

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10246-NO-30A

Short Title: Title Fraud Prevention Act.

(Public)

Sponsors: Representative N. Jackson.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PENALIZE THE FILING OF FRAUDULENT DEEDS AND CONVEYANCES
3 AND TO PREVENT TITLE FRAUD BY AUTHORIZING THE REGISTER OF DEEDS
4 TO REQUIRE THE PRODUCTION OF A GOVERNMENT-ISSUED PHOTOGRAPHIC
5 IDENTIFICATION CARD BEFORE RECORDING A DEED OR CERTAIN OTHER
6 INSTRUMENTS, REQUIRING THE REGISTER OF DEEDS TO PROVIDE ACCESS TO
7 A FRAUD DETECTION ALERT SYSTEM, AND PROVIDING FOR A SEPARATE
8 CAUSE OF ACTION TO QUIET TITLE AFTER AN ATTEMPTED FRAUDULENT
9 CONVEYANCE.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** G.S. 14-122 reads as rewritten:

12 "**§ 14-122. Forgery of deeds, wills and certain other ~~instruments.~~instruments; presentation**
13 **for filing.**

14 (a) If any person, of his own head and imagination, or by false conspiracy or fraud with
15 others, shall wittingly and falsely forge and make, or shall cause or wittingly assent to the forging
16 or making of, or shall show forth in evidence, knowing the same to be forged, any deed, lease or
17 will, or any bond, writing obligatory, bill of exchange, promissory note, endorsement or
18 assignment thereof; or any acquittance or receipt for money or goods; or any receipt or release
19 for any bond, note, bill or any other security for the payment of money; or any order for the
20 payment of money or delivery of goods, with intent, in any of said instances, to defraud any
21 person or corporation, and thereof shall be duly convicted, the person so offending shall be
22 punished as a Class H felon.

23 (b) It shall be unlawful for any person to present for filing or recording in a public record
24 or a private record generally available to the public a deed or transfer of real property of an owner,
25 knowing or having reason to know that the deed or conveyance is false or contains a materially
26 false, fictitious, or fraudulent statement or representation. If the value of property is one hundred
27 thousand dollars (\$100,000) or more, a violation of this subsection shall be punished as a Class
28 C felony. If the value of property is less than one hundred thousand dollars (\$100,000), a violation
29 of this subsection is a Class G felony."

30 **SECTION 2.** Article 2 of Chapter 161 of the General Statutes is amended by adding
31 a new section to read:

32 "**§ 161-32. Identity verification and suspicious instruments.**

33 (a) Definitions. – The following definitions apply in this section:

34 (1) Instrument. – Any document that purports to convey title to, or an interest in,
35 real property, such as a deed, deed of trust, or other similar document.



