



Minnesota Electronic Real Estate Recording Commission (ERERC)

Date and Time Meeting Scheduled:	October 23, 2008 1:30 PM	
Meeting Location:	MSRS Building, 60 Empire Drive, St. Paul MN	
Attendees:	X – In attendance E – Excused NA – Not in Attendance	
	Jeanine Barker, Lyon County	X
	Teresa Bulver, US Bank	X
	Jeff Carlson, US Recordings	X
	Michael Cunniff, Hennepin County	X
	Robert Horton, Minnesota Historical Society	E
	Ben Marczak, Hennepin County	E
	Eileen Roberts, William Mitchell College of Law	E
	Ryan Tangen, Becker County	E
	Pam Trombo, US Recordings	X
	Greg Hubinger, Director Legislative Coordinating Commission	X
	Sally Kidd, Staff - Legislative Coordinating Commission	X
	Diane Henry-Wangenstein, Staff - Legislative Coordinating Commission	X
Observers/Guests in Attendance:	Kris Basilici, Carlton County Larry Dalien, Anoka County Lynn Etter Schrupp, McLeod County Bill Mori, TriMin Systems Sherrie Simpson, Hennepin Coounty Jennifer Wagenius, Washington County Kay Wrucke, Martin County <i>Note: Others may have been in attendance but did not sign the attendance sheet.</i>	

1. Call To Order

The ERERC meeting was called to order by Mike Cunniff, Chair, at 1:41 pm. Although at the meeting it was thought that a quorum was not present, the meeting continued with the group consensus that agreement on informal items was appropriate. It was later determined after the meeting that there was a staff error in interpretation the commission by-laws and indeed a quorum was present at the meeting.

2. Agenda

The group approved the agenda with the addition of the following items to the other business items section of the agenda: Jeanine Barker requested to add to the agenda a

discussion as to what documents are being accepted; Jeff Carlson noted that could update the commission on submitters; Bill Mori, public attendee, stated that he could provide an update to the group of the research he conducted as requested by the commission on PRIA and other state standards for validation..

3. Approval of Minutes

Due to the lack of quorum no formal action was taken. Those members present reviewed the minutes and noted consensus.

4. Introductions

Mr. Cunniff welcomed and introduced the public members in attendance at the meeting.

5. County Recording

Kris Basilici advised the group that Minnesota Association of County Recorders (MACO) is working on the hosting of the county recording database. It is an access-based program. Ms. Basilici showed the commission what the survey program will look like. Ms. Basilici noted that the survey will be on the web site after she has had an opportunity to check some processes first. Jeanne Barker requested that a notice for posting of the information be distributed to the counties by the 1st of each month with a reminder to those who have not posted their data by the 15th of the same month in order to have the data ready to report at the monthly ERERC meetings. Ms. Basilici was agreeable with the request. Mr. Cunniff stated that a letter will be drafted from the commission thanking MACO for their efforts and encouraging counties to gather their recording data from January 2008 to the present and to then report this information in the survey program.

6. Planning Session Meeting Report

Mr. Cunniff gave an overview at of the planning meeting that occurred earlier in the month. In attendance at the meeting were commission members Michael Cunniff and Jeff Carlson. Pam Trombo also participated in part of the meeting via the phone. A draft plan that was developed from the meeting was reviewed. Mr. Cunniff shared that the identified long-term goal of developing standard for recording electronic documents in model 3-format would not be achievable during this next biennium with the current condition of economy and the mortgage industry. Although this will be kept as a long-term goal, the planning group felt the commission should focus on a short-term goal of making refining model 2 processes while increasing participation in the process by all Minnesota counties and private sector submitters. It is anticipated that this goal can be achieved over the next two years. This goal is broken down into three phases. Phase 1 being to concentrate on identifying and mapping common data elements and indexing data needed for the residential closing package commonly referred to as the six-pack (DEED, mortgage satisfaction or certificate of release, mortgage assignment, new mortgage, certificate of real estate value/CRV and well disclosure). Mr. Cunniff advised that here needs to some work to finish data mapping regarding the DEED. It is anticipated that DEED work will be completed by January 2009 to coincide with the Minnesota Department of Revenue completing its work on the electronic CRV (ECRV). It is anticipated that the ECRV will be ready sometime during the months of January – February, 2009. Phase 2 would involve identifying and mapping common data elements and indexing data needed for all the remaining Uniform Conveyancing Blanks (UCBs). Mr. Cunniff suggested a two prong approach for accomplishing phase 2. Step one would

involve having the trusted submitter subcommittee identify those document types that would be most likely to encourage the use of electronic recording. Step two would be to concentrate resources to map the necessary data elements for the documents and to add the documents to the approved list for electronic recording. The final phase 3 of the planning document would be to increase customer base participating in model 2 on a statewide basis, including county recorders.

