

Electronic Recording Standards Commission
Meeting Minutes for Friday, August 22, 2008

The meeting was held at the Kittitas County Courthouse in the Commissioners' Auditorium. Members present included Jerry Handfield, Zona Lenhart, Merrili Sprecher, and Paul Merz. Member participating by phone included Brian Ferris, Connie Barndt and Shelley LaCasse on behalf of Diane Mickunas-Ries, and Val Wood on behalf of Carolyn Ableman, who later joined the conversation.

The meeting was called to order at 10:05 a.m.

Megan provided an overview of the agenda.

Introductions were made and included information about how electronic recording does or will affect the Commission member's work.

Paul Merz is the Vice President of the Image Library Company (ILC). He has worked with electronic recording issues through Property Records Education Partners (PREP) and the Property Records Industry Association (PRIA). The ILC was formed in 1997 by title companies in King, Pierce and Snohomish counties as a repository of documents recorded in the aforementioned counties. ILC's image library contains more than 23 million documents or approximately 75 million pages which are used by ILC members to perform their Title research. ILC has also provided a vehicle for Electronic Recording submittal for its title company membership since 2006.

Merrili Sprecher is the Recording Supervisor of Clark County.

Zona Lenhart is the Auditor of Franklin County. Franklin County is on the verge of launching electronic recording.

Jerry Handfield is the Washington State Archivist.

Megan Moreno is the Legislative Liaison for the Office of the Secretary of State and is staff to the Commission. She worked to pass the Uniform Real Property Electronic Recording Act (URPERA), which created the Commission.

Val Wood is the Assistant Director of Recording in King County.

Brian Ferris is the IT Manager in Thurston County. Thurston County previously attempted electronic recording and is considering implementing it again.

Connie Barndt is the Chief Deputy Auditor of Snohomish County.

Shelly LaCasse is the Recording Supervisor in Snohomish County.

Carolyn Ableman is the Director of Recording in King County. Megan noted Carolyn provided great help in passing URPERA and has been in contact with other states that have implemented URPERA.

Jerry Handfield was called upon to explain Washington State's sunshine laws. He noted this first meeting of the Electronic Recording Standards Commission was many years in the making and is a historic event. He recommended pictures be taken.

Jerry explained meeting notices of public meetings of the Commission must be posted 48 hours in advance of the meeting. Decisions and or votes are not to be made via e-mail, they must be made in public meetings.

A website is in the works for the Commission and a link will be provided as soon as it is available.

Megan explained the URPERA legislation, Engrossed House Bill 2459. The bill was passed unanimously. URPERA was drafted by the National Conference of Commissioners on Uniform State Laws (NCCUSL) at the request of the PRIA. The legislation served to dovetail with the Uniform Electronic Transactions Act (UETA), which allows for electronic recording. Washington State has not passed UETA, but instead has enacted many of the same provisions in RCW 19.34, the Washington Electronic Authentication Act, and in RCW 65.04, which allows recorders authority to conduct electronic recording.

URPERA:

- equates electronic documents to original paper documents and electronic signatures to manual signatures both of which meet originality requirements
- establishes uniform standards and procedures for a recording office
- institutes a commission to set uniform, statewide standards to be implemented in recording offices that chose to use URPERA

Recording offices choosing to use URPERA benefit from:

- increased interoperability of mortgage, finance, title, and settlement documents from compatibility among recording offices
- improved productivity and quality of transactions by eliminating the need for data to continually be re-entered
- reduced risk associated with untimely processing

The E-Recording Standards Commission was the next agenda item.

Megan read Section 5 of EHB 2459, which establishes the Commission and explains their duties. The duties of Commission members were discussed. Members will research electronic recording conducted in Washington State and the practices of offices conducting electronic recording throughout the United States. With the goals of uniformity and interoperability, the Commission will make recommendations for rules necessary to implement URPERA to the Secretary of State.

The vehicle by which the Commission will submit recommendations to the Secretary of State is a formal report. The report will contain electronic recording standards, comments, concerns, and a conclusion, as well as various materials supporting and/or explaining the standards. Megan noted the standards other states have adopted are heavily based upon PRIA data and document standards. Washington is not the frontrunner in implementing URPERA and will subsequently benefit from the examples set forth by other states.

The North Carolina standards report subcategories were read as an example of subject areas Washington's report should address: data & document formatting, electronic payment of recording fees, security, trusted submitter registration, submission for recording, document return, e-document processing methods and systems, security backup and disaster recovery, and notary acknowledgement/signature.

The Commission had been furnished with several hundred pages of material including the PRIA URPERA Implementation Guide, the Report from the Arizona Electronic Recording Commission, the Florida Electronic Recording Advisory Committee's Final Report, and the Report from the North Carolina Electronic Recording Council. Due to the volume of materials, the Commission agreed to take more time to become familiar with the documents and volunteer for report subject areas over the following weeks. Length of Commissioner's term was the next topic of discussion. Two years was the first suggestion and was well received by Commission members. The report may not, and hopefully won't, take two years to generate! The Commission considered meeting on an annual basis at the conclusion of the report. It was agreed to reconsider this matter once the report had been completed.

The Commission's composition was also discussed. The Commission's counterparts in other states have had representation by attorneys, bankers, and assessors. A treasurer, assessor, and escrow agent were all suggestion as additions to Washington's Electronic Recording Standards Commission. Dee McComb of Pacific Northwest Title was recommended as an escrow agent representative. Maureen Humbert, the Office Manager of the Clark County Assessor's Office was recommended to represent assessors. Tiffany Coffland, the Franklin County Treasurer, who has worked on electronic recording issues, was recommended to represent treasurers.

Jerry reminded the Commission that the legislation requires a majority of members to be either recorders or auditors. The three additions would only make half of the Commission recorders or auditors. Corky Mattingly, the Yakima County Auditor, was recommended to represent recorders and auditors.

The Commission agreed to submit additional recommendations for potential members to Megan by September 5th.

All of the suggestions for new members will be brought to Secretary of State Sam Reed. Megan will report the outcome of the conversation and, if needed, will arrange for invitations to new members.

The next agenda item was the election of a Chair and Vice Chair of the Commission. Jerry Handfield nominated Carolyn Ableman for Chair. Zona Lenhart and Merrili Sprecher seconded the motion. There were no other nominations. The election of Carolyn Ableman as Chair of the Electronic Recording Standards Commission was brought to a vote. Carolyn was unanimously elected. She enthusiastically accepted! Jerry Handfield nominated Zona Lenhart for Vice Chair. Merrili Sprecher seconded the motion. There were no other nominations. The election of Zona Lenhart as Vice Chair of the Electronic Recording Standards Commission was brought to a vote. Zona was unanimously elected. She enthusiastically accepted!

Megan explained she does not have expertise in electronic recording or property law. She will from here on out take direction from the Chair and Vice Chair for the course of the Commission and will provide staff support and assist in any way possible.

A recording device was discussed for the next meeting to assist with the production of minutes.

Megan will also invite people who worked with other state's commissions to join the next meeting through teleconference.

The next meeting is scheduled for Tuesday, November 18th in Everett. Diane Mickunas-Ries has reserved a room from 10:00 – noon. If this date and time pose a scheduling conflict, members should contact Megan as soon as possible.