

Kenneth Zebrowski
Member of Assembly
Chair
Committee on Governmental
Operations

Nily Rozic
Member of Assembly
Chair
Committee on Consumer Affairs and
Protection

Victor Pichardo
Member of Assembly
Chair
Committee on Banks

Charles Lavine
Member of Assembly
Chair
Committee on Judiciary

Testimony offered on behalf of:
New York Mortgage Bankers Association

New York Mortgage Bankers Association (NYMBA)
Mortgage Bankers Association (MBA)

Electronic and Remote Notarization in New York State

May 5, 2021

Re: Electronic and Remote Notarization in New York State

Dear Assembly Members Zebrowski, Rozic, Pichardo and Lavine,

On behalf the New York Mortgage Bankers Association and the Mortgage Bankers Association, we would like to thank you for holding this timely hearing on an enormously important issue. Your leadership is much appreciated by our membership and the entire industry. We are writing to express our support for the adoption of remote online notarization (RON) in the state of New York. If enacted, RON would help our industry address the needs of consumers and would help create legal certainty for remote notarial acts in New York by using a framework that is consistent with the core principles and national standards espoused by the non-partisan Uniform Law Commission (ULC), which have emerged as the national standard for RON implementation.

Due to the pandemic, the real estate finance industry has had to get very creative to protect staff and serve clients in their effort to complete real estate sale and loan transactions. Our members went to great lengths (and expense) to help their customers get their deals closed while abiding by the restrictions on in-person interactions. Unfortunately, RON, the safest solution, was not available despite being widely used successfully in most other states.

Currently 34 states¹ have enacted RON laws substantially similar to the national consensus for RON adoption. This approach, which has been thoroughly vetted by the industry, is based on a set of core principles, including, but not limited to:

- RON transactions receiving the same legal status as traditional notarizations;
- The inclusion of robust provisions for ID proofing and credential analysis;
- Ensuring acknowledgements performed online can be readily identified and distinguished from those done in person; and
- Adopting technology requirements that should not be so specific as to favor one vendor over another, nor should they be so restrictive that they impede evolution of new ways to improve security over time

All these factors combine to ensure consumers are not at risk of having their legal documents deemed invalid.

If adopted, RON would help create legal certainty for remote financial transactions in New York by using a framework that is based on a common set of core principles used by a growing list of states. Therefore, we strongly **support** passing RON legislation that would expeditiously provide lenders with additional resources to serve New York consumers.

Thank you for your consideration,

Christina Wiley
Executive Director
New York MBA

¹ Arkansas has passed legislation that requires the Governor's signature to make it the 34th state with RON