

# ESS

Electronic Services System – Coordinating Committee Meeting

## Agenda

### Hybrid Meeting and Web Conference

8711 Windsor Parkway, Suite 2

Johnston, Iowa

August 8, 2023

10:00 A.M. to 2:00 P.M.

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- **Welcome and Introductions**
- **May 9, 2023 – ESS Coordinating Committee Meeting Summary – Approval**  
**July 21, 2023 – ESS Coordinating Committee Meeting Summary – Approval**
- **Financial Reports – Approval**
  - 2023 YTD Reports
  - 2022 Audit Report – Approval
  - 2022 990 Report
  - ESS Reserve Fund Report
  - E-Submission Trends
- **Contracts and Agreements**
  - ILR Staff Compensation Adjustments – Approval
  - Linn County Services Update
- **Project Updates**
  - Search Application Transition
    - Submitters, Organization Searchers, Individual Searchers
  - LT - Work Authorization
  - County Upload API
  - Fraud Notification Concept
  - Back File Survey Scanning Project Concept
  - Communications Update
  - Annual Report to Supervisors
- **Policies and Procedures**
  - Terms of Use Update – Chapter 7 – Approval
  - Associated Reference Update – Chapter 3 – Approval
  - Parcel Identification Number Update – Chapter 3
  - Document Formatting
    - Working Group Amendment
- **2024 Legislative Planning**
- **PRIA Update**
  - Blockchain Working Group
- **Adjourn - Next Regular Meeting November 9, 2023**

**ESS Coordinating Committee Meeting  
Summary  
May 9, 2023**

**Participants**

Nancy Booten, Lee County Rec.  
David Erickson, Dentons Davis Brown  
Natalie Steffener, Des Moines County Rec.  
Jolynn Goodchild, Plymouth County Rec.  
Lindsay Laufersweiler, Webster County Rec.

Julie Haggerty, Polk County Rec.  
Denise Baker, Wright County Rec.  
Melissa Bahnsen, Cedar County Rec.  
Eric Sloan, ICIT  
Dillon Malone, Iowa title Guaranty

**Other Participants**

Sheri Jones, Jones County Rec.

Lisa Long, Iowa Land Records  
Census Lo-Liyong, Iowa Land Records

Phil Dunshee, Iowa Land Records  
Kristen Delany-Cole, Iowa Land Records

**Welcome**

A meeting of the ESS Coordinating Committee was held via web conference. The meeting was called to order by Melisa Bahnsen and introductions were made.

**February Meeting Summary**

The meeting summary from February 16, 2023, was reviewed. Jolynn Goodchild made a motion to approve the meeting summary as presented. Lindsay Laufersweiler seconded, and the motion was approved.

**Financial Reports**

The internal audit was recently conducted, and the engagement with the audit team was positive. A new team member, Kay Kelleher, joined the staff as the Accounting Coordinator in April. The last month has been challenging and busy due to the accounting transition.

The quarterly financial reports were presented. The P&L statement for the first quarter of 2023 showed total income of \$7,147,728.45 and total expenses of \$7,238,754.54, resulting in a net loss of \$91,026.09. This is primarily due to planned reserve expenses for software development. Budgeted income operations was \$415,049.37 with expenses of \$348,291.71, resulting in net income of \$66,757.66. It was noted that the positive net income should be viewed on the light of the purposeful use of reserve funds. This was part of the original budget plan that was approved in November 2022. The balance sheet indicated total assets and liabilities as of March 31 to be \$2,674,620.88. The settlement account, used for general operating expenses, is targeted to maintain a balance of at least \$850,000 to manage weekly cash flow. The other reserve funds were at the desired levels, considering the recent investments made. However, these financial reports do not fully reflect the asset changes resulting from software development. Asset changes will be reflected in the final audit report.

ESS is following an economic trend mirroring pre-pandemic levels, and the current economic conditions continue to affect budgeting and decision-making. The economy is being closely monitored, and budget recommendations will be presented accordingly to address the effects of the environment.

**Approval Request:** The financial reports for the first quarter of 2023 were presented for approval. Natalie Steffener made a motion to approve the financial report for the first quarter of 2023. Denise Baker seconded the motion, and the motion was approved.

### **CY 2023 Budget Amendment**

Projected revenue from E-submission was originally built on an estimate of \$85,000 in income per month. However, in February the Committee approved a budget amendment to reduce projected monthly income to \$80,000.00 for the remainder of 2023. The budget was modified due to factors including rising interest rates, increased inflation, and changes in the housing market. Additionally, a small adjustment of the accounting budget was recommended to reflect higher expected costs associated with the preparation of the 2022 990 filing.

The Committee received recommendations to further amend the ESS budget including an increased amount for accounting services during the transition, a reduction in projected expenses for redaction services, a reduction in education and outreach expenses, and various other adjustments based on updated expense and revenue projections. Budgeted amounts were also converted to actuals for the period April, 2023. Additionally, June will have three payrolls due to the way the biweekly calendar operates in 2023.

Further adjustments may be expected throughout the year, especially in the education and outreach budget, depending on the volume of transactional activity.

**Approval Request:** The 2023 budget amendment was presented for approval. Lindsay Laufersweiler made a motion to approve the budget amendment recommendation for 2023. Natalie Steffener seconded the motion, and the motion was approved.

### **Work Authorization**

Lean Technique is completing the final elements of the new search application as indicated in work authorization LT-2.5B. The work authorization had been scheduled to end at the end of the week, but it is being proposed to extend it through the end of the next week (May, 19, 2023). The new search application and the new organizational user management system are nearly complete. The process of preparing to roll it out into production has begun. There are a few remaining tasks associated with the completion of these activities that need to be wrapped up before the project is considered done.

Work authorization LT-2.5B will cost \$12,000.00 and include the completion of the company and user management workflow for ESS Applications

**Approval Request:** The final work authorization LT-2.5B is presented for approval. Jolynn Goodchild made a motion to approve the work authorization LT-2.5B costing \$12,000.00. Denise Baker seconded the motion, and the motion was approved.

### **Fraud Notification Concept**

A discussion was held to gather input from Committee members on the possible development of a fraud notification system. As a background, some Iowans have reported receiving fraudulent notices from entities impersonating the county deeds office. A fraud notification system could alert property owners of recording activity affecting their property. According to the Project Manager, the system would aim to help people protect themselves from fraud by providing notifications related to their properties.

In order to bring this concept into reality, it is important to consider several factors, such as the prevalence of property frauds in Iowa and the associated costs of developing the required

infrastructure.

The Committee members expressed support for ESS to explore the development of a fraud notification system, including funding options and the feasibility of implementing and maintaining the system.

## **Contracts and Agreements**

### **Linn County Services Agreement**

The Project Manager provided an update concerning the proposed agreement between Linn County and ESS. As part of the agreement, ESS would provide access to its payment system for the new Linn County online registration renewal system. The agreement includes discussions around potential scenarios such as credit card chargebacks. The Linn County Recorder's office in collaboration with their county IT department is in the process of developing the online registration renewal system. A draft agreement is currently being reviewed by Linn County officials.

Most of the development work has been completed, and Linn County has conducted testing and integration with our payment system. The agreement's approval is conditional on the Linn County Board of Supervisors' approval. If there are any further adjustments or amendments, it is suggested that those changes be brought back to ESS Coordinating Committee for approval before finalizing the agreement.

**Approval Request:** The Linn County Services Agreement authorizing ESS to provide an electronic payment system is presented for approval. Dillon Malone made a motion to approve the Linn County Services Agreement. Jolynn Goodchild seconded the motion, and the motion was approved.

### **Local Service Provider Maintenance Template**

ESS is in the process of updating its maintenance agreements with local service providers. ESS has developed two new APIs for E-submission and County Upload functions. The ESS system was built in 2005 and needed updates to become more current and secure. ESS requires that all Service Providers integrate with ESS and the Iowa Land Records system through the ESS API (web services). The Service Provider systems must communicate with ESS through the ESS API. Service providers have received a notice of discontinuance of the LCM and SOAP API.

**Approval Request:** The master agreement is being presented as a template for approval, with the expectation that it will be used to create individual agreements with service providers. Natalie Steffener made a motion to approve the master agreement template. Denise Baker seconded the motion, and the motion was approved.

## **Legislative Update**

### **Terms of Service**

During the start of the 2023 legislative session, ESS advanced legislative proposals concerning the website Terms of Service, the batch transfer of groundwater hazard statements to the DNR, and the development of a new information service for aggregated, anonymous data. ESS had secured the support and encouragement from the stakeholder community. The legislation was approved by the House and Senate Local Government committees, but some questions were raised by the Ways and Means Committee in the Senate regarding aggregated anonymous data. Unfortunately, due to time constraints the legislative session ended before reaching a resolution. Nevertheless, the two bills will remain active for the 2024 legislative session.

## **Recorders Legislation**

A writing fee bill was proposed by Senator Westrich aimed to establish consistent writing fees for all DNR licenses. After undergoing the legislative process and being included in the property tax bill, the bill received approval from both the Senate and the House. As a result, the writing fee was increased from \$1.25 to \$2.00, benefiting the recorder with an additional \$0.75 per transaction across various DNR privileges. This achievement marks a significant victory for the recorders, who have been working towards this goal for the past 12 years. The success can be attributed to the dedication and collaboration of individuals such as Lisa Kent, Senator Westrich, the ICRA legislative team (Stacy Herridge, Megan Clyman, Census Lo-liyong) and others involved in the process. The new writing fee will become effective in July 1, 2023. Communication has already been initiated with the DNR, awaiting their feedback on their requirements and the possibility of participating in any public consultations during the rule making process.

## **2024 Legislative Planning**

In terms of planning for the upcoming year, the focus will be on setting up discussions with the Executive Committee to determine legislative priorities. It is acknowledged that different districts may have their own specific priorities, so these will be brought to the table for thorough vetting and discussion. The aim is to have specific proposals and priorities established by the end of the year.

## **Policies and Procedures**

### **Terms of Service Update**

The Coordinating Committee was presented with the updated Terms of Service in anticipation of the upcoming release of a new search application. An amendment was made to Chapter 7 of the ESS Policies and Procedures concerning the Terms of Use (Service) and privacy policies. All organizations and users, including e-submission customers, will be required to review and agree to the updated Terms of Service. One significant change is the conversion of individual user accounts to organization accounts, with corresponding modifications in the language used within the Terms of Service. The terms remain largely unchanged in many respects. The Committee was informed that user sign-ups for the new search application will commence in the near future.

**Approval Request:** The updated Terms of Service were presented for approval. Natalie Steffener made a motion to approve the update Terms of Service. Dillon Malone seconded the motion, and the motion was approved.

## **Document Formatting**

A report was presented on the results of the formatting standards working group on Section 331.606B of the Iowa Code. The input and comments received at previous meetings were incorporated into a draft amendment to subsection 1, and the working group was asked to review the updated draft. During the discussion the following additional adjustments were discussed.

- Inserting language to clarify that attachments may not be affixed with tape
- Modified the requirement that all documents have text of at least 10 point type to reinsert an exception for a plat or survey or a drawing related to a plat or survey
- Inserted language that signatures should be “clear and discernable” in lieu of the term “readable”, as the nature of signatures is that they may often be hard to read

The next Standards Subcommittee meeting in July will gauge interest in further discussions involving a wider range of topics such as alternative stamp area options, cover sheets, and criteria for recordability.

The goal is to achieve mutual benefits for both recorders and submitters, reducing rejections and simplifying submission processes.

### **ESS Executive Committee**

During the review of future legislative plans, the idea of holding a joint leadership meeting was discussed. The ICRA Executive Board consists of 8 members (all Recorders) while the ESS Coordinating Committee consists of 8 recorders and 3 stakeholder members. The ESS Executive Committee is a blend of the elected officers of the ICRA Executive Board and the ESS Coordinating Committee. It had been suggested that the ESS Executive Committee could serve as an appropriate forum for a joint discussion, as it was originally established to facilitate communication and coordination between the ICRA and ESS. There was a suggestion to involve all members of the Executive Board and the ESS Committee in joint discussions, but it was noted that it can be difficult to convene that many people at the same time, especially for face-to-face discussions. No specific meeting arrangements were made.

### **Search User Management Policy**

The Project Manager provided an overview of the new search application. The new search application will merge E-sub and Search into a single user management system. Organizations will need to apply for a business account, and existing E-submitter accounts will have access to the new search application. However, for a new Search organization, a "business" account will need to be set up instead of a self-registration system. All users will need to accept the updated ESS Terms of Service. Given the time constraints during the session, it has been decided to provide an instructional video of the registration process for the new CAS system via email to all the members.

### **Communications Update**

The Marketing Coordinator provided a summary of the deputies' conference registration process. The registration form is now available on the Hub. The Recorders Hub is currently being updated to improve its navigation and visual appeal. Additionally, the Marketing Coordinator mentioned that they are preparing training videos and resources such as handouts to help with questions and concerns related to the new search site. They are also using social media platforms like LinkedIn to communicate with people and have a presence online. In terms of emails, the Marketing Coordinator noted that messages about new forms or major updates tend to receive the most engagement, while confirmation messages have lower open and click rates. The Marketing Coordinator is also tracking the rate of engagement with our newsletters. The results show a level of medium engagement which is a positive outcome compared to industry standards. The scam and fraud alert warning press release are currently in a draft stage and will be posted in the coming week.

### **PRIA Working Group**

PRIA has started a blockchain working group. The agenda for the group has an educational focus. Phil Dunshee, Census Lo-liyong and Lindsay Laufersweiler are part of the working group. Phil is leading the private sector investments subgroup.

The meeting was adjourned at 2:00 PM. The next regular meeting will be **August 8, 2023**.

**ESS Coordinating Committee  
Meeting Summary  
July 21, 2023**

**Participants**

Nancy Booten, Lee County Recorder	Denise Baker, Wright County Recorder
Jolynn Goodchild, Plymouth County Recorder	Melissa Bahnsen, Cedar County Recorder
Natalie Steffener, Des Moines County Recorder	Dillon Malone, ITG
Lindsay Laufersweiler, Webster County Recorder	

**Other Participants**

Sheri Jones, Jones County Recorder

Lisa Long, Iowa Land Records  
Census Lo-Liyong, Iowa Land Records

Phil Dunshee, Iowa Land Records  
Kristen Delany-Cole, Iowa Land Records

**Welcome**

A meeting of the ESS Coordinating Committee was held via web conference. The meeting was called to order by Nancy Booten. The Committee received a brief project status report. More than half of all E-Submission organizations have been enabled to access and use the new search application, and the ILR team is working to assist the remaining organizations with the transition.

**Reserve Fund Expenditure Authorization**

The special meeting was held to consider a recommendation to authorize a limited Phase 3 project to address software bugs and other workflow issues that have been discovered since the new search application has been moved into production. These should be fixed as soon as possible.

The ILR internal development team is currently focused on system maintenance, infrastructure and operational issues including the transition to a new API for local service providers. External software support is necessary and available.

Three actions were requested.

- A new reserve fund expenditure authorization for the period of July 21, 2023, to December 31, 2023, in the amount of \$54,000.00
- General approval to establish work authorizations with vendor personnel as schedules and resources allow during this same period
- Approval of a specific work authorization with Lean Techniques for the period of July 21 through July 31 in the amount of \$10,500.00

As needed, additional work authorizations for other necessary software developments may be implemented during the remainder of the calendar year.

Lindsay Laufersweiler made a motion to approve the three actions included in the Phase 3 authorization request. Denise Baker seconded the motion, and the motion was approved.

The meeting was adjourned. The next regular meeting will be **August 8, 2023**.



Last statement: May 31, 2023  
 This statement: June 30, 2023  
 Total days in statement period: 30

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ELECTRONIC SERVICES SYSTEM  
 8711 WINDSOR PKWY SUITE 2  
 JOHNSTON IA 50131-2296

Direct inquiries to:  
 515-245-2863

Bankers Trust Company  
 453 7TH Street  
 Des Moines, IA 50309

## Commercial Checking-Analysis

Account number	Beginning balance	\$1,443,057.59
	Total additions	3,463,288.05
	Total subtractions	3,612,136.45
	Ending balance	\$1,294,209.19

### DEBITS

Date	Description	Subtractions
06-01	' ACH Debit IOWA COUNTY RECO FUNDS DISB CCD IOWA COUNTY RECO	154,614.60
06-01	' Electronic Bill Pay EBPCVQN9 BRICK GENTRY PC 2025472	2,250.00
06-01	' Electronic Bill Pay RBPCVQN9 PHIL DUNSHEE-ENTER2025472	15,700.00
06-01	' Electronic Bill Pay DBPCVQN9 LEAN TECHNIQUES 2025472	24,000.00
06-01	' Electronic Bill Pay 3BPCVQN9 LISA LONG 2025472	196.50
06-02	' ACH Debit BANKCARD MTOT DISC CCD VAN BUREN COUNTY R 528414019716083	18.86
06-02	' ACH Debit BANKCARD MTOT DISC CCD DALLAS COUNTY RECO 528414019714880	403.26
06-02	' ACH Debit BANKCARD MTOT DISC CCD STORY COUNTY REC 528414019714898	439.78
06-02	' ACH Debit OASISINVBATCH INVOICE CCD ELECTRONIC SERVICE 24417H04168108	32,441.85
06-02	' ACH Debit BANKCARD MTOT DISC CCD AUDUBON COUNTY REC 528414019717149	14.89



# Electronic Services System

## Profit & Loss

January through June 2023

	Jan - Jun 23
<b>Income</b>	
<b>BudgetedIncome</b>	
40100 · Bad Payment Fee	50.00
41000 · Event Income	
41100 · ILR Conference Registration	1,500.00
<b>Total 41000 · Event Income</b>	1,500.00
42000 · POSSERVICEFEE	58,281.55
43000 · SERVICEFEE	
43100 · ACH	357,066.00
43200 · CC	51,644.71
43300 · DRAWDOWN	36,312.00
43000 · SERVICEFEE - Other	6.00
<b>Total 43000 · SERVICEFEE</b>	445,028.71
44000 · MOU Services	
44100 · Policy	15,172.41
44200 · Communications	835.20
<b>Total 44000 · MOU Services</b>	16,007.61
47000 · Fund 255 Reimbursement	335,868.46
48200 · Local Serv. Prov. Maint. Acct.	
48100 · Cost Sharing Credit	-168,940.86
48200 · Local Serv. Prov. Maint. Acct. - Other	302,319.56
<b>Total 48200 · Local Serv. Prov. Maint. Acct.</b>	133,378.70
48900 · Misc. Income	800.01
BudgetedIncome - Other	99.00
<b>Total BudgetedIncome</b>	991,014.04
49000 · RevolvingIncome	
49300 · ERECORDING	
49100 · AUDITORFEE	200,715.00
49200 · TRANSFERTAX	9,863,283.60
49300 · ERECORDING - Other	3,555,721.00
<b>Total 49300 · ERECORDING</b>	13,619,719.60
49600 · POSPAYMENT	1,942,436.29
49000 · RevolvingIncome - Other	1.00
<b>Total 49000 · RevolvingIncome</b>	15,562,156.89
<b>Total Income</b>	16,553,170.93
<b>Gross Profit</b>	16,553,170.93
<b>Expense</b>	
<b>Budgeted Expenses</b>	
60000 · Administration	
60100 · Annual Audit	6,000.00
60200 · Accounting Software-Services	5,167.14
60300 · Bookkeeping-CPA-990	
60305 · Accounting Computer Equipment	7,173.88
60300 · Bookkeeping-CPA-990 - Other	42,109.94
<b>Total 60300 · Bookkeeping-CPA-990</b>	49,283.82
60400 · Project Manager	61,500.00
60500 · Professional Fees	
60510 · Legal	13,500.00
60520 · Government Relations	11,000.00
60530 · Human Resources-Oasis	6,441.54
<b>Total 60500 · Professional Fees</b>	30,941.54

