

Unique Standards of Care for Signing Agents

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Presentation Goals

**6 Good
Reasons**

**Industry
Perspective**

**10 Guiding
Principles**

**Examples of
Standards**

**The Plan
Forward**

6 Good Reasons for Standards

SAs Are Not Regulated

- SA field is very new
- SA field must regulate itself

Closing Services Are Regulated

- Other closing practitioners have standards
- Why Not SAs?

Heightened Respect

- General public
- Other closing professionals

6 Good Reasons for Standards

Standards for SA Duties

- Notary rules don't apply
- Additional rules needed for SA duties

Personal & Property Rights

- SAs protect valuable personal & property rights

Public Assurance

- SAs are acting ethically
- SAs are highly-skilled professionals

Industry Perspective on Standards

Thoughts on why Signing Agents must operate according to standards

– Pamela Bunker, LSI

Guiding Principles

Guiding Principle I

- The Signing Agent shall obtain all licenses required to perform signing services, seek training in the duties and ethics of the profession and be accountable to any authority under whom the Agent must lawfully operate.

Guiding Principles

Guiding Principle II

- The Signing Agent shall obey all laws, rules and best practices that apply to the signing and notarizing of documents entrusted to the Agent.

Guiding Principles

Guiding Principle III

- The Signing Agent shall maintain a demeanor of impartiality and shall not offer personal opinions to the borrower about the loan.

Guiding Principles

Guiding Principle IV

- The Signing Agent shall not advise the borrower about the loan nor explain the terms of any document presented to the borrower.

Guiding Principles

Guiding Principle V

- The Signing Agent shall not be a knowing party to any illegal, deceptive or harmful activity requested by a lender, broker, closing agent, signing service, settlement services provider, borrower or any other person.

Guiding Principles

Guiding Principle VI

- The Signing Agent shall abide by the fraud prevention provisions of the Uniform General Closing Instructions.

Guiding Principles

Guiding Principle VII

- The Signing Agent shall respect the privacy of each borrower and not divulge details of a loan to any person outside the office of the lender or other firm employing the Agent.

Guiding Principles

Guiding Principle VIII

- The Signing Agent shall follow all contractual obligations in charging and collecting fees for services rendered.

Guiding Principles

Guiding Principle IX

- The Signing Agent shall not advertise document signing services in a manner that is unprofessional, false, misleading or deceptive.

Guiding Principles

Guiding Principle X

- The Signing Agent shall conduct each assignment in a professional manner in order to engender respect for the vocation of Signing Agent.

Signing Agent Code: Organization

Guiding Principles

10

Articles

31

Standards

75

Articles: Guiding Principle VIII

The Signing Agent shall follow all contractual obligations in charging and collecting fees for services rendered.

