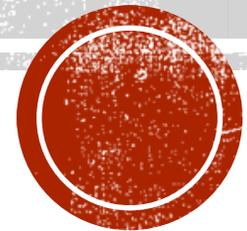


# COMMON REASONS FOR DOCUMENT REJECTIONS



What's wrong with that page?

# ITEMS TO BE COVERED

- Register of Deeds
- Meet the statute
- Why now
- Common rejections
- Changes old and new
- Financial impact
- Questions?



# REGISTER OF DEEDS — WHY WE EXIST?

- The Register of Deeds is a constitutional office established in 1836 by the Michigan State Legislature as the custodian of legal documents pertaining to real property. (It is a mandate that each of our 83 counties have an ROD office.)
- Our first priority is archiving the county land records in a searchable format for future generations.
- Our (very close) second priority is making sure those who need access have it, and are able to utilize those records for the benefit of our constituents.
- Failure to do either of these would obviously have a negative fiscal impact for those we serve.



*Livingston County  
Register of Deeds  
Historic Courthouse, Howell, MI*





# MICHIGAN LEGISLATURE

Michigan Compiled Laws Complete Through PA 168 of 2021  
House: Adjourned until Tuesday, February 8, 2022 1:30:00 PM  
Senate: Adjourned until Tuesday, February 8, 2022 10:00:00 AM

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## Legislature

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- [Calendars](#)
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- [Committee Bill Records](#)
- [Committee Meetings](#)
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- [Initiatives/Alternative Measures](#)
- [Joint Resolutions](#)
- [Journals](#)
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- [Rules](#)
- [Session Schedules](#)
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## Laws

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- [Advanced MCL Search](#)
- [Public Act MCL Search](#)
- [Michigan Constitution](#)
- [Chapter Index](#)
- [Executive Orders](#)
- [Executive Reorgs](#)
- [Historical Documents](#)
- [MCL Tables](#)
- [Often Req Laws](#)
- [Req Outdated Acts](#)

## More

- [Archives](#)
- [Email Notifications](#)
- [Legislative Directory](#)
- [Michigan Manuals](#)
- [Michigan Color Themes](#)
- [Publications](#)
- [Related Sites](#)

## Syndication

- [Bills](#)
- [Meetings](#)
- [Laws](#)

## Recently Viewed

[Home Page Overview](#)

### Michigan Bill Search

House bills begin with 4001, Senate bills begin with 1

You can use a wild card, e.g., "limit\*"

(For Example: Select 'food' to show related bills even if 'food' is not found in the text of the bill.)

### Michigan Compiled Laws Search

e.g., 2.14

You can use a wild card, e.g., "limit\*"

### Legislative Activity

- [Today's Calendars](#)
- [House Audio/Video](#)
- [Senate Audio/Video](#)
- [Recent Bill Activity](#)
- [Daily Intro/Passed/Enrolled](#)

### How do I...

- [...get notified when a bill status changes?](#)
- [...find a Public Act?](#)
- [...find a bill from a prior session?](#)
- [...Find Ballot Proposals? \(Related Links Page\)](#)
- [...get help when I can't find what I'm looking for?](#)

[Frequently Asked Questions](#)

### Related Sites

- [Michigan House](#)
- [Michigan Senate](#)
- [Contact your Representative](#)
- [Contact your Senator](#)

# WHERE ARE THE STATUTES?

<https://www.legislature.mi.gov>

## Recording Requirements, Act 103 of 1937

These requirements must be met and followed in order for a document to be properly recorded and indexed.

These statutes are in place to provide a uniform set of acceptable guidelines so that when people roam from county to county searching documents, they have a similar format.



# WHAT HAPPENS WHEN IT DOES NOT MEET THE STATUTE?

If the document does not meet the guidelines:

- The ROD will reject the document.
- It will be returned to the drafter or submitter for corrections.

\* In order to meet the Michigan Association of Register of Deeds (MARD) standards, the ROD will attempt to tell the drafter why the document was rejected.

There is an approved MARD rejection form that lists the rejection reasons and statute numbers that must be met.



