



MORTGAGE BANKERS ASSOCIATION

March 22, 2019

Governor Matt Bevin
700 Capital Avenue, Suite 100
Frankfort, Kentucky 40601
Phone: 502/564-2611
Fax: 502/564-0437

Dear Governor Bevin,

The Mortgage Bankers Association (MBA)¹ is writing to express our support for legislation ([SB 114](#)) currently before you that would, among other provisions, provide Kentucky consumers with the added option to complete notarial acts using remote online notarization (RON). SB 114 is consistent with the comprehensive approach approved by more than ten other states and which is gaining momentum in legislative session across the country this year.

Remote online notarization is a critical step to moving the mortgage process to a fully digital platform which will provide consumers convenience and efficiencies that cannot be found in today's paper-bound process. For RON to be widely adopted in the mortgage market, it is critically important that the states adopt legislation that establishes a common set of core technology and consumer protection principles. Importantly, the Kentucky bill shares these core principles:

- Protection of consumer rights and optionality;
- Equivalency between RON and to traditional notarizations, without any additional restrictions or unnecessary barriers;
- Implementation standards that are consistent with those established by national standard setting bodies, including the Mortgage Industry Standards Maintenance Organization (MISMO);
- Vendor neutral technology standards that permit flexibility in order to foster innovation to further consumer protection and customer service; and,
- Robust identity proofing and credential analysis.

¹ *The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, DC, the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership; and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.*

MBA's views on RON have been informed by the development of model legislation with the American Land Title Association (ALTA) that embraces the preceding principles. Moreover, the MBA-ALTA model was developed with diverse stakeholder input and was also widely shared before release with key federal agencies including the Federal Housing Administration, Fannie Mae and Freddie Mac. Additionally, input was received from the National Association of Secretaries of State (NASS) and members of the non-partisan Uniform Law Commission. Today, legislation that aligns with the model bill principles has been adopted in 10 states (MT, TX, NV, OH, MN, MI, ND, SD, TN, and IN).

MBA ardently supports consistency in the laws that govern the real estate finance industry. Such consistency creates greater legal certainty for our member companies in Kentucky and throughout the country and also helps drive efficiency and lower operational costs. These conditions translate into enhanced marketplace competition for consumers in terms of better service and lower prices.

We encourage you to sign SB 114 into law and provide Kentucky residents with additional avenues to complete real estate finance transactions. If you or your staff should have any questions, please do not hesitate to contact William Kooper(wkooper@mba.org) or Kobie Pruitt (kpruitt@mba.org).

Thank you,

A handwritten signature in cursive script, appearing to read "P. Mills".

Pete Mills
Senior Vice President
Residential Policy and Member Engagement