

June 2014

The National NOTARY®

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The March Fong Eu
Achievement Award:
JPMorgan Chase & Co.

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The Return of Electronic Notarization

America's Post-Recession Appetite for Notary Technology Grows



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Our Mission

The National Notary Association is committed to the education and service of Notaries throughout the United States. As the foremost authority on the American Notary office, we are dedicated to imparting knowledge, understanding and unity among all Notaries, and instilling in them the highest ethical standards of conduct and sound notarial practice.

Our Core Values

The National Notary Association serves its membership by promoting five essential core values that empower and protect Notaries when assuming the responsibilities of the office and performing official notarial acts.

Our Core Values of Membership promote:

- **Compliance** with state laws and regulations
- **Liability Protection** for Notaries, signers and employers
- **Risk Management** to reduce fraud and identity crimes
- **Professionalism** to promote reliability, competence and integrity
- **Opportunities** to increase earning potential

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The Return of Electronic Notarization

Michael Lewis & Kelly Rush

Nearly a decade ago, the promise of notarizing documents without using paper and ink seemed on the verge of being realized. But the recession put the brakes on, and the promise lingered for years. Now, people are taking another look at electronic notarization, and they like what they see. Using the computer and Internet technology can bring the millennia-old duties of the Notary Public in line with the 21st century world. But there's a long way to go before it becomes an everyday reality for Notaries. *The National Notary* explores the issues surrounding eNotarization: what it is, how it works, its benefits, the obstacles to adopting it, and, most importantly, what it means to you.

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eSigner's Appearance Before Notary Is Vital

Charles Faerber

Electronic notarization can bring convenience and cost savings, but it still retains all of the essential elements of traditional, paper-based notarizations — especially the personal appearance requirement. Read why.

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Family Business: A Look at Notaries Who Work with Their Dads

David Thun

In honor of Father's Day this month, *The National Notary* shares the story of two Notary dads who have created winning teams with their children. Succeeding as a Notary takes a special combination of integrity and drive, and these fathers found the perfect partners for their mobile Notary businesses in their children.

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The March Fong Eu Achievement Award: JPMorgan Chase & Co.

Kat Garcia

Over the years, the National Notary Association has presented its March Fong Eu Achievement Award to individuals whose efforts have elevated the excellence and professionalism of the Notary Public office. But this year we came across a national effort so unique and compelling that — for the first time ever — we have chosen to honor a business: JPMorgan Chase & Co. Here's why.



Do You Really Know What eNotarization Is?

educational books and courses to ensure that we are performing notarizations in compliance with current law and procedures.

Over the years, we have learned what is meant by *acknowledgment*, the multifaceted meanings of *personal appearance* and *satisfactory evidence* and arcane terms like *SS* or *affiant*.

A decade ago, when the term eNotarization was first

of technology and were not to be left behind in the 20th century.

Our challenge today is like that of any professional whose workplace environment relies on their using and understanding words and their specific and precise meaning.

For instance, does eNotarization mean faxing an executed document into a county recorder for recording or does it mean executing it with an electronic seal and sending it via the Internet to the recorder?

Am I an eNotary if I send and receive documents for signing by computer: or must I have an electronic seal?

Is eNotarization an exact overlay of current notarization but executed electronically? What about personal appearance and satisfactory evidence?

Today, the necessity of being well-versed in notarization and its procedures is being reinforced by the expanding use of electronic notarization, seals and signatures.

Whether we find ourselves performing electronic notarizations or not, it is in every Notary's best interest to understand how technology impacts the principles of notarization. It also assures the public that the notarial act remains secure and reliable.

How we understand words is as important as the words themselves. Today, even more so.

If we misuse or misunderstand a word or phrase in casual conversation, we may flatter or offend the listener, but the moment quickly passes. Now, in this age of Twitter and Facebook and email, we know that the written word is not so fleeting.

There is yet another danger beyond that of memorializing our thoughts and feelings in word; it is to use words without knowing or understanding what they mean.

Naturally, as Notaries, we are dedicated to precision and accuracy with every notarization. We are meticulous with detail and fastidious about order with every journal entry. In some states, we have been routinely tested to assure our competency. In others, we avail ourselves of

“What electronic notarization actually represented in action or execution was generally left to the imagination.”

introduced, we quickly leapt to understand the new concept. After all, placing an “e” before any word meant electronic.

What electronic notarization actually represented in action or execution was generally left to the imagination. On further investigation it would come to mean a litany of different processes and procedures. Even if we couldn't actually define what it was or how it worked, we knew we now belonged to the new age

Reverse Mortgages Offer Alternative Work for Signing Agents

WITH THE CONVENTIONAL MORTGAGE MARKET going through its deepest downturn in nearly a decade and a half, reverse mortgages offer a potential alternative line of work for Notary signing agents.

With a reverse mortgage, the bank loans money based on the equity in the home but no payments are made until the borrower either dies or moves out and the home is sold.

The reverse mortgage market also has had its ups and downs in recent years, peaking at about 114,000 loans in 2009 before dropping to 60,000 in 2013. The Federal Housing Administration expects to see around 78,000 reverse mortgages by 2020.

The potential is huge. While reverse mortgages are restricted to homeowners 62 or older, the baby boom generation is hitting retirement age and 32 million of them own their own homes, according to a report from the Consumer Financial Protection Bureau.

Assessing Insurance Needs for Your Notary Business

IF YOU RUN YOUR OWN NOTARY BUSINESS, it's wise to review your insurance coverage to make sure all your liability bases are covered.

A Notary E&O policy protects you from liability due to unintentional mistakes during a notarization. But a single insurance policy doesn't usually cover every workplace need, said David Howell, a Texas Notary, business owner and mentor with SCORE, a national nonprofit association that helps small businesses get off the ground. For example, a Notary might be injured while out on the job, or a signer might find an item missing after a notarization and blame the Notary who just visited for a document signing — situations that wouldn't be covered by an E&O policy.

Howell recommends consulting with an insurance agent familiar with both general business liability and issues Notaries face to make sure you have adequate coverage.

Maryland and Wyoming Increase Fees for Notarial Acts

NOTARIES IN MARYLAND AND WYOMING will be allowed to charge increased fees for their services, thanks to law changes effective this year.

As of April 1, Maryland doubled the maximum fee Notaries may charge to \$4 per notarial act from the previous limit of \$2. And Wyoming Notaries — who are also currently limited to a maximum fee of \$2 — will be allowed to charge \$5 per notarization starting July 1.

By the end of the year, Notaries in Connecticut, Minnesota, Missouri, New York and West Virginia also may see their fees increase.

Protecting a Notary's Mobile Devices from Identity Thieves

SMARTPHONES, TABLETS

and laptops are essential tools for many mobile Notaries — so it's essential that any sensitive customer information kept on them is protected from data thieves. The Privacy Rights Clearinghouse, a nationally recognized consumer protection organization, offers the following tips:

1. Password-protect your mobile devices, and configure them to lock after a set period of time. If your mobile devices are lost or stolen, this could buy you some time to remotely wipe the device. This also makes it a little more difficult for someone to physically install spyware.

2. Be very cautious when using public Wi-Fi networks. While public Wi-Fi is very convenient, anything you do on an open network is at risk to be accessed by other network users. Don't use public Wi-Fi for anything that involves sensitive data (such as sending or receiving signer information for a loan document signing) without setting up protections to encrypt your communications. It's also not a good idea to log in using your passwords for personal accounts and files while on a public Wi-Fi network — your login information may be vulnerable to other users.

3. Turn off Bluetooth when you aren't using it. If your devices are always Bluetooth-discoverable, you expose yourself to the added risk of allowing malicious actors access to your device and communications.

