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Papering-Out

A PRIA Position Paper

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PROPERTY RECORDS INDUSTRY ASSOCIATION

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For

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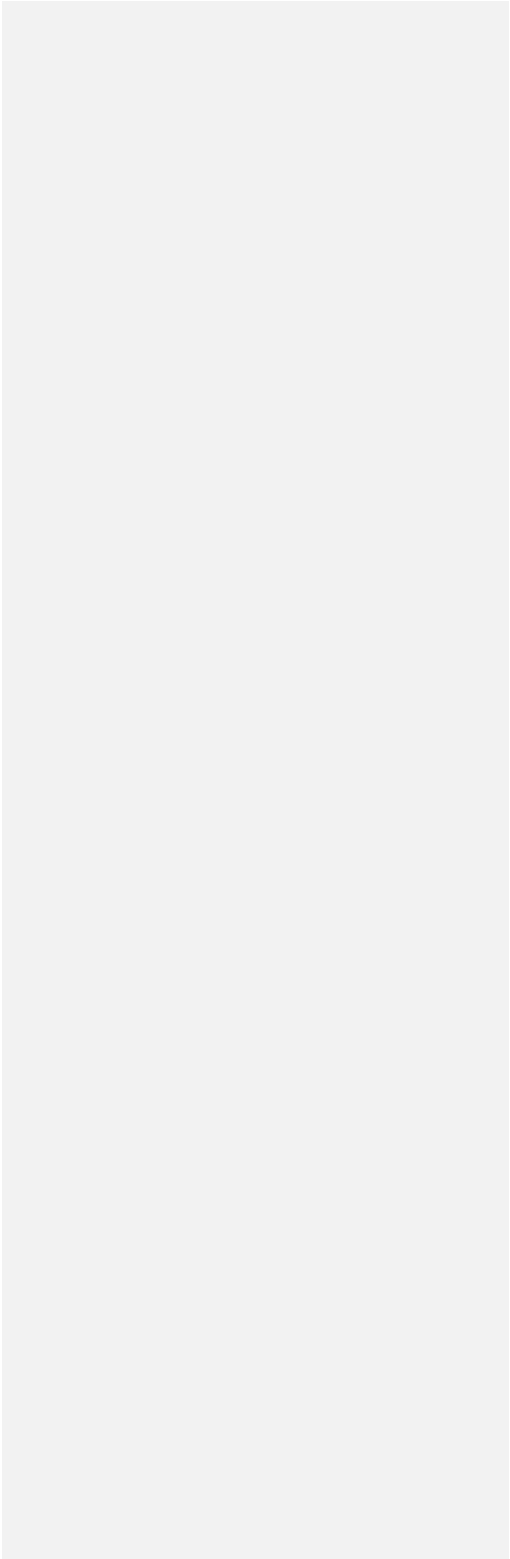
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Executive Summary

The term “papering-out” refers to a statutory process of converting an executed and notarized electronic document into tangible paper form and submitting the tangible paper copy for recording by traditional recording procedures. Certain states authorize recorders to record paper copies of electronically executed documents. These states generally limit the individuals authorized to paper-out documents, and typically require such individuals to complete a certification or declaration that the tangible paper copy is identical to the electronic document, at which point the papered-out document would be eligible to be recorded. This process enables the recording of electronically executed documents in circumstances where eRecording is otherwise unavailable.

This PRIA paper provides some base definitions pertinent specific to the process of papering-out. The certifications referenced in this paper refer to documents that have not been recorded yet. Certification of recorded documents is the responsibility of the county recorder. It includes some applicable background information and, by reference to PRIA’s website, state statutory citations. Sample certification pages are also included at the end of this paper.

Recorders should consult their state’s statutes and legal counsel for authorization to accept a papered-out copy of an electronic document.

PRIA Position

PRIA supports efficient and secure processes in the property records industry ensuring the recordability of documents. “Papering-out” is such a process. It enables the recording of electronically executed documents in jurisdictions that do not or are unable to accept electronic documents.

What Is Papering-Out?

