

**Ottawa County
Register of Deeds**



**2010 Annual
Report**

Gary Scholten, Register of Deeds

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"Where good deeds are recorded every day."



Our Mission Is

To put into public record all Ottawa County land related documents to safeguard ownership and monetary obligations.

*---Gary Scholten
Register of Deeds*

Ottawa County Register of Deeds 2008-2010 Statistics

Documents Recorded	2008	2009	2010
Deed Related Documents	885	1,001	1,400
Master Deeds	17	6	8
Quit Claim Deeds	2,764	2,804	2,775
Sheriff Deeds	957	933	953
Warranty Deeds	4,805	4,189	4,497
TOTAL DEEDS	9,428	8,933	9,633
Assignment of Mortgages	1,701	1,680	1,818
Discharge of Mortgages	11,641	14,002	12,566
Mortgages	11,291	12,813	11,847
Mortgage Related Documents	2,061	2,830	3,068
TOTAL MORTGAGES	26,694	31,325	29,299
Liens	977	878	445
Federal Tax Liens	393	423	461
Lien Related Documents	1,036	1,313	1,564
MESC Tax Liens	375	292	574
State Tax Liens	809	875	756
TOTAL LIENS	3,590	3,781	3,800
Certificate of Trusts	851	949	1,124
Death Certificates	729	674	773
Miscellaneous Documents	4,338	4,802	4,193
Notice of Commencement	358	169	227
Power of Attorney	427	420	374
TOTAL MISCELLANEOUS	6,703	7,014	6,691
TOTAL DOCUMENTS	46,415	51,053	49,423

We Exist Because.....

“Land is a major source of wealth in any society and, because of its permanence and usefulness, represents the most valuable asset of that society. Its permanence makes it valuable and attractive to lenders as collateral for loans, and governments derive substantial revenues from real estate taxes and other land related transactions.

In order to inspire confidence, the legal framework must provide effective, unequivocal enabling legislation establishing ownership rights in land and other real estate. It must also provide protection against infringement on these rights, a permanent public record, and convenient methods of transferring these rights without undue involvement of the state or federal government.” - Joint Statement by NACRC and IACREOT 12/9/2010

Our entire system of real estate ownership and real estate transactions depends on public records found in the Register of Deeds office. These records are used to confirm:

- the property exists
- its legal location
- its defined boundaries
- ownership
- chain of title
- constructive notice of any liens placed

Attorneys, real estate agents, broker’s appraisers, multiple listing services, among others all use public land records to carry out their professional duties within the industry. Buyers, lenders, title insurers, and others use the Register of Deeds records to verify the ownership, track chain of title, and obtain constructive notice of situations which they would not otherwise be able to discover. Mortgages, many legal judgments, liens and other claims against real property cannot be collected unless they are recorded in the public records.

The value of public records extends beyond the democratic and social benefits outlined above. Public records have come to constitute part of the critical infrastructure of our information economy, which in turn, contributes to the public good.

In order to grant credit rapidly and appropriately, the collection of information about consumers through public records is necessary for businesses to make fair and objective risk decisions. Moreover, sustaining a public record system helps reduce the cost of credit. This data is compiled routinely and efficiently instead of having to be assembled for each credit decision.

We are just one cog in the wheel of capitalism. My records are the first step in assuring clear title to property. Access to these records is paramount for someone closing on their home or starting up their business. Demand for this access has led us to electronically provide indexes and images of our data 24 hours a day, 7 days a week. We no longer work with just the title agency down the street. Now we also work with the title agency across the country or even on the other side of the world.

This said, the Ottawa County Board of Commissioners held a public hearing on November 9, 2010 on the issue of combining the county clerk’s office with the register of

deeds office. On November 23, 2010 the county board voted 10 to 1 to combine the offices. Unless a subsequent vote by the board to negate this action is held, the primary election of 2012 will determine who the respective candidates will be for the combined office of clerk/register. The election will be held November 2012 with the new office holder taking office January 1, 2013. I am against this combination.

In Ottawa County ...

We recorded over 108 types of land related documents, in 4 major categories; Deeds, Mortgages, Liens and Miscellaneous (See Page 3).

Sheriff Deeds, or mortgage foreclosures, remain high over the past four years. Foreclosure practices, by the Mortgage Electronic Recording System, Inc., have been called into question. Legislation has been introduced to combat suspect practices. I will follow the ongoing investigation and report back, when appropriate, the findings. This could impact up to 50,000 documents in my office.

My staff sends out informational packets to homeowners that are in danger of, or who are already facing, foreclosure. This packet communicates information and phone numbers of the three offices funded to counsel homeowners on foreclosure prevention.

