# ILR BASIC TRAINING SESSION 3

E-Submission Standards and Best Practices + Case Studies

# What We'll Cover

**Section 1.**
Document Formatting Standards and Requirements

**Section 2.**
ESS Policies and Procedures (with Case Studies)

**Section 3.**
Providing Helpful Comments to Customers

**Section 4.**
Declined Documents Data and E-Submission Stats

**Section 5.**
Reports and Reconciliation

# What Are Standards?

- A standard is a document, established by consensus, that provides rules, guidelines, or characteristics for activities or their results.
- Behind the scenes, standards make everyday life work. They may establish size or shape or capacity of a product, process or system.

# The Promise of Standards

- Consistent & High-Quality Customer Experiences
- Fairness & Equality When Applying Policy
- Enables Efficiency & Reduces Waste
- Improves Performance
- Reduces Risk
- Platform for Innovation
- Helps Accomplish High Level ESS Goals

# How Are Standards Created?

- Standards are developed by technical or policy experts that work together to meet a common marketplace need. The term “voluntary consensus standard” describes a document developed through a process where all views and objections are considered and where affected parties (including government, consumers, and business) have reached consensus on its contents.
- For example, there was previously a joint committee of County Recorders and Surveyors who worked on standards for filing and indexing Surveys and Plats.

# Who Creates Standards?

- Many companies, organizations, trade associations, consumer groups, and government agencies are already developing standards.
- Many standards developing organizations (SDOs) are engaged in the creation and maintenance of standards used in virtually every industry sector.  Example: American National Standards Institute (ANSI).
- Two standards organizations that are important to our work are the Property Records Industry Association PRIA and the Mortgage Industry Standards Maintenance Organization (MISMO).

# Why Are Standards Important?

- Our role is to serve the public
- With respect to real estate, our function is to record information and maintain a permanent archive
- Our customers want to efficiently file records
- Our customers want to efficiently search and retrieve information
- When our practices vary from county to county – customers wonder “why?”
- Our goal should be to provide consistent, quality service across all Iowa counties.

# ESS Representative Governence

- Standards are developed by technical or policy experts that work together to meet a common need. In the case of ESS – County Recorders and participating stakeholders are the technical and policy experts.
- The process of developing standards can vary. In some cases, it may result from the work of an ad hoc committee such as the group working on standards relating to indexing Surveys and Plats.
- In other cases, it may be more formal – such as a review conducted by the ESS Standards Subcommittee.

# Document Formatting Standards

- Iowa Code 331.606B
  - Provides standards for over-the-counter documents
  - Same standards for electronic documents
  - Documents should be scanned in
    - Black and white
    - Portrait Orientation
    - 300DPI
    - Surveys are the exception to this standard
      - Landscape orientation is allowable
      - Black and white
      - 300DPI

ILR BASIC TRAINING

# Session 3 Progress

| Section 1 | Section 2 | Section 3 | Section 4 | Section 5 |
| --- | --- | --- | --- | --- |
| Document Formatting Standards and Requirements | ESS Policies and Procedures (with Case Studies) | Providing Helpful Comments to Customers | Declined Documents Data and E-Submission Stats | Reports and Reconciliation |

# Policies and Procedures

- The Iowa General Assembly – through the 28E organization you established and the governing boards you elect – have conferred upon the ESS Coordinating Committee (Iowa Recorders) the power to establish standards, policies and procedures.
- This will become clearer with the 28E Agreement Amendment.

# Policies and Procedures

***ESS – 1.2 Authority and Purpose.***

“1.2(1) The county land record information system is governed by Electronic Services System, a public entity established under the authority of Chapter 28E of the Iowa Code. As provided in the Electronic Services System 28E agreement, the Iowa County Recorders Association Executive Board is the governing board of the county land record information system. The ESS Coordinating Committee shall carry out the duties specified in the Electronic Services System 28E agreement and any duties delegated to the Committee by the ICRA Executive Board.”

# Policies and Procedures

- Standards are best developed through a process where all views and objections are considered and where affected parties have reached consensus on its contents.  And when policy decisions are made by legitimately established governing bodies, we all have a duty to conform to those policies.
- That is what Iowa Law requires:

  "Each county shall participate in the county land record information system and shall comply with the policies and procedures established by the governing board of the county land record information system." Iowa Code 331.604, 3a.

# Working Together

- All county recorders are duly elected and should have some discretion about how their offices operate
- We also have a responsibility to provide consistent, quality services to our customers and stakeholders throughout the state
- ESS, your ICRA Executive Board and the ESS Coordinating Committee provides us with the framework to consider standards, policies and procedures for the benefit of all
  - Participate in the process
  - Serve on an ESS Subcommittee
  - Provide constructive input
  - Work together to implement standards when they are adopted

# Electronic Transactions

- *ESS Terms of Use – “Organizations and users agree that they are responsible for assuring that documents submitted through the Iowa Land Records Electronic System Service are valid and comply with all requirements for recording.*

- Electronic transactions and signatures are legal
  - Uniform Electronic Transactions Act
  - Remote Notarial Acts are legal
- When a preparer or submitter submits a document for recording and accepts responsibility for its validity – generally we should not say no.

