

Automatic Registration Finnish Land Registry and Electronic Mortgages

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The Land Information System contains real estate and boundary data. The real estate section of the record details the unit's total surface area as well as all applicable rights and liabilities. The Land Information System is jointly maintained by the National Land Survey of Finland and local authorities.

The Land Information System's legal record provides information on ownership and any mortgage liabilities and restrictions. This data in the Title and Mortgage Register is maintained nationwide by the National Land Survey of Finland.

1. Land Information System

There are over 2.6 million real estate units in the Land Information System. Only one per mil of units are without registered owner. It is possible that the owner has been registered in the old district court decisions but information is not in the electronic form. Also 10 percent of owner personal or business identity codes are missing from the register. Only names are registered. The Land Survey of Finland continues improving data quality.

2. Electronic Property Transaction System

The National Land Survey of Finland maintains also the Electronic Property Transaction System. In this system the deed off real property can be made in the totally electronic form. The system has interfaces to all relevant key registers and information, which is needed in the deed, will be automatically verified registers. Land register authorities do not need verify information anymore, like in the normal land registration process in which the deed is a paper document.

The Finnish key registers are generally taken to comprise the Population Information System (PIS), the Land Information System (LIS) and a number of business information systems.

The Population Information System contains basic information about Finnish nationals and non-nationals permanently resident in Finland. The business information system contain basic information on all businesses and other organisations in Finland. They comprise the Trade Register, Register of Foundations and Register of Associations maintained by the Finnish Patent and Registration Office. The Electronic Property Transaction system prevents electronic signature if there no connection to other authorities registers.

3. Electronic Mortgages

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There are 3.5 million written mortgages in Finland. In the beginning of November 2013 it has been possible to use electronic mortgages. In this moment only 100 000 of mortgages are electronic form. Therefore Finland made some changes to legislation, that it is easier to convert written mortgage to the electronic and it is also mandatory to use electronic form.

The first of June 2017 only electronic mortgage is valid in new mortgages. Old written mortgages are valid, but after 2020 written mortgage cannot be a security in new debts. The legislation has no retroactive effects to old agreements. The digitalization is not enough rapid, if it is only based to markets own accord. Therefore compulsory legislation is also needed.

4. Electronic mass conversion of mortgage deeds

The aim in new legislation is to change process to digital form. NLS has a project in which we are planning to convert mortgages in co-operation with banks only comparing data. It is estimated that over 2 million mortgages can be converted to electronic form.

Almost all of Finnish banks have realized the conversion is also their own interest. And they willingly take part to co-operation. This is one part digitalizing whole customer process.

5. Automatic Registration in the Land Registry

It is possible to use automatic registration in the transferring electronic mortgages from the holder to another. Next step to use automatic registration is granting normal mortgage in next autumn. Final goal is in the late of 2019. At that time automatic registration will be used in the normal title registration. Naturally the deed must be signed in the EPTS. The system can make whole title investigation, which is regulated in the Real Estate Code. The new legislation was not needed only new interpretation to old provisions. If all relevant facts can be investigated by machine there are no obstacles to automatic registration.