



**"WORKING TOGETHER"**  
**Property Records Education Partners**  
**(PREP)**



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SIMPLIFYING RECORDS MANAGEMENT NEEDS  
 FOR GOVERNMENTS AROUND THE WORLD

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**PRIA Establishes an Alliance with NDSA**

[PRIA](#) recently joined the National Digital Stewardship Alliance (NDSA) with Jim Harper, P.F.A., serving as the liaison between [PRIA](#) and NDSA. The mission of the National Digital Stewardship Alliance is to establish, maintain and advance the capacity to preserve our nation's digital resources for the benefit of present and future generations.

The Library of Congress (LOC), as an outgrowth of the December 2000 congressional charge that established the National Digital Information Infrastructure and Preservation Program (NDIIPP), supports the Alliance by serving as the Secretariat.

Established on July 15, 2010, the Alliance is an organization of government agencies, educational institutions, non-profit organizations and businesses committed to serving as digital stewards of America's national digital collection and employing standards, systems, and cooperative relationships that advance digital stewardship. Members collaborate to preserve access to our national digital heritage. The NDSA accomplishes its goals through working groups with strategic direction from the Coordinating Committee and support from the Secretariat.

The NDSA has established five Working Groups focusing on the following areas of digital stewardship: Content; Standards and Practices; Infrastructure; Innovation; and Outreach.



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**News from PREP Chapters**

PREP Chapter meeting summaries are posted every two weeks. In this Newsletter edition you'll read about the [Central Texas PREP Chapter](#). (Please go to [PRIA's PREP webpage anytime to see complete minutes, meeting agendas](#)

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**PRIA Establishes an Alliance with NDSA**

[and meeting dates in your area.\)](#)

**Central Texas PREP Chapter:**

Co-Chairs: Government, Nancy Rister, [nrister@wilco.org](mailto:nrister@wilco.org), and Business, Jerry Llewallen, [jerry@erecordingpartners.net](mailto:jerry@erecordingpartners.net)

The Central Texas PREP Chapter met on 3/28/13 in Round Rock, Texas. The primary agenda topics included: a) a presentation and update on the Consumer Financial Protection Bureau (CFPB) by Mary Schuster, Ramquest and OP2, b) a Texas Legislative update by Joy Streater, Comal County Clerk, c) ALTA Best Practices Overview by Mary Schuster, Ramquest and OP2, and, d) a PRIA Winter Symposium Update panel given by Jerry Llewallen, ePN, Joy Streater, Comal County Clerk and Marlys Gardner, Thomson Reuters. (Go to the [Central Texas PRIA/PREP webpage](#) to read more about this PREP Chapter.)



**Save the Date - PRIA's Annual Conference in Minneapolis**

It's time to take a look at your calendar and be sure you have reserved August 27-30, 2013 for the PRIA Annual Conference at the Marriott City Center in downtown Minneapolis.

Visit PRIA's [website](#) for updates on the conference program and activities.



**Simplifile Expands eRecording in Green Lake County, WI**

*excerpted from [PR Web 5/8/13](#)*

Green Lake County has initiated electronic recording (eRecording) of land documents with Simplifile. "Our customers can submit the document right from their office with no extra paperwork, postage, staples or time," said Green Lake County Register of Deeds Sarah Guenther. "It's a win-win." According to Guenther, who took office as Green Lake County's register of deeds in January, her goal is to have 25 percent of customers eRecording by the end of the year.

"Part of my promise to the voters and citizens of Green Lake County when I took office was to automate our services and provide submitters with an electronic option to save money and time," Guenther said. Document submitters include organizations such as title companies, banks, law firms, and other customers who file various land documents with the county.

Green Lake County is the 35th Wisconsin county to begin eRecording, joining more than 850 additional recording jurisdictions throughout the U.S. that e-record with Simplifile.

