

MBA NewsLink



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Top National News

Ex-Banker Calls for Privatization of Fannie, Freddie
Wall Street Journal (08/03/04) P. A2; Hagerty, James R.

Former Federal Home Loan Bank of Chicago CEO Alex Pollock currently is penning a proposal that calls for privatization of Fannie Mae, Freddie Mac, and the 12 Federal Home Loan Banks. Pollock believes that eliminating the government-sponsored enterprises' Treasury credit lines, tax exemptions,

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Stat Link

Real gross domestic product grew at an annual rate of 3.0% in the second quarter, the Commerce Department said.

Percent, seasonally adjusted at annual rates



Source: U.S. Department of Commerce.

Quote Link

"Clearly, with the combination of UETA and now URPERA, county recorders should be absolutely certain that they can accept electronic records that have electronic signatures as real estate documents that they can process."

--Carmelo Bramante, co-chair of the PRIA Technology Committee and official observer to the NCCUSL drafting committee for URPERA, the Uniform Real Property Electronic Recording Act.

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ONE Web-based Loan Management System from Open to Close™

Spotlight: Residential

States Take Step Toward Standards on e-Recordings

MBA (8/3/2004) Murray, Michael

County clerks and recorders without access to **electronic recordation** tools could move a step closer in that direction, depending on a vote this week.

The drafting committee of the **National Conference of Commissioners on Uniform State Laws** (NCCUSL) recently voted to forward the **Uniform Real Property Electronic Recording Act** (URPERA) to the full conference for approval this Thursday.

"The objective of the Uniform Real Property Electronic Recording Act is cheaper and faster real estate sales," said **John McCabe**, legislative director at NCCUSL.

NCCUSL, an organization that drafts non-partisan legislation to certain areas of state statutory law, requires its members to be lawyers or have qualifications to practice law. NCCUSL said the intent of URPERA is not to mandate counties or municipalities to use electronic recordation but authorize counties to accept and store e-Recordings. An electronic recording is one of the final steps in an e-mortgage

The resolution, which would be presented to states as a draft bill, would establish a state electronic recording commission to adopt standards for the receipt, recording and retrieval of electronic documents, authorize land records officials to begin setting up systems for searching and receiving electronic land records, and establish a state electronic recording commission charged with adopting standards for the receipt, recording and retrieval of electronic documents.

"With the electronic recording commission that is being established under this act, they are directed to consider the standards being set by national standard setting bodies such as PRIA, the **Property Records Industry Association**," said **David Biklen**, a uniformed law commissioner from Hartford, Conn., and chairman of the drafting committee of NCCUSL. Biklen added that electronic recordation with document adherence to national standards would not only make the search, retrieval and recordation easier for states and municipalities, but cost beneficial as well.

"In the act, it specifically names PRIA as a body that the state electronic recording commission should look to for national standards," said **Carmelo Bramante**, co-chair of the PRIA Technology Committee and official observer to the NCCUSL drafting

committee.

Some individual recorders set up digital systems within the past few years to convert traditional paper-based land recording systems to electronic form. However, many states continue requirements for documents on paper and in-writing. Uniform state statutes for county clerks and recorders could expedite electronic recordation of real property records and accelerate e-recordings in a mortgage transaction, as well as clarify guidelines in the transaction.

Bramante said URPERA would clear up any uncertainties in states that were unclear as to whether they were able to perform electronic recordings. He said some states found guidance through the **Uniform Electronic Transactions Act** (UETA), but other states did not receive enough guidance from UETA.

"Clearly, with the combination of UETA and now URPERA, county recorders should be absolutely certain that they can accept electronic records that have electronic signatures as real estate documents that they can process," Bramante said.

PRIA is part of an alliance with the **Mortgage Bankers Association's Mortgage Industry Standards Maintenance Organization** (MISMO), a governing body that develops mortgage industry data standards. The commission could look to other states, other counties within the state, as well as PRIA, to ensure that state standards are based on national standards and other state standards to create uniformity.

"Through our alliance with MISMO, our electronic recording DTD [data type definition] is based on the closing DTD of MISMO," Bramante said. "The e-recording DTD is an extension of the closing DTD for county recorders to process and send back the data to the user."

Bramante said PRIA kept the drafting committee informed about mortgage e-recordings based on its alliance with MISMO, and kept the lines of communication open with MISMO during the process.

"We explained the role of MBA MISMO, the role of PRIA, what makes the two organizations different but what makes the two organizations work together when developing and setting standards," Bramante said. "We explained to them, particularly in the first couple of drafting sessions, what was going on in that space."

The committee started a first draft in 2002; two years and seven drafts later, the committee finished its revisions in June. While the first draft included 31 different sections, NCCUSL tightened the seventh and final draft to 10 sections. NCCUSL worked with various advisory groups, including PRIA and the **Electronic Financial Services Council** (EFSC).

"Uniformity and standards are important to the mortgage lending and title industries because they submit documents from a multi-state, multi-jurisdictional perspective," Bramante said. "I think that both from the private sector members and county recorder members, everyone is satisfied with what has happened here."

PRIA was on the URPERA drafting committee from an advisory standpoint. Its members include county recorders, mortgage lenders, title companies and underwriters.

"We were able to provide information from both sides of the transaction," Bramante said.

Mark Monacelli, county recorder for St. Louis County and president of PRIA, said the first draft called for a number of changes in many areas, including more focus on the electronic aspect, such as in the definition of "electronic signature."

"We needed NCCUSL's help in developing an act and they needed our help or expertise in educating and working with them on exactly what e-recording is and what is going on in the mortgage industry," Monacelli said. "We worked with them to revamp the first draft to the seventh draft, which is much different today than it was then."

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ABOUT MBA NewsLink



Publisher: Cheryl Crispen, Senior Vice President - Communications and Marketing

Editor: Mike Sorohan 202/557-2855 MSorohan@mortgagebankers.org

Deputy Editor: Michael Murray 202/557-2851 MMurray@mortgagebankers.org

Staff Writer: Jamie McAfee 202/557-2904 JMcAfee@mortgagebankers.org

Advertising Opportunities: Bill Farmakis 203/834-8832 bill@jlfarmakis.com

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