



SENATE BILL 423: Title Fraud Prevention.

2025-2026 General Assembly

Committee: Senate Rules and Operations of the Senate	Date: April 29, 2025
Introduced by: Sens. Sawrey, Daniel, B. Newton	Prepared by: Bill Patterson
Analysis of: Second Edition	Staff Attorney

OVERVIEW: *Senate Bill 423 would:*

- *Provide that when an instrument is presented to the register of deeds for registration by an individual who is not a trusted filer or trusted submitter or their authorized agent, the presenter must produce a government-issued photo ID showing a name matching the name of the grantor or conveying party in the instrument presented for registration.*
- *Provide that if the instrument is presented by an entity that is not a trusted filer or trusted submitter or their authorized agent, the presenter must produce documentation evidencing their authority to act on behalf of the entity.*
- *Require the register of deeds to refuse to register an instrument presented by a person who is not a trusted filer or trusted submitter if the person fails to produce a photo I.D. or other required documentation, the name on the photo I.D. does not match the name of the grantor or conveying party in the instrument, or the register of deeds deems the instrument to be a suspicious instrument.*
- *Require the register of deeds to publish on its website a notice of the identity verification requirements and a notice that making a false statement in an instrument presented for registration is perjury punishable as a felony.*
- *Authorize an owner of real property to file an action in district court seeking expedited relief from a recorded false, fictitious, or fraudulent instrument.*
- *Authorize the court hearing the matter to enter an order removing the cloud from the title to the real property, award attorneys' fees and other costs to the prevailing party, and impose a civil penalty of up to \$10,000 if the action is found to be frivolous or malicious.*
- *Make it a violation of G.S. 75-1.1 to present an instrument for recording that is determined to be materially false, fictitious, or fraudulent.*
- *Require the Administrative Office of the Courts to create a form to be used by a person seeking expedited relief.*
- *Define the crime of perjury to include making a false statement under oath or affirmation in an instrument presented to the register of deeds.*

CURRENT LAW: A register of deeds generally is required to accept for registration all instruments presented for registration. However, if a register of deeds has a reasonable suspicion that an instrument purporting to be a lien or encumbrance is materially false, fictitious, or fraudulent, the register of deeds can refuse to register the instrument.

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A register of deeds is required to reject a deed if its execution has not been acknowledged before a notary or other person authorized to take acknowledgments. However, a register of deeds is not required to verify any of the following:

- The legal sufficiency of any proof or acknowledgement.
- The authority of any officer who took a proof or acknowledgement.
- The legal sufficiency of any document presented for registration.

Presenting an instrument for recording as a purported lien or encumbrance that is determined to be materially false, fictitious or fraudulent constitutes an unfair or deceptive act or practice in or affecting commerce under G.S. 75-1.1, and a person who knowingly files a false lien or other encumbrance against real property is guilty of a Class I felony.

A person who makes a false sworn statement under oath or affirmation in any suit, controversy, matter or cause in any courts of the State, in an affidavit or deposition, in any oath or affirmation concerning any matter where the person is lawfully required to be sworn or affirmed, is guilty of the felony offense of perjury.

BILL ANALYSIS: Section 1 of the bill would:

- Define a "trusted submitter" as a title insurance company, a State-licensed attorney, or a financial institution.
- Define a "suspicious instrument" as one for which the register finds that:
 - The name or information of the acknowledging officer does not match the official records for that officer.
 - The instrument purports not to be subject to the laws of the United States or this State.
 - The instrument does not conform to registration requirements under State law.
 - The instrument is materially false, fictitious, or fraudulent.
- Require the register of deeds to refuse to register an instrument presented by an individual or entity that is not a trusted filer or a trusted submitter or their authorized agent if:
 - The presenter fails to produce the required identification.
 - The name on the I.D. card does not match the grantor or conveying party in the instrument.
 - The register of deeds deems the instrument to be a suspicious instrument.
- Require the register of deeds to record the name and address shown on the photo ID and cross-reference the book and page of the instrument registered using that ID.
- Provide that the register of deeds shall not register an instrument presented by an entity that is not a trusted filer or trusted submitter or their authorized agent unless the presenter produced documentation evidencing their authority to act on behalf of the entity.
- Require the register of deeds to publish on its website a notice of the identity verification requirements and a notice that making a false statement under oath or affirmation in an instrument presented to a register of deeds is perjury and punishable as a felony.
- Provide immunity to the register of deeds from civil liability for requiring photo identification or refusing to register an instrument as allowed by this section.
- Require the Administrative Office of the Courts to develop a database of trusted filers that is available to registers of deeds.
- Exempt records required to be kept by the register of deeds under this section from disclosure under the public records laws but permit their disclosure in response to a superior court order or law enforcement agency request.

Section 2 of the bill would:

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- Authorize an owner of real property to commence an action in district court seeking expedited relief from a recorded false, fictitious, or fraudulent instrument.
- Require the petition to be served on any person purporting to have an interest in the real property by means of the recorded instrument that is alleged to be false, fictitious, or fraudulent, or through liens of record, persons required to be notified under security instruments, and persons obligated to repay the obligation secured by the instrument alleged to be false, fictitious, or fraudulent.
- Require the court to schedule a hearing within the first term of court falling after ten days from the service of the petition on all parties required to be served.
- Provide that if the court finds that there is no legal justification for the instrument, require the court to declare the instrument to be false and void and order the cloud removed from the title.
- Authorize the court to also do any of the following in its order:
 - Grant possession of the real property and ejectment of any person on the premises.
 - Award costs and attorneys' fees to the prevailing party.
 - Stay any proceedings involving the real property to which the property owner is not a party.
 - Impose a civil penalty of up to \$10,000 upon a finding that the action filed pursuant to this section was frivolous or malicious.
 - Enjoin any person from presenting an instrument for recording who has more than once presented for recording a false, fictitious, or fraudulent instrument.
- Provide that a register of deeds or clerk of court, upon being presented with an order declaring a recorded instrument to be false and void:
 - Must record and cross-index the order.
 - May place a statement on the first page of the recorded instrument that the claim asserted in the document is false.
- Make it a violation of G.S. 75-1.1 to present an instrument for recording that is determined to be materially false, fictitious, or fraudulent.
- Require a notice of the requirements be published on the website of the register of deeds, including a notification that providing false information or statements when filing an instrument is perjury and punishable as a Class F felony.

Section 3 of the bill would amend the definition of perjury to include making a false statement under oath or affirmation in an instrument presented to a register of deeds.

Section 4 of the bill would require the Administrative Office of the Courts to develop a form for the expedited relief petition authorized under Section 2 of the bill, to be made available to the petitioner by the clerk of court.

EFFECTIVE DATE: Section 1 of the act would become effective July 1, 2026, and apply to instruments presented for registration on or after that date. Section 2 would become effective July 1, 2026, and apply to causes of action arising on or after that date. Section 3 would become effective July 1, 2026, and apply to offenses committed on or after that date. The remainder of the act would be effective when it becomes law.