



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard
Executive Director

DATE: 18 September 2025

SUBJECT: Public Chapter 941, Acts of 2024 (Real Estate Fraud)—Final Report for Approval

The attached commission report is submitted for your approval. It was prepared in response to Public Chapter 941, Acts of 2024, which directed the commission to study

- the prevalence of real estate fraud in Tennessee,
- the different schemes used to perpetrate real estate fraud,
- the methods used by other states to combat real estate fraud, and
- the best practices for local government officials in registering documents related to real estate transactions.

It also directed the commission to suggest statutory revisions designed to reduce the risk of real estate fraud for property owners in this state. A draft report was presented at the June 2025 commission meeting for your review and comment.

The final report's recommendations remain unchanged. Because notaries help deter fraud by witnessing the signing of important documents and verifying that the individuals signing are who they say they are, **the commission recommends that Tennessee require in-person notaries to complete an instructional course on notary laws, ethical requirements, and best notarial practices, including specific guidance about recognizing and preventing fraud, both when applying to become a notary and when renewing their commission.**

In addition, requiring notaries to obtain important identifying information that imposters may not be able to produce can help deter fraud, and recording that information in the notary's journal can be useful in investigating fraud. Therefore, **the commission recommends that the state require notaries to**

- **verify the identity of individuals by means of a government-issued credential or personal knowledge of a credible witness can suffice if the witness has a government-issued credential;**
- **maintain a journal of all notarizations performed in-person and, as is already required of online notaries, keep these journals for at least five years; and**
- **ensure journal records include**
 - **the date, time, and type of the notarial act;**
 - **description of the document or proceeding;**
 - **the name, address, and signature of each individual signer and witness identifying a signer;**
 - **a description of the evidence used to identify any signer and witness identifying a signer; and**
 - **the itemized fees, if any, paid by the signer to the notary.**

Also, because a process for registers of deeds to review or refuse to record suspicious documents, as several other states have authorized, could prevent fraudulent deeds from being recorded and stop those who attempt to commit real estate fraud from completing and profiting from the fraudulent transaction, **the commission recommends that the General Assembly authorize counties to establish fraud referral and review processes—possibly similar to the process authorized in Illinois—for real estate documents that county registers of deeds have reason to suspect are fraudulent.**