

**Exclusive content.
Better reporting.
Deeper analysis.**

[Learn More](#)

Log In

MIT professor: Electronic notary laws needed to combat fraud

White paper calls for strategy to stem identity, mortgage fraud



Inman
Staff Writer



Jan 18, 2006

A newly published white paper prepared by a Massachusetts Institute of Technology professor is calling for quick action by government, industry and professional associations to provide a “sound strategy” for e-notarization to help stem the rising tide in forgeries and frauds in identity, mortgage and immigration transactions.

The paper reveals the importance of providing secure authentication and effective electronic transactions for e-commerce in the burgeoning digital age.

In the paper, “Electronic Notarization: Why It’s Needed, How It Works, And How It Can Be Implemented To Enable Greater Transactional Security,” published by the National Notary Association, Daniel J. Greenberg, director of MIT’s E-Commerce Architecture Program, outlines the legal and technological issues that must be addressed to ensure convenient and secure e-commerce in an era of rising document forgery and identity fraud.

Such crimes interfere with the orderly conduct of business and threaten individual property rights. The Notary Public is charged with positively identifying individuals during such sensitive transactions as purchasing a home, and can serve to shield the public from insidious identity and document schemes.

“As a society, we may never be able to stop criminals from obtaining fraudulent identification documents, but Notaries can pose a formidable obstacle and deterrent to these criminals and provide an independent record that may be the only evidence prosecutors have to convict a forger,” Greenwood writes. “Indeed, in protecting our identities from misappropriation, Notaries are one of the most powerful weapons we have against the ever-increasing onslaught of identity crimes.”

Many paper-based transactions, from real estate conveyances to international adoptions to last wills and testaments, are notarized to prevent, detect and prosecute fraud. As government agencies and industry move toward a complete paperless workflow, electronic documents will need to receive the same level of security as their paper counterparts. However, Greenwood warns that laws and regulations to guide Notaries in the performance of electronic notarizations are lacking and must be immediately addressed to ensure the protection of property rights in the 21st century.

“Those who regulate Notaries Public would be derelict in their duty if they failed to effect the rule-making necessary to transition to a reliable system of e-notarization,” Greenwood writes. “Failing to exercise oversight and control in this area would be akin to failing to provide and enforce safety rules for hydrogen or hybrid cars because the new technology is different from the old.”

Greenwood emphasizes the need for more uniform laws to “ensure that consistent and not adversely

As low as \$5 per month

JOIN INMAN SELECT

In response to this legislative need, as described in the research, the National Notary Association has published the Model Notary Act (2002), a model statute that “integrates paper-based and electronic procedures and contains the first comprehensive set of rules for registering electronically-capable notaries and regulating their electronic acts.”

“It is essential to inform government, law enforcement and industry leaders of the need for regulated electronic notarization to best protect consumers against forgery in e-commerce,” said Timothy S. Reiniger, vice president and executive director of the NNA.

The White Paper is available online at the NNA’s Web site,
<http://www.nationalnotary.org/>.

Send tips or a Letter to the Editor to jessica@inman.com or call (510) 658-9252, ext. 133.

Subscribe to Inman Select for all new exclusive content.

Learn more about membership plans and special features.

Join Now

Log In

Comments



Add a comment...



Also post on Facebook

Posting as **Dazza Greenwood** ▼

Comment



Facebook social plugin