

# Electronic Recording

## *Memorandum of Understanding*

THIS MEMORANDUM OF UNDERSTANDING, dated \_\_\_\_\_, is between **IREDELL COUNTY, NORTH CAROLINA** and \_\_\_\_\_ (**COMPANY**) with offices at \_\_\_\_\_ (**ADDRESS**)

**IREDELL** County desires to offer the recording of real property documents by electronic means providing for the receiving and transmitting of documents electronically 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, to the mutual benefit of the parties of the transactions. For purposes of this Memorandum of Understanding, **ELECTRONIC RECORDING** is defined to be the electronically based submitting of documents from **COMPANY** to **COUNTY** and electronically based receipt of confirmation of recording from **COUNTY** to **COMPANY**.

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 parties involved in Electronic Recording in order to facilitate a safe and secure Electronic Recording relationship. Participation in the Electronic Recording program is voluntary.

**COMPANY** officials and the Register of Deeds recognize the need to ensure that only original documents holding signatures that are properly notarized are submitted for electronic recording.

The **COUNTY** performs an electronic examination of the electronic documents and indexing information then completes the recording process using the electronic documents.

**COMPANY** acknowledges that Electronic Recording permits them to prepare, sign and transmit in electronic format documents and business records, and that 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 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.

The electronic version of the recorded document and electronic recording data, including endorsement and receipt, is returned to the submitting organization.

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.

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 that 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.

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

There will be no added fees or costs of any kind charged by the **COUNTY** for Electronic Recording although **COMPANY** will be required to meet **COUNTY** requirements in order to record electronically.

**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.

**COUNTY Responsibilities:**

**COUNTY** shall attempt to protect the integrity of the Recordation process through ongoing monitoring of documents received and recorded through Electronic Recording means.

**COUNTY** shall test and maintain Electronic Recording software and hardware requires to operate the Electronic Recording capability. **COUNTY**, however, shall be held harmless by **COMPANY** and shall be and hereby is fully indemnified against any loss, liability or damage of any kind, except loss resulting from gross negligence, and not liable for any damages resulting from software or equipment failure.

**COUNTY** shall apply the same level of diligence in handling documents submitted electronically as those submitted through the normal manual paper process.

**COMPANY Responsibilities:**

**COMPANY** shall insure that all security measures and credentials implemented are protected from unauthorized access. **COMPANY** assumes all responsibility for documents submitted through unique credentials provided to **COMPANY** for the purposes of engaging in Electronic Recording.

**COMPANY** shall be diligent in ensuring that documents submitted for Electronic Recording have been checked before submission for errors, omissions, and other deformities that would impact the validity of the document and will submit documents of adequate and reproducible quality to ensue legibility. This includes adherence to North Carolina indexing standards.

**COMPANY** acknowledges that Electronic Recording permits it to prepare, sign and transmit in electronic formats documents and **COUNTY** approved attachments, and the document or attachments 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 by those electronic signatures affixed to any documents and such electronic signatures shall have the same legal effect as if that signature was manually affixed to a paper version of the document.

The **COMPANY** and/or 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** must maintain an audit trail of all activity.

**COMPANY** is responsible for supporting any technical issues associated with Electronic Recording. **COMPANY** shall work in good faith with any Electronic Recording.

Provider, if applicable, and **COUNTY** to resolve issues with the Electronic Recording Process.

**COMPANY** shall provide an effective mechanism to both an Electronic Recording Provider and **COUNTY** through which problems or issues can be reported and addressed. In the event that problem is determined to be with the Electronic Recording software and not the infrastructure provided, the **COMPANY** shall work to resolve issues with **COUNTY** and any Electronic Recording Provider.

**COMPANY** is solely responsible for any and all costs of the system or services that enables **COMPANY** to meet the Electronic Recording Program requirements.

**COMPANY** is responsible for coordinating all technical problems and issues through any Electronic Recording Provider and **COUNTY**.

**COMPANY** will appoint a representative, whose name will be given to the **COUNTY** Recorder in writing, who is responsible for enforcing the security procedures. The Recorder will be notified in writing of staff changes.

