



# Title Topics



Special Edition

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## Recordings 2007

### County Clerks Running Amok?

As the Old Philosopher, Eddie Lawrence, might have said, "county clerks got you down? Are they bouncing your documents? Do they say you can't count pages? Do their rejection slips make sense?" Cheer up, take a walk in the sun with your head held high, you are not alone!

Vested Title has been processing documents for recording from the very first day that we opened our doors in August 1981. Every now and then we'd have a document rejected for an improper acknowledgement or maybe the wrong fee calculation. I wish those types of problems were with us today because we have had a veritable unhappy run of rejections for reasons that are not justified. Is this due to the pressure put on clerk's offices because of continuing high volumes, reduced staffing or poor training? It's a hard question to answer.

Here are some examples of why documents have been rejected by the clerks:

- 1 Mortgage satisfaction recorded but notation not made because the mortgage does not state an amount and neither does the satisfaction.
- 2 Mortgage will only be recorded if an additional \$25 is paid so that it can also be filed as a Financing Statement. The mortgage is called a Mortgage, Security Agreement and Fixture Filing. The clerk points to paragraph 17 of the document that recites the document also constitutes a fixture filing to demand the extra \$25.
- 3 A deed that reflects the change in name of the record owner LLC is rejected without payment of a realty transfer fee and the commercial mansion tax. Why? The record owner LLC changed its name and wished to have the title record conform to the business record. The fees were necessary per the clerk "because the deed is to a dif-

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### Vested Title's Guide to Reducing the Heartbreak of Rejection

**Nothing is more frustrating** than having a document rejected by a recording office. Here are some tips that we hope will help you avoid the most common mistakes made when submitting documents for recording:

- Send the document to the proper county. In the bustle of a busy office, transmittal letters can be mixed up. Double check that the document refers to the county set forth on the transmittal letter.
- The instrument is illegible. This usually pertains to the Description Rider. Avoid, at all costs, using a fax of a fax of a Legal Description.
- The names appear typed, printed or stamped beneath the signatures of any parties to the instrument and the officer before whom it was acknowledged.
- The expirations of the Notary's authority must be indicated.
- New construction must be stated on the first page of the deed, and must be accompanied by the RTF-1 Affidavit of Consideration.
- Use the most current versions of the Affidavits of Consideration, revised as of February 19, 2007. These forms must reflect the last 3 digits of the Grantee's/Grantor's Social Security or EID number.
- The names of all signatories must appear on the



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County Clerks *(Continued from page 1)*

ferent entity.

- 4 A deed for new construction was returned because it was “not eligible for payment of a reduced realty transfer fee based on a senior citizen's exemption.”
- 5 Deeds are rejected because the most recent edition of the Affidavit of Consideration/Exemption for seller or buyer is not submitted.

So, you ask, what happened in the above situations? Since we believe that our clients' problems are our problems, too, Vested Title stepped into the batter's box.

Polite letters were sent back to the clerk in connection with items 1 and 4 pointing out that a mortgage does not have to state an amount and that no exemption for senior citizen status was being claimed.

For item 2, realizing that our telephone conversations with the clerk's office were getting us nowhere, we capitulated and paid the \$25 just to get the document recorded. We then sent a letter with some research to the county clerk who agreed with our analysis, refunded the \$25 and assured us it would not happen again.

The deed in item 3 was finally recorded but not until we got a deputy NJ attorney general involved in the dispute and provided him with the necessary research supporting our contention that no RTF was due.

Item 5 was easily solved because we were able, as the title company, to execute a current form of Affidavit of Consideration.

If you have a recording war story that we can learn from, send it to [sflatow@vested.com](mailto:sflatow@vested.com).

Reducing Rejection *(Continued from page 1)*

face of the document. It is not sufficient that a non-owner spouse or civil union partner sign the deed or mortgage to release or encumber their interest.

- The book and page of the original mortgage must be clearly set forth in a discharge or satisfaction, release of mortgage or assignment of mortgage. Be sure to include the additional \$10.00 notation fee in such situation.
- For all sales in excess of \$1,000,000.00, the Buyer's Affidavit of Consideration must be attached and the so-called Mansion Tax paid when appropriate. (If you have a question whether the Mansion Tax or any other Realty Transfer Fee is appropriate, contact the Division of Taxation *before* the closing of title and obtain its guidance.)
- All checks of \$10,000.00 and over must either be certified, an official bank or a cashier's check.
- Checks in payment of the amount due when filing a GIT/REP-1 must be made payable to the State of NJ— Div. of Taxation.
- Be sure your documents go to the right office. Essex and Hudson Counties have Register offices that are at a different location than the county clerk. When documents are sent to the county clerk in those counties there is no way of guaranteeing that the document will be delivered by the Clerk to the Register.

*For 26 years, Vested Title has stood behind its clients. When it comes to resolving title problems with tax collectors, assessors, county clerks and registers, call upon us and we will do all we can to help you get that title closed.*

## **Vested Title Inc. — Our 26th Year**

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