## Letter of Rejection

YOUR LEGAL INSTRUMENT IS BEING RETURNED WITHOUT RECORDING DUE TO THE REASON(S) CHECKED BELOW:

<input type="checkbox"/>	Signatures must be original; names must be typed or printed beneath signatures. <b>MCL 565.201(1) (a)(c)</b>
<input type="checkbox"/>	No discrepancy shall exist between names printed in the notary acknowledgment and as printed beneath signatures. <b>MCL 565.201 (1) (b)</b>
<input type="checkbox"/>	The address of grantees in each deed of conveyance or assignment or real estate shall contain the street number address or post office address. <b>MCL 565.201 (1) (d)</b>
<input type="checkbox"/>	The name and address of the person who drafted the document must appear on documents executed in Michigan. <b>MCL 565.201 (1) (i)</b>
<input type="checkbox"/>	Documents purporting to convey or encumber real estate executed in Michigan requires an acknowledgment by a judge, clerk of a court of record or a notary public within this state. <b>MCL 565.8; form: MCL 565.265; 565.267</b>
<input type="checkbox"/>	A certified copy of the death certificate or proof of death must be recorded or have been recorded as a separate document and referenced by Liber and Page or other unique identifying number on document when "survivor" is indicated on the instrument. <b>MCL 565.48</b>
<input type="checkbox"/>	Court orders must be certified and sealed by the clerk of the court. <b>MCL 565.401, 565.411</b>
<input type="checkbox"/>	The document's first line of the first page must have a single statement identifying the 1 recordable event that the instrument evidences - AND be: Legible, black ink, minimally 10-point type size, white 20lb paper with a blank margin of 2 1/2" at top of first page and 1/2 " on all other margins. Paper size must be minimally 8 1/2" x 11" and not larger than 8 1/2" x 14". <b>MCL 565.201 (1) (f), (3)</b>
<input type="checkbox"/>	Total value of real property must be stated on the face of the document or a real estate valuation affidavit must be attached. <b>MCL 207.504, 207.525</b>
<input type="checkbox"/>	Transfer tax shall be collected on the total value of the land being transferred unless exempt from either or both acts; the exemption(s) must be stated on the instrument. <b>MCL 207.502, 207.511, MCL 207.526, 207.533</b>
<input type="checkbox"/>	Date missing in acknowledgment. <b>MCL 565.151, 565.154, 565.267</b>
<input type="checkbox"/>	Unless required by state or federal law or court order no more than 4 sequential digits of a social security number can appear on a document. <b>MCL 565.201 (1) (g), 565.491</b>
<input type="checkbox"/>	The Certificate of Trust does not meet recording requirements. <b>MCL 565.432, 565.433</b>
<input type="checkbox"/>	If a trust document is presented for recording it shall be recorded as a separate document. <b>MCL 565.434</b>
<input type="checkbox"/>	The instrument, or part of the instrument is in a language other than English. An English translation must be attached to the instrument. <b>MCL 565.201 (1) (h)</b>
<input type="checkbox"/>	Fees: _____ <b>MCL 600.2567, 600.2567(a), 211.135</b>
<input type="checkbox"/>	Other: _____

**PLEASE RETURN THIS SHEET WITH YOUR CORRECTED INSTRUMENT AND CHECK**

# MARD REJECTION FORM

**MICHIGAN ASSOCIATION OF REGISTER OF DEEDS**

**MARD Rejection Form:**

**MCLA codes and explanation are listed on the form.**



# WHY NOW?

In the last 3 years, the Register of Deeds offices across our state, have watched rejections increase from 1% (2019) to 10% or even greater in some instances.

*9 out of 10 ROD's agree that making your job tougher makes ours tougher as well.*





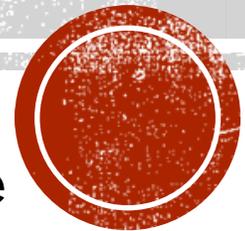
# WHY HAVE REJECTIONS INCREASED?

- **Market Fluctuations.**
  - Staffing during a pandemic.
  - Submitters have less training to keep up with the demand.
  - Submitters are likely to have their less experienced staff handling e-record and courier services.
- **Record high numbers of documents are being recorded.**
  - Recording has increased year over year for the past 5 years.
  - More documents means more rejections.



# **GREAT NEWS!**

By learning where to look and what to check on the signature page you can dramatically reduce the number of rejections.



(1) Original Document



IN WITNESS WHEREOF, the said Grantor has signed and sealed these presents the day and year first above written.

