

Minutes

Proofed by Gerald Smith: March 24, 2021

Board of Directors Meeting
Property Records Industry Association
11 a.m., ET, Wednesday, March 17, 2021
Via Conference Call

Present for the call:

Jerry	Lewallen	President	Yes
Annette	Hill	Vice President	Yes
Gerald	Smith	Secretary	Yes
Brian	Ernissee	Treasurer	Yes
Brandon	Krause	Director - Government	No
Kyle	Quackenbush	At-large Director - Government	Yes
Sharon	Martin	Director - Government	Yes
Chris	Walker	Director - Government	No
Elizabeth	Blosser	Director - Business	Yes
Dan	Shmukler	Director - Business	Yes
Jana	Miyasaki	Director - Business	Yes
Penny	Reed	Director - Business	Yes
Larry	Burtness	Immediate Past President	Yes
Mark	Ladd	Advisory Council	Yes
Charlie	Epperson	Advisory Council	Yes
Carol	Foglesong	Advisory Council	No
Steve	McDonald	Advisory Council	Yes
Marc	Aronson	Advisory Council	Yes
Kelly	Romeo	Advisory Council	Yes
Diane	Swoboda Peterson	Advisory Council	Yes
Brent	Blankenship	Education	No
Dan	Crank	Education	No
Liz	Kelly	Membership	Yes
John	Murphy	Membership	No
David	Rooney	Standards/Practices	No
Nakia	McFarland	Standards/Practices	No
Ryan	Crowley	Governance	No
Teresa	Kiel	Governance	Yes
Christi	Adams	Communications	Yes
Michael	Miller	Communications	Yes
Carolyn	Ableman	PRIA Local Coordinator	Yes
Stevie	Kernick	Chief Staff Officer	Yes

Call to Order

President Jerry Lewallen called the March 17, 2021, meeting of the PRIA Board of Directors to order at 11:04 a.m., ET, and declared a quorum present.

Consent Agenda

On a motion by Sharon Martin and a second by Elizabeth Blosser, the board accepted the March 17, 2021, consent agenda as distributed.

Old Business

Membership

Stevie Kernick, chief staff officer, provided an update on current the membership. Total membership as of February 28, 2021, stands at just 13 fewer members compared to the same period in 2020. Although membership renewals are still high at 120, accounting for the 85 percent renewal rate, there have been 50 new members, which have kept the total membership aligned with previous year.

Membership renewals and new members were a point of concern for the Budget Committee when they generated the budget for 2020-21, and for the board as they considered the impact of COVID on the strength of the association. The impact has not been as significant as anticipated.

Cyber Insurance

Kernick reported she is still waiting another proposal on cyber insurance. One proposal has been received, to date.

ULC's Mortgage Modification Study Committee

Penny Reed reported on the first meeting of the ULC Mortgage Modification Study Committee. At first, the study committee seemed focused on commercial properties but there was enough support for the effects on residential mortgages to include those in the discussion, as well. One concern expressed was making modifications to loans without losing lien positions.

Papering-out Paper

The Papering-out Paper was addressed during the February 17, 2021, meeting of the board but no action was taken. Because there was a papering-out session scheduled for the Winter Symposium, Marc Aronson, who would facilitate that breakout, suggested there could be additional comments surfacing during the session. Aronson sent the draft copy of the paper to all who attended the papering-out session and did receive a few additional comments. The work group will reconvene on March 26 for what should be a final review.

eRecording Hub

One of the features of the website eRecording Hub is a field identifying those eRecording jurisdictions that are members of PRIA. There will be changes in this information from year-to-year, but this field should be updated, at least once a year.

The most efficient way to make updates to the member status of the eRecording counties is with a wholesale upload of data to replace existing data in the Hub. This is beyond the skill set of the PRIA staff team and will require support from Pro-West & Associates.

The estimated amount of time for this upload is two-to-three hours at \$110.10/hour.

Brian Ernissee asked if Pro-West could provide a template for a bulk upload that staff would be able to use, so this wouldn't be an annual expense.

Larry Burtness asked if the membership information is really used. Kernick suggested since this hub is owned and maintained by PRIA, it should recognize the PRIA members.

Kyle Quackenbush said in Orange Co., FL, they use a text file for uploading new data to their hub, although it is not as sophisticated as the PRIA eRecording Hub. He will work with the staff and Pro-West on a longer-term solution for updating the Hub.

On a motion by Quackenbush and second by Reed, the board approved the agreement with Pro-West & Associates to update the membership fields in the eRecording Hub and to explore ways for staff to update in the future without Pro-West involved.

Website Updates

In an effort to increase PRIA's transparency efforts, past board binders are now available on the members' side of the website.

The Community Forum will launch this month but will start with a Zooming-In session on March 25 introducing the forum.

