

MINNESOTA CODE OF AGENCY RULES

RULES OF THE BOARD OF ABSTRACTERS

1982 Reprint



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BOARD OF ABSTRACTERS

Licensing Requirements and Code of Ethics for Abstracters

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BOARD OF ABSTRACTERS
LICENSING REQUIREMENTS AND
CODE OF ETHICS FOR ABSTRACTERS

§ 5.001 **Abstracter's liability insurance policy.** Liability policies as provided pursuant to Minn. Stat., § 36.66 must be written by an insurer authorized to do business in the State of Minnesota. Adopted: January 16, 1958.

§ 5.002 **Change of name on license.** A change of name on a license must be accompanied by payment of \$50.00 even though an examination may be waived.

§ 5.003 **Definitions.** For the purposes of these rules and regulations, the terms:

A. "Abstract of title" shall mean a compilation in orderly arrangement of the materials and facts of record affecting the title to a specific piece of land, issued under a certificate certifying to the matters therein contained.

B. "Abstract office" shall mean a place of business wherein abstracts of title are made and compiled.

C. "Board" shall mean the Minnesota Abstracters' Board of Examiners.

D. "Licensed abstracter" means any official, person, firm or corporation obtaining licenses pursuant to the terms of Minn. Stat. §§ 386.61 to 387.76 (1976); and includes (1) present duly qualified and acting county recorders not now prohibited by law from the business of making abstracts; (2) any person, firm or corporation engaged in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the State of Minnesota, whether registered or not.

§ 5.004 **Meetings.** The board shall hold its annual meeting on the 1st Tuesday in May of each year. Examinations shall be conducted by the board or its authorized representatives at each annual meeting. The board may schedule an emergency meeting and conduct an examination for good cause shown for any applicant upon 30 days written notice to the applicant and board members. The board may hold special meetings at such other times as may be necessary and as it may determine. All meetings shall be called by the secretary-treasurer.

§ 5.005 **Employing licensed abstracters.** Every person, firm or private corporation engaged in the business of abstracting in one county only shall have in its employ a person who is a licensed abstracter. Every person, firm or private corporation engaged in the business of abstracting in more than one county in this state shall have at least one person who is a licensed abstracter for each county in which it maintains an abstract office, provided that no person may satisfy this requirement for more than one abstract office. No

licensed abstracter may fulfill the requirements of this section for more than one company at any one time. Every person, firm or private corporation engaged in the business of abstracting shall comply with the requirements of this section within six months after the effective date of these regulations.

§ 5.006 Temporary license. The board may, upon application to it by any person succeeding to the ownership of any abstract business by any means other than by purchase, or any person, who by reason of the incapacity of any licensed abstracter owner of any abstract business, is required to assume the operation of such abstract business, grant to such person, without examination, a temporary license. Each application for a temporary license shall be accompanied by an affidavit setting forth the applicant's name, address, occupation, length of and place of employment, and his experience in preparing, compiling, and selling abstracts of title. The fee for such temporary license shall be \$25.00. Such license shall expire six months after its date or upon the expiration of 60 days after the next regularly scheduled examination which could be taken by the applicant, whichever period is longer. The board shall notify such applicant by mail of the time and place of such examination.

§ 5.007 License required. No person, firm or private corporation shall engage in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the State of Minnesota, whether registered or not, without first obtaining a license and a bond or abstracter's liability insurance policy pursuant to Minn. Stat. §§ 386.61 to 386.76 (1976) for each county in which he is doing business as an abstracter.

§ 5.008 Disclosure. Every abstract of title to real property in the State of Minnesota shall contain the following disclosure affixed to or stamped on a prominent place on the abstract of title:

"This abstract of title is a history of the record title of the property described therein and does not represent that the title is good and marketable."

§ 5.009 Fraudulent, deceptive or dishonest practices. The methods, acts and practices contained herein or similar thereto shall be presumed fraudulent, deceptive or dishonest if engaged in by the abstracter or his agent and shall constitute grounds for denial, suspension or revocation of the license of the abstracter:

A. Making any material misstatement in the application for a license or in any information furnished to the board;

B. Causing to be published advertising, whether written or printed communication or any communication by recorded telephone message, radio, television, picture or similar means, which is misleading or inaccurate in any material manner;

C. Procuring, or attempting to procure, an abstracter's license for themselves or any person by fraud, misrepresentation or deceit;

D. Violating any law, rule, regulation or ordinance of this state or any of its political subdivisions, including the State Board of Abstracters, or the United States Government, or any agency thereof relating to the practice of abstracters;

E. Making a false statement as to the existence or amount of the bond or abstractor's liability insurance policy filed with the board;

F. Representing that he has a license or bond or abstractor's liability insurance policy when he, in fact, does not;

G. Falsifying an abstract of title, or any entry therein, or the certification of an abstract;

H. Engaging in any other conduct which constitutes dishonest actions in his practice as a licensed abstractor which endangers the interest of the public;

I. Nothing contained herein shall limit the authority of the board to take formal action against an abstractor for the use of fraudulent, deceptive or dishonest activities of a type not specifically described herein.

§ 5.010 Standards of conduct. The methods, acts, or practices set forth herein shall be standards of conduct governing the activities of abstracters under this section. The failure to comply with said standards shall constitute grounds for denial, suspension or revocation of the license of such person, or censure of said abstractor. Abstracters shall:

A. Refrain from using his name or certification on an abstract, the preparation of which he was not directly responsible for;

B. Refrain from engaging in any discriminatory practices prohibited by law in the conduct of his business;

C. Employ competent abstracters and employees;

D. Provide proper training and instruction for all employees;

E. Refrain from splitting fees, accepting or paying referral fees for abstracting services.