Mortgage Foreclosures by Government Unit

Township	2004	2005	2006	2007	2008	2009	2010
Allendale	6	11	21	24	36	21	32
Blendon	4	2	9	12	12	5	12
Chester	1	2	4	6	7	5	8
Crockery	3	9	12	22	19	15	15
Georgetown	28	26	69	124	119	100	107
Grand Haven	12	13	27	42	47	45	74
Holland	47	61	92	136	170	208	175
Jamestown	4	14	5	19	40	15	15
Olive	6	7	7	14	13	12	13
Park	14	20	31	47	55	85	73
Polkton	1	3	2	3	3	8	8
Port Sheldon	4	6	9	14	22	11	14
Robinson	6	7	19	25	26	30	22
Spring Lake	15	19	33	32	39	60	60
Tallmadge	2	9	11	19	17	13	8
Wright	6	7	8	9	11	10	8
Zeeland	7	4	7	55	21	12	15

Cities	2004	2005	2006	2007	2008	2009	2010
Coopersville	2	3	13	20	21	14	16
Ferrysburg	9	4	10	18	15	12	18
Grand Haven	18	19	21	41	56	46	59
Holland	57	81	102	128	163	159	154
Hudsonville	4	5	7	22	17	20	28
Zeeland	6	8	21	18	28	27	19

We Serve

My office is one facet of county government that touches numerous other offices and is critical to the operation of county government.

Real estate is the most valuable monetary asset in the county at

Over \$20 billion.

- The courts depend on the Register of Deeds Office to record documents and give notice to the public where property is concerned, including judgments of divorce, bond notices, orders, liens and numerous others.
- The Sheriff's Department, Treasurer's Office, and Clerk's Office are required to record foreclosure sales and notices in our office.
- Local government units, Equalization Department, and the Treasurer's Office all receive their first notice of sales from my office, which enables them to prepare valuations for the tax rolls each year.
- MDOT researches property for acquisition purposes.
- GIS accesses our records to update their records online.
- The Community Action Agency accesses the Register of Deeds Office records to monitor the liens and mortgages of housing clients.
- We have established a web link on our website from Community Action House & Neighborhood Services to help constituents facing mortgage foreclosure.
- The Friend of the Court office uses the Register of Deeds records to determine eligibility for services and to place liens against parties.
- The State and Federal government record notice of tax liens here.
- Land is sold and mortgaged based on the Register of Deeds Office real estate records. All real estate related businesses rely on our expertise in recording, warehousing, and indexing real estate documents.
- The Register of Deeds serves as the Chairman of the Plat Board. The Register of Deeds is responsible for organizing meetings and reviewing/recording plats conducive to county growth.
- All land that is sold or mortgaged is recorded in the Register of Deeds Office, and hundreds, if not thousands, of businesses rely on our timeliness, accuracy and expertise.



In My Office

- ❖ The Register of Deeds Office records, maintains, and makes public land records for all real estate located in Ottawa County. When the recording process is delayed because of lack of staff or resources, the system breaks down, increasing the cost of clear title gap insurance, delaying the processing of mortgage money transfers, enforcement of legitimate liens and impedes the accuracy of taxing the land to the rightful owners.

- ❖ In lieu of paper original documents (which are sent back to the preparer), the Register of Deeds maintains scanned electronic images and microfilm of original real estate related documents required to be recorded in secure, non-alterable form. Records are available for purchase at \$1.00 per page, set by statute.

- ❖ This office receives the majority of real estate transactions from over 200 title companies, banks, credit unions and other units of local, state and federal government. Staff accepts over 100 different types of documents. It should be noted that; (1) different statutes apply to different documents. Our staff is expected to know these specific statutes. (2) no standard forms exist for any of the documents accepted by this office. A land record can be drawn up in any format as long as the statutorily required information is provided anywhere in the document. Staff review and interpret each document to ascertain its purpose in order to apply the appropriate recording requirements. Staff report any suspicious or questionable documents to supervisors for review.

- ❖ The recording of land records is characterized by a number of checks and balances to insure the accuracy of submitted and archived records. There are 12 major steps in the recording process: 1) date and time stamping each document 2) checking documents for recordability; 3) ; tax certification of deeds with warranties; 4) mailing back unrecorded, incomplete documents (with written reasons why it can't be recorded); 5) receipting documents; 6) scanning the documents; imprinting each document with the Register of Deeds recording marks; 7) indexing; 8) when time is available, visually verify the indexed documents; 9) chronologically view all images for readability; 10) archiving the document in microfilm; 11) certifying the day (i.e. checking to assure the number of documents we took in that day are equal to the number of documents we scanned and indexed; 12) returning the document to the sender.

