

February 2015

The National NOTARY®

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2015

FIVE TRENDS TO WATCH

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The National NOTARY

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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 they assume their responsibilities of the office and perform their official notarial acts.

Our Core Values of Membership promote:

- **Compliance** with state laws and regulations
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- **Professionalism** with reliability, competence and integrity
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For more than a decade, America's Notaries have grappled with one change after another. There have been drastic shifts in the economy, significant new laws and regulations as well as major technological developments. And 2015 promises more of the same. The National Notary identified trends affecting Notaries that bear watching in the coming year. Will the mortgage industry bounce back after the worst year since the turn of the century? How will the CFPB's combined disclosure forms affect signing agents? What is the status of the Signing Professionals Workgroup? What new laws will change how Notaries do their jobs? And what progress will be made toward implementing electronic notarization.

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David Thun

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How the Notary Office Has Changed

NNA Staff

Being a Notary today isn't quite what it used to be. What was once a prestigious office charged with complex tasks has evolved into a more limited and often misunderstood role. But while a great many things have changed over the last couple of centuries, you may be surprised at how much the notarial role has stayed the same.

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Do It Yourself or Hire Someone Else?

NNA Staff

When you're attempting to build a successful small business, it's essential to keep costs down. But there may come a time when it makes sense to spend a little money on outside help so you can focus on making more money. Business experts and experienced Notary entrepreneurs weigh in on when to pinch, and when to splurge.

Valera, Thaw Address International Leaders on U.S. Notary Office

REPRESENTING THE UNITED STATES AS THE KEYNOTE SPEAKER and Guest of Honor, NNA Chairman Milt Valera told a gathering of global Notary leaders that the need for Notaries in the age of electronic transactions will increase over time.

“Should we be staying up nights worrying about the future of our profession? I think not. The Notary profession, in this electronic age, is alive and well — and more important than ever,” Valera affirmed.

Valera delivered his keynote address during a black tie dinner at an international conference themed “Engaging with the Americas,” hosted by The Australian and New Zealand College of Notaries (ANZCN) in Honolulu, Hawaii. Despite questions about how electronic transactions could eliminate the need for Notaries altogether, Valera noted that technology will actually strengthen the Notary office globally.

“We continue to see progress on the eNotarization front and with related technologies that transform businesses and industry,” Valera said. “We see improving processes in governments and the courts. And optimism abounds for the everyday citizen, the common man, who could see ample benefits from all of this.”

The NNA’s Vice Chair Deborah Thaw, was also among the distinguished speakers and provided an update on the “State of the American Notariat.” She detailed the monumental impact the shifting economy has had on the Notary



From left: Christophe Bernasconi, Secretary General at Hague Conference on Private International Law; Peter Zabrud, Chairman of the Board of Governors of ANZCN; Milt Valera, NNA Chairman; Daniel-Sédar Senghor, President of l’Union Internationale du Notariat; and Ken Sherk, President of The World Organisation of Notaries.

community and how the American Notary Public Office is more highly regarded as a result.

“American Notaries, put simply, are being held to much higher standards than ever before, and American governments and industries now are viewing notarization as an essential safeguard in building trust in our complex system of law and commerce,” Thaw stated.

Representatives from The Hague Conference on Private International Law, The World Organisation of Notaries, The International Union of

Notaries and other organizations convened October 23-25, 2014, to present the latest developments in everything from eNotarization to the new relationship between civil law and common law Notaries.

Thaw’s complete remarks are available at www.bitly.com/anzcn14



Milt Valera



Deborah Thaw

National Notary Foundation Gives Back

THROUGHOUT 2014, THANKS TO THE GENEROSITY of our Notary community, the National Notary Foundation (NNF) has made substantial donations to a variety of worthy causes. The NNF contributed \$1,500 to the Chatsworth Park Elementary School’s Accelerated Reader Program and library improvement project. On behalf of the 2014 Notary of the Year, David Shean, the Foundation donated \$1,000 to Loyola High School in Los Angeles, California. The NNF also donated \$1,000 to Glendale Community College in Glendale, Arizona, on behalf of the 2013 Notary of the Year, Kathy Fletcher. A \$10,000 donation was made to the City of Hope for breast cancer research. And a major gift was made to the Calvin Coolidge Presidential Foundation to support the work and achievements of the 30th President, a Notary Public in his earlier years.



New, Comprehensive eLearning Course for Notary Signing Agents

AFTER MORE THAN A YEAR OF RESEARCH AND DEVELOPMENT, the NNA recently unveiled the most comprehensive Notary Signing Agent Certification eLearning course in the U.S.

The upgraded program explains the opportunities associated with becoming a signing agent and the role signing agents play within the real estate finance industry. The Notary Signing Agent Certification eLearning Course covers what contracting companies look for in signing agents, how to become a preferred resource, and it follows the *Code of Conduct* published by the Signing Professionals Workgroup.

Completing the eLearning course will help signing agents exceed the expectation of the companies that hire them.

For more information about the eLearning course, go to bitly.com/eLearningCourse

NNA Notary Ambassador Network Re-Launches

THE NATIONAL NOTARY ASSOCIATION IS RE-LAUNCHING the NNA Notary Ambassador®

Network and is looking for dedicated, professional and philanthropic Notaries who want to create new relationships and do more for our nationwide community.

Whether your interest is championing state legislation and statutory changes, mentoring new Notaries, or sharing your experiences and knowledge at our annual Conference, the Network will help you improve the American Notary office.

If you'd like to join the network, please visit NationalNotary.org/ambassador and submit an application.



New Notary Stamps Smaller, Easier to Use

THE NNA'S STYLE AND ELITE STAMPS now have improved features that make them easier to use.

The Style Stamps have been redesigned to fit your hand more comfortably, making them easier to use, while keeping the seal imprint size the same as before. The stamps also have a transparent base that lets you see exactly where the wording is positioned.

The smaller Elite Stamps were given a sleeker designer with an easy-to-grip handle.

Both stamps have a new slide-out tray that makes it easier to refill ink while retaining the advanced stamping surface that releases ink evenly to help avoid smudged or incomplete imprints.

All Certificates Downloadable

ONE OF THE KEY BENEFITS of NNA membership is access to our library of online notarial certificates for every state. As long as you can get to a computer, you can download any certificate for any notarial act.

This is particularly important for California Notaries after the mandatory certificate wording for acknowledgments, jurats and proofs of execution was changed to include a new consumer notice.

Just log in to your account and click the link for "Notary Certificate Forms."



Your Membership. Your Community.

