

White Paper: Property Deed Freeze Program

Proposed by Thurston County Auditor Mary Hall 4.30.25 Revised 5.22.25

Executive Summary

This white paper proposes the **Washington State Property Title Protection Act**, a legislative initiative to prevent real estate fraud through the implementation of a voluntary **Property Deed Freeze Program**. The program would allow property owners to lock their property title, requiring a secure PIN or qualifying override for any ownership transfer. The initiative brings together a strategic partnership between **County Auditors, County Treasurers, and Title Companies** to ensure effective implementation, fraud detection, and streamlined property transaction processes.

Problem Statement: Increasing Risk of Real Estate Fraud

Washington State is facing a rise in real estate fraud involving forged deeds, impersonation, and fraudulent notarization. Under **RCW 65.04**, county auditors are obligated to record all properly formatted documents, regardless of underlying fraud, which creates a loophole for criminal exploitation.

Common fraudulent activities include:

- Recording forged deeds to steal property.
- Impersonation of property owners.
- Fake notarizations or coerced signings.

These acts often go undetected until a property owner attempts to sell, refinance, or otherwise use their property. In most instances there is no recourse, and the owners lose their property.

Proposed Legislative Solution: Property Deed Freeze Program

A **voluntary program** allowing property owners to “freeze” their property title, prohibiting, excise tax transactions, and the recording of any transfer of ownership without the use of a secure **PIN** or an approved override process.

Key Program Components

1. Partnership Model

This program will be jointly administered by:

- **County Auditors:** Responsible for managing the PIN-based freeze system and recording processes.
- **County Treasurers:** Partnered to ensure that tax obligations and affidavits align with freeze status before ownership transfers.
- **Title Companies:** Integrated to verify PIN status during closing and ensure buyer/seller compliance, helping prevent fraudulent closings.

- E-Recording vendors

2. Security Features

- Secure **PIN** system with **multi-factor authentication**.
- **Real-time alerts** to property owners upon any ownership-related recording attempts.
- **Emergency override process** through notarized affidavits, verified court orders, or authorized legal representative actions (e.g., probate, guardianship).
- Property records will clearly display that a freeze is in place.

3. Technology Infrastructure

- Development of a **centralized portal** for property owners to enroll, manage, and unfreeze their title.
- **Secure API integration** between county systems and private partners (title companies, E-Recording vendors) for real-time verification.

Pilot Program Scope

- The pilot will launch as soon as the system is ready.
- All property types can take part, with extra outreach to high-risk properties like vacant land, rentals, and senior-owned homes.
- Counties will be chosen based on interest and readiness, covering a mix of urban, suburban, and rural areas.
- The program will be monitored for issues, fraud attempts, and user feedback, with a simple review after one year to guide next steps.

Legislative Actions Required

To support this program, the following **legislative changes** are recommended:

1. Amend RCW 65.04 (Recording Laws)

- Permit County Auditors to delay or reject recordings if a property is under a valid freeze and a matching PIN is not provided.
- Include exemptions for court orders, probate, and emergency situations.

2. Amend RCW XX.XX (Excise tax statute)

3. Enable Cross-Agency Authority

- Provide legal standing for County Treasurers and Title Companies to verify and enforce freeze status prior to processing excise affidavits or finalizing closings.
- Allow shared access to PIN verification systems under strict confidentiality protocols.

4. Grant Liability Protection

- Offer statutory protection to County Auditors, Treasurers, and Title Companies for good faith adherence to the freeze protocol.

5. Establish Funding Mechanism

- Expand and authorize use of **document recording surcharge revenues** or state grants to fund technology development, training, and outreach.

Benefits of the Program

| Benefit | Description |
|-----------------------------------|---|
| Fraud Prevention | Stops unauthorized transfers through title-level PIN locking. |
| Transparency | Alerts ensure owners are immediately aware of activity. |
| Public Confidence | Reinforces trust in the integrity of land title recording. |
| Cross-Sector Collaboration | Creates a real-time safety net through public-private partnerships. |

Public Engagement & Awareness

A **statewide outreach campaign** will be conducted in partnership with:

- Title and escrow companies.
- Realtor and attorney associations.
- Senior advocacy organizations.
- Local media and public officials.

This campaign will educate property owners on the importance of title protection and encourage participation in the pilot.

Next Steps for Legislative Action

1. **Convene Work Group:** Form a statewide task force with representatives from county governments, title companies, and real estate law experts.
2. **Draft Enabling Legislation:** Introduce legislation amending RCW 65.04 and related statutes to authorize and fund the Deed Freeze Program.
3. **Launch Pilot:** Begin with three counties and scale after evaluation.
4. **Evaluate Outcomes:** Track fraud reduction metrics, user satisfaction, and operational feedback.

Conclusion

The **Washington State Property Title Protection Act** represents a forward-looking solution to a growing public threat. By combining smart legislation, secure technology, and a cross-sector partnership, Washington State can lead the nation in protecting property owners against title theft and deed fraud.

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