### **General Understanding**

**COUNTY** will not incur any liability for the information electronically transmitted by the **COMPANY** to **COUNTY**, and will be indemnified by **COMPANY** from and loss, injury, harm or liability whatsoever except such as may arise from gross negligence.

**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**, nor any Electronic Recording Provider 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 Electronic Recording Provider, **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.

The **COUNTY**, **COMPANY** and any Electronic Recording Provider acknowledge that the electronic recording process is an emerging technology and that state and National Standards will continue to evolve. To further the technology and the electronic recording process, all parties agree to meet to discuss changes and additions to the Memorandum of Understanding.

**ENTIRE AGREEMENT:** Except as expressly provided otherwise herein, this Agreement represents the entire agreement between the parties. North Carolina Electronic Recording Council

**Termination:** Either party may terminate this Agreement without cause with 30 days written notice to the other party. User remains responsible for payment of fees for the filing and recordation of documents prior to the effective date of termination.

**NO WARRANTIES/RELEASE OF LIABILITY:** Absent gross negligence or willful misconduct, **COMPANY** agrees to release the **COUNTY** from any liability in connection with the electronic filing and recordation of documents under this Agreement. User understands that there are no warranties, express or implied, in connection with such transactions.

**Attachments:**

**Attachment A** defines the technical specifications including format, models of recording supported, and transmission protocols of the electronic records requires by **COUNTY**. **COMPANY** agrees to provide the transmission of 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 document and indexing specifications for the Electronic Recording program.

**Attachment C** contains the processing schedules and hours of operation for the Electronic Recording Program and contact names for all parties.

**Attachment D** provides the fee schedule and payment options supported for the Electronic Recording Program.

**Agreed and Accepted:**

By: \_\_\_\_\_ (COMPANY)

Name: \_\_\_\_\_ (SIGNATURE)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: Iredell \_\_\_\_\_ (COUNTY)

Name: **RENEE L. HOLLAND, BY:** \_\_\_\_\_

Title: Register of Deeds \_\_\_\_\_

Date: \_\_\_\_\_

## **Attachment A**

### **Technical Specifications**

**Electronic Recording** is defined based on the level of automation and structure of the transaction. The three levels of automation are as follows:

**Model 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.

**Model 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.

**Model 3** submitting organizations transmit documents which have been created, signed and notarized electronically along with the electronic indexing information. The county performs an electronic examination of the electronic documents and indexing information then completes the recording process using the electronic documents. The electronic version of the recorded document and electronic recording data is returned to the submitting organization.

### **Application of UETA**

The parties agree that, unless otherwise specified herein, the provisions of North Carolina's Uniform Electronic Transactions Act (hereafter "UETA") (66 article 40) shall apply to the automated transactions contemplated by this Agreement.

### **Format of the transmitted File**

PRIA file format standard will be used. Images will be in multi-page group IV TIFF format. The **COMPANY** can work with an Electronic Recording Provider and **COUNTY** to provide additional fields (extensions) to the current PRIA standard.

### **Communications Protocol and Options**

TCP/IP, HTTP and HTTPS

### **Models of Electronic Recording Supported**

Model 1 and Model 2 after **COUNTY** approves eligibility, and Model 3.

## **Attachment B**

### **Indexing Fields for each Document Code**

All documents submitted will require the minimum index:

Grantor(s)

Grantees(s)

Document Type and/or Document Code

Number of Pages

Recording Fee (or \$0.00 if none)

Related Reference (original document number in the case of releases, assignments, amendments.)

Legal Description Fields

Subdivision name (if in a subdivision)

Parcel Number (if know, required on Deeds)

Grantee's Legal Mailing Address, which includes street or Post Office Box, City, State and ZIP code, must be clearly identified on any transfer deed.

### **Indexing Standards**

User agrees to abide by current North Carolina Indexing Standards established by NCGS 161-22, and 147-54.3(b) and (b1).

### **Notary Requirements per Document**

If a law requires a signature or record to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by other applicable laws, is attached to or logically associated with the signature or record.