# Achieving a Key Benefit of Standards:

## *Making the Customer Happy*

### *Section 5.4(1) ESS Policies & Procedures*

Documents which conform to the requirements specified in Section 331.606B of the Iowa Code or section 3.3 of the ESS Policies and procedures shall be accepted by the Electronic Services System and Iowa County Recorders. **Electronic Documents with minor variances or imperfections which do not prevent processing, indexing or archiving shall be accepted.**

# Balancing Standards with Customer Happiness

- What are your practices with respect to the enforcement of document standards?
- In what cases does your office allow variances?
- When a variance is allowed is the core purpose/function of a standard still being fulfilled?
    - Can the document be easily read?
    - Will it be good for the “permanent” archive?
    - Is there enough room for the recording stamp?

# Would You Record This Document?

- Document was submitted with proper margin
- Previously recorded image was not submitted

Do not write/type above this line. For filing purposes only.

FORM 5014 (01-201

RETURN TO PREPARER: Farm Credit Services of America, PO Box 75 Emmetsburg, IA 50536

Harms, Kay (712) 852-2645

Farm Credit Services of America

**REAL ESTATE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS and FIXTURE FILING**

***For the State of Iowa***

***Open-End To Secure Present and Future Obligations and Advances***

**Date:**
February 4, 2021

The Legal Description begins on page 2.

**CORRECTIVE MORTGAGE**

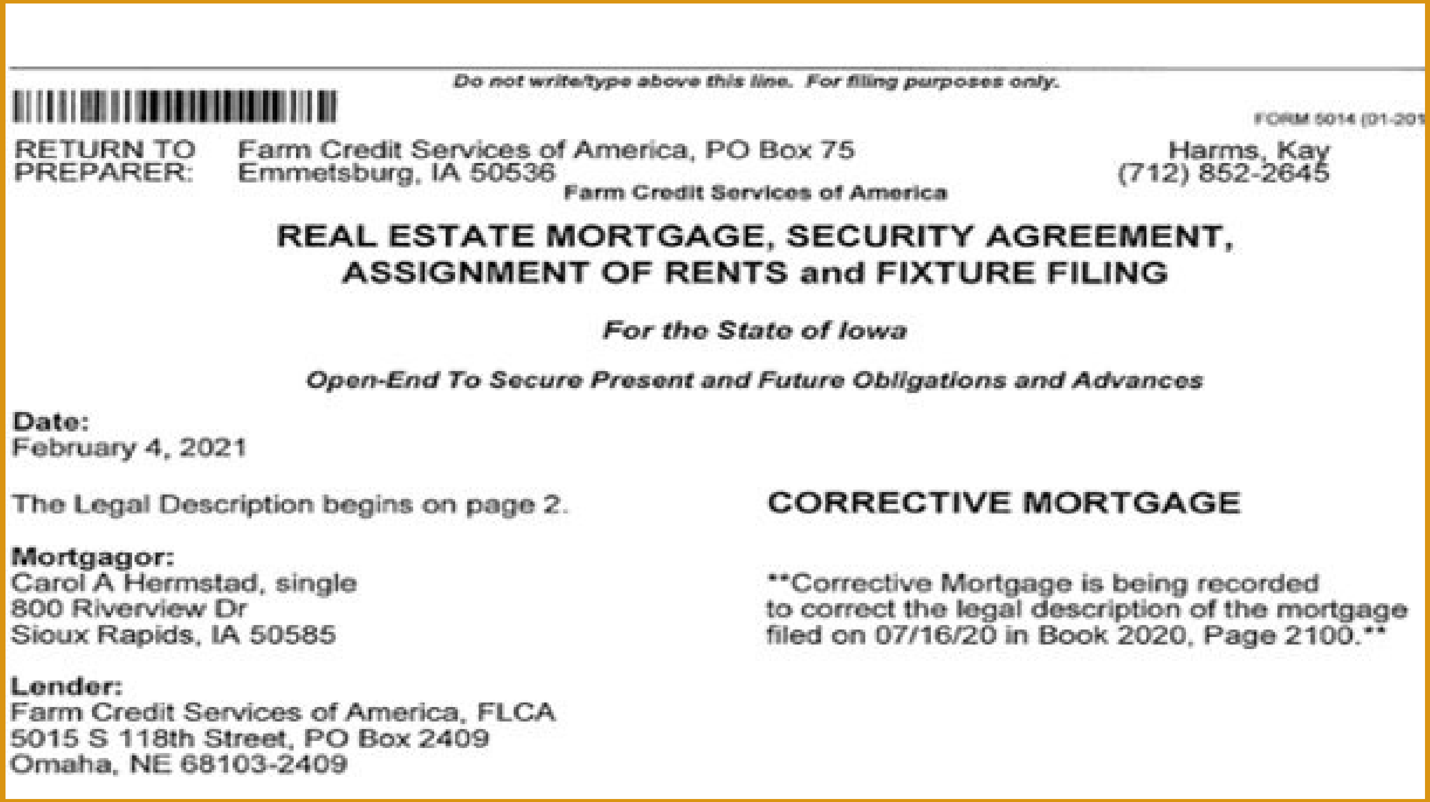
**Mortgagor:**
Carol A Hermstad, single
800 Riverview Dr
Sioux Rapids, IA 50585

**Corrective Mortgage is being recorded to correct the legal description of the mortgage filed on 07/16/20 in Book 2020, Page 2100.**

**Lender:**
Farm Credit Services of America, FLCA
5015 S 118th Street, PO Box 2409
Omaha, NE 68103-2409

# Would You Record This Document?

- The document was declined with this message
  - Other: You need to record the original mortgage with the correction on it
  - All necessary information to record seems to be present



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# Would You Record This Document?