# Electronic Services System

## Profit & Loss

### January through June 2023

	Jan - Jun 23
60600 · Insurance Expense	5,880.00
60700 · Ess Meetings	1,979.32
60800 · Office Operations	
60810 · Office Space Lease	15,150.00
60820 · Office Supplies	266.08
60830 · Offical Publication Expense	261.17
60840 · Postage	9.31
60850 · Teleconference	308.11
60860 · Telephone	2,553.89
60865 · Internet	1,000.00
60870 · Office Tech Support	5,340.86
60880 · Printing and Copying (Color-BW)	2,436.99
60890 · Miscellaneous	134.50
<b>Total 60800 · Office Operations</b>	<b>27,460.91</b>
<b>Total 60000 · Administration</b>	<b>188,212.73</b>
61000 · Marketing-Communications	
61200 · Administrative/Marketing Coord	39,317.70
61300 · Education and Outreach	
61310 · ILR Annual Conference	210.00
61320 · Tradeshow/Exhibits/Sponsorship	100.54
61340 · Memberships	200.00
61350 · Conferences & Meetings	3,753.63
61360 · Campaigns	62.63
61370 · Software & Hosted Services	4,156.51
<b>Total 61300 · Education and Outreach</b>	<b>8,483.31</b>
<b>Total 61000 · Marketing-Communications</b>	<b>47,801.01</b>
62000 · Customer Support	
62100 · Account Manager	51,851.45
62130 · Customer Support Coordinator	19,295.74
<b>Total 62000 · Customer Support</b>	<b>71,147.19</b>
63000 · Policy Coordination	
63100 · Policy Coordinator	41,382.36
<b>Total 63000 · Policy Coordination</b>	<b>41,382.36</b>
64000 · ILR System Operations	
64100 · Development Team	
64110 · Technical Lead	81,218.94
64120 · Senior Developer	69,573.22
64130 · Technical Support & Development	61,316.59
<b>Total 64100 · Development Team</b>	<b>212,108.75</b>
64200 · External Development & Services	
64210 · FF Redaction Services	24,898.97
64225 · Technical Consulting	0.00
64240 · Data Center & Hosting Services	18,317.40
64250 · Domain Registration	41.87
<b>Total 64200 · External Development &amp; Services</b>	<b>43,258.24</b>

# Electronic Services System

## Profit & Loss

January through June 2023

	Jan - Jun 23
<b>64300 · Software License-Maintenance</b>	
64305 · Jetbrains	1,868.00
64307 · DB2	9,484.42
64310 · Certificates- Digicert	297.00
64311 · Browser Stack	372.36
64319 · AWS	4,503.89
64322 · Slack	13.84
64325 · Maytech	1,123.12
64326 · Atlassian	1,247.20
64327 · ZOOM	60.00
64328 · Microsoft	640.72
64329 · LoopUp	61.51
<b>Total 64300 · Software License-Maintenance</b>	<b>19,672.06</b>
<b>64500 · Computing &amp; Equip (CAP)</b>	
64520 · System Equipment	12,215.17
<b>Total 64500 · Computing &amp; Equip (CAP)</b>	<b>12,215.17</b>
<b>Total 64000 · ILR System Operations</b>	<b>287,254.22</b>
<b>66000 · Payment Expenses</b>	
66100 · Bank Account Analysis Fee	4,723.11
66300 · Gateway Transaction Fees	
66315 · ProfSolOnlineTransFees	24,123.94
66310 · Vericheck OnlineTransactionFees	15,153.83
66320 · POSTransactionsFees	47,815.67
<b>Total 66300 · Gateway Transaction Fees</b>	<b>87,093.44</b>
<b>Total 66000 · Payment Expenses</b>	<b>91,816.55</b>
<b>Total Budgeted Expenses</b>	<b>727,614.06</b>
<b>Planned Reserve Expenses</b>	
BF Redaction	5,903.31
Software Development-Consulting	251,310.00
Software License Expense	21,000.00
<b>Total Planned Reserve Expenses</b>	<b>278,213.31</b>
<b>61600 · Bad Debt Expense</b>	<b>16.00</b>
<b>70000 · RevolvingExpenses</b>	
Education and Outreach-Rev	737.84
<b>ESSPayments</b>	
70100 · COUNTYDISTRIBUTION	13,619,727.60
70200 · POSDISTRIBUTION	1,916,652.18
<b>Total ESSPayments</b>	<b>15,536,379.78</b>
<b>Total 70000 · RevolvingExpenses</b>	<b>15,537,117.62</b>
<b>Total Expense</b>	<b>16,542,960.99</b>
<b>Net Income</b>	<b>10,209.94</b>

Local Government Electronic Transaction Fund (0255)

06/01/23-06/30/23

Beginning Balance	\$ 109,580.35
Plus Receipts	\$ 37,094.20
Less Disbursements	<u>\$ (31,867.85)</u>
Ending Balance	<u><u>\$ 114,806.70</u></u>

RECEIPTS

Recorder Fees Received	36,549.47
Interest June	<u>544.73</u>
Total Receipts	37,094.20

DISBURSEMENTS

	Invoice #	Date Paid	Amt Paid
Iowa County Recorders	100125	06/12/2023	31,867.85
Total Disbursements			<u>(31,867.85)</u>

**Electronic Services System  
Johnston, Iowa**

**FINANCIAL REPORT**

**December 31, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

Electronic Services System Coordinating Committee  
Electronic Services System  
Johnston, Iowa

### Opinion

We have audited the accompanying financial statements of Electronic Services System, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Electronic Services System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Electronic Services System as of December 31, 2022 and 2021, and changes in its financial position and its cash flows for the years then ended in accordance with the financial reporting requirements of the County Electronic Services System 28E Agreement.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Electronic Services System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis of Accounting

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared to present the operations of the Electronic Services System pursuant to the 28E agreement described in Note 1, which is not intended to be a complete presentation of the financial statements of Electronic Services System. Our opinion is not modified with respect to that matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting requirements of the County Electronic Services System 28E Agreement, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Electronic Services System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Electronic Services System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Electronic Services System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Restriction on Use**

This report, a public record by law, is intended solely for the information and use of the Electronic Services System Coordinating Committee and management of Electronic Services System. The report is not intended to be and should not be used by anyone other than those specified parties.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2023 on our consideration of Electronic Services System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Electronic Services System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Electronic Services System's internal control over financial reporting and compliance.

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
May 25, 2023

**Electronic Services System  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2022**

Management of Electronic Services System (ESS) provides this Management's Discussion and Analysis of the ESS's annual financial statements. This narrative overview and analysis of the financial activities is for the years ended December 31, 2022 and 2021. We encourage readers to consider this information in conjunction with the ESS's financial statements, which follow.

**FINANCIAL HIGHLIGHTS**

Electronic Services System's cash balance at December 31, 2022 was \$2,039,141, representing an increase of \$475,740 from December 31, 2021. The cash balance at December 31, 2021 was \$1,563,401, representing an increase of \$60,254 from December 31, 2020. The increases in cash balance are due primarily to continued growth in income from submittal fees during the first three quarters of 2022 and also the planned utilization of Electronic Transaction Fund assets for investments in new software development. More than \$263,000 in reserve funds were invested in software development in 2022.

Recording fee income increased 1.4% or approximately \$460,000 to \$34,712,696 for the year ended December 31, 2022. Recording fee income increased 29.0% or approximately \$7,700,000 to \$34,249,445 for the year ended December 31, 2021.

Recording distributions increased 1.4% or approximately \$460,000 to \$34,712,204 for the year ended December 31, 2022. Recording distributions increased 29.0% or approximately \$7,700,000 to \$34,248,021 for the year ended December 31, 2021.

Variance in the amounts for recording fees and distributions are related to timing of cash flow.

**USING THIS REPORT**

The report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of ESS's financial activities.

The Special-Purpose Statements of Net Position present information on the ESS's assets and liabilities, along with the composition of its net position.

The Special-Purpose Statements of Revenues, Expenses, and Changes in Net Position present information on ESS's operating revenues and expenses.

The Special-Purpose Statements of Cash Flows present the change in ESS's cash during the years. This information can help describe how ESS generated and used cash through its operating and capital and related financing activities.

The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

## FINANCIAL ANALYSIS

### *Special-Purpose Statements of Net Position*

Net position serves as an indicator of ESS's overall financial position. ESS's net position increased \$212,131 or 8.4% during the year ended December 31, 2022. The increase is due predominately to continued growth in income from submittal fees. The change in net position in 2021 was much greater due to a stronger economy and increased use of electronic services. A summary of the statements of net position is presented below.

	<b>December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>			
Cash	\$2,039,141	\$1,563,401	\$1,503,147
Other current assets	264,304	600,517	224,006
Capital assets, less accumulated depreciation	<u>754,353</u>	<u>665,191</u>	<u>522,684</u>
Total assets	<u>3,057,798</u>	<u>2,829,109</u>	<u>2,249,837</u>
<b>LIABILITIES</b>			
Current liabilities	<u>308,435</u>	<u>291,877</u>	<u>315,305</u>
<b>NET POSITION</b>			
Net investment in capital assets	754,353	665,191	522,684
Unrestricted	<u>1,995,010</u>	<u>1,872,041</u>	<u>1,411,848</u>
Total net position	<u>\$2,749,363</u>	<u>\$2,537,232</u>	<u>\$1,934,532</u>

### *Special-Purpose Statements of Revenues, Expenses, and Changes in Net Position*

Operating revenues are received from the electronic submission of real estate documents for official recording and processing fees from credit card transactions performed at local county recorders' offices.

Electronic Services System is reimbursed by the local counties for service maintenance associated with the integration of county land records management system with the Electronic Services System. ESS's operational costs are in part reimbursed by the State of Iowa through the Electronic Transaction Fund administered by the Office of the Treasurer of State in addition to the operating revenues received through the treasury management account.

Electronic Services System distributes electronic recording fees and taxes to the local counties on a daily basis.

A summary of the statements of revenues, expenses, and changes in net position is presented below:

	<b>Year ended December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>			
Recording fees	\$34,712,696	\$34,249,445	\$26,560,333
Point-of-Sale (POS) payment system	4,763,159	3,276,022	2,390,006
Other fees and income	1,235,532	1,424,611	1,302,370
Draws from Electronic Transaction Fund	807,685	810,666	985,420
Total revenues	<u>41,519,072</u>	<u>39,760,744</u>	<u>31,238,129</u>
<b>EXPENSES</b>			
Recording distributions	34,712,204	34,248,021	26,560,578
POS payment system distributions	4,627,513	3,195,308	2,316,704
Depreciation	244,544	214,834	174,057
Salaries and payroll	441,070	314,637	384,729
Transaction fees and bank charges	230,636	173,529	132,113
Other operating expenses	1,050,974	1,011,715	913,428
Total expenses	<u>41,306,941</u>	<u>39,158,044</u>	<u>30,481,609</u>
<b>CHANGE IN NET POSITION</b>	212,131	602,700	756,520
<b>NET POSITION</b> , beginning	<u>2,537,232</u>	<u>1,934,532</u>	<u>1,178,012</u>
<b>NET POSITION</b> , ending	<u>\$ 2,749,363</u>	<u>\$ 2,537,232</u>	<u>\$ 1,934,532</u>

Total revenues increased by 4.4% or \$1,758,328 in 2022, primarily due to increases in POS payment system revenue. Expenses increased by 5.5% or \$2,148,697 in 2022, primarily due to increases in POS payment system distributions. Total documents processed decreased by 14.48% or 60,282 documents to 355,895 in 2022. The percent of documents filed electronically statewide increased from approximately 56% in 2021 to 60% in 2022. This decrease in electronic filing is attributed to inflationary pressures which have weakened the economy and higher mortgage interest rates which have affected the real estate market.

## **ECONOMIC FACTORS**

Changes in the real estate market and the State economy as a whole may result in changes in recording activity and revenue. The COVID-19 pandemic clearly influenced business practices. The adoption of remote work and “contact-free” transactions, coupled with ESS efforts to promote electronic submissions resulted in revenue growth. During the second half of calendar year 2021, ESS provided substantial education and outreach efforts for a new streamlined interface for electronic submissions which was moved into production in December 2021. For the immediate future, income will be primarily affected by changes in market conditions which may both positively and negatively affect future revenue. ESS anticipates a decline in submittal fee income during the first half of 2023, however, expects submittal fees to remain above pre-pandemic levels. ESS continually monitors economic and other factors to protect the financial condition of Electronic Services System.

## **CONTACTING ELECTRONIC SERVICES SYSTEM FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the ESS’s financial and operating activities to all those with an interest in its finances. If you have any questions or require additional information, please contact the Project Manager at Electronic Services System, 8711 Windsor Parkway, Suite 2, Johnston, IA 50131.

**Electronic Services System  
SPECIAL-PURPOSE STATEMENTS OF NET POSITION**

	<b>ASSETS</b>	<b>December 31</b>	
		<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>			
Cash		\$2,039,141	\$1,563,401
Accounts receivable		4,469	4,160
Due from Electronic Transaction Fund		73,299	440,539
Prepaid expenses		<u>186,536</u>	<u>155,818</u>
Total current assets		<u>2,303,445</u>	<u>2,163,918</u>
<b>CAPITAL ASSETS</b>			
Computer equipment		151,854	718,247
Developed software		786,940	633,302
Software development in progress		<u>380,978</u>	<u>200,910</u>
		1,319,772	1,552,459
Accumulated depreciation		<u>(565,419)</u>	<u>(887,268)</u>
Total capital assets		<u>754,353</u>	<u>665,191</u>
Total assets		<u>3,057,798</u>	<u>2,829,109</u>
	<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>			
Accounts payable		61,717	41,174
Accrued compensation		25,977	35,257
Customer deposits		75,561	76,744
Unearned revenues		<u>145,180</u>	<u>138,702</u>
Total current liabilities		<u>308,435</u>	<u>291,877</u>
	<b>NET POSITION</b>		
Net investment in capital assets		754,353	665,191
Unrestricted		<u>1,995,010</u>	<u>1,872,041</u>
Net position		<u>\$2,749,363</u>	<u>\$2,537,232</u>

**Electronic Services System**  
**SPECIAL-PURPOSE STATEMENTS OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**

	<b>Year ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Recording fees	\$34,712,696	\$34,249,445
Point-of-Sale (POS) payment system	4,763,159	3,276,022
Submitting fees	1,098,063	1,283,615
Draws from Electronic Transaction Fund	807,685	810,666
Local service maintenance fees, (net of discounts \$160,453, 2022; \$145,248, 2021)	126,353	138,376
Miscellaneous income	11,116	2,620
Total revenues	<u>41,519,072</u>	<u>39,760,744</u>
<b>EXPENSES</b>		
Recording distributions	34,712,204	34,248,021
POS payment system distributions	4,627,513	3,195,308
Local service maintenance	283,882	287,953
Transaction fees and bank charges	230,636	173,529
Project management	142,800	137,925
Salaries and payroll	441,070	314,637
Education and outreach	160,535	177,030
Depreciation	244,544	214,834
Office	116,912	86,455
Technology	233,535	213,926
Professional fees	113,310	108,426
Total expenses	<u>41,306,941</u>	<u>39,158,044</u>
<b>CHANGE IN NET POSITION</b>	212,131	602,700
<b>NET POSITION, beginning</b>	<u>2,537,232</u>	<u>1,934,532</u>
<b>NET POSITION, ending</b>	<u>\$ 2,749,363</u>	<u>\$ 2,537,232</u>

**Electronic Services System  
SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS**

	<b><u>Year ended December 31</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from recording fees, submitting fees and POS payment services	\$40,572,735	\$38,804,630
Cash received from counties for maintenance fees	132,522	134,496
Reimbursements received from Electronic Transaction Fund	1,174,925	443,401
Cash received from other revenue	11,116	2,620
Cash paid to employees for services	(450,350)	(320,395)
Cash paid to suppliers for goods and services	(1,291,785)	(1,205,921)
Recording and POS distributions to counties	(39,339,717)	(37,441,236)
Net cash provided by operating activities	<u>809,446</u>	<u>417,595</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<u>(333,706)</u>	<u>(357,341)</u>
<b>NET INCREASE IN CASH</b>	475,740	60,254
<b>CASH</b>		
Beginning	<u>1,563,401</u>	<u>1,503,147</u>
Ending	<u>\$ 2,039,141</u>	<u>\$ 1,563,401</u>
<b>RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net position	\$ 212,131	\$ 602,700
Adjustments to reconcile change in net position to net cash provided by operating activities		
Depreciation	244,544	214,834
Change in assets and liabilities		
Accounts receivable	(309)	(4,082)
Due from Electronic Transaction Fund	367,240	(367,265)
Prepaid expenses	(30,718)	(5,164)
Accounts payable	20,543	(13,420)
Accrued compensation	(9,280)	(5,758)
Customer deposits	(1,183)	(4,452)
Unearned revenues	<u>6,478</u>	<u>202</u>
Net cash provided by operating activities	<u>\$ 809,446</u>	<u>\$ 417,595</u>

## **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Electronic Services System (ESS) was formed as a result of legislation adopted by the Iowa General Assembly. ESS is managed under an agreement (County Electronic Services System 28E Agreement), as executed within the meaning of Iowa Code Chapter 28E, between Iowa's ninety-nine counties and Iowa County Recorders Association (ICRA). ESS was formed to facilitate the submitting of real estate and other legal documents electronically to Iowa County Recorders for official recording, to provide public access to records through the Internet, and to provide other electronic services. In 2021, the Iowa legislature authorized the Electronic Services System to simplify its governance structure and contracting authority (House File 527). Iowa counties unanimously approved an amendment to the 28E agreement in December 2021. The governing board of the Electronic Services System is appointed by the Executive Board of the Iowa County Recorders Association (ICRA).

### **Measurement Focus and Basis of Accounting**

The financial statements include the financial activities administered by the ICRA and the Electronic Services System Coordinating Committee. They include all transactions of the Electronic Services System treasury management account and capital asset account. The treasury management account is used primarily as the central clearinghouse for receipt of payments to the ESS system and the distribution of funds to Iowa counties for recording and other services. The treasury management account is also used for certain operating expenses. The capital asset account includes the equipment and software used to host the Electronic Services System web site.

In accordance with State statute, a portion of all transaction fees recorded by Iowa county recorders is to be deposited to the State of Iowa's Electronic Transaction Fund, also known as Fund 255, administered by the Office of the Treasurer of State to be used for the payment of claims approved by the Electronic Services System Coordinating Committee. The receipts and disbursements of this fund are not included in the financial statements of Electronic Services System, in accordance with the reporting requirements of the County Electronic Services System 28E Agreement. Receipts from the Electronic Transaction Fund to Electronic Services System's treasury management account are recorded as draws from Electronic Transaction Fund and are included in revenue.

ESS has elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred; regardless of the timing of related cash flows.

### **Use of Estimates**

The preparation of special-purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Income Taxes**

ESS is a governmental subdivision of the State of Iowa and is exempt from federal and state income taxes.

### **Capital Assets**

Computer equipment is stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets which are three to five years. Software reported on the special-purpose statements of net position has been internally developed by ESS and recorded at cost. Software is amortized over a three year useful life.



