

Good Deeds Off-site

Feb 2, 2023

Roma/Sul Tempo

PRESENTED BY:

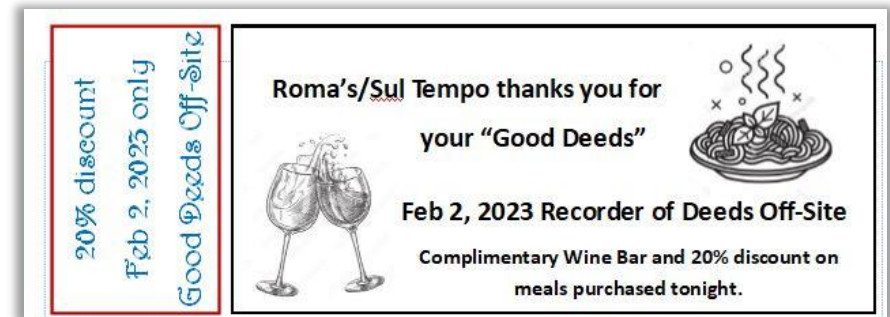
HON. EUGENIA THORNTON, RECORDER

MR. ETHAN LANG, DEPUTY RECORDER

DEEDS CLERKS, AND YOU!

Housekeeping

- Restrooms are to the right as you enter Sul Tempo from dining room
- Snacks are provided by Recorder Thornton
- Wine Bar is provided by Kristin and Joe Garramone of Roma's—tips to server will be welcome
- 20% off will be taken from your total bill if you dine here tonight. If you eat in main room, please hand red portion to server; you may retain the rest as a keepsake.
- Format: Today only: questions & discussion at the end



Agenda

Recorder's Vision

Recorders Goal

Methodology

Changes based on Methodology

Recorder's Vision:

Use property records industry standards and best practices to make transactions safe, fast, and convenient for everyone.

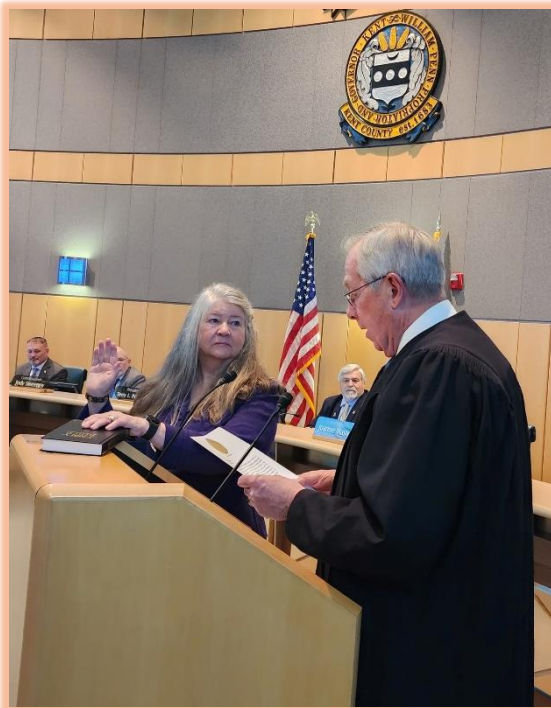
Recorder's Goal

Record, Index, & Verify 100% of all documents received by 3pm (published cut off time) by 5pm the day they are received.

Intermediate goal: Record, Index & Verify 100% of all recordable documents not later than noon the next business day.

The difference between these two goals, besides getting it done faster, is that 100% of documents are received in “recordable” form...no rejections, no nonconforming fees. This is a joint effort!

