



What Changed in the LRA World on December 1, 2004?

On December 1, 2004, Halifax County began using the new land registration system, the ninth county in Nova Scotia to retire the name-based 18th century system. Thanks to all users who worked hard to adjust to these changes, the rollout was flawless. To smooth the way for implementation in the province's busiest registration district, changes were made to several aspects of the system. The following is a summary of the major changes.

Major Amendments to the *Land Registration Act*

Subsection 13(1) – Content of Parcel Register

The contents of this section have been moved to the Administration Regulations to provide greater flexibility if future amendments are required.

Sub-Section 37(3) - Mortgage Conversion Trigger

Previously, lenders were not permitted to mortgage a property until it had been converted. The amendments now permit owners to mortgage their parcels before conversion. **Note, however, that the mortgage will not create a security interest in the parcel being mortgaged until the parcel is registered in the land registration system and the mortgage is recorded under the LRA.** Lenders may not wish to lend prior to parcel conversion.

Section 19A – Easements

The common law rule that the dominant and servient tenements must be held by different owners in order to have an easement has been replaced by the ability for an owner to grant an easement in a parcel for the benefit of another parcel that the person owns.

Section 33 – Rectification

This section has also been removed from the Act and incorporated into the Administration Regulations.

Subsections 18(2A) and 48(3) – Effective Time and Date of Registration and Recording

Amendments to the LRA deem the registration or recording time of a document accepted for registration or recording to be the date and time that the document was indexed at the front counter. This ensures that documents are registered or recorded in sequence and on the day indexed, even if the back counter verification process takes several days and if the documents are processed at the back counter out of sequence. It also eliminates the problems that would have otherwise been created by simultaneous parcel maintenance. As long as documents are indexed in sequence, they will maintain their priority order.

Section 46A – Conversion Agreements

This section permits the Minister (on the advice of the Registrar General) to enter into a written agreement with a land owner to convert a large number of parcels in a set time frame. Typically, a conversion agreement would only be used where transactions would trigger conversion of hundreds or thousands of parcels. With a Registrar General's certificate, the documents may be registered under the *Registry Act* and the conversion of the bulk parcels can take place over an agreed-upon time frame.

Subsection 61(2) – Restrictive Covenants

Owners are now permitted to grant restrictive covenants over their own parcels--this will simplify the placing of restrictive covenants over subdivided parcels.

Land Registration Administration Regulations

The submission of documents to the land registration system and under the *Registry Act* must be done in separate batches with separate payments for each batch. As of December 1, staff can no longer accept batches of documents with a single payment where some are to be submitted under the *Registry Act* and some to the land registration system.

Parcel Description Certification Applications

The requirements for full text descriptions in some instances have been relaxed. Please review section 5 of the Administration Regulations and see the PDCA checklist on the lawyers' User Group Resources page on our web site. This reflects all of the changes effective December 1, 2004.

Note that the provisions for correcting descriptions have been changed as the result of suggestions received since the October 1, 2004 PDCA changes were instituted. Effective December 1, 2004, the "Correcting Description Required" flag can only be set by SNSMR staff. Until the flag is removed, the final form of AFR cannot be submitted by the lawyer.

Applications For Registration

The time for submission of the AFR bundle has been extended to 15 business days year-round.

The December 1, 2004 regulations are posted on the following web site for downloading:
www.gov.ns.ca/snsmr/property/default.asp?mn=282.46.71.72 .

Land Registration Prescribed Forms

There have been minor changes made to many forms which will not affect the method for completing the form or the procedure related to the form, however users should replace all their forms with the new forms on the web site. Forms 24, 25 and 17 have been amended to allow both sides of an easement to be added using one form (the easement benefit may be added to an LR parcel and, on the same form, the burden for the same easement may be added to the servient tenement PID).

Effective December 1, 2004, the only form that requires all owners' signatures is the Form 5 Owner's Declaration Regarding Occupation of Parcel and Residency Status.