Your NNA Membership Community provides the essential resources, support and connections you need to thrive in your role as a Notary and grow your career.

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Three Strategies to Grow Your Business



THERE COMES A TIME FOR ALL SMALL BUSINESS OWNERS to evaluate their goals and determine if it's time to take it to the "next level." Here are some strategies that Notaries have successfully used:

1. Target Different Industries: Getting more clients is always a top priority, so consider marketing your services to a variety of industries and professions, such as healthcare facilities, law offices and retirement communities. Whichever industry you approach, it helps to become familiar with the forms they use.

2. Expand Your Service Area: Once you have established and become comfortable with your initial service area, you might decide to add coverage in surrounding zip codes, or make special travel exceptions to those outside of your range.

3. Offer Additional Client Services: Many highly successful Notary entrepreneurs increase their income by finding new services — both notarial and non-notarial — to provide to their clients. Notary entrepreneurs have found success offering mobile fingerprinting, wedding officiating and more.

Immigration Policy Changes Bring Increased Risk of Fraud

WHENEVER NEW IMMIGRATION POLICIES ARE ANNOUNCED, state and federal authorities brace for a surge in fraud involving dishonest individuals offering fraudulent advice or services for a fee, often adopting the Spanish title "*Notario Publico*" to falsely claim they are qualified attorneys or immigration consultants.

And the President's November 2014 executive order is no exception. Shortly afterward, the U.S. Citizenship and Immigration Services (USCIS) warned immigrants against the threat of "*Notario*" fraud. Many states have passed laws prohibiting Notaries from using foreign-language translations of "Notary Public" in advertising to defraud immigrants.

New Income Opportunities in 2015

AS MORTGAGE INDUSTRY REGULATIONS TIGHTEN this year, financial companies are more likely to look to Notaries to help ensure compliance and quality control. And that could provide business opportunities.

Chris Sturdivant, NNA Director of Business Development, said that some lenders are using NSAs for "RESPA packages," referring to the Real Estate Settlement Practices Act. In some cases, an NSA will be sent to pick up a loan application and the borrower's income and asset verification documents. This helps speed up the loan process.

Signing agents who are used to performing refinance notarizations might also look into performing home equity loans. The documentation, according to Sturdivant, tends to be slightly less, and it may provide viable income otherwise lost in the recent decrease in refinancing.

Dealing with Difficult Signers

THESE HELPFUL TIPS FROM EXPERTS and experienced Notaries may help you to defuse a challenging situation with an upset or angry signer.

Keep Calm: Regardless of the situation, always maintain your composure. "Take a deep breath," advises Florida Notary Rebecca Louise Green, "and speak in a calm soft voice."

Follow — and Explain — the Letter of the Law: Signers often get angry when you have to turn down a request. California Notary Liz McNeil Tieck will show the signer her Notary handbook, an NNA article, or another resource that explains why she can't notarize the document.

Empathize — but Don't Play the Blame-Game: It's not uncommon for borrowers to be frustrated with their lender and want to vent. "Be sympathetic," Michigan Notary Johanna Bermann advises, "but do not bad-mouth the lender or title company."

Offering Solutions: Rather than reacting defensively to your signer's emotions, try to provide a solution. "Sometimes I will ask, 'What can I do to help?'" says Bermann. "That seems to snap them back to reality and they realize their venting is misdirected." That help can be as simple as making a phone call to the loan officer.

Know When to Walk Away: While it should be only as a last resort, there are times when the best solution is to end the signing, leave the situation, and contact the agency — particularly if you feel you are in danger. No job is worth your personal safety.



2015

FIVE TRENDS TO WATCH

By Kelle Clarke

2014 WAS A CHALLENGING YEAR FOR AMERICA'S NOTARIES. Mortgage lending dropped to its lowest level since the turn of the century. Financial companies started to grapple with sweeping new regulatory mandates. Many states passed new laws affecting how Notaries perform their duties. And that was just the beginning.

With all the economic upheavals and technological changes of the past year — and the past decade, for that matter — Notaries have become used to change. And 2015 promises to bring more of the same.

This year, the mortgage industry will be navigating its way through a slowly recovering housing market while bracing for the August deadline of the Consumer Financial Protection Bureau's (CFPB) latest round of new regulations.

Meanwhile, enhanced industry standards are helping to professionalize the notarial role, and new technological advancements in electronic notarization continue to change the way Notaries do business.

To help you prepare for all these current and upcoming industry changes, we've identified five important new trends that Notaries should keep an eye on in 2015.

Housing Forecast: Home Purchases Up, Refinances Down

The housing and mortgage industry forecasts for this year are a mixed bag, as will their impact be for Notaries and signing agents.

On the one hand, both the Mortgage Bankers Association (MBA) and secondary mortgage giant Fannie Mae are both forecasting increases in home purchase lending in 2015.

While the MBA forecasts a 15 percent jump, Fannie Mae anticipates a more modest 5.6 percent leap. The MBA also anticipates that total home mortgage lending will increase 7 percent for 2015, driven largely by a spike in new purchase loans.

Fannie Mae, however, was less optimistic about overall lending activity for the year, projecting a 7.7-percent decline.

The larger challenge for signing agents is that both sources expect to see a continued downward slide in refinance activity — a trend that is carrying over from 2014. Fortunately, the decline is expected to be much smaller than last year.

Given the lackluster housing forecasts, many successful independent Notaries have or are in the process of diversifying their business strategies, as they cannot rely on receiving a large percentage of their work from mortgage loan signings.

TILA-RESPA Integrated Disclosure Rule

The mortgage industry has been gearing itself up for the August 1, 2015, deadline for the Consumer Financial Protection Bureau's TILA-RESPA Integrated Mortgage Disclosure Rule.

This has generated considerable discussion among lenders and the companies that service the mortgage industry about how to comply with the new regulations. But much of the industry is still trying to figure out what to do.

But what does it really mean to Notaries and signing agents?

The major changes impacting Notaries involve the new Closing Disclosure form, and the new scheduling timelines lenders are under for delivering the Closing Disclosure to borrowers ahead of the closing. While these changes might alter the process by which signing agents conduct signings, they may also provide significant benefits when it comes to dealing with more thoroughly informed signers at the signing table.

The two newly required forms — the Loan Estimate and the Closing Disclosure— will combine information previously contained in four separate documents, satisfying both the Real Estate Settlement Procedures Act (RESPA) and the Truth In Lending Act (TILA).

- The Loan Estimate: replacing the Good Faith Estimate and the initial Truth-in-Lending Disclosure
- The Closing Disclosure: replacing the HUD-1 Settlement Statement and final Truth-in-Lending Disclosure.