Digital Edition of *The National Notary* Launches This Month

TO BETTER SERVE OUR NATIONAL NOTARY COMMUNITY, the NNA is pleased to announce the launch of *The National Notary* magazine's digital edition this month in conjunction with the unveiling of our new web site **www.NationalNotary.org**.

This interactive edition of our flagship member publication will provide you with a unique, interactive "print magazine" experience from your desktop computer, tablet, laptop or other mobile device. The digital edition includes features such as:

Interactivity — including the ability to jump directly to an article you want to read by clicking on its listing in the Table of Contents, or if you prefer, simply "turn" single pages by using your cursor. You can also share articles of interest with other Notaries using social media links.

Expanded Digital Features — in future issues, look for articles enhanced with bonus features such as interactive graphics, video and audio, links to additional resources and services available when you click on articles, and much more.

Environment-friendly Options — Members will have the choice to receive print and digital issues or go paperless and receive an electronic version only. More details will be announced in upcoming issues.

Share your thoughts and suggestions for the new digital edition at Publications@NationalNotary.org, or on the NNA's Facebook page. We look forward to hearing from you.



New Features Added to www.SigningAgent.com

IF YOU HAVE A PROFILE on the SigningAgent.com directory, update it quickly to take advantage of expanded profile options that will help you find assignments.

You can now add a photo, your hours of availability, upload a PDF copy of your commission or appointment certificate, and list your errors and omissions insurance verification from any carrier.

SigningAgent.com is used by a wide variety of companies to search for qualified signing agents. A SigningAgent.com profile allows companies to see if you are background screened, speak other languages or have other essential skills to meet their needs.

NNA members who perform loan signings and Notaries who complete the National Notary Association's Certified Signing Agent Program can create a profile in the directory. For more information, please contact our Customer Care Team at 1 (800) US NOTARY (1-800-876-6827).

Enter the 'Get Mobile Giveaway' on upgraded www.NationalNotary.org

THE NATIONALNOTARY.ORG WEBSITE has been reimagined and rebooted to improve service, support and training for Notaries nationwide.

And to celebrate, we're giving away a computer and mobile devices to three lucky winners.

Visitors will find improved navigation, a new look and feel, and a design optimized to intuit whether you are using a computer, tablet or smartphone.

Visit the new **www.NationalNotary.org** today to check out the new features, and register for a chance to win a computer, tablet or smartphone. Hurry, the last day to enter is June 30, 2014.



NNA Offers Free Notary Training for Vets at NNA 2014

TO SUPPORT OUR TROOPS as they face the difficult task of establishing civilian career paths, the National Notary Association is hosting complimentary Notary training for veterans during the NNA 2014 Conference this June in Phoenix, Arizona.

The complimentary training — fully funded by the NNA’s philanthropic arm, the National Notary Foundation (NNF) — furthers the NNA’s commitment to help military veterans return to civilian life. Veterans face unique career challenges as they transition out of active duty, and half of them are currently out of work.

“This contribution is a small token of our gratitude for their service. We’re proud to participate with other industry leaders in providing a warm welcome home for our servicemen and women,” said NNA President and CEO Thomas Heymann.

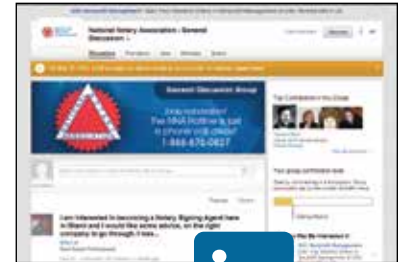


Nearly 100 veterans attended NNA 2013.

Mortgage Banking Magazine Features NNA Article on Signing Agent Standards

MORTGAGE BANKING MAGAZINE, the publication of the real estate finance industry, featured an article from the National Notary Association in its February 2014 issue titled “New Standards For Notaries.” The article outlines why lenders today are increasing qualifications for the tens of thousands of signing professionals who represent them at the signing table.

You can read the article at: www.bitly.com/MBAMag



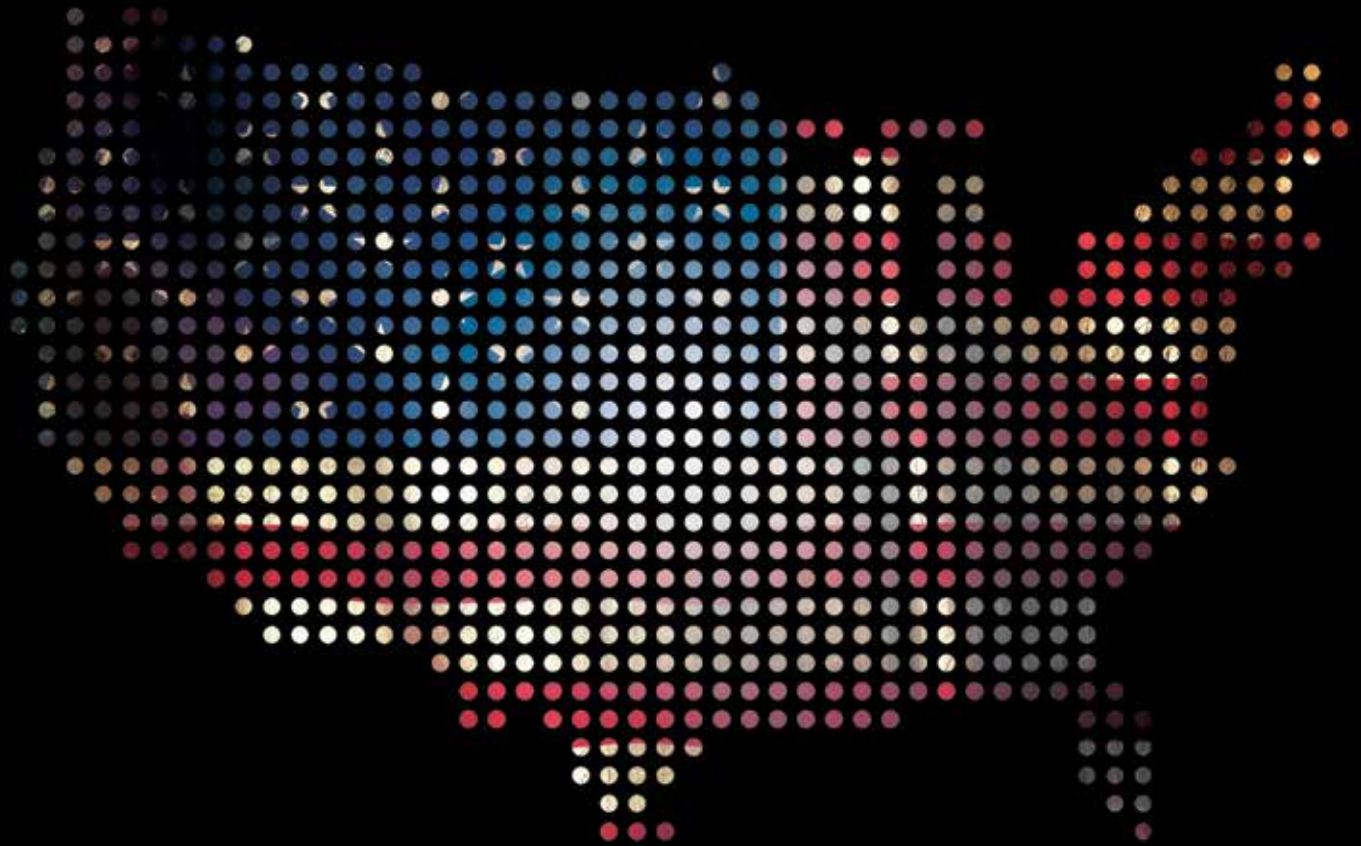
NNA Community LinkedIn Groups Relunched

THE NNA HAS CONSOLIDATED

its LinkedIn discussion groups into three distinct categories so that you can better engage with the right community of Notaries, get your questions answered and share your own experiences.

