



"WORKING TOGETHER"

Property Records Education Partners (PREP)

[PREP Newsletter](#)

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Who's On First? Let's End the Blame Game

We are being inundated with headlines and opinions regarding the recent foreclosure crisis and one area that is currently under the microscope is the secondary mortgage market. Invariably, when this subject is discussed, county recorders get "thrown under the bus."

The National Association of Independent Land Title Association supports H.R. 6460 "insofar as it will restore credibility to the land title recordation system currently in place..." According to Mr. Arnold Kling, "The real scandal is that the process of recording property title is so antiquated, and there are so many interest groups that resist modernizing it."

Fingers point in the other direction as well. Recently the Massachusetts Supreme Court ruled against two banks stating that the banks did not hold correct title to the property to empower foreclosure proceedings. According to this decision, Supreme Court Robert Cordy states in the ruling, "What is surprising about these cases is not statement of principles articulated by the court... but rather the utter carelessness with which the plaintiff banks documented the title to assets."

In today's world, in which we are bombarded with negative news, it is easier to point fingers and blame, then to set a course in a new direction. The land records and mortgage industry are intertwined and we cannot afford to operate in special interest silos. Who is ultimately at risk if we do? The American consumer/taxpayers!

The conventional wisdom today is to focus on those that are operating with an old business model. Are there land record's offices that need to be modernized? Yes. Are there land records offices that are fully automated by incorporating a new electronic business model for document recording/record retrieval? Yes, many!

In fact, there currently are 585 recording jurisdictions in the United States (the number is increasing each month) that can record an electronic real estate transaction, including a mortgage assignment, in real time. The single biggest complaint from eEnabled counties - they do not receive enough electronic transactions. Why? Most lenders have not changed their business model from a paper based one to an electronic one. Who's on first?

One entity that does bring the government and business sectors together to create standards/best practices for the land records



Examples of PRIA's Products

["How to get Ready for eRecording"](#)

["Privacy and Land Records"](#)

[\(other PRIA Standards and Publications\)](#)

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Upcoming PREP Chapter Meetings

industry is the non-profit Property Records Industry Association (PRIA). One significant PRIA accomplishment is the creation of an open, seamless set of data standards for electronic recording of real estate transactions. In order to accomplish and create an industry wide standard PRIA is aligned with the Mortgage Industry Maintenance Organization (MISMO), which is a wholly owned subsidiary of the Mortgage Bankers Association (MBA) and managed by the Mortgage Electronic Registration System (MERSCORP, Inc.). This alliance, along with other industry players, creates one set of national standards for an electronic transaction from loan origination to recording the transaction in the county land records.

Creating data standards alone is not enough. There needs to be a legal framework to authorize land record officials to accept an electronic transaction. To accomplish this, PRIA assisted the National Association of Uniform Commissioners on Uniform State Laws (NCCUSL) in creating the Uniform Real Property Electronic Recording Act (URPERA). URPERA is now law in 23 states and was introduced in three other states and the U.S. Virgin Islands in 2010.

Can business and government work together? Yes, the creation of eMortgages and eRecording standards and other PRIA standards/best practices proves it! The mantra of the today is to blame, spew uninformed opinions and dwell on negative news. Let's move in a new direction - let's get engaged and be proactive!

In the next edition of the PREP Newsletter we will highlight eEnabled counties and share their stories.



Colorado PREP Chapter sponsors statewide Privacy Task Force

The Colorado Property Records Education Partners (PREP) through encouragement from the Colorado Secretary of State, Attorney General and Colorado County Clerks Association, agreed to form a task force to study the occurrences of consumers "Personally Identifiable Information" (PII) in the public record. [See the attached briefing entitled "Consumer Privacy and the Public Record" that the PREP Privacy Task Force from Colorado prepared for their legislators.](#)

Industry Partner News: "Manatron, Inc. Acquires International Land Systems, Creates New International Division"

PORTAGE, MI - January 10, 2010 - Manatron, Inc., a global leader in integrated property tax and records management software for state and local governments, today announced it has acquired International Land Systems (ILS) Inc. creating a new division: Manatron

January/February 2011
SE Pennsylvania
Arizona
Washington State
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Colorado PTF

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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Comments about the PREP Newsletter

Let us know if this newsletter is helping you stay informed about all things PREP. We hope so! We'll share with you below some comments from our readers:

From Cathy Lucero, Arizona PREP Co-Chair (Gov): *"I appreciate the communication with regard to PREP. In fact, I made it a point to look at the notes for the two PREP Chapters from Nebraska and Colorado when I received the last newsletter. It's great to be able to read these. Not only do I get ideas from them but I also get to read what everyone else is up to."*

Join us at the PRIA 2011 Winter Symposium

Remember to mark your calendars for March 2-4, 2011, and plan to join PRIA members in the nation's capital for a three-day conference gathering that will highlight topics that are both on your mind and in the news. The PREP Workgroup will have a workshop at the conference and you'll hear first hand what issues chapters are tackling nationwide! ([Click to view registration materials](#)).

Links to National News

[Massachusetts Ibanez Ruling Sets Stage for Mortgage Ownership Remedy](#) - "Banking analysts said the Massachusetts Supreme Court ruling last week will not significantly impact foreclosure practices but instead clears a path to establish securitization trustess as holder of a mortgage."

