

NAR Issue Summary

Technologies / Electronic Signatures and Authorizations

NAR Committee:

Federal Technology Policy Committee

What is the fundamental issue?

Congress must pass the SECURE Notarization Act, which would provide for the immediate, nationwide use of remote online notarization (RON) technology.

I am a real estate professional. What does this mean for my business?

Electronic documents and signatures will produce consumer savings, including the time and funds spent on paper, postage, and storage space for disclosures and authorizations. The practice will also allow for more efficient and streamlined real estate transactions.

NAR Policy:

Supports remote online notarization (RON) legislation that:

- Is technology neutral, focusing on the desired outcome of completing the notarial act rather than the technical means by which it is achieved;
- Advances, enables and supports the interstate adoption and recognition of remote notarization across all U.S. states and territories; and
- Protects consumers personal information in accordance with NAR's data privacy and security policy.

Supports federal agency efforts to facilitate the adoption of remote notary and acceptance of electronic signatures and records in all federally related mortgages.

Opposition Arguments:

Opponents of electronic signatures are generally concerned about the technology, cost, and potential for fraud. Proponents counter that paperless transactions are more efficient and cost effective, and consumer data can be protected with appropriate safeguards.

Legislative/Regulatory Status/Outlook

On February 27, 2023, the U.S. House of Representatives passed H.R. 1059, the Securing and Enabling Commerce Using Remote and Electronic (SECURE) Notarization Act of 2023, sending the bill to the Senate.

The SECURE Notarization Act would provide for the immediate, nationwide use of remote online notarization technology. The Act would also set minimum consumer protection standards without preempting unique state notarial laws for in person or remote notarizations. By design, the SECURE



NAR Issue Summary

Technologies / Electronic Signatures and Authorizations

Notarization Act works in tandem with the Uniform Law Commission's Revised Uniform Law on Notarial Acts 2018 to provide a framework for the use of remote notarization, much like the E-SIGN Act and Uniform Electronic Transaction Act (UETA) that allow for use of electronic signatures at both the state and federal levels.

The current law governing electronic signatures, the "Electronic Signatures in Global and National Commerce" or "E-SIGN" Act, became effective for real estate transactions on October 1, 2000. The law allows use of electronic signatures, disclosures, and authorizations to replace paper versions. The law does not affect the disclosures or parties' rights or responsibilities. It requires no particular technology, but all parties must agree on the method for electronically "authenticating" the contracts or documents.

Current Legislation/Regulation (bill number or regulation)

[H.R. 1059 - The SECURE Notarization Act of 2023](#)

Legislative Contact(s):

Chris Christensen, cchristensen@nar.realtor, 202-383-1116

Austin Perez, aperez@nar.realtor, 202-383-1046

Regulatory Contact(s):

Chris Christensen, cchristensen@nar.realtor, 202-383-1116

Austin Perez, aperez@nar.realtor, 202-383-1046

