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## **Motor Vehicle Division Policy Memo #24-02**

### **Acceptance of Electronic Signature & Notarization on Vehicle and Motor Carrier Forms**

**DATE:** October 16, 2024

**FROM:** Deborah Freeman -Motor Vehicle and Motor Carrier services Compliance Officer

**TO:** All Motor Vehicle Division staff, Iowa County Motor Vehicle Services Treasurers and staff, Iowa Dealers Association IADA.

#### **SUMMARY**

This policy memo clarifies our policy regarding acceptance of documents and forms affixed with electronic signatures. This memo will replace policy memo 19-07 to incorporate additional guidance on the acceptance of electronic odometer disclosure statements.

#### **BACKGROUND**

In 2019, the Iowa MVD changed its policies to include electronic signatures on certain forms that complied with Iowa Code chapter 554D and notarized documents that comply with Iowa Code chapter 9B, still excluding the odometer disclosure form. Later in 2019, NHTSA issued the final rule on odometer disclosure requirements. This provided details and legal authority for jurisdictions to create fully electronic odometer disclosure statements containing electronic signatures in an electronic title environment.

#### **EXPLANATION**

Iowa Code chapter 554D, the Uniform Electronic Transactions Act, governs e-signature transactions for state-based documents and transactions. This statute includes several provisions that apply if the parties wish to conduct a transaction by electronic means.

- Iowa Code 554D.103(8) defines an electronic signature as "... an electronic sound, symbol or process ... executed or adopted by a person with the intent to sign the record." Based on this code, an electronic signature does not necessarily have to be represented by a graphic representation of a signature but instead can be a process that clearly indicates the intent of an individual to sign a record.
- Iowa Code 554D.108 outlines legal recognition of electronic signatures and specifically states that an electronic signature satisfies all legal requirements of an ink signature.

In addition, Iowa Code 321.20(3) directs Iowa DOT to adopt rules for e-signature for the title and registration application.

**E-signatures.** Based on the provisions of Iowa Code 554D and Iowa Code 321.20(3), it is the policy of the Motor Vehicle Division that any MVD vehicle form, application, or similar document that may be signed with an ink signature may also be accepted and transacted with an electronic signature, with the exception of federally required odometer disclosure on a physical title document, subject to federal laws and rules. County Treasurer offices should adopt this policy for MVD vehicle forms.

**Remote notarization.** Additionally, Iowa Code chapter 9B governs notarial acts including witnessing or attesting a signature electronically. All documents validly notarized remotely are acceptable. Therefore, it is the policy of the Motor Vehicle Division to accept electronic notarization of documents if the notarial officer conforms with all attestation requirements of that chapter. This policy also applies to MVD vehicle forms processed by a county treasurer.

In line with this policy, all staff that process MVD forms should continue to use due diligence to review any electronic signature to ensure compliance with Iowa Code 554D and Iowa Code 9B for notarial functions. We do, however, retain the right to require an ink signature or require additional documentation of an electronic signature on any MVD vehicle form if, after examination, an electronic signature is suspected to be fraudulent, inaccurate or in any other way does not represent the intent of the individual.

#### **EXCEPTION**

There are three exceptions to this policy of accepting electronic signatures:

- Iowa Odometer Disclosures submitted by licensed dealers with a Manufacturer Certificates of Origin (MCO). In federal law, 49 USC 32705 and 49 CFR 580 provides the ability for states to accept an odometer disclosure in an electronic medium. Iowa will allow odometer disclosure form [\(411077\)](#) will be accepted with an electronic signature only when accompanied with an MCO from a licensed dealer. MVD will still require an ink signature odometer disclosure for any vehicle that has been titled.
- Electronic signatures on out-of-state odometer disclosures statements, if fully compliant with the other state's laws and requirements for electronic signatures.
- Any other MVD vehicle form, application or similar document that requires signature by a federal agent or submission from a federal agency shall be subject to all applicable federal laws, rules, and processes. In such cases, we will abide by the laws, rules and processes for electronic signature as established for those agencies.

## QUESTIONS AND ANSWERS

### WHAT IS THE EFFECTIVE DATE TO ACCEPT E-SIGNATURE FOR ODOMETER DISCLOSURE FORMS FOR UNTITLED VEHICLES?

The date that the counties will begin to accept the odometer disclosure form ([411077](#)) with an electronic signature for untitled vehicles is October 16, 2024. All paperwork received with the purchase date October 1, 2024, or after will be accepted on the effective date of this provision.

