

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of Tax and Revenue

Reply To:
Recorder of Deeds
515 D St. N.W. #202
Washington, DC 20001



FAX: (202) 727-9629
PHONE: (202) 727-5374

October 5, 2001

Memorandum:

To: General Public, Title Insurance Companies, Abstractors and Attorneys

Thru: Larry Todd
Deputy Recorder

From: John F. Mowery, III
Chief of Operations

Subject: Recording requirements and procedures with respect to Predatory Lending and Mortgage Foreclosure Act of 2000, Revised Article 9 of the Uniform Commercial Code, The Tax Clarity Act of 2000 and The Real Property Recordation and Transfer Tax Form FP/7C.

Recently there has been an enormous amount of new legislation enacted by the District of Columbia legislative body which require many agencies to adopt new filing procedures and promulgate new forms which will enable the agencies to comply with the legislation, as well as accommodating the constituents and the business environment of the District of Columbia. Consistent with the foregoing, the Recorder of Deeds office shall require the following forms, format and filling fees with respect to the above reference legislation and tax form:

1. Predatory Lending Act- under this legislation **The Information Form** (205 b) may be filed front to back with respect to the substance of the form and shall be on 8 ½ x 11 paper. If filed as an attachment to the deed of trust this office will assess a five (\$5.00) per page fee. If filed as a separate instrument this office will assess fifteen (\$15.00) for the first two pages and

five (\$5.00) each additional page. Of course, the five (\$5.00) surcharge is still applicable for any instrument submitted for recording.

Additionally, under section 301 of the Predatory Lending Act, the trustee must be a natural person domiciled in D.C., maintain a principal business office in D.C., or be licensed to practice law in D.C. as well as in good standing. The security instrument must set forth the D.C. address for the trustee, and a certification of the attorney in good standing, if applicable.

The Recorder of Deeds office shall enforce the aforementioned requirements for the Predatory Lending Act effective November 1, 2001.

2. **Revised Article 9 UCC**- Under the revised article 9, you must use the national forms when filing UCC chattel article 9 filings. The filing fees for chattel UCC filings have been amended, please visit our web site for detailed information. With respect to UCC's filed in the land records the filing fees remain the same, to wit., fifteen (\$15.00) first two pages five (\$5.00) each additional page. The national form is not required for land record filings. There is no charge for additional debtors for land or chattel UCC filings.

The Recorder of Deeds is presently enforcing the aforementioned requirements effective October 1, 2001.

3. **Tax Clarity of 2000**- the Tax Clarity legislation is voluminous and complex, however this office will endeavor to make the transition as easy as possible. Title 47-1431 of the D.C. Code mandates that within thirty days after the execution of deed or other document by which legal title to real property is conveyed, shall record a fully acknowledge copy of the deed or other document with the Recorder of Deeds for the District of Columbia. Where one fails to comply with Title 47-1431, a \$250.00 penalty shall be assessed for a deed or other document by which legal title to real property or an economic interest in real property is transferred, or after a security interest in real property is given pursuant to a construction loan deed of trust or mortgage or a permanent loan deed of trust or mortgage.... is conveyed. The burden shall be upon the person required to record to prove that a deed or any other document is exempt from the aforementioned penalty. **The Recorder of Deeds is presently enforcing the aforementioned requirements effective October 1, 2001.** Further, this legislation requires transfer and recordation tax on leases that are 30 years or more including renewals (47-901)(3). With respect to purchase money deeds of trust this

office will fully assess the recordation tax on a refinance of commercial property if the tax was not paid on the existing debt. Section 303(a)(B)(2). Finally, a deed that conveys title to real property in the District shall be taxed at a rate of 1.1% transfer and 1.1% recordation tax applied to the total consideration for the deed; provided, that if there is no consideration for a transfer or if the consideration for the transfer is deemed nominal, the rate shall be applied to the assessed value of the real property. Section 303(a)(1)(A). **The Recorder of Deeds office is presently enforcing the aforementioned requirement of the Tax Clarity Act effective April 26, 2001**

4. Real Property Recordation and Transfer Tax Form FP7/C – There is apparently tremendous confusion or miscommunication with respect to the requirement of this office for the FP7/C. With that in mind, please be advised that the FP7/C are required to be submitted on 8 ½ x 11 paper, two pages or more, and one-sided documents. The homestead application form may be filed with the recording package at the Recorder of Deeds. Where an application is not submitted with an arms length transaction, the homestead benefit will be taken away. The FP7/C form can be generated from your computer systems as long as the substance of the form does not change. **The Recorder of Deeds office is presently enforcing this requirement effective October 1, 2001.**

In conclusion, I think we all have put forth a great effort in dealing with the many changes that are occurring. With the Mayors mandate on superior customer service to the citizens of the District of Columbia, and this office policy on consistent and candid communication with business industry, we shall accomplish all o goals. If further information is required or needed, please e-mail John Mowery at john.mowery@dc.gov or Larry Todd at larry.todd@dc.gov