

MIDDLESEX NORTH REGISTRY OF DEEDS

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BILLERICA – CARLISLE – CHELMSFORD – DRACUT – DUNSTABLE – LOWELL – TEWKSBURY
TYNGSBOROUGH – WESTFORD - WILMINGTON

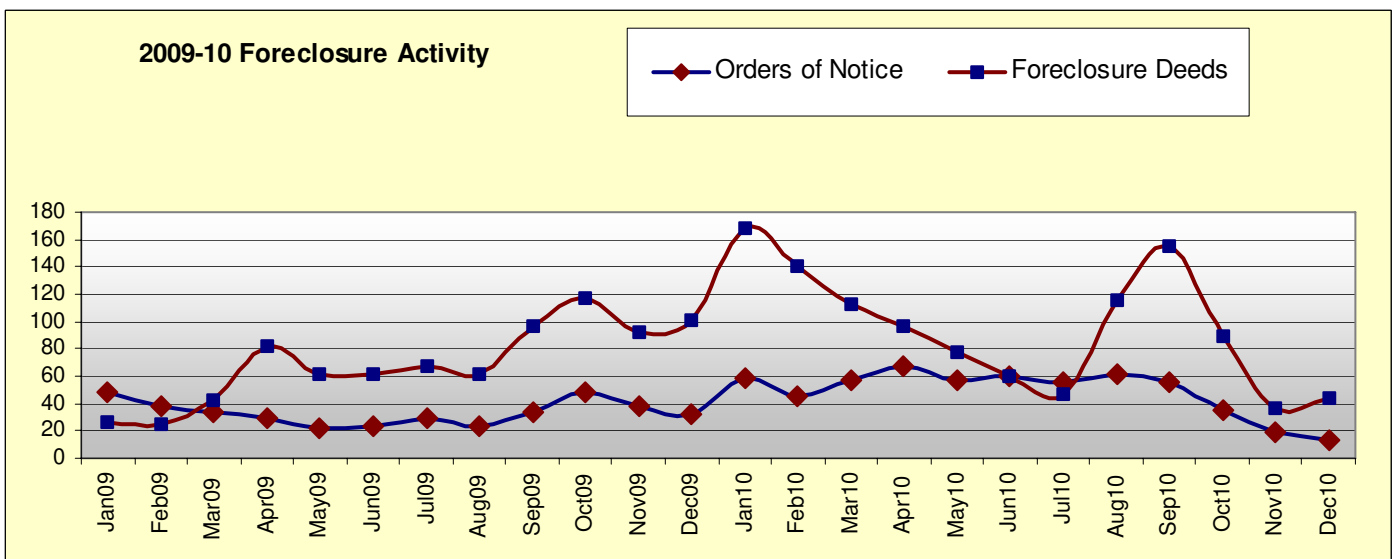
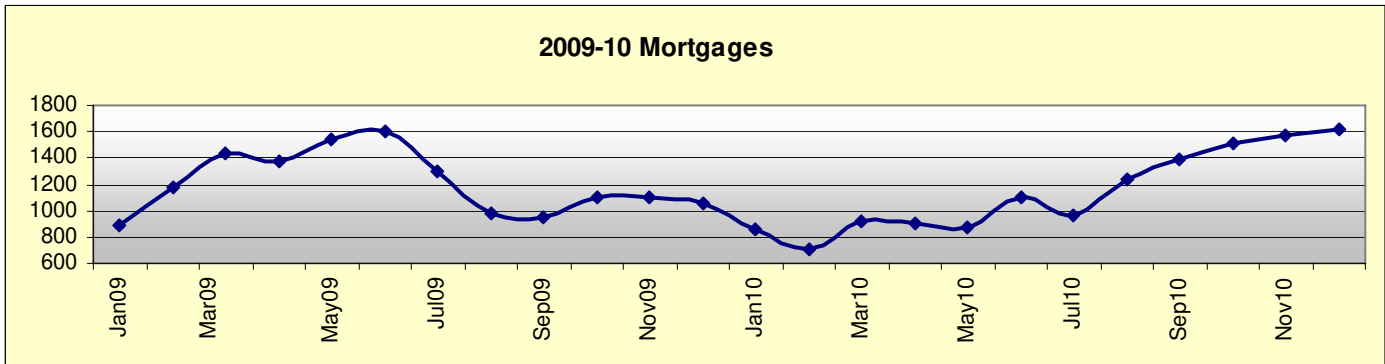
ANNUAL REPORT FOR 2010

