



IOWA TITLE GUARANTY

BOARD MEETING MINUTES

**Iowa Title Guaranty
Des Moines, Iowa
December 3, 2019**

Board Members Present

Chuck Winkleblack, Chair	Judy Hilgenberg
Daniel Seufferlein	Sarah Pesek
Jason Froehlich (via phone)	

Board Members Absent

None.

Staff Members Present

Lindsey Guerrero, Director, Iowa Title Guaranty	Ethan Murray, Commercial Attorney
Kristin Hanks-Bents, General Counsel/Legislative Liaison	Doug Mizer, Residential Underwriting Attorney
Steve Harvey, Accounting Director	Rachel Pettit, Audit Specialist
David Morrison, Accounting Manager	Faith Baker, Senior Production Specialist
Deb Franklin, Business Relationship Manager	Kim Praska, Commercial Services Specialist
Kevin Blackman, Residential Underwriting Attorney	Heidi Koll, Participant Program Administrator

Others Present

Zach Ruroden, ILTA
Dean Hoag, Community Title
Sandy Guy, Community Title

Call to Order

Chairman Winkleblack called to order the Meeting of the Iowa Title Guaranty (ITG) Board of Directors, December 3, 2019 at 10:30 a.m. Roll call was taken, and a quorum was established with the following Board Members present: Chair, Chuck Winkleblack and Members Judy Hilgenberg, Dan Seufferlein, and Sarah Pesek. Jason Froehlich participated by phone.

Action Items

Review and Approval of August 6, 2019 Board Meeting Minutes

MOTION: On a motion by Mr. Seufferlein and a second by Ms. Hilgenberg, the Board unanimously accepted the August 6, 2019 Board Meeting Minutes.

New Business

ITG 19-04 - ITG Commercial Endorsements

Mr. Murray presented the Single Tax Parcel and ID (ALTA Endorsement 18.3-06), Zoning – Completed Improvement – Non-Conforming Use (ALTA Endorsement 3.3-06) and Zoning – No Zoning Classification (ALTA Endorsement 3.4-06) as outlined in Resolution ITG 19-04. The ALTA Endorsements will more efficiently meet the needs of ITG Commercial customers and appropriately manage risk for ITG. ITG did not receive any negative comments regarding the adoption of the proposed ALTA Endorsements.

MOTION: On a motion by Mr. Froehlich and a second by Ms. Pesek, the Board unanimously approved ITG Resolution 19-04.

ITG 19-05 - ITG Residential Endorsement Single Tax Parcel ID

Mr. Blackman presented the ALTA Single Tax Parcel and ID Endorsement. The Endorsement is a variation on the existing ALTA Endorsement currently in use by ITG, providing a field specifically for the tax parcel ID number associated with the property. As a result, the tax parcel ID is easily visible in the endorsement itself. Mr. Blackman recommended the Board adopt the ALTA Single Tax Parcel and ID Endorsement.

MOTION: On a motion by Mr. Seufferlein and a second by Ms. Hilgenberg, the Board unanimously approved ITG Resolution 19-05.

ITG 19-06 - ITG Residential CPL

Mr. Blackman presented the 2019 ALTA Closing Protection Letter – Single Transaction form as outlined in Resolution ITG 19-06. Mr. Blackman explained that the form streamlines the existing features of the Closing Protection Letter and clarifies the coverage provided, as well as key terms and exclusions and provides provisions for ITG to investigate claims. Mr. Blackman recommended the Board adopt the 2019 ALTA Closing Protection Letter – Single Transaction form for use by ITG on residential transactions.

MOTION: On a motion by Ms. Hilgenberg and a second by Ms. Pesek, the Board unanimously approved ITG Resolution 19-06.

ITG 19-07 – Transfer of Funds

Mr. Harvey presented the proposed transfer of ITG funds outlined in Resolution ITG 19-07. The proposed transfer would be in the amount of \$500,000.00 to Iowa Finance Authority's (IFA) housing assistance fund. Mr. Harvey requested board action on ITG 19-07.

MOTION: On a motion by Mr. Seufferlein and a second by Ms. Hilgenberg, the Board unanimously approved ITG Resolution 19-07.

Discussion and Informational Items

Financial Report

Mr. Harvey reported that ITG operated favorably to the budget for the first four months of 2020. Operating revenue was 0.2% below budget but 7.5% above last year, while operating expense was 17.8% favorable to budget and 3.1% favorable to last year. Employee expense and professional services account for this variance. The transfers to the IFA Housing Assistance Fund will bring the budget back in line. Net income is exceeding the budget, again, because of employee expense.

Commitments issued thus far are substantially higher than this time last year. As a result, we expect revenue for this year to be higher.

Mr. Harvey introduced David Morrison, Accounting Manager, as the person who will be responsible for ITG accounting and financial reporting.

Business Relationship Update

Ms. Franklin reported that the Iowa Title Guaranty Team attended multiple events across the state, networking with realtors, lenders and participants to promote Iowa Title Guaranty, ITG's partnership with Qualia Labs, Inc., and ITG's new educational materials. She summarized the events as follows:

Ms. Franklin and Director Guerrero were invited to present at the six Iowa Land Title Association (ILTA) Regional Meetings in September. Topics included staffing updates, the upcoming legislative session and ITG's new pricing and technology platform.