## **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Net Position**

The Special-Purpose Statements of Net Position present ESS's assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

*Net investment in capital assets*, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net position* results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Electronic Services System had no restricted net position at December 31, 2022 and 2021.

*Unrestricted net position* consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

### **Customer Deposits**

Electronic Services System allows customers to hold funds on account with ESS for future electronic submittals. These funds are recorded as a liability on the Special-Purpose Statements of Net Position until an electronic submission is initiated by the customer, at which time it is recorded to revenue.

### **Unearned Revenues**

Electronic Services System is reimbursed for costs associated with local service maintenance contracts by local county recorders offices. These local service maintenance contracts are paid for in advance by ESS, resulting in prepaid expenditures for services not yet performed at the end of the reporting period. In order to match the period of recognition for both revenues and expenses associated with these service contracts, ESS has recorded as a liability the payments made by county recorders associated with services which have not yet been performed as of the end of the reporting period.

## **NOTE 2 CONCENTRATIONS OF CREDIT RISK**

Electronic Services System maintains a checking account at a commercial bank. Cash in this account at times exceeded the FDIC insurance limit of \$250,000.

## **NOTE 3 RETIREMENT PLAN**

ESS has a retirement plan covering employees who have met certain eligibility requirements. Contributions to the plan for the years ended December 31, 2022 and 2021 were \$6,506 and \$5,500, respectively.

## **NOTE 4 SUBSEQUENT EVENTS**

ESS has evaluated subsequent events through May 25, 2023, the date which the financial statements were available to be issued. There were no subsequent events which required accrual or disclosure.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Electronic Services System Coordinating Committee  
Electronic Services System  
Johnston, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Electronic Services System, which comprise the special-purpose statement of net position as of December 31, 2022, and the related special-purpose statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Electronic Services System's basic financial statements, and have issued our report thereon dated May 25, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Electronic Services System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Electronic Services System's internal control. Accordingly, we do not express an opinion on the effectiveness of Electronic Services System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Electronic Services System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Electronic Services System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Electronic Services System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
May 25, 2023



Electronic Services System Coordinating Committee  
Electronic Services System  
Johnston, Iowa

We have audited the financial statements of Electronic Services System (the Organization) for the year ended December 31, 2022, and have issued our report thereon dated May 25, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 23, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Electronic Services System are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimate of depreciation expense which is based on the estimated useful lives of assets using the straight-line method and management's estimate of accrued compensation. We evaluated the accounting estimates used and found them reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We evaluated the disclosures and found them reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 25, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Restriction on Use**

This information is intended solely for the information and use of the Electronic Services System Coordinating Committee and management of Electronic Services System, and is not intended to be and should not be used by anyone other than these specified parties.

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
May 25, 2023

July 11, 2023

To: ESS Finance Subcommittee

From: Phil Dunshee

Re: Summary of Reserve Fund Expenditures: June 2021 – June 2023

During the past two years the Electronic Services System (ESS) has undertaken very significant projects to update the Iowa Land Records system. These changes addressed the following objectives.

- Updating the underlying software systems, which were no longer “supported” by the information technology industry, to current and supported platforms
- Increasing system security
- Providing recorders and customers with a modern and responsive website
- Updating user interfaces and software functions for E-Submission and search applications
- Updating user interfaces and software functions for administrative and payment applications
- Updating the Application Programming Interface (API) with local service provider systems

Collectively, these changes represent a nearly complete overhaul of the Iowa Land Records system since the time it was originally created during the period of 2004-2006.

While the ESS internal development team contributed substantively to these changes, the overall scope of work far exceeded their capacity. For this reason, ESS and Iowa Land Records determined that outside technical assistance and software development services would be required.

### **RFQ for Application Development and Technical Support Services**

In the spring of 2021, a request for qualifications and quotes was published by ESS. After evaluating several responses, a Notice of Intent to Award was approved by the ESS Coordinating Committee on May 24, 2021, and master agreements were awarded to two vendors: Lean Techniques and We Write Code. The master agreements were approved by ESS on June 22, 2021 to be effective July 1, 2021.

Concurrent with the approval of these agreements, it was determined that reserve funds would be used to pay for the development activities to be performed by these vendors. On June 22, 2021, the ESS Coordinating Committee authorized up to \$300,000.00 in reserve funds for development activities. Subsequently, work authorizations were approved for Lean Techniques and We Write Code on July 22, 2021 and August 10, 2021, respectively.

During the period of July through November, 2021, the following functions were addressed.

- Developed a new E-Submission interface for customers (submitters)
- Updated the ESS Payment API to operate on a modern and secure platform
- Developed an updated central administrative interface for ESS Payment and E-Submission applications
- Updated image conversion systems to improve the quality of archived E-Submission documents
- Developed a new County Recorder Interface for E-Submission
- Made minor updates to the WordPress landing pages for Iowa Land Records

Additional reserve funds were authorized by ESS for these activities on December 3, 2021 (\$150,000.00) and February 10, 2022 (\$75,000.00).

All of these activities can be grouped as Phase 1 of the overall project. The total authorized expenditures approved by the ESS Coordinating Committee for Phase 1 was \$525,000.00. Actual expenditures for Phase 1 activities during the period of July 22, 2021 to May 31, 2022 were \$430,398.75. Actual expenditure amounts vary from the authorized amounts due to vacations, paid time off (PTO) or holidays taken by the developers assigned to the project.

The amounts paid to the participating vendors in Phase 1 were as follows.

Lean Techniques (LT) - \$295,625.00

We Write Code (WWC) - \$120,333.75

WinCommunications - \$570.00 (minor WordPress updates not addressed by the RFQ)

On May 10, 2022, the ESS Coordinating Committee initiated plans for Phase 2 of the project and authorized the expenditure of up to \$350,000.00 in reserve funds for the following development activities.

Central Authentication System Development

Creation of a New User Management Database

Migration of Existing Administrators

Migration of E-Submission Users

Implementation of Two Factor Authentication

Integration with Wordpress Application Form

Development of ESS Pay On-Demand Application

Optimize the ILR Search Algorithm

Search Organization Management Development

Search Application Interface Development

Search Results Display Development

Development of a Search Only Users component of E-Submission

Development of Public Search Roles and Functions

Transfer Knowledge to ESS Developers

On February 16, 2022, the ESS Coordinating Committee authorized additional reserve funds for Phase 2. Taken together the total amount of reserve funds authorized for Phase 2 through June 2, 2023 was \$568,000.00. Actual expenditures for Phase 2 activities during the period of October 1, 2022 to May 28, 2023 were \$382,967.50.

The amounts paid to the participating vendors in Phase 2 were as follows.

LT - \$381,637.50

WinCommunications - \$1,330.00 (minor WordPress updates not addressed by the RFQ)

Combined expenditures for Phase 1 and Phase 2 developments during the period of July 22, 2021 through May 28, 2023 (22 months) were \$813,366.25.

The ESS and ILR internal development team has assumed responsibility for maintaining the infrastructure and software for these newly developed systems. Additionally, the internal team has been focused on the development and implementation of updated application interfaces for the integrations with local county land record management systems (county upload and E-Submission functions). Not only have they developed these vital, updated application interfaces, but they will be assisting the local service providers with their understanding of the new systems and helping them with implementation.

The next major development on the drawing board will be the creation of a new application programming interface (API) for electronic submission organizations (national and state). These organizations serve real estate professionals throughout the country, and they submit higher volumes of documents for recording. Examples include Simplifile, CSC, Erecording Partners and the Iowa Department of Revenue. ESS and Iowa Land Records are looking to enhance the functionality of this API for the benefit of both recorders and customers.

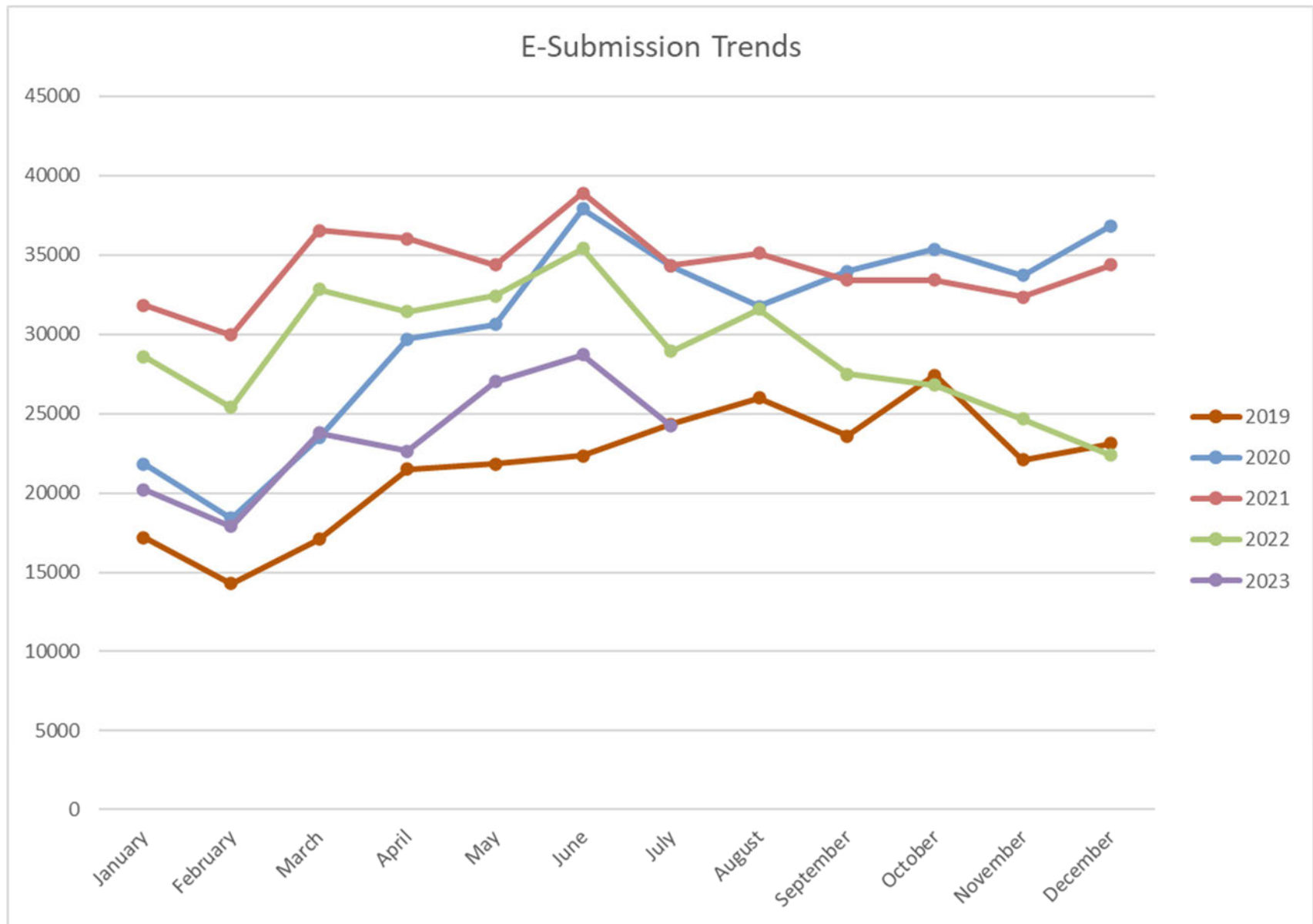
### **Phase 3**

Since the conclusion of Phase 2 in May, 2023, the ESS and Iowa Land Records team has been identifying tasks to be performed in order for the various applications to be considered complete and fully functional. It is anticipated that this backlog of tasks will be bundled into a limited work authorization which will be assigned to one of the outside vendors. The activities would be performed before the end of calendar year 2023 under a new work authorization. The estimated total hours of work would be 360 at an estimated cost of \$54,000.00.

More detailed information about the work performed in Phase 1 and Phase 2 can be found in the work authorizations that were approved by the ESS Coordinating Committee and the associated invoices presented by the authorized vendors.

Please let us know if you have any questions. Action on Phase 3 is anticipated at the August 2023 meetings of the Finance Subcommittee and the ESS Coordinating Committee.





August 8, 2023

To: ESS Coordinating Committee

From: Phil Dunshee, ILR Project Manager

Re: ILR Staff Compensation Adjustments

A performance reviews for Census Lo-Liyong was recently completed. A Compensation Adjustment Authorization is requested at this time.

Census completed her first year and inaugural legislative session in 2023. The following are some notable accomplishments.

- Under the MOU with ICRA, engaged in the writing fee legislation and mitigated the potential effects of legislation concerning time-of-transfer inspections of private sewage disposal systems, real estate service agreements, and other policies
- Under the MOU, the coordinated efforts to update the Recorders Manual
- Assisted with the publication of the ESS Annual Report
- Coordinated engagement with stakeholders concerning Trade Name policies.
- Assisted with the development of updates to the ILR Terms of Service
- Handled the drafting of meeting summaries and posting of agendas and meeting packets
- Actively participated in PRIA policy discussions including engagement with the blockchain working groups

Some notable goals for the next period include the following.

- Continue to gain understanding of ILR processes and also legislative practices
- Continue to strengthen communications skills including technical writing concerning policies
- Continue to build strong working relationships with stakeholders and policy makers

Tasks that are expected in the next cycle include the following:

- Develop an FAQ on the subject of Trade Names
- Develop an active program to encourage advocacy for ILR and policies of importance to county recorders
- Research policies affecting both ILR and recorders including the topic of service fees

Census' compensation is currently set at \$75,000.00 annually. A 3% increase to \$77,250.00 is recommended.

## WORK AUTHORIZATION

Authorization #: LT-3.1

Cost Estimate: ~~\$10,500~~13,050.00

Effective Date: 7/21/23

Valid Through: 07/31/08/04/23

Agency: Electronic Services System (ESS)

Vendor (Service Provider): Lean TECHniques, Inc.

Project Phase: Phase 1 – Admin and Org Management Functions

RFQ/Contract Number: RFQ Number: ESS-2021-1

Work Requested By: Phil Dunshee

Lean TECHniques Contact: Melissa Sporrer

**Statement of Work** Lean TECHniques will provide software development services for the Admin, ESS Payment, E-Submission and Search applications. Activities for the project will include the following:

- A. ADM2-8 Make submitted image available to ESS Admin
  - B. SPRTPTL-1938 Township and Range Transposed
  - C. SPRTPTL-1942 Review & Make search of book/page/number text fields (location) case insensitive
  - D. SPRTPTL-1941 Allow Reference Search by Book Only
  - E. DEV-8 Allow Spaces in First/Last Name Fields
  - F. ADM2-30 Organizations - Correct Transposition of Column Headings - Type/Submission Type
  - G. ADM2-22 Application Management Menu Order
  - H. ADM2-17 22342 Enable filter for recently recorded for county
1. ADM2-13 Restore Document Reset Function in ESS Admin
  2. PRTL-285 Redaction/public Search for recorders
  3. ADM2-20 Enable ESS Admins to activate/deactivate account users in Manage Users
  4. SPRTPTL-1940 In Search App - column with Doc Details, PDF, and Report Icons, Include Icon for Ass. Reference
  5. ESSI-185 Each account requires an Admin - cannot delete admin user or change to other role if no admin see also CAS-194
  6. ADM2-23 Modify Advanced Search Submission Interface (See also ADM2-16)
  7. PRTL-286 Search Users – Adjustments
  8. PAY2-7 Create Button to return to Adm from the ESS Pay interface
  9. Additional Tasks will be added as time permits.

**Deliverables** include the following working software functions:

- Complete as many SOW tasks as possible in the specified time frame.

Activity	Rate
Delivery Lead (Amber)	\$150.00/hr.
Senior Software Developer (Travis)	\$150.00/hr.
Software Developer (Kevin)	\$150.00/hr.
<b>Total Cost - Not to Exceed</b>	<b><del>\$10,500</del>13,050.00</b>

With respect to this work authorization, Lean TECHniques will provide ESS with a detailed invoice bi-weekly.

**Work Included:** Status Reports for ESS Project Manager/Product Owner as needed  
Stand Up with ESS Technical Lead (current cadence is twice per week)

ESS will provide Lean TECHniques with access to necessary software and accounts, and ensure timely communications regarding Deliverables, Acceptance or Non-Acceptance, Deficiency, Error, Enhancement, Services, and Specifications as referenced in the master Agreement.



Phil Dunshee

Approved: Lean TECHNIQUES	Approved: Electronic Services System
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## WORK AUTHORIZATION

**Authorization #:** LT-3.2

**Cost Estimate:** \$6,450.00

**Effective Date:** 08/07/23

**Valid Through:** 08/11/23

**Agency:** Electronic Services System (ESS)

**Vendor (Service Provider):** Lean TECHniques, Inc.

**Project Phase:** Phase 1 – Admin and Org Management Functions

**RFQ/Contract Number:** RFQ Number: ESS-2021-1

**Work Requested By:** Phil Dunshee

**Lean TECHniques Contact:** Melissa Sporrer

**Statement of Work** Lean TECHniques will provide software development services for the Admin, ESS Payment, E-Submission and Search applications. Activities for the project will include the following:

1. ADM2-18 Activity report completion
  2. ESRI2-223 Distribution (Settlement) Report in Recorder Interface
  3. ESSI-214 Validate that a submitter organization has set up payment before they can create a group
  4. ADM2-33 Make address and phone information from individual application visible in the "Individual Registrations" interface in ESS Admin and ensure that the information is saved in the user database. It should also be editable by an ESS Admin.
- A. ESUB-392 Reconfigure Recently Recorded Query
  - B. ESUB-393 Reconfigure Login Query Pending Groups Table
  - C. ADM2-15 Enable Failed Payment Function in Admin 2
  - D. ADM2-12 Retry Payment and E-Submission failures via Admin2 failure page
  - E. ADM2-14 Enable Failure Function in Admin 2
  - F. ADM2-32 Prevent users in an organization from logging in to an application (search or esub or both) if access to the application has been disabled for the organization.
  - G. Research alternative method for providing DOV images to counties
  - H. Additional Tasks will be added as time permits.

**Deliverables** include the following working software functions:

- Complete as many SOW tasks as possible in the specified time frame.

Activity	Rate
<b>Delivery Lead (Amber)</b>	\$150.00/hr.
<b>Senior Software Developer (Travis)</b>	\$150.00/hr.
<b>Total Cost - Not to Exceed</b>	<b>\$6,450.00</b>

With respect to this work authorization, Lean TECHniques will provide ESS with a detailed invoice bi-weekly.

**Work Included:** Status Reports for ESS Project Manager/Product Owner as needed  
Stand Up with ESS Technical Lead (current cadence is twice per week)

ESS will provide Lean TECHniques with access to necessary software and accounts, and ensure timely communications regarding Deliverables, Acceptance or Non-Acceptance, Deficiency, Error, Enhancement, Services, and Specifications as referenced in the master Agreement.

<b>Approved: Lean TECHNIQUES</b>	<b>Approved: Electronic Services System</b>
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July 18, 2023

To: ESS Standards Subcommittee

From: Phil Dunshee

Re: Fraud Prevention Project Concept and  
Historical Survey Scanning Project

#### FRAUD PREVENTION

At their May 9, 2023, meeting the ESS Coordinating Committee expressed support for ESS to explore the development of a fraud notification system, including funding options and the feasibility of implementing and maintaining the system. We wish to share a concept on how this might work in the context of the Iowa Land Records system. ILR has more than 23 million records statewide, and a system based on name has the potential for producing many false positive notifications. An obvious example would be the surname "Smith."