The national slump in real estate continued through 2010. While the statistics for the year just past look bleak compared to 2009, a month-by-month examination of the number of mortgages and foreclosure documents filed show some positive trends. The charts below and the rest of this report document this year-end trend and provide other real estate news from the Middlesex North District including a town-by-town breakdown of deeds, mortgages and foreclosures recorded in 2010 along with revenue, budget and legal news from the registry.

For more information about the contents of this report, please contact Register of Deeds Richard P. Howe Jr. at (978) 322-9000 or at richard.howe@sec.state.ma.us

POSITIVE SIGNS IN 4TH QUARTER

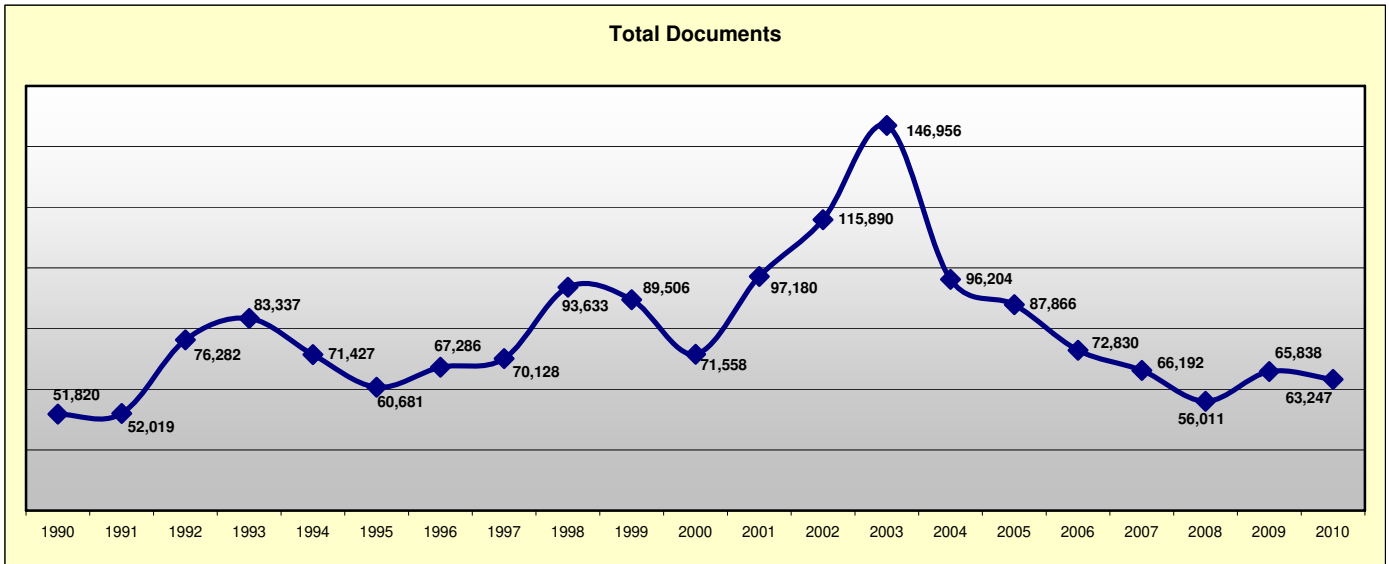
From October through December of 2010, the number of mortgages recorded in the Middlesex North District was up 44% compared to the same period in 2009. For the same time, the number of foreclosure deeds and orders of notice were down 44% and 45% respectively. This trend of rising mortgages and declining foreclosures suggests that sales may begin to improve in the spring.



