

	DEFINITIONS	EXAMPLE
Electronic Signature	ESIGN defines an "electronic signature" as "an electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record." Thus, an "electronic signature" can come in many forms, including PIN numbers, passwords, or even clicking an icon.	"I accept" button  Digitized version of handwritten signature  Anything that can be construed as 'intent to sign'
Digital Signature (one type of Electronic Signature)	An electronic identifier created by computer, intended by the party to be the same as manual signature. It is one type of electronic signature if "intent to sign is present".	Data field on database that says "I accept" button was pushed
Federal Acts	Electronic Signatures in Global and National Commerce Act (S.761) (E-SIGN)  Uniform Electronic Transaction Act (UETA)	
Nevada Revised Statutes	NRS 719 Electronic Transactions (Uniform Act) NRS 720 Digital Signatures NAC 720 Digital Signatures	
	Dean Heller Nevada Secretary of State Nevada Digital Signature Project Notary Division 102 North Carson Street, Suite 3 Carson City, NV. 89701-3714 <b>Phone:</b> 775-684-5708 <b>Email:</b> <a href="mailto:nvnotary@sos.nv.gov">nvnotary@sos.nv.gov</a>	

## Frequently Asked Questions

<p><b>What does ESIGN do?</b></p>	<p>Some courts have ruled that electronic signatures are valid, and several states have passed laws validating electronic signatures. These rulings and statutes differed in their requirements and application, resulting in continued uncertainty regarding the validity of electronic contracts. ESIGN addresses this problem. ESIGN provides a uniform federal law that validates electronic signatures, effectively allowing parties to enter into a contract on the Internet without wondering which state law applies. ESIGN also allows businesses to keep electronic records, and to send electronic records and documents to consumers.</p> <p>ESIGN does contain exceptions that prevent the use of electronic signatures and records in some areas, including the use of official court documents, notice of cancellation of utility services, health insurance or life insurance, and recalling products.</p>
<p><b>What does ESIGN say about business-to-consumer transactions?</b></p>	<p>ESIGN provides that specific disclosures must be made to consumers:</p> <p style="padding-left: 40px;">Consumers must be provided with "clear and conspicuous" statements regarding certain procedures involved with using electronic data.</p> <p style="padding-left: 40px;">Consumers must affirmatively consent to the use of electronic signatures or records.</p> <p style="padding-left: 40px;">The consumer must be supplied with information regarding the hardware and software used in the process, and the consumer must consent in a way that demonstrates that they have access to the information in the electronic form that will be used.</p> <p>Businesses are not required to use any specific type of technology to verify the electronic signature or the consent.</p>
<p><b>-What effect does ESIGN have on state "electronic signature" laws?</b></p>	<p>Before ESIGN, several states had their own electronic signature laws. These laws varied greatly from state to state, causing confusion when parties from different states were involved in business transactions. ESIGN effectively preempts state laws on electronic signatures, ensuring that states are under a uniform law and that parties have certainty when dealing within different jurisdictions.</p> <p>ESIGN does not, however, completely preempt state electronic signature laws. States may modify, limit, or supersede ESIGN if they are consistent with the Uniform Electronic Transactions Act, which was approved by the National Conference of Commissioners on Uniform State Laws.</p>
<p><b>What are the advantages of ESIGN?</b></p>	<p>ESIGN has paved the way for businesses and consumers to do business online. The bill provides enough flexibility to allow technology to change and still be in step with the law. ESIGN also creates a more predictable e-commerce market because it relieves parties of choice of law dilemmas that were once prevalent with the advent of various state laws. The law also provides certainty that contracts formed over the Internet will be valid and enforceable, an issue that</p>

<p><b>What are the advantages of ESIGN? (cont.)</b></p>	<p>was once unclear.</p> <p>ESIGN has also been touted as a way for businesses to save an enormous amount of money and time. The cost of paper correspondence and storage may be reduced. Businesses will no longer have to use the mail to send documents, a process that costs businesses time and money.</p> <p>ESIGN is largely symbolic because electronic signatures have been used by many businesses in the past. The symbolic nature of ESIGN is important, however, because the bill will create greater confidence in businesses and consumers when doing transactions online.</p>
<p><b>What are the disadvantages of ESIGN?</b></p>	<p>ESIGN signifies the beginning of a new frontier in business. New frontiers invariably involve some uncertainty and unanswered questions. For example, the definition of “electronic signature” will most likely be an issue in the future. The status of electronic signatures in business-to-business transactions is also left in the hands of businesses.</p> <p>The need for protection of consumers may force businesses to invest in expensive technology that will ensure that the party signing the contract is authorized. The cost and sophistication of this technology is still indefinite for businesses and consumers. Technology such as thumb scanners and eye sensors are viable options for big companies, but small to medium size businesses may not be able to afford such amenities.</p>
<p><b>What are the FERPA electronic signature regulations?</b></p>	<p>“Signed and written consent to release student record information” may include a record and signature in electronic form. It must: - identify and authenticate a person as the source of the consent and – indicate the person’s approval.</p> <p>Does not require institutions to ask the student for consent to do the transaction electronically.</p>
<p><b>What are the rules for Federal Student Aid?</b></p>	<p>Issued by the Department of Education in 2001. Creates standards for electronic signatures in student loan transactions:</p> <ul style="list-style-type: none"> <li>- Do not permit administrator’s access to PIN.</li> <li>- Allow students to change PIN</li> <li>-PINs and passwords should be kept in a secure database</li> <li>-PINs and passwords should be encrypted when stored.</li> </ul> <p>Created a FAFSA-PIN service (Free Application for Federal Student Aid)</p>