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**Examples of PRIA's Products**

- ["The History of Public Records"](#)
- ["The Impact of Fraud on the Real Estate Industry"](#)
- ["How to get Ready for eRecording"](#)
- ["Access to and Sale in Bulk of Land Records"](#)
- [\(other PRIA Standards and Publications\)](#)

**PREP Chapter Meetings**

*May/June 2013*

- Metro Minnesota
- New York
- Red River Minnesota
- Northern California
- Central Florida
- North Central Texas
- SE Minnesota

**Contact Information**

Do you have questions or suggestions for this newsletter or any updated information on co-chairs, emails, phone numbers, etc. please contact us: [Carolyn Ableman](#) PREP Coordinator  
[Mark Monacelli](#) PREP Committee Government Co-Chair, Recorder St Louis County, Minnesota  
[Madeleine Nagy](#) PREP Committee Business Co-Chair, ALTA State Government Affairs



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## Study Finds CFPB Needs to Further Protect Consumers

excerpted from [National Mortgage Professional 5/9/13](#)

Many residents in rural America would have reduced access to mortgage credit despite accommodations included in new Consumer Financial Protection Bureau (CFPB) mortgage rules, according to survey results released by the Independent Community Bankers of America (ICBA). ICBA's Community Bank Qualified Mortgage Survey found that provisions for balloon-payment mortgage loans and rural community banks in the CFPB's ability-to-repay and qualified mortgage regulations need to go further to adequately protect the customers of many Main Street community bank lenders.

"Community banks are responsible mortgage lenders that did not participate in the abuses that contributed to the financial crisis," said Bill Loving, ICBA chairman and president and CEO of Pendleton Community Bank in Franklin, West Virginia. "Nevertheless, ICBA's survey shows that some Main Street communities could be cut off from a critical source of mortgage credit without adjustments to the CFPB's new mortgage rules."

Community banks help borrowers in rural communities where non-traditional loans such as balloon mortgages are prevalent due to the unique nature of rural properties. These loans are not eligible to be sold into the secondary market, and are kept in portfolio, which gives community banks a vested interest in the loans and allows them to work out a solution if repayment problems arise. Because of the nature of community bank mortgage loans and their vested interest in loan performance, restrictions on community bank balloon loans are unnecessary regulatory burdens. While balloon loans made by small creditors that operate predominantly in rural or under-served areas are deemed to be qualified mortgages under the CFPB mortgage rules, the bureau's definition of rural is too narrow, leaving out too many communities and unnecessarily cutting off access to credit. ([Read complete article.](#))



## MBA: 'We Need These Three Things From Washington'

excerpted from [MortgageOrb 5/7/13](#)

Mortgage Bankers Association (MBA) CEO David H. Stevens addressed his colleagues during the recent MBA's National Secondary Market Conference &

Expo, calling on lawmakers and regulators to heed some feedback from the mortgage industry related to what kinds of reforms are necessary to boost the secondary market.

Stevens noted that, overall, the industry is making progress in terms of being heard in Congress and the White House. However, he was sharply critical of policy makers' approach to g-fees, as well as their lack of action in areas such as the role of government-sponsored enterprises (GSEs) Freddie Mac and Fannie Mae.

"The collective players in Washington have created an atmosphere where guarantee fees have been arbitrarily raised and, likewise, used as an offset to pay for other budget items...an atmosphere where government is backing the bulk of the mortgage market and directly impeding any opportunity for a return of private capital," Stevens said.

He highlighted his own group's efforts toward bringing together stakeholders from various public and private interests to devise responses to the nation's real estate finance ills. ([Read complete article.](#))



## ALTA News: FDIC Launches National Program to Reserve Mineral Rights

Beginning April 1, the Federal Deposit Insurance Corporation (FDIC) launched a national program reserving mineral rights-including oil and gas-in any land it conveys across the country.

The program covers all property (residential and commercial) sold by the FDIC with limited exceptions for properties worth less than \$50,000 and individual condominium units. The program will apply to condominiums under development. This reservation is already in some current contracts, according to the FDIC.

### Additional Resources

- [FDIC Guidance Memorandum](#)
- [Addendum for Reservation and Exception of Oil, Gas, and Other Minerals Including Surface Access](#)
- [Addendum for Reservation and Exception of Oil, Gas, and Other Minerals Excluding Surface Access](#)
- [Special Warranty Deed](#)

The reservation of minerals will be included as an addendum to the typical FDIC sales contract. FDIC's instructions will require that a similar reservation be included in the deed at closing. For these transactions, the FDIC has developed a special warranty deed form.

