

NNA Releases ‘Recommended Practices’ To Guide Notaries

December 8, 2010

More than ever, Notaries are being challenged by misinformation, half-truths and even propaganda about their important responsibilities and practices. The following are important practices for all Notaries to follow as they serve the public.

Recommended Notary Practices From The National Notary Association

As a Notary Public, you are a Public Official bound by the laws of your State – and not by anyone else, including an employer, friend, associate or family member.

1. Always follow state law that requires the signer to be in your physical presence every time you notarize — without exception.
2. Always have the signature on the document affixed or acknowledged in your presence.
3. Always obtain identification that contains a photograph, physical description and signature.
4. Always keep a chronological record of the notarial act, including the signature of the signer in your journal, which must be kept in your custody and control at all times.
5. Always ask for a thumbprint of the signer in your journal to help protect against imposture.
6. Always confirm that the signer is not being coerced and is willingly signing the documents you notarize.
7. Always attach a Notary certificate if wording is not already printed on the document.
8. Always notarize only documents that are complete and without blank spaces.
9. Always use a seal when you notarize, and be sure to keep it in your custody and control at all times.
10. Always refrain from giving advice to signers unless you have the professional training and credentials to do so.

Starting in 2011 we will feature an article each month in the *Notary Bulletin* focusing on one Recommended Practice, so keep an eye out at www.NationalNotary.org/Bulletin for more details.

Rule Affects You

January 5, 2011



The federal government's Red Flags Rule is an important effort to prevent identity theft and fraud — but many still aren't clear about if, and how, the Rule affects their business or professional practice. The *Notary Bulletin* consulted with the U.S. Federal Trade Commission to clarify how the Rule affects Notaries. Details follow:

What is the “Red Flags Rule?”

The Red Flags Rule is a federal regulation that requires certain businesses and organizations to implement a written Identity Theft Prevention Program that includes:

- Policies to define and detect warning signs (“red flags”) of identity theft in day-to-day business activities — such as screening processes to detect questionable or forged IDs.
- A policy of appropriate steps to take when a “red flag” is spotted. For example, if an attempt at identity theft is spotted during a notarization, the policy may require the notarization to be halted.
- A process for reevaluating the business’ Identity Theft Prevention Program periodically to make sure it is up to date and addresses new risks.

What does the Red Flags Rule mean for Notaries?

Because Notaries play a key role in spotting and preventing identity theft during document transactions, any business that is required to implement a Red Flags Rule policy should include guidelines for its Notaries. Notaries should work with their supervisors to make sure the company’s Red Flags Rule policies comply with all state Notary laws, [Recommended Notary Practices](#) and ethics. In addition, Notaries who are also mortgage brokers or real estate agents and are considered “creditors” under the rule may be required to implement their own identity theft fraud prevention program.

Is my employer affected by the Red Flags Rule?

There are two main business categories affected by the law. The first is “*financial institutions*,” such as banks, lenders, credit unions or persons who directly or indirectly hold a consumer transaction account. The second is “*creditors*”— businesses or individuals that regularly grant loans, arrange for loans, extend credit or make credit decisions. Retailers, auto dealers, mortgage brokers, real estate agents, utility companies and others that offer credit or financing options may qualify as a “creditor.” For more information about businesses that fall under the Red Flags Rule, click [here](#).

[Federal Trade Commission](#)

FIGHTING FRAUD WITH THE RED FLAGS RULE

A How-To Guide for Business



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UPDATE: On December 18, 2010, President Obama signed into law the Red Flag Program Clarification Act. The [new law](#) limits the circumstances in which creditors are covered by the Red Flags Rule. The FTC is revising the materials on this site to reflect the change in the law.

Are you complying with the Red Flags Rule?

The Red Flags Rule requires many businesses and organizations to implement a written Identity Theft Prevention Program designed to detect the warning signs — or "red flags" — of identity theft in their day-to-day operations. Are you covered by the Red Flags Rule? Read [Fighting Fraud with the Red Flags Rule: A How-To Guide for Business](#) to:

- Find out if the rule applies to your business or organization;
- Get practical tips on spotting the red flags of identity theft, taking steps to prevent the crime, and mitigating the damage it inflicts; and
- Learn how to put in place your written Identity Theft Prevention Program.

By identifying red flags in advance, you'll be better equipped to spot suspicious patterns when they arise and take steps to prevent a red flag from escalating into a costly episode of identity theft. Take advantage of other resources on this site to educate your employees and colleagues about complying with the Red Flags Rule.



A How-to Guide
for Businesses



Do-It-Yourself
Template for Low-
Risk Businesses

<http://www.ftc.gov/redflagsrule>