

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