



Rhode Island Association of REALTORS® & State-Wide MLS

February 15, 2022

The Honorable Evan P. Shanley
Chair
House Committee on State Government and Elections

RE: H 7363—“An Act relating to State Affairs and Government”—Remote Online Notarization

Dear Chairman Shanley and Committee Members:

On behalf of the more than 6,000 Rhode Island REALTORS®, I urge you to support H 7363, which will provide streamlined real estate closings for Rhode Island’s homeowners and prospective buyers. Supporting H 7363 would amend Rhode Island General Law to allow the use of remote online notarization in business transactions.

The Rhode Island Association of REALTORS® (RIAR) appreciates the State’s recognition of the housing industry’s impact on our local economy during the pandemic. According to the National Association of REALTORS®, the Rhode Island real estate industry accounted for nearly \$11 billion or 18 percent of the gross state product in 2020.¹

Uncertain circumstances that arose from the COVID-19 pandemic required public officials to rethink secure policies that promote public safety, while protecting Rhode Island’s economy. Our members commend Secretary of State, Nellie Gorbea for exercising prudence during the pandemic and working with RIAR on a temporary executive order that allows the use of Remote Online Notarization (RON) during the state of emergency.

According to the National Association of Secretaries of State, 38 states currently authorize some form of e-notarization (including Rhode Island) and 33 of these states statutorily allow for some form of remote online notarization.² The states that most recently adopted legislation are Illinois, New Jersey, Oregon, New York, and New Hampshire.

For Rhode Island to remain competitive, it is imperative for the House of Representatives to embrace this new way of conducting real estate transactions in Rhode Island. While Rhode Island permits RON during the COVID-19 pandemic, it is unclear if borrowers in Rhode Island

¹ <https://cdn.nar.realtor/sites/default/files/documents/2020-state-by-state-economic-impact-of-real-estate-activity-rhode-island-3-31-2021.pdf>

² <https://www.nass.org/initiatives/remote-electronic-notarization>

are closing on real estate transactions without an in-person signing due to the lack of legal protections surrounding the State’s executive order.

Further, the political climate in Washington, D.C. has not instilled confidence in the states that are relying on Congress to adopt a measure making Remote Online Notarization permissible under federal law. On September 23, 2021, the House of Representatives passed H.R. 4350, National Defense Authorization act (NDAA) for Fiscal year 2022, by a bipartisan vote.³ Unfortunately, the Senate has failed to act.

REALTORS® engage in modern day technology from digital title and escrow transfers to virtual-stagging tools and automated-marketing campaigns. However, the one business service that is excluded from the REALTOR® toolkit is remote online notarization. REALTORS® rely on tools such as RON to communicate with their consumers effectively and efficiently. H 7363 would create the permanent availability of RON to consumers in Rhode Island and provide certainty during the rest of the state of emergency and beyond. The standards included in H 7363 that ensure strong consumer protections are strongly advocated for by RIAR.

According to the State-Wide Multiple Listing Service, Inc., 37 percent or approximately 5,300 home transactions occurred during the months from May to August in Rhode Island during 2021. The General Assembly must make all efforts to keep systems current and operational on a permanent basis, while preventing real estate transactions from being cancelled or interrupted.

RON is a critical tool to ensure businesses and consumers can continue executing and notarizing critical documents on a permanent basis. We urge support of H 7363.

Sincerely,



David A. Salvatore
Government Affairs Director

³ <https://www.congress.gov/bill/117th-congress/house-bill/4350/text>