

**Ottawa County
Register of Deeds**



**2009 Annual
Report**

Gary Scholten, Register of Deeds

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Char Mason

Staff:

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Amber Reagan

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Out stationed Staff

Grand Haven Public Service Center Vault:

Bonnie Fisher

Holland District Court:

Jodi Cook

Rita Dyke

"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
2007-2009 Statistics**

Documents Recorded	2007	2008	2009
Deed Related Documents	562	885	1,001
Master Deeds	28	17	6
Quit Claim Deeds	2,798	2,764	2,804
Sheriff Deeds	850	957	933
Warranty Deeds	5,935	4,805	4,189
TOTAL DEEDS	10,173	9,428	8,933
Assignment of Mortgages	2,717	1,701	1,680
Discharge of Mortgages	13,001	11,641	14,002
Mortgages	14,248	11,291	12,813
Mortgage Related Documents	2,067	2,061	2,830
TOTAL MORTGAGES	32,033	26,694	31,325
Liens	883	977	878
Federal Tax Liens	314	393	423
Lien Related Documents	949	1,036	1,313
MESC Tax Liens	166	375	292
State Tax Liens	380	809	875
TOTAL LIENS	2,692	3,590	3,781
Certificate of Trusts	877	851	949
Death Certificates	695	729	674
Miscellaneous Documents	4,231	4,338	4,802
Notice of Commencement	553	358	169
Power of Attorney	519	427	420
TOTAL MISCELLANEOUS	6,875	6,703	7,014
TOTAL DOCUMENTS	51,773	46,415	51,053

My Office ...

The Big Picture ...

Our entire system of real estate ownership and nearly all real estate transactions depend on public records. These records are used to confirm the property exists, its location, and its defined boundaries. Attorneys, real estate agents, broker's appraisers, multiple listing services, among others all use public land records and information to carry out their professional duties within the industry. Buyers, lenders, title insurers, and others use the Register of Deeds records to verify the title owner, 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. The public records are vaulted in the Public Service Center in Grand Haven. I dedicate one staff member to maintain the vault and assist the public.

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.

In Ottawa County ...

My office, last year, recorded over 114 types of land related documents, in 4 major categories; Deeds, Mortgages, Liens and Miscellaneous (See Page 3).

Due to the varying types of documents, it takes one week to familiarize staff to our software system and six months to familiarize them to all the documents and the jargon. Each document category, listed above, has their own set of state statutes the documents must conform to (to be recorded) and within those categories a subset of documents have even more statutes.