The integrated forms have been designed to make loan provisions and closing costs easier to understand to the average consumer and reduce overall paperwork. Many companies have already begun to roll out the new disclosures, and Notaries must familiarize themselves with the Closing Disclosure, in particular.

In addition to new forms, new scheduling requirements will help ensure borrowers have ample time to review documents at various stages within the loan process. According to the CFPB's TILA-RESPA compliance guide:

- The Loan Estimate must be delivered or in the mail no later than the third business day after receipt of the application, and no later than the seventh business day before consummation.
- The lender is required to ensure the consumer receives the Closing Disclosure no later than three business days before the closing of the loan.
- If terms or costs (such as the loan's Annual Percentage Rate) change, a revised Closing

The major changes impacting Notaries involve the new Closing Disclosure form, and the new scheduling timelines lenders are under...

Disclosure must be provided, and another three business day wait period is then required.

The CFPB expects these new rules to keep borrowers better informed about their mortgages and reduce surprises about costly terms or penalties. The rules also mean that borrowers will be less apt to ask questions at the signing table that NSAs cannot answer.

The disclosure rule also could help alleviate one of the major complaints signing agents have: last-minute loan packages.

Since the key information in loan packages is also included in the disclosure forms — which must get to the borrower three days before the signing — it's possible that NSAs will start receiving loan documents early as well, giving them plenty of time to print out and organize the package.

All of this should make mortgage signings go more smoothly, potentially enabling signing agents to take on more signings.

However, title companies and settlement services companies are likely to have new training requirements for signing agents, says Chris Sturdivant, NNA's Director of Business Development. That's because NSAs will need to be able to identify the new forms at a signing.

Apart from signing agents, Notaries who are employees of lenders, title companies and settlement services companies also should stay alert for developments as the mortgage industry figures out how to implement the CFPB's mandates.

In order to address any questions or concerns Notaries and signing agents may have with these new regulations, the NNA will be launching a series of training courses prior to the mandated August implementation. There will also be NNA Conference 2015 workshops devoted to the new forms.

The NNA also is closely monitoring developments and will keep the Notary community informed.

Important New Notary Laws in 2015

Notaries in several states will be subject to new laws being implemented throughout 2015, including significant statute changes in California, Pennsylvania, New York and Utah.

California has two laws that went into effect on January 1, 2015, and affect all Notaries in the state.

Senate Bill 1050 is the latest change to the prescribed wording of the certificates of acknowledgment, jurat and proof of execution. Those certificates now must include a consumer notice, which must appear legibly in a box at the top of each certificate.

Notaries approached by immigrants will have to understand how to properly serve this constituency without crossing the line.

Another California law, Assembly Bill 2747, creates a stiff civil penalty of up to \$1500 for any Notary accused of willfully failing to disclose fully and faithfully the duties and responsibilities of a Notary.

In Pennsylvania, House Bill 1429 (also effective as of January 1) allows a power of attorney to be signed by the principal by signature or mark. It also allows a power to be signed by another individual on behalf of and authorized by the principal.

It requires most powers of attorney to be acknowledged before a Notary, and it also allows the power of attorney document to be electronically signed. The Notary may not, however, take the acknowledgment of the power of attorney if they are named as an agent or witness to it.

Also in Pennsylvania, an important new law that took effect on January 5 removes the senatorial endorsement requirement from the Pennsylvania Notary application.

New York Notaries face new and stiffer penalties for violations of the Immigration Assistance Services Enforcement Act after Assembly 8974 went into effect on February 6. The measure also clarifies provisions to the bond, and it creates a new Office for New Americans to help immigrants in need of immigration services.

New York Notaries aren't the only ones who may be impacted by immigration issues. President Obama's executive order on immigration issued last November also could potentially affect a large portion of the estimate 11.3 million undocumented immigrants in the U.S.

Notaries approached by immigrants will have to understand how to properly serve this constituency without crossing the line into the unauthorized practice of law.

Finally, Utah Senate Bill 79, set to take effect on July 1, enacts the Uniform Real Property Electronic Recording Act (URPERA) and authorizes Utah county recorders to electronically record real paper documents. This enables Notaries to use electronic signatures in notarizing electronic real property documents once counties get their electronic recording systems up and running.

To help ensure that you are fully updated on your state's latest changes to notarial rules and regulations, the NNA offers webinars covering recent Notary law changes. You can also conduct searches for state Notary laws on the NNA website at www.NationalNotary.org.

Signing Agent Standards and Certification

The Signing Professionals Workgroup (SPW),

created by a special committee of major lenders and mortgage executives in 2013, has been endeavoring to establish and implement a set of best-practice standards for all Notaries handling loan signings, thereby ensuring consistent, high-quality performance across the board.

In 2014, the workgroup began working with the American Land Title Association (ALTA) to integrate standards for mobile Notaries into the ALTA best practices framework, and that process is continuing.

“Having the SPW standards implemented industry-wide will create consistency for all parties, including financial lending institutions, title agencies, signing services companies and the individual signing agents,” said Shawn Murphy, Executive Vice President of ValuAmerica and chairman of the SPW, “The more industry buy-in that occurs, the greater the benefit to the signing agent.”

The ultimate goal of the SPW, announced in October 2013, is to create a single certification that is acceptable to a majority of lenders.

Having a major industry association like ALTA working directly with the SPW, integrating its standards into their own best practices, illustrates the value that the mortgage industry is placing on the education, training, and certification of its signing professionals.

Giving the industry a consistent way to vet and manage its signing agents will ensure quality performance at the signing table, Murphy said. It also will help streamline regulatory compliance audits and assessments. In turn, financial lending institutions will have the opportunity to focus more on lending and less on third and fourth party oversight practices — a win-win solution for everyone, including signing agents.

“The results,” predicts Murphy, “would be an increase in real estate loans being made, which would then create more business opportunities for signing agents.”

The Bright Future of eNotarization

A number of key advancements were made in 2014 with regards to eNotarization in the eMortgage and real property industries — and the predictions are looking promising for even more far-reaching electronic methods to be implemented throughout 2015.

Currently, the Uniform Electronic Transactions Act (UETA) is the law of the land in all U.S. states except Washington state, Illinois and New York, said Bill Anderson, NNA’s Vice President of Legislative Affairs. It allows Notaries to use electronic signatures, but it is broad in scope. As a result, more and more states are creating their own, more detailed

laws to help regulate eNotarization to fill in the gaps that the UETA has overlooked.