Prepared by Diego Hilleary
Idaho Housing and Finance Association
565 W Myrtle Street, Suite 100
Boise ID 83702
Phone: 1-208-331-4719

## Assignment of Mortgage

*NON MOM Assignment out of MERS*

MIN 1000113002290777952 MERS Phone: 1-888-679-6377
IHFA Loan # 1900904153

FOR VALUE RECEIVED **Mortgage Electronic Registration Systems, Inc. (MERS)**, with an address of P.O. Box 2026, Flint, MI 48501-2026, as Mortgagee, as nominee for **Idaho Housing and Finance Association**, its successors and assigns, (Assignor), whose address is **565 W Myrtle Street, Suite 100, Boise, ID**, hereby assigns and transfers to **Idaho Housing and Finance Association**, its successors and assigns, whose address is **565 W Myrtle Street, Suite 100, Boise, ID 83702**, all of its rights, title and interest in the below.

Described Mortgage:

Lots One (1) and Two (2), Block One (1), Grand View Addition, Kanawha, Hancock County, Iowa

Mortgagor (Borrower): Mary M Weldner, a single person
Original Mortgagee (Lender): Wells Fargo Bank, N.A.
Date of Mortgage: June 5th, 2017
Note Amount: $80,000.00
County: Hancock
Date Recorded: 06/12/2017
Recording Information: Instrument # 17-1034

IN WITNESS WHEREOF, the said Mortgage Electronic Registration Systems, Inc., by the officer duly authorized, has executed the foregoing instrument on the 2nd day of February, 2021.

Mortgage Electronic Registration Systems, Inc.

Jason Sherman, Assistant Secretary

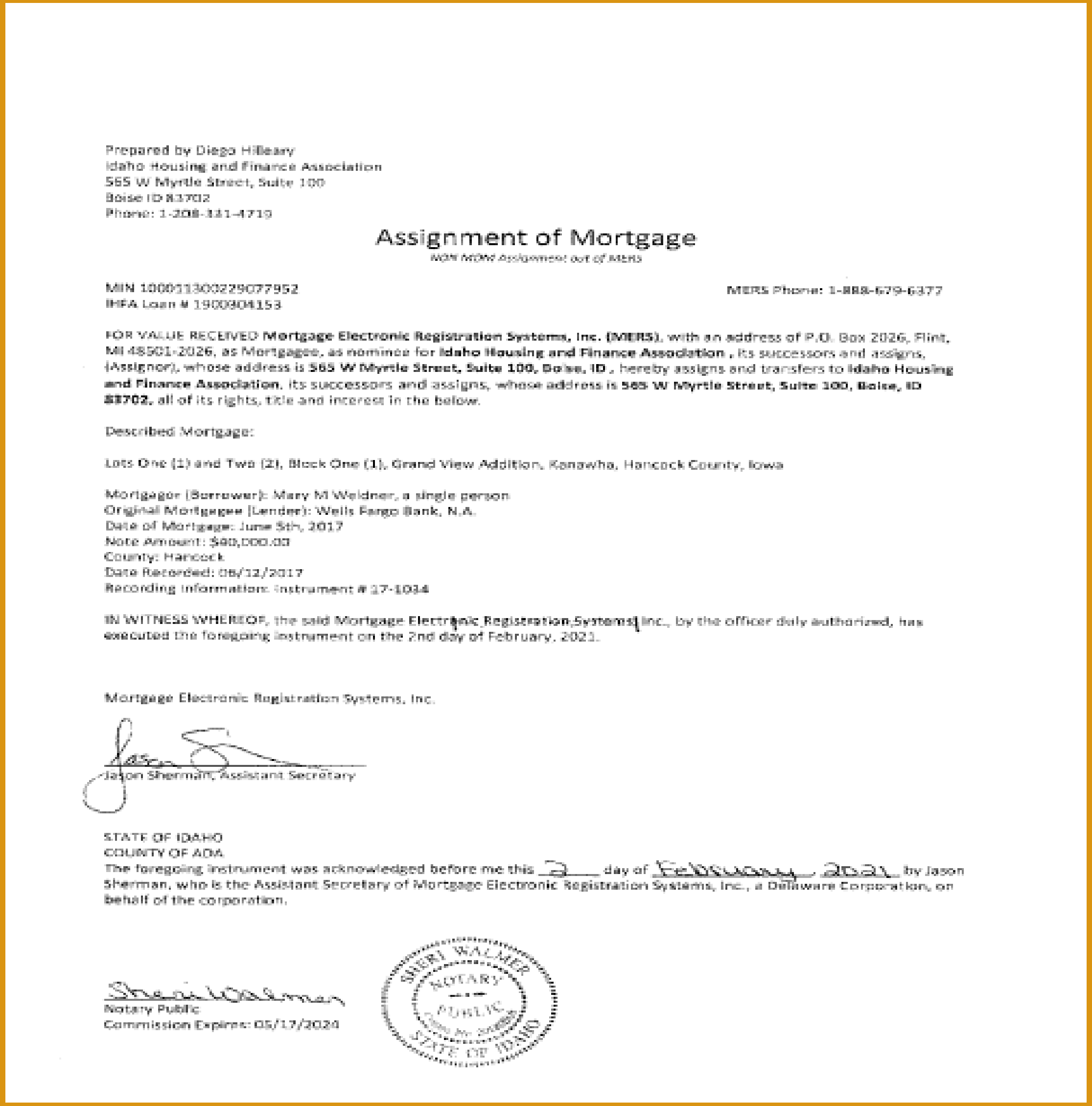
STATE OF IDAHO
COUNTY OF ADA
The foregoing instrument was acknowledged before me this 2 day of February, 2021 by Jason Sherman, who is the Assistant Secretary of Mortgage Electronic Registration Systems, Inc., a Delaware Corporation, on behalf of the corporation.

