"WORKING TOGETHER"
Property Records Education Partners (PREP)

eRecording - What's New in Version 3?

The PRIA Technology Committee has been working with our alliance partner, MISMO on the development of Version 3 of our eRecording XML standards for some time now. The new proposal has been posted for public comment. Feedback from that comment period is currently being incorporated into the standard. So what's new in Version 3 and **why should recorders be asking their vendors to upgrade?** (Read complete article.)

A single, unified model:
In Versions 1 and 2, PRIA and each of the MISMO workgroups developed their XML, somewhat in isolation. While care was taken to be sure the names and definitions of data points were consistent, the arrangement of those data points in relation to each other was not as strictly monitored. This sometimes resulted in conflicting interpretations of complex ideas like "PROPERTY". There were 14 different ways to describe PROPERTY in Version 2!

As a result, a submitter could have implemented an approved MISMO version of PROPERTY that would have been in conflict with the approved PRIA version of PROPERTY thus making eRecording nearly impossible.

In Version 3 we have undertaken the effort to reconcile all the previously isolated and conflicting concepts into a single, uniform model. Every time NAME, ADDRESS, BORROWER or PROPERTY is used, it is the exact same structure in every occurrence.

Schema vs. DTD:
When we developed Versions 1 and 2, Document Type Definition (DTD) was the syntax used to group data points together and relate them to each other. DTDs are now considered "yesterday's technology". Schema is the current syntax for building XML vocabularies. Schema is supported by all major development tools and it is what software developers expect to work with today. Version 3 allows PRIA to meet that need.

Better support for business use cases:
The Version 3 schema is an element oriented architecture. What that means on a practical basis is that Version 3's design makes it easier to protect sensitive data like Social Security Numbers. Version 3 allows sensitive data points to be flagged so that they can be encrypted or even prevent them from being transmitted at all. Other

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Property Records Industry Association
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Examples of PRIA's Products

"How to get Ready for eRecording"

"Privacy and Land Records"

(other PRIA Standards and Publications)

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use cases such as support for foreign languages and other currencies are also facilitated by Version 3's element orientation.

Consistency in DOCUMENT structure:
In Version 2, the idea of a PRIA_DOCUMENT and the MISMO SMART Doc™ were not in sync. In fact, there were aspects of SMART Docs™ that would have made them problematic to eRecord. This has been overcome in Version 3 by completely rethinking both concepts and, again, developing a single structure that meets both needs. Version 3's DOCUMENT structure supports all three models of electronic recording and all categories of SMART Docs™ in a common structure. This is an important improvement as submitters and recorders look to adopt more fully automated systems (e.g.: Category 1 SMART Docs™ and Model 3 eRecording).

These are a few of the high-level business drivers that guided the development of Version 3. They were designed to keep the PRIA standard in sync with the latest developments in XML, improve the interoperability of submitter and recorder systems, protect sensitive consumer information and drive the adoption of more sophisticated, automated systems.

The Technology Committee will be introducing the Version 3 Reference Model in detail during the PRIA Winter Symposium, March 2-4 in Washington, DC. We hope you can join us for the discussion!

Links to National News

Foreclosure Filings Down 4% in October: RealtyTrac
"Foreclosure filings - including default notices, scheduled auctions, and bank repossessions - were reported on 332,172 properties during the month of October, according to data released by RealtyTrac Thursday."

HUD Reminds Lenders not to Mess Up HECM Protocols
"The Department of Housing and Urban Development Wednesday hosted a webinar to remind originators of the requirements involved with originating a loan through the agency's Home Equity Reverse Mortgage programs."

MBA Tells Regulators Banks "Stretched Thin" with New Rules
"The Mortgage Bankers Association sent two letters to federal regulators this week, warning that tomes of new rules being written are taking a toll on the banks trying to keep up."

