

How Law Firms Use Remote Online Notarization

THE TRADITIONAL NOTARY PROCESS IS FLAWED

One of the core contracting responsibilities of modern law firms is management of the notarization process for critical client documents. Since document notarization is traditionally performed in person using ink-and-paper signatures, it can become problematic.

In-person notarization usually involves painstaking coordination efforts to arrange a signing ceremony with multiple stakeholders. There may be travel involved, which could lead to unexpected delays and increased administrative costs. For law firms overseeing this imperfect and expensive process, client (and employee) satisfaction is at risk.

There's good news for law firms that notarize documents as part of their practice offerings: both governing bodies and the market are embracing the benefits of digital technology. More U.S. states and regulatory agencies are updating laws to authorize notaries public to complete work digitally. This evolution creates an opportunity for law firms to streamline their work, reduce their costs and improve client and employee experiences.

In this eBook, we'll examine the way the traditional notarization process works, explain how remote online notary (RON) solutions improve notarization activities, analyze the legal landscape of electronic notary work and present key technologies to streamline notary work. As you read, consider the way your firm currently manages the notarization process across different locations. Consider existing pain points and how new regulations might open the door for technology to improve everyday workflows and delight your clients.









The notarization process that law firms are familiar with is time-consuming and expensive. That's not news to anyone. Before the signing ceremony even starts, there's a significant amount of upfront coordination to get all the parties into the same room at the same time with the appropriate number of paper documents.

Here's an overview of all the activities that take place as part of that in-person event:

Signing parties initiate notary process and schedule necessary bookings



Signers(s) and notary public meet in person Signer(s) fills in the fields on a paper agreement Notary public reviews the paper agreement

Notary public identifies the signer(s) using physical ID

Signer(s) signs the agreement Notary public records a journal entry in a paper journal and affixes certificate

Because of all the manual steps in that process, problems begin to appear. Law firms that oversee notary work know how painful the process is, but gaps in the process create more than just frustration. Traditional ink-and-paper notarization causes delays, increases environmental waste, drives up costs and creates duplicate work. A DocuSign survey found the following effects of traditional notary work:

46%

of organizations say documents need to be re-signed due to manual errors and/or not in good order (NIGO) issues

1/3

of organizations experience high costs with paperbased notarization processes (e.g. printing, mailing, storage)

38%

of organizations indicate inefficient processes as a top challenge in their paper-based notarization process

Though in-person meetings with a notary public have long been an inconvenience, there wasn't an efficient, legal alternative. Today, however, recent advances in cloud technology and new regulations regarding notarial processes, have helped to significantly further the modernization of notarial services in the form of remote online notarization solutions. It's time to think about how your law firm can move past outdated paper-based notary processes.



REMOTE ONLINE NOTARIZATION SOLVES TRADITIONAL NOTARIZATION PROBLEMS

At a high-level, remote online notarization (RON) is the use of electronic signature-related technologies—such as identity verification, fraud-evident encryption technology and digital audit trails—in conjunction with industry standard audio-visual technology and online journaling. Together, these technologies enable a notary to perform an efficient and secure electronic notarial act. The notary and the person seeking the notarial act can remotely communicate with one another without needing to be in physical proximity.

Most states that have enacted a RON law have followed common principles inspired by electronic signature processes, including:

- Expanding the concept of "personal appearance" before a notary to include appearance via qualifying audio-visual technology.
- Specifying acceptable methods for reliably establishing the signer's identity
- Preserving the integrity of the electronically signed documents
- Creating an electronic journal memorializing the notary's RON transactions
- Creating an audio-visual recording of the notarial act to enhance the integrity of the process

RON VS. IN-PERSON NOTARIZATION

The best way to illustrate the effects of RON solutions is to make a direct comparison to the paper-based, in person notarization processes they are built to replace.

RON provides numerous benefits to parties seeking notarial acts, furthering the vital societal function that notaries perform via an efficient digital tool that modern society has come to expect, and increasing the value that law firms offer to their clients. These benefits include:

Convenience and increased access to notarial services

At a basic level, RON is a more convenient method to receive notarial services because individuals can choose both a time and location that is convenient for them. Because of this convenience, more people—such as those who may work long hours and have difficulty scheduling during a traditional 9-5 workday—will have easier access to vital notarial services. With RON, law firms—especially those serving clients in different states or countries—can make the most of their employee time by eliminating travel, scheduling, and other logistical challenges, thereby reducing the cost of doing business. It also helps attorneys meet tight deadlines by ensuring speed and accuracy.

Fraud minimization

The cornerstone of any notarial act is verifying a person's identity. Compared to a traditional in-person notarial act, RON can help minimize fraud by better authenticating a person's identity. RON does this with well-established identity proofing technologies, which are regularly utilized by those who rely on electronic signatures for their digital transactions.

RON utilizes a robust credential analysis that provides a better and more sophisticated process for ensuring the legitimacy of the underlying credential than the traditional process of an in-person review performed by someone who may not have training or expertise in identifying fraudulent credentials.

RON provides the ability for notaries to apply innovative identity proofing technologies to increase the certainty and consistency of properly identifying the signer. This identification proof is preserved as part of the transaction log, which gives legal firms a record of exactly how a person's identity was confirmed in case of an audit.