“At this point, 17 to 20 states have enacted additional electronic notarization statutes in their Notary code to supplement and flesh out details of the UETA,” says Anderson. These laws include what types of electronic notarizations Notaries may perform within their states, and offer details regarding necessary security provisions.

That means there is little uniformity between states. But there is growing pressure from the private sector to make use of electronic notarization, especially within the mortgage industry.

According to Xerox’s 10th annual “Path to Paperless” report in 2014, a growing majority of mortgage industry professionals are either in the process of implementing eMortgage strategies, or are planning to do so in 2015.

A completely electronic origination process would include electronic notarization, which basically means using electronic tools such as an electronic signature pad to perform the notarial act.

“What we’re seeing is continued industry support for paperless processes despite compliance pressures,” said Jamie Williamson, Sales Vice President of Xerox Mortgage Services. “Companies are evaluating and implementing several paperless methods to extend electronic collaboration to all participants in the loan process.”

Several key advancements were made on the eNotarization front during 2014, both federally and at the state level, including the launch of the CFPB e-Closing pilot program, the FHA’s expansion of the number of electronically signed documents it would allow lenders to accept, and the closing of the first electronic FHA loan in Utah.

“We hope the CFPB will soon publish its finding on the pilot program, and hopefully, by the time NNA Conference 2015 comes around this June in Orlando, we will be able to update you on these results, and be able to discuss where the CFPB is going next,” says Anderson. “Of course, we are looking at this very carefully because the CFPB, as the biggest federal regulator, could give electronic notarization a big push forward, and this is something we all want to keep an eye on.”

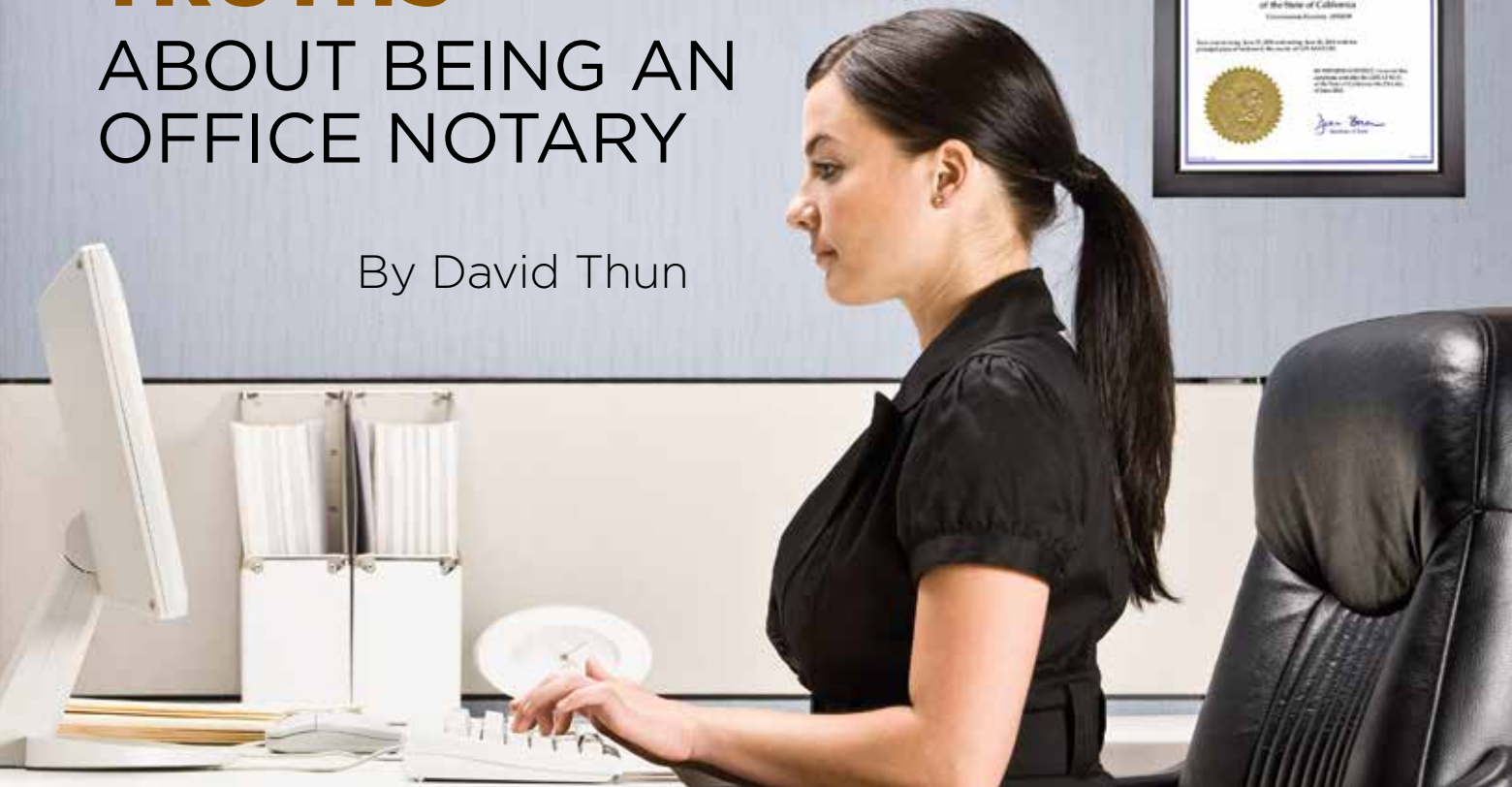
While the mortgage industry is a key player in the growth of eNotarization, other sectors of society already are using it. Law enforcement agencies in Minnesota, for example, are using it to electronically process arrest warrants. Companies outside the financial industries are using it for many of their business transactions. (See the June 2014 edition of *The National Notary* magazine.) ■

The ultimate goal of the SPW is to create a single certification that is acceptable to a majority of lenders.

THREE IMPORTANT TRUTHS

ABOUT BEING AN OFFICE NOTARY

By David Thun



“**WE NEED YOU TO BECOME A NOTARY** so you can notarize in the office.” Millions of Notaries across the country have heard some variation of this refrain. And while it may seem like just another requirement of the job, getting your commission — even at your boss’ request — means you are taking on additional responsibilities.

You are responsible to your employer and also to the state that commissions you.

Sometimes those two duties can come into conflict. But staying aware of a few important points can help ensure your success as a workplace Notary. We spoke with experts on workplace behavior, ethics and Notary training who provided the following tips for employee-Notaries in the office.

1. You’re the ‘Notary expert’ in your workplace

Few employers are familiar with the laws and rules Notaries must follow. As the Notary for your workplace, you can expect people in your office to look to you as the go-to expert on notarization.