(2) Brandon S. Smith

Karen Smith

Notary Acknowledgment

Deed signed, sealed, and delivered in the presence of:

State of Michigan

County of Livingston

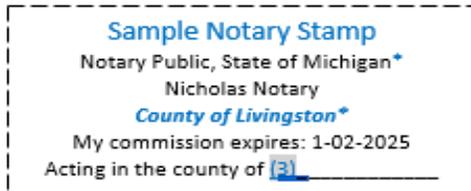
(3) *The county listed here, must match where the Notary act is taking place. This should also match the "Acting in \_\_\_\_" listed below.*

The foregoing was acknowledged before me this (5) date day of (5) month, 2022 by the undersigned, (2) Brandon S. Smith and Karen Smith, who are personally known to me or satisfactorily proven to me to be the person whose name is subscribed to the within instrument.

Signature of Notary Public

Printed Name of Notary Public

Acting in: \_\_\_\_\_ (3)  
My commission expires: \_\_\_\_\_ (seal)



County of Livingston (frequently seen preprinted on mortgages)

(4) *The state and county must match where the Notary is commissioned. See the \* in Sample / Notary Stamp.*

Instrument Prepared/Drafted by and Return to:

*\* Prepared/Drafted by and Return to must be completed and included on all Recorded documents.*

Simply reviewing and following these guidelines on the Notary section and signature page will correct a lot of statute errors and reduce the number of rejected documents.

# WHAT ARE THE MOST COMMON REASONS FOR A DOCUMENT BEING REJECTED?

ROD is required to record **original\*** documents and signatures only.

We cannot accept a fax or e-mail of the original document for recording.

The original hard copy documents with signatures must be used whether the recording process is in person or through e-recording.

- *That means every document scanned for e-recording **MUST** be the original.*

\* More on this later



**(1) Original Document**

IN WITNESS WHEREOF, the said Grantor has signed and sealed these presents the day and year first above written.

**(2) Brandon S. Smith**

**Karen Smith** ←

Notary Acknowledgment

Deed signed, sealed, and delivered in the presence of:

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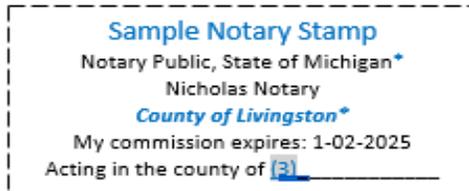
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Simply reviewing and following these guidelines on the Notary section and signature page will correct a lot of statute errors and reduce the number of rejected documents.

**2: Printed names under the signature line must match the printed names in notary acknowledgment.**

If there is a middle initial, that should carry through the entire document (Example attached).

- AKA or FKA can be included.
- We will index that name for future searchability.





**(1) Original Document**

IN WITNESS WHEREOF, the said Grantor has signed and sealed these presents the day and year first above written.

(2) Brandon S. Smith

Karen Smith

Notary Acknowledgment

Deed signed, sealed, and delivered in the presence of:

State of Michigan

County of Livingston

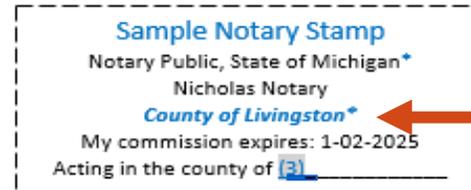
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The foregoing was acknowledged before me this (5) date day of (5) month, 2022 by the undersigned, (2) Brandon S. Smith and Karen Smith, who are personally known to me or satisfactorily proven to me to be the person whose name is subscribed to the within instrument.

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**\* Prepared/Drafted by and Return to must be completed and included on all Recorded documents.**

Simply reviewing and following these guidelines on the Notary section and signature page will correct a lot of statute errors and reduce the number of rejected documents.

**4: Pre-printed county below notary signature should match county of notary's commission.**

- This is commonly a preprinted field on lender documents. It does not always appear on the documents.
- When it does appear, it must match with notary Commissioned in county.







# OTHER REASONS REJECTIONS HAVE INCREASED?

- **Legislative changes**
  - E-sign , MI – UETA (2001)
  - Calculated vs Flat Fees (2016)
  - Separate Recordable Events (2018)
  - E – Notary (2018)
  - Remote Online Notary, RON (2018)
  - Remote Ink Notary, RIN (Executive Order, 2020)



# CALCULATED VS FLAT FEE (2016)

## Calculated Fees\*

\$14 first page plus \$3 dollars for each additional page.

