WASHINGTON STATE
ELECTRONIC RECORDING STANDARDS

Prepared for the

WASHINGTON STATE SECRETARY OF STATE

by the

WASHINGTON STATE
ELECTRONIC RECORDING STANDARDS COMMISSION
(ERSC)

Pursuant to Washington State's

UNIFORM REAL PROPERTY ELECTRONIC RECORDING ACT

Chapter 65.24 Revised Code of Washington (RCW)

Approved for presentation on September 30, 2013

DRAFT

TABLE OF CONTENTS

Introduction 1

Uniform Real Property Electronic Recording Act (chapter 65.24 RCW) 5

Washington State Electronic Recording (eRecording) Standards

1) Data Standards 8
2) Web Portals 9
3) Business Rules 10
4) Security (Transactional and Organizational) 11
5) Electronic Signatures 12
6) Notary Acknowledgment 13
7) File Formats for eRecording 14
8) Records Retention and Preservation 15
9) Payment of Recording Fees 16

Appendices

A) Acronyms Used in this Document 17
B) Glossary of Terms 18
C) eRecording Models Explained 22
D) Sample eRecording Memorandum of Understanding (MOU) 24
E) PRIA Recommended Standards and Guidelines 27
F) Document Standardization and Indexing Requirements 30
G) Washington State Department of Revenue SCHEMA 31
H) Frequently Asked Questions 36
I) Washington State Laws 40

DRAFT

Introduction

The Washington State Legislature established the Washington State Electronic Recording Standards Commission (ERSC) under advisement of the Office of the Secretary of State, Division of Archives and Records Management, to advise Washington State's Recording Officers (County Auditors and other official county recorders) regarding the adoption of standards to implement the *Uniform Real Property Electronic Recording Act* (URPERA). Adoption of the act occurred by the passage in 2008 of chapter 65.24 RCW. (See complete chapter, below.)

The ERSC is composed of members representing a range of stakeholders in the real property recording process, in accordance with RCW 65.24.040:

> *"A majority of the commission must be county recorders or auditors. The commission may include assessors, treasurers, land title company representatives, escrow agents, and mortgage brokers, the state archivist, and any other party the secretary of state deems appropriate."*

Current ERSC members include:

- Walter Washington, Kitsap County Auditor
- Milene Henley, San Juan County Auditor
- Vicky Dalton, Spokane County Auditor
- Kris Swanson, Cowlitz County Auditor
- Steve Excell, Office of the Secretary of State, Washington State Archivist
- Dee McComb, Escrow Association of Washington
- Paul Merz, Imaged Library Company

Staff to the ERSC:

- Julie Blecha, Office of the Secretary of State, Washington State Archives

Past ERSC members include:

- Carolyn Ableman, Commission Co-Chair, King County Records and Licensing Services Division, Director
- Zona Lenhart, Commission Co-Chair, Franklin County Auditor
- Evelyn Arnold, Chelan County Auditor
- Tiffany Coffland, Franklin County Treasurer
- Maureen Humbert, Clark County Assessor, Office Manager
- Diane Mickunas-Ries, Snohomish County Auditor's Office, Recording Manager
- Brian Ferris, Thurston County, IT Manager

ERSC Advisory Group members have included:

- Pam Floyd, Office of the Secretary of State, Director of Corporations
- Bob Foote, King County Records and Licensing, Master LAN Administrator
- Doug Lasher, Clark County Treasurer
- Linda Mead, Department of Licensing, Notary Public Program Manager
- Skip Moore, Chelan County Deputy Auditor
- David Saavedra, Department of Revenue – Property Tax Division

DRAFT

- Nancy Skewis, Department of Licensing – Business Resources Section Administrator
- Merrili Sprecher, Clark County Recording Supervisor
- Nina Tapscott, Chelan County Recording Manager
- Mark Thompson, King County Records and Licensing, Assistant Superintendent
- Stuart Thronson, Department of Revenue, Assistant Director of Special Programs
- Karl Klessig, Ingeo, President
- Diane Mickunas-Ries, Manatron, Inc.
- Carolyn Ableman, Property Records Education Partners (PREP), Coordinator
- Marc L. Aronson, Pennsylvania Association of Notaries, President and CEO

The ERSC, in accordance with the provisions of its authorizing legislation, used the electronic recording standards issued by the Property Records Industry Association (PRIA) as the foundation for its recommendations regarding the Washington State standards. At this time, it does not appear that any formal extensions to the PRIA standards are necessary.

The standards address the following issues:

- Data standards
- Web Portals
- Business Rules
- Security (transactional and organizational)
- Electronic signatures
- Notary acknowledgment
- File formats for electronic recording
- Records retention and preservation
- Payment of recording fees
- Processing of eRecording fees in accordance with Washington Administrative Codes (WACs)

The ERSC will periodically review the adopted Washington State Electronic Recording Standards in response to changes in the technological environment.

This report was approved for presentation to the Secretary of State by all members of the Electronic Recording Standards Commission (ERSC) on September 30, 2013:

Vicky Dalton, Spokane County Auditor

Steve Excell, Office of the Secretary of State, Washington State Archivist

Milene Henley, San Juan County Auditor

Dee McComb, Escrow Association of Washington

Paul Merz, Imaged Library Company

Kris Swanson, Cowlitz County Auditor

Walter Washington, Kitsap County Auditor

DRAFT

Chapter 65.24 Revised Code of Washington (RCW)
Uniform real property electronic recording act

RCW Sections

65.24.010 Definitions.
65.24.020 Electronic authentication.
65.24.030 Recording officer – Powers and duties.
65.24.040 E-recording standards commission.
65.24.050 Electronic signatures in global and national commerce act.
65.24.900 Short title.
65.24.901 Application – construction.

65.24.010
Definitions.
The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Document" means information that is:

(a) Inscribed on a tangible medium or that is stored in an electronic or other medium, and is retrievable in perceivable form; and

(b) Eligible to be recorded in the land records maintained by the recording officer.

(2) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(3) "Electronic document" means a document that is received by the recording officer in an electronic form.

(4) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign the document.

(5) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(6) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(7) "E-recording standards commission" means the body of stakeholders appointed by the secretary of state to review electronic recording standards and make recommendations to the secretary under RCW 65.24.040.

[2008 c 57 § 2.]

DRAFT

65.24.020
Electronic authentication.

(1) If a law requires, as a condition for recording, that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is satisfied by an electronic document satisfying this chapter.

(2) If a law requires, as a condition for recording, that a document be signed, the requirement is satisfied by an electronic signature.

(3) A requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically associated with the document or signature. A physical or electronic image of a stamp, impression, or seal need not accompany an electronic signature.

[2008 c 57 § 3.]

65.24.030
Recording officer — Powers and duties.

(1) In this section, "paper document" means a document that is received by the recording officer in a form that is not electronic.

(2) A recording officer:

(a) Who performs any of the functions listed in this section shall do so in compliance with the rules adopted by the secretary of state for the electronic recording of documents;

(b) May receive, index, store, archive, and transmit electronic documents;

(c) May provide for access to, and for search and retrieval of, documents and information by electronic means;

(d) Who accepts electronic documents for recording shall continue to accept paper documents as authorized by state law and shall place entries for both types of documents in the same index;

(e) May convert paper documents accepted for recording into electronic form;

(f) May convert information previously recorded into electronic form;

(g) May, after receiving approval pursuant to RCW 36.29.190, accept electronically any fee or tax that the recording officer is authorized to collect;

(h) May agree with other officials of a state, or a political subdivision thereof, or of the United States, on procedures or processes to facilitate the electronic satisfaction of prior approvals and conditions precedent to recording and the electronic payment of fees or taxes.

[2008 c 57 § 4.]

DRAFT

65.24.040
E-recording standards commission.
The office of the secretary of state shall create and appoint an e-recording standards commission. The e-recording standards commission shall review electronic recording standards and make recommendations to the secretary of state for rules necessary to implement this chapter. A majority of the commission must be county recorders or auditors. The commission may include assessors, treasurers, land title company representatives, escrow agents, and mortgage brokers, the state archivist, and any other party the secretary of state deems appropriate. The term of the commissioners will be set by the secretary of state.

