



PEXA starts to gather momentum

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Banking Day

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BANKING DAY NEWS BITES

Some time this week the mortgage processing company FMS will discharge a mortgage on behalf of one of its clients, Suncorp. What will make this discharge different is that it will be completed electronically, using the PEXA exchange, and with no physical lodgement.

Suncorp is one of three banks that have joined PEXA this month; the others are Teachers Mutual Bank and bankmecu. Together with the Big Four banks they are the early adopters of the new e-conveyancing exchange.

PEXA is having a slow gestation, starting with state land title registries and big banks and moving to smaller financial institutions, lawyers and conveyancers.

So measured is the rollout of the system that some sceptics wonder if it will ever become fully operational.

FMS chief executive Patti Eyres does not share those misgivings. "PEXA will make a big difference to the settlement part of the transaction. We think it will be very good for the industry," she said.

Eyres says there are two problems with the way settlements are done at the moment: parties have to attend in person, which is time-consuming and can be hard to arrange; and a significant number of settlements fail.

"PEXA addresses both those problems," Eyres said.

bankmecu's head of lending, Martyn Norman, said his organisation has had some experience of electronic conveyancing through its participation with a Victorian e-conveyancing pilot that ran for several years until it was wound up earlier this year.

Norman said: "For a bank like ours PEXA helps us overcome the fact that we don't have a presence in all the major cities. At the moment we need to engage agents in many places to attend settlements for us."

Norman said that until other banks joined PEXA, bankmecu would be limited to performing standalone functions such as mortgage discharges and mortgage settlements for borrowers who come with clear title.

"One lasting benefit of our involvement with the Victorian scheme is that all our title documents are electronic. That speeds up processing and it also means you never lose a document," Norman said.

"PEXA will mean a lot less re-working of documents and a lot less contact between banks. Booking and re-booking settlements is time consuming. My staff have had their PEXA training and they tell me the system is clear and easy to navigate."

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