



Predictable Recording Fees Overview

Why are predictable recording fees needed?

In 2013, the Consumer Financial Protection Bureau (CFPB) issued the Integrated Mortgage Disclosure Rule which requires costs in a real transaction to be disclosed to consumers three days prior to the closing/purchase. Recording costs are one of the few fees subject to strict accuracy requirements for lenders. Many factors change the recording fee estimate, such as: adding a power of attorney or required state rider; space for transfer tax stamps; a transaction change of an additional borrower; or simple human calculation error.

Document recording fees represent a very small percentage of the closing costs associated with a real estate transaction. However, if the recording fee is calculated incorrectly it may adversely affect the closing.

Predictable recording fees help facilitate fee accuracy and compliance. Adoption of flat recording fees, or a simplified fee structure, helps:

- Businesses comply with federal regulations.
- Ensure consumers know the exact costs associated with purchasing their home.
- Create simpler budgeting for county recorder's offices.
- Save time and money by reducing unnecessary delays, rejections and penalties on recorded documents.

How are predictable recording fees implemented?

There are multiple ways to design predictable recording fees. Cost can be calculated based on:

- A flat fee or uniform price for all documents recorded in the jurisdiction
- A flat fee for each document type that is recordable
- The number of pages (set in ranges providing predictability)

Changes in fee structure are likely to require legislative action. Collect historic data from counties on the annual number of documents recorded, average number of pages and document type. Use this data to create a spreadsheet showing what fees could be under the different predictable methods listed above. You can find sample spreadsheets developed by the Property Records Industry Association (PRIA) to aid in this process at www.alta.org/recordingfees.

Developing predictable fees should not negatively impact the budgets of recording jurisdictions. Many states have developed revenue neutral flat fee structures that benefit everyone.

*You can find more information, tools and resources at: www.alta.org/recordingfees
or you can direct questions to Elizabeth Blosser at eblosser@alta.org.*