5 page document

$$\$14 + \$16 = \$30$$

11 page document

$$\$14 + \$30 = \$44$$

(Unemployment liens were \$2)

## Flat Fee\*

\$30 for the entire document

This is now true for all documents.

\*These numbers are for reference and Wayne County specifically as a charter county does not necessarily adhere to these.



# SEPARATE RECORDABLE EVENTS (2018)

## We already recorded that!?

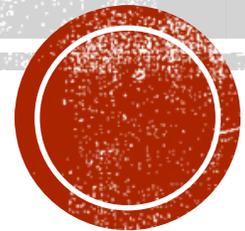
- In 2018 MARD passed through the legislature a 10 bill package.
- Changes to MCL 565.48. “Separate Recordable Events”
- You can no longer attach a death certificate to a “survivorship” document as an attachment or addendum.
- Any document purporting to have a “survivor” must have a referenced Liber and Page or other unique identifying number in order to meet the new requirements.



# **ELECTRONIC CLOSINGS**

A look into the future that started yesterday...

“Moron” this right now!



# MI UNIFORM ELECTRONIC TRANSACTIONS ACT

**This is the beginning of the end of closings as we know them...**

- Effective as of 2001 electronic signatures were deemed the equivalent of a “wet ink” signature.
- Retailers, Credit Card companies and the Mortgage industry took to this quickly.



# HYBRID CLOSINGS

**Using the UETA law**

**In-person closing**

**The entire closing package is electronic**

**Only the docs that are notarized need to be printed and “wet ink” acknowledged by the notary (semi paperless)**



# **ELECTRONIC NOTARY (2018)**

**PA 360 of 2018**

**In-person closing**

**The entire closing package is electronic**

**A buyer can enter into a purchase agreement, apply for their mortgage, close on their property, the notary can add acknowledgement and the docs can be recorded without ever being printed to paper. (completely paperless)**



# REMOTE ONLINE NOTARY, RON (2018)

**PA 330 of 2018**

**Notaries no longer need to be in the presence of those they acknowledge.**

**Acknowledgment by the notary is done in real-time with the use of an (SOS) approved platform (vendor) via two way audio visual technology. *Ex: Notarize, DocuSign, E-Notary etc.***

***RON Notaries must keep a journal.***

***On 09.26.2018 Michigan was the 9<sup>th</sup> state to legalize the RON process.***



# REMOTE INK NOTARY, RIN (2020)

**Executive Orders 2020-158 & 2020-173**

**Allowed non-conforming platforms to be utilized for the purposes of contactless notarial acts.** *Examples: Skype, Facetime, Microsoft Teams, Zoom.*

**The notary simply watches the signing and then acknowledges when they receive the document via mail or other delivery.** (*“wet ink” signatures*)

*The initial EO was signed prior to the creation and acceptance of the MERC standards. This has since sunset. However, there are multiple drafters working on bills currently including but not limited to, **HB 5758 of 2022** and **HB 5759 of 2022** that intend to bring back some form of RIN.*



# **MICHIGAN ELECTRONIC RECORDS STANDARDS**

## **MERC (2020)**

### **10. STANDARDS FOR ELECTRONIC NOTARIZATION**

- A. An electronic record electronically notarized in compliance with PA 360 of 2018 and the requirements of the Michigan Secretary of State may be eRecorded as an electronic document in compliance with these Standards.**
- B. An electronic record electronically notarized in compliance with PA 360 of 2018 and the requirements of the Michigan Secretary of State and not submitted for eRecording under subsection (A) must meet the following requirements to be accepted for recording as a nonelectronic document: 1. Comply with the Michigan Recording Act; 2. Be certified under oath by a person familiar with the electronic record that such non-electronic document is a true copy of the electronic record; and 3. Such certification is subscribed and sworn to by the certifying person before a notary public or other public officer authorized to take oaths.**



