

June 09, 2016

Leslie Reynolds, Executive Director
National Association of Secretaries of State (NASS)
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Re: NASS Remote Notarization Task Force Request for GSE Feedback on Electronic Remote Notarization

Dear Ms. Reynolds:

Freddie Mac and Fannie Mae (the “GSEs”) have been asked to respond to NASS regarding electronic remote notarization. We have been authorized by FHFA to discuss this subject matter together and have come up with our joint position as set forth below:

The GSEs strongly support the removal of barriers to electronic notarization, not only electronic notarization in the physical presence of the notary, but also remote electronic notarization, whereby the requirement for the “personal appearance” or the “presence” of the signer is satisfied via a live audio and video connection. In seeking to make the execution of mortgage closing documents more convenient for borrowers, the GSEs believe that the application of technology to the notary process enables the opportunity to provide a more flexible and convenient borrower experience, while improving the assurance, authentication, security, and documentation of notarial acts.

Although recognition of electronically notarized documents is addressed in the federal Electronic Signatures in Global and National Commerce (E-SIGN) Act and the Uniform Electronic Transactions Act (UETA), the lack of specific State recognition of remote notarization, accomplished by in-state or out-of-state notaries, has curtailed adoption of this technology. The GSEs support the recognition of electronic notarizations, including interstate notarizations accomplished by audio/video means by out-of-state notaries, provided the notary is acting in accordance with legal requirements for the state in which they were licensed to perform notarial acts.

Any such process should provide for the essential assurances of notarization, with safeguards including the following:

- Authentication of the borrower;
- Association of the notary’s electronic signature with the electronic document such that removal or alteration is readily detectable;
- Detection of unauthorized tampering or alteration of the document being digitally signed by the notary;
- Long-term electronic storage of the audio and video recording of the notarization process;
- The notary’s general finding that the signer appears competent and not under duress, to the extent required by state law; and
- Appropriate digital evidence of the notarial act.



We trust that this information is responsive to your request and will assist you in NASS's deliberations regarding this important issue. Please feel free to contact either GSE at any time to discuss this matter further.

Sincerely,

Fannie Mae
Freddie Mac