LONG TERM TRENDS

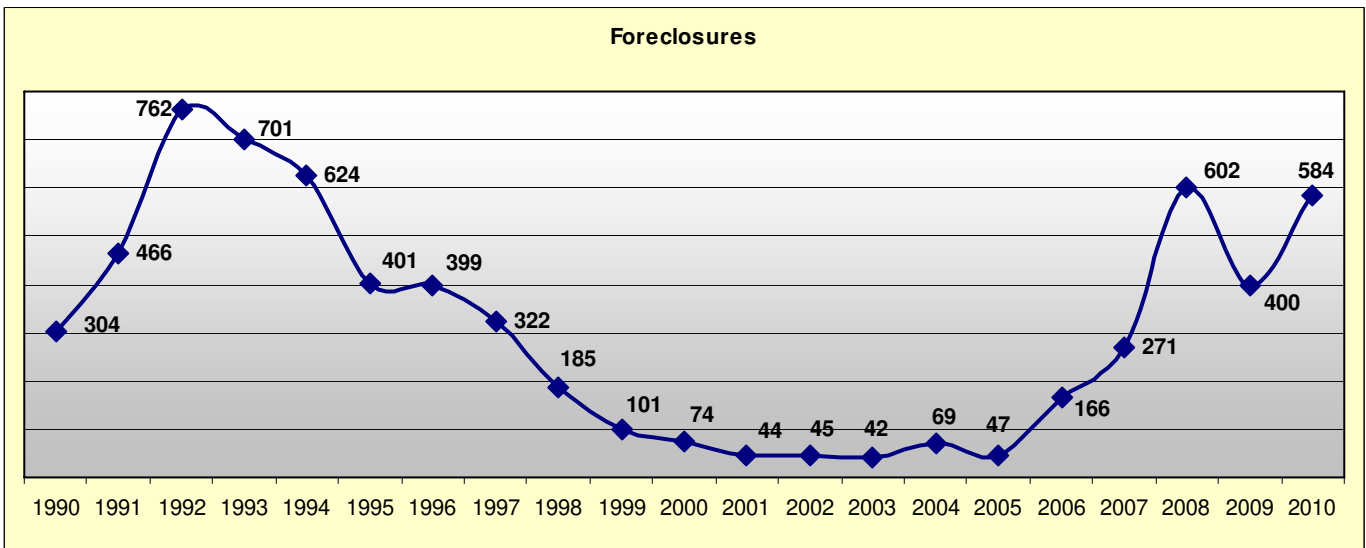
The following chart shows the total number of documents recorded at the Middlesex North Registry of Deeds each year from 1990 through 2010. In non-bubble and non-bust years, the document totals range from 60,000 to 100,000, so the 63,247 recorded in 2010 is at the lower end of the “normal” range. Because all signs in the last quarter of 2010 were positive, document totals for 2011 should increase.

Total Documents Recorded: 1990 - 2010



Foreclosures: 1990 – 2010

Two things to note about the below “Foreclosures” chart: (1) The significant uptick in foreclosures for 2010 is certainly a negative, but the sharp decline in foreclosures during the last three months of the year shown on the prior page suggests that 2011 should see fewer foreclosures. (2) Foreclosure numbers in the early 1990s were and remain higher than the number seen in any recent year.



REVENUE COLLECTED AT MIDDLESEX NORTH

Revenue by source: 2008-2010

	<i>2008</i>	<i>2009</i>	<i>2010</i>
Recording Fees	\$4,480,655	\$5,322,095	\$5,085,580
Deeds Excise Tax	\$6,310,086	\$5,139,387	\$5,109,201
Copies	\$35,288	\$25,679	\$22,086
CPA	\$1,068,900	\$1,251,800	\$1,953,360
Tech Fund	\$296,955	\$347,565	\$332,160
Total Revenue	\$12,191,884	12,086,526	11,752,388