Unfortunately, not every state provides the same level of training for Notaries. If your state or employer doesn’t provide training on Notary issues, you need to take the initiative to educate yourself on your state’s Notary laws, said Kelcia Cannon, Executive Point Notary for Ameriprise Financial and an NNA 2012 Notary of the Year Special Honoree, who supervises her company’s training for employees commissioned as Notaries Public.

“The first thing we tell every Notary is that the power is in their hands,” Cannon said. “Notaries are important because they are the ones who have to decide if a request for notarization is appropriate or not.”

Notaries have to take responsibility and seek out education for themselves, Cannon added. “In

many states, you just fill out an application and they send you a pamphlet. And they certainly don't educate employers."

Be sure you are familiar with any laws in your state that specifically affect employee-Notaries. For example, employers in Florida, Oklahoma and Texas may limit the notarizations their employees perform at work during business hours — such as notarizing only for customers. But Arizona, Iowa, Massachusetts and New Mexico prohibit employers from restricting notarial services to customers and clients.

Sometimes employers also try to tell their employee-Notaries that they can't perform notarizations when off the clock. But a Notary is a public official, and when not at work may perform a notarization for any member of the public.

2. Co-workers sometimes will ask you to bend the rules

"Over-familiarity with co-workers is a huge issue for Notaries in the workplace," said Carol Salter, the NNA 2005 Notary of the Year who helped create and currently leads the training and education program for employee-Notaries at Banner Health, a non-profit healthcare provider.

"They feel too comfortable around their co-workers and let required practices go, like not requiring a signer to personally appear before them or not asking for ID," she said.

Even if you only notarize for a few familiar people in your office, it's essential not to get lax and ignore the rules of notarization, she said.

Salter recommends keeping reference material on your state's Notary laws on hand so that signers can be shown exactly why a request has to be refused or a specific requirement like verifying ID needs to be followed.

Another common issue in the workplace is the mishandling of Notary tools like seals and journals. Bosses sometimes assume that if they pay for the tools of your office that they belong to the company. They do, in fact, belong to you.

Your Notary seal is your property. It cannot be used by co-workers or handed over to your boss when you resign your position.

The same goes for journals, with two exceptions:

- Arizona allows Notaries working under limited circumstances to keep two journals — one for public records and one for nonpublic records protected by the attorney-client privilege or are

confidential pursuant to state or federal law. The journal containing nonpublic records is the property of the employer and the employer may keep the journal containing only nonpublic entries if the Notary leaves that job.

- Oregon Notaries may sign an agreement with an employer allowing the employer to keep the Notary's journal if the Notary leaves the employer's service. The Notary must keep a copy of the agreement.

The easiest way to prevent a mistake involving a Notary's tools or notarizing in the workplace is familiarizing yourself with your state's Notary laws, Salter said. "If you don't have confidence or knowledge, you may do something wrong out of ignorance," she said. "You have got to know your business and state statutes."

3. You must educate your workplace

It's up to Notaries to educate their supervisors and co-workers about what is and is not a legal notarization request.

For example, a boss might ask you to ignore identification requirements if you're notarizing the signature of an important client, but doing so is against the law and could get you, your company and the client in legal hot water.

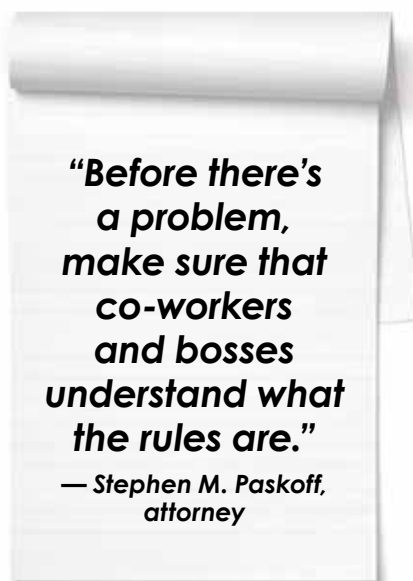
But it can be intimidating telling your boss you can't perform a notarial act he wants, and you have to be prepared to stand your ground in the face of some serious pressure.

Stephen M. Paskoff, an attorney, expert on workplace civility and author of the book "Teaching Big Shots to Behave and Other Human Resource Challenges," says you often can prevent a standoff with your boss by being proactive and explaining ahead of time what a Notary's duties entail.

"Before there's a problem, make sure that co-workers and bosses understand what the rules are," he said. "Explain that you have a legal responsibility to discharge your duties properly, and that you want to let everyone know what that means. Explain what things you can't do because of the law."

Paskoff says his own executive assistant, who is a Notary, speaks to him about notarization issues, and that helps ensure all notarial acts in his office are done correctly.

Creating formal office policies for notarization can also be very helpful dealing with problem requests.



If your business also has a compliance office, general counsel or human resources department, contact them and suggest preparing guidelines that clearly state any notarization requests in the office must follow the law.

In a smaller workplace, you may want to meet directly with your boss or Human Resources manager to work out appropriate guidelines. It can help to point out that following proper procedure helps protect the company from any potential liability.



Having workplace guidelines for notarizing can go a long way to resolving any issues if you need to tell someone in the office you can't perform a notarial act.

"Some signers think the Notary is just being difficult by saying 'No'," Cannon said. "But there are real reasons Notaries can't do these things, and having another person back them up can really help — it defuses confrontation."











































She described one incident at her office where a Notary refused to notarize a document, and a supervisor wanted to write up the Notary for insubordination. "We had to intervene and tell them that the Notary was doing what she was supposed to," Cannon said. "It shocked the hell out of the supervisor."

Proactively educating your co-workers about the importance of notarization helps you as the Notary and also reduces legal risks in the workplace.

"A lot of your co-workers may think notarization is an afterthought or a necessary evil. They don't realize the importance of the act," Salter said. "But if there's a request for notarization, there's probably a good reason. It's not a mere formality or tradition." ■

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NOTARIES THEN AND NOW

HOW THE NOTARY ROLE HAS
EVOLVED SINCE THE 18TH CENTURY

B **EING A NOTARY TODAY ISN'T QUITE WHAT IT USED TO BE** — and in many ways, that's a good thing. From major shifts in societal trends and gender demographics, to population explosions and huge technological leaps, to significant changes in state laws and industry regulations, Notaries Public have been there all along, protecting the American public by serving as impartial witnesses for the nation's most important document transactions.

What was once an appointed and prestigious judicial role has become less understood by the public it serves, but the value of the Notary's role in society has never been more crucial. While great many things have changed over the last couple of centuries, you may be surprised at just how much the notarial role has stayed the same.