So, how do we ensure that a notification system is targeting activity about a particular property or properties? We can draw a few lessons from the Back the Blue redaction program. For that program, qualified participants are asked to identify the specific documents they want to have redacted. Those documents are identified on a "redaction request form," and we dutifully redact the appropriate name from the document that is posted on the website. Our team doesn't guess or do research about the documents. The requestor, often with the assistance of their county recorder's office, identifies the exact record(s) to be redacted.

Carrying this idea forward to fraud prevention, it would be possible to ask a citizen/customer to identify the specific "deed" or other conveyance document associated with their property. If a deed or other conveyance instrument was filed for that property, an associated reference would be entered into the recorder's index. The recording information, including the associated reference information would be transmitted from the county to Iowa Land Records. ILR systems could be set up to electronically notify the citizen customer that a document associated with their property has been recorded. In this manner the notification would provide information about a transaction with a lower risk of a false positive report.

ILR will soon be launching the "citizen" version of the land records search. Individuals will be invited to sign up for the service, and an invitation to sign up for the notification service could be included with the set-up process. There is much more to do to plan and develop policy around a program like this. A budget has not yet been estimated. We would appreciate your reaction and guidance as we think about next steps.

#### HISTORICAL SURVEY SCANNING PROJECT

In recent years the ILR team has maintained communications with the leadership of the Society of Land Surveyors of Iowa (SLSI). We participate in their annual conference and are often in touch with them when the legislature is in session. One of the topics they bring up is the need to digitize older survey records - particularly plat maps. Census, Lisa and I recently met with the SLSI leadership via web conference and this topic was raised. The idea of setting up a joint working group (SLSI and ESS/ILR) was discussed. The group would be charged with coming up with a project plan, a budget and a source of revenue. We know that some work needs to be done to move it from a discussion to a plan, and we would be pleased to assist. Again, we would appreciate your comments and guidance.

pd

# COMMUNICATIONS UPDATE

Aug 8, 2023

## SEARCH RESOURCES

- Training Videos
- Email Campaign
- updating handouts

## YOUTUBE

- Playlist by application
- Cleaning/ updating

[Search 2.0 Playlist](#)

## EMAIL PERFORMANCE

	OPEN RATE	CLICK RATE	CONTACT INFO UP TO DATE?	POPULAR CONTENT
RECORDERS	50%	17%news 39-48%	Good,	June newsletter & annual report
CUSTOMERS	16-42%	10% news 16-28%	Needs cleaning	annual report
* <b>BENCHMARK</b> (based on comparable industries)	20-25%	4.8%	ILR emails doingVERY well	

## LESSONS / OPPORTUNITIES

- Overall contact list due for another cleanup
- More engagement from recorders and staff acheived!
- E-Submission Users generally not interested in general info
- Lowest opens and overall engagement were on system updates,
  - likely due to subject line reveal
  - Other low submission emails were inviting admins to SEARCH - team has been updating contacts & moving to inactive after two years of no log ins... this being applied to comm contacts too but not all users are subscribed to messages
- Counties have spam filters IMPROVED!
- Counties who open, often return to content

# COMMUNICATIONS UPDATE

Aug 8, 2023

## EMAIL PERFORMANCE

Audience: ICRA & Staff

### COUNTY NEWSLETTER

May 10

65.26% open rate / 36.84% click rate

**DEPUTIES CONFERENCE**  
September 28, 2023

**Empower Your Staff**  
The Deputies Conference is an unique annual opportunity for your staff to network and improve their knowledge on day to day office responsibilities. The event will feature guest speakers, food, caffeine, and endless opportunities to learn!

Now more than ever, it is important to encourage each other and to believe in your community, your team, and in yourself. This is why we have chosen the theme of "Don't Stop Believin'" for our educational and motivational conference for your staff. Let's have fun as we share the wealth of knowledge! This conference will help people believe in themselves so that when you need to step away from the office, you know your supporting staff are ready to step up confidently.

**When:** Thursday, September 28  
**Where:** West48 Conference Center in West Des Moines  
**Cost:** \$100 /person  
**Deadline:** Event Registration Closes at 5 p.m. August 28 (Cancellations cannot be refunded after Sept. 14)

Please complete one registration form per participant and we will send an invoice to be paid by check. Online registrations only please, and remember to note any allergies or special accommodations. You may choose to book a room at the Courtyard by Marriott in Clive for a discounted rate. Call 127 (22.2%) possible for making their own reservations which was also linked on the form.

We also encourage participants to join us for a networking event the night before. For hotel guests, a shuttle will be available to take guests to and from all conference related activities.

**Let's motivate, educate and have fun at this year's Deputies Conference!**

**Click To Register** 190 (31.4%)

**Legislation Recap**  
We're excited to announce that the Property Tax Bill, which includes the writing fee adjustment, has been signed into law on May 4, 2023! Go to this link to share the news on Linkedin 3 (0.5%)

**Committee Meeting Audio** 90 (15.7%)  
ESS Coordinating 6 (1.0%)  
ESS Standards 7 (1.2%)  
ESS Finance 1 (0.2%)

**Upcoming Committee Meeting Dates**  
Finance June 8, 2023  
Standards July 18, 2023  
Marketing July 27, 2023  
ESS Coordinating Aug 8, 2023

**Webinars** 8 (1.4%)  
E-Submission Training May 10, 2023 @ 10 a.m. 1 (0.2%)  
E-Submission Training, June 14, 2023 @ 2 p.m. 1 (0.2%)

**Upcoming Events**  
ICRA Conference June 14-16  
ISAC Annual Conference Aug. 23-25  
ILR Deputies Conference Sept. 28

**Quick Links** 3 (0.5%)  
Policy & 1 (0.2%)  
ICRA Hub 1 (0.2%)  
Recorder Directory 8 (1.4%)  
Records 0 (0%)  
E-Submits 3 (0.5%)  
Iowa Land Records 1 (0.2%)

### NEWSLETTER/ SUMMER CONFERENCE RECAP

JUNE 21

52.72% open rate / 43.13% click rate

**IOWA LAND RECORDS**

**Summer Conference Recap**  
Kudos to Deputies for having a fun and adventurous conference last week! Check out our LinkedIn page for photos of the group and our Snake Alley adventure.

Much like the city of Burlington, there was so much to do and see at the conference! What better way to refresh your memory, or update those who could not attend, than with a RECAP? Let's dig in...

**Presentation Slides** 221 (21.6%)  
ILR 172 (16.8%)  
IDo 141 (13.8%)  
DNR 132 (12.9%)  
DHH 18 (1.8%)

Visit the motivation guest speaker's website: Desi Payne 40 (3.9%)

**See All Conference Documents on the ICRA Hub** 32 (3.1%)

**Important Dates**  
July 15 - Maintenance Invoices Due  
August 28 - Hotel Room Reservation Deadline for Deputies Conference  
September 27 - Deputies Networking 49 (4.8%) in West Des Moines  
September 28 - Deputies Conference www.westdesmoines.com

**Legislative Schedule**  
July- Aug Develop Strategy  
Aug-Nov Schedule Planned Actions  
Jan-Feb Complete Final Policy for 2024 Legislation

**Search 2.0 Webinar** 32 (3.1%)  
If you missed the Search 2.0 Webinar yesterday, you may watch the recording HERE  
Please note that you will need to fill out your name to view the video for security purposes. This demonstration is intended for you and your staff only.

We look forward to seeing you again at the ISAC Conference in August. Thank you for your support!

—Your Iowa Land Records Team 8 (0.8%)

**HAVE A QUESTION?**  
**CLICK TO CONTACT SUPPORT**



# COMMUNICATIONS UPDATE

Aug 8, 2023

## EMAIL PERFORMANCE

Audience: ICRA & E-Submitters

### COUNTY NEWSLETTER

July 25

43.79% open rate / 23.29% click rate



### CUSTOMER NEWSLETTER

JULY 27

35.74% open rate / 16.09% click rate

#### ACCOUNTABILITY IN REPORTING

Did you know Iowa Land Record meetings between Iowa County Recorder Association members and Electronic Services System are documented and recorded? Transparency is an important part of Iowa Land Records' operations. To make our operations more accessible, the general public may 17 (0.2%) meetings for observation and can choose to sign up for **meeting notifications**.

To see meeting agendas, packets and recordings go to our Accountability In Reporting page and scroll down to committee tabs as seen in the screenshot above. Meetings and webinars can be found on our event calendar.

#### EVENT CALENDAR

#### SEARCH 2.0 - Phase Plan To Update Users

Since the introduction of the new Iowa Land Records search app, 19 (0.2%) have been incrementally inviting users to agree to updated **Terms of Service** and update any search users to the new application. E-submission admins were among the first to be invited because they can create new users and update roles within their organization. To date, more than 50% of active e-submission users have access to Search 2.0.

Currently, we are in Phase 2 of our onboarding process.

- ✓ **Phase 1** - Onboard County Recorders
- Phase 2** - Onboard E-Submission Admins (current)
- Upcoming** - Business and individual search users

To see a demonstration of the new search, 22 (0.2%) get more training for the upgrade, please subscribe to our **YouTube channel** where we continue to expand our video catalog and resources online.

Please note that the former search application (legacy) will be retired later this year.



#### HOW TO USE SEARCH FIELDS - SEARCH 2.0

When you are looking for a name in the new search application, the system will return results that are an EXACT MATCH for the character string you enter. For example, searching for "Peters" will only return results with a last name of Peters.

If you are unsure of the spelling, enter the characters you know (the name "starts with") followed by an asterisk at the end. For this example, "Peters\*" will return results such as Peters, Peterson, Peterson, etc.

#### Wild Card Example





## COMMUNICATIONS UPDATE

Aug 8, 2023

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# ANNUAL REPORT PERFORMANCE

Audience: ICRA & Staff



on the left is a screen  
shot of what ISAC  
sent to county  
supervisors in July

### Iowa Land Records Annual Report

On behalf of Iowa Land Records, we are sharing with you the information below regarding their annual report.

As a county supervisor, you are a valued stakeholder of Iowa Land Records. You are invited to review the Iowa Land Records Annual Report covering events from January 2022 through June 2023.

[Iowa Land Records Annual Report](#)

This report summarizes key developments and financials of Iowa Land Records system managed by your county recorders and Electronic Services Systems. We encourage you to take the time to review the report thoroughly, as it provides transparency to our performance and sheds light on our strategic priorities that will benefit your constituents.

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### ANNUAL REPORT EMAIL

JULY 5 to RECORDERS

46.67% open rate / 39.37% click rate

[link to REPORT](#)

## COMMUNICATIONS UPDATE

AUG 8, 2023

# DEPUTIES CONFERENCE

BELIEVE in your **COMMUNITY**.  
BELIEVE in your **TEAM**.  
BELIEVE in **YOURSELF**.



## DETAILS

- Sept. 28
- West48 in WDM
- Hotel Block - discount rates
- Networking Reception Sept. 27

## [EVENT PAGE](#)

# ICRA BROCHURE

## NEW RESOURCE



# COMMUNICATIONS UPDATE

Aug 8, 2023

## NEW ICRA HUB REVIEW PAGES

- COMMUNITY
- TRAINING
- PRODEDURE
- LEGISLATION
- CONFERENCES



### WELCOME!

Welcome to the Iowa County Recorders Association resource hub. This information hub is here to support county recorders and their staff and is your go to resource for the association. Here, you can find upcoming events, recorded triaing, handouts for public information and other helpful resources.

Please be sure to update the ILR team with any office operation or contact changes.

NEWSLETTER

EVENT CALENDAR

**PASSWORD: Summer2023!**

<https://iowalandrecords.org/icra-hub/>



**DEVELOP  
NEW  
POSSIBILITIES**

# **Annual Report**

Published June 30, 2023

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IOWA   
**LAND RECORDS**

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# A LETTER FROM IOWA LAND RECORDS



The support of our stakeholders and active users has led to positive developments in 2022. We mean that in both the literal and symbolic way! Through multiple campaigns of research, focus groups, and surveys we have developed relationships with users from various industries to keep them involved in the creation of the next generation of technology to search and electronically submit Iowa Land Records. Soon, individuals and organizations alike can search for land records in the state of Iowa with

**FASTER SPEEDS, MORE FLEXIBILITY & CUSTOMIZATION.**

Since January 2022, we have...

- Launched a new e-submission application.
- Researched and developed a new search application to launch in mid-2023.
- Increased the proportion of e-submissions.
- Introduced a new Policy Coordinator.
- Reduced paperwork with new legislation on Groundwater Hazard statements.
- Advanced Iowa Land Records systems for future opportunities.

As the Chair of the Electronic Services System Coordinating Committee, I work alongside Electronic Services System (ESS) staff and county recorders from all of Iowa's districts. Together, we balance ourselves with transparency in our processes and maintain accountability on behalf of our communities. Part of this harmony includes welcoming stakeholders to celebrate the milestones we have accomplished throughout the year. Together, we will continue to

**DEVELOP NEW POSSIBILITIES!**

With dedication and gratitude,

*Nancy Booten*

Chair of Electronic Services System Coordinating Committee

# IOWA LAND RECORDS HOW IT WORKS

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The Iowa Land Records system has achieved significant milestones in its development. In 2005 it became the first statewide land records system in the US with the operational launch of its website. Throughout the years, ILR furthered its advancements by becoming the first statewide electronic recording system and implementing a comprehensive redaction system. Integration agreements with national e-recording companies were also established. Notably, ILR focused on improving user interactions and functionality by developing a new customer interface. In 2023, the introduction of SEARCH 2.0 has brought together Search and E-submission into a single platform, enhancing the user experience and system capabilities. These accomplishments solidify ILR's pioneering role in statewide electronic recording and land records management in the United States.

**23**  
**MILLION**  
**RECORDS**

23 million public records reside on Iowa Land Records.

**60%**  
**DOCUMENTS**

60% of all land records in Iowa were recorded electronically.

**4**  
**MILLION**  
**SEARCHES**

There are over 4 million searches in Iowa Land Records each YEAR.

## HOW DO RECORDERS USE IOWA LAND RECORDS?

- Reviewing electronically submitted documents for local recording – counties assign the recording reference number and recording time.
- Transferring unaltered documents to Iowa Land Records is a core responsibility of County Recorders.
- Transferred documents must be complete & include index, image, associated references, parsed legal descriptions, parsed party names, and in the future parcel ID numbers.
- Complete documents should be transferred to ILR within 72 hours of recording.
- All documents are checked for personally identifiable information before becoming public on Iowa Land Records.
- Retrieving documents redacted by Iowa Land Records for the local county archive.

# THE PARTNERSHIP HOW IT WORKS

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## GOVERNANCE

ESS was established under Chapter 28E to provide Iowa counties with an electronic services system for land record information, electronic recording and other services as amended by 2021 Iowa Acts, Chapter 126, Section 2. See also, [https://iowalandrecords.org/wp-content/uploads/2022/01/SOS-Filing\\_28E.pdf](https://iowalandrecords.org/wp-content/uploads/2022/01/SOS-Filing_28E.pdf)

### Iowa Land Records is governed by...

- Electronic Service System (ESS) Coordinating Committee**

The committee was established to govern ESS and coordinate efforts to deliver services and information through ESS, and to make policy regarding the operations of ESS. The committee is comprised of recorders and stakeholders.

- Subcommittees (Finance, Standards & Communications)**

Each committee is composed of members from the six districts of the statewide Iowa County Recorder's Association. Committees meet monthly or quarterly and are open to the public.

To see a complete list of committee members and ESS staff, go to "[Meet Our Team](#)" Iowa Land Records website.

## TRANSPARENCY

### MEETING NOTIFICATIONS

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Click on this [link](#) to sign-up for email notices for our next committee meetings.

### MEETING REPORTS

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Click on this [link](#) to see all of our meeting reports and agendas on our public accountability in reporting page.



# THE PARTNERSHIP HOW IT WORKS

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## ESS & COUNTIES

ESS is a model for the collective local governance of a statewide system. The ESS Coordinating Committee has the authority under Iowa law and the ESS 28E agreement to establish standards, policies, and requirements for the delivery of electronic services, and all member counties are required under the 28E agreement to comply with the policies established by ESS.

The scope of these policies includes but is not limited to the following:

- **The format, attributes and organization of data** and images of recorded documents in ESS and member systems
- **Business rules and requirements** for the management and maintenance of data and images of recorded documents in ESS and member systems
- **Specifications and procedures for the transfer of data** and images from local county systems to the Electronic Services system including Iowa Land Records
- **Specifications and procedures for the exchange of information** and business processes associated with the electronic filing and recording of documents through ESS and the Iowa Land Records E-Submission service

See Section 331.604, subsection 3b of the Iowa Code and the ESS Policies and Procedures published at <https://iowalandrecords.org/accountability-in-reporting/>

The 28E agreement can be found under filing number: M514302, published at <https://sos.iowa.gov/search/28ESearch.html>

## THE PARTNERSHIP

# LAND RECORDS MANAGEMENT SYSTEM SERVICE PROVIDERS



(and other partners not listed)

The success of Iowa Land Records relies on a unique relationship between the county recorders' land records information system and multiple service providers. Recordings completed at the recorder's office are transferred to Iowa Land Records (ILR) through an API provided by ESS to the service providers. In conjunction with the introduction of Search 2.0, providers are being required to update their systems to integrate with ILR.

ESS has established and published the Electronic Services System API (ESS API) which provides the form and method of exchanging information between ESS and any service provider system.

ESS is adding two new application programming interfaces (APIs) for e-submission and county upload functions. In building these new assets, we have transformed the Iowa Land Records (search and e-submission) site into a more advanced system that will open new opportunities for the future.

Business and government functions performed through the ESS API by a service provider and service provider system to a county include:

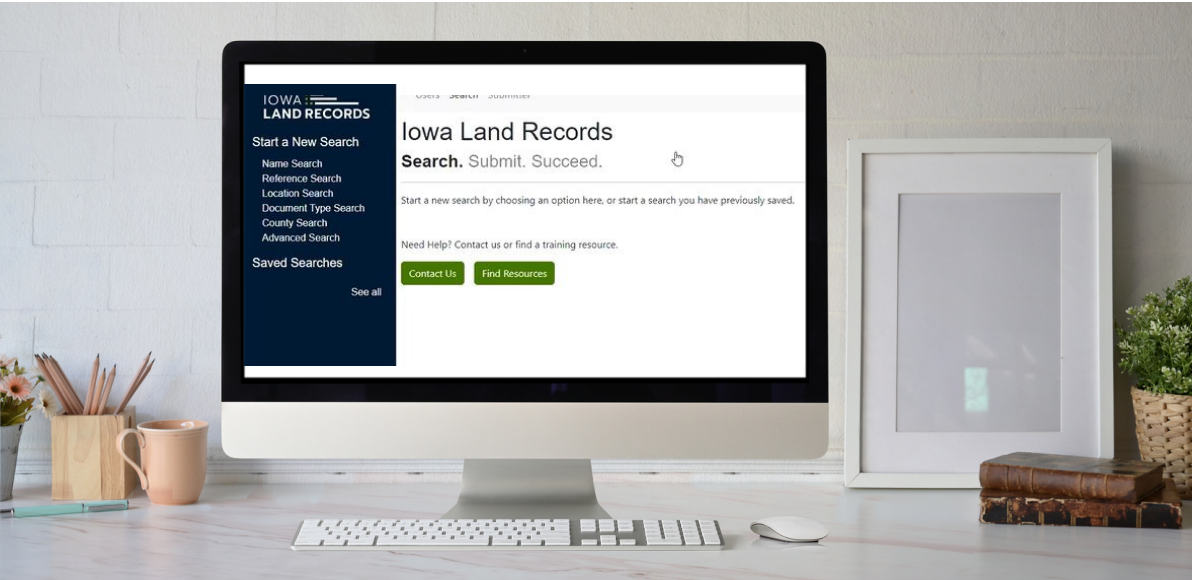
- The transfer of correctly formatted and mapped data and images associated with recently recorded documents to ESS and Iowa Land Records database application and image repository.
- The transfer of data associated with a Fully Indexed Recorded Document to the ESS and Iowa Land Records database application and image repository. Counties are required to transfer all recorded document information which is archived in an electronic format.
- The transfer of data updates for a Fully Indexed Recorded Document to the ESS and Iowa Land Records Portal application.
- The transfer of corrected replacement images associated with a Completed Recorded Document or a Fully Indexed Recorded Document to the ESS and Iowa Land Records Portal application.

