

ELECTRONIC RECORDING OF DOCUMENTS

Electronic recording of documents via the internet began in the La Crosse County Register of Deeds on March 25, 2009.

Benefits of electronic recording:

1. Document submitters can prepare and transmit documents to the register of deeds quickly.
2. Fewer errors are made on the part of the document submitters and the register of deeds staff because of software system requirements.
3. Document submitters get immediate feedback when their documents have obvious errors.
4. Document submitters receive recorded documents immediately after they are recorded and do not need to wait weeks or months, or possibly even lost by the US Post Office.
5. The register of deeds can review documents for statutory requirements and immediately send back any documents that do not conform to law. Notes can be added explaining the problem and the documents are sent back to the customer electronically.
6. The register of deeds can process the documents with the push of a button. The e-Recording system records, receipts, partially indexes, "scans" and "mails" back the document image in one operation. Whereas it would normally take 24 hours to get the document recorded, indexed and scanned, that process takes only seconds with electronic recording.
7. The historic intent of the notarization process is restored, adding a new level of reliability to documents.
8. Staff time, printing materials gas, mileage, and postage are saved for you the customer and the register of deeds.

If you would like to take advantage of recording documents electronically, please contact one of our eRecording vendors:

Customer Service for Simplifile: 800-460-5657 or support@simplifile.com

Customer Service for Corporation Service Co: 866-652-0111 or erecording@cscglobal.com

Customer Service for ERecording Partners Network: 888-325-3365 or support@erecordingpartners.net

Customer Service for Nationwide Title: 727-771-4000 or nwtc.info@nwtc.com

The website of the Wisconsin Register of Deeds Association also provides information about the advantage of electronic recording and lists the Wisconsin counties that accept documents electronically:

<http://www.wrdaonline.org/RealEstateRecords/ElectronicRecording.htm>

New CFPB rules go into effect August 1st. These rules will make eRecording an even more important tool for small title companies to have available in order to remain competitive. No more burying their heads in the sand.

The new CFPB rules, which go into effect on August 1st, combined with the ALTA Best Practices Guidelines, which allow title companies to demonstrate compliance with the requirements of the

CFPB rules require title companies to do the following (along with numerous other requirements that don't impact recordable documents):

1. Timely recording of documents: The guideline is for documents to be recorded within 2 days after closing
2. Tracking of rejections: The guidelines require submitters to track rejections, including:
 - a. When the document was originally submitted
 - b. When it was received back from the county
 - c. What corrective action was taken (and by whom)
 - d. When it was re-submitted for recording
 - e. When it was received back, duly recorded
3. There will be tighter requirements on escrow account reconciliation
 - a. Waiting for paper checks to clear the bank delays this process
4. Any variances between the original Loan Estimate and the final Closing Disclosure must be cured within 30 days of closing
 - a. This would include refunds for incorrect recording fees or conveyance taxes
 - b. The longer it takes to get documents recorded, the less time title companies have to detect variances and issues refunds
 - c. The fine for non-compliance is up to \$5000 per occurrence
5. There are tighter timelines for issuing final policies
 - a. Final policies cannot be issued until the recordable documents have been recorded.

Electronic recording is an important tool that can assist with all these issues. If title companies cannot consistently demonstrate compliance with the new requirements, they simply will not receive loans to close from lenders. This is because, under the new rules, the lender is held responsible, even if it is the title company that messed up. The title company that messed up and the lender will both be fined by the CFPB for non-compliance.

When the average profit that lenders make on new loans is about \$1100 per loan. With fines that can be up to \$5000 per occurrence, the fines way exceed the lender and the title company's profit margin.