Our “General Discussion” group features wide-ranging topics relevant to all Notaries at any level, from beginners to seasoned professionals. Our “Notary Professionals” discussion group is for anyone who wishes to discuss notarial issues in specific industry sectors, including legal, healthcare, immigration, financial services and others. And our “Notary Signing Agent” discussion group is for signing professionals looking to share strategies and insights on business development, the mortgage finance industry, the closing process and other relevant topics.

Visit www.linkedin.com/company/national-notary-association to join the discussion community that’s right for you.



The Return of Electronic Notarization

America's Post-Recession Appetite for Notary Technology Grows

By Michael Lewis & Kelly Rush

HOW MANY TIMES IN ANY GIVEN WEEK do we swipe a credit card at a retail store and scribble our names on the pad? Or go online and click the “place order” button to buy something from Amazon or another Internet merchant?

Every time we execute a transaction like this we apply our electronic signature — and the process has become so commonplace that we take it for granted. In fact, the technology of the digital world — computers, tablets and smartphones; the software that runs on them; and the Internet that connects them — have made it possible to conduct most of our daily business without ever putting pen to paper. We can pay our bills, file our taxes and apply to college online and never use a single piece of paper.

But when it comes to a transaction that requires notarization, such as taking out a mortgage, it still usually requires a thick packet of documents to be printed out and then signed and notarized in paper form — even though most of the process before the signing happens electronically.

The technology to notarize documents in digital form (such as a Word document or PDF) has existed for more than a decade; federal and state legislation has been in place that, in theory, authorizes Notaries in almost every state to electronically notarize documents, and a number of software vendors offer systems for notarizing electronic documents without needing to print them out.

While not yet widespread, the use of electronic notarization is growing. Attorneys in Florida, for example, are relying on it for documents they must submit to local courts via the Internet. Lobbyists in North Carolina are using it to notarize the annual reports they are required to file electronically with the Secretary of State's office. And title and escrow companies are using it with property and mortgage documents they are filing via the Internet with the Philadelphia Recorder of Deeds. These examples, however, are more the exception than the rule. Most of the country and most businesses still depend on paper-and-ink notarizations.

However, many observers believe that circumstances are ripe for eNotarization to take off. We were here once before, during the housing boom of the previous decade, said William A. Anderson, Vice President of Legislative Affairs for the National Notary Association and an eNotarization expert.

"Before the bubble burst, a lot of companies were seriously looking at electronic notarization," Anderson said. "Then the recession hit, and everything went dark for about five years. Now that we're coming out of the recession, we're seeing a lot more interest."

One of the challenges advocates face is lingering confusion about electronic notarization.

What Is Electronic Notarization?

Generally speaking, traditional, paper-based notarization incorporates the following elements, which are intended to deter fraud and protect consumers:

- The signer must personally appear before the Notary;
- The Notary must positively identify the signer;
- The Notary screens the signer for willingness and awareness;
- The Notary creates a record of the notarization; and
- The Notary completes the notarial certificate, which includes his or her signature and, where required, an official seal.

Electronic notarization includes all of those elements. The only difference: The certificate is completed in electronic — or digital — form and attached to or logically associated with the digital document.

Typically a Notary would perform an eNotarization using a signing pad or a keyboard, and would access an eNotarization application via the Internet, said Darcy Mayer, Chief Technology Officer for DocVerify, a technology company providing eNotarization services.

Regardless of the technology, in performing an eNotarization a Notary will complete all of the same elements required for a paper notarization.

Clearly, the Internet will play a key role in the use and growth of eNotarization, but not all web-based transaction systems incorporate the notarial step. A good example are the web-based mortgage closing systems used by some settlement services companies. With these systems, borrowers still meet in person with a Notary to sign a paper limited power of attorney that authorizes an employee of the settlement company to sign the loan documents on the borrower's behalf.

Typically, the borrower will then log onto the company's website to review and approve the loan documents using an electronic signature. The settlement company representative signs all paper documents in the closing package. A Notary then notarizes the representative's signature.

But what about the Notary journal? It does not specifically fit into the eNotarization process. Some states — Montana, Oregon, Texas and California among them — allow Notaries to maintain their journal of notarial acts in digital form, but that is separate from the actual electronic notarization. Other states, such as Arizona and Missouri, still require Notaries to keep a paper journal regardless of how the notarization is performed.

*"Adopting
eNotarization is
like transitioning
from stone tablets
to papyri."*

**William A. Anderson,
National Notary Association**

The Benefits of Electronic Notarization

Because notarial acts often are part of broader transactions, such as mortgages, adoptions and legal filings, the benefits of eNotarization are closely associated with the benefits of automating these larger transactions.

As far back as 2004, *Mortgage Banking*, the magazine of the Mortgage Bankers Association, ran an article that suggested electronic loan closings (including eNotarization) could save lenders as much as \$2,500 per loan. A typical loan, according to the magazine, requires up to 1,000 pages of “highly regulated legal documentation” throughout the origination process. Eliminating the need to print out all those pages will dramatically simplify and reduce the time to close the mortgage.

But the mortgage industry isn't the only one to see the benefits of eNotarization.

The Minnesota Bureau of Criminal Apprehension (BCA) has adopted a system for electronically processing documents used to formally charge suspected criminals that incorporates eNotarization. Previously, law enforcement officers in the state would spend hours couriering paper copies of criminal complaints from prosecutor to judge to Notary and back to the police station. The BCA's eCharging system handles the entire process electronically, including the notarization, “in minutes,” according to a BCA report.

One rural jurisdiction, Carver County, estimates that the eCharging system will save \$100,000 a year in staff time as well as the cost of paper, gasoline and other supplies.

General businesses also are benefiting from eNotarization. One east coast entertainment business uses DocVerify's eNotarization system to process 3,000 to 5,000 invoices each month. Previously, company employees would spend the better part of a week printing, stapling, notarizing and shipping invoices, some of which contain hundreds of pages, Mayer said, at a cost of at least \$350,000 a month in shipping, supplies and staff time. By incorporating electronic notarization, they can send most invoices by email and cut their costs in half.

Apart from the cost savings, Mayer noted that electronic notarization can provide a higher level of security. “With paper, there's nothing to prevent somebody from removing a notarial certificate and stapling it to another document,” he said.

eNotarization systems have the ability to either lock a document or make it obvious if any changes were made after the notarization was executed. Mayer noted that systems such as DocVerify's also can track when and where a document was signed, who signed it, who notarized it and when, making it harder to falsify a document.

The ability to track who created, revised and signed documents also helps when it comes to

eSIGNER'S APPEARANCE BEFORE NOTARY IS VITAL

For all the convenience and cost savings that electronic notarization can bring to the way we do business, it retains all of the essential elements of traditional, paper-based notarizations. Arguably the most important element of any notarization is the requirement that a document signer be face to face in the same room with the Notary at the time of notarization.

The whole purpose of a notarization in any form is to protect against fraud, and requiring the signer to personally appear before the Notary is still the only way to positively identify the signer and verify that he or she is signing the document willingly.

The requirement for personal appearance is considered to be so important that it is at the core of the electronic notarization standards, rules and guidelines developed by various organizations, including the National Association of Secretaries of State (NASS) and the Uniform Law Commission (ULC).

The National eNotarization Standards drafted by NASS start with, “A Notary Public shall not perform an electronic notarization if the document signer

does not appear in person before the Notary Public at the time of notarization.”