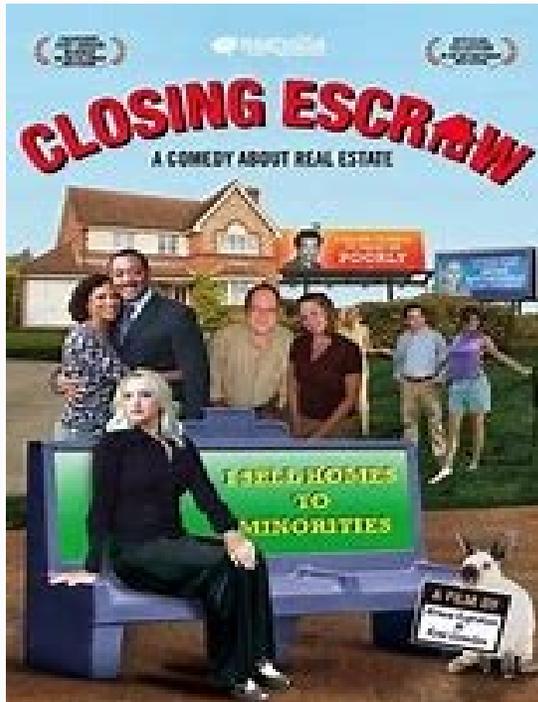
# MICHIGAN ELECTRONIC RECORDS STANDARDS MERC (2020)

## Comments:

**The Michigan Recording Act requires that documents executed in the State of Michigan must comply with certain Michigan Recording Act requirements. An electronic notarization should indicate where the electronic record was executed. Electronic records that do not indicate this may be subject to the Michigan Recording Act requirements that apply to documents executed in the State of Michigan.**



# Coming soon to a rejection near you...



# COMING SOON...

**Those doing business as an E-Notary or Remote Online Notary MUST indicate which type of notary was performed. Simply add both options to your standard Jurat and circle the one that applies. (It can't be both.) PA 330 of 2018 or PA 360 of 2018**

*Sneak peak:*

*Although implied it is not currently written in the law that you should have the name of the platform used in the Jurat as well.*

*It probably isn't a bad idea to add a line for the platform, as it will likely be added moving forward.*