The Role of the Colonial Notary

A glimpse back a couple hundred years shows a very different Notary serving the people of colonial America. The 18th century Notary was modeled more closely after their Spanish or French counterparts.

Notaries of this age were viewed as the embodiment of the government, and they were appointed the same way as judges, though their role was more ministerial than judicial, according to a 1980 article in *The National Notary* magazine entitled "Ye Olde Notary Duties," by Charles N. Faerber, the NNA's Vice President of Notary Affairs.

Common notarial tasks for colonial Notaries included protests, which at the time verified financial documents called bills of exchange that were

stories of cheating spouses, bastard children and other untoward activities committed by the townspeople. Today, the modern Notary's official journal is reserved strictly for transactional data.

A Matter of Identification: How Times Have Changed

Imagine a time before the Internet, before smart phones — before phones, for that matter. Unlike our technological age, throughout most of history (and well into the 1900s), it wasn't unusual for people to live their entire lives within a 50-mile radius of where they were born. Many people never even left their home towns. This made identifying signers quite easy. They were Notaries' neighbors, their tailors, their market keepers. Everyone knew each other.

Today many of us don't even know our next door neighbors, let alone the rest of our city's citizens. And in the global workplace with all of its myriad technological advances, it's not uncommon to never meet face to face with our colleagues or bosses, much less personally know the average customer or client in need of a notarization.

Unlike their colonial counterparts, modern Notaries are called upon to exercise due diligence each and every time they identify signers. That often means seeing an approved form of identification and recording its information in an official journal.

But this wasn't always the case.

As recently as 1982, a California appellate court attempted to enforce a law requiring all Notaries to either personally know their signers, or know someone who personally knew the signer in order to perform a notarization, according to Faerber.

This ruling, as you may imagine, threw a major bottleneck into the notarization process, and basically caused commerce to come to a screeching halt. Imagine if you were required to know each and every signer for whom you performed notarizations. Is it even conceivable today?

To remedy the problem, an emergency law had to be passed in order to allow California Notaries to use ID cards to identify signers.

Today, more than a dozen states list and describe specific allowable forms of identification as part of their Notary statutes, and Notaries are

Unlike their colonial counterparts, modern Notaries are called upon to exercise due diligence each and every time they identify signers.

similar to modern bank checks and were transferrable from one person to another. These bills of exchange were critical to maritime trade in an era before the international banking system was established, and could represent commodities as well as money.

While protests have been largely replaced by more modern banking techniques, the Notary's role as an impartial, third-party witness for important transactions is still an essential element of the modern notarial role.

A lesser known responsibility of colonial Notaries, who always were men, was to detail lurid personal information about local residents within their official journals.

Despite the prudishness of the era, it wasn't unusual for a Notary's journal to contain illicit

often trained to detect fraud. This illustrates that while the Notary's main responsibility — to protect the public from fraud — hasn't changed, the means by which to do so has.

The Gender Shift

One of the most notable shifts made to the role of the Notary Public in the U.S. is the shift from male to female dominance. Consider that in early Colonial times, the Notary office was inaccessible to women.

"Women were generally disqualified from holding public office under Britain's common law, which was also the law of its colonies," wrote Deborah M. Thaw, NNA Vice Chair, in a 1998 essay in *The John Marshall Law Review* entitled "The Feminization Of The Office Of Notary Public: From Femme Covert To Notaire Covert."

By modern standards, Thaw noted, the relationship between men and women in England and other 18th century European colonial nations was akin to that of oppressor and oppressed.

This was a time when common law prohibited married women from owning property. Any material items she owned became property of her husband.

Today, women dominate in the notarial role. In fact, by 1998, women outnumbered men in the role of Notary Public by a ratio of three or four to one. In 2012, females comprised 72 percent of all U.S. Notaries.

Throughout much of the 1800s, state courts and legislatures debated whether to allow women to be Notaries. Little progress was made until the populations of major cities exploded as a result of immigration and industrialization.

This increased the demand for Notaries.

In 1859, just prior to the Civil War, for example, New York City was limited by law to 500 Notaries. By 1882, that number had jumped to 2,710 plus one per bank. In 1905, limits were abolished.

"The convenience to customers and employers of having an 'in-house' Notary in banks and corporations stoked the urban demand for Notaries," Thaw wrote. "By the mid twentieth century, some large U.S. cities had more Notaries than entire European nations."

Today, there are approximately 4.4 million Notaries in the U.S.

This opened up the office to a much broader cross-section of the American population. The office also evolved into focusing its duties on serving as an impartial, third-party witness.

The "democratization" of the American Notary office paved the way for the "feminization" of the office.

But women didn't suddenly decide they wanted to become Notaries. Rather, they gravitated more than men to positions for which a Notary commission is often required, including legal secretary, paralegal, administrative assistant, escrow secretary and shorthand reporter, Thaw wrote.

Becoming a Notary

Getting appointed as a Notary also has changed drastically.

In the 1800s, Notary appointments followed the European model. In many cases, counties were granted a specific number of Notary "allotments" based on population.

In California, for example, an 1853 law limited the number of Notaries the government could appoint to 480 — for the entire Golden state.

The "democratization" of the American Notary office paved the way for the "feminization" of the office.

In many states, a Notary applicant had to be endorsed or recommended by a local legislator or judge.

Nowadays, any individual who meets their state's requirements can apply for, train (if required), and become commissioned as a Notary. They can even do it all online, if they prefer.

However, in recent years, the Notary community has been significantly impacted by new consumer protection laws and federal regulations. Because your essential role is to guard against fraud and protect consumers' important financial and personal transactions, society expects you to carry out your notarial duties honestly and properly.

While society has changed drastically over the centuries, and laws continue to evolve to meet the needs of the industry, the Notary Public still serves a role as essential today as it was 300 years ago. ■



TO ‘DO-IT-YOURSELF’ OR NOT...THAT IS THE QUESTION

A BUSINESS INSIDER’S GUIDE TO KNOWING WHEN TO ROLL UP YOUR SLEEVES AND WHEN TO CALL IN THE PROFESSIONALS

IF YOU’RE ATTEMPTING TO BUILD A SUCCESSFUL SMALL BUSINESS, you know how essential it is to keep costs down. But penny-pinching in the wrong places can create more chaos than it’s worth, and could end up costing you both time and money.

The key is figuring out where you can save money by doing things yourself, and when it makes more sense to outsource key tasks. We've asked business industry experts and experienced Notary entrepreneurs to weigh in on when to pinch, and when to splurge.