The Revised Uniform Law on Notarial Acts (RULONA) contains a similarly worded rule. In the official commentary on this provision, the Uniform Law Commission was more expansive: “Personal appearance does not include an ‘appearance’ by video technology, even if the video is ‘live’ or synchronous. Nor does it include an ‘appearance’ by audio technology, such as a telephone.”

The marriage of the centuries-old tradition of being in the physical presence of a Notary combined with technology reaffirms what Notaries have known all along: Nothing is more secure than a trustworthy individual witnessing an act in person.

By Charles Faerber



complying with federal regulations, said Nancy G. Pratt, Director of eStrategy for Stewart Title.

“In the electronic world, there is a much stronger audit trail,” she said. “In the paper world, you can’t prove a document is the original.”

There also are substantial benefits to both borrower and Notary.

“With an all-electronic mortgage process, the Notary would still go to the signing, but it would be done online, on a computer or tablet,” Anderson said. “There would be no printing burden. The borrower would be able to see the documents ahead of the signing and have time to get any questions answered — before the Notary showed up.”

Stewart Title recently helped a borrower in Utah do just that, said Pratt. The Federal Housing Administration-backed loan was supposed to close on a Monday using the title company’s Quick Close online closing system. The documents were made available to the borrower the previous Thursday, who reviewed them before meeting with the Notary to electronically sign them.

Anderson also said most electronic systems are designed to prevent errors. If a date or signature is skipped, the system won’t let you go on until the previous step is completed. “There would be no blanks, no missed signatures, and much less need to return to fix mistakes.”

The Legal Landscape

Before Notaries could even start thinking about working in a digital medium, they needed laws recognizing the validity of digital signatures and documents. That started with the Uniform Electronic Transactions Act (UETA) — a uniform law published in 1999 by the Uniform Law Commission for states to enact.

UETA, which has since been adopted by 47 states (see map on page 15), essentially establishes that a record or signature cannot be denied by a receiving party just because it’s in electronic form.

One year later, Congress enacted the Electronic Signatures in Global and National Commerce Act (E-SIGN), which also declared that in interstate commerce a contract or signature can’t be denied legal validity solely because it is in electronic form. So at the turn of the century, electronic documents and signatures technically became as valid as their paper and ink equivalents.

The NNA’s own model legislation, the *Model Notary Act*, was revised in 2002 and later in 2010 to incorporate sections on electronic Notarization. Those provisions currently are being separated and revised into a standalone *Model eNotarization Act* (MeNA), which is due to be published later this year (see article on page 14).

eSignatures, eNotarization, Webcam Notarization and More

The impact of technology on Notaries has become a hot topic in social media communities, but there is a lot of confusion about electronic notarization. Here are some basic terms and their definitions to help sort through the discussion.

● Electronic Signatures

- Any time you make a purchase with a credit card and are asked to sign a digital pad, or input your PIN to get money out of your bank’s ATM machine, you’re using an electronic signature or eSignature. Essentially, an eSignature is any electronic symbol, sound or process connected to an electronic document that signifies a person’s intent to sign the document. eSignatures can be made in a number of different ways, but they are considered as legally valid as a signature on a paper document (often called a “wet” signature).

● Electronic Notarization

- Electronic notarization, or eNotarization, is essentially the same as a paper notarization except the document being notarized is in digital form, and the Notary signs with an electronic signature. Depending upon state law, the information in the Notary’s seal may be placed on the electronic document as a graphic image or by other available means. But all other elements of a traditional, paper notarization remain, including the requirement for the signer to physically appear before the Notary.

● Webcam Notarization

- In 2011, Virginia authorized the commonwealth’s commissioned electronic Notaries to perform electronic notarizations using video and audio technology (e.g. “webcams”). The document is being notarized electronically, but the webcam element means that the signer does not need to physically appear before the Notary. To date, Virginia is the only state to permit webcam notarizations.

● Web- and LPOA-Based Mortgage Closing

- A number of settlement service companies are using web-based loan closing systems that rely on limited powers of attorney. One company, for example, uses a system called iClose. These systems do not incorporate electronic notarization. Instead, the borrower physically appears before a Notary to sign a limited power of attorney (LPOA) in paper form. The LPOA allows a representative of the settlement services company to sign the borrower’s mortgage documents. Typically, the borrower will then log onto the closing system to review and approve the loan documents using an electronic signature. The settlement company’s representative signs all paper documents in the closing package, including the Mortgage or Deed of Trust, and a settlement company Notary notarizes the representative’s signature.

● eRecording

- Many documents related to real property transactions — such as deeds and mortgage assignments — must be filed or “recorded” with the county or municipal recorder’s office. Electronic recording, or eRecording, is the process of “recording” those documents in electronic form. This may be accomplished by submitting an electronic document (such as a PDF) which is stored electronically, or by submitting a paper document, which is scanned into electronic form.

The Obstacles and Challenges

With such obvious benefits and the legal foundation in place, why hasn't eNotarization taken off?

"Adopting eNotarization is like transitioning from stone tablets to papyrus," Anderson said. "For more than a thousand years, we've been inscribing things on paper. The electronic world is a new paradigm, and paradigm shifts take a little time."

One of the first challenges lies in a wide acceptance of the legality of electronic notarization. Consider the following: 49 states have enacted legislation permitting Notaries to use electronic signatures; more than 20 states have enacted supplemental legislation or rules governing eNotarization. Yet DocVerify only offers electronic notarization in 14 states (see map on page 15).

Mayer described an all too common occurrence when trying to get their system approved for use in states that supposedly permit eNotarization. "When you call the Secretary of State's office in some states, they'll tell you they don't allow it."

Anderson noted that officials in many states don't want Notaries performing eNotarizations

until regulations covering the technology are created. And many companies are reluctant to embrace eNotarization because it has not survived a major court challenge to its legality.

"People would be much more comfortable using eNotarization if we had a court ruling that says these electronically notarized documents are acceptable," Anderson said. "The problem is finding someone to be first to fight this fight."

Technology itself may pose a double-edged sword, particularly for the Notary. A number of technology vendors are marketing their proprietary eNotarization systems. In the emerging business model, vendors are contracting to provide their systems to individual companies. The Notaries working for those companies will use that vendor's system.

But self-employed Notaries face a different landscape. A signing agent, for example, is likely to work for many different companies and faces the very real possibility of having to perform eNotarizations using many different systems. The market has not yet worked out how to resolve this situation, but Anderson hopes that the eNotarization vendors will allow

"I know our time has come. Over the next two years we'll see huge strides."

Nancy Pratt, Stewart Title

Introducing the Model eNotarization Act of 2014

For the past two years the National Notary Association has been working with a national panel of 28 experts to draft a Model eNotarization Act (MeNA). The purpose of the MeNA is to offer state legislators electronic notarization provisions to readily update their existing Notary laws.

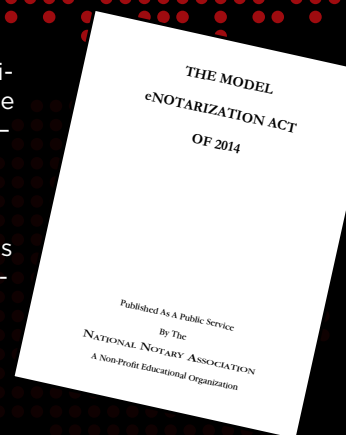
The MeNA is the latest in a series of model statutes published by the NNA that have helped lawmakers revise and modernize their Notary Public laws. The first was the *Uniform Notary Act* of 1973. That version was expanded and updated as the *Model Notary Act* (MNA) of 1984, which, in turn was revised in 2002 and 2010. Over more than four decades, more than 40 U.S. states and territories have adopted or enacted some or all of the provisions of the four model acts.