[Contact us](#) to see an illustration of a complete service agreement.

# DEVELOPING ASSETS

# COLLABORATION

# & GROWTH



By the start of 2022, and with the development stages of the new e-submission platform coming to a close, it was clear that Electronic Services System needed to also develop a new search application and make updates to coordinating policy.

INTRODUCING

IOWA LAND RECORDS

# SEARCH

2.0

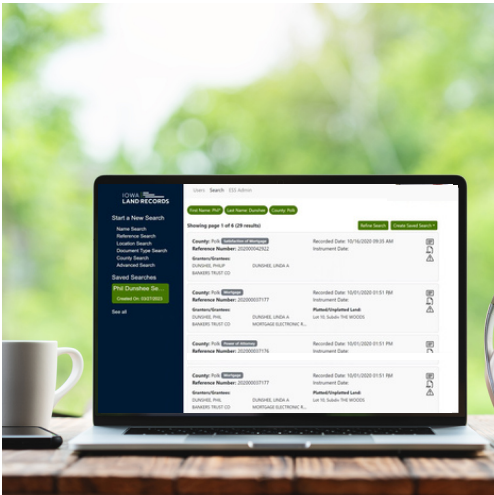


Fig 1. Graph showing the industries represented in the survey conducted for feedback on creating the next generation of Iowa Land Records search application.

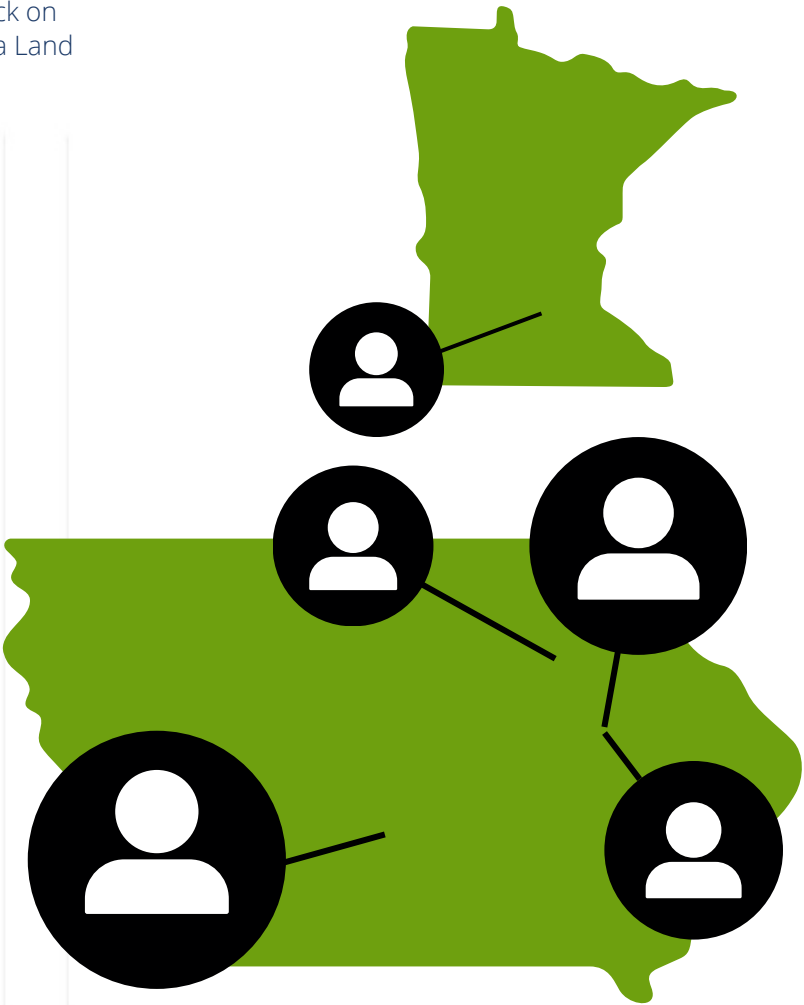
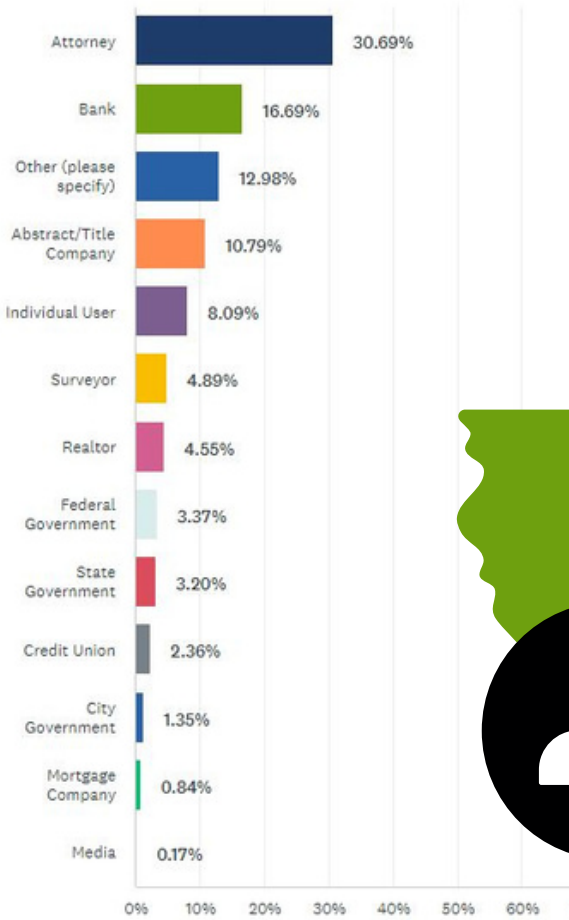


Fig 2. Representation of where focus group participants were from.

# THE PROCESS

## DEVELOPING RELATIONSHIPS

Who would know the lay of the land best? The people who *use* Iowa Land Records!

Therefore, to get the best insights and welcome open dialogue, we invited current search users and other stakeholders to participate in eight rounds of surveys and questions regarding the user experience of record searching.

# THE FEEDBACK

In the survey below, users expressed the top categories they base searches on. From that insight, and analysis of recent search activities, ESS developed a search strategy that would allow users to search based on some of the top categories plus an advanced search feature.

## DEVELOPING RELATIONSHIPS

Fig 1. Survey results showed us the top preferred categories participants use when conducting a land record search in Iowa.

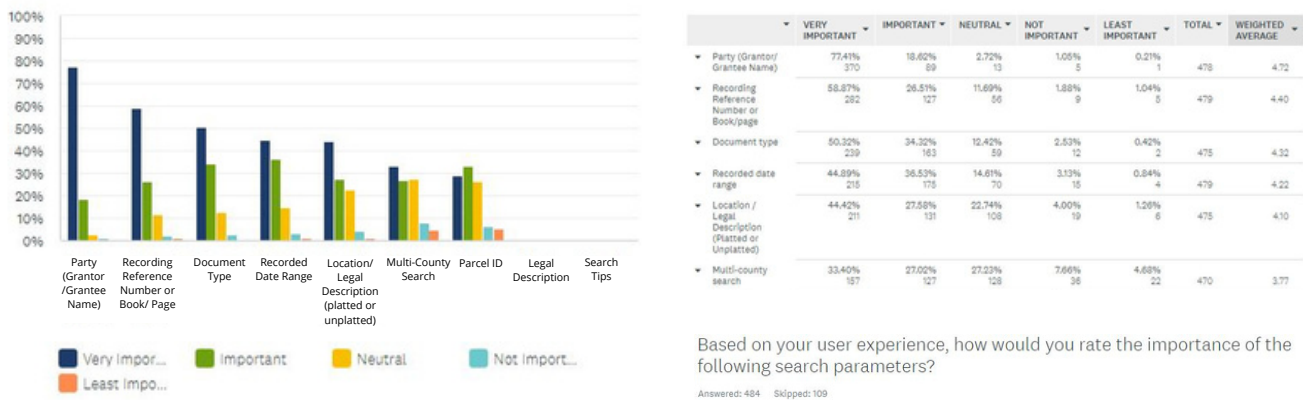


Fig 2. This is a screenshot of the new search application. The vertical menu on the left-hand side gives users the option to base the search on Name, Reference, Location, Document Type, County, or Advanced to provide customization as reflected in the feedback received through focus groups and surveys.

# THE FEEDBACK

## FREQUENCY OF USE

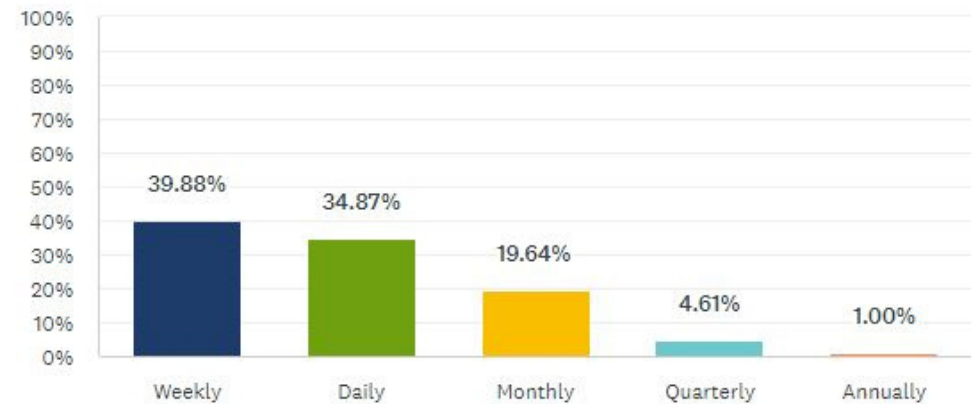


Fig 1. The frequency of use illustrates how often users log onto Iowa Land Records

## MAIN BENEFITS OF IOWA LAND RECORDS

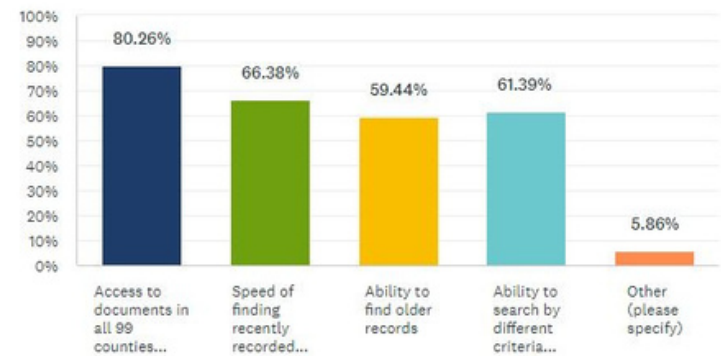


Fig 2. Survey participants choose what aspects of Iowa Land Records they thought were the most beneficial based on a list of choices.

Current policy limits users to 120 document views per day. Based on your business model, this limit is -

Answered: 469    Skipped: 124

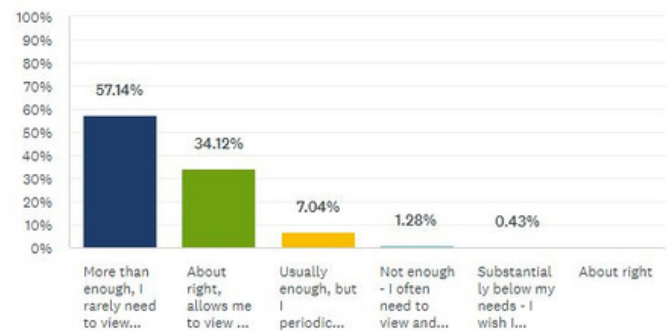


Fig 3. Participants were asked if the current search limit on documents (120 documents per day) was reasonable.

# THE FEEDBACK

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## DEVELOPING RELATIONSHIPS



Throughout the development process, we conducted five focus groups to demonstrate a live look at the new search application. We had open table discussions throughout each demonstration, which were held online and in the ESS offices. Overall, we learned that people wanted the following features...

## FASTER SPEEDS

## CUSTOMIZATION

## MORE PREVIEW INFO

## A MORE MODERN LAYOUT

\*As of June 2023, the new Search application is being introduced to users in a "soft" rollout. Studies and reactions to the new application guided us to the decision to welcome the new features to users gradually.

# BUILDING ASSETS

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# NEW USER TERMS OF SERVICE

With system upgrades to the search and e-submission services since the start of 2022, it became clear that ESS needed to update the Terms of Service and overall policy of its systems. With this update, the privacy policy is now included in the new Terms of Service and requires all users to agree to the updated terms.

Read the Terms of Service [HERE](#).

## NEW SETUP

Both search and e-submission applications are focused on serving organizations.

## NEW ADMIN

Organizations will manage and be responsible for their users.

## SECURITY

New password requirements and two-factor authentication was implemented.

## STAKEHOLDER OUTREACH

Stakeholder representatives were actively consulted about administrative and user management restructuring.

## CITIZEN ACCESS

Provisions have been made to enable citizens to access their own records without cost.



## DEVELOPING ASSETS

# CUSTOM ELECTRONIC PAYMENT- COUNTY AGREEMENT

An Iowa county may soon be introducing an online service enabling registration and license renewals with the Department of Natural Resources (DNR). To ensure secure and compliant payment processing for these online applications and services, the county sought the assistance of the Electronic Services System (ESS). ESS currently operates a payment services system for online and point-of-sale services, possessing the necessary capabilities to provide on-demand credit and debit card payment services for county applications.

Following discussions and with approval from the ESS Coordinating Committee, ESS developed an online customer payment system that could be integrated with any county online service. The payment system is on-demand and relieves the county of the responsibility and risk associated with the handling of customer payment information. The cost of providing the payment service will be recouped through a processing fee charged to online customers.

This milestone highlights the growing capabilities of ESS services to its member counties. For more information, contact [support@clris.com](mailto:support@clris.com).



## FINANCIALS

# E-SUBMISSION TRENDS

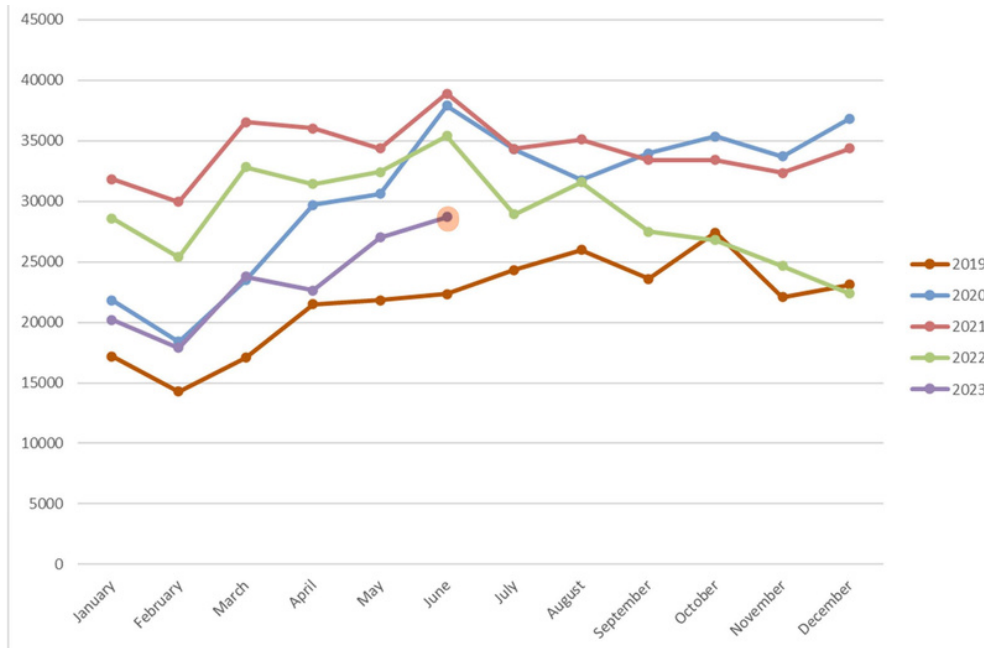


Fig 1. This graph illustrates economic trends on electronic submissions from 2019 through 2022. This information is also reflected in the financial report below.

## ECONOMIC TRENDS

Funding for the operation and maintenance of the Iowa Land Records system and ESS is primarily associated with activity in the real estate industry. When the industry is growing and real estate transactions are increasing, activity in the recorder's office follows. When the real estate industry contracts, recording activity declines and so does recording fee income.

With the onset of the COVID-19 pandemic, electronic recording activity increased, and that activity was sustained through 2021 as the economy moved forward with stimulus funding and continued low-interest rates. ESS put those additional resources in reserve for the purpose of making future investments in software. Activity slowed in 2022 and fell to 2019 levels in the second half of the year as the effects of inflation, increasing interest rates, and changes in the real estate market were felt.

(continued on page 16)

## FINANCIALS

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# (CONTINUED) ECONOMIC TRENDS

Current economic and recording activity trends offer reasons for cautious optimism for the second half of 2023. Peak activity in the real estate industry can be observed in June through August. Recording activity increased in May, and if activity is sustained it could lead to a favorable position for the remainder of the year.

To a lesser extent, funding for Iowa Land Records and ESS is also derived from the operation of a point-of-sale system used in most county recorder offices. Individual counties also contribute through a reimbursement model, whereby local counties reimburse ESS for a portion of maintenance services related to integrating their land records management systems with ESS. (See "Cost Sharing Incentive" below).

## COST SHARING INCENTIVE

In fiscal year 2015, the ESS Coordinating Committee established the County Project Assessment Cost Sharing Program. Prior to the creation of the program, counties were fully responsible for the cost of annual maintenance agreements with their local land records management system vendors. It was proposed that a portion of the net income from E-Submission be used to help pay for these maintenance costs.

Cost-sharing is based on a formula which measures the ratio of electronic recording in each county. Counties with a higher ratio of electronic recording receive a greater portion of the cost sharing budget.

Every county receives a cost sharing credit, but as an incentive to promote the use of E-Submission services, counties which have a higher level of electronic recording activity receive more.

In calendar year 2022, \$160,453.00 in cost sharing credits were granted to the 99 counties. The amount budgeted for cost share credits in calendar year 2023 increased to \$170,000.00.

Each county can increase its cost-sharing credit by continuing to promote electronic recording in their county. See the ratio report [here](#).