- ❖ Per state statute we are now recording liens, on persons, without a related property. Examples would be Judgment Liens from credit card companies, MESL & Treasury Liens from the State and Tax Liens from the IRS.

In the Year 2010 I.....

... Continued to judiciously spend the money collected from the Automation Fund.

Michigan's legislature, in 2003, formally recognized that Register of Deeds offices needed financial assistance to efficiently record documents and make them accessible to the public with the advent of the Automation Fund. The Automation Fund deposits fees into a technology fund for the Register of Deeds exclusive needs. The legislation reads, in part, *"The county register of deeds of each county shall expend the fees... for upgrading technology in the register of deeds office, with priority given to upgrading search capabilities."*

I upgraded technology, through ACS (2003-2009) and Fidlar Technologies (2009-Present). Since utilizing the Automation Fund my office has:

- Stopped utilizing the AS400.
- Provided images on line to local government units for taxing purposes.
- Offered images, on line, to the public for a subscription fee, raising money for the office.
- Sold all images in bulk to First American Title for 68 cents an image, raising money for the office.
- Offered numerous payment options which allows us to stop billing for copies. This saved some staff time in my office and significant staff time in Fiscal Services.
- Electronically recorded 9,500 documents in 2010. That's almost 20% of all documents recorded for the year. My office is one of 585 counties nationwide that electronically record documents.
- Electronically recorded documents from the Treasurer's office.
- Integrated with other county offices which stopped redundant tasks.
- Back indexed documents, preserving an electronic record, back to 1944 (deeds & deed related documents only) and linked the computerized images to these indexes from 1944 forward.
- Continue to market Internet access to our index of records back to 1944 on a subscription basis through our software vendor.
- Preserved the image of all (1835 and forward) deed index books, deed books and miscellaneous books (index & document). These images are now accessible on line for lookup.
- With GIS, offered a map database of property sold or foreclosed on. This has widespread use in the real estate community.

All of this is made possible without accessing Ottawa County General Fund dollars.

... Our software offers multiple ways to collect money. We accept cash, check, credit card, ACH or escrow. In 2010 we integrated the Fidlar escrow program with the county's New World system. The ability to handle escrow accounts electronically has increased staff accuracy and efficiency.

... We are closer to enabling the county's software packages to access our software and share information with a common denominator. As a new service (value added) staff lookup, verify and index a Permanent Parcel Number (PPN) on any document that transfers or encumbers a piece of property. To efficiently do this, they need access to the BS&A property system and the GIS system. To improve this process, I am working

with a team to automate the process of finding the PPN. Our software system may be able to automatically access the County BS&A or GIS system, compare legal descriptions and pull the PPN into our system.

... Continue to electronically tie financials from our current software to the county New World System.

... Contracted to have all microfilm with vinegar syndrome replicated. The microfilm with vinegar syndrome was destroyed.

... All microfilm was consolidated to one location so I was able to negotiate a better price for annual storage.

... In 2009, I offered Property Fraud Alert to Ottawa County homeowners at no cost. At the end of this year 1,099 homeowners signed up. I have partnered with title companies to “get the word out” on this worthwhile service.

... Offered informational services to over 500 homeowners in crisis.

Production Activity

- ❖ Recorded 49,423 documents.
- ❖ Recorded 108 different document types.
- ❖ Recorded an average of 177 documents per day.



- Imaged a total of 224,763 pages
 - 1998 - 2000 = 3 page average per document
 - 2001 - 2002 = 4 page average per document
 - 2003 - 2005 = 5 page average per document
 - 2006 - 2007 = 4.5 page average per document
 - 2008 – 2009 = 4.35 page average per document
 - 2009 – 2010 = 4.5 page average per document

Of the 49,423 Documents recorded

- ❖ 11,847 Mortgages and 12,566 Discharge of Mortgages account for approximately 50% of our documents.

- ❖ 953 Sheriff Deeds (mortgage foreclosures) were recorded. This is about a 2% decrease from 2009. Eighty-six of these sales were redeemed by the owner. In 2009, 72 of the deeds were redeemed. The Sheriff's Sale is held each Thursday on the ground floor of the Grand Haven Courthouse by a Deputy. The deeds are then recorded in our office.
- ❖ Two Plats or Subdivisions were recorded.
- ❖ 8 Master Deeds (condominium projects) were recorded, an increase of 25% from 2009.