To keep the standards and practices of recording officers in this state in harmony with the standards and practices of recording offices in other jurisdictions that enact this chapter and to keep the technology used by recording officers in this state compatible with technology used by recording offices in other jurisdictions that enact this chapter, the office of the secretary of state, so far as is consistent with the purposes, policies, and provisions of this chapter, in adopting, amending, and repealing standards shall consider:

(1) The standards and practices of other jurisdictions;

(2) The most recent standards adopted by national standard-setting bodies, such as the property records industry association;

(3) The views of interested persons and governmental officials and entities;

(4) The needs of counties of varying size, population, and resources; and

(5) Standards requiring adequate information security protection to ensure that electronic documents are accurate, authentic, adequately preserved, and resistant to tampering.

[2008 c 57 § 5.]

65.24.050
Electronic signatures in global and national commerce act.

This chapter modifies, limits, and supersedes the federal electronic signatures in global and national commerce act (15 U.S.C. Sec. 7001, et seq.) but does not modify, limit, or supersede section 101(c) of that act or authorize electronic delivery of any of the notices described in section 103(b) of that act.

[2008 c 57 § 7.]

65.24.900
Short title.

This chapter may be known and cited as the uniform real property electronic recording act.

[2008 c 57 § 1.]

65.24.901
Application — construction.

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact a uniform real property electronic recording act.

[2008 c 57 § 6.]

DRAFT

Washington State Electronic Recording (eRecording) Standards:

1. Data Standards

Data Standards – Recorded Documents

The PRIA standards on electronic document formatting and document data fields are adopted for Washington State eRecording. *See* Appendix F - State of Washington Document Standardization and Indexing Requirements.

Data Standards – Excise Tax Affidavits (eREET)

The Washington State Department of Revenue Schema will be the standard for Washington State electronic submission of excise tax affidavits (eREET) data. *See* Appendix G - Department of Revenue SCHEMA.

Comments:

PRIA data and document standards are the preferred standard for use by industry participants of electronic document recording.

The Washington State DOR Schema is the standard as defined by DOR for all submissions of excise tax data.

These two standards may be combined for submission as needed.

It is further recommended that eRecording be offered and conducted at all three models of submission when possible.

Each Recording Officer who accepts eRecordings shall provide open architecture for reception of electronic documents. All reception software, including portals, must support PRIA standards, 1.0 and subsequent.

DRAFT

2. Web Portals

The World Wide Web will be the most common delivery medium for electronic documents.

Comments:

The Committee recognizes that the World Wide Web will be the most common delivery medium used for electronic documents, and, as such, sees the use of web portals as a useful tool to enable these transactions.

Web portals can take on a variety of forms, from simple single entry sites used by an individual Recording Officer to support its own efforts, or by a collection of Recording Officers, where the site provides both content and document routing. Web portals can be created by anyone, so long as the site supports one of the PRIA models and complies with the security requirements recommended by this Advisory Committee. The Advisory Committee recommends that no mandatory Web portal be created or promoted. The Recording Officer will decide which Web portal and PRIA model to use.

A document delivered over the Web should provide a minimum amount of information in the delivery package sufficient to identify and authenticate the sender to the Recording Officer, while also itemizing the contents of the package.

Web portals can provide payment processing functionality or not. Payment processing capabilities are to be determined by the portal provider and the individual Recording Officer. Payment processing, if supplied at the portal, should comply with industry standards and any rules that may be promulgated by this Advisory Committee from time to time. The Committee recognized that each Recording Officer is able to decide its own approved methods of payment which could include credit cards, ACH, escrow accounts, electronic checks, etc.

DRAFT

3. Business Rules

eRecording participants agree to abide by the Recording Officer's Business Rules.

Comments:

Recording Officers shall establish and publish Business Rules that govern how eRecording will be conducted. A *sample set* of Business Rules are included in this document (Appendix D). Recording Officers are free to modify this model set of Business Rules to fit the needs of individual counties.

The Business Rules may be in electronic or hard copy format and may appear on a portal or the Recording Officer's website. The parties' electronic acknowledgement of acceptance of the terms of the Business Rules is acceptable.

The Business Rules must cover the following items

1. Memorandum of Understanding or Contract
2. Defined technical specifications
3. Document Formatting and Indexing Requirements
4. Hours of operations and processing schedules
5. Payment options
6. Termination terms
7. Document Rejection rights and rules
8. Statement that any amendments and/or alterations to the Business Rules will be published with adequate notice before taking effect.
9. Statement clarifying the liability of the Auditor/Recording Offices (Title 65 RCW).

DRAFT

4. Security

Transactional Security

All electronic documents must be secured in such a way that both the transmitting and receiving parties are assured that no unauthorized party can view or alter the electronic document during transmission, processing and delivery. Further, industry participants, for purposes of transmission of documents for eRecording, shall establish methods to secure server-to-server authentication. See Appendix E for the PRIA Standards and Guidelines

Organizational Security

Each Recording Officer who elects to accept electronic documents for recording, shall implement reasonable measures such that each electronic document accepted is protected from alteration and unauthorized access.

Comments:

PRIA data and document standards are the preferred standard for us by industry participants of electronic document recording and processing.

There are three categories of technology involved in eRecording for security purposes: (1) Used by those for creation and submission of documents for recording; (2) Used to accept, review and record documents by the Recording Officer; and (3) Used to protect and deliver documents to and from the Recording Officer's domain (transmission).

If followed through the entire electronic document process of execution through recording, the security measures identified in Chapter 6 of the "PRIA eRecording XML Implementation Guide For Version 2.4.1, Revision 2, Updated 03/0/2007" would satisfy these standards. See Appendix E for the PRIA Standards and Guidelines

DRAFT

5. Electronic Signatures

Recording Officers are only required to accept electronic and/or digital signatures that they have the technology to support. Recording Officers have no responsibility to authenticate electronic/digital signatures embedded within the body of the document.

Comments:

Signature technology is varied and can be simply typing a signatory's name or the use of public key infrastructure (PKI) to digitally sign as well as cryptographic binders. For a Glossary of Terms, Please see Appendix B. The terms are also identified in URPERA (RCW 65.24) and the Washington Electronic Authentication Act (RCW 19.34).

While Uniform Electronic Transactions Act (UETA) and URPERA allow many types of electronic signatures, Recorders are only required to accept electronic signatures that they have the technology to support.

DRAFT

6. Notary Acknowledgment

Notarizations under this act must:

- Be performed by a notary public who has been appointed by the Washington State Department of Licensing, or a person authorized by the laws of another jurisdiction outside of the state of Washington, in accordance with chapter 42.44 RCW; and,
- Comply with all applicable requirements for performing a notarial act as found in chapter 42.44 RCW and chapter 308-30 WAC, as amended from time to time, except that in the case of notarizations performed electronically, an impression of the official seal or stamp is not required.

Recording Officers have no responsibility for verifying or authenticating notary signatures and acknowledgments.

Comments:

Applicable laws:

RCW 19.34.340 - Certificate as acknowledgment — Requirements — Exception — Responsibility of certification authority.

Chapter 42.44 RCW - Notaries Public

RCW 64.08.010 - Who may take acknowledgments

Chapter 308-30 WAC - Notaries Public

DRAFT

7. File Formats for eRecording

Electronic recordings must be converted to (if necessary) and preserved as image files along with their associated metadata. If Model 3 submissions are accepted, they shall be converted to a digital image until the viability of preserving these eRecordings in their native format (i.e., XML, XHTML) has been demonstrated.

Document images should be submitted as defined in WAC 434-663-305 and meet all state requirements for recorded instruments as defined in RCW 65.04.045 (Recorded instruments — Requirements — Content restrictions — Form).

Comments:

TIFF: The Tagged Image File Format (TIFF) is widely adopted within the property recording industry and by Recording Officers that have imaging systems. TIFF is a non-proprietary format that is recommended for storing scanned images.

PDF: Portable Document Format (PDF) is another commonly used file format in the property recording industry. PDF files capture the appearance of the original document, can store both text and images, are difficult to modify, and can be rendered with free, cross-platform viewer software. PDF is based on publicly available specifications, and as of January 2007, Adobe, the creator of the format, is releasing the 1.7 version of the format to become an international standard through the International Standards Organization (ISO).

