I’m a Big Fan of eContracts, But Look at What Passes for a ‘Signature’

A few months ago, I wrote this column about the greatly increased use of electronic contracts and electronic signatures. I myself have adopted “eContracts” as my primary software for creating real estate contracts.

Let’s say that I need to amend a date on a contract to buy and sell real estate. Using CTM eContracts, the official contract software of the Colorado Association of Realtors, I can create that amendment in about one minute and, in another minute send it to my client and the agent for the other party. If the other agent forwards it immediately to his/her client, and clients on both sides of the transaction are at their computers, I can (and often do) have that document legally executed by all parties in less than five minutes.

It’s a very eco-friendly technology, because none of the parties involved ever needs to print out the document. Except for the fact that most of us end up printing all these documents for our file folders, such technology has brought us quite close to the elusive “paperless transaction.”

I have just one gripe about this. Let’s say that I need to amend a date on a contract to buy and sell real estate. Using CTM eContracts, the official contract software of the Colorado Association of Realtors, I can create that amendment in about one minute and, in another minute send it to my client and the agent for the other party. If the other agent forwards it immediately to his/her client, and clients on both sides of the transaction are at their computers, I can (and often do) have that document legally executed by all parties in less than five minutes.

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Here’s what my mouse signature looks like:

And here is what Rita’s font signature looks like:

But Rita wasn’t here. I signed it for her by selecting a type font. I didn’t even have to type her name. Anyone could have done that, and it would have looked the same. Knowing this, it would be hard to defend such a signature in court.

The Colorado statute governing electronic signatures says that the signature must be “unique” and capable of “verification,” and that it is under the “sole control” of the signer. It is hard to believe that using fonts for signatures meets any of those requirements.