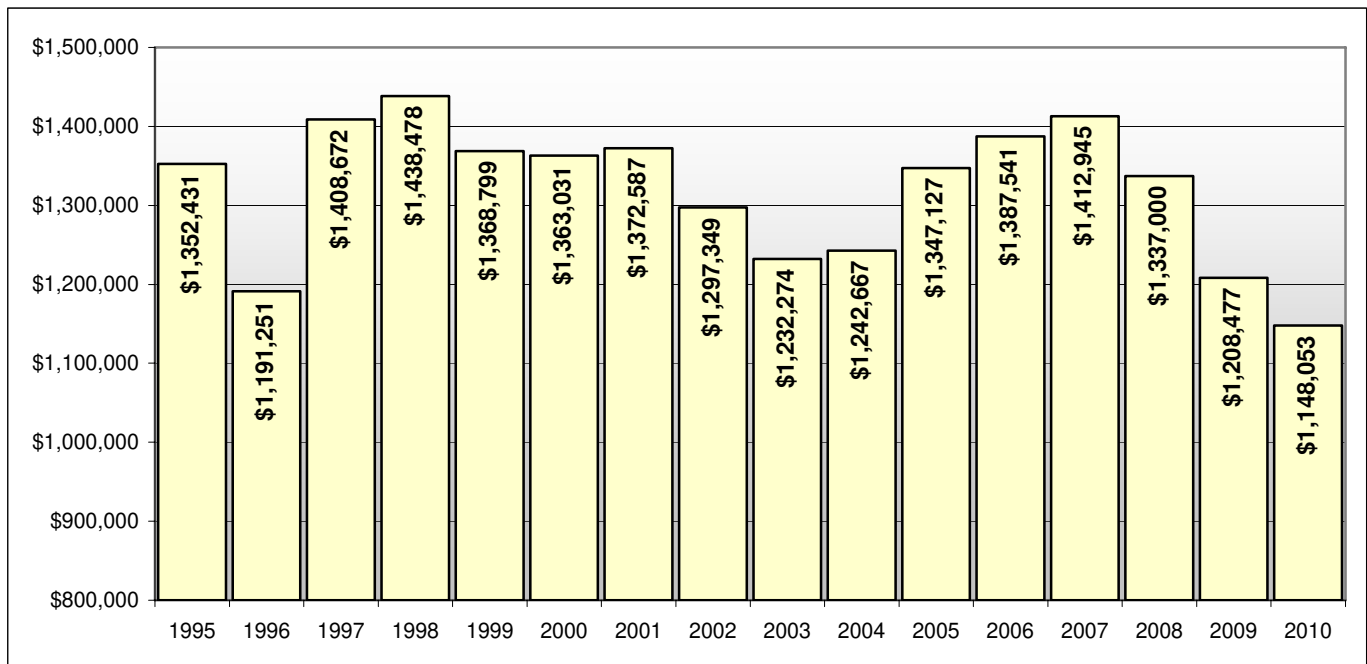
The total revenue collected by the Middlesex North Registry of Deeds reached an all-time high in 2003 when \$26,091,151 was collected. The annual amount stabilized over the next two years (\$21,675,601 in 2004 and \$21,982,684 in 2005) before beginning a slide (\$17,461,208 in 2006 and \$16,328,979 in 2007) that continues today.

The specific sources of registry revenue are as follows: **Recording Fees** (each document has a statutory recording fee ranging from \$35 for a declaration of homestead to \$225 for a declaration of trust); **Deeds Excise Tax** (an excise tax assessed on all sales at a rate of \$2.28 per \$500 in price); **Copies** (customers print document and plan images while at the statutory rate of \$1 per page); **CPA** (the registry collects money for the Community Preservation Act through a \$20 per document surcharge); **Tech Fund** (this is a \$5 per document surcharge that is used by the Secretary of State's office on technology-related expenses for the Commonwealth's registries of deeds).

The Registry retains none of this revenue. Except for the dedicated Community Preservation and Technology Surcharges, all funds collected are paid into the state's general fund each day.