XML: Extensible Markup Language (XML) is the recommended file format for long-term preservation of any metadata.

Metadata: Metadata is commonly described as "data about data." Metadata is used to locate and manage information resources by classifying those resources and by capturing information not inherent in the resource. In the eRecording context, metadata may be generated automatically or created manually and it may be internal or external to the digital object itself.

DRAFT

8. Records Retention and Preservation

Recording Officers must retain electronic public records in electronic format such that the records remain usable, searchable, retrievable and authentic for the length of the designated retention period in accordance with WAC 434-662-040.

Recording Officers must not destroy public records (including electronic records) without the approval of the Local Records Committee in accordance with RCW 40.14.070.

Comments:

The Local Records Committee has approved the *Local Government Common Records Retention Schedule (CORE)* and the *County Auditors Records Retention Schedule* authorizing the minimum retention periods for Recording Officer records and designating those records with enduring value as "Archival".

Recording Officers may transfer public records (including electronic records) designated as "Archival" to Washington State Archives for preservation and for facilitating public access to the records.

DRAFT

9. Payment of Recording Fees

Electronic payment of recording fees and excise tax (where applicable) shall be collected by the county agency responsible for such as prescribed in accordance with Washington State law and accepted industry standards.

Comments:

Payments are a prerequisite to all methods of recording and processing excise tax. Whether or not a payment is attached to, or an authorization of payment is included in, an eRecording submission, the submission must incorporate some methodology for payment of fees associated with a particular document or set of documents (package).

Fees are to be collected according to statute and in a manner consistent with the promotion of eRecording, and in accordance with accepted industry standards. Each Recording Officer and/or Treasurer may collect electronic excise tax or recording fees in a manner compatible with its internal software and financial practices.

DRAFT

APPENDIX A

ACRONYMS USED IN THIS DOCUMENT

ACH	Automated Clearing House
ANSI	American National Standards Institute
DOR	Washington Department of Revenue
DTD	Document Type Definition
E-SIGN	Electronic Signatures in Global & National Commerce
FTP	File Transfer Protocol
HTML	HyperText Markup Language
HTTP	HyperText Transfer Protocol
HTTPS	HyperText Transfer Protocol Secure
ISO	International Standards Organization
MISMO	Mortgage Industry Standards Maintenance Organization
MOU	Memorandum of Understanding
NCCUSL	National Conference of Commissioners on Uniform State Laws
OAIS	Open Archival Information Systems
PDF	Portable Document Format
PKI	Public Key Infrastructure
PRIA	Property Records Industry Association
REV 84 001	Washington Department of Revenue Real Estate Tax Affidavit for Transfers of Interest in Real Property
SSL	Secure Socket Layer
TBP	Trusted Business Partner
TIFF	Tagged Information File Format
UETA	Uniform Electronic Transaction Act
URPERA	Uniform Real Property Electronic Recording Act
VPN	Virtual Private Network
XHTML	Extensible HyperText Markup Language
XML	Extensible Markup Language

DRAFT

APPENDIX B

GLOSSARY OF TERMS

Adapted from PRIA's Uniform Real Property Recording Act Implementation Guide (January 4, 2006) and the Kansas Electronic Recording Commission Report (July 1, 2007)

Asymmetric encryption: A method that uses two keys – a public key and a private key. Together, the keys constitute a key pair. Though the keys are mathematically related, it is not possible to deduce one from the other. The public key is published in a public repository and can be freely distributed. The private key remains secret, known only to the key holder.

Authentication: The act of tying an action or result to the person claiming to have performed the action. Authentication generally requires a password or encryption key to perform, and the process will fail if the password or key is incorrect.

Digital signature: A type of electronic signature consisting of a transformation of an electronic message using an asymmetric encryption system such that a person having the initial message and the signer's public key can accurately determine whether:

(1) the transformation was created using the private key that corresponds to the signer's public key; and
(2) the initial message has not been altered since the transformation was made.

Digitized signature: A representation of a person's handwritten signature, existing as a computerized image file. Digitized signatures are just one of several types of electronic signatures, and have no relation to digital signatures.

Document type definition (DTD): A document created using the Standard Generalized Markup Language (SGML) that defines a unique markup language (such as XHTML or XML). A DTD includes a list of tags, attributes, and rules of usage.

Electronic commerce: Also known as eCommerce, it refers to trade that occurs electronically, usually over the Internet. Electronic commerce often involves buying, selling, and sharing information, extending both new and traditional services to customers via electronic means. Electronic commerce allows business to take advantage of email, the Web, and other online innovations to improve the business process and offer consumers more ways to access products, faster information transfer and ultimately decreasing costs.

Electronic document: A document that is received by the Recording Officer in an electronic form.

Electronic record: A record created, generated, sent, communicated, received or stored by electronic means.

Electronic signature: An electronic sound, symbol or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign the document.

DRAFT

Encrypt: To apply an encryption key to a message in order to make it unreadable in an effort to prevent unintended use of the information.

Extensible Markup Language (XML): A computer language used to create markup languages. XML allows developers to specify a document type definition (DTD) or schema in order to devise new markup languages for general or specific uses.

Hash function: A mathematical algorithm that takes an electronic document and creates a document fingerprint. The document fingerprint is much smaller than the original document, and does not allow the reconstitution of the original document from the fingerprint. A slightly different document, processed through the same hash function, would produce very different document fingerprint. A hash function helps to secure data by providing a way to ensure that data is not tampered with.

Key pair: A set of keys, including a private key and a public key, used in asymmetric cryptography. Sometimes a key pair will be reserved for specific uses, such as creating digital signatures (signing pair) or encrypting secret information (encryption pair).

Metadata: Commonly described as "data about data." Metadata is used to locate and manage information resources by classifying those resources and by capturing information not inherent in the resource.

Nonrepudiation: Effectively implementing a process in such a way that the creator of a digital signature cannot deny having created it. Nonrepudiation involves supplying enough evidence about the identity of the signer and the integrity of a message so that the origin, submission, delivery, and integrity of the message cannot be denied. Protection of a user's private key is also a critical factor in ensuring nonrepudiation. The entire Public Key Infrastructure (PKI) industry exists to create and ensure the trust necessary for nonrepudiation.

Notary public: "Notary public" and "notary" mean any person who performs notarial acts In accordance with chapter 42.44 RCW and chapter 308-30 WAC.

Portable Document Format (PDF): A file format created by Adobe Systems, Inc. that uses the PostScript printer description language to create documents. PDF files capture the appearance of the original document, can store both text and images, are difficult to modify, and can be rendered with free, cross-platform viewer software.

Portal: A Web site considered as an entry point to other Web sites, often by being or providing access to a search engine, useful content, and/or by functioning as a gateway to other Web locations. Portals are usually provided free of charge, in the hope that users will use of the site.

DRAFT

Private Key: A large, randomly generated prime number used in asymmetric encryption. The private key is used to encrypt a document fingerprint (the result of processing an electronic document through a hash function) to create a digital signature. A private key is generated by its holder at the same time a related public key is created. While the public half of a key pair is made available to anyone who wants it, the private key is only known by its owner, who must keep it absolutely secret to maintain its integrity.

Proprietary: Indicates that software or other employed technology is owned or controlled exclusively by the vendor. These solutions are not transferable to other systems and must be used only on the vendor's systems.

Public Key: A large, randomly generated prime number that is used to decrypt an electronic document that has been encrypted with a private key. A public key is generated by its holder at the same time a related private key is created. Within the Public Key Infrastructure (PKI), public keys are used to verify digital signatures. Public keys are contained in digital certificates, published and otherwise distributed by the issuing certificate authority (CA).

Public Key Infrastructure (PKI): The framework of different entities working together to create trust in electronic transactions. The PKI industry facilitates signed transactions by using asymmetric cryptography to ensure security and verifiable authenticity. The PKI includes all parties, policies, agreements and technologies to a transaction. This sophisticated infrastructure allows all concerned parties to trust electronic transactions created within the standards set by the PKI industry.