Creating a Business Website

Do It Yourself: Having a website is quickly becoming one of the most important elements of doing business in today's market. But you don't need to be a coder or tech engineer to build your own.

Free web-building sites such as WordPress, Joomla or Jimdo offer dozens of customizable templates, which you can upgrade with features such as e-commerce capabilities, podcasts, newsletters, or videos.

Your site should display your background, experience, and other credentials, says Forbes business contributor Michel Theriault.

Designing your own website gives you the control to make swift updates, saving time and money.

"All Notary entrepreneurs should possess basic web-designing skills," says Michelle Riley, founder of Notaries for Alabama. "I designed two of the four websites that I've had. If I notice a typo on my website, I want to be able to fix it immediately, instead of waiting days or even weeks for someone else to make the correction."

Hire a Pro: If you're intimidated by technology, consider hiring a consultant to help you handle the creation and maintenance of your website. A professional designer can also help you custom-create a business logo to use on your website and other business materials.

Marketing and Promotion

Do It Yourself: You can start branding and marketing your company by naming your company, which adds credibility and can make your company more memorable to clients. New York Notary Patricia Warmack, owner of "PitaP's Production," used a childhood nickname, while California Notary Laura Biewer named her company "At Your Service," emphasizing her focus on quality customer service.

Internet sites like VistaPrint enable you to design and print your own business cards, stationery, and other marketing products. Virginia Notary John Cole uses the site to create coupons to distribute to potential clients, and has created a round business card that stands out by looking like a Notary commission badge.

Social media platforms such as Facebook for Business, LinkedIn, Twitter, and Google+ are another free, do-it-yourself way to connect with clients and spread your brand message.

South Carolina Notary Sonita Leak uses her knowledge of website building and search engine optimization (SEO) to build her business, and recommends updating your content regularly with information that's valuable to your customers, such as industry articles, relevant blogs, and deals or promotions.

Hire a Pro: To take your social marketing strategy to the next level, you can use companies such as Hootsuite and Offerpop to integrate your social media platforms and make it easy to post

The biggest "DIY" element is your recordkeeping. Particularly if you work from home, it will be up to you to separate your business expenses from personal expenses.

simultaneous updates, launch contests or promotions, and track visitor information.

A professional designer can help you design memorable "take-away" collateral like t-shirts, pens, calendars or magnets featuring your company logo, tagline and contact information.

Finances and Tax Preparation

Do It Yourself: It's a good idea to educate yourself on small business tax issues and plan ahead for valuable Notary business write-offs.

The biggest "DIY" element is your record-keeping. Particularly if you work from home, it will be up to you to separate your business expenses from personal expenses.

Whether you have credit cards that you use solely for business expenses or have a room in your home that you use solely as your "office," you need to keep accurate records of your finances.

"Don't simply toss receipts in a shoe box," advises David M. Green, a Pennsylvania Notary Signing Agent and owner of David M. Green Book-keeping and Tax Service. Green recommends using software such as Quickbooks to track and report your expenses throughout the year; the software itself can usually be added to your deductions.

Hire a Pro: While you can opt to file your own tax returns, many experienced entrepreneurs decide to "splurge" on a Certified Public Accountant at tax time. A CPA is more likely to find the best tax write-offs and ensure that your filing is done correctly.

"Individuals can be subject to state and local tax laws, on top of federal laws. And each municipality may have different tax rates," says Green. "A professional will know the tax laws that apply to your location and business, and will be able get deductions you might otherwise miss."

Legal Representation

Hire a Pro: The old adage, “He who represents himself has a fool for a client,” holds true to this day.

Even the most diligent Notaries can find themselves on the receiving end of a legal summons, and having a quality lawyer referral can make all the difference in the event of a lawsuit — even if you did nothing wrong.

Use your networking events as a way to befriend a good attorney, or solicit quality referrals from respected colleagues.

Collections, Payroll, and Human Resources

Do It Yourself: Asking for — or hunting down — payment is a hassle, which makes hiring a third party

collections agency tempting. Be advised that these companies can take a high percentage if they are able to collect, so it may be more cost-effective, in the long run, to adopt collection strategies of your own, such as properly vetting the companies you work for to ensure that they understand your fees and pay promptly, and carefully tracking your invoices and payments.

Hire a Pro: Many Notary entrepreneurs grow their business enough that they have employees. Even if you employ one person, you take on any number of HR and payroll responsibilities, and that can take up a lot of time better spent doing business.

According to the website ResourceNation, outsourcing your HR responsibilities can save you money, as you pay only for the support you need and don't need to hire a full-time human resources professional.

Depending on the size of your company, third party payroll processing companies such as ADP, Adecco, or AdvanStaff HR can handle responsibilities such as payroll, recruiting, hiring documentation, employee benefits, health insurance and other human resources capabilities. In addition to saving time, HR professionals help ensure full compliance with state laws. ■



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Disqualifying Interest: A signer's relationship to a Notary — or a Notary's interest in a document — may create a conflict of interest

A Notary's impartiality is a critical element of every notarization. Any hint of conflict of interest could undermine the public's trust that the Notary is carrying out his or her duties honestly and impartially. There are times when a Notary has a relationship to the signer or the transaction that might inappropriately influence his or her conduct when completing the notarial act. This is known as "disqualifying interest."

But what constitutes "disqualifying interest"? Is it when the Notary would receive some kind of material benefit from the document being notarized? When the Notary is married to the signer? Or is it when the Notary is a sibling, child or other relative of the signer? Depending on state law, the answer may include any or all of the above.

What's At Stake

Why should Notaries always act impartially? Simply put, the legality of a document could be challenged if a party harmed by the notarization proves the Notary's impartiality was compromised. Consider the following scenario. A property owner sells a home to a buyer and finances the loan. The buyer defaults on the loan and declares bankruptcy. The owner loses \$19,000 in the bankruptcy because the deed of trust was invalidated. The Notary who notarized the deed of trust was named as trustee in the deed of trust. In this actual case, the

West Virginia Supreme Court in *Galloway v. Cinello* ruled that the Notary negligently notarized the deed of trust.

Self-Interest

Some cases of disqualifying interest are easy to spot. For example, a Notary must never notarize his or her own signature — there's no way a Notary can be an impartial witness in such a situation.

As a general rule, it's inappropriate to notarize a signature on any transaction in which the Notary is named in a document or would receive a direct benefit from the transaction. However, some states make specific exceptions to this rule. For example, Kansas and California broadly permit a Notary who is an agent, employee, insurer, attorney, escrow officer or lender for a person with a financial or beneficial interest in a document to notarize transactions involving the Notary's client. Nevada is more restrictive, allowing only attorneys to notarize signatures on an instrument or pleading if the attorney has received a fee for legal services related to the instrument or pleading beyond the statutory Notary fee.