The MNA of 2002 was the first to incorporate the rules for the emerging need for electronic notarization. Electronic notarization provisions in the MNA are built on the fundamental definitions and procedures of paper-based sections. That meant that legislators who wanted to retain their own current paper-based Notary laws while still

adopting the eNotarization provisions of the MNA had to integrate and cross-reference two codes — one paper-based and the other electronic — a cumbersome and painstaking task.

That's where the MeNA comes in. It is being drafted as a "stand-alone," model statute allowing legislators to incorporate all or part its provisions without having to rewrite existing laws.

The MeNA Review Committee that is drafting the model act includes technology-savvy officials such as Nevada Attorney General Catherine Cortez Masto, North Carolina Secretary of State Elaine Marshall, and Delaware Deputy Secretary Rick Geisenberger. It also includes nationally recognized authorities on electronic documents and signatures, including Chicago attorney Tom Smedinghoff; Terry Van Bibber, President of SafeDocs; and Darcy Mayer, Chief Technology Officer of DocVerify.



Notaries to use their systems at little or no cost.

Pratt thinks that market forces will push eNotarization application vendors to make standalone systems. That way Notaries will be able to choose one system and use it anywhere.

eRecording: The Difference Maker

While eNotarization can bring benefits to many different types of transactions across many industries, Anderson believes that the property records industry — including the mortgage lenders and real estate firms dependent on property records — will be the true difference maker.

For real estate transactions, the county or municipal recorder's office is the last stop for documents such as deeds and mortgage assignments. But most of the 3,600 recorder's offices around the country can only accept paper documents.

In many cases, a county recorder's office isn't equipped to handle the technology, but the Property Records Industry Association (PRIA) is working hard to change that. Currently, nearly 1,100 recorder's offices in 45 states are capable of electronically recording — or eRecording — documents.

But progress is being made. Stevie Kernick, chief staff officer for PRIA, said the association has developed a set of uniform standards for eRecording that will speed up adoption nationally.

Growing Optimism

In the final analysis, it's the size and complexity of our economic and government institutions that poses the greatest hurdle to the expansion of electronic notarization. Still, there remains considerable optimism.

"In 2014, people are accepting and using eSignatures," Mayer said. "They are becoming more comfortable with the technology, and much of the fear that used to surround the concept of electronic commerce is fading."

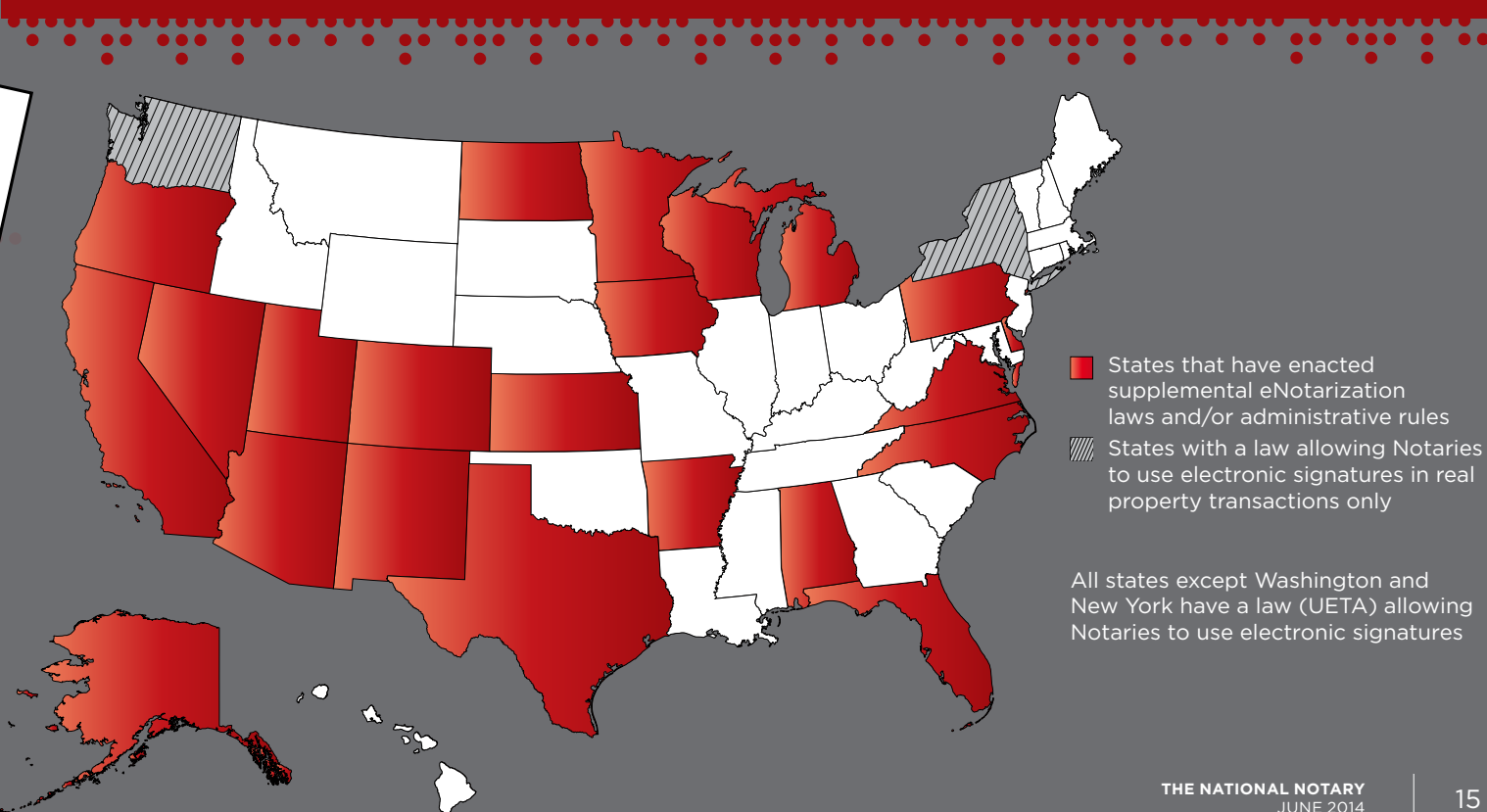
Pratt credited the federal government with pressuring financial institutions to adopt electronic loan closing systems. "The Consumer Financial Protection Bureau has been telling people to move to an electronic environment, and that's sparked so much interest this year."

Given the growing interest in eNotarization, Mayer believes that it will become much more commonplace.

"I know our time has come," Pratt said. "Over the next two years we'll see huge strides."

As eNotarization becomes more accepted in commerce and our daily lives, individual Notaries still will be carrying out their vital tasks of identifying signers and screening them for willingness and awareness. ■

eNotarization Across America



FAMILY BUSINESS: A LOOK AT NOTARIES WHO WORK WITH THEIR DADS

By David Thun

I N HONOR OF FATHER'S DAY

this month, *The National Notary* is sharing the story of two Notary dads who have created winning business teams with their children. Succeeding as a Notary takes a special combination of integrity and drive, and these fathers found the perfect partners for their mobile Notary businesses in their children.

Dave Hendron and Irene Grimsley — ID Mobile Notary

Dave Hendron, a retired law enforcement officer, was looking for ways to supplement his income when he discovered that his daughter, Irene Grimsley, a full-time nursing student and Federal Express employee, had a similar need. So they decided to start a mobile Notary business together, ID Mobile Notary (the "ID" stands for "Irene and David").

"I see quite a few Notaries every day at work," Irene said. "They all talk about how great an opportunity it is, the flexibility in their schedules, and they all have great goals and aspirations. It just seemed like a fun thing to get in to."

"Irene approached me after I retired from law enforcement. She had recently gotten her commission and suggested I look in to it. After thinking about it, we talked about getting into business together," Dave said. "I had the time to set up the business, where Irene did not because of school, work and being a mom to two kids. We liked the idea of setting up together, being our own bosses, and having a family business."