Methodology



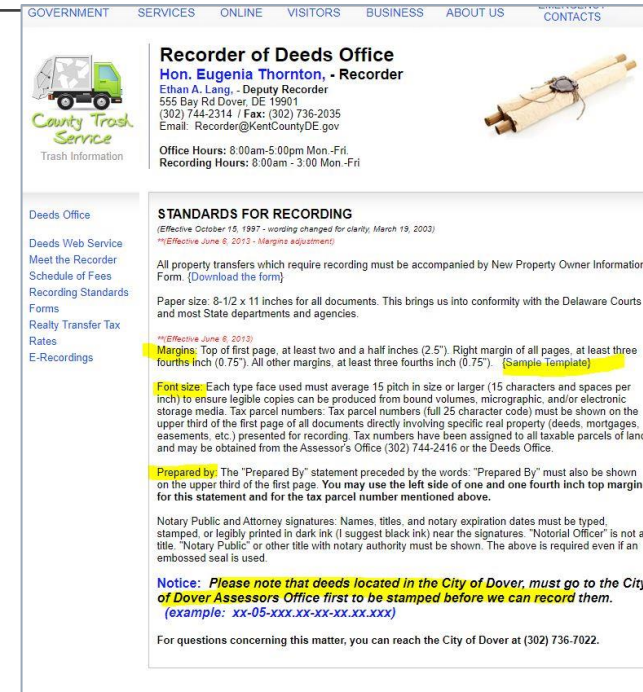
Jan 3, 2023 w/Judge Witham

- Since I was sworn in, I have asked law firms the following questions:
 - ✓ What does Deeds do that you like and want to see us continue or increase?
 - ✓ What does Deeds do that you don't like and want to see us do less of, fix, or stop?
- This event, these briefing slides, are the result
- Next, I will focus on Lenders and Realtors, then repeat the cycle.
- Please continue the dialog. Speak up if there are problems. Be be part of the solution.

Standards for Conforming

Since 2013:

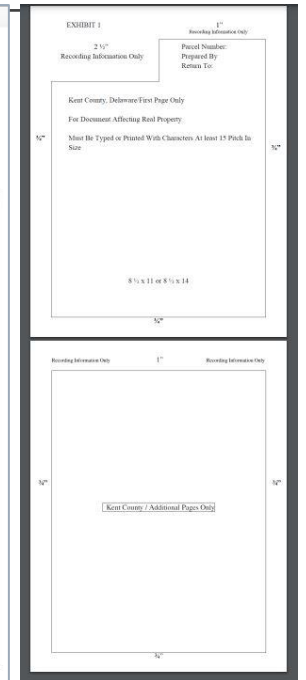
- 8.5" x 11" paper
- 2.5" top margin page 1; 0.75" all other margins
- Less than 15 characters per inch (including legal descriptions and attachments)
- Prepared by and tax number upper right corner
- Notary Public data & seal legible, blue-black ink (pitch immaterial)



The screenshot shows the Recorder of Deeds Office website. The header includes navigation links: GOVERNMENT, SERVICES, ONLINE, VISITORS, BUSINESS, ABOUT US, and CONTACTS. The main content area features the Recorder of Deeds Office logo and contact information for Hon. Eugenia Thornton, Deputy Recorder. Below this is a section titled "STANDARDS FOR RECORDING" with several key points highlighted in yellow:

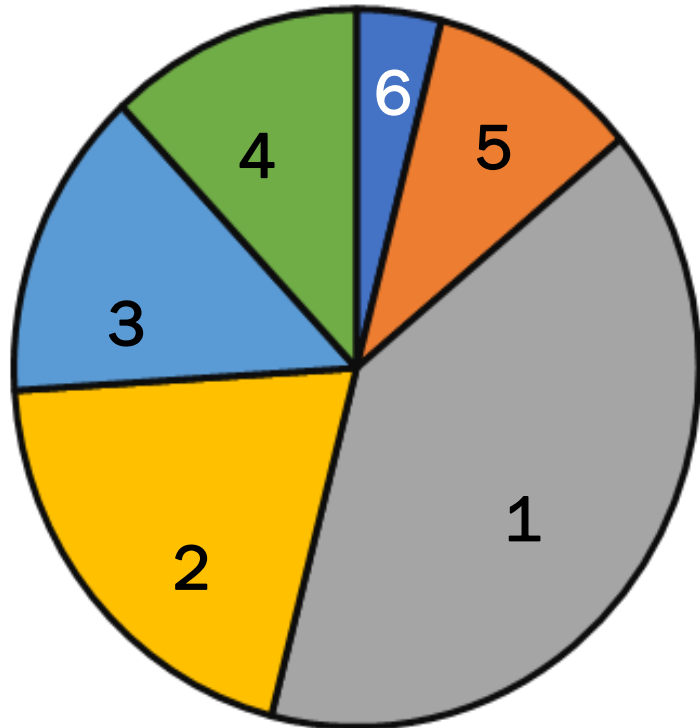
- Margins:** Top of first page, at least two and a half inches (2.5"). Right margin of all pages, at least three fourths inch (0.75"). All other margins, at least three fourths inch (0.75").
- Font size:** Each type face used must average 15 pitch in size or larger (15 characters and spaces per inch) to ensure legible copies can be produced from bound volumes, micrographic, and/or electronic storage media. Tax parcel numbers (full 25 character code) must be shown on the upper third of the first page of all documents directly involving specific real property (deeds, mortgages, easements, etc.) presented for recording.
- Prepared by:** The "Prepared By" statement preceded by the words: "Prepared By" must also be shown on the upper third of the first page. You may use the left side of one and one fourth inch top margin for this statement and for the tax parcel number mentioned above.

