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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard
Executive Director

DATE: 16 September 2026

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,
- different schemes used to perpetrate real estate fraud,
- methods used by other states to combat real estate fraud, and
- 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. The report was first presented to the commission for approval at its September 2025 meeting. Three recommendations were presented: requiring training for notaries, strengthening requirements related to notarizations and notary records, and giving registers of deeds the authority to have real estate documents reviewed when they suspect documents are fraudulent.

Commission members voiced concerns at the meeting that the report did not include a recommendation for registers of deeds to require identification from individuals who present documents in person to record transfers of real property, something that was originally proposed in the legislation that became Public Chapter 941. The Shelby County Register of Deeds told commission staff that the county would be open to participating in a pilot program to test an ID-requirement if one is established, but other registers in the state shared concerns about liability and safety, as well as questions about the details of implementing an identification requirement.

For the report presented for approval at the December 2025 commission meeting, staff added two new recommendations to the report: one to authorize a pilot program for registers of deeds to require identification from individuals seeking to file documents in person and by mail, and the second to define specific offenses for deed theft and real property fraud within the state's criminal code. The report failed to receive the required two-thirds majority of present voting members and further action was tabled until the January 2026 meeting.

For the January 2026 meeting, staff prepared an alternative recommendation that limited authorization for an ID-requirement pilot program to only Shelby County. Other registers in the state continued to express concerns about the implementation of even a limited pilot program, and the commission voted unanimously to defer action on the report.

In August 2026, commission staff had a virtual meeting with representatives from the Tennessee Registers Association to discuss the registers' concerns. Also present were Brice Hobby, director of legislative affairs for the County Officials Association of Tennessee, and Austin Anderson, senior legislative advisor from Chairman Yager's office. Representative Antonio Parkinson was invited but was unable to attend. Executive Director Cliff Lippard said at the meeting that commission staff would not include a pilot project recommendation in the report or recommend giving registers of deeds authority to have real estate documents reviewed when they suspect documents are fraudulent. Staff has retained and updated information on what registers of deeds, sometimes called recorders, are doing in other states to combat fraud. Staff has kept only these previous recommendations in the report presented today for the commission's approval:

- 1. 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.**
- 2. 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.
3. The commission also recommends that the General Assembly
- define specific offenses for deed theft and real property fraud related to residential and commercial properties within the state's criminal code,
 - determine appropriate felony classifications for these crimes, and
 - authorize juries to assess higher fines than those allowed for felonies in general.