### WHAT DOES A VALID E-SIGNATURE LOOK LIKE?

Although e-signature technology will continue to evolve, the most likely formats include (but are not limited to) the following:

- Script-style writing affixed through a system such as DocuSign or Adobe.
- A printed name or symbol with specific notation that the document was e-signed.
- A graphic image of signature affixed through a pre-generated computer graphic file (ex. JPG) or electronic signature pad.

The e-signatures that we are anticipating most are those through proprietary systems such as DocuSign or Adobe Sign. These systems are very common with insurance companies and financial institutions and in real estate transactions. A Pin Pad or similar touch screen device is also an electronic signature.

We cannot anticipate every technology option for e-signature; therefore, we should primarily evaluate a transaction based on its accuracy and not the format or look of the signature.

The below examples describe scenarios where the new privilege may or may not be allowed.

- Allowed: A customer purchases a new vehicle from a licensed Iowa dealership. The vehicle purchased does not have a title. The dealership may fill out an odometer disclosure form using an electronic signature of the customer to accompany the MCO and application for title.
- Not Allowed: A customer purchases a vehicle from a dealership that has previously been titled. Since this vehicle already has a title issued, an ink signature is required on the reassignment of the physical title.

### WHY ARE WE ISSUING THIS POLICY?

We are providing clarification on this policy to confirm that MVD vehicle documents and forms that may be signed with an ink signature may also be accepted and transacted with an electronic signature.

E-signature usage is common in financial, real estate, medical, legal and government transactions. Motor vehicle dealers in Iowa are also increasingly seeking to use e-signatures for title and registration transactions.

### **WHY IS THIS ONLY ALLOWED FOR LICENSED DEALERS?**

We are offering this option for Iowa licensed dealers because Iowa MVD has licensing authority for those dealers and also has the authority to investigate Iowa dealer records to review the veracity of e-signatures, if needed. A licensed dealer in another state may use that state's equivalent separate odometer disclosure form with e-signature if the practice and form is allowed in that state and meets the Iowa form ([411077](#)) requirements.

### **HOW WILL CUSTOMERS BE IMPACTED?**

Customers will be allowed to submit documents with electronic signatures that comply with Iowa Code chapter 554D and notarized documents that comply with Iowa Code chapter 9B. This will be more efficient for many customers who may be able to more quickly sign and submit documents for MVD Transactions, especially those customers who do not reside in Iowa or need documents submitted by non-Iowa residents.

Our customers and partners may take advantage of the efficiencies offered by electronic signatures. At the same time, customers and partners will still be allowed to use ink signatures on any documents.

### **HOW WILL YOU KNOW IF THE SIGNATURE IS AUTHENTIC?**

Just as you may not currently know if an ink signature is authentic, electronic signatures will not be any different. You should continue to perform due diligence in reviewing any signatures or notarial transactions.

If all aspects of a transaction are accurate and if there are no anomalies, then the transaction should not be questioned solely based on concern over an e-signature format or an ink signature. However, if there are inaccuracies with the transaction, if completed forms are inconsistent or if there are other suspicious circumstances regarding the transaction, that might be grounds to request any party to verify a signature or intent to transact.

We retain the right to require an ink signature or require additional documentation of an electronic signature on a MVD form if, after examination, an electronic signature is suspected to be fraudulent, inaccurate or in any other way does not represent the intent of the individual.

### **HAS MVD CHANGED FORM 411077?**

Yes. We have added an acknowledgment on the form that e-signature is allowed when the statement is used on an MCO for a new vehicle sold by a licensed dealer.

The new form is dated 10-2024. We ask all licensed Iowa dealers to use that updated form when using e-signature to avoid confusion with customers and county treasurers who process title applications. A grace period will be allowed to use the old form for both electronic signature, and ink signature to give dealerships time to program the form into their systems. Counties will reject old forms that utilized both electronic signature, and ink signatures received on or after January 1, 2025, that are not on the updated form.