**Article A:
Accepting
Fees**

**Article B:
Invoicing
Fees**

**Article C:
Collecting
Fees**

**Article D:
Recording
Fees**

Standards of Professional and Ethical Practice

Standards

- 75 total
- 6-10 per Guiding Principle

Illustrations

- Problematic situation
- Visualize standard

Outcomes

- Ethical Imperative
- Professional Choice

Outcomes: Ethical Imperative

Ethical Imperative

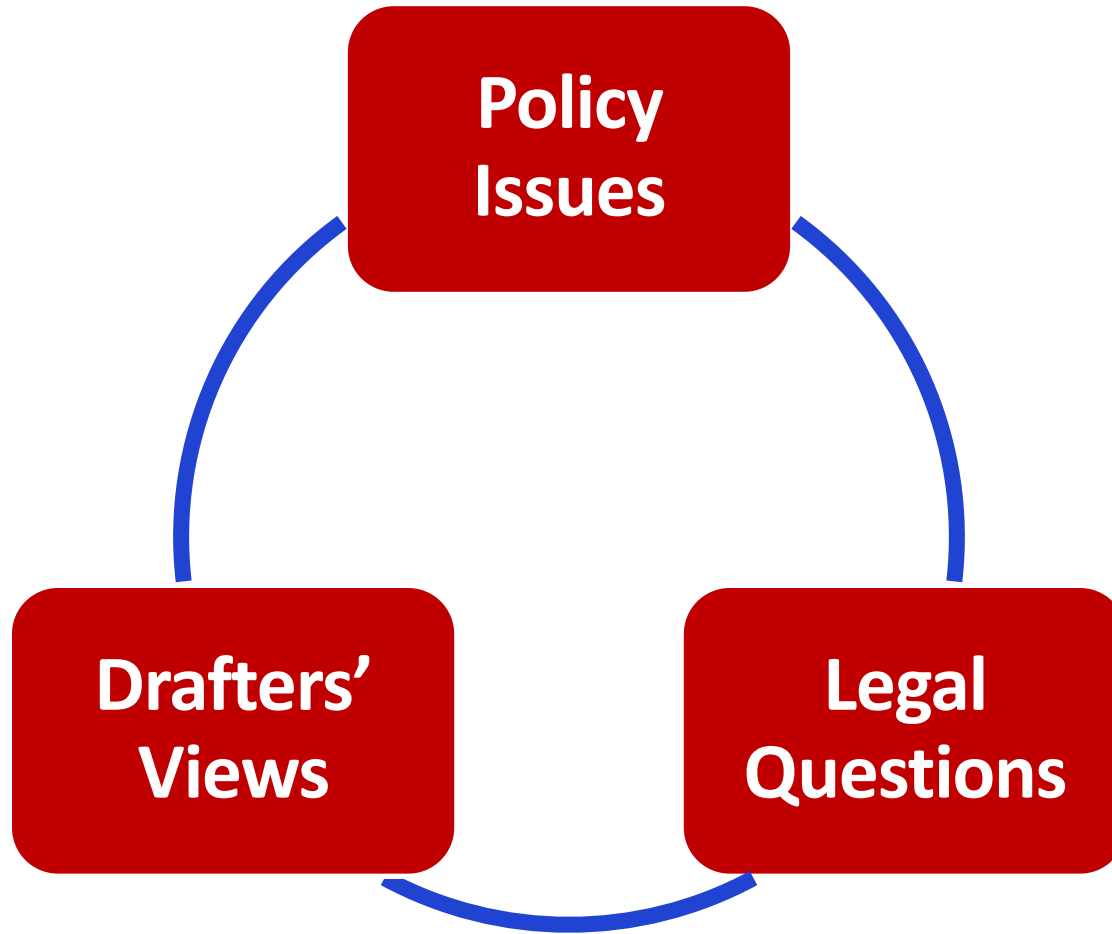
- An action that, if not taken, would be a clear and serious violation of the Signing Agent's role as that role is defined by the Guiding Principles

Outcomes: Professional Choice

Professional Choice

- An action that, if not taken, would lessen or undermine the Signing Agent's effectiveness in fulfilling the Signing Agent's fundamental role

Commentary Sections



Example: III-C-2

Article C: Improper Influence

III-C-2. Recommending Exercise of Rescission

Option Improper. The Signing Agent shall not suggest or recommend that a borrower proceed with the signing of any document on the grounds that the rescission option provides three business days after signing to thoroughly read loan documents, ask questions of the lender and decide whether to consummate the transaction.

Example: III-C-2

Illustration: The Signing Agent encounters a borrower who expresses misgivings about following through with the loan. The borrower asks what the Agent would do in the circumstance. Since the Agent will only be paid if the transaction closes, the Agent considers whether to inform the borrower that the three-day rescission option provides an opportunity to sign all documents now, read the documents over the weekend and then cancel the loan within the rescission period if the borrower elects.

Example: III-C-2

The Ethical Imperative: The Signing Agent declines to offer the opinion that the three-day rescission period provides a “cooling off period” for the borrower and offers to immediately contact the loan or closing agent for assistance or to halt the signing if the borrower desires.

Example: VI-B-3

Article B: Reporting Suspicious Activity

VI-B-3. Potential or Actual Misrepresentation

The Signing Agent shall immediately report any incident of potential or actual misrepresentation or falsehood in connection with a loan transaction.