Real Estate Tax Affidavit: Sales disclosure document required by Washington statute RCW 82.45 to accompany the recording of a deed. Provided by Washington Department of Revenue for transfers of interest in real property (Form REV 84 0001a).

Recording Officer: The County Auditor or other official county recording officer.

Schema: A method for specifying the structure and content of specific types of electronic documents which use XML.

Secure Socket Layer (SSL): A security technology that uses both asymmetric and symmetric cryptography to protect data transmitted over the Internet.

Signature Authentication: The process by which a digital signature is used to confirm a signer's identity and a document's validity.

Signed Digital Document: An electronic document that includes an embedded digital signature. The digital signature contains an encrypted document fingerprint, which allows anyone receiving the document to verify its validity using the process of signature authentication.

DRAFT

SMART Doc™: A SMART Doc™ is a technical framework for representing documents in an electronic format. This format links data, the visual representation of the form, and signature. The visual representation of the documents can utilize a variety of technologies such as XHTML, PDF, and TIFF. Previously SMART Docs™ were called eMortgage documents. In order to better describe the actual capabilities of the technology, the word "eMortgage" was replaced by the acronym "SMART" which represents: Securable, Manageable, Archivable, Retrievable, and Transferable.

Submitting Party: The entity that originates an electronic document. This is usually a bank, title company, attorney or anyone that inputs data into a specific template and/or associates an image and wishes to send the documentation for electronic recordation at the County.

Tagged information file format (TIFF): An image file format commonly used for photos, scanned documents, or other graphics. TIFF images are graphics that are made up of individual dots or pixels. Files in the TIFF format are distinguished by a .tif filename extension.

Third party vendor: Entity that may act as a middleman or liaison to an electronic transaction. The vendor will usually have some added value to the transaction such as verifying accuracy and completeness of index entries, authentication of the submitting party, or any other County specific requirement.

Uniform Electronic Transaction Act (UETA): A body of recommended legislation drafted in 1999 by the National Conference of Commissioners on Uniform State Laws (NCCUSL) for adoption by state legislatures. UETA allows electronic documents and digital signatures to stand as equals with their paper counterparts. Washington State adopted a modified version of UETA by the passage in 2008 of chapter 65.24 RCW.

Uniform Real Property Electronic Recording Act (URPERA): A body of recommended legislation drafted in 2004 by the National Conference of Commissioners on Uniform State Laws (NCCUSL) for adoption by state legislatures. URPERA authorizes Recording Officers to accept electronic documents for recording in accordance with established standards. Washington State adopted a modified version of UETA by the passage in 2008 of chapter 65.24 RCW.

Wet signature: An original representation of a person's name applied to a document.

XML: *See* Extensible Markup Language.

XML Schema: *See* Schema.

DRAFT

APPENDIX C

eRECORDING MODELS EXPLAINED

Excerpted from the PRIA I-Guide©, as amended by Washington Electronic Recording Advisory Committee

2.3 eRecording Models

Electronic recordings, whether as pilot projects or live production initiatives, have occurred in 40 states. From these efforts, three distinct models have emerged. The models are referred to as Models 1, 2 and 3. Each has distinctive characteristics. Each also brings certain benefits to the submitters.

Over time the improvements in delivery methods and document formats have improved the processes as well. From scanned paper documents, to electronically-signed images of the documents wrapped with XML data and securely signed, to completely electronic, XML-integrated documents using electronic and digital signatures, these models bring continuing benefits to participating Recording Officers and document submitters. Ongoing progress with increasing value from added benefits are expected as mortgage, legal and recording industry standards are implemented.

2.3.1 Model 1

Description

This model is an extension of the paper-based closing or payoff processes. Documents are prepared and printed. The parties sign and notarize the paper documents with ink signatures. When complete, the signed and notarized paper documents are scanned and electronically sent to the County Recording Officer. Transmission is done by the submitting parties logging on to the Recording Officer's computer system over a secure network after first identifying, or authenticating, themselves to the Recording Officer's computer. The Recording Officer makes the same determination of recordability as with paper documents, visually inspecting them for such things as signatures and acknowledgments as well as determining the recording fees.

Once the Recording Officer accepts the documents for recording, the scanned image is "burned" with the recording information, including recording date and time as well as the unique recording reference number, such as book and page number or instrument number. Indexing is performed by the indexing staff of the Recording Officer's office, as with paper documents. A copy of the recorded images is returned to the submitter, together with the recording endorsement data.

2.3.2 Model 2

Description

Model 2 recordings may be paper or electronic based. A document image whether from a scanned paper document signed and notarized by 'wet ink' signatures or from an electronic document electronically signed and notarized, is wrapped in an XML wrapper containing the data necessary for processing, indexing and returning the document. In the case of a scanned paper document,

DRAFT

Model 2 further extends Model 1 by adding data that improves the process, specifically the indexing process in the Recording Officer's office. In the case of an electronic document, it begins to improve the process for the settlement agent, lender or loan servicer submitting the document.

The model may support one or more of a number of graphics formats. Uncompressed TIFF (Tagged Image File Format) images are commonly used, because this format preserves the image in the most accurate and legible form.

The recordable documents are generally delivered to the Recording Officer's site by whatever means specified in the Business Rules.

Once imported into the Recording Officer's system, the Recording Officer's system handles the recording functions. In this case the system imports the data from an XML wrapper, including index data. The recording process is partially automated, but the image may be visually inspected to determine that it meets recording requirements as well as possibly to validate against the data in the XML wrapper. The indexing data in the embedded image is not linked to the index data in the XML, so the Recording Officer has no automated means to verify that it is the same.

If a document meets the requirements, it is recorded. The recording information is "burned" onto the image and returned to the submitter by means agreed upon by the parties. In some jurisdictions that use Model 2, the electronic recorded document is embedded into an XML wrapper with the recording information added so that the submitter can use the data in its internal processes.

2.3.3 Model 3

Description

Under Model 3, documents are generated on a Trusted Business Partner's document preparation system according to the PRIA standards. The document preparation person logs on to the system and enters the information necessary to complete the generation of the document. Once the document has been generated, the person signs it if she has the authority, or notifies the person with signing authority to sign. Secure access is required for all parties that must sign the document because signing is done by electronic signature.

Once the documents are electronically prepared, they are released for recording. The document preparation system compares each document against recording rules to ensure its recordability, and then calculates recording fees. Documents are submitted to the Recording Officer's office pursuant to the terms of the Business Rules.

Documents received at the Recording Officer's system are re-checked against the rules to determine whether or not they may be recorded. If not, they are returned to the submitter. Otherwise they are accepted for recording and the data for recording is extracted from the documents and passed to the recording system. The endorsement data is received from the legacy system and entered onto the respective documents in XML format. If required, the XHTML is transformed to images for the Recording Officer's archives and the documents with the recording endorsements are returned to the submitter.

DRAFT

APPENDIX D

SAMPLE eRECORDING MEMORANDUM OF UNDERSTANDING

Provided by the Snohomish County Auditor's Office (2011 Version)

ELECTRONIC RECORDING MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, dated_____, is between Snohomish County ("County"), Washington and _____ ("Company") with offices at _____.

Snohomish County desires to offer recording of real property documents by electronic transmission in substitution for conventional paper based documents and to assure that transactions are not legally invalid or unenforceable as a result of the use of available electronic technologies for the mutual benefit of the parties of the transactions.

For purposes of this Memorandum of Understanding, *Electronic Recording* is defined based on the level of automation and structure of the transaction. The three levels of automation are as follows:

- Level 1 Submitting organizations transmit scanned image copies of ink signed documents to the county. The county completes the recording process in the same way as paper using the imaged copy as the source document. An electronic recording endorsement is returned to the organization in the form of a label or printing process in order for the submitting organization to append that information to the original paper document.

- Level 2 Submitting organizations transmit scanned images of ink signed documents along with electronic indexing information to the county. The county performs an electronic examination of the imaged documents and indexing data, and then completes the recording process using the imaged copy and electronic indexing information. The electronic version of the recorded document is returned electronically to the submitting organization along with the electronic recording data.