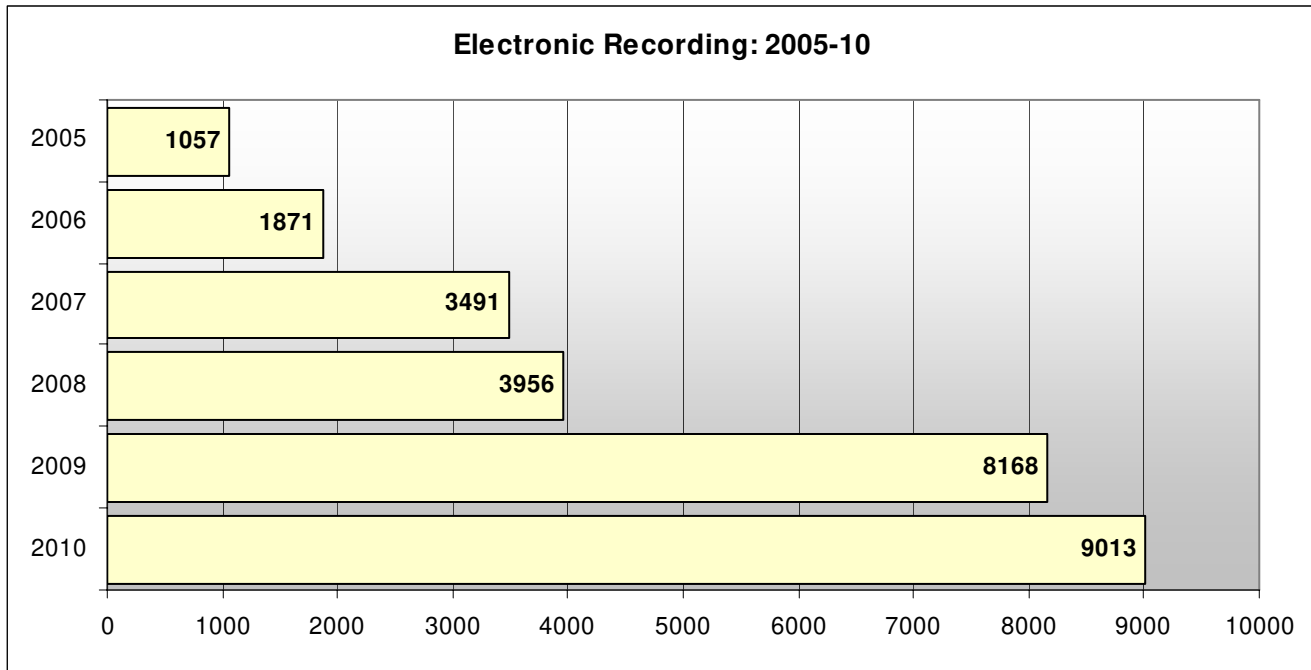
REGISTRY BUDGET: 1995 – 2010

Each year since 1997 when Middlesex County was abolished, the annual budget for the registry has been set by the state legislature as a separate line item in the state budget. The amount allocated for Middlesex North in FY10 was less than any year since the early 1990s.



ELECTRONIC RECORDING

During the second half of 2010, documents submitted electronically accounted for 23% of the overall recordings at the Middlesex North Registry of Deeds. Using this technology, qualified customers (typically lawyers or lenders) connect to the registry through a secure internet link and then transmit scanned copies of original documents plus data about those documents directly to the registry. Recording fees are electronically transferred from the customer's bank directly to the registry's bank account. With scanning and data entry already accomplished by the customer, electronic recording significantly increases the efficiency of the registry staff. A document that would take ten minutes to process in the traditional manner takes no more than one minute when recorded electronically.