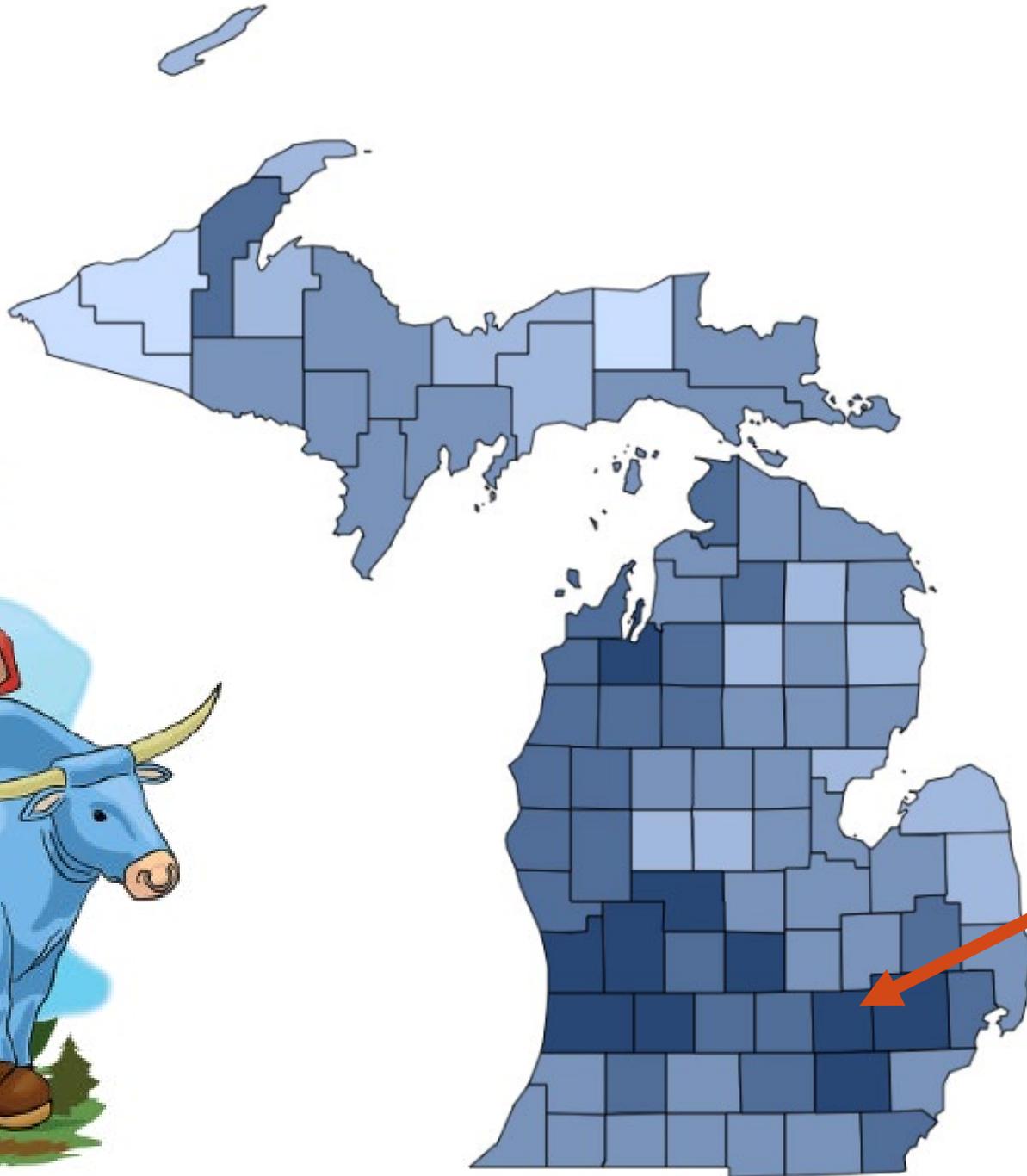
# FINANCIAL IMPACT OF REJECTIONS

WHAT DOES THIS DO TO MY BOTTOM LINE?

## 2021 Livingston County

- **51,977** Documents recorded.
- **5,124** Documents rejected.
- **9.85%** of documents submitted.





**5,124 REJECTIONS**

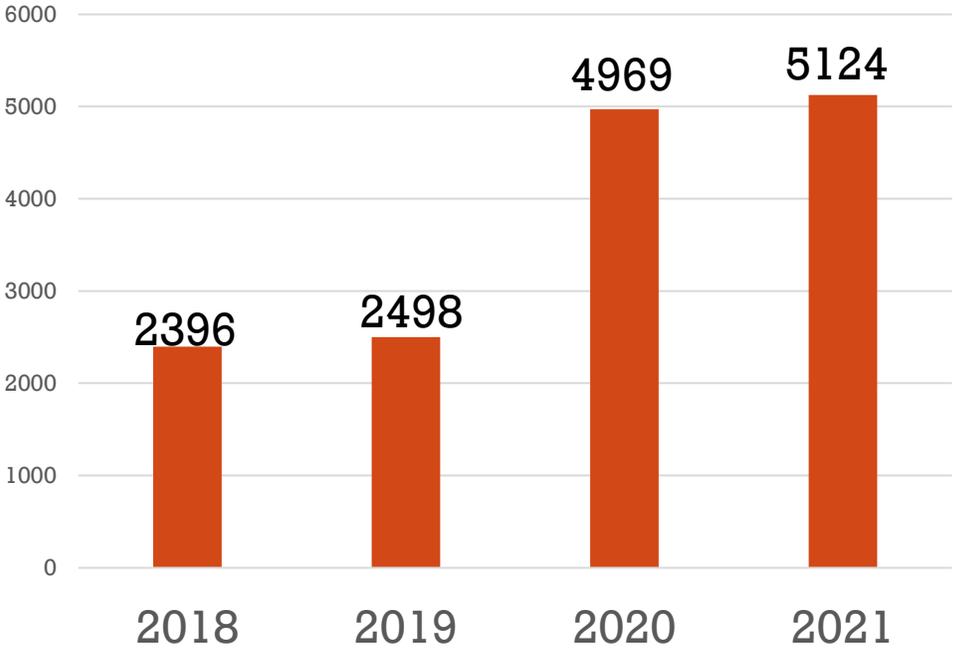
**ONLY 1 COUNTY OUT  
OF 83 COUNTIES**

- Population density affects the number of documents recorded in each county.

