

**MINUTES
OF
SPECIAL BOARD MEETING
OF
SOUTH DAKOTA ABSTRACTERS BOARD OF EXAMINERS
MARCH 27, 2007 AT 10 AM CDT
Kennebec, South Dakota 57544**

President Greg Wick called the Telephone Conference meeting to order at 10:00 AM with a roll call: Peggy Boysen, present, William Clark, present, Lee McCahren, present, Victoria Wilds, present, also present were William Van Camp attorney for the board, Wayne Roe and Mitch LaFluer representing the South Dakota Land Title Association.

NEW BUSINESS

Greg Wick made a motion to extend the contract with William Van Camp for another year under the same terms and conditions as the present contract. The existing contract expires on or about April 14, 2007. Seconded by Peggy Boysen. Roll call vote: Peggy Boysen, yes, William Clark, yes, Victoria Wilds, yes, Lee McCahren, abstained, Greg Wick, yes, Motion carried.

Other new business before the board is the proposed rules changes as follows:

Peggy Boysen made a motion and Victoria Wilds seconded to add the definitions as follows:

20:36:01:01 TERMS DEFINED

Add "Chain of Title"

As used in Sections ____ of these regulations, a chain of title shall consist of all documents of conveyance given in a continuous succession of title:

With respect to unplatted lands, the smaller of (a) each quarter section of land; or (b) if a patent was issued for a portion of a quarter section of land, then that portion for which that patent was issued; and

With respect to platted lands, a lot as shown on the last subdivision plat recorded against the property; provided, however, that if all documents transferring ownership and given in a continuous succession of title ownership from the present owner back in time to the recording of the subdivision plat combine more than one lot, then those multiple lots included in the documents of conveyance shall be considered one chain.

As used in this Section, "lot" shall mean the smallest intact areas into which land has been subdivided by a subdivision plat map, whether denoted a lot, parcel, tract, undivided block, or other similar designation.

**"Search"
"Abstract"
"Examination"**

As defined in Patton on Titles, Abstract and Title Practice, Clearing Land Titles (Second Addition) and Ogden's California Real Property Law, with the specific wording provided by William Van Camp taken from the above resources.

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes, Lee McCahren, yes, Greg Wick, yes, Motion carried.

Peggy Boysen made a motion and Victoria Wilds seconded to amended the following rule to read as:

20:36:03:03 EXAMINATION OF APPLICANT – TIME, PLACE AND FEE

The board shall conduct a regular examination each year, either before or immediately following the annual convention of the South Dakota Land Title Association. Two other written examinations shall be ~~offered in Pierre in February and October~~ at a time and place to be set by the board. No other written examinations will be given. A fee of \$50.00 a section shall be charged each applicant each time the examination is written. **A fee of \$25.00 a section shall be charged each applicant on any section which is a re-take**

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

William Clark made a motion and Lee McCahren seconded to amend the following rule to read as :

20:36:03:12 FEE FOR CERTIFICATE OF REGISTRATION AND RENEWAL

The fee for a biennial certificate of registration for an applicant ~~whose abstract plant is located in Minnehaha, Pennington, Brown, Brookings, Codington, Meade, Beadle, Yankton, Lawrence or Davison County is \$350. The fee for a applicant whose abstract plant is located in any other county is \$250.~~ **To Be determined by population as follows: Counties with a population of 10,000 or less a fee of \$500.00; a county with a population of 10,001 to 15,000 a fee of \$700.00 and a county population of over 15,001 and above a fee of \$1000.00.** The board shall issue a certificate to an applicant upon payment of the required fee, if he meets the other requirements in SDCL 36-13 and Chapters 20:36:03 and 20:36:04

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

William Clark made a motion and Lee McCahren seconded to amend the following rule to read as :

20:36:04:01 GENERAL REQUIREMENTS FOR BOOKS, RECORD, AND INDEXES

(1) A complete index showing every instrument recorded in the register of deeds office in the county wherein he proposes to operate, properly listed against the specific property which it affects, and also a separate index showing all recorded instruments which do not affect specific property, **and all county, state, and federal tax liens as recorded in the Register of Deeds and unsatisfied judgments as filed with the South Dakota Unified Judicial System.** This index may be compiled on cards, in bound books or a loose leaf form, but must be made from an actual check of each page of each book of recorded instruments in said office, and in no case will a copy or film of the numerical index in the register's office be accepted.

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

Peggy Boysen made a motion and Victoria Wilds seconded to amended the following rule to read as:

2:36:04:02 MAINTENANCE OF PLANT – REQUIREMENTS.

All abstract books, records, and indexes required to be kept by law as one of the qualifications for engaging in abstracting under the laws of South Dakota shall be revised, checked and supplemented from time to time so as always to be full, complete and correct up to a period not more than six months last past.