- Level 3 Submitting organizations transmit "Smart" documents which are a single object containing the electronic version of the document in such a way that enables the electronic extraction of data from the object. Smart documents are required to be signed and notarized electronically. The Smart document is endorsed electronically by the county and returned in Smart document format to the submitting organization.

Program Eligibility

Title Insurance Companies, Mortgage Bankers, Full Service Banks and other trusted entities may directly or through a trusted third party provider submit real property records for electronic recording. Electronic Recording mandates a close working relationship as well as mutual trust between the County and the submitting entity. All parties of the Electronic Recording transaction desire to operate and maintain a secure recording system that safeguards parties to recordation from deceit, fraud and forgery. This Memorandum of Understanding outlines the procedures and rules for the trusted relationship between the County and "Company" to facilitate a safe and secure Electronic Recording relationship.

DRAFT SAMPLE MOU

Participation in the Electronic Recording program is voluntary and the decision to do so is a business judgment. Companies electing not to participate will receive service at the same level prevailing at the outset of the program.

There will be no added fees or costs of any kind charged by the County for Electronic Recording.

County Requirements

The Electronic Recording Program of Snohomish County is defined by the requirements attached to this Memorandum of Understanding.

- ***Attachment A*** defines the technical specifications including format, levels of recording supported, transmission protocols, and security requirements of the electronic records required by County. Company agrees to provide the transmission to the County following the specifications outlined. Company understands that the specifications may change from time to time. In the event changes to the specification are required, the County will provide a written notice to the Company within a reasonable timeframe.

- ***Attachment B*** contains the State of Washington Formatting Requirements and Snohomish County Common Document Types and Indexing Requirements for the Electronic Recording program. For each document, the County specific document code is provided along with the required indexing information. Any County specific editing rules will also be described in this attachment. Company acknowledges that County will reject and return any transactions that do not meet the document and indexing specifications.

- ***Attachment C*** contains the processing schedules and hours of operation for the Electronic Recording Program. Neither party shall be liable for any failure to perform processing of the transactions and documents where such failure results from any act of God or other cause beyond the party's reasonable control (including, without limitation, any mechanical, electronic or communications failure which prevents the parties from transmitting or receiving the electronic recording transactions. If the County system causes delays or power failures interfere with the normal course of business, the County will notify the affected Company with a choice of using a courier service or waiting until the problem has been remedied.

- ***Attachment D*** provides the payment options supported for the Electronic Recording program. For the use of Escrow or Voucher Accounts, this attachment defines the setup requirements and usage along with the reconciliation reporting provided to the Company for transactions process through the Escrow or Voucher Account.

Company Responsibilities

Company acknowledges that Electronic Recording permits them to prepare, sign and/or transmit in electronic formats documents and business records and the document or records shall be considered as the "original" record of the transaction in substitution for, and with the same intended effect as, paper documents and, in the case that such documents bear a digital or electronic signature, paper documents bearing handwritten signatures.

By use of electronic or digital certificates to sign documents, Company intends to be bound to those documents for all purposes as fully as if paper versions of the documents had been manually signed.

By use of electronic or digital certificates to sign documents, Company intends to be bound by those electronic signatures affixed to any documents and such electronic signature shall have the same legal effect as if that signature was manually affixed to a paper version of the document.

DRAFT SAMPLE

By use of digital certificates to seal electronic files containing images of original paper documents or documents bearing manual signatures, Company shall recognize such sealed images for all purposes as fully as the original paper documents and shall be responsible for any failure by Users to comply with quality control procedures for assuring the accuracy and completeness of the electronic files.

The Company and its employees attest to the accuracy and completeness of the electronic records and acknowledge responsibility for the content of the documents submitted through the Electronic Recording Program. Should a dispute or legal action arise concerning an electronic transaction, the County will be held harmless and not liable for any damages.

Company is responsible for the costs of the system or services provided by a third party that enables Company to meet the Electronic Recording Program requirements.

General Understanding

The County will not incur any liability for the information electronically transmitted by the Company.

The County will not incur any liability for any breach of security, fraud or deceit as a result of Electronic Recording.

Neither the County nor Company shall be liable to the other for any special, incidental, exemplary or consequential damages arising from or as a result of any delay, omission or error in the Electronic Recording transmission or receipt.

The County and Company will attempt in good faith to resolve any controversy or claim arising out of or relating to Electronic Recording through either negotiation or mediation prior to initiating litigation.

Either party may terminate this Memorandum of Understanding for any reason by providing 30 days written notice of termination.

Agreed and Accepted:

By: _____

Company: _____

Name: _____

Title: _____

Date: _____

By: _____

Name _____
Snohomish County, Washington

Date: _____

DRAFT
SAMPLE

APPENDIX E

PRIA RECOMMENDED STANDARDS AND GUIDELINES

Excerpts from: eRecording XML Implementation Guide for Version 2.4.1. (www.pria.us)

Purpose of this Document

This document is designed to assist individuals who are implementing the PRIA XML standards by providing helpful information and sample XML data. Although it is not intended as an XML tutorial, certain aspects of XML that are important for the proper implementation of the standard are highlighted. The guide will also give a brief background of the PRIA effort, followed by an overview of the data architecture and sample XML data.

What is XML?

XML is an acronym for **Extensible Markup Language**. (If you're wondering why it's not called EML, you're not alone.) Data alone does not provide the information a computer needs to properly process and store the data. When we add "markup language" to the data, the purpose of each element of the data becomes clear. It may be obvious to us (but not the computer) that **Jonathan** is a first name and that **Consumer** is a last name. The markup language also tells us that Jonathan is a buyer or grantee, and that the address information provided is his residence.

Data without Markup Language

JONATHAN CONSUMER
3750 S BRANDYWINE ST # 242
LAS VEGAS NV 89103

Data with Markup Language

```
<GRANTEE _FirstName="JONATHAN" _LastName="CONSUMER">
        <_RESIDENCE _StreetAddress="3750 S BRANDYWINE ST"
                                        _City="LAS VEGAS" _State="NV"
_PostalCode="89103"/>
</GRANTEE>
```

What about the Extensible part of XML? To extend or add to the existing data, all we need to do is add the new data along with its markup language label. (Some PRIA XML transactions may contain pre-defined methods for adding new data.)

Data with Markup Language - Extended

```
<GRANTEE _FirstName="JONATHAN" _LastName="CONSUMER"
                        _NativeLanguage="ENGLISH" >
        <_RESIDENCE _StreetAddress="3750 S BRANDYWINE ST"
                                        _City="LAS VEGAS" _State="NV"
_PostalCode="89103"/>
</GRANTEE>
```

DRAFT

Elements and Attributes

In the above example, *GRANTEE* and *RESIDENCE* are **elements** of our sample data. Element names begin with a bracket (**<**) and end, after any attributes, with another bracket (>).

Elements can also have **attributes** that describe them more completely. Attribute names are followed by an equal sign (=) and the data enclosed in quotes. *GRANTEE* has attributes of First Name, Last Name and Native Language. *RESIDENCE* has attributes of Street Address, City, State and Postal Code.

Additional Information

You can locate additional background information regarding XML at web sites such as www.xml.com and www.xml.org/.

What Is PRIA?

The Property Records Industry Association (PRIA) was created in 2003, formed out of the Property Records Joint Task Force, which in turn had been created by the two national associations of county recorders, IACREOT and NACRC. PRIA gathered individuals from a widely varied group of property records industry leaders from both the public and private sectors with extensive business knowledge about the industry. This body of individuals created the **Logical Data Dictionary (LDD)** that defines the meaning of each business data element used within the recording industry. The creation of the LDD has been the key to the success of the PRIA effort. This data dictionary is the seed for generating the XML structures or any other type of structure that may be used in the future. PRIA has closely aligned and coordinated its work products and efforts with MISMO, the Mortgage Industry Standards Maintenance Organization, a subsidiary of the Mortgage Bankers Association.

The result is a single common data set for the recording industry. The seller, buyer, property and other commonly used information have a common data definition, no matter which process is using the data.