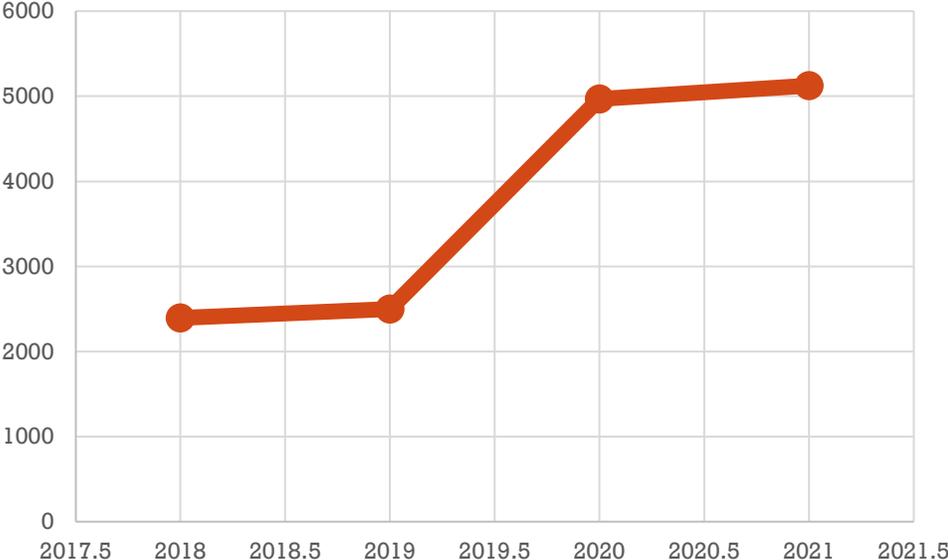


# REJECTIONS ARE ON THE RISE

## 2018 thru 2020



Rejection Increase



# HOW MUCH WILL THIS COST?

Hypothetical Scenario using 5,124 document averages

- **Salary cost per minute**
  - Each person earns \$20.00 an hour
  - $\$20.00/60 \text{ minutes} = \$0.34 \text{ a minute}$
- **15 minutes per document on average**
  - Approximately 10 minutes for submitter to review, scan and submit
  - Approximately 5 minutes for ROD Deputy to review, process and record
- **\$.34 per minute comes to \$5.10 per document for 15 minutes.**
  - **\$3.40** to compensate the submitter/title company
  - **\$1.70** to compensate the ROD employee
- Salaries to review, process and record 5,124 documents the first time comes to...

**\$25,620**



# BUT WHAT IF IT IS REJECTED?

Document has to be corrected and re-submitted

- Still **\$.34** per minute, but now we will use a total of **30 minutes** for corrections and re-submitting
  - ROD Deputy completes the MARD rejection form and rejects the document.
  - Title Agent reviews rejection, makes corrections and resubmits. (Correction time varies)
- Increases the salary cost to **\$10.20** per document (DOUBLE)
  - ROD staff has to re-do their entire process that they performed previously so we cannot remove any time from their process.
  - The submitter has to re-do their process to make sure the corrections are completed.
    - Title Company salary cost **increased to \$6.80**
    - ROD salary cost **increased to \$3.40**



# AND...

- Salaries to review, correct, submit, review, process and record 5,124 documents the second time...

**ADDITIONAL \$52,264!**



**Since the original \$25,620 did not record the document the first time submitted, that money is considered lost funds.**

**There is no new or additional revenue to cover the cost of re-recording.**



# ADDITIONAL COST

WE HAVE NOT MENTIONED

**That is only the salary cost!**

- **\$52,264 does not include:**
  - Cost to mail or ship for corrections
    - **Overnighting documents to be re-signed**
  - Additional trips to customer or Register of Deeds
    - **Customers having to come in to sign**
    - **Staff traveling to get items corrected**
  - Disruption to work flow
    - **Backtracking to previous files to make corrections**
  - Reputation damage caused from having to correct errors.
    - **People talk and word spreads fast.**
  - Delays in recording
    - **Race to record**
    - **Chain of title issues**
    - **Delays getting permits**
    - **Law suits, claims and problems. Oh my..**



# MOVING FORWARD

The Register of Deeds office wants to record documents, that is the purpose of our department.

The ROD staffs want to have a relationship with the submitters.

**Sometimes, simply emailing or calling can avoid a rejection, saving time and money.**

The formatting requirements for recording a document are outlined on the Register of Deeds website, <https://www.livgov.com/rod/> under “Recording Requirements”.

The state of Michigan statutes are available at <https://www.legislature.mi.gov>.

