

# CALIFORNIA ADVOCATES, INC.



August 28, 2009

The Honorable Arnold Schwarzenegger  
Governor of California  
State Capitol, First Floor  
Sacramento, CA 95814

*Ralph F. Simoni*

**RE: AB 442 (Arambula): REQUEST FOR VETO**

*Michael D. Belote*

Dear Governor Schwarzenegger:

*Julianne A. Broyles*

Assembly Bill 442 (Arambula) was recently approved by the Legislature and forwarded to you. Our client, the California Escrow Association (CEA), is opposed to the measure and we are writing to respectfully request your **veto**.

*Dennis K. Albiani*

*Robert G. Walters  
of Counsel*

AB 442 would expand the list of acceptable identification in notary acknowledgements to include "Matricula consular" cards issued by the Mexican government. We are mindful that the issue of "Matricula" cards raises sensitive cultural implications, but we would respectfully suggest that acceptance of these cards for purposes of notary acknowledgements could have serious negative consequences.

Real Estate Fraud: California has worked hard in recent years to both prevent and respond to cases of real estate fraud, an enormous problem in the current real estate environment. Your administration has demonstrated leadership in addressing this critical problem. Allowing notary acknowledgements in real estate transactions where the only identification possessed by principals is the Matricula card greatly increases the risk of fraud. We simply do not see frequent situations now where parties to real estate transactions possess no other form of lawful identification, and in rare cases where this situation arises, the law already permits acknowledgement based upon the "credible witness" provisions in the Government Code. A critical component in any real estate transaction is the identification of the parties; conversely, virtually every fraudulent transaction involves someone claiming to be a person they are not. Law enforcement officials have suggested to us that if a person is claiming to have no identification valid under current law, fraud is a real possibility.

In relaxing identification standards for real estate transactions, AB 442 moves in exactly the opposite direction of the California Legislature in recent years. You have signed legislation tightening standards for witness acknowledgements precisely to prevent the fraud which AB 442 could facilitate, and notaries can no longer acknowledge instruments based upon the notary's personal knowledge of the party. Additionally, notary training and education standards have been increased, in order to combat notarial fraud.

We also believe that AB 442 is unnecessary. First, we simply do not see large numbers of transactions where parties possess no other form of identification other than Matricula cards. Current law permits Mexican nationals to use their foreign driver's licenses and passports for identification, for example. In the rare case where an identification situation

925 L Street, Suite 1250 Sacramento, CA 95814

phone: (916) 441-5050 fax: (916) 441-5859 email: mail@caladvocates.com

Governor Arnold Schwarzenegger  
**AB 442 – VETO REQUEST**  
August 28, 2009  
Page 2

arises, the law also permits acknowledgement based upon the “credible witness” provisions in the Government Code. Our members were not aware of a single real estate transaction which could not proceed based upon a lack of identification or lack of credible witnesses.

The law enforcement community has advised us that the Matricula consular card could be issued based upon identification which would not otherwise be acceptable under California notary guidelines, including Mexican birth certificates, voter ID cards, and certificates of baptism. While supporters argue that California driver’s licenses can also be fraudulently obtained or duplicated, this is no time to increase the risk of fraud, which can harm people in so many ways.

For these reasons, we would again respectfully request a **VETO** of AB 442.

Sincerely,



Michael D. Belote

MDB:cs