Though their mobile Notary business is still new — both were commissioned in 2013 — Dave says it's been off to a solid start, with the pair serving San Diego and Tulare Counties in California.

Dave is a signing agent and handles loan document signings while Irene handles general mobile Notary assignments.

"Working with a family member — someone whose strengths and weaknesses I already know — gave us a great advantage," Dave said. "We can work to our strengths and help each other with things one or the other of us might not be good at."

David and Irene also said that working with a family member is an

Irene Grimsley and
Dave Hendron of
ID Mobile Notary



advantage because there's already a bond of trust. "We already have an established relationship, and can depend on each other. Because this is a family business, it is more of a personal involvement in the other person's success than there might be if we were just business partners."

Both father and daughter agree that working together has been very rewarding, and they are even considering inviting other family members to join the business. "We have been having a ton of fun together running a very successful Notary business."

James and Andreas Franklin — AllDone Notary

A longtime resident of Mississippi, James Franklin became a Notary signing agent in 2007 to supplement his work as a real estate agent. It turned out there was a lot of demand for notarial services in his area — in addition to loan documents, he received requests from schools, hospitals, libraries and other businesses in his area. As business continued to grow, James decided he needed another Notary on his team to help cover the workload, so he asked his son Andreas to join his company, AllDone Notary.

"I thought it would benefit both of us," James said. "Since we live in two different areas, he handles his region and I handle the other."

Together, father and son handle a range of

assignments including loan closings and mobile Notary work in Gulfport, Biloxi and throughout the state.

"I really like doing this," Andreas said. "I previously worked in customer service, and good customer service is what being a Notary is all about." James' knowledge of the real estate field proved to be a big help when it came to tutoring Andreas about the ins and outs of working as a signing agent. "All the experience my father has helps," he said. "All he's taught me has helped me to avoid making mistakes."

Working as a father-son team has provided a lot of benefits for AllDone Notary, James said. Having two Notaries available allows them to be flexible and take on more assignments because they can cover each other when scheduling conflicts arise. In fact, says James, the only problem they've run into is that the business has been so busy, it's difficult for the two of them to attend family activities at the same time, since one of them is often out on assignments.

Andreas also admits that he sometimes feels more pressure working for his father than he would working for someone who wasn't a family member. But at the same time, he says he receives mentoring and training he wouldn't get from a stranger. As he put it, "Who is better to learn from than your own father? As long as you can get along and make things happen, it works out." ■

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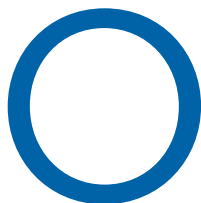


Chase Notary Dana Truxillo performs a notarization for Bradley Bartkowiak in a downtown Austin, Texas, branch.

THE 2014 MARCH FONG EU ACHIEVEMENT AWARD

JPMORGAN CHASE & CO. and Its ONE CHASE NOTARY PROGRAM

By Kat Garcia



VER THE YEARS, THE NATIONAL NOTARY ASSOCIATION has presented its March Fong Eu Achievement Award to individuals whose efforts have elevated the excellence and professionalism of the Notary Public office. But this year we came across a national effort so unique and compelling that — for the first time ever — we have chosen to honor an organization: JPMorgan Chase & Co.

One Chase Notary Program: The Architects



Tracey Gilliam,
Associate General Counsel



Stephen Cutler,
General Counsel



Tamra Bubke,
Vice President of Operations



Micheale Striblin, Head of
Branch Policies and Procedures

Not pictured: Nikki Dixon — Assistant Vice President, Operations Manager; Laurie Gizzi — Assistant Vice President, Operations Manager

The story began nearly a decade ago as the mortgage industry started a rollercoaster ride that took it from boom times to crisis to recovery — and unprecedented regulatory initiatives. During the toughest times, mortgage servicing companies across the nation struggled to meet the increasing and urgent needs of homeowners. Among the daunting challenges, these companies needed to generate and track borrowers' mushrooming paperwork more efficiently while maintaining accuracy. They also wanted to provide a better customer service experience.

JPMorgan Chase & Co. saw this challenge as an opportunity across all its business divisions. Company executives reviewed all procedures involving sworn documents, recognized the importance of notarial best practices, and launched the One Chase Notary program.

Chase's goal for the program was straightforward:

- Create consistent, best-in-class notarial practices that comply with legal and regulatory requirements
- Offer the highest level of consumer protection and
- Provide an outstanding customer experience across all Chase businesses nationwide.

Because of its groundbreaking program, the value it places on Notaries Public, and its recognition of the vital role trusted notarizations play in building consumer confidence, the National Notary Association is proud to honor JPMorgan Chase & Co. as its 2014 March Fong Eu Achievement Award recipient.

The Award is named for its first recipient — former California Secretary of State March Fong Eu — whose accomplishments in service to Notaries set a high standard by which all subsequent nominees for the honor are measured. Since 1979, the Award honorees have included secretaries of state, legislators, governors, state Notary program administrators, attorneys general, scholars and judges. The Award will be presented to JPMorgan

Chase & Co. during the NNA 2014 Conference in Phoenix, Arizona, June 1-4.

The fact that a company is being honored this year represents an acknowledgment of the unique and special nature of the collective contributions of many individuals within Chase. Together, they have made great strides toward improving the standards, image, and effectiveness of the United States Notary Public office.

“Chase has created an unprecedented program that underscores the importance of the consumer protection Notaries provide...”

— Tom Heymann, President and CEO of the National Notary Association

“Chase has created an unprecedented program that underscores the importance of the consumer protection Notaries provide by confirming a signer's identity in person as well as their understanding and intent to sign the document being notarized,” said Tom Heymann, President and CEO of the National Notary Association.

“The National Notary Association helped us create the disciplined infrastructure we needed to provide consistent, best-in-class Notary service,” said Bill Wallace, Chief Operating Officer for Chase Consumer & Community Banking.

What Is the One Chase Notary Program?

The One Chase Notary program began as a partnership between the JPMorgan Chase & Co. Legal team, operations experts and branch leaders — all of whom understood the value of following notarial best practices.



“We knew we had a great opportunity to improve our Notary processes,” said Tracey Gilliam, the Associate General Counsel for JPMorgan Chase who led the design and development of the One Chase Notary program. “We sat down and looked at how we could be more consistent for both our customers and our colleagues, including providing clear guidance for the tens of thousands of Notaries across the firm.”

Initially, Chase’s two largest consumer business divisions — Consumer Banking (primarily comprised of branches) and Mortgage Banking — were working independently to meet new policy and regulatory requirements for its staff Notaries.

“We ... looked at what would be the right standard for the company nationwide.”

— Stephen Cutler, General Counsel

Then, in September of 2012, the firm empowered three full-time employees — the One Chase Notary team — to support the firm-wide, all-inclusive and evergreen process that would continue identifying and training commissioned Notaries as they joined JPMorgan Chase.

Within four months, the One Chase Notary team grew to seven employees and brought together both the Mortgage Banking and Consumer Banking work streams to become the central contact for all Notaries notarizing on behalf of the firm.

“We are especially proud that we didn’t stop at state requirements, but looked at what would be the right standard for the company nationwide,” said Stephen Cutler, the General Counsel for JPMorgan Chase.

“Our Legal colleagues got the ball rolling and we’ve kept it going,” said Tamra Bubke, Vice President of Operations and leader of the One Chase Notary team. “We speak every day as we make this part of our standard work across the firm. Any time our team has a question about a legal requirement

for Notaries, we go right to our Legal partners.”