Mr. Cunniff informed the group that questions have arisen regarding possible electronic recording of foreclosure package documents. Although these documents are not included in the UBCs, they have risen in importance over the last couple of years. Mr. Cunniff shared that at least one vendor has expressed interest in recording foreclosure documents in model 2-format. Discussion ensued. Jeff Carlson stated that the documents needed be done in paper-format since it was his understanding that a sheriff's signature is needed. Jeanine Barker concurred. Mr. Cunniff offered that it would be most effective to focus on notice of intent to foreclose and the power of attorney. Ms. Barker advised that she has been asked about the mechanics lien and the subordination agreement. Bill Mori, public attendee, offered to ask vendors at a meeting next week about what documents types are used the most and would be of interest of customers to record electronically.

Mr. Carlson advised that the Trusted Submitter Subcommittee comprised of himself and Jinnelle Weis, a public attendee, has developed a list of questions that will be circulated to the Minnesota Land Title Association (MLTA) about e-recording and of what would be the next important documents that the commission should consider.

Mr. Cunniff advised that although long-term and short-term goals and phases of action were discussed at the planning meeting, the estimated cost of achieving each phase had not been identified. Such considerations would be identifying the cost of the technical assistance needed to put the standards in place. Ms. Barker asked if it would be possible to look at past reports to reference the cost of data mapping technical assistance of provided regarding model 2 and model 3. Ms. Trombo advised she could check at level 2 technical assistance cost was since she was a part of that process. Further discussion ensued regarding common elements of model 2 and model 3 regarding cost considerations.

The group discussed of what Minnesota required fields are. Mr. Cunniff advised that once recorders can agree on what are the indexing standards that would be required by state law, it would be possible to develop a uniform approach to mapping model 2 data required by most documents. Mr. Cunniff then brought up the question regarding recording legal description as an example of an element that is being entered in varying methods and not in a required format. Discussion regarding legal description ensued.

Ms. Barker asked about funding sources and resource needs. Mr. Cunniff noted that resources amounts had been left blank on the planning document with the intent on asking Pam Trombo and Ben Marczak determine an estimate for mapping technical assistance and asking the LCC of what administrative support could be given over the next couple of years. Mr. Cunniff stated that he thought that it was important to share the story of what have accomplished and what could further be done for estimated resource amount. Further discussion ensued. Mr. Cunniff asked Ms. Trombo to discuss with Mr. Marczak as to what an estimate cost would be to map all the UBCs to get to a model 2.

Mr. Cunniff also called upon Mr. Mori on what would be private industry input on cost as well.

Mr. Carlson suggested that once the DEED work is completed that a small group meet to identify required fields as a part of the phase 2 of the plan of action for the commission. Mr. Cunniff state a part of phase 2 would be to have the various groups identify which next set of documents that the commission should work on.

Phase 3 (final phase) will be to increase participation even perhaps beyond the six-pack. Mr. Carlson stated that the questionnaire that he addressed earlier would a part of this phase. Ms. Barker asked if it would be possible for the commission to send out a statement statewide of what can be accepted at the current time. The group decided to continue discussion about Ms. Barker's request until the next meeting of the ERERC.

Ms. Barker asked if it would be possible to have a legislation drafted before the next meeting of the commission. Mr. Cunniff advised that the current legislation already states the scope of work for the commission and does not need to be altered; rather the question is identifying what are the mechanisms for funding for the commission. Mr. Cunniff will discuss strategies with Ms. Henry-Wangensteen, Ms. Kidd and Mr. Hubinger.

Members present agreed in the goals and phases work plan as drafted. The document will be refined with costs and strategies identified as discussed and will be presented at November meeting of the commission.

7. Other Business Items

Mr. Mori updated to the group of the research he conducted as requested by the commission on PRIA and other state standards used for validation of their vendors. Mr. Mori had contacted Mark Ladd from PRIA. Mr. Ladd responded that only state that he knows of is California, however suggested that Minnesota does not follow the lead of California. Mr. Ladd advised that the rules are complex, expense to implement and have become a roadblock on adopting e-recording. The rules have been in place for three years without any new counties participating in e-recording. As an alternative, legal XML is being considered by PRIA as one of their new standards as a performance testing tool.

Ms. Barker and Mr. Carlson other business items additions had already been covered already during the meeting.

Ms. Barker asked about the status of validation advising that she is receiving questions from various counties. Mr. Cunniff advised that future discussion is needed and it should be considered as an agenda item for the commission's November meeting. Discussion ensued.

8. Adjournment

There being no further business, the meeting adjourned at 3:30 pm.

Respectfully submitted,

Michael Cunniff, Chair