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Chicago's Cook County to Test Bitcoin Blockchain-Based Property Title Transfer

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Through an exclusive partnership with real estate tech startup [Velox.re](#), Chicago's Cook County will test the use of the Bitcoin blockchain for transferring and tracking property titles and other public records. The Cook County Recorder's Office is the second largest such office in the United States, and it will be the first in the country to experiment with blockchain technology.

Specifically, the office will be testing blockchain applications of property title transfer and a system for filing liens; compatibility between a blockchain and a traditional, server-based setup; fraudulent use prevention and conveyances of vacant property in Chicago.

In addition to Velox.re and the Cook County Recorder's Office, the International Blockchain Real Estate Association (IBREA), Armour Settlement Services, and global law firm Hogan Lovells are involved with the closed pilot project.

The project was first announced by Velox.re Founder and CEO Ragnar Lifthrasir on Wednesday at the MIPIM PropTech Summit, which is part of New York City Real Estate Tech Week 2016.

Velox.re's own implementation of the open assets protocol, which is a version of the colored coins concept, will be used to test these various use cases, making this an implementation where the public Bitcoin blockchain (not a permissioned ledger) is being used.

"Real estate blockchain initiatives in other countries have used a private blockchain as an improved database of some existing land records," Lifthrasir told *Bitcoin Magazine*. "This was a great first step."

"Our pilot program takes things further. Velox.re is using Bitcoin [blockchain]. We're using it to actually convey property and register liens. We're performing high value transactions on the blockchain. Cook County will enter these into the government public record. This is the first time this has been done in the U.S. or [anywhere else in] the world."

Earlier this year, the government of Vermont released a report regarding the potential use of blockchain technology for public record keeping.

Cook County Ready to Test the Blockchain

According to Deputy Recorder of Deeds for Communication and IT, John Mirkovic, the Cook County Recorder of Deeds Office has been watching blockchain technology closely as a potential next-generation land records system. “We are excited to partner with a group that is actually interested in how this technology can work in real world situations,” said Mirkovic. “A blockchain-based public record is where you would start if you were to create a public land record from scratch, and that’s why I’m so interested in seeing this take a foothold in the United States.”

Lifthrasir, who also founded the International Blockchain Real Estate Association, says Velox.re’s software can help reduce fraud while also simplifying and the lowering the costs associated with property records. “John and his team are leading the way for other government agencies in the United States,” he added.

According to a press release from the Cook County Recorder of Deeds, the office has identified three aspects of blockchain technology that make it a viable option for their activities: a permanent, immutable public record that is immune to well-funded nation-state attacks; a path towards paperless land transfers and so-called “e-deeds”; and reduced costs for offices across the country that want to upgrade electronic document processing systems. “These features can make real estate more liquid and transactions more seamless and secure,” added the press release.

More Help from Others

IBREA will help get local individuals involved with the pilot program on the ground. The organization, which advocates for the use of the blockchain for various real estate-related purposes, will specifically target those with a stake in the local real estate industry. “We’re looking forward to bringing investors, developers, and community members to participate in these blockchain based

transactions,” said IBREA Chicago Chair Sead Odzic.

Tali Raphaely, President of Armour Settlement Services, a nationwide title and settlement services company also commented, “[we are] very excited to be a part of this pioneering effort, and honored to help create an immutable database that will help reduce the likelihood that property owners and investors spend money on properties that can never be occupied or conveyed.”

What Happens Next?

It’s important to remember that this is simply a pilot program, and the Cook County Recorder’s Office will need to reflect on the results of the project after a testing period. During this same time, IBREA will work to advocate for changes to laws in Illinois that could create an easier path towards the adoption of blockchain technology for these sorts of use cases.

The findings of this experimental project will be presented at the second annual IBREA conference, which is planned for March 2017.



by Kyle Torpey

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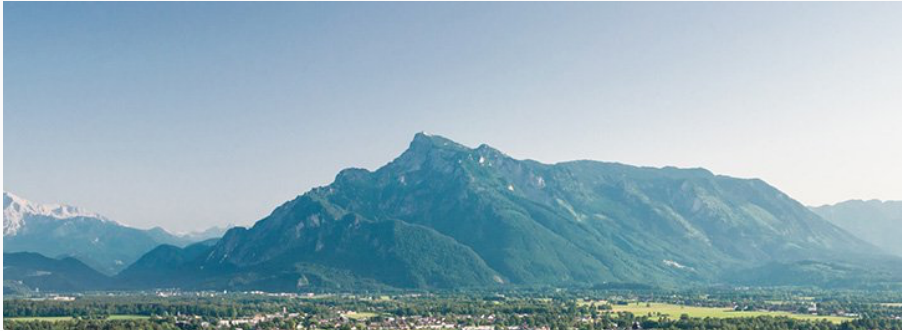
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