



- 4) Requires the transferor and the transferee of a title or interest to execute in the manner prescribed by HCD the certificate of title for the manufactured home or mobilehome and to notify HCD within 20 days.
- 5) Establishes penalties for false statement, fraudulent transfers, or misuse of registration and title documents.
- 6) Establishes the Uniform Electronic Transactions Act (UETA) to allow the transaction of business, commerce, and contracts by electronic means, and establishes standards for conducting the electronic transactions.
- 7) Defines “electronic signature” as an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.
- 8) Defines “digital signature” as an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. A digital signature is a type of “electronic signature.”
- 9) Specifies a digital signature has the same force and effect as the use of a manual signature if, and only if, it embodies all of the following attributes:
  - a) It is unique to the person using it;
  - b) It is capable of verification;
  - c) It is under the sole control of the person using it;
  - d) It is linked to data in such a manner that if the data are changed, the digital signature is invalidated; and,
  - e) It conforms to regulations adopted by the Secretary of State.
- 10) Specifies that the use of digital signatures shall be at the option of all parties.

**This bill:**

- 1) Requires HCD, on and after January 1, 2028, to accept a verified signature executed electronically on a document submitted to release or satisfy a security interest held by a legal owner of a mobile or manufactured home and treat that signature as having the same force and effect as an original signature.

- 2) Prohibits HCD from requiring submission of an original wet signature to release or satisfy a legal owner's security interest.
- 3) Clarifies a "verified signature executed electronically" means a digital signature that embodies all of the required attributes, as specified.

## Background

*HCD registration & titling.* HCD maintains a statewide system to register and title mobilehomes and manufactured homes. This system applies to homes that are not converted to real property and serves as the official record of ownership and lien interests. HCD keeps a permanent title record for each home, which identifies the registered owner, any legal owner, such as a lender, and key information about the unit. When a mobilehome or manufactured home is first sold, brought into the state, or otherwise transferred, the new owner or dealer must apply to HCD for registration and a title. Existing law requires submission of appropriate documents, fees, and, when a dealer is involved, a report of sale. The report of sale allows the transaction to be recorded while the full registration and titling process is completed. HCD reviews the application materials and, once complete, establishes or updates the permanent title record for the home. After processing the application, HCD issues two primary documents. First, it issues a certificate of title, which reflects legal ownership and any secured interests recorded against the home. HCD also issues a registration card showing the registered owner and basic identifying information. Registration must be renewed annually with payment of fees, while the certificate of title remains in effect until there is a change in ownership or a lien is added or released. Existing law also requires that ownership changes, lien recordings, and other title-related transactions be promptly reported to HCD using signed title documents and supporting paperwork. HCD then updates the permanent title record and issues revised documents as needed.

## Comments

- 1) *Author's statement.* "The continued reliance on wet signatures for documents related to lien releases and title updates for manufactured homes and mobilehomes is outdated and in need of modernization to bring these signature standards in line with 21st century technologies. AB 2174 updates existing law to allow the Housing and Community Development Department to accept electronic signatures, providing a more streamlined experience for Californians utilizing Department services."
- 2) *Electronic vs. digital signatures.* The difference between a digital signature and an electronic signature is mainly about scope and security requirements. Under

existing law, an electronic signature is defined as any electronic sound, symbol, or process attached to a record and executed with the intent to sign. This comes from California's adoption of the UETA, which governs most private and commercial transactions. Under UETA, electronic signatures are legally valid and cannot be denied effect simply because they are electronic, as long as the parties agree to conduct the transaction electronically and the signature can be attributed to the signer. A digital signature is a specific type of electronic signature with stricter technical requirements, as specified. Those requirements mainly apply to communications with public entities and requires that a digital signature be unique to the signer, capable of verification, under the signer's sole control, and linked to the document so that any changes invalidate the signature. These requirements typically involve encryption or public key infrastructure, making digital signatures more secure and tamper-evident than general electronic signatures. UETA provides the broad legal framework for electronic signatures in California, while other laws impose additional requirements when a public agency chooses to use the more secure digital signature method. Until 2017, agencies were precluded from using digital signatures. AB 2296 (Low, Chapter 144, Statutes of 2016) changed that and authorized public agencies to use either digital signatures or electronic signatures, as defined.

- 3) *HCD's electronic signature policy.* HCD has adopted an electronic signature policy that allows the use of electronic signatures in certain programs and transactions, consistent with California's UETA.<sup>1</sup> This policy is primarily applied in areas such as grants, contracts, and administrative documents, where HCD has determined that electronic signatures are reliable and appropriate. However, HCD has not uniformly extended this flexibility to its mobilehome and manufactured housing registration and titling system. In practice, HCD continues to require original signatures for key title documents, particularly those affecting ownership or security interests. As a result, lien releases generally must be executed with original 'wet' signatures on the certificate of title or approved forms, and electronic signatures are typically not accepted for that purpose. For example, the Lien Satisfied form (HCD RT 475.3), which is required when removing a legal owner from the HCD Certificate of Title and the original title has not been signed by the legal owner, requires original 'wet' signature(s) from legal owners on the form. HCD also specifies that photocopies cannot be accepted on HCD RT 475.3. This bill would instead require HCD to accept an electronic signature to release or satisfy a security interest held by the legal owner of a mobile or manufactured home. This could help further modernize HCD's processes, improve efficiency, and combat unnecessary delays in the titling process. Given advances in digital signature

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<sup>1</sup> *Division of Financial Assistance Electronic Policy*, memorandum for stakeholders and interested parties. HCD, September 2020. [https://www.hcd.ca.gov/grants-funding/get-funding/docs/esignaturememo\\_sept12020final.pdf](https://www.hcd.ca.gov/grants-funding/get-funding/docs/esignaturememo_sept12020final.pdf)

technology, such as tamper-evident seals, digital signatures actually possess some safety advantages over wet signatures that may be forgeable.

4) *Double-referral*. This bill is also referred to the Senate Judiciary Committee.

**Related/Prior Legislation**

**AB 2296 (Low, Chapter 144, Statutes of 2016)** — clarified that public agencies may use and accept digital signatures to satisfy the requirements of an electronic signature under the Uniform Electronic Transactions Act.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

**POSITIONS:** (Communicated to the committee before noon on Wednesday, June 17<sup>th</sup>, 2026.)

**SUPPORT:**

Western Manufactured Housing Communities Association (Sponsor)

**OPPOSITION:**

None received.

**-- END --**