- 1 (2) Suspicious instrument. – An instrument submitted for registration for which
2 the register of deeds has found any of the following:
3 a. The name or information of an acknowledging officer who has
4 purported to acknowledge the instrument does not match the official
5 records for that acknowledging officer.
6 b. The instrument purports not to be subject to the laws of the United
7 States or the laws of this State.
8 c. The document does not conform to registration requirements
9 established by the laws of this State.
10 d. The instrument is materially false, fictitious, or fraudulent and has not
11 been submitted by a trusted submitter or an authorized representative
12 of a trusted submitter.
13 (3) Trusted submitter. – Includes all of the following:
14 a. A title insurance company as described in Article 26 of Chapter 28 of
15 the General Statutes.
16 b. An attorney licensed to practice in this State.
17 c. A financial institution as defined in G.S. 53B-2.
18 (b) Identity Verification. – Notwithstanding any other provision to the contrary in this
19 Chapter, when an instrument is presented to the register of deeds for registration by an individual
20 who is not a trusted submitter or the authorized agent of a trusted submitter, the register of deeds
21 shall require the person presenting the instrument to produce a government-issued photographic
22 identification card as follows:
23 (1) If an individual who is not a trusted submitter or an authorized agent of a
24 trusted submitter presents an instrument to the register of deeds for registration
25 in person, the register of deeds shall require the individual to produce a
26 government-issued photographic identification card for inspection by the
27 register of deeds before registering the instrument. The register of deeds must
28 record the name and address of such person, as the information appears on the
29 identification card, in a record to be kept by the register of deeds, along with
30 the official records book and page number or instrument number of the
31 instrument registered in connection to the production of the identification
32 card. Such a record may not be made available for viewing on the register of
33 deeds' official public website but shall be made available for public inspection
34 and copying as required by the public records laws of this State.
35 (2) If an individual who is not a trusted submitter or an authorized agent of a
36 trusted submitter presents an instrument in the form of an electronic
37 document, as defined in G.S. 47-16.3(2), to the register of deeds, as provided
38 by Article 1A of Chapter 47 of the General Statutes, the register of deeds shall
39 require the individual to submit a photocopy of a government-issued
40 photographic identification card before registering the instrument. The
41 register of deeds must note on the photocopy of the identification card the
42 official records book and page number or instrument number assigned to the
43 instrument registered in connection to the submission of the photocopy of the
44 identification card and retain the photocopy of such identification card in a
45 record to be kept by the register of deeds. Such a record may not be made
46 available for viewing on the register of deeds' official public website but shall
47 be made available for public inspection and copying as required by the public
48 records laws of this State. However, a person who submits a photocopy of his
49 or her identification card under this subsection may redact from the photocopy
50 of such identification card before submission all of the information he or she

- 1 does not wish to be made public, except for his or her name, address,
2 photograph, birthdate, and ID expiration date.
- 3 (c) Refusing to Register. – Notwithstanding any other provision to the contrary in this
4 Chapter, the register of deeds shall refuse to register an instrument if one of the following occurs:
- 5 (1) The register of deeds deems the instrument presented for registration a
6 suspicious instrument under subdivision (a)(2) of this section.
- 7 (2) The individual presenting the instrument for registration is not a trusted
8 submitter or an authorized representative of a trusted submitter and fails to
9 provide the register of deeds with a government-issued photographic
10 identification card as required by subsection (b) of this section.
- 11 (3) The individual presenting the instrument for registration is not a trusted
12 submitter or an authorized representative of a trusted submitter and the name
13 on the government-issued photographic identification card presented by the
14 individual pursuant to subsection (b) of this section does not match the name
15 of the grantor or conveying party in the instrument presented for registration.
- 16 (d) Additional Actions for Suspicious Instruments. – Upon finding that an instrument
17 presented for registration is a suspicious instrument under subdivision (a)(2) of this section, the
18 register of deeds may do any of the following:
- 19 (1) Report the suspicious instrument to an appropriate law enforcement agency.
20 (2) Notify the acknowledging officer purported to have acknowledged the
21 instrument of the reason for the register of deeds finding that the instrument
22 is a suspicious instrument.
- 23 (e) Notice of Requirements. – The register of deeds shall provide notice of the identity
24 verification requirement described in subsection (b) of this section on the register of deeds'
25 official public website.
- 26 (f) Legal Protections and Remedies. –
- 27 (1) An injured person has a cause of action against a register of deeds for that
28 register of deeds' refusal to record an instrument based on that register of
29 deeds' allegedly erroneous finding that the instrument is a suspicious
30 instrument, as allowed by subdivision (c)(1) of this section. In an action
31 authorized by this subsection, an injured person is only entitled to appropriate
32 declaratory or injunctive relief. Notwithstanding G.S. 161-16, a register of
33 deeds shall not be liable for damages or any other claim of monetary relief in
34 an action brought under this subdivision.
- 35 (2) There is no right or cause of action against, and no civil liability on the part
36 of, the register of deeds or the county with respect to the register of deeds'
37 requirement of an identification card, or any refusal to register an instrument
38 as allowed by subdivision (c)(2) or (c)(3) of this section.
- 39 (g) Confidentiality. – Nothing in this section shall be construed to require the register of
40 deeds to provide or allow access to a record or other information that is considered confidential
41 information as defined by G.S. 132-1.2."
- 42 **SECTION 3.** Article 2 of Chapter 161 of the General Statutes is amended by adding
43 a new section to read:
- 44 **"§ 161-33. Fraud detection alert system.**
- 45 (a) The following definitions apply in this section:
- 46 (1) Fraud detection alert system. – A system which sends automated recording
47 notifications.
- 48 (2) Land record. – A deed, deed of trust, mortgage, or other document purporting
49 to convey or encumber an interest in real property.
- 50 (3) Monitored identity. – A personal, trust, or business name submitted by a
51 registrant for monitoring under a fraud detection alert system.