## FINANCIALS

# ESS REVENUE

Financial Analysis	Year Ending 12/31/2023		
	2022	2021	2020
<b>Total Revenue</b>	\$ 41,519,072	\$ 39,760,744	\$ 31,238,129
<b>Total Expenses</b>	\$ 41,306,941	\$ 39,158,044	\$ 30,481,609
<b>CHANGE IN NET POSITION</b>	\$ 212,131	\$ 602,700	\$ 756,520
<b>NET POSITION, beginning</b>	\$ 2,537,232	\$ 1,934,532	\$ 1,178,012
<b>NET POSITION, ending</b>	\$ 2,749,363	\$ 2,537,232	\$ 1,934,532

In terms of financial performance, total revenues experienced a 4.4% increase, equivalent to \$1,758,328 in 2022. This growth primarily resulted from higher revenue generated by the POS payment system. On the other hand, expenses rose by 5.5%, amounting to \$2,148,697 in 2022, primarily due to increased distributions from the POS payment system.

The acceptance of recording fees and point-of-sale fees on behalf of Iowa counties, and the distribution of those fees back to the counties, represents the bulk of all ESS transactions. In 2022, ESS received about \$34.7 million in recording fees, and all those funds were passed back to the counties via ACH transfers. Similarly, ESS received about \$4.7 million in fees for point-of-sale services in 2022, and all those funds were passed back to the counties.

When viewed from operational metrics, the total number of electronically filed documents processed decreased by 14.48%, representing a decline of 60,282 documents, and a total of 355,895 documents processed in 2022.

However, the proportion of documents filed electronically statewide increased from approximately 56% in 2021 to 60% in 2022. This decrease in overall filing can be attributed to inflationary pressures impacting the economy and higher interest rates affecting the market.

Despite the challenges faced in document processing and the broader economic environment, ESS remains committed to providing efficient electronic services and leveraging technology to enhance the operation of county land records information system. Efforts are underway to adapt to changing market conditions and continue serving stakeholders effectively.

### Learn More

Annual audits are filed with the State Auditor and are posted on the Iowa Land Records "[Accountability In Reporting](#)" webpage.

Please note, the 2022 Audit is expected to be filed and published in August 2023.

## **CREATING A NEW COLLABORATION MODEL**

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# **POLICY COORDINATOR & COMMUNICATIONS COORDINATOR**

In 2022, ESS and the Iowa County Recorders Association (ICRA) adopted a Memorandum of Understanding (MOU) to collaborate and share resources for policy development and communications activities. The MOU specifies how the organizations will work together and establishes a framework for allowing ESS to provide identified services to ICRA. ICRA provides reimbursement to ESS for the cost of these services on an actual cost basis.

In addition to the Project Manager, there are two positions on the ESS team who primarily contribute to this collaboration: the Policy Coordinator and the Communications Coordinator.

### **POLICY COORDINATOR**

Census Lo-liyong serves as the ESS Policy Coordinator. She is responsible for researching and developing policy proposals, assists with the development of a legislative agenda, and works as a lobbyist – acting as an advocate and maintaining a professional presence with public officials and stakeholders. Under the MOU she is able to perform these functions for ICRA as well as ESS.

### **COMMUNICATIONS COORDINATOR**

Kristen Delaney-Cole serves as the ESS Communications Coordinator. She is responsible for all marketing and communications activities including the development of content and the application of various marketing tools and channels including bulk email, website management, social media, and various publications. Under the MOU she has been assigned to assist with specific communications projects for ICRA including the ICRA directory, map and brochure.

The Electronic Services System and Iowa County Recorders Association have both gained experience with this new arrangement and will continue to grow and evolve together.

## LEGISLATION

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# GROUNDWATER HAZARD STATEMENT

### Recap of 2022 Groundwater Hazard Legislation

In 2022, ILR achieved significant progress by advancing legislation concerning groundwater hazard statements. This legislation introduced a requirement for filing a groundwater hazard statement only if a property exhibits a reportable condition. However, if there are no reportable conditions, sellers may now simply state in the conveyance document that no such conditions exist. Notably, recorders do not receive compensation for recording groundwater hazard statements.

Since the enactment of this legislation, ILR has observed a notable reduction in the number of statements being filed. This achievement, referred to as "paper reduction," has several advantages. Firstly, it allows recorders to allocate their time more efficiently toward addressing other important services. Additionally, it saves time for sellers and document preparers.

The groundwater hazard legislation has been widely regarded as a successful initiative, benefiting both recorders and stakeholders alike. Its implementation has not only streamlined the process but also improved resource allocation, ultimately enhancing ILR's services and operations.

## BACK THE BLUE - REDACTION

In 2021, the Back the Blue law was passed, intended to provide benefits and protections for Iowa law enforcement officials. Current or former peace officers, as well as other qualifying parties defined in section 801.4 of the Iowa Code, may request that their name be redacted from electronic documents recorded in any Iowa county.

**Forms were created for the counties to use when a Back the Blue paper work redaction was requested. Since January 2022, 145 people requested this service, resulting in over 1,400 redacted documents.**



## LEGISLATION

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# HIGHLIGHTS

Iowa Land Records (ILR) maintains an extensive public records database, encompassing land records and various legal documents. However, in recent years, ILR has encountered challenges stemming from unauthorized access attempts by external parties employing fraudulent identities or attempting to bypass security protocols. To address these concerns and fortify access management procedures for our website and applications, ILR is in the process of implementing necessary changes. It is important that these measures be reinforced with state policy.

Recognizing the importance of engaging stakeholders, ILR conducted a comprehensive stakeholder process to gather feedback and garner support for new legislation. Specifically, ILR advocated for legislation to affirm its authorization to control who has access to the Iowa Land Records system and how it is used. This proposed change aimed to enhance security and ensure proper usage of the ILR platform.

Additionally, Iowa Land Records advanced proposals to make better use of technology to provide access to information.

Examples include the ability to transfer data to other public agencies on a "batch basis" such as providing copies of groundwater hazard documents to the Department of Natural Resources, or transferring anonymous aggregated data on real estate transactions to partners in the real estate industry. These initiatives aim to provide stakeholders with valuable information and market insights.

While the legislation described above did not progress in 2023, it may be revisited in 2024. ESS and Iowa Land Records are committed to using technology to better serve our customers and stakeholders throughout the real estate industry.

## LOOKING AHEAD

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# WHAT'S NEXT FOR IOWA LAND RECORDS

As we look ahead to the remainder of calendar year 2023, 2024 and the future beyond, it is important to examine trends that will have an impact on the delivery of services. The ESS and Iowa Land Records team are interested in new technologies and in particular the technology investments being made in the real estate industry. Participation in national organizations such as the Property Records Industry Association (PRIA) and the Mortgage Industry Standards Maintenance Organization (MISMO) provides ESS with a good view of some of these developments.

Not long ago the Project Management Institute hosted a presentation titled "The six technologies every business leader must know how to use." It was presented by the futurist Steve Brown. According to Steve the six technologies to know are: 5G networks and satellites, the "internet of things" and sensors, autonomous machines, augmented reality, artificial intelligence and Blockchain technology. In any of these categories, new methods and ways of working are being developed to solve problems, or provide better and more efficient services and products. Some of them can be very disruptive to the current ways of doing things.

We know that MISMO and the mortgage industry are working to use Blockchain technology to reshape mortgage origination and mortgage servicing processes. They are actively looking for ways to reduce reliance on intermediate parties and their associated costs. We are also aware that some realtors are preparing to use blockchain to facilitate real property transactions. This can potentially affect many of the property services administered by the county government.

These advancements beg the question, what can, or should, the county or Electronic Services System be doing? We believe part of the answer is to use technology to provide better and more consistent services to the customer, and in some cases, it may mean exploring the use of one or more of these six technologies to do so. ESS is looking to the future, with an eye toward demonstrating that advancements in service delivery are not limited solely to the private sector. We look forward to working with county officials and state policy makers in this endeavor.





## **MISSION**

*Connecting the public to recorded real estate documents and simplifying document submission with our online service.*

## Chapter 7 Policy and Procedures Access Review Procedures

Chapter 7 of the Electronic Services System (ESS) Policies and Procedures is amended to elaborate on procedures for granting or denying access to the Iowa Land Records Search application or to Iowa Land Records E-Submission service.

1. Section 7.1 is amended by adding new definitions for User In Good Standing and ESS Central Authentication Service, and by modifying the definition for the Iowa Land Records E-Submission Service.

### **ESS – 7.1 Definitions.**

(Iowa Code Section 331.604, 3(a))

As used in this Chapter:

ESS Central Authentication Service - An enterprise single sign-on authentication and authorization platform used by the Electronic Services System (ESS) to enable authorized users to login and access services and information provided by ESS such as the Search and E-Submission applications.

User In Good Standing – An organization, an organization user or a registered individual user who is in compliance with the ESS Terms of Service and who has not or is not likely to be engaged in activities which are prohibited by these Terms of Service including but not limited to the activities enumerated in Section 7.8 (2)

Iowa Land Records E-Submission Service – The county land record information website for submitting documents to Iowa counties for recording. The website address is <https://iowalandrecords.org/esubmission>.

2. Section 7.2(1) is amended to read as follows.

### **ESS – 7.2 Authority and Purpose.**

(Iowa Code Section 331.604, 3(a))

7.2(1) The Electronic Services System (ESS) is required to implement electronic recording in each county, and to maintain a statewide internet website to provide electronic access to records and information. In order to ensure the successful operation of the county land record information system and to fulfill the requirements of Iowa law concerning the handling of personally identifiable information, it is necessary to establish and publish appropriate Terms of Service and Privacy policies as authorized under Iowa Code Section 22.2, subsection 4a. These policies apply to all persons and organizations that access information or engage in electronic recording activities at websites published by the Electronic Services System and the county land record information system.

3. Section 7.3, unnumbered paragraph 6, is amended to read as follows.

#### **ESS – 7.3 Iowa Land Records Search Application Terms of Service**

Organizations and user accounts and their associated IP addresses which are deemed to be a fictitious identity or impersonation, or created to circumvent these Terms of Service may be temporarily or permanently blocked and/or blacklisted. ~~A determination that an account is fictitious, false or inaccurate is subject to the sole discretion of an ESS Site Administrator.~~

4. Section 7.3, unnumbered paragraph 11, is amended to read as follows.

#### **ESS – 7.3 Iowa Land Records Search Application Terms of Service**

##### **No Unlawful or Prohibited Use**

As a condition of the use of the iowalandrecords.org and related extensions (site), an organization or user will not use the site for any purpose that is unlawful or prohibited by these terms, conditions, and notices. An organization or user may not use the site in any manner that could damage, disable, overburden, or impair any Electronic Services System server, or the network(s) connected to any Electronic Services System server, or interfere with any other party's use and enjoyment of the site. The maximum number of document images which may be viewed or downloaded by an ~~individual~~ organization user shall not exceed 120 documents per day, except when authorized by a site administrator. This limitation will be programmatically enforced. Permission to view more than 120 documents per day per ~~individual~~ organization user may be granted to ~~known, trusted registered users~~ organization users in good standing on a case-by-case basis. Such permission may be denied or revoked by a site administrator ~~for any reason~~ as provided in Section 7.8(2).

The maximum number of document images which may be viewed or downloaded by a registered individual user shall not exceed 10 documents per day, except when authorized by a site administrator. This limitation will be programmatically enforced. Permission to view more than 10 documents per day per registered individual user may be granted to ~~known, trusted~~ registered users in good standing on a case-by-case basis. Such permission may be denied or revoked by a site administrator ~~for any reason~~ as provided in Section 7.8(2).

5. Section 7.3, unnumbered paragraph 12, is amended to read as follows.

#### **ESS – 7.3 Iowa Land Records Search Application Terms of Service**

Organization or user accounts, and their associated IP addresses, which are deemed to be created to circumvent the daily document image limitations may be temporarily or permanently blocked and/or blacklisted. ~~A determination that an account(s) has been created to circumvent this policy is subject to the sole discretion of an ESS Site Administrator.~~

6. Section 7.3, unnumbered paragraphs 14 and 15, are amended to read as follows.

### **ESS – 7.3 Iowa Land Records Search Application Terms of Service**

Access to the site through an IP address located outside of the United States is prohibited except when authorized by a site administrator. Permission for access through foreign IP addresses may be granted to a User In Good Standing ~~known, trusted registered users on a case-by-case basis.~~ Such permission may be revoked by a site administrator ~~for any reason.~~

Organization or user accounts and their associated IP addresses which are deemed to be created to circumvent the foreign access prohibition may be temporarily or permanently blocked and/or blacklisted. ~~A determination that an account(s) has been created to circumvent this policy is subject to the sole discretion of an ESS Site Administrator.~~

7. Section 7.3, unnumbered paragraph 17, is amended to read as follows.

### **ESS – 7.3 Iowa Land Records Search Application Terms of Service**

Organization or user accounts and their associated IP addresses which are deemed to be created to circumvent the policies prohibiting illegal or unauthorized uses may be temporarily or permanently blocked and/or blacklisted. ~~A determination that an account(s) has been created to circumvent this policy is subject to the sole discretion of an ESS Site Administrator.~~

8. The ESS Policies and Procedures are amended by adding the following new sections.

### **ESS – 7.7 Iowa Land Records Application Procedures**

7.7 (1) The purpose of this policy is to clarify the process for determining whether to grant an organization and user access to the Iowa Land Records Search application or the Iowa Land Records E-Submission service. As provided in Sections 7.3 and 7.5, an organization or user must be registered with the Electronic Services System and Iowa Land Records. Registration is conducted through an application form for organizations

(<https://iowalandrecords.org/ess-business-application/>) or individuals (<https://iowalandrecords.org/ess-individual-search-application/>).

7.7 (2) When applying for access to the Iowa Land Records Search application or the Iowa Land Records E-Submission Service, organizations are required to provide accurate user account information concerning their identity including a first and last name, organization name, mailing address, e-mail address and telephone number. When possible, an organization web address and an organization's official business registration identification or Trade Name is requested. The use of false or fictitious information is prohibited. Organizations are required to explicitly request access to the service by marking the designated choices on the application form. They are required to explicitly agree and certify that the information submitted is complete and accurate, and they are required to explicitly acknowledge and accept the Electronic Services System Terms of Service.

When applying for access to the Iowa Land Records Search application, individuals are required to provide accurate user account information concerning their identity including a first and last name, mailing address, e-mail address and telephone number. The use of false or fictitious information is prohibited. Individuals are required to explicitly request access to the service by marking the designated choice on the application form, they are required to explicitly agree and certify that the information submitted is complete and accurate, and they are required to explicitly acknowledge and accept the Electronic Services System Terms of Service.

7.7 (3) The Electronic Services System including its officials, employees and contractors reserves the right to verify and validate the information provided by an organization or user on the application form. Further, the Electronic Services System reserves the right to conduct a review of the background of an organization to determine whether the application applicant has or may be likely to engage in activities which are prohibited by these Terms of Service.

7.7 (4) The Electronic Services System reserves the right to decline any application and to deny access to an applicant for any of the following reasons.

- a) The applicant has submitted false, fictitious, or misleading information in an application for access
- b) The business registration information or Trade Name information is false, incomplete or inaccurate
- c) ESS is unable to authenticate the identify an organization or individual
- d) ESS believes that the applicant has or may engage in false, fraudulent, illegal or unauthorized activity based on their background and history including but not limited to their use of a legacy application such as <https://iowalandrecords.org/portal>
- e) ESS determines that the applicant is or is likely to be engaged in prohibited activity such as the commercial use of any content or information made available through the ESS website and services. Prohibited activities include selling,

sharing, transferring or marketing the content or information provided through ESS website and services, or engaging in any similar service or transaction related to the materials provided through ESS website and services to any extent under any circumstances.

7.7 (5) If the Electronic Services System declines an application and denies access to Iowa Land Records Search application or the Iowa Land Records E-Submission service, notice shall be provided to the requested organization administrator or individual user via email. Such notice will be provided within seven business days following a decision and the notice will ~~generally~~ specify the reasons for denying access. An applicant may appeal a decision to decline an application and deny access. An appeal shall be submitted via email to [support@clris.com](mailto:support@clris.com). An appeal will be directed to a designated ESS Site Administrator, who shall ~~have sole discretion concerning~~ determine whether access to Iowa Land Records services will be granted or denied.

### **ESS – 7.8 Iowa Land Records Access Revocation Procedures**

7.8 (1) The purpose of this policy is to clarify the process for revoking an organization's or a user's access to the Iowa Land Records Search application or the Iowa Land Records E-Submission service. As provided in Sections 7.3, 7.5 and 7.7, a registered organization and user is required to comply with the Iowa Land Records Terms of Service. Through various means, the Electronic Services System including its officials, employees and contractors will regularly monitor the activities of registered organizations and users to ensure compliance with the ESS Terms of Service. Registered organizations and users who do not comply with the ESS Terms of Service may have their access privileges revoked. The basis for revoking an organization's or users access to Iowa Land Records services, the likely actions for revoking access, and a process for appealing a decision to revoke access is described in this section.

7.8 (2) Iowa Land Records Terms of Service describes several reasons for revoking an organization's or a user's access to the Iowa Land Records Search application or the Iowa Land Records E-Submission service or other services. These reasons include but are not limited to the following.

- a) Creation of multiple [user accounts] logins for the purpose of circumventing the daily search limit
- b) Failure to maintain current and accurate information about the organization
- c) Failure to maintain current and accurate information about each organization user
- d) Failure to maintain current and accurate information for an individual user
- e) Failure to pay required fees for E-Submission services or failure to pay other authorized fees
- f) Provision of an email address for an organization administrator or user that bounces or is rejected by an email service or host

- g) Failure to whitelist emails originating from [iowalandrecords.org](http://iowalandrecords.org), [clris.com](http://clris.com) or [mailchimp.com](http://mailchimp.com) (in service to ESS and Iowa Land Records)
- h) Provision of a disconnected or unresponsive telephone number
- i) Usage of an IP address located outside the United States
- j) Usage of an IP address with a documented history of supporting phishing, scams, or illegal activities, or which is identified as a proxy server for devices located outside of the United States
- k) Involvement in the development, use, and deployment of ransomware, as deemed illegal under Section 715 Code 2023 of Iowa
- l) Usage of information or services or a pattern of behavior contrary to the published Terms of Service, such as reselling ESS data or services
- m) Usage of information or services to conduct illegal activity, or a pattern of behavior which indicates illegal activity

**7.8 (3)** As a condition of using the Iowa Land Records Search application or the Iowa Land Records E-Submission service registered, organizations and registered users are required to comply with the Electronic Services System and Iowa Land Records Terms of Service as described in this Chapter (Sections 7.3, 7.5 and 7.7. Violations of the Terms of Service may result in revocation of access through various means and the deactivation of accounts.

**7.8 (4)** Iowa Land Records reserves the right to enforce compliance and take appropriate action in response to violations. The enforcement actions may include, but are not limited to:

- a) Warning and notification to the organization or user
- b) Blacklisting the accounts of an organization's users or the accounts of individual users
- c) Temporary deactivation of an organization's account or a user's account and restricting access to the Iowa Land Records Search application, the Iowa Land Records E-Submission service, or other services
- d) Permanent deactivation of the organization's account or an individual user's account
- e) Blocking an IP address or range of IP addresses associated with an organization or user
- f) Legal action

**7.8 (5)** If the Electronic Services System takes action to enforce compliance as described in Section 7.5(4), notice shall be provided to the primary organization administrator or individual user via email. Such notice will be provided within seven business days following an action and the notice will ~~generally~~ specify the reasons for enforcement. An organization or individual user may appeal a decision to enforce compliance. An appeal shall be submitted via email to [support@clris.com](mailto:support@clris.com). An appeal will be directed to a designated ESS Site Administrator, who shall ~~have sole discretion concerning~~ determine

whether concerning access to Iowa Land Records services access to Iowa Land Records services will be continued or revoked.