Washington
Metro Minnesota
California

Contact Information

Do you have questions or suggestions on this newsletter or any updated information on co-chairs, emails, phone numbers etc. please contact us:
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To Pay or Not to Pay - A review of the PRIA Bulk Records Access and Sales Workgroup draft white paper entitled "Access to and Sale in Bulk Land Records"

The Bulk Records Access and Sales Workgroup is one of three workgroups organized under the PRIA Records Access and Privacy Policy Committee. As its name implies, this workgroup focuses on the sale in bulk of public land records. The Workgroup has finished a draft of a white paper intended to help all our property records partners understand and apply a satisfactory method and solution to the issue of paying for bulk records access. The paper is comprehensive and in 28+ pages attempts to cover the history and current status of public records access and various sample costs in the United States. It then recommends a methodology for fairly calculating costs to partners needing the data and images from the Recording offices across the US.
Take a look at the current draft version on www.pria.us (version 1 for non-members) and send PRIA any comments or concerns you might have! A third draft should appear by early December and comments are requested by January 18, 2011. (Read complete article.)

The document discusses what most of us agree is true: the "openness of records...ensures quick and secure transfer of land" and that without a doubt land records are public records and public access to land records is a well-accepted and practiced policy. The American land registry system very simply is based on our founding fathers belief that "no government should control land records access." Generally most of us also agree that the government "recorders" are responsible for making the documents and the indexes to these documents publicly accessible, in accordance with federal, state and/or local laws.

The draft white paper defines what "bulk records" means: historical data, image datasets, or document sets and then ongoing datasets or document sets requested in total or perhaps by specific time increments (for example, all documents recorded weekly).

The evolution that has been occurring is due to technology's impact on public records archiving methods and information access. What has made access so convenient also makes it highly controversial. And data once thought useful to only a few is now perceived as extremely sensitive and anectodotally useful to lucrative fraud schemes of many types.

The paper also explains that on the upside, the technology impact may also alleviate privacy concerns since these concerns can be minimized if technology for redaction and for subscription access can be applied.

Finally the draft suggests a formula that takes into account the costs for producing, transferring, and preparing bulk records data and documents. While most agree that the initial recording fees should

cover the basic recording computer system maintenance and database creation, additional methods of packaging the data and/or transmitting it - if it costs more - should be charged to the requestor of bulk data/documents. The sale in bulk of land records indexes and images must comply with existing federal, state and/or local laws. And, where there is no specific legislation or regulatory framework addressing the sale of electronic, microfilm or paper versions of the land records, the paper suggests components to be used for establishing price structures.

Note: While many components are listed, not all components may apply depending on the county, software being used, media being used, etc.

- Material/media cost (CD, DVD, external hard drive, etc.)
- Cost to ship media to buyer (e.g., postal costs or FedEx costs)
- Extraction cost (one-time programming cost to copy/extract images from database to another location; assumption is that after that one time cost, the extraction program "just runs" on the hardware)
- Equipment depreciation (about 5 years/piece of equipment per government accounting standards); example = FTP servers
- Equipment lease cost (if appropriate)
- Proportional share of software maintenance cost
- Communication network cost (or proportional share); example = T1 line costs
- Legal fees for Memorandums of Understanding (if used)
- Administrative costs (or proportional share)
- Customization programming labor (as required)

The paper also discusses "buyers" responsibilities, and the need to maintain as confidential any data elements redacted by the Recorder in accordance with federal, state or local laws.

Take a look at the current draft version on www.pria.us and send PRIA any comments or concerns you might have! A third draft should appear by early December and comments are requested by January 18, 2011.

ALTA Board Adopts New Endorsement, Approves Revisions to Two Forms

The ALTA Board approved recommendations to revise two existing

forms and adopt one new endorsement during a meeting on July 26. These forms are now in a 30-day comment period which will conclude on September 15, 2010. Comments may be submitted in writing and will be reviewed by the Forms Committee before final publication. (Read complete article.)

The Board approved the recommendation to create an ALTA endorsement 30-06 Shared Appreciation Mortgage for issuance on residential transactions. A shared appreciation mortgage may be used in connection with loan workouts or other finance transactions. This type of mortgage could secure payment of a portion of the appreciation in value of the land. The new ALTA Residential Shared Appreciation Mortgage Endorsement (30-06) is designed for issuance on mortgages covering one-to-four family residences.

The Board approved revisions to the Expanded Coverage Residential Loan Policy and the Short Form Expanded Coverage Residential Loan Policy.

The existing ALTA Expanded Coverage Residential Loan Policy is designed for issuance on mortgages covering one-to-four family residences. The existing Policy was most recently revised 02-03-10. In order to more consistently conform the Expanded Coverage Residential Loan Policy to the existing ALTA Loan Policy (6/17/06), Section 8(a) of the Conditions, concerning the extent of liability, has been amended.

