



## **BOARD MEETING MINUTES**

**Iowa Title Guaranty  
Des Moines, Iowa  
December 1, 2020**

### **TELEPHONIC MEETING**

#### **Board Members Present**

Chuck Winkleblack, Chair  
Daniel Seufferlein

Judy Hilgenberg, Vice-Chair  
Jason Froehlich  
Sarah Pesek

#### **Board Members Absent**

None.

#### **Staff Members Present**

Lindsey Guerrero, Director, Iowa Title Guaranty  
Debi Durham, IEDA/IFA Executive Director  
Rita Grimm, Chief Legal Counsel  
Doug Mizer, Legal Counsel  
Rachel Pettit, Operations Manager  
Matt Veldey, Senior Commercial Attorney  
Kevin Blackman, Senior Residential Attorney  
Ethan Murray, Commercial Attorney  
Katherine Smith, Residential Attorney

Dillon Malone, Claims Attorney  
Deb Franklin, Business Relationship Manager  
Emily Stokes, Compliance Officer  
Mary Brucker, Training Specialist  
David Morrison, Accounting Manager  
Heidi Koll, Participant Program Administrator  
Kim Praska, Commercial Services Specialist  
Rachel Buckingham, Production Specialist  
Carrie Nutt, Sr. Production Specialist  
Steven Crouse, Production Specialist

#### **Others Present**

Jan Gemar, ILTA  
Zach Ruroden, ILTA

Kelli Bachman, Boone Real Estate  
Services, L.L.C., d/b/a Abstract and Title  
Services of Boone County

#### **Call to Order**

Due to COVID-19, the December 1, 2020 meeting of the Iowa Title Guaranty Board of Directors was held via telephone. Chairman Winkleblack called the meeting to order at 10:31 a.m. Roll call was

taken, and a quorum was established with the following Board Members present: Chairman Winkleblack, Vice-Chair Judy Hilgenberg, Dan Seufferlein, Jason Froehlich and Sarah Pesek.

**Action Items**

**Review and Approval of September 1, 2020 Board Meeting Minutes**

**MOTION:** On a motion by Ms. Hilgenberg and a second by Mr. Seufferlein, the Board unanimously accepted the September 1, 2020 Board Meeting Minutes.

**New Business**

**ITG 20-07 – Transfer of Funds**

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 20-07. The proposed transfer would be in the amount of \$500,000.00 to Iowa Finance Authority’s (IFA) housing assistance fund. Mr. Morrison requested board action on Resolution ITG 20-07.

**MOTION:** On a motion by Mr. Froehlich and a second by Ms. Hilgenberg, the Board unanimously approved ITG Resolution 20-07.

**Provisional Title Plant Waiver Application W20-1 for Boone Real Estate Services, L.L.C., d/b/a Abstract and Title Services of Boone County: Written Ruling**

Mr. Mizer presented the Application for Provisional Title Plant Waiver (the “Application”) submitted by Boone Real Estate Services, L.L.C. doing business as Abstract and Title Services of Boone County (“Applicant”) on August 28, 2020. Mr. Mizer pointed out that the Applicant applied for a provisional waiver for a period of one year rather than a permanent title plant waiver.

Mr. Mizer summarized the relevant facts leading to the Application’s submission. Next, Mr. Mizer summarized the Applicant’s justification of the application for a provisional title plant waiver for Boone County. Mr. Mizer stated it was ITG’s opinion that the Applicant established a hardship under Iowa Code §16.91(5)(b). The operational disruptions brought about by the COVID-19 pandemic were cited as primary factors in concluding a hardship existed. Mr. Mizer then stated that it was ITG’s finding that granting the title plant waiver is in the public interest, as Applicant’s continued operation in Boone County would increase competition, keep consumer costs stabilized, and allow Applicant to continue serving a significant portion of the Boone County market. Therefore, it was the Director’s recommendation that the Board approve Boone Real Estate Services, L.L.C.’s Application for a provisional title plant waiver for a period of one (1) year from the date of the Written Ruling presented to the Board.