The former Form 9 has been removed and replaced

with a different form. The new Form 9 is the notice to an occupier/paper title holder that the paper title holder/occupier has converted the parcel.

Please ensure the new forms are used beginning December 1, 2004. The forms are posted on the following web site for downloading:

www.gov.ns.ca/snsmr/property/forms

Please note that the sample forms on the following web site will be updated for the most commonly used forms and the remainder will be posted over the next few weeks:

www.gov.ns.ca/snsmr/property/default.asp?mn=282.46.71.74.1019 .

Procedural Changes

For existing LR counties where owners' names were once shown as easement benefit holders, the use of owners' names as benefit holders of any type on AFRs or subsequent parcel register updates will be rejected. All benefits must be entered with "Together with" the appropriate benefit interest type, e.g. "Together with an easement benefit" or "Together with a covenant benefit," etc.

The User Group Resources web pages have all been updated to reflect the December 1 changes:
www.servicens.ca/property/registry/usergroupresources

Property Online System Changes

Some system changes are also being made to reflect some requests from users. These changes will be made in December 2004 (not all occurring on December 1, 2004).

Sub-types for some of the Parcel Access types will be added to the AFR. A new interest holder type will be added to the AFR in the benefits and burdens section to accommodate the condominium interests.

The PDCA process is being adjusted to remove the ability for the submitter to flag the application as requiring a correcting description. Only LRO staff can set this flag if the parcel can be located with reasonable accuracy but the description has content errors or if there are discrepancies found between the AFR and PDCA. The corrected description must be submitted **before the final AFR submission**.



Liaison Groups Play a Vital Role in Implementation

To smooth the way for land registration system implementation across the province, local liaison groups have been established in every region to provide valuable feedback on the system's impact in each area. In addition to identifying implementation issues and providing possible solutions, liaison group members share information with fellow professionals and clients in their own community, raising awareness of the new system.

Representatives from professional groups such as Realtors, the banking and lending community, title searchers, lawyers, surveyors, developers and municipal staff have been invited to participate, together with Registry 2000 project team members and staff from the Land Registration Offices.

The Northern Region (Antigonish, Colchester, Cumberland and Pictou Counties) and the Western Region (Annapolis, Digby, Hants and Kings) held liaison group meetings before and after implementation in their regions. Feedback from those meetings paved the way for fine-tuning of the system, forms, legislation and procedures, ensuring that the whole province will benefit from the enhancements. In Halifax, where implementation took place on December 1, the liaison group met twice before implementation to discuss issues of local concern.

Scanning Help

The Property Online Help File has been updated to provide the dates on which scanning was rolled out in each office. Every Land Registration Office in Nova Scotia is now scanning all documents accepted for registration or recording. This links an image of document to the parcel information in Property Online, rather than having a paper copy of the document in the registry vault. Scanning help information is sorted by region and by county and includes the scanning start date, the first scanned document number, and the registration date of the first scanned document. To view, enter the Property Online query screen and click on the Help icon located on the banner at the top of the page.

In the remaining nine counties, where the final round of land registration implementation occurs on March 1, 2005, liaison groups are getting the jump on its preparations. In the Eastern Region, two separate liaison groups met in October, one in Port Hawkesbury and the other in Sydney. A week later, Yarmouth and Bridgewater hosted the Southern Region gatherings. For some, it was a first-time opportunity to receive a detailed overview of the new land registration system. Other members who have conducted transactions in counties already operating in the new system were able to share their experience on how users should best prepare.

If liaison group members in the East and South feel the need, a second set of meetings will be held in February, before rollout. After implementation in Halifax, East and South Regions, the groups will meet again to evaluate the impact of the new system in each area and will have an opportunity to provide feedback on further improvements.

The Registry 2000 project team appreciates the knowledge and experience that each liaison group member brings to the table and extends its thanks to all participants for their role in improving the land registration system across the province.