Sheri Walmer
Notary Public
Commission Expires: 05/17/2024

SHERI WALMER
NOTARY
PUBLIC
STATE OF IDAHO

# Would You Record This Document?

Document was declined because the font was too small



Prepared by Diego Hilleary
Idaho Housing and Finance Association
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Notary Public
Commission Expires: 05/17/2024

SHERI WALMER NOTARY PUBLIC STATE OF IDAHO

# Overcharges

- It doesn't happen often but when it does
  - Funds distributed to counties in error cannot be "pulled back"
  - Counties are responsible for refunds

# Additional Transactions

- Additional Transaction – Any supplemental transaction represented in an instrument for which an additional fee may be charged under Section 331.604 of the Iowa Code
- The base *recording* fee is associated with the first legal action or transactions. Additional legal actions or transaction in the same document, shall be treated as an "additional transaction" and be subject to the $7 recording fee.

…BUT!

# Additional Transactions

3.14(3) In an enumerated list of actions in a document appendix, only the actions which reference any originally recorded document being affected (evidence of a legal action) shall be subject to the additional transaction fee. A simple reference to a prior action which is not associated with an originally recorded document shall not be subject to the additional transaction recording fee.

# Additional Transactions

***Example***

- Multiple liens released on one document
- This is three additional transactions

**SATISFACTION OF LIEN**

The United States of America, acting through the United States Department of Agriculture as owner and holder of the following-described lien instruments, made and executed by *(1)* KEITH ARTHUR WALLJASPER, A SINGLE PERSON and recorded or filed in *(2)* LEE COUNTY State of *(3)* IOWA, satisfies and discharges the following lien instruments:

| 4A. LIEN INSTRUMENT | 4B. MORTGAGEE | 4C. DATE OF INSTRUMENT | 4D. DATE FILED | 4E. RECORD, FILE, BOOK OR PAGE NO. |
|---|---|---|---|---|
| Real Estate Mortgage | USDA/FSA | 04/18/2012 | 04/19/2012 | Book 12N- Page 900 |
| Real Estate Mortgage | USDA/FSA | 06/24/2005 | 06/24/2005 | Book 05N-Page 1774 |
| Real Estate Mortgage | USDA/FSA | 05/01/1984 | 05/04/1984 | Book 1984 Page 22 C12 |
| Real Estate Mortgage | USDA/FSA | 03/02/1978 | 03/02/1978 | Book 48 Page 862 |

# Additional Transactions

- Multiple assignments on one document. Reference to the initial action must be present

3.14(3)In an enumerated list of actions in a document appendix, only the actions which reference any originally recorded document being affected (evidence of a legal action) shall be subject to the additional transaction fee. A simple reference to a prior action which is not associated with an originally recorded document shall not be subject to the additional transaction recording fee

# Additional Transactions

- This document does not contain any Additional Transactions
- There are references to two transactions that are not legal actions

MOHN SURVEYING INC. ROGER R. MOHN 1890 GREAT RIVER ROAD LANSING, IOWA 52151 (563) 538–4067

TIES. DWG J. Snitker

SLSI 9–90

UNITED STATES PUBLIC LAND SURVEY CORNER CERTIFICATE
OF

Land Survey Monuments situated in Section 1, Township 98 North, Range 6 West, of the Fifth Principal Meridian, Allamakee County, Iowa.
Previously recorded in Book 2, Page 38 & Book 5, Page 279 in County Recorder's Office.
(book, page, document number, etc.)

(Show reason for preparing this certificate, the evidence and detailed procedures used in establishing the corner positions and monumentation found or placed.)
Monument Description and Remarks: Found concrete monument at the corner position. Previous accessories are gone. Added new accessories.