## **ESS – 7.9 Temporary Adjustment To Document Image View Limits**

**7.9 (1)** Section 7.3 specifies that the maximum number of document images which may be viewed or downloaded by an organization user shall not exceed 120 documents per day, except when authorized by a site administrator. This limitation is programmatically enforced. Permission to view more than 120 documents per day per organization user may be granted to ~~known, trusted registered~~ organizations and individual users who are in good standing on a case-by-case basis. Such permission may be revoked by a site administrator ~~for any reason~~ as provided in Section 7.8(2). The purpose of limitation is to ensure that the Iowa Land Records Search application is structured to serve the needs of real estate professionals as they perform their various functions. Iowa Land Records is not intended to serve as a conduit for facilitating the aggregation of data for private commercial use or resale. The purpose of this policy is to specify the conditions when a organization user may be granted authorization to temporarily exceed the standard limitation on the number of documents which may be viewed in a day.

**7.9 (2)** Organizations may request permission to temporarily exceed the daily document image view limitation of 120 documents per day. Requests shall be submitted by an organization administrator via email to ESS and Iowa Land Records at [support@clris.com](mailto:support@clris.com). A request shall specify the purpose for the temporary authorization, the desired number of document views per day, the number of users who would be exceeding the standard limit, and the desired duration of the temporary authorization.

The decision to grant permission to view more than 120 documents per day by an organization user shall be made on a case-by-case basis. Such permission may be denied or revoked by a site administrator as provided in Section 7.8(2). ~~A designated ESS Site Administrator shall have sole discretion concerning requests to temporarily exceed the standard limitation on the number of documents which may be viewed in a day.~~ The decision to grant permission to view more than 10 documents per day by an individual user shall be made on a case-by-case basis. Such permission may be denied or revoked by a site administrator as provided in Section 7.8(2).

**7.9 (3)** The granting of temporary and limited permission to exceed the daily document image view limitation is subject to the following conditions:

- a) The duration of a temporary authorization to exceed the daily document image view limitation shall not be greater than 10 business days
- b) The maximum number of organization users who may be granted temporary authorization to exceed the daily document image view limitation is five users
- c) Organizations and individual users must be in good standing
- d) Preference shall be given to ~~known, trusted, registered~~ organizations and individual users located in the State of Iowa which can demonstrate a legitimate professional need, such as research, for temporarily viewing a higher number of document images

- e) Authorization to temporarily exceed the standard limitation on the number of documents which may be viewed in a day shall not be granted to organizations seeking to populate a database for any reason. Organizations seeking bulk data are required to seek it from individual Iowa counties who are authorized by law to transfer data and images in batch format.
- f) Authorization to temporarily exceed the standard limitation on the number of documents which may be viewed in a day shall not be granted to organizations providing a commercial product such as a private or public online searchable data base, or to acquire documents for resale through any method or in any form. Such uses of ESS and Iowa Land Records are prohibited.
- g) Organizations and users authorized to temporarily exceed the standard limitation on the number of document images viewed shall otherwise comply with the Terms of Service and all applicable laws, regulations, and policies.
- h) ESS and Iowa Land Records reserve the right to monitor and audit the activities of organizations and their users who have been granted permission to temporarily exceed the daily document image viewing limitation
- i) ESS and Iowa Land Records reserve the right to terminate an authorization to temporarily exceed the daily document image viewing limitation as provided in Section 7.8(2). ~~at any time for any reason~~

7.9 (4) Iowa Land Records shall maintain a record of organizations and organization users who have been granted authorization to temporarily exceed the daily document image view limitation, including the justification for granting such authorization. Iowa Land Records shall establish a mechanism for users to report any misuse of this policy.

## **ESS – 7.10 ESS Central Authentication Service**

7.10 (1) Authorized users of the Iowa Land Records Search Application or the Iowa Land Records E-Submission Service will be assigned a unique user identification for the purposes of logging in to the ESS Central Authentication Service. Access to applications and functions are based on permissions granted by either ESS Administrators or in certain cases organization administrators. Authorized users will be required to comply with specified requirements for user identifications (user IDs) and passwords.

The Electronic Services System reserves the right to deactivate the account of an organization or a user who is determined to be inactive. Inactivity is based on the period of time between actions to log in to the ESS Central Authentication Service. The period of time will be specified by ESS and will be based on commonly accepted security standards. Organizations and users who are deactivated may request reactivation provided the user or users are considered to be a User In Good Standing.

## Chapter 3 Policy and Procedures Associated References

Chapter 3 of the Electronic Services System (ESS) Policies and Procedures is amended to clarify requirements for Associated Document References.

1. Section 3.9 of the ESS Policies and Procedures is amended to read as follows.

### **ESS – 3.9 Associated Document References.**

(Iowa Code Section 331.604, 3(a))

3.9(1) The purpose of establishing standards, policies and procedures for Associated Document References is to ensure that the information is accurate, complete, consistent and accessible through the county land record information system, and to ensure that information about associated documents including index information and document images can be retrieved. In some cases, the retrieval of associated document information will be implemented through a search link using the document reference information for the associated document or documents. Therefore, the format of associated document reference information must be maintained in a format which is identical to the original document reference number for the associated document.

3.9(2) Each County indexing system shall provide for bilateral archiving of associated document reference information. Each County shall archive associated document reference information, if present in a document, for all associated and electronically indexed documents. Associated document references include but are not limited to the following.

- a. Index references between conveyance documents, e.g., deeds, contracts or bills of sale, ~~and Declaration of Value documents~~ A newly recorded conveyance document shall include an Associated Document Reference with a previous conveyance document for a property, and the previous conveyance document shall include an associated reference to the newly recorded conveyance document.
- b. Index references between mortgage and satisfaction of mortgage documents. A newly recorded satisfaction or partial satisfaction document shall include an Associated Document Reference with the mortgage, and the mortgage document shall include an associated reference to any newly recorded satisfaction or partial satisfaction document(s).
- c. Index references between state and federal tax liens and releases of federal and state tax liens. A newly recorded lien release or partial lien release document shall include an Associated Document Reference with the lien, and the lien document shall include an associated reference to any newly recorded lien release or partial lien release(s).
- d. Index references between other associated documents such as ~~Groundwater Hazard statements~~ original documents, re-recorded documents, or corrected documents ~~etc.~~ A newly recorded corrected

document or re-recording shall include an Associated Document Reference with the document originally recorded, and the document originally recorded shall include an associated reference to any newly recorded corrected document(s) or re-recording(s).

- e. Index references between conveyance documents, e.g., deeds, contracts or bills of sale and any recorded and required companion document such as a Groundwater Hazard Statement. A newly recorded conveyance document shall include an Associated Document Reference with any recorded and required companion document such as a Groundwater Hazard Statement, and the recorded and required companion document such as a Groundwater Hazard Statement shall include an associated reference to the associated and recorded conveyance document.
- f. Index references between a survey or plat, corner certificate, monument preservation certificate, or easement and any similar documents related to the same property. A newly recorded survey and plat, corner certificate, monument preservation certificate, or easement shall include an Associated Document Reference with a previous survey and plat, corner certificate, monument preservation certificate, or easement for a property, and the previous survey and plat, corner certificate, monument preservation certificate, or easement document shall include an associated reference to the newly recorded survey and plat, corner certificate, monument preservation certificate, or easement document.

3.9(3) The associated reference information shall be as follows:

- a. The Unique Code Value for each document

3.9(4) Each associated document reference shall be transferred to the county land record information system when the reference is created in the County indexing system as specified in Chapter 4.

This amendment shall be effective January 1, 2024.

Chapter 3  
Policy and Procedures County Data and Information Standards

1. Section 3.1 of the ESS Policies and Procedures is amended correct a spelling error in the definition for the term “Public”.

Public – The term used to reference the citizens of a County in the land record index by a County Recorder with respect to the document type ~~Corner Certificates~~ Certificates.

2. Section 3.10 of the ESS Policies and Procedures is amended to require the indexing of parcel identification numbers.

**ESS – 3.10 Parcel Identification Numbers.**

(Iowa Code Section 331.604, 3(a))

3.10(1) The purpose of establishing standards, policies and procedures for Parcel Identification Numbers is to ensure that the information is accurate, complete, consistent and accessible through the county land record information system, and to ensure that information about Parcel Identification Numbers can be used as link or reference to other property information systems. Parcel Identification Numbers can be used as a search criteria data element when searching for information in the county land record information system. ~~In some cases, the retrieval of document or property information will be implemented through a search link using the parcel identification number. Therefore, the~~ The format of Parcel Identification Number information must be maintained in a format which is identical to the format used in other County systems which assign or maintain Parcel Identification Number information.

3.10(2) ~~When practicable, each~~ Each County indexing system shall provide for archiving parcel identification numbers as specified herein. All parcel identification numbers associated with a property which is described in a recorded conveyance document shall be archived. The parcel identification number shall be the number assigned by the County or City Assessor to the property at the time of recording.

~~3.10(3) Parcel identification numbers shall be archived in exactly the same format as the parcel identification numbers archived in the applicable County or City Assessor database.~~

3.10(4) In the event that parcel identification numbers associated with a property are subsequently changed by a County or City Assessor, the County Recorder

shall not modify the indexed parcel identification number associated with ~~the recording of a recorded conveyance~~ document. The indexed parcel identification number is intended to be a historical reference concerning the property at the time of recording.

3.10(5) This section shall be effective ~~January 1, 2016~~: January 1, 2024.

Section 3.10(5) amended 12.11.13.

Section 3.10(2) amended 8.12.15.

DRAFT

Section 3.1 Definitions is provided for reference only.

**ESS – 3.1 Definitions.**

(Iowa Code Section 331.604, 3(a))

As used in this Chapter:

**Additional Transaction** – Any supplemental transaction represented in an instrument for which an additional fee may be charged under Section 331.604 of the Iowa Code.

**Associated Document Reference** – The Unique Code Values assigned to related documents, such as a mortgage and a satisfaction of mortgage. The Unique Code Values are used to quickly retrieve information about related or associated documents.

**Business Day** – A business day generally represents a period of time which includes eight or more consecutive business hours. For example, a business with office hours from 8:00 A.M. to 5:00 P.M. is considered one business day. Alternatively, a business day could be considered as the consecutive business hours within one twenty-four hour period. For example, one business day could be represented as the office hours between 2:00 P.M. on day 1, and 2:00 P.M. on day 2. In either representation, a business day is intended to help define a minimum time frame in which a service should be reasonably performed.

**Capacity or Role** – The description given to a person who performs a function when a party to a transaction such as Executor or Trustee.

**Complete** – The status of a document after it has been recorded, represented by the inclusion of all pertinent information about the document in a database or index including but not limited to the parsed names of the parties, the date of the instrument, document type, associated references, and the parsed legal description if applicable. A status of complete also implies that a permanent unaltered image of the instrument has been archived.

**Cover Page** – A page submitted with a document for recording which includes required information and which conforms to requirements for recording such as the appropriate top margin on the first page. A cover page facilitates the recording of a non-standard or non-conforming document.

**Document Reference Number** – A unique reference number assigned to a document in a County indexing system which ensures that the document will not be mistaken for another document.

**Document Type Mapping** – A one-to-one relationship between a document type in a County indexing system and the appropriate ILR PRIA document type used by the county land record information system.

Section 3.1 Definitions is provided for reference only.

**Electronic Document** - A document or instrument that is received, processed, disseminated, or maintained in an electronic format. The submission of an electronic document through the county land record information system electronic submission service shall be equivalent to delivery of a document through the United States postal service or by personal delivery at designated offices in each county.

**Grantor and Grantee** – The names of the transferor and transferee in the transaction used to create the recording index. Grantor is any party that grants an interest in real property and includes affiants. Grantee is any party that is receiving an interest in property or put on notice by a grantor. The Grantee title is typically assigned to the purchaser of property. The Grantor title is typically assigned to the seller of property.

**Human Name** – A parsed name of an individual, including last name, middle name, first name, suffix, and Capacity or Role.

**Image Archiving System** – Any system which provides for an archive or permanent storage of electronic documents recorded by a County Recorder.

**Index Legend** – A rectangular area displayed on the first page of a plat or survey or a drawing related to a plat or survey which includes information required by a County Recorder to record and index a document.

**Indexed and Filed** – The process whether by manual, mechanical, electronic, optical, magnetic, microfilm, or other methods of storage, after filing or submission, to incorporate a document or instrument into an archival system for a business purpose or for transfer to another party.

**Instrument Date** – The date on which a real estate or other document is signed and executed by the parties specified in the document.

**Legal Description** - A detailed written description of real property that discloses the location of the real property with reference to the United States government land survey or land subdivision made in accordance with chapters 354 and 355 of the Code of Iowa. This may include an unparsed text description of metes and bounds or subdivision references; a parsed legal description of platted land such as lot, block and section; or a parsed legal description of unplatted land such as section, township, range.

**Lineage/Suffix** – An indicator of an individual's lineage such as Sr, Jr, Second or Third.

**Monument Preservation Certificate** – For the purposes of this section, a monument preservation certificate is a document created through the process of identifying and perpetuating the position of an existing monument as described in Section 355.6A of the Iowa Code.



Section 3.1 Definitions is provided for reference only.

Non-Human Name - A name of a company, organization or association.

Owner – The owner of a property which is referenced in a plat or survey or a drawing related to a plat or survey (Surveys and Plats).

**Parcel Identification Number – A unique alphanumeric identifier assigned to a parcel of property by a County Official at the time the property is conveyed.**

Parsed or Parsing – The separation of names or identifiers into distinct elements for an index or database such as the separation of names into first, middle and last, or the separation of legal description identifiers such as lot, block, unit. Parsing names or identifiers enables more granular retrieval and analysis of information.

Personally Identifiable Information - One or more of the following specific unique identifiers when combined with an individual's name:

- (1) Social security number.
- (2) Checking, savings, or share account number, credit, debit, or charge card number.

“Proprietor” means a person who has a recorded interest in land, including a person selling or buying land pursuant to a contract, but excluding persons holding a mortgage, easement, or lien interest. (See Iowa Code Section 354.2)

Public – The term used to reference the citizens of a County in the land record index by a County Recorder with respect to the document type Corner Certificates.

Record – The process whether by manual, mechanical, electronic, optical, magnetic, microfilm, or other methods of storage, after filing or submission, to incorporate a document or instrument into the public record.

Requestor – The person who requests that a Surveyor or Surveyor Company prepare a plat or survey or a drawing related to a plat or survey (Surveys and Plats).

Retracement Plat of Survey – For the purposes of this section, a retracement plat of survey is a document which includes a graphical representation of the subdivision of land as defined in Section 355.1, Subsection 9B of the Iowa Code.

Surveyor – A person who is licensed under Section 193C of the Iowa Administrative Code to conduct a land survey and who prepares a Corner Certificate, plat or survey or a drawing related to a plat or survey (Surveys and Plats).

Section 3.1 Definitions is provided for reference only.

Surveyor Company – An organization or company engaged in the activity of conducting land surveys as a professional service.

Township – A defined geographic area within a County (based on the U.S. public land survey system).

Traditional Paper Document – A real estate or other document presented for recording in a letter or legal sized paper format which may include ink signatures, embossed seals, stamps or other features associated with the processing of paper instruments.

Transaction – A specific legal action represented in a document or instrument including an electronic document. A distinct legal action or operation which is described in a document or instrument. A transaction must be associated with a legal action as demonstrated by the recording of a legal document including but not limited to mortgages, easements, deeds, quit claim deeds, or warranty deeds.

Unaltered – A representation of an original document when presented for recording; archived as either a paper document, electronic document, or other media, which does not include any mark, stamp, redaction or other modification which would obscure or alter the content or meaning of the original document.

Unique Code Value – A reference value assigned to a document by a County, County Recorder or information technology service provider which uniquely identifies each document within a County and which associates indexed document information with an archived image of the document or instrument.

Section 3.1 amended – 8.9.16

Section 3.1 amended – 2.13.18

**Section 331.606B, Subsection 1 is amended to read as follows.**

**331.606B Document or document formatting standards.**

1. Except as otherwise provided in subsection 7, the county recorder shall ~~refuse~~ decline any document or instrument presented for recording that does not meet the following requirements:
  - a. Each document or instrument shall consist of one or more individual pages, ~~not permanently bound or in a continuous form.~~ For the purposes of this section, continuous form shall mean individual one-sided pages. ~~The A~~ A document or instrument in a physical form shall not be permanently bound, have any attachment stapled, taped, or otherwise affixed to any page except as necessary to comply with statutory requirements, or contain text or graphics on the back side of a page. However, the individual pages of a document or instrument in a physical form may be ~~stapled~~ clipped together for presentation for recording. A label that is firmly attached to a document or instrument in a physical form with a bar code or return address may be accepted for recording.
  - b. All ~~preprinted~~ text shall be in a legible font of at least ~~eight~~ ten point in size and ~~no more than twenty sixteen characters and spaces per inch.~~ All other text typed or computer generated, including but not limited to all names of parties to an agreement, shall be at least ten point in size and no more than sixteen characters and spaces per inch. If a document or instrument, other than a plat or survey or a drawing related to a plat or survey, presented for recording contains type smaller than eight point type for the ~~preprinted text and ten point type for all other text,~~ the document or instrument shall be accompanied by an exact typewritten or printed copy that meets the requirements of this section. However, a plat or survey or a drawing related to a plat or survey may contain text in a legible font of at least eight point in size.
  - c. Each document shall be of sufficient legibility to produce a clear reproduction. If ~~all or a portion of~~ a document or instrument, other than a plat or survey or a drawing related to a plat or survey, is not sufficiently legible to produce a clear reproduction, the illegible portion of the document or instrument shall be accompanied by a legible copy as an attachment ~~an exact typewritten or printed copy that meets the type size requirements of paragraph "b" and which shall be recorded contemporaneously as additional pages of the document or instrument.~~
  - d. Each document or instrument, ~~other than a plat or survey or a drawing related to a plat or survey,~~ shall be on standard white paper of ~~not less than twenty pound weight~~ without watermarks or other visible inclusions markings. All text within the document or instrument shall be of sufficient ~~color and clarity~~ legibility to ensure that the text is readable when reproduced from the record.
  - e. All signatures on a document or instrument shall be in black or dark blue ink and of sufficient color and clarity to ensure that the signatures are readable clear and discernable when the document or instrument is reproduced from the record. The corresponding name shall be typed, printed, or stamped beneath the original signature. The ~~typing or~~ printing of a name or the application of an embossed or inked stamp shall not cover or otherwise materially interfere with any part of the document or instrument except where provided by law. Failure to print or type signatures as provided in this paragraph does not invalidate the document or instrument.
  - f. The first page of each document or instrument, other than a plat or survey or a drawing related to a plat or survey, shall have a top margin of at least three inches of vertical space from left to right which shall be reserved for the recorder's use. All other margins on the document or instrument shall be a minimum of three-fourths of one inch. Nonessential information including but not limited to form numbers, page numbers, or customer notations may be placed in a margin except the top margin. The recorder shall not incur any liability for not showing a seal or information that extends beyond the margin of the permanent archival record.