Who Converts – the Buyer or the Seller?

There has been much debate out there among real property professionals about who is required to convert a parcel that is being sold for value. Many seem to think that the seller *must convert*, but this is not so!

Subsection 37(1) of the LRA says that any owner *may* convert his or her parcel - but this is not a requirement. Subsection 37(2) requires the *buyer* to convert the parcel if the owner (seller) has not converted the parcel prior to the time of purchase.

What this means is that “*Who converts?*” is a matter of contract between the parties. The Agreement of Purchase and Sale governs who does the conversion. In the Counties rolled out to date, the practice has been that the seller assumes responsibility for conversion. But this is still a matter for negotiation – “who converts?” is up to the contract of sale between the parties.

A Document's Life in the Land Registration Office

What happens to a document between the time it is dropped off at the Land Registration Office doorstep and the original is returned to your office? Some of our clients, such as the title searching community, have in-depth knowledge of the processes that documents flow through. Others only see the start and end of the document's registry journey.

Step 1 - Every document lodged with the registry (*Land Registration* and *Registry Act*) is quickly checked to ensure it meets all mandatory recording requirements (e.g. signatures). After this preliminary review, it is indexed at the front counter – the bare essential information is captured so the document can be uniquely identified – and the document indexing information is added to the “Documents in Process” search screen in Property Online (POL). At this stage the document indexing information can be searched remotely using POL. As part of the indexing process, registration fees are processed.

Step 2 - Land Registration documents are then “maintained” – staff makes changes to the Parcel Register as instructed by the lawyer by the form attached to the document. *Registry Act* documents are put through a two-step verification process to add additional document information (e.g. other grantees) and to ensure names are correctly indexed. Once verified, the document information no longer appears in “Documents in Process.” Indexing information about land registration documents is now noted in the Parcel Register and can be retrieved by a PID search. Information about *Registry Act* documents is added to the Registration Index and can be retrieved through a name search.

Step 3 - All documents (*Land Registration* and *Registry Act*) are then scanned. The scanned images are linked to the parcel register or the registration index as appropriate. At this stage the document image is viewable through Property Online. A quality control disclaimer is applied to the scanned image until staff reviews the image to ensure that it is a complete and high quality image.

Step 4 - *Registry Act* documents are passed on to property mappers and technicians to link the document with the parcel and verify ownership and location. This step is no longer required for *Land Registration Act* documents since the Parcel Description Certification Process has confirmed the

PID link for all time and document information is linked to the parcel during Step 2.

Step 5 - *Registry Act* documents that require marking (e.g. Releases of Mortgage, etc.) are separated out and this process is completed before the documents are mailed back to clients.

Step 6 - All original documents are put in client mail slots or mailed back to clients.

As you can see, a document goes through many processes before being returned. With the introduction of scanning, documents are viewable much more quickly and through more access points (“on your desktop” as well as in the vault). In the land registration system, front counter indexing and parcel indexing are more streamlined than under the old system, which reduces delays in viewing document information online as well. Electronic submission of documents will streamline processes further, eliminating delays at the front counter.



Season's
Greetings
from

Everyone at
Registry 2000.

Best wishes for the
holiday season and may
happiness and health be yours
in 2005!

The Nova Scotia Barristers' Society Training Schedule

East and South

Land Registration Act education programs are set to begin in the Southern and Eastern regions to prepare lawyers, assistants and title searchers for the new land registration system (coming March 1, 2005). The three in-person NSBS Education Modules (mandatory for lawyers) are offered in Sydney and Yarmouth.

The Modules must be taken in order, and lawyers must attend Modules 2, 3 and 4 before they will be certified to work in the land registration system. NSBS strongly recommends that assistants and title searchers attend Modules 2 and 3 (Module 4 is restricted to lawyers only).

