

Standards Subcommittee Teleconference Meeting Summary January 23, 2024

Participants

Jayne Schultz, Winneshiek County Recorder
Carolyn Siebrecht, Linn County Recorder
Ashten Wittrock, Carroll County Recorder

Jolynn Goodchild, Plymouth County Recorder
Katie Carlton, Union County Recorder
Naomi Ellis, Marion County Recorder
Cathy Voith, Calhoun County Recorder

Other Participants

Nancy Booten, Lee County Recorder
Sheri Jones, Jones County Recorder
Erin Canfield, Boone County Recorder
Miranda Bills, Audubon County Recorder
Selena Humphrey, Clarke County Recorder
Stacie Herridge, Story County Recorder

Sue Meyer, Clayton County Recorder
Jamie Stargell, Adams County Recorder
Lynnae Buffington, Henry County Recorder
Jolynn Goodchild, Plymouth County Recorder
Bree Brandt, Adams County Recorder (Dep)

Census Lo-Liyong, Iowa Land Records
Phil Dunshee, Iowa Land Records
Kay Kelleher, Iowa Land Records

Lisa Long, Iowa Land Records
Kristen Delany-Cole, Iowa Land Records
Corrie Strasser, Iowa Land Records

Welcome

A meeting of the ESS Standards Subcommittee was held via web conference. The participants included the regular ESS Standards Subcommittee members and other members of the Document Formatting working group.

October Meeting Summary

The Subcommittee reviewed the October 23, 2023, meeting summary. Jayne Schultz made a motion to approve the meeting summary. Katie Carlton seconded, and the motion was approved.

Iowa Recording Fee and Business Process Modernization Project

Project Charter

The Standards Subcommittee received a summary of the ongoing discussion on potential changes to recording fees as part of the recording and business process modernization project, initiated by the Iowa County Recorders Association. A planning working group, established by the association, had its inaugural meeting in December. This group is tasked with evaluating options for adjusting the recording fee structure, aiming to prepare recommendations by mid-year for stakeholders and legislative engagement before the 2025 session.

The Standards Subcommittee and the document formatting working group are part of this process, with the goal of proposing document formatting standards that benefit both stakeholders and recorders. These changes could introduce new services or policy improvements to enhance and simplify existing services.

Additionally, a surveyor's working group has been formed. That group will focus on several key areas, including reviewing the index legend implemented in 2017. Participants were also briefed

on a meeting between ICRA and ISAC leadership including Bill Peterson and Lucas Beenken. The discussion focused on facilitating dialogue with other affiliates including supervisors and auditors and aligning policy development with the ISAC legislative planning process.

The Standards Subcommittee and the document formatting working group received information about the development of ideas for special projects and ideas under the “modernization” label that could be of interest to stakeholders and policy makers. Those ideas will be vetted over the next several months.

Document Formatting and Indexing Policies

The meeting focused on discussing document formatting and indexing policies, particularly with respect to section 331.606B of the Iowa Code. Previous discussions and homework assignments were reviewed, and Subcommittee members were encouraged to revisit previously discussed items.

Section 331.606B Subsection 1

Section 1 Introduction: The Subcommittee and working group reviewed a suggested update to the introductory statement for subsection 1 of 331.606B. It was suggested that the updated language would have a more positive tone while retaining the authority of the recorder to decline a document if formatting standards were not met. The language was also intended to clarify that the purpose of the standards was to facilitate the recording and indexing process and to ensure the “recordability” of a submitted document. A discussion was held on the term that will be used to decline a document. Should it read “shall decline” or “may decline”. Some participants were concerned that the term “may” would lead to inconsistencies. Generally, the Subcommittee and working group expressed a preference for using the term “shall” decline.

Section 1 – Paragraphs a-e: The Subcommittee and working group reviewed the amendments that had been approved at previous meetings. These provisions generally made technical changes and removed some archaic terms. However, participants were asked if they wanted to revisit the use of the term “standard” white paper in lieu of the current phrase “white paper of not less than twenty-pound weight. It was noted that standard copy paper is twenty-pound weight. Participants felt that the requirement for “standard” white paper was sufficient. No other changes were suggested to the draft amendments in these paragraphs in Section 1.

Section 1 – Paragraph f – The Subcommittee and working group discussed modifying the current requirement for a three-inch margin across the entire width of a page on certain documents. Instead of enforcing this uniform margin, the proposal suggests allowing a reserved area specifically for a stamp, similar to what is required in surveys and plats. This change would permit the inclusion of text or other information in the upper three-inch area, if there is still a designated white space left clear for the required stamp. If more space is required, the submitter will need to submit a cover sheet.

Section 1 – Paragraph g – The Subcommittee and working group discussed adding language that allows the recording of documents containing PII, provided they undergo the specified redaction process as required by other provisions of the Code of Iowa. This would align the law with the existing practice, and it applies to both traditional (physical) and electronic documents.

331.606B Subsection 2

Introductory Statement – The Subcommittee and working group discussed a suggested revision to the introductory statement for subsection 2. The new language would seek to clarify that the purpose of the required information on the first page of a document (or cover sheet) was to enable recorders to appropriately index the information for the public record.

Subsection 2 - The Subcommittee and working group reviewed an amendment which would restructure the enumerated list of required information in a document submitted for recording. The principal modifications suggested related to requirements for parsed location (legal description) information, and associated references. The need for preparer information, contact information for submitters, and “return to” information for electronic documents was also discussed. The indexing of parcel identification numbers was also considered.

Participants expressed a preference to retain the “preparer” and the “return to” information in any update to the enumerated list. There was also a desire to combine the items for a full legal description with the parsed location information. It was also suggested that the instrument date be removed from the enumerated list, because it may not always be on the first page. There was general consensus in favor of the suggested closing statement to the updated subsection.