BOOK PRODUCTION

In November 2001, the Middlesex North Registry of Deeds ceased producing paper record books. The 12,216 "books" created since then exist only as electronic images with microfilm backup. This technological transition not only saved the cost of producing all of those books, it also saved on shelf space needed to store them and allowed us to remove all books from public circulation. When the new Lowell Judicial Center opens in 2015, the registry may have to move to new quarters. Because paper books are no longer needed and because of other technological advancements such as electronic recording and all document images being available on the registry website, the registry will only require 9,000 square feet of space as opposed to the 24,000 square feet previously estimated.

<i>Print Type</i>	<i>Pages / book</i>	<i>Start Year</i>	<i>End Year</i>	<i># of years</i>	<i>Start Book</i>	<i>End Book</i>	<i># of Books</i>	<i># of Pages</i>
Hand written	600	1855	1924	69	1	702	702	421,200
Type written	600	1924	1949	25	703	1127	425	255,000
Microfilm print	437	1949	1995	46	1128	7510	6,383	2,790,500
Scanned img/book	300	1995	2001	6	7511	12442	4,932	1,479,600
Scanned img only	300	2001	2010	9	12443	24658	12,216	3,665,800
<i>Total</i>	----	----	----	155	----	----	24,658	8,611,100

REGISTRY NEWS FROM 2010

National Lumber

Five years ago a decision by the Massachusetts Appeals Court raised questions about the priority afforded documents recorded at the registry of deeds. *National Lumber v Lombardi* held that a document was deemed to be recorded when it was received by the registry, not when it was entered into the registry's computer system. This ruling meant that a document received in the mail by the registry at 9 am but not recorded until 10 am, would have priority over another document that was recorded in-person at 9:30 am.

This summer, the Legislature amended General Laws c.36, s.14 to read: "no instrument received by the register shall be considered recorded until the register assigns to the instrument an instrument number or book and page number as the case may be." This should solve the *National Lumber* problem.

Ibanez

In early January 2011, the Supreme Judicial Court in *US Bank v Ibanez* invalidated two foreclosures because of missing assignments of mortgages. The decision creates doubt about the validity of titles derived from foreclosures in which mortgage assignments were missing or late being recorded. Because recording assignments post-foreclosure was not only common practice, but was also deemed proper by a REBA Title Standard, the consequences of this case are widespread. Ultimately, the Legislature may take up remedial legislation, but until that happens, *Ibanez* will serve as another drag on the already depressed real estate market.

Big Changes to Homestead Law

In November 2010 the Legislature enacted a major revision to Massachusetts Homestead Law, creating an automatic Homestead exemption of \$125,000 for all homeowners. Additionally, the \$500,000 homestead exemption currently in effect may also be obtained by recording a Declaration of Homestead form with the registry of deeds in the traditional manner. Another new feature of this law is that it allows the proceeds of the sale of a home that was protected by a Homestead to also be protected for up to a year or until used to purchase a new residence. Besides these new provisions, the amendment makes it clear that a homeowner need not record a new Homestead after refinancing a mortgage and addresses some other ambiguities that existed in the prior law. The new law takes effect on March 16, 2011 and all existing Homesteads will be grandfathered in under the new law.



The Fighter

The feature length movie about the life of Lowell boxer Micky Ward was released to rave reviews in the fall of 2010. Christian Bale, who played Ward's half brother, Dick Ecklund, and Melissa Leo, who played Ward's mother, have both won Golden Globe and Screen Actors Guild awards for Best Supporting Actor and Actress. The movie was filmed in Lowell in the summer of 2009 with two scenes being shot here in the Middlesex Superior Courthouse including one of Christian Bale and Mark Wahlberg in the second floor lobby shown above.

Elevator Construction Begins

In June, contractors began the construction of an elevator that will connect the first and second floors of the courthouse. While the elevator will be contained in an external tower constructed alongside the 1848 portion of the building, great effort has been taken to make the addition architecturally compatible with the existing structure. Construction is supposed to be completed in May 2011.