At this time, the FDIC does not expect the title industry to do anything different than it does today. This includes using the FDIC's sales contract to lay out the information in schedule A and excluding mineral rights in schedule B. However, Marjorie Bardwell, director of underwriting services for Fidelity National Title Group, said closing and escrow departments should be aware of a couple of items.

"Depending upon who drafts the deed locally, there must be immediate awareness of this new requirement for the added reservation in the deed," she said. "On the title side, we must be sensitive to the fact that deeds will be found in the chain of title in areas that have had no serious mineral rights activity, especially in urban areas."

Additionally, title and settlement agents must ensure the new requirement isn't missed in the closing instructions so the appropriate exceptions can be raised on policies issued after closing. If general exceptions are already raised in a particular state, Bardwell suggests making sure they are broad enough to cover these reservations.

"In many areas of the country you may not have seen such rights reserved, especially for residential property," she added.

A special price must be negotiated if a buyer wishes to purchase the mineral rights from the FDIC. In these situations, a contingency will be added to the sale contract pending those negotiations. These negotiations have the potential to delay closings.

In a whitepaper explaining its plans to initiate the reservation of minerals rights, the FDIC said the failure to reserve mineral interests on most owned real estate properties "means missed opportunities for an added return to the Receivership or Corporate through lease bonuses, production, and the subsequent liquidation of these mineral interests."

"Landmen will likely continue to find mineral rights from past failed institutions to which FDIC owns interest," the FDIC said in the whitepaper. "If mineral rights are reserved, then like any other rightful party, FDIC should exercise its right and title. It is in the best interest of FDIC, and consistent with its mission, to institute these changes."

Beyond the reservation of mineral rights, the FDIC also reserves the right to ingress and egress, remove the minerals and enter into leases or other sale agreements for rural properties (not in an incorporated city). If drilling occurs, the surface owner will be able to negotiate a settlement to have the surface remediated after production of minerals is completed. For urban properties, these extra rights will be specifically negotiated with the buyer when and if a producer wishes to attempt to develop the minerals.

## **San Francisco adds eRecording System**

*excerpted from [The Title Report 5/6/13](#)*

Carmen Chu, San Francisco Assessor-Recorder, announced that San Francisco County has begun to electronically record real estate and land use records, partnering with Corporation Service Co (CSC).

"We're looking forward to collaborating with CSC," Chu stated. "This partnership will allow us to quickly and economically process even more document recordings."

CSC is a nationwide provider of commercial and residential real estate document recording solutions in both electronic and paper formats. Formerly known as Ingeo Systems, CSC's e-recording division pioneered electronic document recording in the U.S. and was recently recognized for its innovations by the 2012 Mortgage Technology Awards.

Mark Rosser, vice president of CSC commented: "Recording paper documents used to mean cutting checks, mailing documents, and waiting for acknowledgements to be returned. With e-recording, you can submit land records for recordation with a few clicks of your mouse, from the comfort of your own office."

San Francisco County's partnership with CSC will allow title companies, law firms, financial institutions, and other real estate document submitters to electronically record documents quickly, easily, and securely. Any submitter with a computer, Internet connection and scanner/printer can now e-record with San Francisco County. Documents are in full compliance with federal, state and local laws, as well as industry standards.

## Links to National News

**[U.S. Mortgage Applications Up 7%](#)** - "The total number of mortgage applications filed in the U.S. rose 7% from the previous week as several interest rates increased, the Mortgage Bankers Association said."

**[Bank of America agrees to \\$1.7B settlement with bond insurer](#)** - "In exchange to settle the dispute over faulty mortgage securities, MBIA will drop its legal action against mortgage lender Countrywide, which BofA bought in 2008."

**[Fannie Mae: From Bailout Child to Government Cash Cow](#)** - "Mortgage giant Fannie Mae has now been turning a profit for more than a year. In fact, it has turned record profit: \$8.1 billion in its latest quarter."

**[Suspicious Loan Activity Reports Shrink First Time in a Decade](#)** - "The number of suspicious activity reports from banks citing possible loan fraud decreased by 29% last year, the first drop in 16 years."

## Join the PREP Blog and the PREP LinkedIn Group

Almost every day, we post national news articles, and PRIA and PREP Chapter information on the [PREP Blog](#) and the [PRIA/PREP LinkedIn Group](#). You are able to stay in touch by subscribing to both sites and automatically receiving updates daily or weekly.

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