Sydney, (Delta Hotel)

Module 2

- 1:00 to 6:00 p.m. Monday, January 10, 2005
- 1:00 to 6:00 p.m. Tuesday, January 11, 2005
- 1:00 to 6:00 p.m. Wednesday, January 12, 2005

Module 3

- 1:00 to 6:00 p.m. Thursday, January 13, 2005
- 1:00 to 6:00 p.m. Monday, January 17, 2005
- 1:00 to 6:00 p.m. Tuesday, January 18, 2005

Module 4

- 1:00 to 5:30 p.m. Wednesday, January 19, 2005
- 1:00 to 5:30 p.m. Thursday, January 20, 2005

Yarmouth, (Rodd Grand Hotel)

Module 2

- 1:00 to 6:00 p.m. Tuesday, January 25, 2005

Module 3

- 1:00 to 6:00 p.m. Wednesday, January 26, 2005

Module 4

- 1:00 to 5:30 p.m. Thursday, January 27, 2005

LRA Training for Lenders

In preparation for the December 1, 2004 rollout of the new land registration system in Halifax County, the Registry 2000 team established a new lender training program for staff of the major banks and credit unions. Often the first point of contact in a consumer's property transaction, lenders play an important role in the communication of the land registration changes.

During the initial rollout of the land registration system the lending community indicated that they would do their own training using a power point presentation prepared for them by the Registry 2000 team. Feedback from counties currently operating in the new system indicated the need to augment this with more direct classroom training. With the assistance of the Canadian Bankers' Association, the Registry 2000 team has been able to increase direct communications to lenders by coordinating information sessions specifically for lenders.

The lender training provides an overview of the land registration system, discusses the mortgage trigger under the LRA and reviews how the new system affects closing time lines. For example, the changes made to section 37 (3) of the *Land Registration Act* for December 1, 2004 allow banks to release mortgage funds prior to a parcel being converted to the new system, however such mortgages do not create a charge on the land until the parcel is converted. This allows banks to provide "instant funding" if desired, however lenders must decide if this is a risk they are willing to take. The training also provides an overview of the forms most pertinent to lenders, shows the brochures available for lenders to order for their clients, and reviews the requirements for release of mortgage documents presented to Land Registration Offices.

Training sessions were held from November 29 through December 14 in Halifax. Sessions are planned for the counties in the Eastern and Southern regions prior to the March 1, 2005 implementation. In counties already operating under the new system, lenders have been offered the opportunity to participate in special information sessions.



Land Registration Training Calendar East and South Regions – 2005 (Dates and locations are subject to change)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
January						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17 Subdivision & Surveyor, Port Hawksbury Title Searchers,	18 Subdivision & Surveyor, Sydney	19 Legal Assistant, Sydney Legal Assistant,	20 Legal Assistant, Sydney Legal Assistant,	21 Title Searchers, Sydney	22
23	24 Legal Assistant, Sydney	25 Legal Assistant, Sydney Lawyer, Antigonish	26 Lawyer, Sydney 2 sessions	27 Lawyer, Sydney 2 sessions	28 Legal Assistant, Sydney	29
30	31 Subdivision & Surveyor, Yarmouth					
February						
		1 Subdivision & Surveyor, Bridgewater Legal Assistant, Yarmouth	2 Lawyer, Yarmouth	3 Lawyer, Bridgewater 2 sessions	4 Title Searcher, Bridgewater Legal Assistant, Bridgewater	5
6	7 Legal Assistant, Bridgewater	8 Lawyer, Bridgewater Assessment, Bridgewater	9 Legal Assistant, Bridgewater Registry Staff, Halifax	10 Legal Assistant, Bridgewater Registry Staff, Halifax	11 Legal Assistant, Bridgewater Registry Staff, Halifax	12
13	14	15 Registry Staff, Halifax	16 Registry Staff, Halifax	17 Registry Staff, Halifax	18	19
20	21 Registry Staff, Halifax	22 Registry Staff, Halifax	23 Registry Staff, Halifax	24	25	26
27	28					