# Additional Transactions

3.14(4) An Additional Transaction includes but is not limited to the following:

a. With respect to a Satisfaction of Mortgage, actions to release multiple mortgages
b. With respect to an Assignment of Easement, enumerated actions which explicitly reference a previously recorded Easement
c. With respect to an Assignment of Mortgage, enumerated actions which explicitly reference separate, previously recorded, mortgages
d. With respect to modifications, extensions or changes to mortgages, deeds or other documents where there is no reference to a re-recorded document

# Additional Transactions

3.14(5) The following references in a document shall not be treated as an Additional Transaction:

a. With respect to an Affidavit of Surviving Spouse, any reference to prior transfer of title

***Example***

A + B+ C owned property. C was removed from the property with a QC Deed previously. B is deceased. Only one transaction is required-for the transfer from A + B to A

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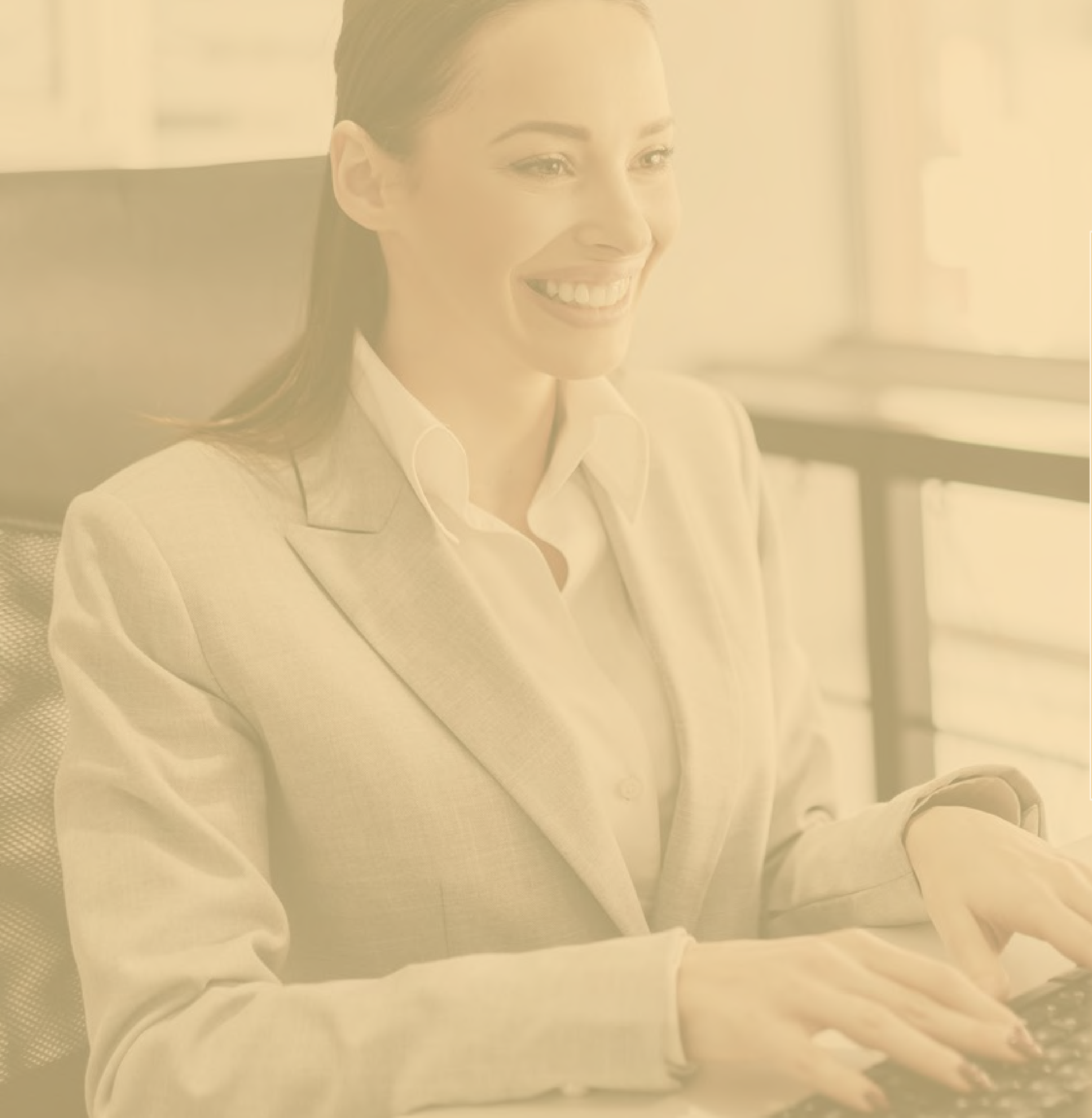
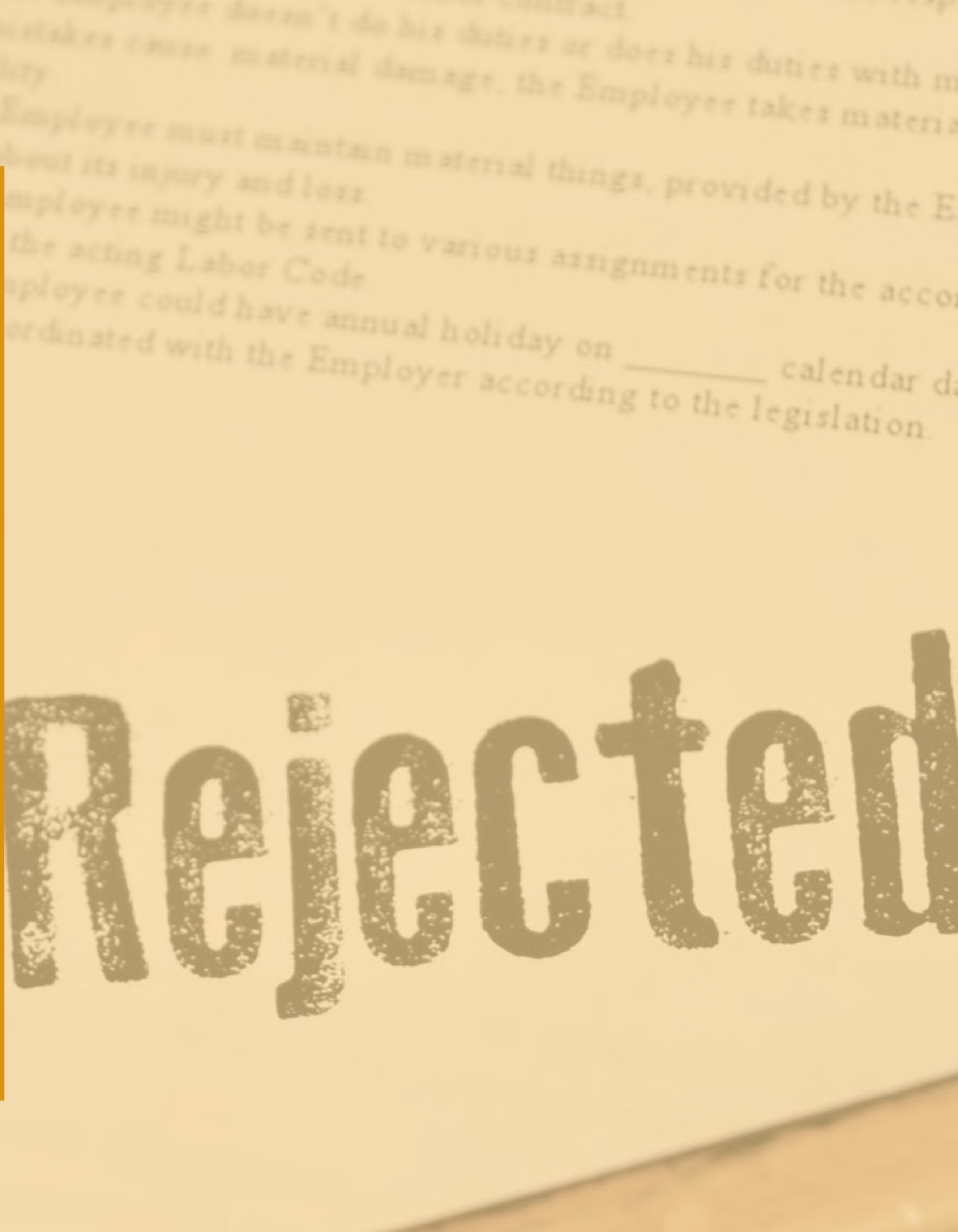


