

Implementation and advantages of electronic mortgage

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1. Related legislation

The Article 26 of Act No. 2644 on Land Register amended in 2009 as to include the exceptions concerning the requirement of issuing formal deeds on mortgage transactions.

In accordance with the aforementioned amendment, the requirement of issuing formal deeds before title deeds registry offices for mortgage transactions of the immovable properties which are shown as collateral against the credits to be issued by public institutions and corporates, banks, Armed Forces Assistance Fund, Merchants and Craftsmen Loan and Bail Cooperatives is terminated and; title deed registration for credit or debt contracts before the title deeds registry offices would be considered enough.

The Land Registry Department under the Ministry of Environment and Urbanisation General Directorate of Land Registry and Cadastre announced an amendment on 03.03.2009 and it is indicated that the approval of mortgage transactions for agricultural loans to be issued by Armed Forces Assistance Fund, Tradesmen and Artisans Loan and Bail Cooperatives, Agricultural Credit Cooperatives and Ziraat Bankası could be performed electronically, if requested by the relevant institutions. Therefore, first step towards the implementation of electronic mortgage achieved by abolishing the requirement of being present before the land registry offices.

Following the corresponding notice, the Directorate signed a Protocol on Electronic Mortgage Abandonment Procedures with Ziraat Bankası regarding the implementation of electronic mortgage cancellation. Likewise, through the "Electronic Mortgage Establishment Protocol" signed between the Directorate and the Agricultural Credit Cooperatives Central Union of Turkey, the obligation to be present before the title directorates has been demolished and therefore electronic mortgage arrangements have been started to be used by this institution for agricultural credit mortgages.

2. Advantages brought by the implementation of electronic mortgage and latest stage reached in practice

It is obvious that pursuing mortgage transactions for all loans to be issued by the above mentioned institutions are simplified to a considerable extent by electronic mortgage system. Indeed, pursuant to the corresponding regulations, the requirements of issuing formal deeds and being present before the land registry offices have been abolished and therefore the establishment and the cancellation of mortgage can be easily provided in an electronical environment.

Implementation of the electronic mortgage system is limited with the signed protocols. Through the development of the new system, supplying the necessary infrastructure and creating an encouraging implementation, the electronic mortgage system is expected to become a commonly and efficiently used method which makes easy the transactions with regards to the establishment of mortgage by several institutions and organizations.

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