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

Peggy Boysen made a motion and Victoria Wilds seconded to amended the following rule to read as:

20:36:04:04:04 FEE FOR PLANT EXAMINATION

An examination fee of \$500.00 shall be charged for each examination of new and purchased plants for the purpose of qualifying for a certificate of registration. The fee shall be payment to the treasurer of the board when application is made for a certificate of registration.

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

William Clark made a motion and Lee McCahren seconded to amended the following rule to read as:

20:36:06 FEE SCHEDULES

20:36:06:01 Maximum Fee Schedule The maximum fee schedule for doing abstract work is a follows:

- (1) Each entry on an abstract or continuation: **\$10**;
- (2) For a complete certification covering the records of county offices: **\$50**;
- (3) Each name searched (husband and wife to be considered two names): **\$5**;
- (4) Abstract court proceedings,
Single-spaced:
 \$20 for 8½ x 14 – inch page
 \$18 for 8½ x 11 – inch page
 \$10 for 8½ x 7 – inch page
Double-spaced:
 One half of the charges set by this subdivision
Additional copies of abstracted court proceedings
 Provided in the same order: One half of the charges set by this subdivision.
Photocopies of court proceedings, used in lieu of abstracted
 Proceedings: **\$2.00** per page
No certificate charge may be made for court proceedings;
- (5) Recertifying work on your own company: one half price;
- (6) Recertifying work of another company: full price;
- (7) Plats: **\$30**;
- (8) City special assessment certificate: **\$25**;
- (9) Real property Valuation;
 A valuation fee figured according to 20:36:06:01.02
 May be added to the regular rate schedule provided for in subdivisions
 (1) through (8) of this section.
 The fee shall be based on the taxable percentage of full and true value
 For the most recent year as established by the county assessor;
- (10) Exhibits of recorded instruments, typed in office:
 Same charges as for abstracted court proceedings;
 Exhibits of recorded instruments, photo-copies of record
 \$2 per instrument
 No certificate charge may be made for exhibits; and
- (11) An extra charge at the rate of **\$40.00** an hour may be made in addition to
 The other fees in this section when it is necessary to make special searches or
 Records or where descriptions are by metes and bounds or otherwise complicated.

20:36:06:01.02 REAL PROPERTY VALUATION FEES.

The real property valuation fee shall be figured as follows:

- (1) The \$5,000: **\$25**
- (2) from \$5,001 to \$50,000: **\$25**. Plus **\$3** for each thousand over \$5,000
- (3) From \$50,001 to \$100,000: **\$160** plus **\$2** for each thousand over \$50,000
- (4) From \$100,001 to \$500,000: **\$260** plus **\$1.75** for each thousand over \$100,000
- (5) From \$500,001 to \$1,000,000: **\$1135.00** plus **\$1.50** for each thousand over \$500,000
- (6) **Over \$1,000,001.00: \$1885.00 plus \$.85 per thousand over \$1,000,000**

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes, Lee McCahren, yes, Greg Wick, yes, Motion carried.

William Clark made a motion and Victoria Wilds seconded to add the following new rule:

Chapter 20:36:07

Title Insurance Title Searches

20:36:07:01:01

Upon completion of the search as required in 20:36:07:01, the abstracter may report his or her findings on a Search Report/Certificate as determined by the Abstracter's Board of Examiners

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

Bill Clark made a motion and Lee McCahren seconded to amend the following rule as:

Chapter 20:36:08

COUNTERSIGNATURE FEES:

20:36:08:01 COUNTERSIGNATURE FEE SCHEDULE.

The maximum fees that a licensed abstracter may charge to countersign a title insurance policy issued through an underwriting company are as follows:

Schedule A

- (1) When an abstracter prepares and certifies new abstracts or continuation abstract under §20:36:06:01 prior to countersignature, the maximum charge for countersignature of an owner-purchaser title insurance policy issued at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written
Up to \$50,000.00 of liability	<u>1.50</u>
Over \$50,000 and up to \$100,000, add	<u>1.45</u>
Over \$100,000 and up to \$500,000, add	<u>1.40</u>
Over \$500,000 and up to \$5,000,000, add	<u>1.35</u>
Over \$5,000,000 and up to \$10,000,000, add	<u>1.30</u>
Over \$10,000,000, add	<u>1.25</u>

- (2) When an abstracter prepares and certifies new abstracts or continuation abstracts under §20:36:06:01 prior to countersignature, the maximum charge for countersignature of an owner-purchaser policy issued at reissue rate or a mortgage policy issued at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written
Up to \$50,000.00 of liability	<u>1.00</u>
Over \$50,000 and up to \$100,000, add	<u>.95</u>
Over \$100,000 and up to \$500,000, add	<u>.85</u>
Over \$500,000 and up to \$5,000,000, add	<u>.75</u>
Over \$5,000,000, add	<u>.70</u>