Example: VI-B-3

Illustration: The Signing Agent is assisting a borrower sign loan papers. Upon presenting the “Occupancy Affidavit” in which the borrower must swear of affirm under penalty of perjury that the property being financed serves as the homeowner’s principal residence, the borrower volunteers that the property is a second home. The Signing Agent wonders whether the Agent can legitimately put the person under oath or affirmation given the borrower’s admission.

Example: VI-B-3

The Ethical Imperative: The Signing Agent immediately contacts the closing agent handling the transaction and reports the borrower's admission. Knowingly misrepresenting occupancy in applying for a home loan is one of the many facets of mortgage fraud, and may be punishable as a criminal offense under U.S. law.

Example: VII-B-5

Article B: Handling Documents

VII-B-5. Permanently Deleting e-Documents

Necessary: The Signing Agent shall permanently erase any files containing electronic documents from the Agent's personal or a shared computer promptly upon conclusion of an assignment.

Example: VII-B-5

Illustration: The Signing Agent is employed full-time and performs loan signings part-time in the evening and on weekends. During the week, electronic documents are delivered to the Agent's work e-mail address. The Signing Agent downloads the files to the Agent's computer and prints the documents for the appointment. The Agent considers taking steps to ensure that these electronic documents are not accessible to any other persons at the Agent's place of employment.

Example: VII-B-5

The Ethical Imperative: The Signing Agent determines to permanently erase files containing electronic documents from the Agent's computer and delete the e-mail transmissions containing e-Document attachments that reside on the company's e-mail server, because the documents contain sensitive personal and tax identification numbers and other confidential financial, employment and transaction information.

Example: VIII-C-1

Article C: Collecting Fees

VIII-C-1. Complying with Payment Policy Essential:

The Signing Agent shall not initiate collections on a nonpaying account without first establishing that the contracting company has failed to fulfill its contractual obligations.

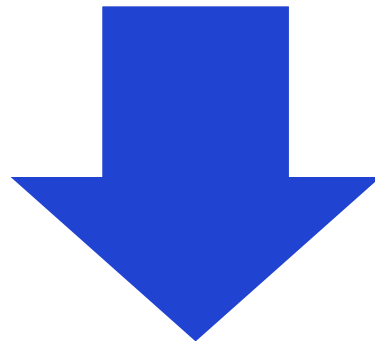
Example: VIII-C-1

Illustration: The Signing Agent is reviewing his unpaid accounts and discovers that it has been 30 days since an invoice for one signing was submitted. The Agent considers whether to contact the company to inquire about payment.

Example: VIII-C-1

The Professional Choice: The Signing Agent reads the independent contractors agreement the Agent executed with the company and determines that payment on this account is not late. The agreement stipulates that checks are cut on the 30th of the month and that the cut-off date for submitting invoices is the 25th of the month. Since the Agent submitted an invoice on the 28th day of the preceding month, the Agent estimates that it will be about one week until this account can be properly considered late.

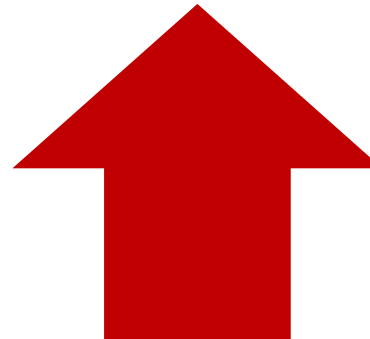
The Plan Forward



**Release
Standalone
SA Code?**



**Append
SA Code
to NPCPR?**



The Plan Forward

Empanel drafting committee to review “Draft for Discussion”

Produce and post future drafts for public comment

Release Code in final form into the public domain

Previous Webinars

www.nationalnotary.org/webinars/archives

- Protecting Customer Information
- Avoiding Costly Signing Mistakes
- RESPA and Loan Modifications
- How to Complete Notarial Certificates

NNA Contact Information

- Address all follow-up e-mail questions or comments to:
banderson@nationalnotary.org