1 (4) Recording notification. – A notification sent by electronic mail indicating to
2 a registrant that a land record associated with the registrant's monitored
3 identity has been recorded in the office of the register of deeds.

4 (5) Registrant. – A person who enrolls in a fraud detection alert system.

5 (b) The register of deeds shall ensure that registration for a fraud detection alert system
6 is possible through an electronic registration portal, which portal shall include at least all of the
7 following features:

8 (1) Be accessible through a direct link on the register of deeds' official public
9 website.

10 (2) Allow a registrant to subscribe to receive recording notifications for at least
11 five monitored identities per valid electronic mail address provided.

12 (3) Include a method by which a registrant may unsubscribe from the system.

13 (4) List a phone number at which the register of deeds' office may be contacted
14 during normal business hours with questions related to the system.

15 (5) Send an automated electronic mail message to a registrant confirming the
16 registrant's successful registration for or action to unsubscribe from the
17 system, which message must identify each monitored identity for which a
18 subscription was received or canceled.

19 (c) When a land record is recorded for a monitored identity, a recording notification must
20 be sent within five business days after the recording has been completed to each registrant who
21 is subscribed to receive recording notifications for that monitored identity. Such notification must
22 contain at least the following:

23 (1) Information identifying the monitored identity for which the land record was
24 filed.

25 (2) The land record's recording date.

26 (3) The official record book and page number or instrument number assigned to
27 the land record by the register of deeds.

28 (4) Instructions for electronically searching for and viewing the land record using
29 the assigned official record book and page number or instrument number.

30 (5) A phone number at which the register of deeds office may be contacted during
31 normal business hours with questions related to the recording notification.

32 (d) There is no right or cause of action against, and no civil liability on the part of, the
33 register of deeds or the county with respect to the creation, maintenance, or operation of a fraud
34 detection alert system as required by this section.

35 (e) The register of deeds may charge a reasonable fee to a registrant for enrolling in the
36 fraud detection alert system in an amount that does not exceed the actual cost of maintaining and
37 allowing access to the system."

38 **SECTION 4.** Article 1 of Chapter 41 of the General Statutes is amended by adding
39 a new section to read:

40 **"§ 41-10.2. Titles quieted; fraudulent instruments.**

41 (a) As used in this section, the term "instrument" means any of the following:

42 (1) A transfer of title to real property by deed or devise or other instrument
43 transferring title to real property.

44 (2) A deed of trust, mortgage, judgment, lien, encumbrance, financing statement,
45 affidavit, notice, memorandum, or any other instrument that establishes a
46 security interest in real property.

47 (3) A contract, right of refusal, or any other instrument that purports to establish
48 an interest, encumbrance, claim, or right relating to real property.

49 (b) The actual owner of an interest in real property subject to a recorded false, fictitious,
50 or fraudulent instrument may seek expedited relief under this section by filing an action in district
51 court alleging the filing or recording of a false, fictitious, or fraudulent instrument in a public