The PRIA Development Process

The first and probably most important product developed by the PRIA work group is the logical data dictionary (LDD) that was mentioned earlier. We identified and examined the existing "core data" elements that are used in common by most systems involved in the recording process. In fact, several of the items were used earlier in the eMortgage process and had already been established and defined by MISMO. We then worked to define additional data elements that are needed specifically for recording, notarization, and payment. The data dictionary defines all data elements that become the basis for organizing the XML Document Type Definition (DTD) or data schema that will be used in the future.

Process area work groups (i.e., eRecording, payment, response/receipt, etc.) identify relevant data points and containers. A representative from each work group is responsible for entering the data into a web-enabled tool that warehouses the data dictionary. The work group also then defines the XML DTDs needed to support transactions for their process area. For example, for mortgage services there will normally be a DTD defined to request a service, and a DTD defined for the response from the service provider. Changes made to the data points and containers are monitored to ensure the integrity of all the DTDs.

DRAFT

PRIA agreed to confirm and verify its XML standards with the MISMO XML Architecture Work Group. The representatives of MISMO's various mortgage process area work groups meet frequently to iron out issues about the data, definitions, and organization of commonly used business data.

Version and Release

This implementation guide is based on **Version 2.4** of the PRIA standard. The PRIA Logical Data Dictionary and DTDs can be downloaded from the www.PRIA.us web site.

Understanding the designation

Major releases of the PRIA standard are represented by the integer designation, while minor updates are represented by the decimal designation. When a release breaks backwards compatibility, it is considered a major release and the integer is incremented. When smaller changes are made that do not break backward compatibility the decimal is incremented. Thus, version 2.4 is not backward compatible with previous versions of the PRIA standard.

Why Version 2.4?

MISMO recently adopted a new review process which among other things, outputs a "no change" schema version of all published DTD's. MISMO has designated the numbering of DTD's thusly reviewed as Version 2.4. So even though this is the first iteration of PRIA's version 2, we are designating it Version 2.4 to synchronize with MISMO.

DRAFT

APPENDIX F

Document Standardization and Indexing Requirements (RCW 65.04.045)

(1) When any instrument is presented to a county auditor or recording officer for recording, the first page of the instrument shall contain:

(a) A top margin of at least three inches and a one-inch margin on the bottom and sides, except that an instrument may be recorded if a minor portion of a notary seal, incidental writing, or minor portion of a signature extends beyond the margins;

(b) The top left-hand side of the page shall contain the name and address to whom the instrument will be returned;

(c) The title or titles, or type or types, of the instrument to be recorded indicating the kind or kinds of documents or transactions contained therein immediately below the three-inch margin at the top of the page. The auditor or recording officer shall be required to index only the title or titles captioned on the document;

(d) Reference numbers of documents assigned or released with reference to the document page number where additional references can be found, if applicable;

(e) The names of the grantor(s) and grantee(s), as defined under RCW 65.04.015, with reference to the document page number where additional names are located, if applicable;

(f) An abbreviated legal description of the property, and for purposes of this subsection, "abbreviated legal description of the property" means lot, block, plat, or section, township, range, and quarter/quarter section, and reference to the document page number where the full legal description is included, if applicable;

(g) The assessor's property tax parcel or account number set forth separately from the legal description or other text.

(2) All pages of the document shall be on sheets of paper of a weight and color capable of producing a legible image that are not larger than fourteen inches long and eight and one-half inches wide with text printed or written in eight point type or larger. All text within the document must be of sufficient color and clarity to ensure that when the text is imaged all text is readable. Further, all pages presented for recording must have at minimum a one-inch margin on the top, bottom, and sides for all pages except page one, except that an instrument may be recorded if a minor portion of a notary seal, incidental writing, or minor portion of a signature extends beyond the margins, be prepared in ink color capable of being imaged, and have all seals legible and capable of being imaged. No attachments, except firmly attached bar code or address labels, may be affixed to the pages.

(3) When any instrument, except those generated by governmental agencies, is presented to a county auditor or recording officer for recording, the document may not contain the following information: (a) A social security number; (b) a date of birth identified with a particular person; or (c) the maiden name of a person's parent so as to be identified with a particular person.

DRAFT

APPENDIX G

Washington State Department of Revenue (DOR) SCHEMA

Real Estate Excise Tax Affidavit [REET] Schema

An XML schema describes the structure of an XML document.

The Department of Revenue has developed a schema for the REET internet application. The purpose of the REET XML Schema is to define the legal building blocks of the XML document that is going to be used by the REET internet application in order to communicate with outside applications accessing the system in order to submit or amend affidavits.

An XML schema defines:

- The elements that can appear in a document as well as its attributes
- Child elements
- Order of child elements
- Number of child elements
- Whether an element is empty or can include text
- Data types for elements and attributes
- Default and fixed values for elements and attributes.

The table below lists current XML schema requirements. For additional information and assistance, please contact Department of Revenue, Special Programs Division, (360) 570-3265.

DRAFT

Element Name	Definition	Required	Type	Number of Characters
REETA	Real Estate Excise Tax Affidavit Schema Title Element	Yes	N/A	N/A
AFFIDAVIT	Affidavit Parent Element	Yes	N/A	N/A
PARTIAL_SALE	True / false Partial sale of property	No	Boolean	N/A
INDIVIDUAL	Parent Element	Yes	Buyer, Seller, Correspondent	N/A
NAME	INDIVIDUAL Child Element	Yes	String	350
ADDRESS_LINE1	INDIVIDUAL Child Element – Street address line 1	No	String	150
ADDRESS_LINE2	INDIVIDUAL Child Element – Street address line 2	No	String	150
CITY	INDIVIDUAL Child Element	No	String	150
STATE_PROV	INDIVIDUAL Child Element	No	String	32
ZIP_CODE	INDIVIDUAL Child Element	No	String	32
COUNTRY	INDIVIDUAL Child Element	No[6]	String	100
PHONE_NUMBER	INDIVIDUAL Child Element	No	String	12
PARCEL	Parent Element	Yes	N/A	N/A
NUMBER	PARCEL Child Element	Yes	String	N/A
ASSESSED_VALUE	PARCEL Child Element	Yes	Decimal	N/A
PERSONAL PROPERTY	PARCEL Child Element	No	Boolean	N/A
LEGAL_DESC	PARCEL Child Element	No	String	500
PROP_ST_ADDRESS	Street address of the property	No	String	150
LOC_CODE	Department of Revenue's 4 digit Location Code (i.e. Seattle 1726)	Yes	Integer	4
COUNTY_NAME	County Name	Yes	DOR:County*	N/A
CITY_NAME	City	No	String	150
PARCEL_SEGREGATED	True/False if listed parcels are being segregated from a larger parcel	No	Boolean	N/A
USE_CODES	Parent Element	Yes	N/A	N/A
USE_CODE	Abstract USE_CODES Child Element	Yes	Integer	N/A

DRAFT

Element Name	Definition	Required	Type	Number of Characters
EXEMPT_PROPERTY	Property is/isn't exempt from property tax per chapter 84.36 RCW	Yes	Boolean	N/A
FORESTLAND	Land is/isn't designated as forest land	Yes	Boolean	N/A
OPEN_SPACE	Land is/isn't designated as current use	Yes	Boolean	N/A
HISTORIC	Land is/isn't receiving special valuation as historic property	Yes	Boolean	N/A
CONTINUANCE	This land does/does not qualify for continuance	No	Boolean	N/A
PERSONAL_PROPERTY_DESC	Personal property in selling price, not listed with parcel information. List both tangible (e.g. furniture, equipment, etc.) and intangible (e.g. goodwill, agreement not to compete, etc.)	No	String	1000
EXEMPTION_CODE	RCW/WAC Code Reference number	No	String	32
EXEMPTION_EXPLANATION	Reason for exemption	No	String	250
DOC_TYPE	Document Type (Quit Claim Deed, Statutory Warranty Deed, etc)	Yes	String	100
DOC_DATE	Document Date	Yes	Date	8
GROSS_SELL_PRICE	Selling Price of the property	Yes	Decimal	N/A
PERSONAL_PROPERTY_AMT	Deduct amount of Personal Property included in the Selling Price	No	Decimal	N/A
REAL_PROP_EXEMPT_AMT	Deduct amount of tax exemption claimed	No	Decimal	N/A
TAXABLE_SELL_PRICE		Yes	Decimal	N/A
EXCISE_TAX_STATE	State tax due	Yes	Decimal	N/A
EXCISE_TAX_LOCAL	Local tax due	Yes	Decimal	N/A
DELQ_INT_STATE	Delinquent Interest State	No	Decimal	N/A
DELQ_INT_LOCAL	Delinquent Interest Local	No	Decimal	N/A
DELQ_PENALTY	Delinquent Penalty	No	Decimal	N/A
SUB_TOTAL	Sub Total	No	Decimal	N/A
STATE_TECH_FEE	Electronic Technology Fee due on all transactions. Acceptable value $5.00	Yes	Decimal	N/A