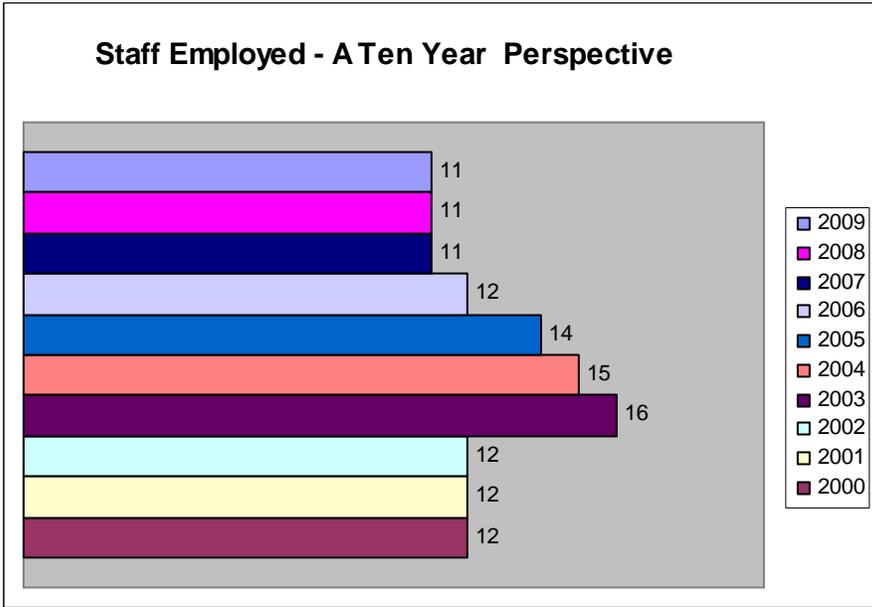
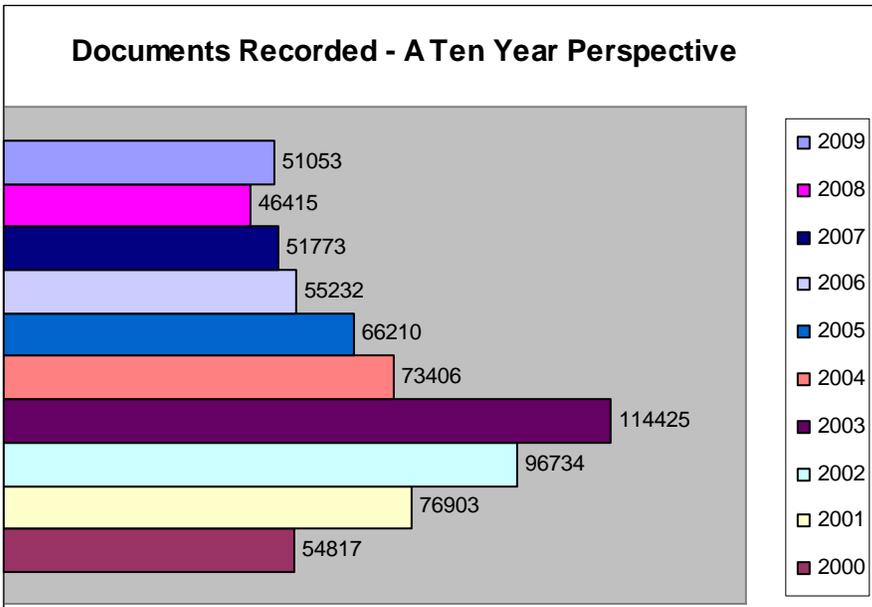
During the past year I have kept staff costs down. Our staffing levels for 2009 included 2 of my staff working in the Holland District Court as part of an inter-department agreement and I assigned a staff member to work in the Public Service Center located in Grand Haven.

Currently, I have 8 staff (including my chief deputy & me) working at the Fillmore Street Complex handling the day to day recording of documents. Due to the decrease in staff we have gone from a 24 hour turn around to a 3-4 day turnaround regarding documents.

In addition to the decreased turnaround, we have found that we are unable to continue auditing our indexing functions in a consistent manner. Our information, once indexed,

is available on the internet to subscribers (who pay for this service). In the past, our indexing and auditing were completed within a day of each other. At the end of 2009 we were only audited through 12/10/09.

To save time we evaluated our work processes and stopped physically embossing our documents as a time saving measure.



***Please note: The staff number from 2000 through 2008 are actual recording staff. In 2009 our staff level shows 11 employees. Two of those employees are out-sourced to District Court in Holland and one employee is stationed at our Public Service Center in Grand Haven. The total number of actual recording staff for 2009 is 8.**

Being expenditure/budget minded and recognizing our upcoming fiscal challenges, I looked at what else I could do to keep costs down and focus staff labor on only necessary duties. In addition to discontinuing the sealing of documents I was able to initiate the following:

*I was able to add service, through our new software vendor Fidlar, to the public with no additional staff or monetary cost to the County. In the fall I teamed with Fidlar and made

available to our homeowners a program titled “Fraud Alert”. Property Fraud is when someone illegally uses your property for financial gain. The Property Fraud System allows homeowners to enter their names(s) into a database. If any documents are recorded, in my office, that match the name(s) entered, the homeowner is notified by email or by phone. News articles alerting the public were printed by AARP (see article on page XX), the Grand Rapids Press, Holland Sentinel, Grand Haven Tribune and Grand Valley Advance. This program is offered free of charge to the homeowners and staffed by Fidlar employees. In two months, in 2009 Fraud Alert signed up 788 homeowners.

