



*First American
Title Insurance Company*

February 24, 2025

Senator Joseph Baldacci, Chair
Representative Suzanne Salisbury, Chair
Committee on State and Local Government
C/O Legislative Information Office
100 State House Station
Augusta, ME 04333

Re: Testimony of First American Title Insurance Company on LD 358 – An Act to Increase Fees Paid to Registers of Deeds

Chairs Baldacci and Salisbury, and Distinguished Members of the Joint Standing Committee on State and Local Government:

First American Title Insurance Company¹ (First American) is writing to express concerns about LD 358 – An Act to Increase Fees Paid to Registers of Deeds, and to discuss how this legislation will have a negative impact upon access to real property ownership and the ability to do business in Maine. First American is an underwriter of title insurance policies in Maine and works with almost 200 title insurance agents in Maine. These title insurance agents are largely composed of small business owners, including title companies and law firms, that provide settlement services for real estate transactions in Maine.

Increasing access to affordable housing is a priority for the State of Maine and the real estate economy is important to Maine's financial well-being. First American is concerned that LD 358 will have a negative impact upon access to real property ownership, the ability to do business in Maine, and the overall real estate economy for the following reasons:

1. **Proposed increase in bulk download fees and prohibition on resale of images will make it more difficult to do business in Maine and have unintended consequences on the general real estate economy.** Unlike title companies, closing attorneys, or abstract companies that obtain limited recorded document images for individual real estate transactions, data companies obtain all recorded document images from various county recorders throughout the United States. These data companies make images searchable and available to businesses on a centralized platform for various business purposes. For example, First American Data Tree (Data Tree) makes images available via its username and password protected website to customers as follows:
 - a. To attorneys conducting research on real property related to estate planning and probate matters.
 - b. To appraisers preparing appraisals on properties.
 - c. To real estate agents to assist with market research.

¹ First American Title Insurance Company is a subsidiary of First American Financial Corporation (NYSE:FAF), one of the nation's largest title insurance companies and providers of real estate settlement services.

- d. To lenders and servicers in connection with loan servicing, fraud detection, and portfolio monitoring.
- e. For fraud alert services to alert homeowners of new recordings against their properties.

Businesses that reside outside of the county or the state, or businesses that lack experience obtaining document images from the county recorder directly, rely on companies like Data Tree to provide document images in a centralized, searchable platform. A prohibition on the resale of images or a dramatic fee increase to obtain images would limit data companies' ability to provide these valuable services to businesses as it relates to properties in Maine. Many of the functions above directly benefit Maine residents and further, if data companies are unable to provide these services via centralized platforms, it may result in increased costs being passed on to Maine residents.

LD 358 proposes to increase the fee per image for bulk downloads from \$.05 per image to \$.50 per image, a tenfold increase in the cost. The table below reflects how Data Trace alone would be financially impacted by the changes proposed by LD 358 based on their recent download requests in just two Maine counties.

County Name	Images in 2024	Cost Today	Cost under LD 358
Cumberland	229,165	\$11,458	\$114,083
Waldo	35,531	\$1,777	\$17,266

In short, the tenfold increase in bulk image fees and the prohibition on resale of images as proposed by LD 358 will make it impossible for Data Tree and similar businesses to continue doing business in Maine.

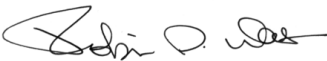
2. **Proposed increase in copy fees will increase the cost of doing business in Maine, unfairly impact small businesses, and limit access to public records.** LD 358 proposed to reduce the number of free images (i.e. "copies") that may be downloaded from a county registry of deeds website from 500 to 100 per calendar year, a significant decrease. Currently, each person in Maine may download 500 free images from each of Maine's 17 registries of deeds. Title companies, title examiners and attorneys in Maine regularly access the public records posted on the websites of the registers of deeds for the purpose of examining title to real estate. A title examination or title search is an essential element of every real estate transaction and is performed for the purchase of real estate, the refinance of a mortgage or to obtain a home equity line of credit. A title search may also be performed for other purposes as well, such as part of estate planning process. Here is an example of how LD 358 could financially impact a small business in Maine which actively provides settlement services to Maine consumers. Title Company A employs 25 employees in Maine, 3 of whom regularly perform title searches in Maine's 17 registries of deeds. Title Company A performs an average of 3000 title searches each year and downloads on average 25 images from the registry website as a part of a single title search. Reducing the number of free images from 500 to 100 will cost Title Company A an additional \$10,200 in copy fees per year. For residential transactions, copy fees associated with a title search are typically absorbed by title companies and law firms as part of flat fee pricing. These additional costs could be passed on to the consumer. In either situation, the overall cost of the real estate transaction will be increased, either to the detriment of the Maine consumer or to the detriment of Maine's small businesses.

3. **Proposed change to recording fees will increase costs for consumers and create additional financial barriers to home ownership.** LD 358 proposes to change the fee for recording a document in the registry of deed from \$19 for the first page, with \$2 for each additional page, and a preservation surcharge of \$3 to a flat fee of \$45 with a preservation fee of \$5 (\$50 total). Currently, the average cost for recording a deed is \$24 and the average cost of recording a mortgage is \$60. Under LD 358, the recording fees for a real estate purchase involving a deed and mortgage, will be increased from an average of \$84 to \$100. This \$16 increase may seem minimal, but this comparison does not tell the whole story. Many residential real estate transactions include the recording of other instruments, such as affidavits, trustee certifications, powers of attorney, partial releases of mortgage, and assignments of mortgage. Currently, the average cost for recording these types of instruments are as follows: Affidavit - \$22, Trustee Certification - \$22, Power of Attorney - \$30, Partial Release of Mortgage - \$22, Assignment of Mortgage - \$26. LD 358 proposes to increase the recording fee for each of these types of instruments to \$50. These additional costs will be borne by the sellers and buyers to the real estate transaction and increase the overall cost of a real estate closing.

First American believes that a well-functioning registry of deeds is crucial to maintaining accurate and accessible public records and we support the concept of predictability in recording fees. However, we are concerned that the increase in the fee structure and the limitation on the use of public records proposed by LD 358 must be balanced against the negative impact on Maine's consumers, Maine's small business owners, and the real estate economy. We, therefore, respectfully encourage this Committee to vote "Ought Not to Pass" on LD 358.

Thank you for your time and consideration and for the opportunity to provide feedback on LD 358.

Sincerely,

By: 

Robin D. Watts, Maine State Counsel