

STATE OF CONNECTICUT
Real Property Electronic Recording Committee
Legislative Office Building Rm. 1D
May 18, 2010

INDEX

Members Present: Kendall Wiggin, Chairperson Connecticut State Library;
Bernard Liu, Secretary of State; LeAnn Power, Public
Records Administrator, Connecticut State Library; Edward
Hill, Attorney; Timothy O'Neil, Attorney; Susan Cyr, Town
Clerk, Coventry; Joyce Mascena, Town Clerk, Glastonbury;
Therese Pac, Town Clerk, Bristol, Norman Roos, Mortgage
Banker; Colleen Capossela, Title Insurance Representative;
Bobbi Shorthouse, Notary Public; Stuart Clark, Title
Searcher.

Members absent: Michael Rosten, Realtor; Tony Gioia, Realtor

Others present: Ursula Hunt, Recorder Connecticut State Library; Kathy
Makover, Connecticut State Library; Lizette Pelletier,
Connecticut State Library

Welcome

**WELCOME AND
INTRODUCTIONS**

The meeting was called to order at 9:35 a.m. by State Librarian Kendall Wiggin.
Ken welcomed the group. He reported on the following two meetings:

1. The Public Records Advisory Committee met on March 24, 2010. A
conference call was held with Joanne Constantini, Director of Official
Records for the Hillsborough County Clerk of the Court in Tampa,
Florida as well as Patsy Phillip, Indexing Manager. They discussed their
experiences in implementing a Real Property Electronic Recording
system. Hillsborough County currently is working with four eRecording
vendors and they process 2,400 files per day. They also record
documents for the court system.
2. Ken Wiggin and LeAnn Power participated at the Town Clerks'
conference, Access Today and Tomorrow, held April 23rd in Waterbury.
Ken gave a presentation covering the value of implementing operational
and technical standards as they apply to the access of public records.
LeAnn participated in a roundtable discussion regarding the issues and
challenges of access as they related to public administrators. The IT
Department from the Town of Manchester demonstrated a model multi-
town web access system for public records and shared services.

Ken said that the library is looking at information from other States to assist us
in formulating our own plan for electronic recording.

There were no introductions.

INTRODUCTIONS

MINUTES

MINUTES

Bobbi Shorthouse requested that the minutes of November 12, 2009 be revised

as follows: Under the section "Review of PA-08-56," the sentence "There will be no extra cost to towns or to the State" be revised to say that "It is not determined if there will be any extra cost to towns and to the State."

Ken asked for a motion to accept the minutes with one correction. Joyce Mascena motioned and Therese Pac seconded the motion.

The agenda was adjusted to move the online webinar later in the meeting as the vendor was calling in at 10:15 a.m.

Connecticut's 'Recording' Statutes

A document titled, "Statutes Dealing with 'Recording'" was included in the distributed packets. Members of the Public Records Advisory Committee have also received this document for review.

**RECORDING
STATUTES**

Draft of Connecticut Uniform Real Property Electronic Recording Act

LeAnn prepared a first draft of an eRecording regulation based on what other states have passed or adopted. The document is not in the prescribed format or language. It is a starting point to be revised in the coming months. Ken explained that the required topics are based on what other states have done. LeAnn said that the other states based their regulations on the Property Records Industry Association (PRIA) standards. Bobbi Shorthouse suggested that the Committee look at the regulations adopted recently by South Carolina. These regulations are posted under the Resources section of www.cslib.org/publicrecords/electronicfiling/index.htm

**DRAFT RECORDING
REGULATIONS**

Ken encouraged the committee members to review the document and send any comments to LeAnn by email.

Town Clerk eRecording Concerns with Vendor Responses

LeAnn asked the Town Clerks on the committee to submit any questions and concerns they had regarding the eRecording process. She sent the questions to two eRecording vendors, Simplifile and Ingeo for their responses. Ken said the responses are interesting and asked the Committee to review them, keeping in mind that we are not designing our regulations around a certain vendor.

**TOWN CLERK
QUESTIONNAIRE**

Edward Hill said that the Real Property Section had developed some principles that he would like the committee to address. Ken asked him to email them to LeAnn. Edward was concerned because it is his understanding that Ingeo does not provide images and he believes it is necessary to have images of the actual document when eRecording. He is also concerned about the sequencing of documents filed electronically and those filed in person.

**eRECORDING
IMAGES**

Bobbi Shorthouse asked if the Department of Revenue Services (DRS) has been contacted regarding the payment of conveyance taxes. The State Library has not been in contact with DRS staff. Therese Pac stated that the Connecticut Town Clerk's Association has talked to DRS about developing a conveyance tax form that would be available from and filed with DRS. The form will be available online within the next year or two. If the conveyance tax is filed

CONVEYANCE TAXES

directly with DRS, Joyce Mascena said that the towns would no longer be involved in reviewing the form for completeness. DRS may need to increase its auditing of the form. The town would receive payment confirmation from DRS before accepting the filing. The timing of receipt of money and recording can be problematic. There must be assurance that documents are not filed if the tax is not paid because a document cannot be unrecorded. The committee needs to research how other eRecording states handle the conveyance tax.

Joyce does not want the conveyance tax issue to hold up the eRecording process. Ken said the staff may invite DRS to the next meeting.

