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## Real Estate Alert

### ***New law expedites the process of recordation of documents in the Registry of Property of Puerto Rico***

On December 27, 2010, the Governor of Puerto Rico signed into law Act No. 216 (the "Act") in order to bring up to date the Registry of Property (the "Registry") by expediting the recordation of certain documents filed in the Registry on or before April 30, 2010. The Act also establishes a deadline for the recordation of all documents filed in the Registry which are exempt from the Act or that were filed after April 30, 2010.

The Act's pertinent provisions are summarized as follows:

#### **Documents Recorded by virtue of the Act**

All documents filed in the Registry on or before April 30, 2010 are automatically recorded by virtue of the Act, with the exception of the following:

- Documents performing segregations, groupings, additions (*agregaciones*), rectifications of area or which describe the remnant of a property;
- Documents dealing with expropriations or judicial proof of ownership (*expedientes de dominio*);
- Documents to constitute Horizontal Property Regimes;
- Documents that are subject to the recordation of any of the transactions contained in the documents listed above, as well as any document filed in the Registry after the effective date of the Act; and
- Documents that have been notified by the Registry, have expired or are in the process of being reconsidered.

The documents recorded by virtue of the Act will be particularly identified by the Registrar as recorded in accordance with the provisions of the Act.

#### **Term for the Recordation of Exempted Documents**

The Act also establishes a non-deferrable term of 2 years commencing on February 10, 2011, the effective date of the Act (the "Effective Date"), for the Registrar to record all documents not recorded by virtue of the Act. Moreover, documents filed on or after May 1, 2010 must be recorded within a non-deferrable term of 90 business days from the Effective Date. Failure to comply with these terms for reasons attributable solely to the Registrar will result in disciplinary actions against the Registrar.

### Presumption of Correction

The recordation of documents pursuant to the Act is presumed correct. The correction of any error shall be performed as provided by the Puerto Rico Mortgage and Registry of Property Act, Act No. 198 of August 8, 1979, as amended, and its corresponding regulations. Furthermore, the fees consigned with the documents recorded pursuant to the Act are deemed correct and are automatically cancelled.

Except in cases of fraud and acts contrary to law, the statute of limitations of any claim against the authorizing Notary of a document recorded by virtue of the Act arising from an error caused by or due to the recordation of documents pursuant to the Act is one (1) year from the date of recordation.

The Secretary of Justice has 40 days from the date of approval of the Act to adopt a regulation for its implementation.

If you have any questions, you may call the following attorneys, members of our Real Estate & Finance Practice Group:

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