

TESTIMONY OF THE AMERICAN LAND TITLE ASSOCIATION

ON

VERMONT H. 512 “AN ACT RELATING TO MODERNIZING LAND RECORDS AND NOTARIAL ACTS LAW”

BEFORE

THE HOUSE COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

**THURSDAY, FEBRUARY 3, 2022
MONTPELIER, VT**

Mr. Chairman Marcotte and Members of the House Committee on Commerce and Economic Development:

The American Land Title Association (ALTA) appreciates the opportunity to submit testimony on H. 512, “An Act Relating to Modernizing Land Records and Notarial Acts Law.” In this written testimony, we would like to discuss the increased use of eRecordings as well as the title insurance industry’s widespread and successful shift to digital types of transactions. ALTA supports improving the consumer experience through use of technology and more digital real estate transfer processes.

ALTA is the national trade association representing over 6,000 title and settlement agents, independent abstracters, title searchers, real estate attorneys and underwriters, ranging from small one-county operations to larger national title insurers across the United States.

History of eRecording

eRecording is a method of delivering documents electronically for recording. Real estate documents must be recorded in the local land record offices. Across the country, recording of these real estate documents generally takes place at a local level in an office devoted to keeping these types of records for historic and legal purposes.

In 1999, the Uniform Law Commission (ULC) approved the Uniform Electronic Transactions Act (UETA) to ensure electronic signatures, electronic records, and contracts based on or memorialized in electronic formats would not be rejected due to their electronic nature. Currently, 49 states and the District of Columbia have adopted versions of UETA. Furthermore,

in 2004, the ULC promulgated the Uniform Real Property Electronic Recording Act (URPERA) to remove any doubt with regard to the ability of a local recording office to accept and otherwise process electronic documents and signatures for recording. Today, 38 states and the District of Columbia have enacted URPERA.

The first e-Recording was processed in 1999 – 23 years ago. This process is not new, but has gained traction in recent years, as the number of jurisdictions across the nation that accept e-Recordings continues to increase.

eRecording Data

The Property Records Industry Association (PRIA) is the primary source of information about eRecording in the country. Notably, their 2020 eRecording Document Volume Survey, which reflects 18,618,824 documents recorded in calendar year 2020, showed that 64.4% of documents were recorded electronically. This marked a 14.4% increase in the percentage of electronic recordings versus paper recordings since data was collected for calendar year 2018.

Vermont is the only state in the country where 0% of the population resides in a jurisdiction that accepts eRecordings. In almost every other state in the U.S., the majority of the population is located in an eRecording jurisdiction. Right now, 87.3% of the entire U.S. population lives in an eRecording jurisdiction. To view a map of the eRecording population data, please click [here](#). To view a map of jurisdictions that accept eRecordings, click [here](#).

As the number of jurisdictions accepting eRecorded documents grows, the percentage of documents electronically recorded also increases. Jurisdictions across the U.S. are undeniably moving towards eRecording as the norm, which expedites and streamlines the real estate transfer process.

Title Insurance Industry Data

The title insurance industry has shifted to more digital real estate closing transactions in recent years. In 2011, the first remote online notarization (RON) law was passed in Virginia. As of December 2021, 39 states have approved the use of RON, many through enactment of the ULC's Revised Uniform Law on Notarial Acts.

The spread of COVID-19 sped up this shift to digital, with the increased need for remote transaction options. Current requirements for a signer to be physically in the presence of a notary are often impractical and sometimes impossible due to social distancing limitations. Digital tools

have been critical in the title insurance industry's ability to continue transactions during the COVID pandemic.

An ALTA survey of 300 title professionals showed digital closings have increased 228% since 2019. Currently, over 35% of title companies offer RON as an option to close real estate transactions. The increased use of this technology can be attributed to the COVID-19 pandemic, expanding consumer demand and the growing number of states authorizing its use.

Conclusions

Over the past two years, we have all experienced firsthand the need for more digital and remote transactions. Allowing for the use of RON and eRecording in the real estate transfer process in Vermont will benefit consumers and create significant efficiencies in real estate transactions.

Thank you for the opportunity to submit testimony on this important issue. ALTA looks forward to reviewing the comments and testimony offered by others interested in H. 512. ALTA is happy to serve as a resource for this committee if any questions arise.