Bernard Liu said that the statute allows for electronic notarization, but at this time, the Secretary of State's Office (SOTS) does not have any standards in place. Bobbi Shorthouse stated that in Connecticut, all that is required on a notarized document is the notary's name, signature, and commission expiration date. No seal or other verification is required by statute. Bernie Liu responded that the Secretary of State's Office is contemplating changing this because so many foreign countries require a seal on transactions.

Ken acknowledged that there may need to be additional legislation to fill in some gaps.

Which model Connecticut adopts will be important. Most states use Model 2 which scans the documents at the attorney's office [originator]. The signatures are not electronic. Some members suggested that Connecticut allow for future adoption of Model 3 but not implement it until other states have done so to see what the problems might be.

A question was raised concerning the use of credit cards in addition to ACH deposits that was on the Town Clerk question and vendor response handout. Ken suggested that the use of credit cards be allowed but not required. Joyce Mascena said that the Glastonbury Town Charter prohibits charging additional fees beyond what is set by statute, such as a processing charge. Some towns use third party vendors that forward the exact amount of the fee or tax to the town and charge the processing fee to the user. Therese Pac agreed that towns cannot accept credit cards for payment of conveyance fees.

Ken stated that subscription services are a separate but related issue that the committee may want to make recommendations about even though it is not within the committee's formal charge. This will be put on a future agenda. Statutory authority for subscriptions is also questionable. It would be impractical to have different subscription fees for each town.

Additional information is available on the eRecording Committee website at <http://www.cslib.org/publicrecords/electronicfiling/index.htm>, including reports from other states. If any member has a resource or other information to share with the committee, please contact LeAnn.

Ken repeated that we would like to remain vendor neutral throughout the planning process.

Webinar presented by Greg Brown, Ingeo

LeAnn introduced Greg Brown, Eastern Regional Manager for Ingeo, a

**ELECTRONIC
NOTARIZATION**

eRECORDING MODEL

**CONVEYANCE FEES
AND PAYMENTS**

**WEBSITE
INFORMATION**

INGEO WEBINAR

company based in Georgia, who presented a Webinar, "Save Time and Money E-Recording with Ingeo." Ingeo has 325 active clients and expects to add 100 more by the end of the year. It has a different customer base than Simplifile. They support large mortgage servicers such as Bank of America, City Mortgage, SunTrust, Wachovia, and will be adding Chase. Ninety percent of documents recorded by Ingeo are lien releases and assignments. In 1996, Ingeo began serving county governments. Ingeo partners with the land recording vendors who work with each locality. It was the first company to eRecord in the US in 2002. Greg claims it is the only company to excel in processing Model 3 eRecordings. Also available through Ingeo is iRecord, a web application for proprietary systems and small vendors who do not have eRecording interfaces. Ingeo will be able to handle eMortgages in the future. The webinar emphasized that electronic recording reduces costs, saves time, eliminates errors, improves security, and increases staff productivity.

Greg demonstrated how multiple people can sign a document and send it to a local government electronically.

Norman Roos asked whether Ingeo uses mortgage servicers for recording original mortgages. Greg said they mostly handle releases and liens, but interest is growing for recording mortgages. Norman also asked where the digital signatures originated and if there is a process for authorizing signatures and for notary authorization. Ingeo requires notaries to meet national and state standards. Greg said that officers of organizations provide the signatures. No third party within the bank or organization provides verification. Only three counties require digital certificates. Verisign provides certification of signatures.

Timothy O'Neil asked about the process of moving from a level 2 recording where signatures are scanned to a level 3 recording where digital signatures are used. He asked how the information is prepared to confirm that a mortgage has been paid, which has to happen before a mortgage can be released. Greg said that when a mortgage is paid off, information travels electronically through the servicing system and can be accessed and imported as necessary.

In response to a question about fraud, Greg replied that this system is more secure than a paper system because they have an established relationship with the parties involved. In addition there is always a metadata and money trail allowing the history of the transaction to be followed. In addition, customers are normally large companies and not individuals. Out of 4,000,000 recorded documents, there has been only one known to be fraudulent. He did not have specific details about the incident, but will send the information to LeAnn.

Tim asked about imposing bank officials' and witnesses' signatures on documents. Greg said they are not used without permission and consent from all the parties involved.

Bobbi Shorthouse asked whether notary publics are required to be a member of the NAA plus their own section, and pay the associated fees. Greg said they are only required to have state authorization. Different states have different certification rules, but valid state authorization is usually all that is required.

Ken thanked Greg. The slide presentation will be available to committee members upon request.

NEXT STEPS

Ken said that over the summer, staff will look at other states' recording practices, get feedback from the Committee, and begin to formalize standards. The next meeting will be in September. By that time, some concrete regulations should be formed. LeAnn suggested inviting some representatives from PRIA to speak at the next meeting. Ken said all suggestions for speakers are welcome. The committee's goal is to adopt general standards or cite existing ones such as PRIA to allow for flexibility.

Colleen asked about bringing aboard a technology member. Ken said he will have the Department of Information Technology look at what we develop in an advisory capacity, but he cannot add members, as membership is set by statute.

MEETING SCHEDULE

The next meeting will be in September. Information about this will be emailed to the Committee.

There was no other business.

Ken asked for a motion to adjourn. Norman Roos made a motion to adjourn and Therese Pac seconded it.

The meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Kendall F. Wiggin, Chair

Ursula Hunt, Recorder

NEXT STEPS

MEETING SCHEDULE

OTHER BUSINESS

ADJOURNMENT