Our Revenue Generated in 2010

- ❖ \$776,935 in recording fees
- ❖ \$164,119 in bulk (Register's discretion to sell) & miscellaneous sales
- ❖ \$125,656 in internet sales the Register of Deeds authorized
- ❖ \$705,746 County Real Estate Transfer Tax

Total revenue generated for county use : \$1,772,456

A 12% increase in revenue over 2009, due to Register's understanding of the market

In addition my office collected:

- ❖ \$4,229,901 for State Real Estate Transfer Tax (school aid fund)
- ❖ \$178,894 for Michigan Survey Monument Replacement Program

Automation Fund Revenue Generated in 2010

- ❖ \$246,112 from the \$5.00 per document recording fee
- ❖ \$230 Interest from Investments

Our Regular Office Expenses in 2010

- ❖ \$670,899 which includes:
 - \$599,787 in personnel & benefits
 - \$71,112 in operational costs & administrative services

Revenue over expenditures in the General Fund: \$1,101,557 – a 20% increase over 2009

Automation Fund Expenditures in 2010

- ❖ \$252,063 software/hardware purchases, IT indirect costs, back indexing & imaging costs and other contracts dealing with upgrading technology and creating readable, searchable images from paper records

Goals for 2011

- ❖ To review & triage the mail, recording each recordable document without carry over from one day to the next with fewer staff.
- ❖ Provide an accurate index of recordable documents in searchable fields that allows for cross indexing.
- ❖ Make all recordable documents available to the public.
- ❖ Maintain microfilm as archival back up of all recorded images.
- ❖ To continue the electronic redaction of social security numbers from documents in the data bank available on the internet. In the last 18 months we have redacted 58% of the documents. Note: Surrounding state statutes require a visual verification of all documents before they are placed on the internet.
- ❖ We will review a sampling of the documents in our data bank to determine if the electronic redaction was adequate or if it will require us to do a visual verification.
- ❖ While the technology age has provided vast advantages on how we do business, it unwittingly fosters an environment for identity thieves, so we train employees to be alert and observe customers and documents for fraud. Common sense by government employees is still the best guide to follow when dealing with these issues. We encourage our staff to report any suspicious or unusual behavior to their supervisor.
- ❖ To practice stringent quality control when approving received documents for recording.
- ❖ To increase the number of documents electronically recorded with us:

It is at the sole discretion of the Register of Deeds to offer e-recording services. Ottawa County was 3rd in the state to offer e-recording. Currently, 5 other Michigan county's e-record. Michigan is a "race state" meaning the first document recorded for a specific property has precedence over other documents filed later. Documents that have been returned due to errors can take days or even weeks longer to record, depending on the person/company responsible for the document. Using this innovative technology and process improvement results in a reduction of errors and rejections, and speeding up the whole process of recording real property documents.

We continue to work to implement the Uniform Property Electronic Recording Act (UPERA) in Michigan. Michigan already recognizes the Uniform Electronic Transactions Act (UETA) which my office electronically records under. UPERA legislation allows a state commission to set and create uniform standards for all electronic submitters, resulting in less risk to insure an electronic document.

E-recording has taken the unstructured, manual, paper-intensive process of recording documents that typically took days to complete and has transformed it into a structured process; where documents are delivered through secured electronic interface and the recording process can be completed in a matter of minutes.

All parties benefit from E-recording. The submitters receive faster document recording, status updates, electronic return of documents and error checking.

The Register of Deeds has cash flow improvements, productivity gains, error free recordings and satisfied constituency. The lending institutions are able to turnaround and sell mortgage papers in secondary markets without delays, reducing interest rate risks. And most importantly, the citizens of Ottawa County benefit as their documents are recorded in the most expeditious manner.

- ❖ To improve the connection between our AVID software and BS&A, facilitating a property record lookup through the property system.
- ❖ Through software integration, improve our search abilities on the internet and in our research library in Grand Haven.
- ❖ Accurately back index 6 searchable fields of recorded documents from 1938 to 1994.
- ❖ To connect these indexes with imaged deed documents. The public and our clients will then be able to look up these documents after checking either a computerized index or our index books, for liber and page in the vault.
- ❖ To continue to work with the Treasurer's Office, Equalization and GIS to decrease redundancies throughout all 4 departments. This will further enhance each department's work flow.
- ❖ To have ease of search ability by continuing to review our electronic images to insure readability beginning with 1932 going back to 1835. Staff checks each image for brightness, crispness and readability.
- ❖ To review our image price for images sold in bulk to the land title company. The image price, set by statute, is \$1.00 per page. The current bulk cost is .68 per page determined through a cost study by Maximus Corp using an analysis set forth by the Records Media Act.
- ❖ To increase the number of vendors that pay using escrow..... We have implemented a "no-bill" system in our office where clients pay by cash, escrow or credit card only for retrieval of records, avoiding the labor involved in maintaining a billing system, non payment and bad checks. We worked with the Treasurer's Office, IT and WebTecs to offer credit card payment options.