DRAFT

Element Name	Definition	Required	Type	Number of Characters
PROCESSING_FEE	Processing Fee due on all transactions where no tax is due and on all taxable transactions where tax is less than $5 (tax and fee combined must equal $10). Acceptable values $0.00 up to $5.00	No	Decimal	N/A
TOTAL_DUE	Sum of all taxes, fees, interest, and penalties.	Yes	Decimal	N/A
RECEIPT_DATE	Receipt Date	Yes	Date	4
RECEIPT_NUM	Receipt Number	Yes	String	32
NOTE_TO_DOR	Note to Department of Revenue	No	String	1000
SUPPLEMENTAL	Parent Element	No[4]		
DATE_OF_SALE	SUPPLEMENTAL Child Element	No	Boolean	N/A
AGENT_NAME	SUPPLEMENTAL Child Element	No	String	150
INSTRUMENT_TYPE	SUPPLEMENTAL Child Element	No	String	150
INSTRUMENT_DATE	SUPPLEMENTAL Child Element	No	Date	8
GRANTOR_NAME	SUPPLEMENTAL Child Element	No	String	350
REASON_HELD	SUPPLEMENTAL Child Element	No	String	1000
FIRM_NAME	SUPPLEMENTAL Child Element	No	String	150
GIFTED_EQUITY	SUPPLEMENTAL Child Element	No	Decimal	N/A
GIFT_CONSIDERATION_A1	SUPPLEMENTAL Child Element	No	Boolean	N/A
TOTAL_DEBT_A1	SUPPLEMENTAL Child Element	No	Decimal	N/A
GRANTEE_PAYS_GRANTOR_A1	SUPPLEMENTAL Child Element	No	Decimal	N/A
GIFT_CONSIDERATION_A2	SUPPLEMENTAL Child Element	No	Boolean	N/A
DEBT_PERCENTAGE_A2	SUPPLEMENTAL Child Element	No	Decimal	N/A
TOTAL_DEBT_A2	SUPPLEMENTAL Child Element	No	Decimal	N/A
GRANTEE_PAYS_GRANTOR_A2	SUPPLEMENTAL Child Element	No	Decimal	N/A
GIFT_NOCONSIDERATION_B1	SUPPLEMENTAL Child Element	No	Boolean	N/A
GIFT_NOCONSIDERATION_B2	SUPPLEMENTAL Child Element	No	Boolean	N/A
TOTAL_DEBT_B2	SUPPLEMENTAL Child Element	No	Decimal	N/A
GIFT_NOCONSIDERATION_B3	SUPPLEMENTAL Child Element	No	Boolean	N/A

Element Name	Definition	Required	Type	Number of Characters
TOTAL_DEBT_B3	SUPPLEMENTAL Child Element	No	Decimal	N/A
GIFT_NOCONSIDERATION_B4	SUPPLEMENTAL Child Element	No	Boolean	N/A
REFINANCE	SUPPLEMENTAL Child Element	No	Boolean	N/A
IRS_EXCHANGE	SUPPLEMENTAL Child Element	No	Boolean	N/A
FACILITATOR_NAME	SUPPLEMENTAL Child Element	No	String	150
GRANTEE_NAME	SUPPLEMENTAL Child Element	No	String	350

Fields shaded in gray are required when present on the affidavit.

DRAFT

APPENDIX H

FREQUENTLY ASKED QUESTIONS

Adapted from the Report from the North Carolina Electronic Recording Council (dated 3/7/2011)

1. What are the three proven methods of delivery in eRecording?

The three methods are point-to point-integration, third party vendor, and a portal. In the beginning when eRecording was a new concept, the third party vendor method was popular due to the lack of document preparation software available at the submitter's site. As eRecording' s popularity caught on submitters sometimes found it beneficial to eliminate the costs of a third party vendor and develop a point-to-point integration directly with the county. This was typically true with larger counties where greater recording volumes are common. With many submitters trying to send to many counties and not wanting to develop unique integration and data schemes for each, the concept of a portal was born. The portal was designed to be a central clearinghouse for submitters and counties. A submitter can deliver various documents intended for several different counties nationwide to the portal. The portal has the ability to verify that specific county index standards have been met and then deliver each document to the specific county for which it is intended.

2. How does the size of a county affect its ability to participate in eRecording?

Because there are many methods in which to participate, a county's size has little bearing on its ability to implement eRecording. A small county that has Internet access could use a web services program to receive and return documents. A medium or large county that has more volume could use a vendor solution or agree to a point-to-point integration directly with the submitter. A portal could be used with any size county, since the portal doesn't care or factor in the size of a county to perform its functionality, or to deliver and return recorded documents from that county.

3. What are the minimum hardware requirements to implement eRecording in a county of any size?

At a minimum, a county would need to have a server with enough disk space to enable a web services program. This program would typically be developed and provided by a vendor or portal solution at little or no cost to the county.

4. What other requirements would there be?

The county would also need to have access to the Internet and have a web browser such as Internet Explorer, which is usually already included in the computer's packaged software when the unit was purchased.

5. What document types can be electronically recorded?

All document types lend themselves to electronic recording. Plats or maps filed electronically may require special handling.

6. At which models can documents be received?

Documents that can automatically be created by a template and have embedded index data submitted with the recording payload, and can be electronically signed and notarized, can be received by a register of deeds if the register of deeds system is capable of accepting Model 3. Examples of these "Smart Docs" would be Satisfactions and possibly Assignments. Documents that require the original executed instrument to be recorded lend themselves to model 2 recording since an actual copy of the document with wet signatures must accompany the index data. Examples of this would be Deeds and Deeds of Trust.

DRAFT

7. What is a Smart Doc?
A Smart Doc is found only on Model 3 transactions. It gets its name from the fact that a human doesn't need to view or handle it for it to be recorded. Smart Docs contain all of the necessary information to create index entries and to electronically create a document that can be recorded. This is accomplished by virtue of the submitter organizing and labeling the data payload in a standard format that the Recording Officer also subscribes to.

8. Why are standards important?
Standards are important because they allow various parties to communicate and understand each other in a predefined manner. Without standards, there would be constant interpreting and deciphering of information. In the eRecording world, standards allow each party to organize and submit data to the other in a universal manner, without having to employ the use of custom integration points, and in order to facilitate interstate communication.

9. What is the relationship between URPERA, UETA and E-SIGN?
E-SIGN and UETA are federal and uniform state laws, respectively, enacted to enable electronic commerce. While E-SIGN covers some additional issues, they are complementary acts. They are similar in their application to electronic documents and electronic signatures, based on voluntary agreement between parties. Both are self-implementing. Between them, they remove barriers on both interstate and intrastate levels. E-SIGN explicitly preempts certain state laws that do not conform to E-SIGN, even where a state enacts UETA. URPERA is a follow up act to UETA the purpose of which is to clarify ancillary recording issues. It also establishes a method for adopting standards on a state-wide basis that has the potential for implementing uniform standards nationally.

10. What are the implications if Electronic Recording Commissions or state agencies overseeing the commission or committee adopt standards that are not aligned with the standards adopted by other states?
Since mortgage lending and title insurance have become national businesses that are utilized by Washington State citizens, this is a significant question. Adopting multiple standards that are not aligned will result in higher costs for both document submitters and Recording Officers. Computer systems for mortgage lenders, attorneys, settlement agents, title insurance companies and Recording Officers will have to be designed to accommodate multiple sets of standards. Each different set of specifications will need to be mapped to the MISMO standards used by the industry. Even then, with incompatible specifications, mapping may be inadequate. Current national standards are driven by the private sector needs of interoperability among trading partners. Standards developed by PRIA reuse industry (MISMO) architecture, structure and data points. Likewise, MISMO reuses PRIA standards for those pieces unique to recording.