## **Attachment C**

### **Service Offering**

#### **Hours of Operation**

Excluding legal Holidays, IREDELL County's Electronic Recording System will be open for business Monday through Friday, 8:00 am to 4:45 pm, Eastern Time. Documents may be submitted at any time during the week. Documents will only be processed on those days and hours that the **COUNTY** Recording Office is open to the public for business. Documents will not be processed on **COUNTY** holidays, weekends, etc., or in the event of network or equipment failure.

**Alternate Delivery Options**

There are no other electronic delivery options at this time.

**Return to Options**

Confirmation of acceptance and recordation will be provided to the COMPANY in electronic format after recordation is complete. This confirmation will include the document image and COUNTY indexing data, including a receipt for fees paid.

Submitted documents that are rejected will be returned to the COMPANY in electronic format after rejection, along with a description of the reason(s) for rejection.

**Contacts for Users**

All parties shall provide the COUNTY with an administrative Contact (an individual familiar with the process of executing and filing documents) and a Technical Contact (an individual familiar with the COMPANY computing environment and capable of resolving or reporting any technical issues): See last Page.



**COMPANY**

**Please Circle Vendor Being Used:**

**CSC**

**SIMPLIFILE**

**Administrative Contact Name:** \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Other Contact Number(s): \_\_\_\_\_

**Technical Contact Name:** \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Other Contact Number(s): \_\_\_\_\_

**Contacts for Submitters**

**Administrative Contact Name:** \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Technical Contact Name:** \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**COUNTY:**

**Primary Contact Name:**

**Kristen H. Maiwald**

Assistant Register of Deeds Iredell County

[kristen.maiwald@co.iredell.nc.us](mailto:kristen.maiwald@co.iredell.nc.us)

Phone: 704-872-3064

Fax: 704-878-5426

[www.co.iredell.nc.us/registerofdeeds](http://www.co.iredell.nc.us/registerofdeeds)

211 Constitution Lane Statesville, NC 28677

**Stacy M. Johnson**

Senior Deputy Register of Deeds Iredell County

[stacy.johnson@co.iredell.nc.us](mailto:stacy.johnson@co.iredell.nc.us)

Phone: 704-878-3049

Fax: 704-878-5426

[www.co.iredell.nc.us/registerofdeeds](http://www.co.iredell.nc.us/registerofdeeds)

211 Constitution Lane Statesville, NC 28677

**Administrative Contact Name:**

**Renee L. Holland**

Iredell County Register of Deeds

Phone Number: 704-872-7468

Fax Number: 704-878-5426

Mailing Address: 211 Constitution Lane, Statesville, NC 28677

## Attachment D

### Agreement to Pay, Fee Schedule, and Payment Options

#### Agreement to Pay

**COMPANY** agrees to pay such filing fees as may be established from time to time by NCGS 161-10 and other applicable statutes, on the same say that the documents are electronically filed. The electronic filing system will advise **COMPANY** of the fees owed.

#### Fee Schedule (set by General Statutes):

<http://www.co.iredell.nc.us/Departments/RegDeeds/fees.aspx>

- Instruments in general (excluding deeds of trust and mortgages) **\$26 first 15 pages; \$4 ea. add'l page**
- Deeds of trust and mortgages **\$64 first 35 pages; \$4 ea. add'l page**
- Satisfaction instruments **No fee**
- Documents containing multiple instruments **Additional \$10**
- Documents that are non-standard (margins, two sided, etc.) **Additional \$25**
- Add'l subsequent instrument index reference on Assignments, each **Additional \$10**

#### UCC Records

- One or two pages in writing **\$38**
- More than two pages in writing **\$45 up to 10 pages; \$2 ea. page over 10**
- Filed electronically if permitted **\$30**
- Response to written request for information **\$38**
- Response to electronic request if permitted **\$30**
- Copy of statement **\$2 ea. page**

**Excise Stamp Tax on Conveyances of Real Estate:**

Computation: \$1.00 on each \$500 of the consideration value of the interest or property conveyed. Excise tax must be rounded to the nearest dollar.