### SIGNATURE REQUIREMENTS FOR SPECIFIC FORMS

FORM	E-SIGNATURE ACCEPTED	INK SIGNATURE	NOTARIZATION OR E-NOTARY REQUIRED
Insurers Affidavit Form <a href="#">411356</a>	Yes	Yes	Yes
Affidavit of Death Testate Form <a href="#">411083</a>	Yes	Yes	Yes
Affidavit of Death Intestate Form <a href="#">411088</a>	Yes	Yes	Yes
Affidavit of Foreclosure Form <a href="#">411067</a>	Yes	Yes	Yes
Cancellation of Security Interest Form <a href="#">411168</a>	Yes	Yes	Yes
Abandoned Vehicle Police Authority Form 411163	Yes	Yes	No
Affidavit of Sale to Satisfy Artisans Lien <a href="#">411358</a>	Yes	Yes	
Odometer Disclosure Statement Form <a href="#">411077</a>	Yes, ONLY allowed for untitled vehicles Yes	Yes, required for titled motor vehicles	No
Damage Disclosure Statement Form <a href="#">411108</a>	Yes	Yes	No
Power of Attorney Authorization Form <a href="#">411021</a>	Yes	Yes	Yes
Application of Certificate of title and/or Registration Purchase <a href="#">411007</a>	Yes, if used both signatures must be E-Signature	Yes, if used both signatures must be ink signature	No
Application of Certificate of title and/or Registration Lease <a href="#">411179</a>	Yes, if used both signatures must be E-Signature	Yes, if used both signatures must be ink signature	No
Title Document Odometer Disclosure	NO	Yes	No
Secure Power of Attorney	Yes	Yes	No
Affidavit of Correction <a href="#">411219</a>	Yes	Yes	Yes
Claim for Refund (vehicle registration) <a href="#">411047</a>	Yes	Yes	No
Replacement Title Application <a href="#">411033</a>	Yes	Yes	No

**SHOULD COUNTIES ACCEPT OTHER DOCUMENTS WITH E-SIGNATURE?**

This policy memo specifically applies to MVD forms and documents.

Iowa Code section 554D.120(1) allows for any other governmental agency – including a county – to determine whether and to what extent it will accept e-signatures on any other forms or documents such as county forms or private forms. It is our policy that counties accept e-signature on private forms routinely used for vehicle title and registration transactions if there is no reason to question the accuracy of the transaction.

**HOW WILL MOTOR VEHICLE DEALERS BE IMPACTED?**

Iowa motor vehicle dealers will experience more efficiencies by offering electronic signature options to customers for relevant MVD documents. Dealers shall comply with all requirements for notarial transactions as indicated in Iowa Code chapter 9B.

Dealers must still require ink signatures on odometer disclosure statements on the reassignment of a physical title document.

**HOW WILL COUNTY TREASURER OFFICES BE IMPACTED?**

Iowa County Treasurer offices should adhere to this policy when processing vehicle transactions, as detailed above.

**WILL THE CUSTOMER NEED ORIGINAL DOCUMENTS OR WILL COPIES BE ACCEPTED WHEN USING NOTARY OR E-NOTARY?**

When a customer has documents or forms notarized, they must present the original documents. If the customer is utilizing E-Notary for documents and forms, they will be accepted electronically.

**IS THERE ANY PROOF OR AUTHORIZATION THAT THE COUNTIES NEED TO SEE FROM THE CUSTOMER THAT THEIR SIGNATURE IS BEING CAPTURED ELECTRONICALLY?**

This is not required but we would consider it to be a best practice for dealers or institutions to adopt, especially if multiple forms will use an e-signature. Many e-signature systems – such as DocuSign or Adobe Sign – automatically include a notation along with the e-signature image. If there is reason to question the intent of the individual based on the veracity of the transaction, then a county may either confirm the signature with the customer or require an ink signature.

**WILL INK SIGNATURES STILL BE ACCEPTABLE?**

Yes, customers will still be allowed to use ink signatures on any documents. A dealer or agency shall not require a customer to complete a VMCS form using electronic signature.

**WILL DOCUMENTS SUBMITTED ELECTRONICALLY STILL BE SCANNED?**

Yes, documents that are submitted electronically through the Electronic Registration & Titling (ERT) system and that have an electronic signature must still be scanned into ERMS in the same way that documents with an ink signature are scanned and filed into ERMS.