11. What types of output are generated by an Electronic Recording Commission?
Document deliverables can be in two forms. One is to generate the standards, even if adopting from sources such as PRIA, in the format of XML Document Type Definitions
(DTDs) or schema, data dictionaries, implementation guides, etc. The other is to issue compiled references to adopted specifications, citing the source and location of the specifications adopted.

12. Will private industry solely drive the standards based on early adopters and the information they have already accumulated, or will it be a collaborative effort by the early adopters from across the nation or state in both the private and public sectors?
The latter. Standards development has already been a collaborative effort, both by trading partners in the private sector and Recording Officers. However, the collaboration includes more than early adopters.

DRAFT

A number of large entities have participated in the standards process even though they have not yet implemented electronic transaction solutions.

13. What are significant national standards that guide eRecording today?

PRIA eRecording; PRIA Notary; MISMO Closing, Servicing, Origination, Request and Response envelopes, eMortgage SMART Document, eMortgage eRegistry, eMortgage, ePackage; PDF, TIFF; XML.

14. What is MISMO's relevance in eRecording?

MISMO is the primary standards setting body for the financial services organizations where the lending process begins and whose work efforts result in recordable documents. Their standards will be used by those organizations to create documents and share data. Since this group includes those who create the vast majority of documents to be recorded, their standards will be a major factor in documents processed by Recording Officers.

15. What is PRIA's relevance in eRecording?

PRIA is a public/private cooperative entity with both Recording Officers and submitters among its members. Its mission is to create and maintain standards. Four technical standards specific to electronic recording by PRIA have been developed. Two are envelopes for submitting and returning recordings. A third is the specification for the document information. The final specification is for notarial information included in notarial certificates and incorporates notary signatures and commission information. The PRIA technical specifications were developed in close coordination with the private sector (MISMO) to ensure the interoperability of the technical standards. In fact, PRIA reuses a number of the data elements developed by MISMO, as well as the MISMO architecture. In turn, MISMO has adopted the PRIA data elements specific to recording for incorporation into its data dictionary and technical specifications. Ultimately, widespread adoption of a standard will facilitate electronic commerce in the real estate finance industry. Neither the private nor the public sector can afford applications that accommodate different interfaces with each different trading partner or customer. PRIA offers a universal interface for Recording Officers that submitters can rely on.

16. How much security is needed in eRecording?

Security is a matter of quality rather than quantity. The quality must be sufficient to protect the assets to the degree that it covers the risk inherent in the process. Once completed the documents will be public record, so protection against prying eyes is not a high priority. On the other hand, documents must be secure from interception that results in their being delayed or not delivered, from substitution by different documents, or from alteration. Because recordings include payment of fees and taxes, the payment system must be secured. Recording Officers need to prevent viruses, worms, Trojan Horses, and other malicious software from infecting their networks and systems. They also need to ensure that unauthorized parties do not gain access to the parts of their networks that are not authorized to be accessed by the public.

17. What are the differences and benefits of digital signatures and digital certificates in eRecording?

Digital signatures enable both the Recording Officers and the submitters to determine whether a document or set of documents was altered so they can decide whether or not to continue the process or rely on the resulting recording. While digital signatures require signers to use a key they control to complete the signature, the resulting signatures do not identify the signers in the same manner that a signature on a paper document is identifiable. Digital certificates can provide a model of certainty that the signers are who they claim to be, thus providing a degree of trust. From a security aspect this can be an important tool insofar as the Recording Officers can use it to decide from whom to accept documents. Conversely, submitters or other parties can determine that particular recordings are

DRAFT

authentic when documents are returned from the Recording Officer with endorsement of recording information.

18. Are digital signatures and electronic signatures the same?
Yes and no. A digital signature is a kind of electronic signature. Not all electronic signatures are digital signatures in the same way not all pens are fountain pens.

19. What is the difference between a digital signature and a digitized signature?
A ***digital* signature** is a complex string of electronic data that contains encoded information about a document and the person who signed it. Because they use powerful asymmetric encryption technology, digital signatures are the most secure type of electronic signature. A ***digitized* signature** is a scanned image of a person's handwritten signature, which is captured using special digitizing hardware and stored as a computer file.

20. What kinds of electronic signatures should be used? For which signatures?
This is a matter of agreement between parties, except as to government entities that may have the authority to establish performance standards for signatures under certain circumstances. Even so, government entities need to exercise caution that one technology is not given a higher legal standing than others. E-SIGN claims preemption in such cases.

21. How are electronic and paper documents meshed together?
The concept of "meshing" electronic and paper documents together does not really exist. Once the electronic document is received into the register of deeds system, the process of calculating fees, assigning time, book & page, instrument numbers is the same as for paper documents. Depending on the model of the electronic document, the image may be transported automatically into the register of deeds system for public retrieval alongside the paper document which was scanned by register of deeds staff.

22. Do current indexing standards also apply to electronic documents?
Registers of deeds have the same responsibility for indexing documents received electronically as paper documents received in person, by US mail, and by express methods. Registers must insure that electronically filed documents include that the grantor/grantee data are indexed according to Washington State minimum indexing standards. Data submitted by the preparer must be verified by the register of deeds and edited to comply with the indexing standards.

23. How can costs be reduced and controlled?
One option being studied is the establishment of a "portal" that would accept documents submitted electronically from ANY system and transmit those documents to the appropriate register's office, no matter what vendor was used for its back end system. This concept would eliminate the need for specific software between a submitter and each Recording Officer with whom he or she files. Different versions of the "portal" concept are being used in other states, some more successfully than others.

24. Are there more fraud concerns with electronic recording?
There is always a chance of a document being altered at the recording counter or en route to register of deeds offices as well as at any time during the prior activities which occurred in the attorney's or title offices. Electronic recording is not very different in that way. Moreover, intentional fraud is a moral issue and will not be controlled by recording statutes or methods.

DRAFT

APPENDIX I

WASHINGTON STATE LAWS

While some sections of Washington law appear in their entirety in this appendix, it must be noted that references to recording and excise tax collection exist throughout Washington state statute. Recording Officers and eRecording submitters are to be governed at all times by current Washington State law.

All chapters are listed in numerical order, following the *Washington State Uniform Real Property Electronic Recording Act*, for which this report was prepared.

Revised Code of Washington (RCW) Citation	Title
Chapter 65.24 RCW	**Uniform Real Property Electronic Recording ACT (URPERA)**
RCW 36.18.010 Chapter 36.22 RCW	**Auditor's Fees** **County Auditor**
Title 40 RCW Chapter 40.14 RCW Chapter 40.16 RCW Chapter 40.20 RCW	**Public Documents, Records, and Publications** **Preservation and Destruction of Public Records** **Penal Provisions** **Reproduced Records for Governments and Business**
Chapter 43.41A.115	**Electronic access to public records**
Title 58 RCW Chapter 58.08 RCW Chapter 58.17 RCW	**Boundaries and Plats** **Plats – Recording** **Plats, Subdivisions, Dedications**
Title 60 RCW	**Liens**
Title 61 RCW	**Mortgages, Deeds of Trust, and Real Estate Contracts**
Title 64 RCW	**Real Property and Conveyances**
Title 65 RCW	**Recording, Registration, and Legal Publication**
Title 82 RCW Chapter 82.45 RCW	**Excise Taxes** **Excise Tax on Real Estate Sales**

Washington Administrative Code (WAC) Citation	Topics
Chapters 434-600 through 434-690 WAC	Custody, promulgations, definitions, powers and duties of the state archivist, of the state and local records committees, preservation of electronic records, disposition authority, security microfilm, local records grants programs, imaging systems standards, security microfilm standards, archives, public records access.
Chapter 434-661 WAC	Real Property Electronic Recording and the Electronic Recording Standards Commission.

DRAFT