Additional text includes requirements for Notary Public and Attorney signatures and a notice regarding recording in the City of Dover.



Sources: MOU: https://co.kent.de.us/media/1064722/kcc-electronic-filing-agreement_5-final-03042016.pdf;
website: <https://co.kent.de.us/recorder-of-deeds-office/standards-for-recording.aspx>

Why are paper documents rejected?



	Reason for Rejection	Instances
1	Check Issues	20
2	Missing Documents	10
3	Miscellaneous Mistakes	8
4	Missing or Misspelled Names	7
5	Missing Essentials (note 1)	6
6	City of Dover stamp missing	5
7/8	Missing Connection (note 2) /Documents do not match	3/2

Note 1: Essentials: Missing an instrument number, parcel number, prepared by statement, or another critical piece of the document. Note 2: Need a “connection” between mortgager who originated the loan and the mortgager who is satisfying the loan.

Updated Form 5403*

Problem: Effective Jan 3, the State of Delaware issued revised 5403, Real Estate Tax Return Declaration of Estimate Income Tax or REW-ET

Discussion: Before the State stops allowing the old forms, they will communicate to the Real Estate Attorneys, cc Deeds.

- **Solutions:** For your convenience, the new form on our website at <https://co.kent.de.us/media/1081283/REW-ESTpdf-New-5403.pdf> Please use it as soon as possible.
- Contact Assistant Director for Audits, Div. of Revenue Warren Woods. warren.wood@delaware.gov. 302-577-8445.

* This slide also applies to Form 5402 which changed 18 months ago.

The image shows a digital form titled "DELAWARE FORM 5403 DIVISION OF REVENUE REW-EST REAL ESTATE TAX RETURN DECLARATION OF ESTIMATE INCOME TAX (Formerly 5402)". The form is divided into several numbered parts:

- PART 1:** DESCRIPTION OF THE PROPERTY. Fields include ADDRESS, ADDRESS 2, CITY, STATE, ZIP CODE, and DATE OF TRANSFER.
- PART 2:** TRANSFEROR/SELLER IS. Options include Individual (Resident/Long term, Investor, Trust or LLC, Beneficiary), Partnership, Limited Liability Company, Other, and Sole Proprietor.
- PART 3:** TRANSFEREE OR BUYER ACQUIRED PROPERTY BY. Options include Partner, Sole Proprietor, Beneficiary, Corporation, and Other.
- PART 4:** TRANSFEROR/SELLER NAME, ADDRESS AND ADDRESS TO WHICH CORRESPONDENCE IS TO BE MAILED AFTER SETTLEMENT. Fields include FIRST NAME, LAST NAME, ADDRESS, ADDRESS 2, CITY, STATE, ZIP CODE, and TRANSFEROR ID.
- PART 5:** IF APPLICABLE, CHECK APPROPRIATE BOX. Options include: Transferor/owner is a resident of Delaware; Seller is a corporation, LLC, partnership, or trust; Seller is a non-resident alien; Seller is a partnership (S corporation); Seller is a partnership (partnership); Seller is a partnership (partnership).
- PART 6:** COMPUTATION OF PAYMENT AND TAX TO BE WITHHELD. Fields include: TOTAL SALE PRICE, LESS SELLING EXPENSES, NET SALE PRICE, ADJUSTED BASIS OF PROPERTY OR LOANS PAID AT SETTLEMENT, TOTAL GAIN (LOSS) ON SALE, and DELAWARE ESTIMATED INCOME TAX PAID.
- PART 7:** DELAWARE ESTIMATED INCOME TAX PAID (See instructions).
- PART 8:** DELAWARE ESTIMATED INCOME TAX PAID (See instructions).

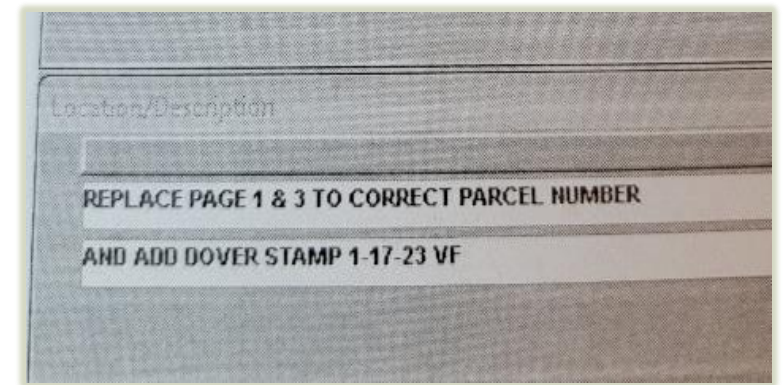
At the bottom, there is a section for "DELAWARE ESTIMATED INCOME TAX PAID" and a signature line for the transferor/seller.