We encourage anyone to reach out to your local Register of Deeds office if they have questions about recordability or document rejections.

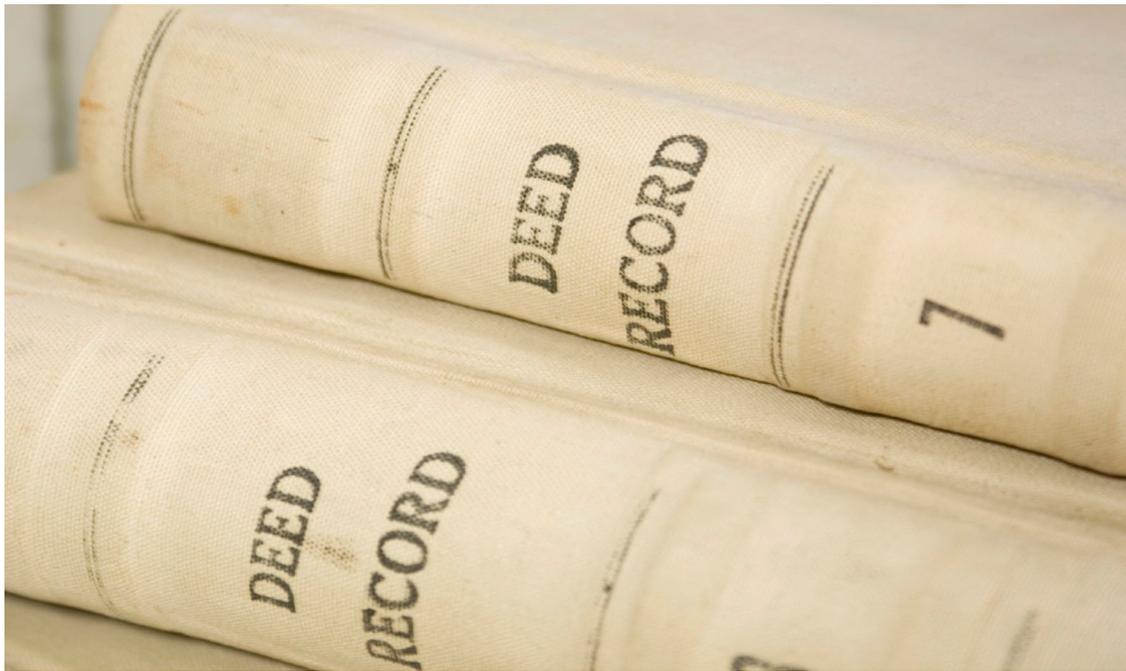
You can always talk to this guy....



OR that guy...



# QUESTIONS?



*The Profits benefits Liberties Priviledges Commodities Hereditaments and appurtenances  
Whatsoever to the said hereby granted Lands and Premises belonging or in any waye appertaining  
and all the Estate Right Title Interest Possession Property Claim and Demand of him the said  
Nicholas Thomas of wh or to the same or to any part and parcels thereof and the Reversion and  
Reversions Remainder and Remainders Vents Issues and Profits thereof Except one half of  
all Mines and Mineralls within the same as being Reserved unto Rip Van Dam his Heirs  
and assigns To have and to hold the hereby granted Lands and Premises with all  
and singular the appurtenances thereunto belonging or in any waye appertaining unto him the  
said Lambert Starenbergh his Heirs and assigns to the Use and only Proper Use benefit and  
behoof of him the said Lambert Starenbergh his Heirs and assigns for Except as hereith before  
Excepted and the said Nicholas Thomas for himself his Heirs Executors and administrators  
Doth hereby Covenant Promise and Grant to and with the said Lambert Starenbergh his  
Heirs and assigns in manner and form following (that is to say) That he the said Nicholas  
Thomas is at hand before the executing and Delivery of these Presents rightfully and Lawfully  
seized and Possessed of and in the hereby granted Lands and Premises in his own Right as of  
a good sure Perfect and Indefeazable Estate of Inheritance in fe Simple to him his Heirs and  
assigns for ever Without any manner of condition or conditione Limitation or Limitations to  
alter Change Charge Determine or make void the same Estate and Hath in himself good  
and Lawfull Authority thereof to Dispose and that the same and Every part*

“Recording is knowing what you have, where you have it and how to find it.”

