

Staff Report

TO: Criminal Justice Committee
Board of Commissioners

FROM: Karen R. Jackson

DATE: Wednesday, November 06, 2019

RE: For the Work Session Agenda November 19th, 2019

BACKGROUND

The Register of Deeds Office has been electronically recording documents via ERX, a third party vendor, since 2011. Title companies, attorneys, lenders, and other trusted entities contracted with an electronic recording vendor like EPN, CSC, or Simplifile to submit documents to the appropriate county. Those documents were then routed through ERX and finally submitted to Isabella County. Kofile, our new software vendor, allows EPN, CSC, and Simplifile to submit directly to Isabella County avoiding third party issues. In order to move forward with this process, I need approval for the EPN (Erecording Partners Network) Memorandum of Understanding.

ALTERNATIVES

1. The board approves the Memorandum of Understanding authorizing the board to sign the same. Isabella County continues to offer electronic recording.
2. The board decides not to approve the Memorandum of Understanding. Isabella County will no longer be able to provide this service.

FINANCIAL IMPACT

Isabella County Register of Deeds records over ten percent of our yearly documents electronically each year.

OTHER CONSIDERATIONS

Electronic documents are much less disruptive to the Register of Deeds and Treasurers Offices.

RECOMMENDATIONS

1. Move to approve the EPN Memorandum of Understanding and have the chairman of the board to sign the same.

ATTACHMENTS

EPN Memorandum of Understanding with 3 signature pages



ELECTRONIC RECORDING MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, dated _____, is between eRecording Partners Network (ePN) and Isabella ("County") located in Mt. Pleasant, Michigan.

ePN offers a national electronic recording service to function as a trusted third party for Title Insurance Companies, Attorneys, Mortgage Bankers, Full Service Banks and other trusted entities to submit electronic documents to government entities for recording.

County desires to offer recording of real property documents by electronic transmission in substitution for conventional paper based documents and to assure that transactions are not legally invalid or unenforceable as a result of the use of available electronic technologies for the mutual benefit of the parties of the transactions.

For purposes of this Memorandum of Understanding, *Electronic Recording* is defined based on the level of automation and structure of the transaction. The three levels of automation are as follows:

- Level 1 Submitting organizations transmit scanned image copies of ink signed documents to the county. The County completes the recording process in the same way as paper using the imaged copy as the source document. An electronic recording endorsement is returned to the organization in the form of a label or printing process in order for the submitting organization to append that information to the original paper document.
- Level 2 Submitting organizations transmit scanned images of ink signed documents along with electronic indexing information to the county. The County performs an electronic examination of the imaged documents and indexing data, and then completes the recording process using the imaged copy and electronic indexing information. The electronic version of the recorded document is returned electronically to the submitting organization along with the electronic recording data.
- Level 3 Submitting organizations transmit "Smart" documents which are a single object containing the electronic version of the document in such a way that enables the electronic extraction of data from the object. Smart documents are required to be signed and notarized electronically. The Smart document is endorsed electronically by the county and returned in Smart document format to the submitting organization.

Program Eligibility

Title Insurance Companies, Attorneys, Mortgage Bankers, Full Service Banks and other trusted entities may directly or through a trusted third party provider submit real property records for electronic recording. Electronic Recording mandates a close working relationship as well as mutual trust between the County and the submitting entity. All parties of the Electronic Recording transaction desire to operate and maintain a secure recording system that safeguards parties to recordation from deceit, fraud and forgery. This Memorandum of Understanding outlines the procedures and rules for the trusted relationship between ePN and the County to facilitate a safe and secure Electronic Recording relationship.

Participation in the Electronic Recording program is voluntary and the decision to do so is a business judgment.

There will be no added fees or costs of any kind charged by the County for Electronic Recording.

County Requirements

The Electronic Recording Program of the County is defined by the requirements attached to this Memorandum of Understanding.