SCHEDULE B

(1) When an abstracter does not prepare and certify new abstracts or continuation abstracts the maximum charge for countersignature of an owner-purchaser policy issued at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written	Maximum search fee first chain of title
Up to \$50,000.00 of liability		<u>\$ 75</u>
Over \$50,000 and up to \$100,000, add	<u>2.00</u>	<u>95</u>
Over \$100,000 and up to \$500,000, add	<u>1.50</u>	<u>120</u>
Over \$500,000 and up to \$5,000,000, add	<u>1.25</u>	<u>120</u>
Over \$5,000,000 and up to \$10,000,000, add	<u>1.00</u>	<u>120</u>
Over \$10,000,000, add	<u>.75</u>	<u>120</u>

(2) When an abstracter does not prepare and certify new abstracts or continuation abstracts, the maximum charge for countersignature of an owner-purchaser policy issued at reissue rate or a mortgage policy used at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written	Maximum search fee first chain of title
Up to \$50,000.00 of liability	<u>1.85</u>	<u>\$ 75</u>
Over \$50,000 and up to \$100,000,	<u>1.65</u>	<u>95</u>
Over \$100,000 and up to \$500,000, add	<u>1.45</u>	<u>120</u>
Over \$500,000 and up to \$5,000,000, add	<u>1.20</u>	<u>120</u>
Over \$5,000,000 add	<u>.90</u>	<u>120</u>

Nothing in this rule is to be construed to limit or restrict any contractual relationship between an underwriting agent and the title insurance underwriting company the agent represents.

Roll Call vote: Peggy Boysen, no, Victoria Wilds, no, William Clark, yes Lee McCahren, yes, Greg Wick, no, Motion failed.

Peggy Boysen made a motion to amend the following rule; motion died for lack of a second

Chapter 20:36:08
COUNTERSIGNATURE FEES:

20:36:08:01 COUNTERSIGNATURE FEE SCHEDULE.

The maximum fees that a licensed abstract may charge to countersign a title insurance policy issued through an underwriting company are as follows:

Schedule A

(3) When an abstracter prepares and certifies new abstracts or continuation abstract under §20:36:06:01 prior to countersignature, the maximum charge for countersignature of an owner-purchaser title insurance policy issued at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written
Up to \$50,000.00 of liability	<u>\$1.00</u>
Over \$50,000 and up to \$100,000, add	<u>.90</u>

Over \$100,000 and up to \$500,000, add	<u>.70</u>
Over \$500,000 and up to \$5,000,000, add	<u>.65</u>
Over \$5,000,000 and up to \$10,000,000, add	<u>.60</u>
Over \$10,000,000, add	<u>.55</u>

- (4) When an abstracter prepares and certifies new abstracts or continuation abstracts under §20:36:06:01 prior to countersignature, the maximum charge for countersignature of an owner-purchaser policy issued at reissue rate or a mortgage policy issued at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written
Up to \$50,000.00 of liability	<u>\$.95</u>
Over \$50,000 and up to \$100,000, add	<u>.65</u>
Over \$100,000 and up to \$500,000, add	<u>.55</u>
Over \$500,000 and up to \$5,000,000, add	<u>.50</u>
Over \$5,000,000, add	<u>.45</u>

SCHEDULE B

- (3) When an abstracter does not prepare and certify new abstracts or continuation abstracts the maximum charge for countersignature of an owner-purchaser policy issued at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written	Maximum search fee first chain of title
Up to \$50,000.00 of liability	<u>\$1.50</u>	<u>\$ 75</u>
Over \$50,000 and up to \$100,000, add	<u>1.30</u>	<u>95</u>
Over \$100,000 and up to \$500,000, add	<u>.95</u>	<u>120</u>
Over \$500,000 and up to \$5,000,000, add	<u>.85</u>	<u>120</u>
Over \$5,000,000 and up to \$10,000,000, add	<u>.75</u>	<u>120</u>
Over \$10,000,000, add	<u>.65</u>	<u>120</u>

For each additional chain of title in the same transaction add \$50.00 for each

- (4) When an abstracter does not prepare and certify new abstracts or continuation abstracts, the maximum charge for countersignature of an owner-purchaser policy issued at reissue rate or a mortgage policy issued at original rate is as follows:

Policy Amount	Maximum fee per thousand dollars of insurance written	Maximum search fee first chain of title
Up to \$50,000.00 of liability	<u>\$.95</u>	<u>\$ 75</u>
Over \$50,000 and up to \$100,000, add	<u>.85</u>	<u>95</u>
Over \$100,000 and up to \$500,000, add	<u>.65</u>	<u>120</u>
Over \$500,000 and up to \$5,000,000, add	<u>.55</u>	<u>120</u>
Over \$5,000,000 add	<u>.50</u>	<u>120</u>

For each additional chain of title in the same transaction add \$50.00 for each

Nothing in this rule is to be construed to limit or restrict any contractual relationship between an underwriting agent and the title insurance underwriting company the agent represents.

