



Date: December 15, 2017

Announcement #2017w-25

Topic: Update to Announcement 2017w-22: Upcoming Recording Fee Change for Refinances – January 1, 2018

## PBM Announcement

Source: PBM Operations

Distribution: PBM Employees

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On November 20, 2017, PBM announced that the California State Legislature passed SB2 (Building Homes and Jobs Act) which establishes a new \$75.00 recording fee (not to exceed \$225 per transaction) on recorded documents (excluding purchase transactions) beginning with recordings on January 1, 2018. This is an update to the November announcement.

### Purchase Transactions:

All purchase transactions are exempt if they are subject to a documentary transfer tax – the exemption applies to the entire transaction, not just the grant deed.

All owner-occupied purchase transactions are exempt even if they are not subject to a documentary transfer tax – the exemption applies to the entire transaction, not just the grant deed.

**Note:** If you need to confirm that your transaction is exempt from documentary transfer tax contact your escrow agent.

### Refinance Transactions:

- ✓ Updated Recording Fee Chart is attached.
- ✓ How to manage increased recording fees:
  - New Refinance Applications - Include the applicable SB2 recording fee to the disclosed recording fee on the loan estimate effective immediately.
  - Existing Refinance Loans in Process – A change of circumstance is required on all refinances that will not be funded and recorded by December 31, 2017. PBM was provided with sufficient material to act on this change on Friday, December 15, 2017. This requires all COC's to be completed by Wednesday December 20<sup>th</sup>.
- ✓ Specific considerations:
  - A \$75 fee will be charged per single transaction **per parcel** unless an exemption applies. Per single transaction means per recorded document – every instrument, paper or notice, not to exceed \$225.00 per transaction.
    - Instruments include: Deed, Grant Deed, Deed of Trust, Substitution of Trustee, Reconveyance, Quit Claim Deed, Assignment of Deed of Trust, Request of Notice of Default, Abstract of Judgement, Subordination Agreement, Release of Discharge, Easement, Notice of Trust Deed Sale, Notice of Completion, UCC Financing Statement, etc.
    - An exemption from paying the \$75 per recorded document fee for a refinance applies when:
      - The \$225 per transaction cap is reached.
        - A refinance transaction would have a minimum of a \$75.00 increase for the Deed of Trust, but could have up to a maximum of \$225.00 increase if several other instruments are required (i.e. the addition of two more instruments like a subordination agreement or quit claim deed).

**Other considerations for Purchases and Refinances:**

- Most counties will require a cover page to designate the existence of an exemption. A cover page may be required for each document. The fee for these transactions will increase for the extra pages. PBM will reflect the additional cost in our recording fee chart for all counties. Documents for purchases will require a cover page showing the exemption. Documents for refinance will require a cover page for a document after the \$225 per transaction cap is reached.
- The existing lender will also have to pay \$75.00 to record its release (reconveyance) of the old deed of trust. Demand statements may reflect this increase.
- Re-recorded documents the new per instrument fee applies. The primary owner occupied exemption may not be allowed.
- Trailing Documents (recorded after and not concurrently with other documents in the transaction) may be charged a \$75 per instrument fee, up to the \$225.00 maximum. The primary owner exemption may not be allowed.
- The placement on the CD is on line E.01 – Taxes and other Government Fees. The SB2 fee will be included with other county recording fees.

All California counties may interpret and implement this rule differently, so there will be more information on this over the next few months. Although it is important to note that we are approaching this assuming that most counties have adopted documentary transfer taxes, which would provide an exemption for all purchase transactions. If you have questions about your specific transaction, contact the escrow or title company directly. Please feel free to contact PBM Operations for general questions.

**Closing Cost Details**

Other Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>E. Taxes and Other Government Fees</b>		\$150.00				
01	Recording Fees Deed: Mortgage: \$150.00	\$150.00				
02	Transfer Tax to Transfer Taxes					
03						
04						
05						
06						
07						

\*The November 20<sup>th</sup> announcement inaccurately stated “excluding purchase transactions”. The exclusion only applies to **primary owner-occupied** purchase transactions.

Attachment: Exhibit A Recording Fee Chart

Borrower

Loan Number

Completed by:

Date

Conventional Deed of Trust 1st (A)				
Mark which documents apply:			Fee Cost	Add applicable fees
Deed of Trust w/no riders	Mortgage	X	\$79	\$ 79.00
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
Condo/or/Pud Rider	Mortgage		\$9	
Trust Rider	Mortgage		\$9	
Arm Rider	Mortgage		\$12	
1 to 4 Family Rider	Mortgage		\$12	
Second Home Rider	Mortgage		\$9	
Manufactured Rider	Mortgage		\$24	
Legal Description Attached (1 page)	Mortgage		\$3	
Santa Clara County-always add	Mortgage		\$10	\$
<b>Mortgage Recording Cost (A TOTAL)</b>				<b>\$ 79.00</b>
Transaction Type (B)				
<b>Purchase</b>				
Grant Deed -Required to transfer title	Deed		\$31	
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
<b>Refinance</b>				
Reconveyance/Lien Release - Required to release current mortgage or other lien(s) (\$28 per lien)	Deed		\$31	
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
<b>Transaction Type (B TOTAL)</b>				<b>\$ -</b>
Additional - Miscellaneous recording docs that may apply ( C )				
Quitclaim/Grant Deed	Deed		\$31	
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
Power of Attorney	Deed		\$31	
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
Legal Description Attached (1 page)	Deed		\$3	
Santa Clara County-always add for any additional document	Deed		\$10	
Notice of Completion (Builder)	Deed		\$28	
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
Builder Forms - contact title for fee	Deed			
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
Subordination Agreement *If it is more than 5 pages take each additional page and multiply that number by \$3 dollars and add to base amount	Deed			
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
Other Document- Must manually calculate fee *Page 1 is \$25 dollars *Each page thereafter is \$3 dollars a page Example: UCC Release or any other additional lien(ie, child support, tax)	Deed			
<b>SB2 Recording Fee (For Refinance)</b>	Fee		\$75	
<b>Deed Recording Cost (C TOTAL)</b>				<b>\$ -</b>
<b>NOTE: The Maximum SB2 Recording fee is \$225.00</b>				
<b>TOTAL RECORDING FEES (A+B+C)</b>				<b>\$ 79.00</b>

As of 12/13/2017

EXHIBIT "A"