- ***Attachment A*** contains the County address and contact information.
- ***Attachment B*** contains the document and indexing specifications for the Electronic Recording program. For each document, the County specific document code is provided along with the required indexing information. Any County specific editing rules will also be described in this attachment. ePN acknowledges that County will reject and return any transactions that do not meet the document and indexing specifications. Will be supplied at least 30 days before the March 1st, 2020 go live date.
- ***Attachment C*** contains the processing schedules and hours of operation for the Electronic Recording Program. Neither party shall be liable for any failure to perform processing of the transactions and documents where such failure results from any act of God or other cause beyond the party's reasonable control (including, without limitation, any mechanical, electronic or communications failure which prevents the parties from transmitting or receiving the electronic recording transactions. If the County system causes delays or power failures that interfere with the normal course of business, the County will notify ePN with a choice of using a courier service or waiting until the problem has been remedied.
- ***Attachment D*** provides the payment instructions for the Electronic Recording program. This form provides the account information for ePN to deposit payments via ACH into the County bank account.

ePN Responsibilities

ePN acknowledges that Electronic Recording permits them to prepare, sign and/or transmit in electronic formats documents and business records and the document or records shall be considered as the "original" record of the transaction in substitution for, and with the same intended effect as, paper documents and, in the case that such documents bear a digital or electronic signature, paper documents bearing handwritten signatures.

By use of electronic or digital certificates to sign documents, ePN intends to be bound to those documents for all purposes as fully as if paper versions of the documents had been manually signed.

By use of electronic or digital certificates to sign documents, ePN intends to be bound by those electronic signatures affixed to any documents and such electronic signature shall have the same legal effect as if that signature was manually affixed to a paper version of the document.

General Terms

The County will not incur any liability for the information electronically transmitted by ePN. Should a dispute or legal action arise concerning an electronic transaction, the County will be held harmless and not liable for any damages.

The County will not incur any liability for any breach of security, fraud or deceit as a result of Electronic Recording. Neither ePN nor the County shall be liable to the other for any special, incidental, exemplary or consequential damages arising from or as a result of any delay, omission or error in the Electronic Recording transmission or receipt.

ePN and the County will attempt in good faith to resolve any controversy or claim arising out of or relating to Electronic Recording through either negotiation or mediation prior to initiating litigation.

Either party may terminate this Memorandum of Understanding for any reason by providing 30 days written notice of termination.

ePN Contact Information:

Pamela Trombo
eRecording Manager
888-325-3365 ext. 11240
pam@GOePN.com

ePN Support
888-325-3365 ext. 1
support@GOePN.com

ePN Accounting
888-325-3365
accounting@GOePN.com

Agreed and Accepted:

eRecording Partners Network . Isabella County Board of Commissioners

Signature

Name: _____

Title: _____

Date: _____

Signature

Name: George A. Green

Title: Chairman of the Board

Date: _____

Karen R. Jackson
Isabella County Register of Deeds

Dated _____

Attachment A

County Contact Information

Daily eRecording Contact:

Name Karen R. Jackson
Title Isabella County Register of Deeds
Address 200 N. Main St. Mt. Pleasant, MI 48858
City, State, Zip Code _____
Email Address kjackson@isabellacounty.org
Phone Number (989)317-4090

Accounting Contact:

Name Betty Wright
Title Chief Dept. Register of Deeds
Email Address bwright@isabellacounty.org
Phone Number (989)317-4089

will be supplied at least 30 days prior to the March 1st, 2020 go live date.

Attachment B

Document and Indexing Specifications

Accepted eRecord Document Types and Document Codes:

(Attach document list or note that software vendor will provide document list.)

XML Indexing Specifications:

Required: (i.e. Grantor/Grantee, Consideration, etc.)

Attachment C

Processing Schedules and Hours of Operation

Office Hours of Operation: 8:00 AM to 4:30 PM (989)317-4089
Time Zone Eastern

eRecording/Processing Hours: 8:00 AM to 4:00 PM

Closed for Holidays as Follows: (Optional)

See isabellacounty.org for current schedule

<county name> County, <county state>

03/18/2011

<Submitter Name1				
County Tracking #	Date	DocName	Document Type	Recording Fees
545	3/18/2014 11:42	1107666	Deed of Trust	38.00
Subtotal for <Submitter Name 1>:				<u>\$38.00</u>

<Submitter Name2				
County Tracking #	Date	DocName	Document Type	Recording Fees
546	3/18/2014 11:52	1107667	Satisfaction	10.00
547	3/18/2014 11:59	1107668	Power of Attorney	15.00
Subtotal for <Submitter Name 2>:				<u>\$25.00</u>

Grand Total:	<u>\$63.00</u>
--------------	----------------