Florida permits employees to notarize an employer's signature provided they do not receive any benefit other than their normal salary and any authorized Notary fee.

If you are unsure whether you have beneficial interest in a nota-



rizorization, always check your state's laws first before proceeding. The NNA recommends if there is uncertainty whether the Notary has an inappropriate interest in the document to have another Notary notarize instead.

Relational Interest

If the Notary is related to the signer in some way, a disqualifying interest may exist. State laws vary widely on the issue of notarizing for family members. Most states are silent on the matter, thus permitting Notaries to notarize for any relative. Others make exceptions for specific relatives — Arizona allows Notaries to notarize for blood relatives, but not for relatives related by marriage (such as a brother-in-law or father-in-law) or for relatives by adoption.

Florida prohibits notarizing signatures of spouses, sons, daughters, mothers or fathers, but allows Notaries to conduct weddings for relatives. Nevada — arguably with the most restrictive statute — includes a prohibition against notarizing for relatives related by blood and marriage, and includes adopted children, half- and step-relatives as well as domestic partners.

Again, always check your state's laws if you are not sure if your connection to a signer constitutes beneficial interest, and when in doubt, ask a different Notary with no interest to notarize instead.



Employer Restrictions, Backdating, Auditing a Journal...

Notaries nationwide rely on the NNA's Notary Hotline to answer their most challenging questions. The following questions are among the thousands our Information Services Team receives each month.

As a Florida Notary, I was recently invited to perform a marriage ceremony. However, as a bank-employed Notary, my manager told me that I cannot perform my notarial duties outside of my business hours at the bank, since the bank paid for my Notary commission and supplies. Is this correct?
— K.T., Boca Raton, FL

Your Notary commission was issued to you as an individual, even if the bank paid for your Notary supplies and commission. While the bank may limit or restrict the notarizations you perform, the bank does not have the right to limit or restrict you from notarizing outside of work hours.

I recently notarized a mortgage signing in which one of the documents sent to the lender was misplaced. The signing agency has asked me to contact the signers, re-execute the document and notarize it for a past date, or, in other words, post-date the notarization. Can I do this?
— P.D., Denver, CO

Since you are performing a new notarization, you can only input the date that you are actually notarizing the new document, not a date that came before. You should never back-date or post-date a notarial certificate; doing so is a deceptive practice and is not allowed in any state.

I need to conduct an audit of my employee's notarial journal, but I want to make sure I do so correctly. Can you please help?
— J.R., Clayton, CA

An employer or employer's agent or auditor may inspect or make copies of an employee-Notary's journal entries that are directly related to the employer's business purposes, as long as the inspection or copying is done

in the Notary's presence. An employer may also ask a Notary-employee to regularly provide copies of such entries from the journal. However, the Notary is not required to allow inspection or provide copies of journal entries that are not directly associated with the employer's business purpose. An example would be notarizations the Notary performed outside of employment. Ultimately, the confidentiality and safekeeping of such journal copies are the employer's responsibility.

I have been asked to provide "Certified" copies of my passport to our insurance broker in Bermuda. The request asks for "Certified Copy of passport (notarized in the States)."



GUIDANCE FROM OUR EXPERTS



I have been unable to determine the correct wording to use on this notarization. Can you please advise?

- L.R., Houston, TX

Notaries in Texas — along with those in many other states — are not allowed to certify a copy of a passport. The Secretary of State considers this a recordable document. Contact the issuing agency of the passport to see if they can certify the copy, and check with the insurance brokers in Bermuda to see what else they may accept in its place.

Are Notaries in Illinois allowed to use loose certificates? If so, how should they be handled?

- D.R., Chicago, IL

When appropriate certificate wording is not pre-printed on the document, a loose certificate may be attached by Illinois Notaries. This rule applies to most states, with some notable exceptions, and Virginia, which allows loose certificates, but only if the name of the signer appears in the notarial wording.

When using a loose certificate, the form is generally stapled to the document's left margin following the signature page.

There are precautions a Notary can take to prevent a loose certificate from being removed and fraudulently placed on another document. The Notary can emboss the certificate and document together, and write

“Attached document bears embossment” on the certificate.

Or the Notary can write a brief description of the document on the certificate: e.g., “This certificate is attached to a _____ (title or type of document), dated _____, of _____ (number) pages, also signed by _____ (name[s] of other signer[s] if any)”. Notaries should consult their state laws regarding loose certificates before using them.

I've been asked to notarize a document that includes my name on a list of people being authorized as representatives of the signer. Can I perform this notarization, or should I get a Notary who is not mentioned in the document to perform it?

- W.H., Christiansburg, VA

Notaries in Virginia — and many states — cannot notarize any documents in which they are a party or are named. (COV 47.1-30.) However, the statute does not preclude a Notary from notarizing a document in which the Notary is named for the purpose of receiving notices, or as an executor, trustee, or other fiduciary. You may want to investigate whether this particular provision in the statute applies to your situation as the representative of the signer.



YOUR COMMUNITY

Happy Notary Public Day!



THOUSANDS OF NOTARIES

across our various social media platforms came together to celebrate Notary Public Day! We hosted a weeklong event celebrating Notaries of the past and present. Check out all the fun at www.bitly.com/notarypublicday2014.

Share a Smile

NEIL AND CAMILLE could not help but share a smile with Notaries on social media for World Kindness Day. Notaries shared their smiles with us through emojis or fun photographs. Twenty-five lucky winners won their very own Neil and Camille seals! Check to see if you're one of our lucky winners at www.bitly.com/sealsmile.



Notary Cartoon Caption Contest



YOU SUBMITTED SOME AMAZING CAPTIONS

for our Notary Cartoon Caption Contest on Facebook. The people have spoken; here are the top five captions voted by Notaries everywhere! See them all at www.bitly.com/notarycaptioncontest.

Amy Childress, Pahrump, NV: "Hi, I can't find my ID but I brought along some credible witnesses."

Gwendolyn Santiago, Torrance, CA: "When your client can't find two credible witnesses..."

Lynn Litzke, Huntingdon Valley, PA: "These witnesses are definitely a handful!"

Yvonne Wolski-Worman, Bath, PA: "Guess which one is the real me."

Daniel Yowell, Indianapolis, IN: "I promise sir, this proves I am who I am. My ID was stolen but these puppets with my name on their shirt will swear to who I am."

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