Notating rescanned pages of recorded documents

Problem: Errors in Recorded Documents are discovered. Pages are rescanned. Notations are needed for rationale for the swap. Public software viewers need to know.

Discussion: Rescanning of pages is allowed only if the changes do not change the nature of the contract between buyer and seller. Scrivener's Affidavit is not required. Pagination does not change. Example, typo's, property listed in wrong town, no change is buyer/seller agreement.

Solutions: Deeds notes rescan in description portion of in-house software. Two lines MAX, 45 characters per line MAX. Remote software users see the notation, going forward. Software will eventually show notations from the past (working).



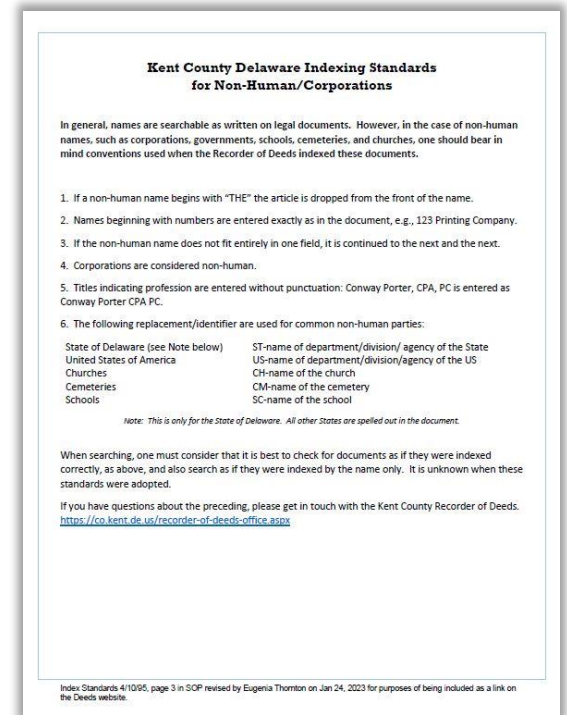
Example of notation for rescanned documents

Conventions for Indexing

Problem: Title Searchers know—but those working with Public Deeds Software do not—that we used Indexing conventions. CH- for Church, SC- for School, ST- for State of Delaware, etc.

Discussion: If a convention is used, a searcher will miss if name was put in without convention or vice versa. Non-Human entities are recorded differently. Punctuation not used for Professional names, etc.

Solution: a PDF explaining conventions will be linked to the remote software, so searchers will know to search with and without conventions. (example: Union Church *and* CH-Union Church.)



This will be linked to Public Software

Credit Card Reentry on Remote/ Public Deeds Software

Problem: Subscription (remote/public software) software requires reentering of credit card at seemingly random times whereas in the past, credit card could be entered once.

Discussion: AVENU made corporate decision to not retain credit card data. Subscriptions are for 30 days, based on anniversary of when purchased. All payment data must be reentered.

Bad news: Credit card must be in possession of person entering since all number and data are required. Good news: people who only want to use the system occasionally are not charged for time they are not using.

Solution: This month, AVENU will migrate Kent County to PayPal as third-party vendor to handle payments for subscriptions. This will eliminate many issues of data reentry.



Subscribers will receive this notice from AVENU explaining the upgrade to PayPal. This will happen later in February.

“Good Afternoon,
This is to let you know that we are upgrading the Kent, DE County Clerks Real Property Search website. You are being notified because of an active subscription for username: “XXXXXXXX”.

“On [ENTER GO LIVE DATE], or after..... you can access the new website by using the same link you used before or by going to

<https://i2g.uslandrecords.com/DE/Kent/D/Default.aspx> .

“If you wish to resume your subscription on the new website, please register on the new website (choose Register in the upper right corner and subscribe as “Personal”) and reply to this email with your new login name. We will update your new account to “Subscriber30” and make sure the expiration is extended past your current active subscription (plus a couple days for your inconvenience).”