The Legal team drafted the firm-wide policy for its staff Notaries, which includes:

- Creating a centralized system to identify all Chase Notaries and verify their commissions;
- Requiring Notaries to pass the thorough training course on notarial best practices;
- Requiring all Notaries to maintain a journal of their activities, including specific minimum data about the document, even if there is no state requirement to do so; and
- Requiring the signer’s personal appearance in front of the Notary for all notarizations.

To understand the scope of the program, consider that Chase has 24,000 Notaries in 36 states working at thousands of branches. And Chase created the program as the industry was dealing with a growing slate of compliance issues from state and federal regulators.

How Does Chase Address Notary Law Variations Between States?

The One Chase Notary team works closely with internal lawyers to remain abreast of vital changes in Notary laws and commissioning requirements, which differ from state to state. The program’s training focuses on national standards, so frequent and efficient communication is essential because Notaries must know about laws and regulations at the federal, state and county level.

Chase found that this task wasn’t always easy, so they reached out to the National Notary Association for guidance on legislative matters.

“The National Notary Association has been an invaluable partner in making our One Chase Notary program so effective,” said Micheale Striblin, Head of Branch Policies and Procedures at JPMorgan Chase. Striblin coordinated the branch rollout and sought insight from the NNA to:

- Help Chase enhance content for the annual training program;
- Compare lists of Chase employees who were registered with the NNA but hadn’t yet identified themselves as Notaries with Chase; and
- Ensure all Chase branch-identified Notaries were aware of and using all of the NNA services available.

With Chase's support, the NNA extended Hotline services to accommodate the needs of branch Notaries who often have customers at their desks and must respond to a variety of questions quickly and confidently. The NNA Hotline fielded 131,000 calls in 2013, including 1,500 each month from Chase Notaries.

What's Next for the One Chase Notary Program?

Every day, the One Chase Notary team reviews commission certificates from Notaries who want to join the program. Notaries are required to have a current state commission registered in the firm's Notary system before notarizing on behalf of Chase or during work hours. The team works closely with applicants to ensure their Notary commission is submitted without error and approved in a timely manner.

The One Chase Notary team will continue to educate Notaries, answer their questions about various state requirements, and review Notary journals monthly to ensure they meet state and corporate requirements. The team will support Notaries and the vital role they play by keeping procedures up to date and providing the information needed to perform notarial acts properly.

Chase is also working with the NNA to broaden

the scope of reporting data from Hotline. The goal is to improve training on the most common topics from questions about commission processing and Notary materials to specific document notarization inquiries.

Ultimately, Chase customers, its Notaries and the firm itself all benefit from the One Chase Notary team. Customers are served by well-trained professionals. Notaries appreciate being able to get the answers they need by sending questions and concerns to a central location. The firm is confident it can deliver consistent, best-in-class practices that will meet the requirements of both its customers and regulators.

The NNA is proud to honor JPMorgan Chase & Co. for creating and implementing the One Chase Notary program and for taking great strides toward protecting consumers by upholding notarial best practices nationwide. ■




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Powers Of Attorney: How Do You Handle Them?



When someone signs a document on another individual's behalf, extra steps are needed in identifying the signer, completing the certificate and recording your journal entry. Below are some guidelines surrounding powers of attorney during a notarization.

Power of Attorney — Defined

A power of attorney is a document authorizing someone to perform duties on behalf of another individual. A person granted power of attorney is referred to as an "attorney in fact" or "agent." The individual represented is referred to as a "principal." An attorney in fact has authority to sign the principal's name and have that signature notarized without the principal being present.

Notarizing an Attorney in Fact's Signature

Acknowledging the signature of an attorney in fact on behalf of an absent principal is a bit more complex than an ordinary notarization. When signing a document, an attorney in fact typically signs two names: the attorney in fact's own name and the name of the principal. For example, if John Doe is acting as attorney in fact for Mary Sue, he could sign like this:

*"John Doe, attorney in fact
for Mary Sue, principal"*

Or,

*"Mary Sue, by John Doe,
attorney in fact"*

In this case, John Doe is the person signing the document, on behalf of Mary Sue. The key point to remember is that you are notarizing the signature of the attorney in fact. Because John Doe is the person physically present and signing, you enter John Doe's name in the appropriate parts of the certificate wording (for example, "... personally appeared before me John Doe, who acknowledged ...") and John Doe would need to provide you with satisfactory proof of his identity.

With the other elements of the notarization, you treat the attorney in fact as the signer. You positively identify John Doe, and when recording your journal entry, John Doe signs his own name. However, you also should note two things in the journal record: that the signer was acting as an attorney in fact; and the name of the principal represented.

Be aware that even if someone has power of attorney to sign on a principal's behalf, taking an oath or affirmation in the name of another person is generally not permitted. If an attorney

in fact requests a jurat, the attorney in fact must swear or affirm before you in his or her own name only — not the principal's.

When Is Proof of Power of Attorney Needed?

A question often asked is whether Notaries need to see proof that a signer has been given power of attorney before notarizing. The answer depends on state law. Idaho and Minnesota require Notaries to verify the authority of someone signing as a representative through either personal knowledge or written proof presented by the signer. Montana strongly recommends this practice.

Two other states — Hawaii and Utah — require attorneys in fact to present to Notaries the original power of attorney document. Copies of the power of attorney document are not acceptable in Hawaii and Utah.

California, Kansas and North Carolina do not require Notaries to verify a signer's representative status.

In other states, if a person is signing as a representative of an absent principal, the NNA recommends asking the signer to formally state out loud in your presence that they have authority to sign on the principal's behalf. Always be sure to follow your state's laws when asked to notarize the signature of a person signing with power of attorney for another individual.



Signers with No ID, Advertising Signs in the Workplace, Marriage Certificate Requests...

A question has just come up concerning an Amish signer — he has no identification and no credible witnesses. How can I notarize his signature? Do I have any other recourse other than referring him to an attorney? I contacted a staff member at the Ohio Secretary of State’s office but she says that no one has asked that question in the 20 years she has worked in the Notary Section.
—P.W., Akron, OH

The only other solution would be if this signer knew a Notary who could positively identify the signer through personal knowledge. Even a credible witness would have to know the Notary. If none of these options are available, refer the signer to an attorney.

I work for an assisted living community and notarize for the residents. My employer does not want me to place my “Notary Public” sign in my work area. Is this okay by law?
—D.W., Fresno, TX

Texas law does not mandate that you display a “Notary Public” sign. It sounds like your employer wants to restrict your Notary activities in some manner. Texas Attorney General Opinion GA-0723 may apply to your situation. It states in part: “... we believe that by reconciling chapter 406 (of the Texas Government Code) with the common law, a court would conclude that an employer may

limit the notarial acts performed by its employees during working hours.”

I work for a church. Just recently, for the first time, I have been asked to notarize a copy of a Marriage Certificate. I have no problem with that; however, there is no place to notarize it. I asked the person who is requesting this to contact the consulate that asked for the notarized document to give me the wording for the notarization (acknowledgment, jurat, etc.). She is insisting that it can just be signed. Should I insist that the consulate tell me what they want me to use? Any guidance would be appreciated.
—J.K., Staten Island, NY

A customer request asking you

to “notarize a copy” usually means being asked to certify a copy of a document. New York Notaries are not authorized to certify copies of documents (NPLL Definition and General Terms: certified copies). You should refer your customer to the consulate to provide the certified copy of the marriage license.

If I rely on the oath or affirmation of a personally known credible identifying witness to identify an unknown signer, do I attach a Short Form Acknowledgment by Individual for the signer’s signature, then a Short Form Verification upon Oath or Affirmation for the witness? If there is no witness line on the document, can I write one in and have the witness sign it?
—S.M., Kent, WA





You only complete an acknowledgment certificate naming the document signer; you do not complete a separate acknowledgment for the credible witness. Nor do you make a line for a witness on the document to sign, because credible witnesses do not sign the document. Instead, administer an oath to the credible witness. We highly recommend you complete a line item in your journal and have the credible witness sign.