The existing ALTA Short Form Expanded Coverage Residential Loan Policy is designed for issuance on mortgages covering one-to-four family residences. The existing Policy was most recently revised 01-01-08. The existing Policy incorporates, by reference, the ALTA Expanded Coverage Residential Loan Policy (01-01-08). The date reference has been changed to (07-26-10) in order to incorporate the most recently revised version of the ALTA Expanded Coverage Residential Loan Policy. A scrivener's error on the first page will also be corrected, changing "Amount of Insurance" to "Policy Amount" as originally intended.

PREP Chapter News

In this newsletter volume, we'll be highlighting South Florida, and South Central Minnesota. (Read complete article). You can also read the minutes from any of the PREP Chapters on the PRIA/PREP website.

South Florida PREP:
Co-chairs: Business, Pat Sponem, pat.sponem@simplifile.com and Government, Tony LoBianco, alobianco@mypalmbeachclerk.com

The South Florida PREP Chapter held a meeting on 10/21/10. The first presenter was Carol Foglesong, Asst. Comptroller for Records Administration, Orange County Comptroller's Office, who is also the immediate Past President of PRIA. Carol gave a history of PRIA, its mission and the make-up of the Board of Directors. Some years back it was determined there was a need to create a local forum for the sharing of information among local property records stakeholders wanting to know what was happening in the industry nationally as well as locally. This resulted in the formation of PREP Chapters. Carol urged participation by business and government groups in these local Chapters.

The second presentation was a Mortgage Fraud Panel Discussion. The participants were: Cindi Dixon, President Mela Capital Group (Forensic Financial Services Consultant); Peggy A. Williams, Esq., Risk Manager, Attorneys' Title Fund Services, LLC; Steven Grenier, FBI's Mortgage Task Force; and, Carol Foglesong,Orange County Comptroller's Office

Cindy Dixon described her perspective as a mortgage fraud/forensic services expert and noted the various forms that fraud for housing or mortgage fraud for profit takes and the types of document types most common for document recording fraud, i.e. how simultaneous document recording occurs and examples of record book alterations. Peggy Williams presented the perspective from the title insurance industry and described the typical schemes and statistics on cost to the title insurance industry by number and size of claims. Carol Foglesong noted the perspective of the county recorders, whom she emphasized "are NOT the document police" but that the recordation of fraudulent documents is what constitutes the crime (mail fraud also if the documents were mailed versus hand delivered). Steven Grenier provided a history of organized mortgage fraud in Florida and numerous examples of it. He described in detail how unscrupulous property appraisers, realtors, mortgage brokers and title agents consort to generate altered or fraudulent documentation to commit these types of crimes. A lively discussion on the points raised by the panel with input from the audience ensued.

Pat Sponem, PREP Business Co-Chair, announced that SF PREP will alternate meeting venues between West Palm Beach and the prior meeting location in Hollywood to be able to attract more attendees from the north part of the Chapter region. A survey was passed out to gather feedback on future meeting topics and speakers. The next meeting will be held on Thursday, Feb. 24, 2011.

South Central Minnesota PREP:
Co-chairs: Government, Linda Karst, linda.karst@co.waseca.m.us and Business (vacant)

So Central Minnesota PREP held a fall meeting on 9/21/10. Jason Parker from Minnesota Department of Revenue gave a presentation on eCRV, the electronic filing system for filing Certificates of Real Estate Value. A document was distributed that serves as an

implementation and overview guide for counties to prepare and implement the use of eCRV.   Minnesota Department of Revenue will work with individual counties to get counties started on eCRV. eRecording is not necessary to use eCRV. Twenty nine (29) counties are able to electronically file Certificates of Real Estate Value at this time.

Kay Wrucke, Martin County Recorder, introduced Alan Hogan from Simplifile who gave a presentation. Simplifile is a leading provider nationwide in electronic recording. Simplifile's eRecording network allows organizations that regularly file land record documents with the county - including title companies, banks, and law firms to record in any county on the network. The service is widely used in Minnesota and any eRecording county can assist in working with the submitter and Simplifile's services. This PREP Chapter will meet again in early 2011.