Automatic Registration Finnish Land Registry and Electronic Mortgages

National Land Survey of Finland

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Statistics of Finland

- 5.4 million inhabitants
  - 15.8 inhabitants per km² (40.5 per square mile)
- 2.7 million real estate units
- 2.6 million buildings and dwellings
- 0.6 million enterprises and corporations
- 3.7 million vehicles
Land information system

- Cadastre
  - NLS and 75 municipalities update the register.
  - NLS maintains the register.
  - One common register since 2005
    - Nationwide coverage
      - Both land and water areas
- Land Register
  - NLS has updated and maintained register since 2010.
- Other Agencies' data
  - Land use plans (municipalities)
  - etc.
Land Register

- Nationwide coverage
- Content of Land Register
  - Titles
  - Mortgages
  - Special Rights
    - Lease Agreements

- All data has negative and positive faith and credit.
  - State of Finland can be obliged to pay compensation for any errors.
Statistics on Mortgages and Registrations

- Mortgages 3,700,000
  - Paper 3,570,000
  - Electronic 130,000
- Value of mortgage instruments more than 300,000,000,000 euros
- Registration Issues 2016
  - Approximately 220,000 applications per year
    - 92,000 Title registration
    - 110,000 Mortgage registrations
    - 20,000 special rights
Why Electronic Property Transaction Service (EPTS)

- Improve availability, quality and provide more customer orientated services for real estate conveyance
- Need for developing web-based services for the citizens
- Pressure to enhance productivity and service capability in state offices
  - Remove overlapping paper processes
  - Utilize fully e-Solutions of other authorities
  - Less manual checks needed
- Provide possibilities for e.g. Banks to improve their productivity (get rid of paper archives)
EPTS in brief

- Web based application which enables electronic transactions related to real estate conveyance
- One ICT-service which includes both real estate transaction and mortgage management systems
- Service was launched in November 1, 2013
- Service provided by National Land Survey of Finland
- Public purchase witness is no more needed
- No separate application once the deed or application is signed by all relevant parties, application will automatically become pending
Main features of the system

- **Deeds**
  - Purchase
  - Donation
  - Barter
  - Agreement of sale
- **Mortgage deed application and transfer**
  - Leasehold transfer application
  - Consents (spouse)
- **Engagements (e.g. Between banks)**
- **Authorization (e.g. Real estate agent or bank)**
- **Automatic registry checks from other registries**
- **Drawing (in UI) of subdivided register unit**
- **Browsing of your own real estate information**
## Electronic conveyancing 2016

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Altogether</th>
<th>Electronic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deeds</td>
<td>n. 69 000</td>
<td>1274</td>
<td>2 %</td>
</tr>
<tr>
<td>Gifts</td>
<td>n. 8 500</td>
<td>192</td>
<td>2 %</td>
</tr>
<tr>
<td>Exchance of Real Estates</td>
<td>n. 1 100</td>
<td>14</td>
<td>1 %</td>
</tr>
<tr>
<td>Pre Contracts</td>
<td>n. 2 000</td>
<td>52</td>
<td>3 %</td>
</tr>
<tr>
<td>Mortgages</td>
<td>72 844</td>
<td>5119</td>
<td>7 %</td>
</tr>
<tr>
<td>Transfer of Electronic mortgages</td>
<td>4 147</td>
<td>1233</td>
<td>30 %</td>
</tr>
</tbody>
</table>
Automatic registration

- Transferring of electronic mortgage
  - Technically possible February 2017
- Applying and granting electronic mortgage
  - June 2017
- Hopefully automatic Title registration 2019
Chances to legislation

- Only forms of mortgage (electronic) is new legislation, mandatory June 2017
  - Easier to convert mortgages
- Electronic conveyancing service has a regulatory ground
  - System can examine all relevant factors affecting the validity of applied right
- Automatic Registration
  - No background in legislation
  - Only interpretation of existing laws
  - Registrar is still public officer in Finnish Real Estate Code
Mass Conversion of Mortgages

1. Analyzing test data
2. Overlapping Analysis
3. Main Conversion
4. Supplemental Conversion

- 3/2016
- 3/2017
- 10/2017
- 1-12/2018
Information about the National Land Survey of Finland

Facebook, Twitter, customer magazine Tietoa Maasta, electronic newsletter Lohkaisuja Maasta, blog Plokkauksia maasta, www.nls.fi