Please let me know if it is ethical to notarize a document for a family member (mother, father, etc.).

—M.L., Rockford, IL

Illinois state law does not expressly prohibit notarizing for family members, and the Illinois Notary Public Handbook states that you may notarize the

signature of a relative. However, you did not ask if it was legal to do so; you want to know if it is ethical. *The Notary Public Code of Professional Responsibility* provides the answer. The Code states that a Notary “shall decline to notarize the signature of a close relative or family member, particularly a spouse, parent, grandparent, sibling, son, daughter or grandchild of the Notary, or a stepchild, step-sibling, stepparent, stepgrandparent or stepgrandparent of the Notary” (II-B-5).

I am a new Notary, and I’m just not clear on what I can and cannot notarize. Do I just look on the paperwork for the same wording that is on the California acknowledgment and jurat certificates?

—A.R., Red Bluff, CA

In most cases, that’s a great way to determine how to notarize a particular document. You would check the notarial wording (it should appear just below the signer’s signature) for the acknowledgment or jurat wording. You would then complete whichever wording is noted. If the document does not have the notarial wording, your signer would need to tell you whether he or she wants an acknowledgment or jurat, and you would attach a loose certificate.

I have a lady who needs a form notarized acknowledging that she is still living. The form is from another country, and concerns a pension she gets. And the document is not in English. Can I just complete an acknowledgment and attach it to the form?

—D.B., Hilmar, CA

If the customer is making the statement that they are alive, you may notarize the customer’s signature. You’ll need to have the signer tell you whether he or she wants you to perform an acknowledgment or a jurat. However, if the document is asking you as the Notary to certify that the customer is alive, you may not notarize the customer’s signature because California law does not allow you to make this certification under your title Notary Public. You would have to refer them to a consulate for the country that issued the document.



YOUR COMMUNITY

Inspired By Real Estate Reform Efforts, Pleased with NNA Magazine

A LETTER TO THE NNA:

Regarding the article, “How Dodd-Frank Is Affecting Us All,” in the April 2014 edition of *The National Notary*, I was very pleased to note that one lending institution has concentrated on resolving issues that may have led to the real estate meltdown. As for the writer’s situation in obtaining refinancing, he may not be aware that lending institutions also have a product called a Small Business Loan.

I must commend the NNA on the magazine. The last two issues have been exemplary in content, focus and examples as to what the membership needs to know. Please continue in providing this type of information to your membership. I greatly appreciate it as a Certified Notary Signing Agent with Background Screening and am sure that the information is good for all of the notarial community.

I look forward to the 2014 NNA National Conference. Again, keep the good words coming.

—Susan M. Mokhtarian, Tucson, Arizona

How Would You Change the Mortgage Closing Process?

THE TOP DISCUSSION in the NNA’s Google+ community is buzzing with conversations about the mortgage closing process. Here’s how some Notaries responded:

Rebecca Fowler: “I agree with the lender sending at least the HUD to clients prior to signings. Also, to send all instructions in one email or upload the document package would not be so big which takes up more time in closings because some clients don’t want to see anything that they don’t sign. I have more questions on instructions than I do on actual docs.”

Jet Rahrig: “Quicken Loans deals with this properly. The borrower receives a copy overnight and the Notary prints the set to be signed on the date of signing in the event there are last minute changes.”

B. Nicholas Barthold: “I know it’s not feasible or possible to train every Notary signing agent in the laws of mortgage lending, however prior to the closing it should be mandatory that every document, including the HUD statement, be clearly explained to the borrowers. Furthermore, a form should be required to be signed by the borrowers at the closing indicating that requirement was fulfilled.”

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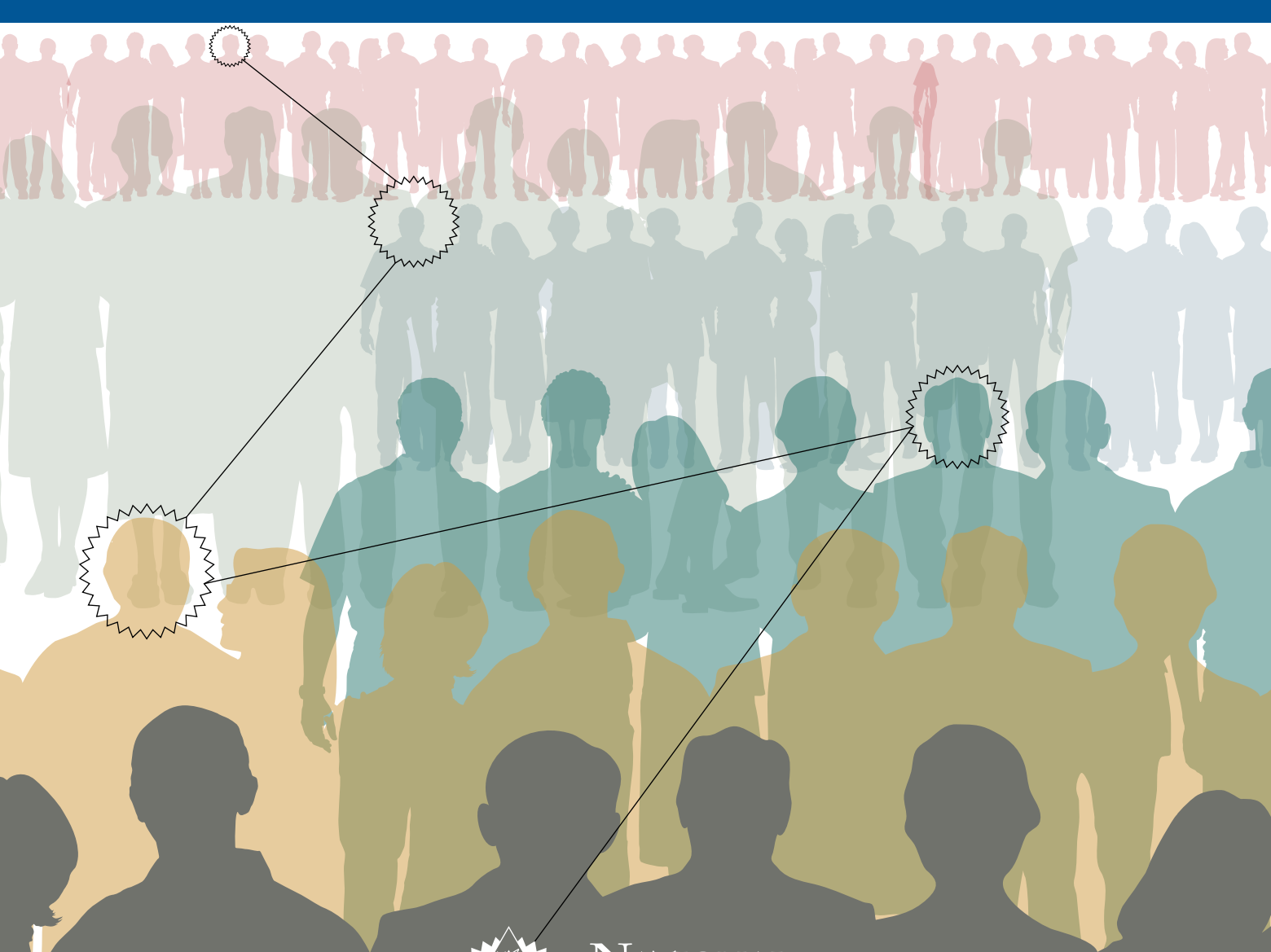
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