**I looked at any services we offer that have a cost associated with it. Historically, we have allowed companies to keep a monthly account with us. When they want a document copy they call or email us. We make the copy, fill out a billing slip with the charges and file the slip. Once a month we collected the slips, added each companies charges together and sent them to Fiscal Services to be billed. Fiscal Services then entered each company’s information into their data base, billed the company and kept track of all the payments or non-payments. This was labor intensive for both my office and Fiscal Services.

With our new software and services we made the transition from the billing service described above to a “pay as you go” service. We accept cash, check, credit card or escrow. This has freed my staff and Fiscal Service staff. Now we are working with IT, Fiscal Services and the Treasurer’s Office to integrate our new escrow functionality with the New World system.

***To enable the county’s software packages to access our software and share information we need a common denominator. It is the Permanent Parcel Number (PPN). My staff indexes a 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 have put together a team to automate the process of finding the PPN number. 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.

In 2009 I authorized the use of Automation Fund dollars, over a three year period, to purchase the BS&A software .net upgrade for Equalization. This upgrade will facilitate future integrations we are still working on. Once operational, documents will be sent electronically to the appropriate local assessor based on PIN numbers.

****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
Allendale	6	11	21	24	36	21
Blendon	4	2	9	12	12	5
Chester	1	2	4	6	7	5
Crockery	3	9	12	22	19	15

Cities	2004	2005	2006	2007	2008	2009
Coopersville	2	3	13	20	21	14
Ferrysburg	9	4	10	18	15	12
Grand Haven	18	19	21	41	56	46
Holland	57	81	102	128	163	159

Georgetown	28	26	69	124	119	100
Grand Haven	12	13	27	42	47	45
Holland	47	61	92	136	170	208
Jamestown	4	14	5	19	40	15
Olive	6	7	7	14	13	12
Park	14	20	31	47	55	85
Polkton	1	3	2	3	3	08
Port Sheldon	4	6	9	14	22	11
Robinson	6	7	19	25	26	30
Spring Lake	15	19	33	32	39	60
Tallmadge	2	9	11	19	17	13
Wright	6		8	9	11	10
Zeeland	7	4	7	55	21	12

Hudsonville	4	5	7	22	17	20
Zeeland	6	8	21	18	28	27

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.

Michigan's legislature first formally recognized this in 2003 with the passage of the Automation Fund that put fees into a technology fund for the Register of Deeds. 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 began this process in 2003 by contracting with the ACS Corporation for software and continue to work on upgrading our technology by contracting, in 2009, with Fidlar Technologies for cutting edge software. We went "live" with Fidlar on June 2, 2009 which coincided with my main office move to the Fillmore Street Complex.

The Automation Fund allows me to keep current my office technology, both hardware and software. It also allows me to connect to other county offices/departments and local government units via technology. All of this is made possible without accessing General Fund dollars.

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 for property acquisition studies.
- 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 Our Office

- ❖ The Register of Deeds Office records, maintains, and makes public land records for all real estate located in Ottawa County. Creditors, purchasers and others with an interest in the property can locate these instruments and notices

concerning ownership of, and encumbrances against, real property. This system of notice informs and protects the land purchaser when records are promptly recorded in the public record. 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 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; 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 2009 We.....

- ❖ Computerized the index back to 1951. (deeds & deed related documents only) and linked the computerized images to all indexes from 1951 forward.
- ❖ Contracted with U.S. Imaging to enhance poor quality images. Another step in our ongoing strategic plan to make documents digitally available on line.