1 record or a private record generally available to the public. The notice shall be served and proof
2 of service shall be made in any manner provided by the Rules of Civil Procedure for service of
3 summons, including service by registered mail or certified mail, return receipt requested. After a
4 minimum of five days' notice in a manner prescribed in Rule 5 of the Rules of Civil Procedure
5 and opportunity to be heard to all persons claiming an ownership interest in the property, any
6 lienholder of record, including any person to whom a security instrument directs notice to be sent
7 and any person obligated to repay the indebtedness secured by the instrument, the court shall
8 convene a hearing. For purposes of the notice requirement in this subsection, the party seeking
9 relief may serve the person listed as grantor in the recorded purportedly false, fictitious, or
10 fraudulent instrument at the address listed in the instrument. If the court finds that there is no
11 statutory, contractual, or other merited legal justification for the instrument, the court shall find
12 that the recorded instrument is false and void as a matter of law and shall enter an order to remove
13 the cloud from the title to the real property. The submission of an original instrument
14 demonstrating source of title, affidavit, or a lis pendens, notice of previous fraud, or other similar
15 instrument recorded by the actual owner of an interest in the real property shall be considered
16 evidence of fraudulent activity. The court may also include in the order any of the following
17 types of relief:

- 18 (1) Grant to a prevailing party possession of the real property and order the
19 ejectment of any party on the premises.
- 20 (2) Award attorneys' fees and other costs for the action to the prevailing party.
- 21 (3) Stay any proceedings involving the subject real property in which the property
22 owner or owners are not a party to.
- 23 (4) Upon a finding by the court that an action filed under this section is frivolous
24 or malicious, assess a civil penalty of not more than ten thousand dollars
25 (\$10,000), of which the clear proceeds assessed under this subdivision shall
26 be remitted to the Civil Penalty and Forfeiture Fund in accordance with
27 G.S. 115C-457.2.
- 28 (5) Upon a finding by the court that a party has presented for filing or recording
29 a false, fictitious, or fraudulent instrument as described in this section more
30 than once, enter a pre-filing injunction against the party.
- 31 (6) Enjoin a party from listing the real property for sale, lease, or any other similar
32 advertisement.

33 (c) Upon being presented with an order duly issued by a court of competent jurisdiction
34 of this State declaring that an instrument already recorded is false and void as a matter of law,
35 the register of deeds or clerk of superior court that received the recording shall record and
36 cross-index the court's order finding the instrument to be false. The register of deeds or clerk of
37 superior court may also conspicuously mark on the first page of the original record previously
38 recorded the following statement: "THE CLAIM ASSERTED IN THIS DOCUMENT IS FALSE
39 AND IS NOT PROVIDED FOR BY THE GENERAL LAWS OF THIS STATE."

40 (d) In addition to any civil penalties provided for in this section, the presentation of an
41 instrument for recording with a register of deeds or a clerk of superior court that is determined to
42 be materially false, fictitious, or fraudulent shall constitute a violation of G.S. 75-1.1.

43 (e) The Administrative Office of the Courts shall develop a form for the expedited relief
44 filing established by this section and the clerk of superior court shall make the form available for
45 a petitioner. In addition to the requirements set forth in this section, the form shall include clear
46 language notifying the filing party that providing false information or statements is perjury
47 pursuant to G.S. 14-209 and punishable as a Class F felony."

48 **SECTION 5.** Article 4 of Chapter 47 of the General Statutes is amended by adding
49 a new section to read:

50 **"§ 47-108.30. No presumption of priority for certain recorded instruments.**

1 A deed or conveyance of an interest in real property shall not have a presumption of priority
2 based upon the time of registration and shall not constitute color of title if any of the following
3 criteria are met:

4 (1) The deed or conveyance does not comply with the provisions of G.S. 47-18,
5 47-20, 47-118, 47-119, 47-119.1, or 47-120, as applicable.

6 (2) The deed or conveyance does not contain a signature and acknowledgement
7 of at least one record owner at the time the conveyance is made."

8 **SECTION 6.** Section 1 of this act becomes effective December 1, 2025, and applies
9 to offenses committed on or after that date. Sections 2, 3, and 5 of this act become effective
10 October 1, 2025, and apply to instruments and documents presented for registration on or after
11 that date. Section 4 of this act becomes effective October 1, 2025, and applies to causes of action
12 arising on or after that date. The remainder of this act is effective when it becomes law.