

April 9, 2021

The Honorable Calvin Schrage
Alaska State Legislature
State Capitol Room 104
Juneau, AK 99801

RE: HB 163

Dear Representative Schrage,

My thanks for your introduction of House Bill 163 “An Act relating to vehicle title applications”. The changes that this bill poses to AS 28.10.211(b)(1) regarding the requirements for title applications are simple and few, but the impact will be large and far-reaching.

Alaska long ago adopted the Uniform Electronic Transactions Act, allowing “ESign” within our state. Just last year, the legislature adopted HB 124, which allows us to convey real estate and obtain Notaries with electronic signature. However, those two little words – “In ink” – in AS 28 are preventing similar progress when it comes to vehicle titling.

At present, a borrower at True North can sign all consumer loan documents electronically. This technology was a huge help with the onset of the pandemic, allowing us to continue to meet the needs of our members without requiring them to come to the branch to sign their loan papers. However, the one impediment was DMV title work, due to the “in ink” requirement. For borrowers buying a vehicle not through a dealer or wanting to finance a vehicle they already own, this was a significant inconvenience.

Further, for members who live in remote communities, the wet signature requirement is a particular imposition. They must wait until original paperwork is received before their loan can be processed.

The technology to allow Alaskans to transaction their business remotely exists, and is becoming standard and frankly expected. It’s important that the DMV have the legal capacity to keep up! Further, the ability to process electronic signatures will position the DMV to not just improve service to Alaskans, but to take advantage of the efficiencies that removing paper processes can deliver.

Thank you for your time and attention.

Sincerely,



Lauren MacVay
President/CEO
True North Federal Credit Union



April 12, 2021

The Honorable Calvin Schrage
State Capitol Room 104
Juneau, AK 99801

Dear Representative Schrage:

Re: HB 163, Form of Signature on Vehicle Title

Thank you for sponsoring HB 163, Form of Signature on Vehicle Title. Alaska USA Federal Credit Union supports HB 163's simple removal of "in ink" language contained in AS 28.10.211(b)(1). This would allow the Department of Motor Vehicles (DMV) and any organization that works with title applications to greatly improve their processes and improve service to Alaskans.

In today's technological environment, electronic signatures are common. We can open banking accounts, borrow money, and sign contracts electronically. Alaska adopted the Uniform Electronic Transactions Act years ago and utilizes electronic signatures for process of Permanent Fund Dividend applications, among others. In 2020, the legislature adopted HB 124, which became law on January 1 of this year, allowing Alaskans to convey real estate and obtain notaries electronically.

The requirement in AS 28.10.211 for "Signature in ink" prohibits financial institutions, vehicle owners, and the Department of Motor Vehicles from benefiting from the efficiencies that we are experiencing in these other areas, and it is our goal to remove that impediment.

This change will benefit Alaska consumers, the State of Alaska, and other businesses by providing more effective and efficient interactions with all the parties involved in DMV transactions. We would like to share some of the benefits in moving towards electronic signatures, as follows:

- The ink requirement is problematic in times of emergency or disaster. An electronic environment, no longer tied to paper, is far more flexible, not tying employees to their offices. Further, in the event of fire or earthquake, critical paper data will not be destroyed.
- The ink requirement is a particular challenge to those who live in the more remote parts of Alaska, slowing down their transactions as they must wait for mail and processing of physical paper.
- The ink requirement ties the DMV to paper, which is inherently inefficient. With this requirement removed, the DMV will have far more flexibility to take advantage of new technologies, improving efficiencies, and reducing costs.
- The pandemic changed consumer expectations and habits. Alaskans no longer understand why they must jump through hoops to obtain a DMV title when they can do virtually everything else electronically.

We recognize the DMV will need to adopt new systems to implement the use of electronic signatures; however, the short - and long-term benefits will improve the delivery and storage of DMV services, as well as the cost to offer 21st century solutions.

Please let us know how we can further support passage of HB 163.

Sincerely,

A handwritten signature in cursive script that reads "Holli A. Frenchik".

Holli Frenchik
Vice President,
Consumer Loan Administration



April 12, 2021

The Honorable Calvin Schrage
State Capitol Room 104
Juneau, AK 99801

Dear Representative Schrage:

Re: HB 163, Form of Signature on Vehicle Title

The Alaska Credit Union League represents ten Alaska credit unions with over 490,000 members in Alaska. This represents two out of three consumers in Alaska. As not-for-profit cooperatives serving the financial service needs of our member-owners we are very interested in providing them with the latest digital services to transact their business. Alaska credit unions meet the auto loan needs of their members with fast, reliable services to close their loan in a timely and efficient manner. Thank you for sponsoring HB 163, Form of Signature on Vehicle Title.

Technology continues to evolve and improve the auto loan experience, including the ability to provide electronic signatures for closing loan documents. This is becoming more common practice within the private and public sector with the opening of bank accounts, contracts, etc. As you know, Alaska adopted the Uniform Electronic Transactions Act to utilize electronic signatures to process Permanent Fund Dividend applications and other related services. Just last year during the pandemic the legislature adopted HB 124, which became law on January 1, 2021, allowing Alaskans to convey real estate and obtain notaries electronically. Alaskans should be able to use electronic signatures to complete their title work with the Department of Motor Vehicles (DMV).

HB 163 would provide for the simple removal of “in ink” language contained in AS 28.10.211(b)(1). This would allow the Department of Motor Vehicles (DMV) and any organization that works with title applications to greatly improve their processes and service to Alaskans. HB 163 provides the simple change to the statute that removes the impediment of moving forward with electronic signatures.

The Alaska Credit Union League fully supports HB 163. Thank you for recognizing the importance of electronic signatures related to title processing at the DMV.

Sincerely,

Dan McCue
President