**MOTION:** On a motion by Mr. Froehlich and a second by Mr. Seufferlein, the Board unanimously approved Provisional Title Plant Waiver Application W20-1 for Boone Real Estate Services, L.L.C., d/b/a Abstract and Title Services of Boone County, for a period of one (1) year from the date of this Written Ruling.

## Discussion and Informational Items

### Financial Report

Mr. Morrison presented an overview of the financials for October YTD:

- ITG operated favorable to budget through the start of the second quarter of FY21. Operating revenue was \$1,646, or 64.6% above budget, and 52.3% above last year's budget. Operating expense was \$410, or 18.6% unfavorable to budget, and 37.9% unfavorable to last year's budget. The majority of that was related to professional services and incentive payments paid to ITG participants.
- Employee expenses were favorable to budget \$35 and Other Expenses were favorable to budget \$58. This was due to \$23 in lower facility allocations. Employee expenses were offset by unfavorable Professional Services (\$503), primarily related to higher incentive payments.
- Iowa Title Guaranty Transfers to the Housing Assistance Fund are on track with budget.
- Net Operating Income After Grants (NOIAG) is \$1,237 favorable to budget and \$534 favorable to last year.
- Commitments increased 5% (\$2.870M vs. \$2.734M) compared to September, while outstanding receivables increased 26% in October (\$365K to \$289K primarily in >30 days, 30>60 days, and 60>90 days aging).
- Iowa Title Guaranty issued 44.7 commitments FYTD October compared to 29.3 in FY20 and 36.3 certificates FYTD October compared to 30.2 in FY20.

### Business Relationship Update

Ms. Franklin reported that the Iowa Title Guaranty Team has had a full event calendar from September 1 through November 30, 2020:

- In September, ITG Commercial Services Officer, Sam Askland, and Director, Lindsey Guerrero, attended the CREW presentation: "Iowa's Road to Recovery" presented by IFA/IEDA Executive Director Debi Durham.
- In October, ITG's Legal Counsel, Doug Mizer; Operations Manager, Rachel Pettit; and Director, Lindsey Guerrero; participated in the ATRA – London Reinsurance Marketplace Update with title insurance professionals from around the United States, Canada, and Europe.
- ITG Residential Underwriting Attorney, Katherine Smith, attended the virtual ALTA One Conference from October 6–8, 2020. This conference included a CLE session on 2021 ALTA Policy Forms.
- In October, the American Land Title Association selected ITG Senior Commercial Attorney, Matt Veldey, as a voting member of the ALTA Forms Committee.
- Iowa Title Guaranty's Director, Lindsey Guerrero, presented on the upcoming ITG Policy Updates for Abstractors to the Iowa Land Title Association.
- In November ITG sponsored the CREW virtual luncheon, "Elevate your Engagement: Leading the Five Types of Peoples Remotely and On-site" by Dr. Sherene McHenry.

Looking forward to December, ITG plans to sponsor the Iowa State Bar Association's Bloethe Tax School, which will take place Dec. 2–4, 2020.

Iowa Title Guaranty continues to promote awareness of its “750 Bright Line” Policy effective January 1, 2021.

### **Claims Update**

Mr. Malone reported that ITG claims reserves as of November 9, 2020 are now \$424,919.13. Mr. Malone reported that ITG has paid out \$11,974.87 in claims in FY21. As of the date of the report ITG had 40 pending claims, with 3 in recoupment only status.

Mr. Malone reported that ITG has received 14 claims since July 1. Mr. Malone reported 22 claims have been resolved since that date. Mr. Malone noted that as of the meeting date, ITG has received 17 claims and resolved 25.

Mr. Malone explained that overall claims are down from last year. Claims continue to primarily arise due to issues with the drafting or execution of the vesting deed or guaranteed mortgage and breaks in the chain of title.