# Good Comments

- Keep in mind “Three C’s”
  - Clear
  - Concise
  - Complete

# Declining Documents

- Make sure your comments are clear, concise and complete
- Include the referenced document number if possible. Should be 2000-2788
- Include the location of the incorrect information: (ex. Name misspelled on page 3)
- It's okay to say “CALL ME!” But don't let that be the only thing - Use this as an opportunity to educate the submitter



# Declining Documents

- Approve all the documents in the Group that you can
- Decline only what needs to be declined
- Because the documents were submitted together nothing will be recorded
- Change the fees when required
  - Change the Number of Parcels
  - Change the Additional Transactions
  - Fee changes will go back to submitters for review and resubmission
  - Fee changes are not returned to external submitters

# Not so great comments

- Other: SORRY - NO TESTING?
- Sorry. NO.
  - This seems incomplete.
- Declining DOV because Deed is declined
- Please add cover sheet and additional $5
- Auditor Fee required

# Great Comments

- Other: The Grantee listed on Cover Sheet does not match the Grantee listed in the Document. Please fix and resubmit.
- Include the referenced document number if possible. Should be 2000-2788
- Other: PLEASE RESCAN BLACK AND WHITE ONLY. Use Image Quality instead of Other.
- Associated reference. The associated referenced for the document you want to release is missing.

# Great Comments

- Avoid using Other as the decline reason if possible
- Use the CTRL key to select multiple decline reasons
- More information is better
  - This allows ILR to provide training to submitter based on decline report
  - Up to 550 characters in decline comments

# CASE STUDY

- Nothing was right with this group
- Multiple counties in our group
- Auditor fees missing
- Notary signature & stamp missing
- Signatures missing
- Recorder declined
- Recorder called me (to vent)
- Submitter contacted & educated of ins & outs of submission
- Helped submitter with resubmission
- SUCCESS! Docs recorded

| | | | | | |
|---|---|---|---|---|---|
| Ricklefs | 00001186500 2806774 | Affidavit - Non-Transfer | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |
| Ricklefs | 00001186500 2806777 | Affidavit - Non-Transfer | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |
| Ricklefs | 00001186500 2806760 | Warranty Deed | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |
| Ricklefs | 00001186500 2806739 | Warranty Deed | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |
| Ricklefs | 00001186500 2806780 | Affidavit - Non-Transfer | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |
| Ricklefs | 00001186500 2806770 | Warranty Deed | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |
| Ricklefs | 00001186500 2806744 | Warranty Deed | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |
| Ricklefs | 00001186500 2806779 | Affidavit - Non-Transfer | Fenchel, Doster, Buck & Ennen P.L.C. | Pocahontas | Re De |

