number of problems associated with missing documents, missing or incorrect signatures, and incorrect information on documents. This is a huge stride in quality control which presently costs the industry hundreds of millions of dollars." Rakowicz continued, "We believe this landmark achievement was the hoped-for result of MISMO (the technology arm of the Mortgage Bankers Association) who fostered the standards for the mortgage industry."

This historic loan was originated by DPS partner 1st Advantage Mortgage, LLC of Chicago, IL. Immediately after the borrower, notary and settlement agent electronically "signed" the documents (using a mouse and clicking on boxes on the screen), 1st Advantage registered the loan on the MERS eRegistry, making the loan immediately available on the secondary market.

Because this eNote has been registered on the MERS eRegistry, it is the first truly uniform electronic note that can be bought and sold on the secondary mortgage market, providing investors the confidence that they can gain the benefits of purchasing this eNote while maintaining "Holder in Due Course" status.

"This technological advancement will dramatically change the way we do business," said Paul Lueken, President of 1st Advantage Mortgage. "Meeting the demand for less paper in the home buying process has been advanced by DPS and the DPS eMortgage Studio™. We at 1st Advantage are proud to be the first lender to register the first eNote in the MERS eRegistry and to be the first to use the DPS eMortgage Studio™."

"Until today, all other eNotes have been originated and sold through proprietary systems," said Dan McLaughlin, Executive Vice President, Product Division, MERS. "This is the first truly uniform eNote since it specifically requires that it be registered on the MERS eRegistry, the industry standard solution for satisfying E-SIGN and UETA requirements. We applaud Document Processing Systems for building a system which is now commercially available and reproducible—not just a test or beta system."

Chicago Title, who executed the signing of the documents, followed their standard operating procedures during the entire process. They disbursed all funds as usual and provided title insurance for the loan. "The conversion of the entire closing process from paper-based to electronic-based, with all the necessary security and legal requirements fulfilled, will have such a profound impact on our industry," said Mike Randick, Sales Manager, Chicago Title. "If we had the DPS eMortgage Studio™ last year, we could have closed so much more business because it diminishes document errors, eliminates the problem of missing documents, and lessens the time it takes to close a loan. Chicago Title is an advocate of using this powerful process."

"When Paul Lueken from 1st Advantage and Paul Rakowicz from DPS asked us to work with them on this process, we were very excited," said Pat Weinstein, Regional Manager for Chicago Title. "We see this transaction as

the first step in securing the integrity of all 'escrow closing' documents for the borrower and the lender. The technology was very user-friendly and I envision all home buyers and borrowers feeling very comfortable with this electronic process."

About DPS

DPS' patent-pending Electronic Mortgage Document Management (EMDM) System, the DPS eMortgage Studio™, sets the standard in the Industry by providing outsourced, enterprise-quality access to a fully paperless eMortgage process. A respected pioneer and leader in the mortgage technology industry since 1982, DPS also support lenders with their Direct-Docs™ web-based closing-document preparation service and a full complement of compliance and technology professional services.

About MERS

MERS is an electronic loan registry created by the real estate finance industry to eliminate assignments when trading mortgage loans. Borrowers name MERS as mortgagee and nominee for the lender on deeds of trust and mortgages that are recorded in the county land records. Lenders then register the loans on the MERS® System and electronically track changes in servicing and beneficial ownership rights over the life of the loan. Loans registered with MERS are inoculated against future assignments because MERS remains the mortgagee of record no matter how often servicing is traded between MERS members. Fannie Mae, Freddie Mac, VA, FHA, Ginnie Mae, the Federal Home Loan Bank MPF®, California and New York housing authorities, and all major Wall Street rating agencies have approved MERS.