- ❖ 1) Continued working with Equalization and the local Assessors allowing on line access. 2) Continued to facilitate, with the current software, the Equalization Department accessing index data on deed documents to upload to the BS&A index. Financed the purchase, for Equalization, of the .net version of BS&A to facilitate integration. 3) Formed a task force to foster integration of data between land record data banks. 4) Provide a link through miOttawa.org property system index to our current software to retrieve last deed recorded and uploaded to the BS&A system.
- ❖ Electronically tie financials from the current software to the county New World System.
- ❖ Increased the number of trusted submitters we receive electronic documents from resulting in a labor savings in the recording process.
- ❖ Offered the Property Fraud Alert to homeowners. In two months 788 homeowners signed up.
- ❖ Offered informational services to over 500 homeowners in crisis.
- ❖ Facilitated time saving data integrations; and eliminated the billing system freeing up my staff and Fiscal Service staff.
- ❖ Sold images, in bulk, to one title company, First American Title. The price to First American Title was determined through a cost study completed by Maximus Inc.
- ❖ Continue to offer clientele Internet access to our records back to 1951 on a subscription basis through our software vendor, Fidlar. Revenue resulting from subscription charges exists to defray the cost associated with software services.
- ❖ We moved on June 2nd to the Fillmore Office, which coincided with our new software going “live”. In July we moved our vault to the new Courthouse in Grand Haven.

Production Activity

- ❖ Recorded 51,053 documents.
- ❖ Recorded 114 different document types.
- ❖ Recorded an average of 182 documents per day.
 - Imaged a total of 229,798 pages, which is consistent with the average pages per document in 2006-2007.



- 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

Of the 51,053 Documents recorded

- ❖ 12,813 Mortgages and 14,002 Discharge of Mortgages account for approximately 53% of our documents.
- ❖ 933 Sheriff Deeds (mortgage foreclosures) were recorded. This is about a 3% decrease from 2008. Seventy two of these sales were redeemed by the owner.

In 2008, 59 of the deeds were redeemed. The Sheriff's Sale is held each Thursday at the County Building by a Deputy. The deeds are then recorded in our office. See Page 21

- ❖ No Plats or Subdivisions were recorded.
- ❖ 6 Master Deeds (condominium projects) were recorded, a decrease of 65% from 2008.

Our General Revenue Generated in 2009

- ❖ \$1,568,985 general fund revenue which includes:
 - \$777,032 in recording fees
 - \$172,153 in sales
- ❖ \$619,800 County Real Estate Transfer Tax See Pages 26 & 27



Along with:

- ❖ \$3,586,178 for State Real Estate Transfer Tax (school aid fund)
- ❖ \$166,778 for Michigan Survey Monument Replacement Program See Page 28

Automation Fund Revenue Generated in 2009

- ❖ \$247,709 from the \$5.00 per document recording fee
- ❖ \$420 Interest from Investments



Our Regular Office Expenses in 2009

- ❖ \$650,933 which includes: See Page 25
 - \$570,824 in personnel & benefits
 - \$80,109 in operational costs & administrative services



Automation Fund Expenditures in 2009

- ❖ \$383,488 in recording costs, software/hardware purchase, imaging costs, back indexing costs and other contracts dealing with upgrading technology and creating readable images from paper records See Page 24 (cumulative totals)

Goals for 2010

- ❖ To review & triage the mail, recording each recordable document without carry over from one day to the next with fewer staff.

- ❖ 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 avoid more than 1% of documents recorded with missed imperfections.
- ❖ To increase the number of documents E-recorded with us:
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. Through E-recording, we use this innovative technology and process improvement resulting in reduction of errors and rejections, and speeding up the whole process of recording real property documents.



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 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 continue the connection between our software provider and BS&A, facilitating a property record lookup through the property system.
- ❖ Through our new software, improve our search abilities on the internet and in our research library in Grand Haven.
- ❖ To connect indexed & imaged deed documents from 1942 to 1951 on our system with 6 searchable identifiers. 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.