**DOES “ELECTRONIC SUBMISSION” COUNT AS “ELECTRONIC SIGNATURE,” FOR EXAMPLE, CAN A CUSTOMER FAX OR EMAIL A COPY OF A VMCS FORM THAT THEY’VE SIGNED AND PAY BY TELEPHONE?**

How a document is transmitted is a different matter from the signature. A document that is e- signed can be brought to the counter by hand; it does not have to be transmitted electronically. Likewise, a document signed in ink may be scanned and transmitted electronically. Both are acceptable. ERT already accepts documents signed in both ink and by e-signature. Therefore, you may receive an application through electronic means if you have the ability and confidence to accurately track the payment with an application. For example, a customer who faxes an application and pays by phone is not fundamentally different than a customer who mails an application without payment and then shows up a week later to pay the fees in cash.

Any document that is legally required to be an original MUST be an original and may not be submitted electronically except for documents submitted through ERT, as per Iowa Administrative Code 761.400.3(j). The Administrative Code sets requirements for the submitter to retain and present the original document for given time periods.

**MAY A TRANSACTION INVOLVING TWO CUSTOMERS IN TWO LOCATIONS START WITH AN APPLICATION SIGNED BY THE FIRST INDIVIDUAL, WHICH IS THEN FAXED TO BE SIGNED BY THE SECOND INDIVIDUAL?**

This is not allowed because both signatures need to be on the same document and a faxed incomplete document is not the actual application. A better way would be for Customer #1 to sign the application and then mail the original to customer #2 for completion. If both individuals sign the same original document, then the county may receive it through electronic means.

That is already happening in ERT.

However, if an individual or dealer is using an e-signature system (like DocuSign), these systems typically allow for the document to be e-signed by one individual and then forwarded to the next signatory. This situation is allowed because the e-signature system is maintaining the integrity of the single application and is not duplicating the application.

**IS THERE A DIFFERENCE BETWEEN AND MCO AND AN MSO?**

No. An MSO stands for Manufacturer’s Statement of Origin but is the same document as an MCO. The terms may be used interchangeably, and the use of e-signature is allowed for either.

**WHY IS THIS ALLOWED FOR MCOs BUT NOT TITLES?**

Federal law in 49 CFR 580.5(g) specifically allows for odometer disclosure to be made on a separate physical document when a vehicle has not been titled. Iowa MVD offers Form ([411077](#)) as this separate physical document and Iowa MVD can determine the appropriate uses, including to allow electronic signature. A new vehicle using an MCO has not been titled so Iowa Form ([411077](#)) can be used for odometer disclosure on these vehicles. Elsewhere in 49 CFR 580.5, there are requirements for odometer disclosure to be made on the physical title or the electronic title system (which Iowa does not offer), so Form ([411077](#)) cannot be used for a titled vehicle.

**HAS MVD UPDATED POLICY MEMO 19-07 THAT WAS PREVIOUSLY ISSUED ON USE OF E-SIGNATURE?**

No, Policy Memo 19-07 will be rescinded.

**MAY A TRANSACTION INVOLVING TWO CUSTOMERS IN TWO LOCATIONS START WITH AN ODOMETER DISCLOSURE FORM SIGNED BY THE FIRST INDIVIDUAL, WHICH IS THEN FAXED OR EMAILED TO BE SIGNED BY THE SECOND INDIVIDUAL?**

if an individual or dealer is using an e-signature system (like DocuSign), these systems typically allow for the document to be e-signed by one individual and then forwarded to the next signatory. This situation is allowed because the e-signature system is maintaining the integrity of the single application and is not duplicating the application.

**WHAT IF A VEHICLE IS LISTED FOR SALE AS A USED VEHICLE BUT HAS NEVER BEEN TITLED?**

Yes, If the vehicle has not been titled, it would still qualify for this provision.

**DOES AN INTRANSIT TITLE ALLOW AN ELECTRONIC SIGNATURE ON THE ODOMETER DISCLOSURE FORM?**

No, any motor vehicle that has been titled does not qualify for the provision of electronic signature on the odometer disclosure form ([411077](#)).

**WHO WILL BE THE BEST CONTACT PERSON REGARDING QUESTIONS ON THIS ISSUE?**

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