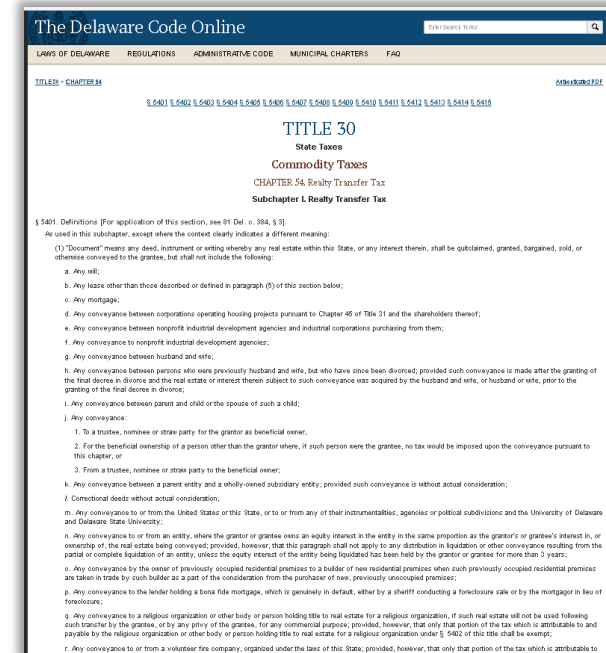
Transfer Tax Exemptions

Problem: Deeds clerks questioned about transfer tax exemptions may give inconsistent responses.

Discussion: Don't ask them! They are not attorneys!

Solutions:

- Make the law more accessible. Link it to the “Transfer Tax” Section of the Deeds portion of County Website.
- Recorder Thornton to find Point of Contact in Division of Finance for more complex issues Attorneys need to resolve.



Link to the Delaware Code, Title 30, Chapter 54, Realty Transfer Tax now added to our web page “Transfer Tax”. For a direct link use:

<https://delcode.delaware.gov/title30/c054/sc01/index.html>

Attorney Point of Contact

For unique situations that require discussion among attorneys, please contact:

R. Campbell Hay

Tax Conferee, Delaware Division of Revenue

820 N. French Street

Wilmington, DE 19801

(302)577-8670

campbell.hay@state.de.us

Add warren.wood@delaware.gov to emails. Mr. Wood is the Assistant Director for Audits. His phone number is 302-577-8445.

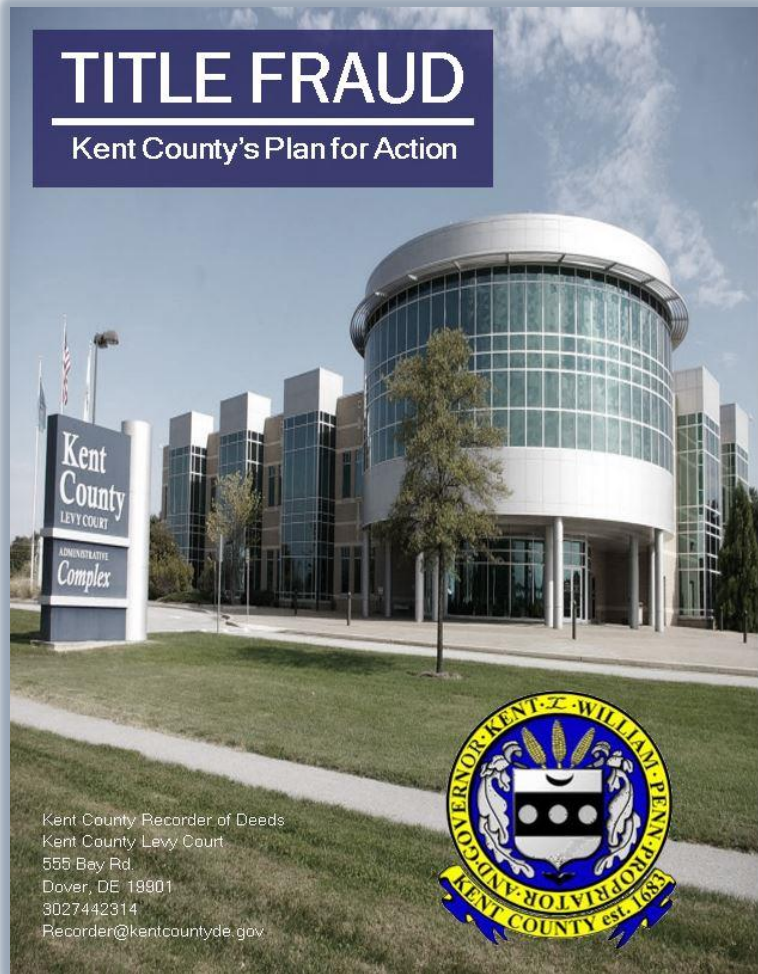
Title Theft

Problem: Kent Property owners afraid of Title Theft/House Stealing

Discussion: Title Theft Protection Software is industry standard through the USA. In Sussex County, last month, six-million-dollar homes were almost stolen. In NCC, at least one house was stolen and lived in for months, squatters produced a recorded deed when police came. Squatters left before issue resolves, taking historic valuable architectural elements and trashing house. Title Theft cannot be prevented per the FBI. Early warning is the best protection.