MEMORANDUM

TO: Clients – Land Registration Offices/Registries of Deeds

FROM: Peter Kittilsen – Director of Property Registration

DATE: December 20, 2004

RE: **Priority of Documents**

Land Registration Office (LRO)/Registry of Deeds (ROD) staff are committed to ensuring that documents are processed in the order received at the registry so that their priority is protected. We have recently completed a review of our front counter procedures to ensure that we are meeting this requirement. This review identified that some offices, during busy times, have been allowing clients to leave documents for registration without staff having completed the indexing process or having processed the payment and provided a receipt. Staff then has been indexing these documents when they had the time later in the day. This practice can result in a backlog of documents which are at the registry, have not been received (lodged) and which are, as a result, not searchable.

This practice has raised questions about the priority of documents being submitted for registration and recording, particularly in Halifax, where there are a large number of documents submitted each day. The following procedures are being implemented in the Halifax Land Registration Office to ensure that documents are being indexed in priority order and clients must follow these procedures commencing on January 4, 2005:

- A secure mailbox/drop-off box is being placed in the front counter area for the purpose of depositing any documents that do not require immediate indexing for priority purposes.
- A queue for waiting clients is being established and an automatic numbering system is being installed so clients waiting to have documents indexed can be served in proper sequence.
- Clients waiting to have documents indexed on the same day must be in the queue prior to 4:00 p.m. on any business day. Any persons arriving after this time may either deposit their document in the drop-off box or return to the office the next day.
- Front-counter indexing of documents is being closely monitored to ensure that waiting time is not excessive and that clients are able to record their documents on the same day.

- Clients are asked to respect the LRO closing time of 4:30. Anyone wishing to submit a large number of documents for immediate processing should arrive sufficiently early to ensure that the documents can all be processed before 4:30 p.m.

The following guidelines explain the status of documents submitted by mail, courier, or in person to any Land Registration Offices and the process for ensuring priority where required. This policy applies to documents submitted to all LROs and RODs province-wide. Effective January 4, 2005, all clients submitting documents to the Land Registration Office/Registry of Deeds must follow the guidelines for document intake and processing set out below.

1. Time-Sensitive Documents

If the priority of a document is critical and recording/registration is a priority, documents must be submitted in person or by courier and the person bringing the documents to the registry must wait for the documents to be processed and a receipt to be provided. Documents are considered received by, or lodged at, the LRO or ROD only when they have been indexed by staff. These documents will be processed in the order received by staff and the receipt will provide proof of indexing and priority.

2. Documents other than Applications for Registration (AFR)

Each LRO and ROD has a clearly marked “mail box” or drop-off spot for documents (other than AFR bundles) that are dropped off for later processing. All documents dropped off by a courier/client for later processing or sent by mail are not considered received by, or lodged with, the registry until staff index the documents. The drop-off boxes will be emptied at the beginning of each day and the documents processed during the day as time permits. Documents left in the drop-off box will not be registered in any particular order.

3. AFRs and AFR Bundles

The priority of draft AFRs is maintained by the electronic queue when the draft AFRs are submitted. AFR bundles must be separated from other documents prior to being dropped off for recording or registration and should be placed in a separate envelope, clearly labelled as AFR bundles. Each Land Registration Office has set up a dedicated AFR bundle drop-off location. Staff will date-stamp each envelope and will process the AFR bundles within a few business days.

Our service commitment to our clients continues to be to strictly maintain the priority order of the documents received at the front counter while clients/couriers wait for the documents to be indexed and processed. Please take the time to ensure that you have determined whether the documents you are submitting are time sensitive and must be processed while you wait, or if they do not need to be processed in any priority order and can be dropped off for later receipt and indexing. Thank you for your cooperation.

If you have any questions about this information, please do not hesitate to contact the Property Registration help line at 1-866-518-4640.