The ideal scenario for an electronic document is for that document to begin as an electronic document, be signed and notarized electronically, and be eRecorded. Unfortunately, something may happen in the process, which prevents one or more of those processes from occurring electronically. Papering-out may become necessary and generally includes three steps:

- **Printing:** A person authorized by state law prints the electronic document. This printout should be the entire document, including any notarizations applied to the document by an electronic or remote notary.
- **Certifying:** The notary or authorized person attaches a certificate stating that the printout is a true and correct copy of the electronic document. Terms like “certification” or “authentication” may be found in the state laws or regulations:
 - Certification is the formal declaration, attestation or confirmation of certain characteristics of an object, person, or organization. This confirmation is often, but not always, provided by some form of external review, education, assessment, or audit.
 - Authentication is the process or action of proving or showing something to be true, genuine, or valid.
- **Submitting:** The paper document with the new certification then is submitted for recording.

When Is Papering-out Necessary?

Papering-out provides a way to record an electronically signed and notarized document in a county that is not eRecording and, therefore, does not accept electronic documents, signatures, notarizations, or some subsections of these.

Papering-out may be necessary if an electronically notarized document needs to be signed by additional parties who do not have access to, or choose not to, sign electronically.

Papering-out also provides an option in the event of unexpected technical difficulties in the recorder’s office, if an electronically created document can’t be eRecorded and needs to be papered-out for immediate recording.

Considerations for Recording a Papered-out Document

- Depending on state laws, a notary or authorized person may print the electronic document and certify the authenticity of the document.
- Prior to recording, a notary public or other authorized person may certify that a paper or tangible copy of an electronic document is a true and correct copy of the electronic document by:
 - Executing and attaching an official seal to a tangible paper certification; and
 - Affixing or attaching the certification to the printed paper or tangible copy of the electronic document.
- It is the responsibility of the person certifying the copy to exercise care to ensure a complete copy has been printed.

- The recorder may be presented with a document that has mixed electronic and wet-ink signatures.
- By statute, an electronic document that is printed and certified or authenticated satisfies any requirements that a document submitted for recording be an original.

Consequences for Not Recording a Papered-out Document

- Could delay a recording, which could have financial consequences, e.g., penalties and tax implications.
- May affect establishing lien priority; typically, the first lien recorded has priority.
- Can leave gaps of ownership or “clouds” in the chain of title raising questions about the owner’s legal claim to the property.
- Could leave the property owner exposed to tax liens and sales because constructive notice of their property ownership rights has not been established.

Conclusion

While papering-out may appear to be different from what recorders are accustomed to seeing, the process is based on long-standing traditions in law and meets the requirements of the recording statutes.

Sample Certification Pages

Example from RULONA; states may have their own defined formats.

State of _____

[County] of _____

I certify that this is a true and correct copy of a record in the possession
of _____.

Dated _____

Signature of notarial officer

Stamp

[_____]
Title of office

[My commission expires: _____]

Example from Ohio.

AUTHENTICATOR CERTIFICATE

I certify and warrant that the foregoing and annexed paper document being presented for record, to which this certification is attached, represents a true, exact, complete, and unaltered copy of the original electronic document. The county offices of the auditor, treasurer, recorder, and others necessary to effectuate the transfer and recording of the instrument shall be entitled to rely on such certification and warranty for all purposes.

..... [signature of authenticator]

..... [printed name of authenticator]

..... [street address of authenticator]

..... [city, state, zip code of authenticator]

..... [telephone number of authenticator]

State of.....)

) :ss

County of.....)

The foregoing authenticator certificate was subscribed and sworn to in my presence by.....

[printed name of authenticator] on this.... day of..... , 20...

Example from Texas.

DECLARATION OF AUTHENTICITY

State of _____

County of _____

The attached document, _____ (insert title), dated _____ and containing ___ pages, is a true and correct copy of an electronic record printed by me or under my supervision. At the time of printing, no security features present on the electronic record indicated any changes or errors in an electronic signature or other information in the electronic record after the electronic record's creation or execution. This declaration is made under penalty of perjury.

Signed this ___ day of _____, ____.

_____ (signature of notary public or other officer)

(seal of office)

_____ (printed name of notary public or other officer)

My commission expires: _____

[Existing State Specific Resources](#)

Click [here](#) to be redirected to a chart of state statutes with papering-out language.

Commented [SK1]: Link will be added when papers chart is loaded to the Resource Library.