### **Mortgage Release Update**

Mr. Blackman reported that ITG received 139 mortgage release requests through October 2020. He stated that 72 of the requests were in conjunction with the Rapid Certificate program (52%), 67 requests included the \$200 fee (48%), and 134 releases were filed. Mr. Blackman noted these are record numbers, as the 2020 numbers are almost double the 2019 numbers. This is a result of both the number of refinances as well as the frequency of refinances due to low interest rates. Mr. Blackman reported that since inception, 6,881 mortgages have been released through this program.

### **Commercial Update**

Mr. Veldey reported that the ITG Commercial Team continues its efforts to be visible and promote Iowa Title Guaranty as mentioned in the Business Relationship update. ITG Commercial has also been extremely busy with commitments and closings. The high level of activity is due to industry efforts to begin construction before winter, and low-income housing tax credit deadlines.

Mr. Veldey reported that the Commercial Team of Sam Askland, Ethan Murray and Kim Praska has done an outstanding job executing closings in a timely manner and managing challenges while working remotely. Additionally, Sam Askland and Ethan Murray have spent significant time testing the commercial functionality of the Qualia software platform to provide feedback and ensure it meets the commercial department’s needs.

Mr. Veldey reported that he continues to attend ALTA Forms Committee meetings online.

### **ITG Director Update**

Ms. Guerrero provided an update regarding the Qualia platform development. The launch date has been postponed to allow additional time for development and testing. Throughout October, ITG

staff members vigorously testing an alpha version of the platform. ITG is working with Qualia to scope platform requirements based on the testing findings to ensure the final platform meets the needs of Iowa's land title system and ITG's participants. Director Guerrero expects this process to continue through December. Director Guerrero also stated an adjusted timeline would be unavailable until the scoping process was complete.

Director Guerrero reminded the Board that the 750 Bright Line Policies as well as the new Minimum Abstract Standards shall be effective January 1, 2021. Director Guerrero indicated that ITG has been developing MNL Search Guidelines at the request of participating abstractors and intends to release them mid-December 2020.

Over the last year, ITG discovered four delinquent title plants and developed title plant corrective action plans to ensure remediation. One participant has successfully remediated its plant. Two participants have applied for provision title plant waivers. The fourth participant was unable to remediate its title plant within the required timeframe and was therefore inactivated as an ITG participant. The fourth participant did not submit a provisional waiver application because it believes it can remediate its plant by March 2021, prior to the next ITG Board meeting. Once current, this participant can apply to renew its participant status.

### **IEDA/IFA Executive Director's Update**

Executive Director Durham congratulated Director Guerrero for her leadership and onboarding efforts of new employees in the midst of record production numbers and the pandemic.

Executive Director Durham provided the following information to the Board:

- Reboarding of all IEDA/IFA staff will begin January 18, 2021.
- 1963 Bell Avenue is being remodeled to include offices for the Insurance Commissioner, training facilities with a separate entrance, and converting Helmick into a formal Board Room.
- IEDA/IFA has distributed approximately \$300M in relief funds for the CARES Act. Specifically, \$37.4M has been distributed through the Eviction and Foreclosure Program, which has assisted 11,656 renters and 533 homeowners to date.
- IEDA/IFA has been responsible for distributing funds to Iowa Legal Aid and other partners that have assisted with the Eviction and Foreclosure Program.
- IEDA/IFA is also running the Small Business and Residential Utility Disruption Program.

Executive Director Durham announced that IEDA/IFA took a lead role in developing the proposal to the Legislature for the Housing Omnibus Bill, which is included in the Governor's Economic Recovery Plan. This includes supportive housing for the homeless, increased tax credits for workforce housing for the next three years, and a recommendation that the state run a low-to-moderate income tax credit program.

### **Public Comment**

There was no comment from the public.

**Adjournment**

**MOTION:** On a motion by Ms. Hilgenberg and a second by Mr. Froehlich, the December 1, 2020 Meeting of the ITG Board of Directors adjourned at 11:21 a.m.

Dated this 2<sup>nd</sup> day of March, 2021.

Respectfully submitted:

Approved as to form:



Lindsey A. Guerrero  
Director, Iowa Title Guaranty



Charles Winkleblack  
Board Chair, Iowa Title Guaranty