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# Declined Documents 2020

- In 2020, Iowa Recorders declined 24,988 documents
- Of those 24,155, or 96.5% ended the process as recorded documents
- Indicator that the communication and error correction process is working

# Declined Documents 2020

- Total Recorded Documents in 2020: 713,454 excluding groundwater hazard statements
- Total eRecorded Documents in 2020: 372,166 excluding groundwater hazard statements
- Total Declined Documents in 2020, excluding groundwater hazard statements: 21759
- Percentage of eRecorded Documents declined to Total eRecorded documents = .058%

# Declined Documents 2020

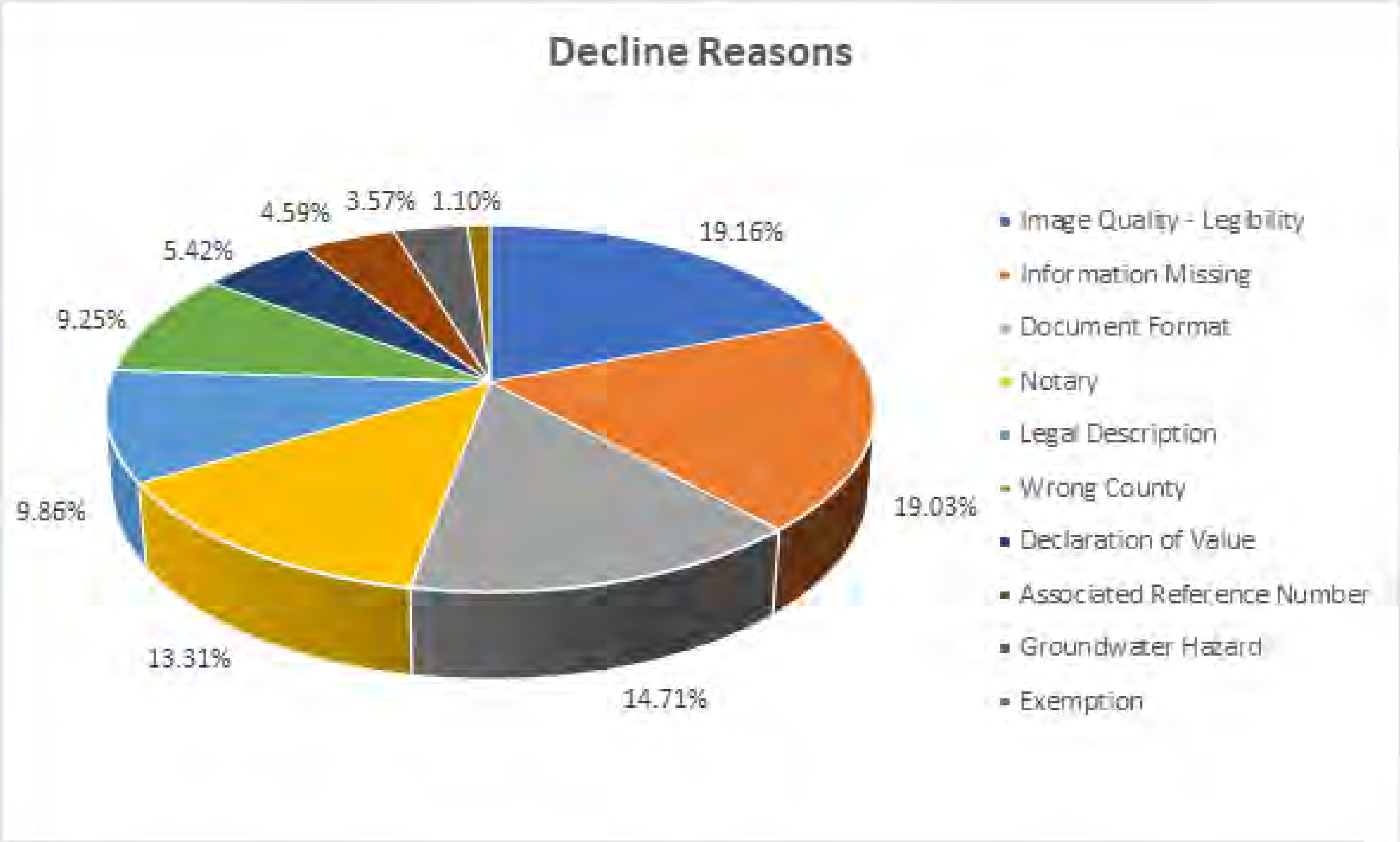
- Of the Declined documents, 24,155 were declined for a single reason, while 833 were declined for multiple reasons
- The most common reason for declining a document was “Other”
  - 8311 documents or 34.4%
- In the future, a best practice will be to reduce the usage of “Other” as a reason
- More analysis will be done on this category soon