- g. Each document or instrument presented for recording shall meet the requirements of section 331.606A, subsection 2.
2. Each document or instrument, other than a plat or survey or a drawing related to a plat or survey, that is presented for recording shall contain the following information on the first page below the three-inch margin:
  - a. The name, address, and telephone number of the individual who prepared the document.
  - b. For any instrument of conveyance, the name of the taxpayer and a complete mailing address.
  - c. A return address.
  - d. The title of the document or instrument.
  - e. All grantors' names.
  - f. All grantees' names.
  - g. Any address required by statute.
  - h. The legal description of the property and parcel identification number, if required.
  - i. A document or instrument number for statutory requirements, if applicable.
3. If insufficient space exists on the first page for all of the information described in subsection 2, the page reference of the document or instrument where the information is located shall be noted on the first page.
4.
  - a. Each document or certificate prepared by a licensed professional land surveyor and presented for recording, including a plat of survey or a drawing related to a plat of survey, shall contain an index legend. However, this requirement shall not apply to a United States public land survey corner certificate described in section 355.11.
  - b. Each document or certificate prepared by a licensed professional land surveyor and presented for recording, including a plat of survey or a drawing related to a plat of survey, shall include a blank rectangular space three and three-fourth inches in width and two and one-half inches in height reserved and delineated for the county recorder's use, unless the document is attached to a cover sheet approved by the governing board of the county land record information system.
5. The recorder may record the following documents or instruments which are exempt from the format requirements of this section:
  - a. A document or instrument that was signed before July 1, 2005.
  - b. A military separation document or instrument.
  - c. A document or instrument executed outside the United States.
  - d. A certified copy of a document or instrument issued by a governmental agency, including a vital record.
  - e. A document or instrument where one of the original parties is deceased or otherwise incapacitated.
  - f. A document or instrument formatted to meet court requirements.
  - g. A federal tax lien.
  - h. A filing under the uniform commercial code, chapter 554.
  - i. A groundwater hazard statement pursuant to section 558.69.
6. A document or instrument rejected for recording by a recorder shall be returned to the preparer or presenter accompanied by an explanation of the reason for rejection.
7.
  - a. On and after July 1, 2005, a document or instrument that does not conform to the format standards specified in subsections 1 through 3 shall not be accepted for recording except upon payment of an additional recording fee of ten dollars per document or instrument. The requirement applies only to documents or instruments dated on or after July 1, 2005, and does not apply to those documents or instruments specifically exempted in subsection 5.
  - b. On and after July 1, 2009, a document or instrument that does not conform to the format standards specified in subsection 1, paragraphs "c" and "e", or subsection 2, paragraph "b", shall not be accepted for recording. This paragraph applies only to documents or instruments dated on or after July 1, 2009, and does not apply to those documents or instruments specifically exempted in subsection 5.

## EXPLANATION

- 331.606B (1) - Substitutes the term “decline” for the term “refuse”.
- 331.606B (1a) - Clarifies that “clipping” pages together is permitted but stapling is not. Also clarifies that this section applies to documents in physical form (paper). It attempts to clarify what “continuous form” means and to state that text or graphics on the back side of a page is not allowed. The term “taped” has been inserted to indicate that attachments may not be affixed with tape. The phrase “except as necessary to comply with statutory requirements” was removed as the purpose of it was unclear. It is expected that anyone aware of its purpose or origin will speak to in as stakeholder discussions proceed.
- 331.606B (1b) - Plainly states that text must be legible and of a size no less than ten point. References to “preprinted text” and surveys are removed. An exception for a plat or survey or a drawing related to a plat or survey was reinserted.
- 331.606B (1c) - Requires that a legible copy of all or a portion of a document must accompany an illegible document and be recorded as additional pages.
- 331.606B (1d) - Removes the reference to paper which is not less than twenty-pound weight. Substitutes the term “markings” for the term “inclusions.” Substitutes the term “legibility” for the term “color and clarity.” Removes references to surveys.
- 331.606B (1e) - Retains the term “color and clarity, but changes the term readable to “clear and discernable” to acknowledge that often signatures literally cannot be “read” with clear spelling. This is why it is required that names be “printed”. References to “typing” have been removed.

Note: These revisions are intended to reflect the consensus of the working group at their meeting on April 20, 2023. Working group members are asked to give further review.

## Summary

### Blockchain – Current Private Uses

Friday, June 30, 2023

The PRIA working group on the subject of Blockchain Current Uses (Privates) met with two representatives of Figure on June 30, 2023, to learn more about how Figure is using blockchain in their business endeavors. Presenters were Candace Dry, Director, Lending Ecosystem Operations (PRIA Member and working group member), and Valerie Wagner, a principal software engineer with Figure.

Members of the working group in attendance were: Phil Dunshee, Larry Burtness, Marc Aronson, Kevin Cook, and Stevie Kernick.

Figure Technologies, Inc., also doing business as Figure Lending LLC and Figure, is a financial technology (FinTech) company based in Charlotte, North Carolina. See: <https://www.figure.com/>. Figure is led by former SoFi CEO Michael Cagney. DART, an organization affiliated with Figure, is a member of PRIA.

Stevie Kernick explained the purpose of the Blockchain Technology Work Group and the four areas currently being studied, including Current Users – Private Sector.

**Background:** Valerie and Candace are part of a team that facilitates loan products for the company. Loan types include but are not limited to Home Equity Line of Credit (HELOC) and Mortgage Refinancing. Figure recently introduced a new wholesale product offering, enabling other loan originators to use the Figure loan application and fulfillment system. But the Figure portfolio of products is much more, including platforms for equity solutions (raising business capital), digital fund services (investment fund management), and investor marketplace (private credit secondary mortgage loan investments), and banking as a service (BaaS)

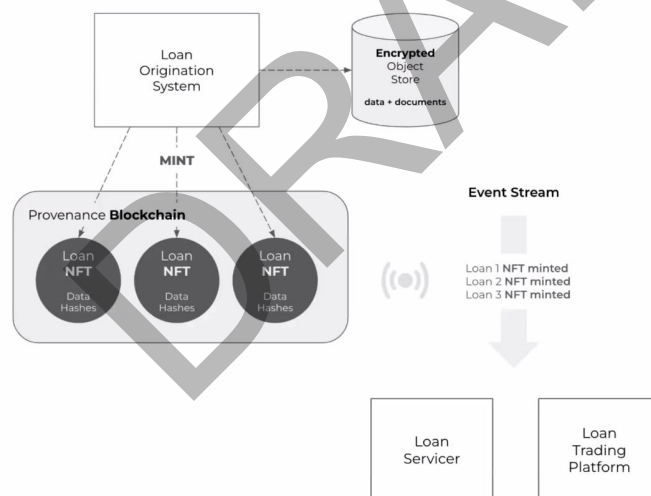
Figure products leverage two important technology platforms: the Provenance Blockchain (see: <https://provenance.io/>) and Cosmos (see: <https://v1.cosmos.network/intro>). The Provenance Blockchain was founded in 2018 by Figure co-founders Mike Cagney and June Ou and then spun off as an independent entity. It was noted in the discussion that Provenance has a focus on serving regulated financial institutions which means that it is structured to operate within a regulated environment (unlike cryptocurrency). The Cosmos Network describes itself as “a decentralized network of independent, scalable, and interoperable blockchains.” In other words, it is designed to facilitate transactions between different blockchains and addresses issues of scalability and interoperability.

**Presentation:** Valerie and Candace presented an overview of Figure products and its relationship with the Provenance blockchain. Provenance was built to help move financial services to the blockchain with the goal of preserving the original processes of managing financial assets while also making them more efficient. Provenance is built on the Cosmos Software Development Kit (SDK), a framework for building application-specific blockchains. All Cosmos blockchains can communicate with each other and can be either public or private zones. (See Cosmos and Provenance links above.)

Provenance was originally known as Hyperledger Fabric Blockchain (an open source, permissioned blockchain), but in 2018 was reformed to facilitate consumer loans on the public blockchain. The loans become digital assets represented by tokens on the blockchain. Participants in the blockchain can then engage in the exchange of digital assets. Tokens can represent different forms of digital assets including loans, investments and more. Security is key for trading on the blockchain as participants (members) can trust information about the digital assets which is stored on the chain.

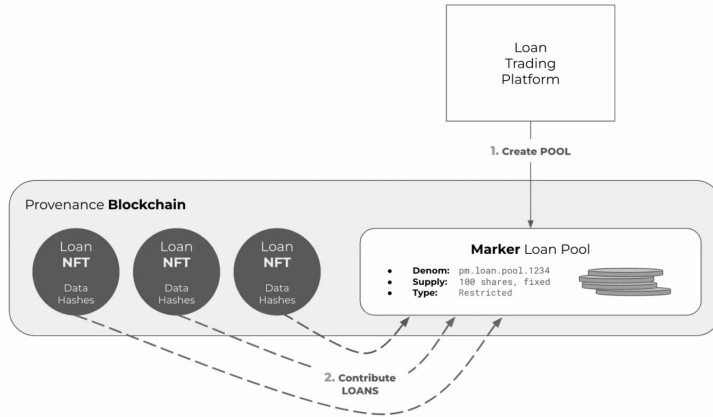
Each loan is represented by a Non-fungible Token (NFT). Loan applications do not get written to the blockchain but once a loan is approved and has value it is loaded to the blockchain. A block vault stores encrypted data to a unique HASH (the process of transforming any given key or a string of characters into another value). The HASH is the proof that information about a transaction hasn't changed. The HASH is an NFT on the block. If data is changed a new HASH is generated. Data can be shared if keys have been permissioned.

## Loan Origination Process



In addition to serving as a structure for loan origination, Figure services (with Provenance) serves as a platform for loan trading. Loans can be bundled as digital assets and then sold to other members participating in the blockchain. Individual loans or a bundle of loans are digital assets represented by tokens on the blockchain. The digital loan marketplace pools loans and sells those loans as a group. Due diligence is conducted before selling a loan. Any changes or updates are loaded to the blockchain. This streamlines activities in the secondary market.

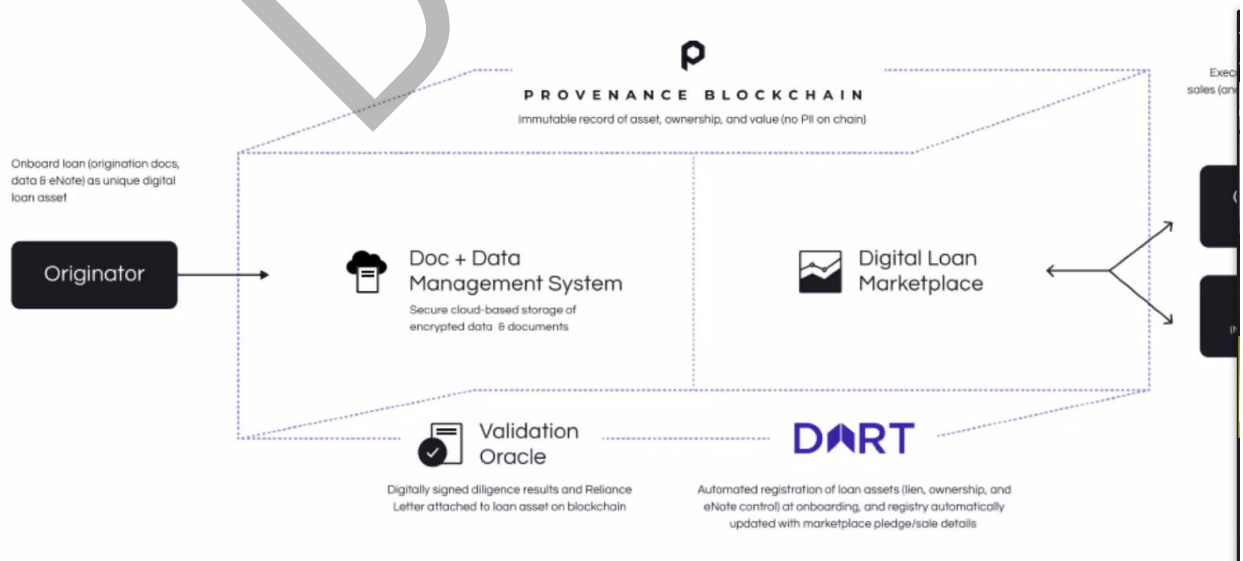
## Loan Trading



Valerie said the benefits of blockchain are trust (truth) and bilateral transactions. Because the participants (members) can trust the information (the digital assets) on the blockchain, transactions can be completed among parties more efficiently.

Valerie and Candace provided a brief description of Digital Asset Registration Technologies (DART). It has been described as "a blockchain-based lien and eNote registry. (You can think of it as a blockchain alternative to MERS)." Essentially the system tracks loan ownership, eNote "control," "location," and servicing as the digital asset is traded. eNotes can be controlled on the blockchain using smart contracts, self-executing contracts with the terms of the agreement directly written into code. It resides on a blockchain network and automatically enforces the terms and conditions of the contract.

Use Case Example: Figure Lending Ecosystem





**Discussion Topics:** Valerie and Candace were thanked for their presentation, which was followed by a general discussion with working group participants.

- In review, Valerie and Candace were asked to provide a description of Figure products and services.

They described the product as facilitating a loan process for the mortgage industry into one safe space. And there are many other facets which support business goals for efficiency and security. Business is seeking a trustworthy system. Figure offers separate products for different facets of the financial industry. The products are built on Web3 and many users would not realize they are working on the blockchain.

#### Other Discussion Topics:

- The group discussed the terms “public” and “private” when referencing a blockchain. It was clarified that a public blockchain doesn’t mean that data on the chain is easily accessible to the public. (Blockchain types have been characterized as public, private and consortium.) Provenance access is permission based.
- The group discussed factors that would support the use of blockchain. Candace and Valerie indicated that blockchain works best where there are multiple parties who need to work together in a trustworthy environment. It was also noted that a blockchain can be paired with other data systems with cross-references to the respective systems. For example, a database may include a hash reference on a blockchain and a blockchain data store could include a reference to an external data set. Blockchain can offer “proof of existence” - establishing data exists rather than replacing current systems.
- The group discussed how efficiencies are gained through the use of blockchain. Valerie and Candace shared an illustration of a blockchain-based lending ecosystem. The illustration shows how online onboarding, automated loan review supported by artificial intelligence (AI) decision making, and the use of an eNote registry could significantly reduce the time to closing. These steps mainly involve technological improvements but also the removal of some traditional intermediate processes.

An example might include the process of checking whether a property already had a lien. Traditionally this might involve a lending representative who would check the public land registry for any existing liens. What if all transactions for a property were on a blockchain that could be checked immediately – in real time. If the land registry was accessible on the blockchain, the information could be quickly accessed by other sectors of the industry who were participants (members) of the chain.

- The group briefly discussed the relationship between industry blockchains and the public land registry. It was acknowledged that the public land registries are not currently on a blockchain. But proof of existence could be included in a blockchain with cross references in both systems (the HASH, and recording/transaction information).
- The discussion closed with the question, “What do you want recorders to know about blockchain?”

Valerie and Candace responded that two values of the blockchain are proof of existence and ownership. A benefit of the blockchain is the ability to transact bi-laterally where both parties involved interact directly with each other, typically negotiating terms and conditions, reaching agreements, and executing the transaction without the involvement of intermediaries or third parties. The more parties on one blockchain the more valuable the process is.

Participants agreed that there is much more to learn and discuss. Everyone looked forward to future conversations.

Note: Subsequent to the meeting a few additional questions were posed to Valerie and Candace. Any additional information will be posted as an addendum to this summary.

Footnotes - For further reading and background see:

<https://www.forbes.com/sites/digital-assets/2023/03/21/provenance-blockchain-foundation-announces-50-million-grant-program/?sh=1a026052232c>

<https://usdfconsortium.com/>

<https://medium.com/provenanceblockchain/what-is-dart-ff0099917e21>

<https://www.forbes.com/sites/digital-assets/article/what-is-web3/?sh=925a34c67a43>

## Summary

Blockchain – Current Uses Private  
Thursday, June 1, 2023

Present for the meeting:

MISMO Blockchain Community of Practice Leadership: John Pomaranski - [actualizeconsulting.com](http://actualizeconsulting.com), Shawn Jobe - [informativeresearch.com](http://informativeresearch.com), Devin Caster - [corelogic.com](http://corelogic.com), Hrishikesh (Rishi) Godse - [usaa.com](http://usaa.com)

Workgroup Members: Phil Dunshee, Marc Aronson, Candace Dry, and Larry Burtness

Phil and John opened the meeting with introductions of Devin, Marc, Candace and Larry, noting previous meetings and conversations as both Phil and Marc are observing participants in the MISMO Blockchain Community of Practice. Shawn and Rishi were welcomed to the conversation as they arrived.

Participants referenced the pending paper: MISMO Outlook: Blockchain and the Mortgage Industry. The paper was nearing the end of a 60-day review, which would be discussed at the upcoming MISMO Spring Summit meeting. (The Blockchain COP subsequently met on June 7, 2023, and based on comments received, determined that the COP would give the paper further review and decide whether another comment period is needed or to move forward and vote to publish. MISMO governance could give final approval around late June or early July.)

Participants respectively provided updates on their activities. The MISMO Blockchain Community of Practice has most recently focused on the paper and the preparation of a work product – a Blockchain interoperability prototype (see attached slide deck). PRIA has formed a Blockchain working group and working to identify applications in both the public and private sector to gain further knowledge about the operation of a Blockchain – particularly in the property industry.

The group discussed some of the uncertainties associated with the technology. Shawn stated that when XML was introduced there were some who said that it was a solution in search of a problem, but it evolved into an accepted standard. He suggested that the same is being said about Blockchain, but that in reality the utility of Blockchain has been “settled” in his view.

The PRIA Blockchain private sector subgroup is looking for more “real world” examples of how Blockchain applications are being developed in the property industry. Participants discussed some ways MISMO might be able to help PRIA gather additional information about private sector activities. Suggested ideas were.

- Share the MISMO Blockchain COP “Outlook for the Mortgage Industry” with other PRIA workgroup members. The paper (see attached) advocates four key benefits of Blockchain:
  - **Immutability:** Information added to a blockchain cannot be changed or overwritten. Only new blocks can be appended. This type of record keeping provides a clear audit trail from origination through to servicing and transfer of ownership to the secondary market.
  - **Source of Truth:** One unaltered record of an event creates immediate trust in the integrity of the data across multiple parties to a transaction and is eminently suitable for the mortgage lifecycle.
  - **Certainty:** Authentication of transaction information against the source data reduces reliance on the traditional framework of representation and warranties by lenders to investors. The need to trust is replaced by the ability to verify against the truth of digitally sourced information on the chain.
  - **Data Sharing:** Multiple participants have access to the same data in real time. There is no single point of failure and data silos of transactional records requiring independent reconciliation are removed.
- The COP co-chairs and facilitator were invited to share industry contacts with PRIA for known real developments in the use of blockchain that we could be introduced to and learn from.
- Possible MISMO COP presentation at a future PRIA meeting on “what motivates the industry to consider using blockchain”, e.g., timely access to data ...
- MISMO/PRIA collaboration on the MISMO YouTube channel to provide short segment answers to questions about blockchain technology and use cases.
- All participants asked to reflect on the conversation and follow up with further ideas, different perspectives and possible collaboration.

The group agreed to make contact again sometime after the MISMO Spring Summit.

Footnote: Subsequent to the meeting the members of the PRIA Blockchain private sector working group exchanged thoughts on whether the benefits of Blockchain are “settled” or whether the technology is a solution in search of a problem. The purpose of the working group, in part, is to further explore this question. The working group is seeking more information. For some it is clearly a “settled” issue, while some might suggest otherwise – particularly with respect to the public land registry, as the official public record for property transactions.