331.606B Subsection 3

Index Legend – The Subcommittee and working group reviewed a suggested modification to Subsection 3 which would clarify requirements for the use of cover sheets, and which would authorize the use of Index Legends in a manner similar to what is used for surveys and plats. The formatting requirements would apply to the cover sheet and an Index legend if authorized, and the changes would apply to both physical and electronic documents. There was general consensus in favor of the suggested changes.

331.606 and 558.49

Required Document Index Instrument Information

The Subcommittee and working group reviewed several suggested updates to 558.49. Regarding enumerated item 7, it was suggested that both the full legal description and the parsed legal description be referenced, and that the term “county” be added to a platted description in addition to city or town.

The participants also noted that with respect to the instrument date, sometimes the a document may not be executed by the parties on the same date. In such cases, which date should be used, the first or last? Further clarification of this point may be needed. Otherwise there appeared to be general consensus in favor of the suggested changes.

331.606B, Subsection 4

Surveyors Recording Requirements - The Subcommittee and working group briefly reviewed this section but no changes were suggested at this time. It was noted that these topics are expected to be explored by a separate working group of recorders and surveyors.

331.606B, Subsection 5

Exempt Documents – The Subcommittee and working group briefly reviewed this section and discussed whether any changes were needed. Groundwater hazard documents were reviewed since the format of those documents had changed in recent history. The documents generally conform to the formatting standards. No changes were suggested regarding this subsection. However, it was noted that some guidance to submitters regarding the inclusion of unnecessary attachments to Groundwater documents might be helpful in some other channel of communication.

331.606B, Subsection 6

Decline Reasons – The current language of this section requires that recorders return “rejected” documents to preparers and to provide a reason for the reject. The section was written before electronic recording and needs to be updated. Wording also needs to be updated to align with the use of the term “decline”. The Subcommittee and working group reviewed suggested changes including the addition of a reference to providing information to submitters when fees are changed (in E-Submission). The changes introduce the idea that recorders should also provide guidance to a submitter of the steps required to correct the document or instrument when possible.

331.606B, Subsection 7, Paragraph a

Non-Standard Fee – The Subcommittee and working group considered the non-standard fee authorized in this section which allows for the recording of documents which do not conform to the standards provided in 331.606B provided that the submitter pays an additional recording fee of \$10.00. A review of a policy document published by the Property Records Industry Association (PRIA) indicated that the original purpose of a fee like this was to provide an incentive for submitters to follow the document formatting policies. Evidently this policy had been tried in other states. The paper suggested that the policy was not successful – many submitters continue to file non-conforming documents and they are declined. The appears to be what is happening here in Iowa and it was noted that the non-standard fee doesn't appear to be a significant source of revenue. For this reason, it was suggested that this policy should be repealed. There seemed to be consensus within the Subcommittee and working group to take this course. The preference of the group was to return non-conforming documents and require submitters to re-submit a corrected document.

A concern was expressed that changes like this might be accepted in the legislative process while other important policies such as an increase in the recording fee might not be accepted. The concern was noted, and this risk will need to be addressed during discussions with stakeholders and policy makers.

331.606B, Subsection 7, Paragraph b

Authority to Decline – The Subcommittee and working group reviewed this section which provides that a document or instrument that does not conform to the format standards “shall not be accepted for recording.” However, it was noted that 331.606B, subsection 1 would provide clear authority for a recorder to decline a document. For this reason, it was suggested that this provision was redundant and could be repealed.

331.606

Indexing Notary Commission Information - The Subcommittee and working group reviewed the concept of indexing notary information such as name, commission origin, or commission number. The purpose would be to track data that might be useful in fraud prevention efforts. Some interest in exploring the idea was expressed, but there was also a desire to gather more information and discuss implementation options with local service providers. This will be discussed again at the next meeting.

Indexing consideration amount – The Subcommittee and working group discussed current and possible practices for the indexing of consideration amounts for transactions. It was noted that there are three main types of consideration: the transaction (or sale) amount, the mortgage amount, and the lien amount (such as state or federal tax liens). Participants indicated that the sale amount may be more commonly indexed, but not the lien or mortgage amounts. The Subcommittee members wondered whether this might be achieved if Declaration of Value documents were recorded. This topic will be researched further and may be discussed at the next meeting.

331.601A, Subsection 9

Additional transaction Fees – The subject of additional transactions was reviewed. It was noted that the definition of additional transaction is not aligned when comparing the Iowa Code and the ESS policies and procedures. It was suggested that the definition in the Iowa Code be amended to clarify that an additional transaction must involve an action and not a mere reference to a previous document or action. Participants were asked to give some thought to this for consideration at a future meeting.

331.606

Uniform Reference Number – The Subcommittee and working group discussed ESS Policy 3.7(5) which encourages the adoption of standard reference numbering system. The suggested system would start with a two-digit county code, followed by the year of recording or transaction, and then a sequential number up to eight digits, ensuring each number's uniqueness through the county code prefix. Participants considered the pros and cons and indicated that the idea would need to be explored with the local service providers. The topic will be brought forward again at a future meeting.

Policies and Procedures Update

Participants were informed that the ESS committee did not act on the policy relating to associated references and parcel identification numbers at their November 2023 meeting due to time constraints. This issue will be brought forward again during the February 2024 ESS meeting.

Software Development Update

Recently Recorded – Participants received an update to changes in the E-Submission application relating to the search for “recently recorded” documents. The creation of a county and date range search in E-Submission is being planned.

ILR Cloud Migration – The process of moving the ILR system to the cloud is underway and will be implemented beginning in February.

Next Meeting: April 23, 2024 (Regular Meeting)

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