



Indorsement by Stamp Presumed an Authorized Signature to Transfer Note

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In the Matter of the Foreclosure of a Deed of Trust executed by Tonya R. Bass, No. 554PA11 (N.C. 3-8-13). In this foreclosure action, the debtor challenged whether the foreclosing bank was the holder of the note, the original of which was in fact produced on demand in court. As in many cases, the original loan had been assigned many times. Under the Uniform Commercial Code, each assignment of a note requires an endorsement from one holder to the next. The first endorsement was made by a stamp on the note and not by an original signature. Before the clerk, the debtor argued that the stamp was insufficient because the bank could not show that an authorized party had applied the stamp. This argument was successful before the clerk and in the Superior Court, and affirmed by the Court of Appeals. However, the Supreme Court of North Carolina reversed, finding the stamp sufficient in all respects, including satisfaction of the signature requirement. The Court explained that there is a presumption under the Uniform Commercial Code that any signature is authentic unless denied in the pleadings, and then the challenging party bears the burden of proving that it is not valid. The debtors' allegation that there was a lack of evidence as to who in fact put the stamp on the note was insufficient. The debtor was required to produce evidence of forgery or unauthorized endorsement in order to prevail.

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