Deeds

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Billerica	685	720	923	961	995	935	1038	1000	1127	1114	1005	957	1091	1122	1061	782	926	811	648	579	637
Carlisle	77	169	139	138	148	114	164	166	164	165	196	175	136	138	141	116	126	114	84	94	96
Chelmsford	722	762	1033	1067	966	897	1109	1158	1247	1045	1032	1094	1131	1018	1192	806	794	811	720	687	648
Dracut	693	718	1021	888	909	826	877	819	900	948	970	1026	1161	1125	1060	780	757	684	574	644	577
Dunstable	106	93	122	97	89	100	97	97	121	130	114	121	121	125	100	75	101	61	59	50	80
Lowell	1459	1346	1610	1771	1787	1889	2021	2014	2316	2401	2488	2487	2576	2920	2998	2339	2343	2065	1726	1654	1536
Tewksbury	720	709	760	812	886	804	893	837	925	903	871	951	879	937	876	625	631	628	540	600	538
Tyngsboro	249	242	265	341	399	394	414	442	466	432	387	383	369	388	326	254	340	325	246	260	244
Westford	520	573	735	734	672	669	779	775	838	783	703	598	777	637	702	463	478	568	471	487	528
Wilmington	501	586	708	649	654	589	660	672	656	628	530	591	606	634	509	440	496	453	372	391	388

Mortgages

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Billerica	1173	1214	1986	2388	1503	1364	1661	1839	3127	2447	2009	3425	4367	5758	3679	3142	2788	2151	1504	1935	1833
Carlisle	169	197	378	522	288	227	294	315	445	349	272	474	656	841	448	369	299	258	244	370	349
Chelmsford	1131	1363	2256	2881	1621	1386	1759	1955	3216	2375	1825	3331	4349	5723	3640	2985	2395	2024	1493	2066	1881
Dracut	950	1004	1629	1742	1178	1075	1228	1432	2202	1947	1620	2830	3378	4698	3246	3043	2389	1742	1220	1490	1353
Dunstable	155	151	253	253	142	158	172	192	316	278	183	359	421	637	337	290	240	194	173	230	224
Lowell	1882	1589	2280	2633	1953	2103	2414	2814	4176	4155	3817	5829	6830	9110	7641	7715	5832	4250	2673	2622	2434
Tewksbury	1203	1778	1861	2159	1375	1217	1471	1631	2668	2103	1629	2998	3716	4885	3103	2631	2125	1681	1221	1689	1486
Tyngsboro	414	388	628	792	637	587	652	787	1194	965	765	1271	1546	2050	1296	1093	984	770	585	760	688
Westford	817	907	1797	2096	1162	1124	1307	1496	2463	1759	1339	2419	3358	4401	2289	1824	1430	1282	1196	1903	1841
Wilmington	758	829	1413	1622	1066	892	1051	1193	1985	1416	1068	2085	2645	3535	2089	1821	1552	1243	930	1370	1297

Foreclosures

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Billerica	23	36	80	56	43	34	29	28	10	11	12	7	4	5	5	9	11	40	55	55	42
Carlisle	8	3	5	3	1	0	2	0	2	0	0	0	0	0	0	1	0	1	1	1	2
Chelmsford	47	50	60	51	61	30	23	18	3	2	4	3	3	2	6	3	9	26	30	24	43
Dracut	38	51	83	95	74	58	41	49	32	21	9	3	3	2	7	8	21	48	66	39	76
Dunstable	6	2	3	4	1	2	1	1	1	0	0	0	0	1	1	0	3	0	1	3	3
Lowell	112	216	343	380	366	220	243	190	116	55	40	24	22	19	32	16	91	271	370	245	325
Tewksbury	13	33	47	40	34	20	24	14	11	5	3	3	4	3	7	2	11	18	26	29	36
Tyngsboro	31	38	87	27	25	18	20	10	8	5	2	1	4	3	7	1	10	12	18	6	22
Westford	16	17	28	29	10	9	6	6	1	1	2	2	3	2	0	1	3	7	15	6	14
Wilmington	10	17	25	16	8	10	10	6	1	1	2	1	2	2	4	0	7	11	20	15	18

TOWN-BY-TOWN RECORDING STATISTICS