[Mortgage Applications in U.S. Rise for Second Straight Week on Refinancing](#) - "Mortgage applications in the U.S. increased for the second consecutive week as a drop in borrowing costs encouraged refinancing."

[Mortgage Industry Trending Toward Digital Transactions](#) - "After Brandon and Rebecca Chustz had their first baby in October, the couple decided it was time to buy their first house. The Dallas residents searched online at sites such as Trulia and Zillow to get an idea of which part of town they wanted to live in, then narrowed down their search by size and, more importantly, price."

ALTA Works to Simplify Mortgage Disclosure Forms for Consumers

The American Land Title Association (ALTA) wrote the U.S. Department of Treasury and the Consumer Financial Protection Bureau (CFPB) to consider several recommendations to improve mortgage disclosure forms and make them easier for consumers to understand.

ALTA outlined its suggestions in a letter to Treasury Secretary Timothy Geithner, and Elizabeth Warren, special advisor to the Secretary of the Treasury on the CFPB.

"We look forward to working with the CFPB to improving consumer disclosures in residential mortgage transactions," said Anne Anastasi, president of ALTA. "Based on our members' experiences in working with consumers when they purchase or refinance their home, ALTA provides a great knowledge bank that can help reduce frustration of consumers. While transparency of fees is important, the disclosure forms must be understandable to consumers and give basic information including their monthly payment and how much money they need to bring to their closing."

Under the Dodd-Frank Wall Street Reform, the newly created CFPB will attempt to simplify the Good Faith Estimate (GFE) and Truth in Lending (TILA) mortgage disclosure forms. ALTA members prepare and provide to consumers the HUD-1 Settlement Statement (HUD-1), which discloses to consumers their final loan and settlement costs, including origination, closing, recording, tax and other charges associated with the transaction. Quotes for these charges are presented to borrowers in the GFE and TILA.

Nearly two years ago, ALTA played a key role in ensuring a smooth transition to new GFE and HUD-1 forms that are required by the U.S. Department of Housing and Urban Development. ALTA champions improved consumer disclosure, and is among the strongest proponents of House Resolution 4229, the Borrowers Right to Inspect Closing Documents Act, which would give borrowers time to review their closing documents prior to closing.

"ALTA members serve as independent, third-party facilitators of real estate transactions," Anastasi said. "We do not represent the borrower, lender, seller or any other party in a transaction. Because of our role, and proven track record supporting improved consumer disclosure, we have a great understanding of consumers' concerns regarding costs associated with the real estate transaction."

PREP Chapter News

In this newsletter volume, we'll be highlighting the [Metro Minnesota](#) and [Colorado](#) chapters. ([Read complete article](#)). You can also read the minutes from any of the PREP Chapters on the [PRIA/PREP](#)

website.

Metro Minnesota PREP:

Co-chairs: Business, Darlene Missler, at dmissler@firstam.com and Government, Jennifer Wagenius, at jennifer.wagenius@co.washington.mn.us

The Metro Minnesota PREP Meeting held on December 9th began with covering legislative agenda updates from the Minnesota Bar. On their agenda were changes to several legal documents including: Residential Purchase agreements, Child Support Judgment Liens, Partial Release of Mortgages, and cleanup of mortgage foreclosure statutes and transfer fee covenants. The Minnesota Land Title Association spoke about Federal legislation which would prohibit Fannie Mae from owning mortgages that are assigned to MERS or for which MERS is the mortgagee of record. (HR#6460). They also spoke about mortgages covering costs of retrofitting commercial and residential properties with solar panels or other forms of green energy, and child support judgments and notices of receivership to be recorded. The Minnesota Association of Realtors discussed Broker Price Opinion (BPO) and competing with appraisers, and modifying the delivery of disclosure documents in relation to MCIOA. MCRA is not pursuing legislation this session. Regarding the ERERC, Mike Cunniff reported that (12) new document types have been added including mortgage modifications and amendments. Title companies dealing with commercial properties would like to see more documents that can be customized to their own needs. ERERC is encouraging more Recorders to begin electronic recording. The industry is ready to move forward with eRecording. The Dept. of Revenue's application for eCRV's will be moved over to a new server and will be available to all by summer 2011. Anoka County will begin testing and will likely be eRecording by next year. Hennepin County hopes to begin eRecording next year as well. New business included discussion about issues of notice, a court case involving the city of Fifty Lakes, and an easement dedication. The next meeting will be on February 10, 2011.

Colorado PREP

Co-chairs: Government, Sherrie Swisher, at sswisher@larimer.org and Business, David Floyd, at dfloyd@skld.com

The Colorado PREP in sponsoring the Privacy Task Force held a PREP sponsored meeting on December 7, 2010. The goals for the meeting were to establish a working definition of "personally identifying information" or PII, to define what is meant by "public record", and to review the Key Point Summary of issues. Some of the key points that the task force wants to include in a briefing paper will be: establish reasonable start dates for implementing any legislative requirements, utilize phased approaches if multiple processes are involved, provide a funding mechanism to offset costs associated with implementation, and to place the accountability for adhering to privacy policies on the submitter. The next meeting will be on January

