

# eSignatures Are Now a Top Priority Across the Nation



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Now more than ever, eSignatures and digital transaction enablement are critical technologies for credit unions. With increasing member demand to complete financial transactions and documents in a remote and safe environment, eSignatures have shifted from a convenience offering to a banking infrastructure necessity. eSignatures are no longer a luxury.

## **Adapting To The “New Norm”**

While not a new initiative, eSignatures are now a top priority across the nation. Most experts agree that even those members that were previously shy to adopt digital technology offerings will continue using these tools well into the future. This is our new normal. Credit unions realize – by virtue of this global disruption – that they must have a digital transformation strategy in place to navigate these challenging times and new member expectations. To retain their share of their respective markets, as well as ensure future success, credit unions must embrace digital transformation and provide members a more personalized, engaging experience – and the crucial link is eSignatures.

Adoption rates for eSignatures were on the rise prior to the pandemic, but now they have taken on an even larger and more significant role by enabling credit unions to move banking transactions forward while overcoming social distancing challenges. eSignatures allow the continuance of normal banking activities in a secure environment while protecting the safety of both the member and the credit union employee. It has become even more apparent that other unexpected conditions could arise in the future that would force the same technological need.

Credit union members not only expect, but also demand the ability to conduct banking business, open new accounts, obtain new loans, or modify/extend existing loans while avoiding traditional in-person contact and interaction with branch staff. It is important to transition traditional, paper-based processes from the physical experience to a digital one. Decline in branch visits and ATM transactions, an increased focus on ‘touchless’ interactions and payments, as well as the rapid operational migration to ‘Work-from-Home’ transitioned eSignatures from a nice-to-have, convenient solution, to a critical tool every credit union must have to empower their members to process daily transactions.

The most frequent usage of eSignatures has been with new account opening and new loan origination and closing processes. The Payroll Protection Program (PPP) also drove a dramatic rise in eSignature utilization. Credit unions are leveraging eSignatures to enable daily account service and maintenance transactions such as address changes, name changes, stop payment requests, wire transfer requests, and credit card disputes. eSignatures have been a way to provide service convenience to members: from those moving through the stages of the lending process to those who would like to digitally open an account online without the need to be present in the branch. Enabling the secure and convenient ability for consumers to complete and electronically sign documents are considered mandatory and part of the “new norm.”

## **Not All E-Signatures Created Equal**

Credit unions can all agree on the necessity of e-signatures; however, not all eSignature platforms are designed to meet the unique needs of financial institutions. While nearly every eSignature product in the market can facilitate an eSigned document, the “how” it does it becomes critical when dealing with financial services documents. Ensuring eSign transactions can be easily facilitated from any business system in an error-free operation without encumbering employees’ activities or adding new risks to the credit union’s environment is critical to deriving the full benefit of eSignature technology. Setting

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up the transaction for processing is one of the most important aspects of an eSignature solution. Removing any manual set-up, signature field “tagging,” or data entry is essential not only for internal operational efficiencies but more importantly for delivering quality document transactions that eliminate risk or exposure from inaccurate or incomplete document signing events.

It is equally important that credit unions partner with an eSignature provider that is knowledgeable about the unique intricacies involved with daily operations, regulations, and the overall business environment of a financial institution. To be effective, an eSignature platform should easily integrate, universally, with existing business systems across all departments and operating areas of the credit union. Additionally, it is imperative that a credit union select an eSignature platform that meets all of the institution’s unique requirements, while also meeting industry security and regulatory standards.

### **Digital Transaction Management**

Members expect the ability to eSign documents as a natural progression in a digital transaction lifecycle. As competition from FinTech and third-party providers increases, financial institutions must ensure that the digital experience is as seamless and worthwhile as possible. Now, credit unions can deliver new and dynamic methods for members to complete and sign documents, while enhancing back-office processes and associated tasks to encourage process flow and efficiency across the institution. eSignatures not only drive operational efficiencies and improve service but can also be a tool to break down geographical barriers and attract the next-generation of members.

Additionally, eSignature solutions with digital management capabilities enable credit unions to close transactions faster, with fewer resources. For credit unions with advanced digital transformation initiatives, eSignatures offer a powerful digital transaction platform that digitally connects the front office/member experience to the back-office processes in a comprehensive, “end-to -end” environment. Advanced business rules-based workflow technology enables credit unions to control and enforce critical operational processes and tasks to occur in accordance with established policies and procedures. Incorporating and defining business rules to meet specific processing requirements enhances compliance, boosts productivity, and drives organizational efficiencies.

### **Conclusion**

As a population, we have transformed how we work, how we interact with others, and how we continue to conduct our personal financial business. Credit unions are seeing a boom in digital-first relationships with both new and existing members. They are requesting new account openings, obtaining loans, and perhaps modifying or extending existing loans; and it all must be done electronically and with reduced or eliminated personal contact. The day-to-day demand of account service and maintenance transactions such as address changes, name changes on accounts, stop payment requests, wire transfer requests and credit card disputes have only increased. eSignatures provide a new solution to those daily operational activities – a way to place electronically fillable forms on an institution’s website or online banking center to allow consumers to complete and sign the appropriate documents to then be submitted directly to the institution. eSignatures and digital transaction management have become critical technologies for credit unions.

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The logo for IMM/eSign features the word "IMM" in a bold, black, sans-serif font. A diagonal slash follows, and the word "eSign" is written in a large, rounded, sans-serif font. The "e" is red, and the "Sign" is purple.

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