Solutions: 1) White Paper being prepared to discuss all aspects of the issue

2) Purchase Title Theft protection software that will be free to taxpayers. Weekly, after verification, AVENU will load our latest documents into the theft protection software and send notice to property owners if there are changes. System works on name, not property number.



Cover of White Paper being drafted.

Property Fraud Alert

Property Fraud Alert



Property Fraud Alert is an electronic notification service that alerts a registered user via email every time a land records document is recorded in the Nassau County NY County Clerk office with a requested alert name and/or alert property description. This Property Fraud Alert Service is offered as a FREE service by the Nassau County Clerk.

[Register now](#) and protect your property from fraud...

Registration Help:

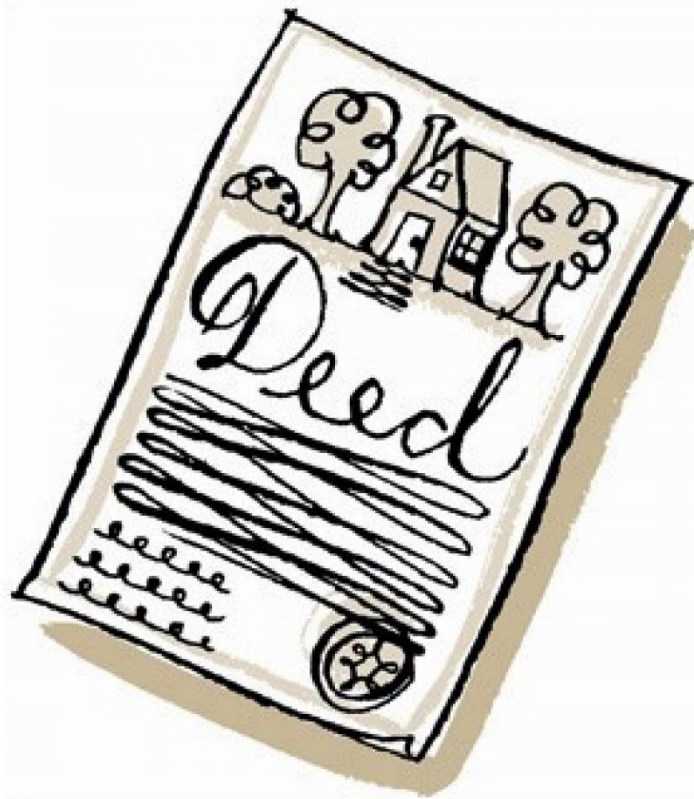
Registration Help: Click the "Register Now" to start your registration. After accepting the terms of the web site agreement you will be prompted to enter an email address (email address of the recipient of the notifications) and phone number. The next page is where you will specify the list of names of physical persons (First Name and Last Name) or organizations (Business Name), and/or property description (Town, Section, Block, Lot) which will be monitored in the documents recorded in the Nassau County Clerk's office. The final page summarizes your registration selections. Press Finish to complete the registration. This Property Fraud Alert Service is offered at no charge by the Nassau County Clerk's office. No need to re-register to keep this service active. This registration will only stop by using the unsubscribe link provided in the registration confirmation email.

Counties: [Nassau\(NY\)](#)

If you are experiencing any problems with your registration please click [here](#).
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This is what AVENU does for Nassau County. Ours will be similar. Estimated release date is TBD

Questions and Discussion:



- How can Kent County Recorder of Deeds make property transactions faster, safer and more convenient for everyone?
- What are we doing well? What do we need to do better?
- Will the changes briefed here tonight help us attain the vision?
- Other topics presented by attendees

In Conclusion



- Thank you for coming!
- Will you want to do another offsite?
- Same format or something different?
- We hope you will stay and continue the discussion, meet your peers, enjoy a meal—20% off tonight only!
- Drive safety when you go home.
- Let's all work together to “do good deeds for Kent County!”