Interstate Notary Work Group

Kernick explained the challenges encountered with the Interstate Notary Work Group and the volunteers working on the eNotarization/RON FAQs. The Council of Advisors convened and the Standards & Best Practices Committee co-chairs were consulted to determine the best path forward.

Going forward, the interstate recognition of notarial acts will function as a separate project while the eNotarization/RON FAQs taskforce will continue to meet and edit/add to the FAQ document.

New Business

Work Project Request – Restrictive Covenants

Mark Ladd introduced a work project request on Restrictive Covenants. A number of states are taking action on racially restrictive covenants found in the public records. Language appears in some covenants that dictates to whom a homeowner can sell their property. Federal law would render these covenants unenforceable, but in some states, there is discussion of redacting or expunging these covenants from the public records.

Some of this legislation is moving quickly through state legislatures and members need talking points.

The easy sound bite is how onerous these covenants are, but more difficult is how to redact or expunge them from the public records. This is a troubling part of the real estate industry's history.

Gerald Smith added that having a resource for recorders would be beneficial. Missouri is facing legislation on restrictive covenants. Annette Hill said she is very concerned about any legislation requiring shielding of records.

Reed said lenders and appraisers are looking at ways to be able to go back in records to find issues with valuation of property. Blosser said ALTA also has a work group meeting bi-weekly on this issue of restrictive covenants.

On a motion by Ernissee and a second by Dan Shmukler, the board approved the work project request as submitted.

Kernick said Danny Crank, Butler Co., OH, has agreed to co-chair this project.

Annual Conference 2022

Kernick explained that for 2022, PRIA had been looking at sites in Reno. The staff was in the middle of negotiations with a Reno property when COVID hit and contract negotiations went silent when the sales staff at the hotel was furloughed. The officers looked at the pattern of confirmed conference and there will be two consecutive Winter Symposiums in Phoenix, so going to the east coast for August 2022 would bring a conference back to the east. PRIA has a history of moving around the country to make access to conferences easier for more members.

Currently the staff is researching sites in Atlanta.

Management Hours

Management hours for the IMI Association Executives PRIA staff team are determined during the budget cycle and are based on a projection predicated on previous years' history and potential projects for the upcoming year. These estimated hours for 2020-21 were made without a clear understanding of the hours required to execute a virtual conference. A second mitigating factor is the number of work groups that are meeting during any given timeframe. Most work groups meet bi-monthly until the project is completed.

Staff time is 256 hours higher than projected for the period August 1, 2020 – February 28, 2021 (seven months). For the months of January and February, actual hours have been below budgeted hours, but for the year-to-date, hours are 256 over budgeted.

If we can stay on pace with actual hours equal to budget hours, there will still be a deficit of 256 hours on July 31, 2021.

Recommendation

- Purchase a bucket of 250 hours now @ \$53/hour (\$13,250), which is the contracted rate; or
- Wait until July 31, 2021, to determine the actual overage, which will be billed at \$65/hour.

Unused hours at the end of 2020-21 will be carried forward to 2021-22.

Blosser acknowledged as someone who also works for a trade association, COVID has added more hours to staff time in most organizations.

On a motion by Ernissee and a second by Hill, the board approved purchasing 250 hours at \$13,250 as an addendum to the current contract for 2020-21.

Lewallen said PRIA would not be able to accomplish all that it does without the staff support from IMI. He also suggested when the budget for 2021-22 is developed, the Budget Committee should consider increasing the number of staff hours for the new year.

Board Deliverables

There were no outstanding deliverables to report.

Other Business

Texas HB 948 relates to the notary seal required under Section 406.013. A notary public shall provide a seal of office to authenticate an official act involving an instrument that conveys real property or an interest in real property and that will be provided to a county clerk for recording. The seal provided by a notary under this section must leave a physical indentation when affixed to paper. The notary must affix the seal over the notary public's signature on the certification and affix the seal on each page of the instrument or copy of the instrument provided to the county clerk. This bill is an effort to prevent stolen property by re-introducing the notary embossing seal but would not be workable with electronic documents.

Ladd said the bill is trying to segregate commercial users from one-off users. Under Texas statute, there are four or five vendors who eRecord and they would be exempt from the embossed seal.

Lewallen said copies of the California Mortgage Bankers Association letter of support for California RON legislation had been distributed to the board. McDonald suggested nothing would happen quickly in California and based on comments from our members over the past few years, there is no need to rush to take a position.

Next Meeting

The next meeting of the Board of Directors is scheduled for Wednesday, April 21, 2021, at 11 a.m., ET.

Adjournment

The meeting adjourned at 12:01 p.m. ET.

Jerry Lewallen, President

Stevie Kernick, Recording Secretary