Security and enforceability

A RON act is more secure than a traditional in-person notarization. The enhanced security used in a RON transaction relies upon electronic signature technologies that have been consistently and securely used for nearly two decades. These technologies, like tamper-evident sealing of electronically signed and notarized documents, allow for parties to determine later whether the document has been altered. Further, RON relies upon electronic signature technologies to generate a digital audit trail called a journal.

In conjunction with these mature technologies, RON also utilizes industry-standard audio-visual technology to:

- Protect both the notary and the signer by documenting the notarization session, making it easier to establish that neither party is signing or notarizing a document under duress!
- Enhance the attribution and reliability of any signed document by documenting the RON session with a secure recording of the session that complements the journal record!

This multifaceted approach of securing and ensuring the auditability of a RON session provides law firms with a robust digital record that can be used as evidence to substantiate the authenticity of the signed and notarized document.

HOW MODERN LAW FIRMS CAN USE REMOTE ONLINE NOTARIZATION

Today, over a billion documents are notarized each year. A significant portion of that total—ranging from powers of attorneys and affidavits to wills and deeds—are performed as a service by U.S. law firms.

The changing notarization landscape doesn't mean that law firms will stop performing notary acts. As more people and organizations move to remote-friendly operations, demand for secure notary services will likely accelerate. The new digital-friendly RON landscape is an opportunity for those firms to provide the same client services in a faster and less costly environment.

Law firms in the U.S. can keep up with the current trends by modernizing their notarization processes using remote online notarization. Some of the highest impact practice areas include:



Litigation

In nearly all litigation, an affidavit, which is a written and notarized statement from an individual that is sworn to be true, will likely be required to support each party's filings allowing the case to proceed. As cases progress, subject to court rules, parties may notarize and file additional documents such as motions and pleadings, which are written requests for the court to make legal rulings. And finally, if the parties reach a settlement agreement, agreeing to a judgment in advance, that document must also be notarized in many cases.

Notary eliminates travel, scheduling and other logistical challenges associated with onsite signing for attorneys, where often faced with strict filing deadlines—to help ensure documents are notarized quickly and accurately.

Estate Planning

Estate planning attorneys, responsible for helping clients manage their assets, will inevitably create one or more documents requiring notarization during the course of their representation. In many cases, a power of attorney, which is a legal document giving one person the power to act on behalf of another person, may need to be notarized to empower someone to make financial or medical decisions on behalf of the client. The distribution of specific assets such as life insurance policies and retirement accounts may also require a notarized beneficiary designation, which is a legal document describing who shall receive an asset owned by an individual upon their death.

Using Notary for these, and other documents can simplify a process that estate planning clients often view as long and burdensome.

Real Estate

Legal services related to real estate range from simple two-party residential sales to complex multiparty transactions, and because they involve real-property, state, municipal and other agencies, may require related documents to be notarized. For individuals, closing documents such as a deed, which is a legal document transferring ownership of real property from one person to another, will likely need to be notarized. For business clients, commercial leases which are contracts between the owner of a property and a business tenant for commercial activity may also require notarization.

Law firms offering legal services related to real estate can help their clients more efficiently navigate the sale, lease or transfer of property using Notary—enabling them to execute documents from virtually anywhere.

Common uses for H2H NOTARY LLC Remote Online Notary

Litigation

Affidavits
Motions and pleadings
Judgments
Settlement agreements
Confessions

Estate Planning

Wills

Powers of Attorney Beneficiary designations Letter of Intent Trust documents

Real Estate

Deeds

Closing documents Commercial leases Zoning variances

Other

Spousal consents
Patent applications
Loans and mortgages
Options agreements
Financial Powers of Attorney
Disclosures

Many more

It's time for a better approach to notarization—one that avoids delays, enhances the client experience, and preserves a more complete record of the notarial transaction.

With H2H NOTARY LLC Notary, law firms and their clients can conduct remote online notarizations securely and efficiently, leveraging H2H NOTARY LLC, trusted eSignature platform.

Why law firms love H2H NOTARY LLC.

Delight clients

Notary meets clients' growing expectations for convenient, digital experiences with notarizations that work from virtually anywhere.

Ensure reliable identification

Notary combines identity verification and knowledge-based authentication in a single, automated platform to ensure accurate identifications.

Reduce turnaround times

Notary provides easy-to-use fields and templates to help legal teams quickly prepare documents digitally, ready to be signed and notarized.

Preserve the record

Notary preserves a certificate of completion for each transaction and provides long-term storage of the secure audio-visual recording and electronic journal within H2H NOTARY LLC.



Much as we saw with electronic signature laws over the past 20 years, state RON laws tend to align around a set of core principles designed to enable adoption of this highly valuable, secure, and efficient technology. As described above, these principles include expanding (i) the concept of personal appearance, (ii) the method of establishing a signer's identity, (iii) the integrity of the document signed and (iv) the creation of electronic journals.

If you have questions on this proposal, feel free to contact Shaun J Federico at your convenience by email at **shaunfedericonotary@gmail.com** or by phone at **(702) 497-6657**. We will be in touch with you next week to arrange a follow-up conversation on the proposal.

Thank you for your consideration,



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