Greg Wick made a motion and Victoria Wilds seconded to amend the following rule as:

Chapter 20:36:08

COUNTERSIGNATURE FEES:

20:36:08:01 COUNTERSIGNATURE FEE SCHEDULE.

The maximum fees that a licensed abstract may charge to countersign a title insurance policy issued through an underwriting company are as follows:

To eliminate the current Schedule A and Schedule B and replace the schedules with the following
50-50 Split of the Gross Premium based on the all inclusive rate filed in the county where the policy is being generated with a \$75.00 per chain charge for each additional chain., Nothing in this rule shall prohibit negotiations between the parties.

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

Victoria Wilds made a motion and seconded by Peggy Boysen to amend the following rule as:

20:36:04:04:01 Scope of Examination. The plant examination shall be divided into the following areas:

- (5) The board shall compile a list of 20 unsatisfied mechanics' or materialmen's liens, county liens, state liens, federal liens which have been filed or renewed in the register of deeds and **unsatisfied judgments which have been filed or renewed on the South Dakota Unified Judicial System;** the board shall check the list in the plant to see that they are properly indexed.

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

Victoria Wilds made a motion and seconded by Peggy Boysen to amend the following rule as:

20:36:04:01 General requirements for books, records and indexes. Before any person, firm or corporation shall be entitled to a certificate of registration to engage in abstracting under the laws of South Dakota, he shall have an approved abstract plant containing the following:

- (1) A complete index showing every instrument recorded in the register of deeds office in the county where he proposes to operate, properly listed against the specific property which it affects, and also a separate index showing all recorded instruments which do not affect specific property. This index may be compiled on cards, in bound books, a loose leaf form, or **computerized indexing** but must be made from an actual check of each page of each book of recorded instruments in said office and in case will a copy of film of the numerical index in the register's office be accepted
- (2) In case of a numerical index is used showing only the book and page of each instrument, then and in that case such index must be supplemented by a take off of each instrument properly arranged in the said abstract plant so that it can be located from his own numerical index. Such take-off shall be sufficiently complete to show all essential parts of each instrument, such names, dates, descriptions, acknowledgements, filings and any special or unusual recitals, covenants, warranties, exceptions, or reservations,. Such take-offs may be made on cards, on loose leaf form, in bound books, film or **any other archival form as may be approved by the Board of Examiners South Dakota**

Roll Call vote: Peggy Boysen, yes, Victoria Wilds, yes, William Clark, yes Lee McCahren, yes, Greg Wick, yes, Motion carried.

Lee McCharen made a motion and William Clark seconded to amend the following rule:

20:36:04:04 Examination of new and purchased plants. Before any person begins assembly of an abstract plant for the purpose of qualifying for a certificate or registration he shall contact the board. The board shall advise as to procedure and observe the methods used during the construction of the plant. Whenever any person shall have completed assembly of an abstract plant or intends to purchase an already registered plant he shall notify the board in writing that such plant is ready for examination and stating the place at which it may be examined. The secretary-treasurer shall immediately communicate its contents to

all members of the board and the board shall fix a date of examination of such plant, said examination to be held ~~within 30 days of notification~~ **at the earliest convenience of the board,** and notify the applicant thereof. The examination may be conducted by one or more members of the board as may be ordered by the board and such member or members shall then make their examinations and report within 60 days after date of such order. During such period different examination may be made at different times by the member or members of the board and the applicant shall cooperate with them fully in showing the condition of the plant and explaining anything required of him in connection with it and the applicant shall also afford the member or members full opportunity to examine such plant privately and without his presence if they or any of them so desire. After the member or members of the board have completed their examination of the plant they shall make a joint report or individual reports in writing to the board together with their recommendations and the same shall be filed with and become an official record of the board. The board shall then make its official decisions as to the sufficiency of the plant, and file the same in the office of the board and a copy of the report and the decision shall then be sent by certified mail – return receipt requested to the address of the plant at the place where the same was located at the time of examination thereof. If the decision of the board is to the effect that certain corrections or additions, or both to the plant are necessary, the decisions shall specify the same and may in the discretion of the board, fix additional time within which applicant may make the same and notify the board and the board shall then examine the plant and make its decision as hereinbefore provided.

There being no further business before the board William Clark made a motion to adjourn, seconded by Lee McCharen. Meeting adjourn.

PEGGY BOYSEN
Secretary-Treasurer

GREG WICK
President