- ❖ Accurately index of the 6 searchable fields of recorded documents. The documents are then scanned and the image is linked to the index.
- ❖ To work with the Treasurer's Office, Equalization and GIS to decrease redundancies throughout all 4 departments. This will enhance each department's work flow.
- ❖ To have ease of search ability by continuing to review our indexes and images to insure correctness beginning with 1951 going back to 1942. Staff compares the index against the information on the imaged document and checks each image for brightness, crispness and readability.
- ❖ To complete the contract for images, not readable, shot in grayscale and add this information to our searchable electronic database. We will image the document and computerize an index by liber & page all deeds & miscellaneous documents that are currently not electronically readable or searchable, from 1836 through 1942.
- ❖ 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 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.



In 2009...

... we faced some challenges:

The Michigan Land Title Association (MLTA) continues to attempt to pass legislation that would allow title companies, through annual subscriptions, to purchase bulk images from us for pennies per page. This is substantially less than the statutory fee of a \$1.00 per page or our current bulk rate of .68 cents per image. We sell the images to First American Title. First American Title Company then resells our information to other companies at a profit.

MLTA also challenged the manner in which documents are recorded. Specifically they questioned the method of computerization of a reception book. A hand written reception book was traditionally used, before computerization, to account for the time and date each document was presented to the Register of Deeds Office for recordation. We believe our current software system answers their concerns.

Mortgage Foreclosure redemptions may again be an expectation of the Register of Deeds. For a \$10 fee the Register of Deeds must calculate principle, daily interest and lien charges. Not only is the figuring of redemption amounts a lengthy process, there is room for error and the proposed legislation didn't address sufficient liability coverage for the counties.

We worked on the wording for legislation defining how a document could be re-recorded. That was passed and is part of our statutes.

We continue to work to bring the Uniform Property Electronic Recording Act (UPERA) to Michigan. Michigan already recognizes the Uniform Electronic Transactions Act (UETA) which my office electronically records under. UPERA legislation will allow a state commission to set and keep current electronic recording rules.

... we have accomplished:

Industry Partnership:

In 2007, the West Michigan Register of Deeds, Banker Associations, Title Offices, Real Estate Attorneys, and varied property related associations, joined together to form a PREP (Property Records Education Partners), to work together to resolve industry related problems. Ottawa County co-chairs this partnership with Kent County. Ottawa County also has been asked to take a leadership role & formed a subcommittee to address recording problems.

Automation Fund:

In 2003, the Register of Deeds Office, through state legislation, was able to begin an Automation Fund. In March 2003, this fund enabled the Register of Deeds office to collect an additional fee for recording documents. \$5.00 per document is deposited in an Automation Fund account.

This restricted fund mandates the Register of Deeds expend the funds "...for upgrading technology in the register of deeds office, with priority given to upgrading search capabilities." The Automation Fund's purpose is to advance the technology in the Register of Deeds office with emphasis on researching records.

The Automation Fund has allowed this office to upgrade our software/hardware system; completely convert the old system over to the new one; provide secure replication

services through our software vendor complete with a disaster recovery plan; grant access of our index and images to other county departments and government units, back file image & index documents and offer our index and images from our replicated site accessible on the Internet for a subscription fee plus a per print cost.

In 2010 we will use this fund to redact social security numbers from historical documents and offer all the quality services we offered in 2009.

Back Indexing:

Back file imaging & indexing is a means to perfect our computerized images & indexes of deeds from 1968 back to 1836. Once completed, we will have an index and corresponding images available, via our computers in the vault and the Internet.

Our computerized full index is from 1951 through the present. We anticipate indexing and imaging paper records and acreage books as automation revenue permits.

Integration:

We began the process of linking the legal description to the PIN number to the legal description. This process will direct the document to the proper unit of government assessor's office.

It will also allow the use of the BS&A and Laredo system data banks to cross check information on county properties.