REAL ESTATE

The E-Notary Public Is Slow to Catch On

When it comes to closing on a mortgage, nothing is final until the notary public says so. Charged with officially affirming the transaction's legitimacy, notaries apply their legal stamp of approval after verifying the borrower's identity and willingness to enter into the loan.

By necessity, notarization has always been a face-to-face process. And even as mortgage lending moves online, enabling borrowers to shop and apply for loans via the Internet, as well as upload documents and apply their signatures, the signing of the final documents requiring notarization still makes it necessary for the borrower to be in the same room with the notary.

Unless, that is, the notary is in Virginia. As of 2012, Virginia became the first state to allow certified notaries to use technology to notarize documents remotely, with the signers being anywhere in the world. Signers must appear before the notary by means of a live, two-way video conference, and the notary must keep a recording of the meeting.

"It's one of those things where the time has come," said John B. Harris, the senior vice president for product management at Signix, an electronic signature service based in Chattanooga, Tenn., that offers remote notarization. "The notary profession is due for that injection of technology," he said.

Mr. Harris maintains that remote e-notarization actually strengthens security because it uses third-party databases to verify the identity of the borrower. After providing the last four digits of their Social Security numbers and their dates of birth, the borrowers must correctly answer questions affirming personal specifics like previous addresses or vehicles they owned.

"The paper notary looks at an ID, like a driver's license or a passport, but they're not using any database to verify it," Mr. Harris said. "And recording adds a layer of evidence."

The National Association of Secretaries of States, the office that generally oversees notaries at the state level, has embraced e-notarizations where the notary applies an electronic seal to digital documents. But citing the importance of the notary's role in fraud prevention, the organization's standards for e-notarization still require that signer and notary be in the same room.

Bob Rice, a founder and the chief executive of World Wide Notary, an e-notarization technology provider based in Vernon, Tex., shares the concern about identity theft. A notary who meets with a signer in a Web conference cannot, for example, touch or scrutinize a driver's license to see if it is authentic, he said.

"So I wouldn't be perfectly sure you are who you say you are, or that you aren't signing under duress," he said.

Also, Mr. Rice added, much of the country doesn't have access to the high-speed Internet required for remote notarizations. World Wide Notary supplies technology that enables a notary to download closing documents onto a secure laptop before meeting with a borrower in an out-of-the-way location, sign everything electronically while off line, and then upload the documents upon their return to the office.

But Rick Triola, the president and chief executive of NotaryCam, a global online notarization platform, said more states are gradually considering allowing remote notarizations as more officials see that technology gives notaries better tools to securely identify people.

"We aggregate 33 billion records from 10,000 different sources," Mr. Triola said. "It's amazing what this data knows about us."

So far, he said, NotaryCam has done legally binding transactions in all 50 states and in 64 countries.