# Declined Documents 2020

- Excluding the “Other” Category, Image Quality-Legibility and Information Missing were the most commonly cited decline reasons – at 19% each

| Decline Reason | Percent |
|---|---|
| Image Quality - Legibility | 19.16% |
| Information Missing | 19.03% |
| Document Format | 14.71% |
| Notary | 13.31% |
| Legal Description | 9.86% |
| Wrong County | 9.25% |
| Declaration of Value | 5.42% |
| Associated Reference Number | 4.59% |
| Groundwater Hazard | 3.57% |
| Exemption | 1.10% |

# Declined Documents Data and E-Submission Stats

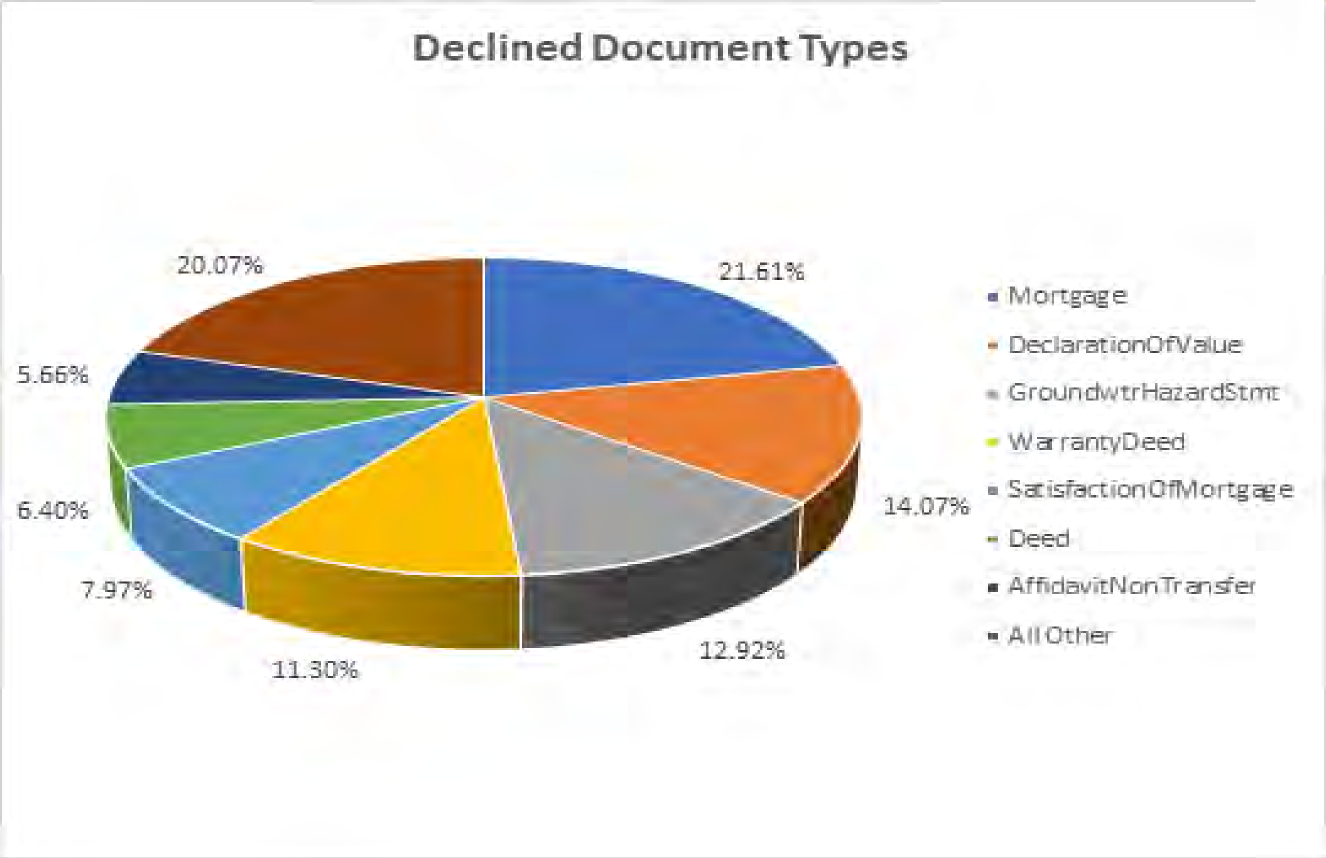


# Declined Documents

- The most declined document type was Mortgage at 21.6%
- DOV was the second most declined document type

| Document Type | Percent |
|---|---|
| Mortgage | 2.61% |
| Declaration Of Value | 14.07% |
| Groundwater Hazard | 12.92% |
| Warranty Deed | 11.30% |
| Satisfaction Of Mortgage | 7.97% |
| Deed | 6.40% |
| Affidavit Non Transfer | 5.66% |
| All Other | 20.07% |

# Declined Documents Data and E-Submission Stats



# Congratulations!

- First – Congratulations – The Processes are Working!
- Avoid Using “Other” except as necessary
- Select All Decline Reasons Which Apply.
- Think About Communicating Information – Provide some detail in comments (not just “call me”) (although that’s ok too!)

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# Reports and Reconciliation

- New & improved reconciliation report is in development
- Will generate immediately & be exported to Excel
- Will allow much quicker & easier reconciliation

# Restamping Documents

- Restamping is in staging and being tested

# What's Ahead?

- Possible Changes in the Decline Type List
- Conforming to new PRIA standards
- Possibly More Decline Types and Choices


Thank You