ITG Workshops were held in Des Moines, Cedar Rapids, Dubuque, the Quad Cities and Council Bluffs in September and October and were well attended. Iowa Title Guaranty attorneys attended an ISBA Luncheon with Pottawattamie County attorneys immediately following the Council Bluffs workshop.

Iowa Title Guaranty co-sponsored the following conferences with the Iowa Finance Authority in October:

- Iowa Mortgage Association Conference
- Iowa Association of Realtors Annual Convention

Iowa Title Guaranty sponsored a booth for the Iowa Finance Authority Fall Housing Conference, September 4-5 and Deb Franklin attended the Iowa Bankers Conference, October 9-10.

Director Guerrero presented at the Iowa Law Real Property CLE in Cedar Rapids on October 11 and attended the ALTA Title Counsel Committee Meeting and ALTA One Conference in Austin, Texas, October 21-25.

The ITG Annual Conference was held November 7 at the Des Moines Airport Holiday Inn. Session topics included Cyber Security, Remote Online Notary, the Mechanic's Lien Notice and Registry,

Fraud and Consequences, and Title Plant Inspections. Over 125 participants attended the event. Qualia Labs, Inc. met one-on-one with ITG participants to introduce the software platform that will replace CAP in 2021.

Ms. Franklin reported that ITG Training Specialist, Carrie Nutt, provided on-site training for nine participants in throughout Iowa and in Omaha between September and November.

Ms. Franklin met with ITG participants and lenders in the following communities:

- Mason City/Clear Lake/Osage/Charles City, Iowa
- Cedar Rapids, Iowa
- Dubuque/Asbury, Iowa
- Quad Cities/Moline/Rock Island/DeWitt
- Decorah/West Union/Waukon/Lansing
- Atlantic, Iowa
- Harlan/Guthrie Center/Jefferson, Iowa
- Clive

Mortgage Release Update

Mr. Blackman reported that through October 2019, 96 mortgage release requests had been received. He stated that 61 of the requests were in conjunction with the Rapid Certificate program (64%), 35 requests included the \$200 fee (36%) and 147 releases had been filed. Mr. Blackman reported that since inception, 6,538 mortgages have been released through this program.

Claims Update

Mr. Blackman reviewed the current claims report with the Board, stating that FY19 year to date ITG had paid out \$27,773.58 in claims. He gave a detailed report regarding the trends in claims and the types of claims received.

Commercial Update

Mr. Murray reported that the ITG Commercial Team conducted almost 2 closings each week this fall resulting in strong revenues at the end of November.

Mr. Murray reported that the Iowa Title Guaranty Commercial team continued their marketing efforts by sponsoring a booth at the Iowa Commercial Real Estate Expo on September 25 and at the ITG Annual Conference on November 7. The commercial team will also sponsor a booth at the ISBA Bloethe Tax School on December 4-6.

ITG Director Update

Ms. Guerrero reported that ITG executed the contract with Qualia Labs, Inc. in October. The Qualia team worked with ITG staff on-site for a week in November to determine current processes for each department. Qualia is now working on the software configurations and customizations for the software platform.

The tentative timeline for the Qualia Labs, Inc. software platform implementation is as follows:

- Qualia Labs, Inc. will begin working with our IT staff and begin beta testing by late spring.
- Internal user acceptance testing will begin in the Summer of 2020.
- Live rollout September 1, 2019.
- Cutover date for all to begin using new platform January 1, 2020.
- Plan to host stakeholder meetings in Spring of 2020.

Director Guerrero mentioned the upcoming legislative session and the proposed bill that could expand the definition of “evidence of title” in Iowa.

ITG is developing a marketing program designed to educate consumers on the benefits and value-add that Iowa Title Guaranty offers to homeowners. ITG is investigating potential consulting services to develop statistics and data for our marketing efforts.

Director Guerrero introduced Ethan Murray, ITG Commercial Attorney and Doug Mizer, ITG Residential Underwriting Attorney, to the Board. She is in the process of reviewing applications for the Deputy Director and ITG Residential Claims Attorney.

Director Guerrero briefly touched on the ITG educational materials that ITG has updated and provided to participants during the ITG Workshops. Director Guerrero also discussed session topics at the ALTA One Conference in Austin, Texas, such as CyberSecurity, claims, and methods to attract professionals to the real estate industry.

Director Guerrero reported on her discussions with the Iowa Secretary of State regarding the Remote Online Notary and the issues involved in regulating online notarization.

Director Guerrero reported on recent developments at The Iowa Finance Authority:

- IFA purchased the 1963 Bell Avenue property in September.
- ITG is moving from the 2nd floor to the 3rd floor on Friday, December 6 and IEDA will move into the 2nd and 3rd floors of the Bell Avenue building that day as well.
- IFA executed a purchase agreement for the sale of 2015 Grand Ave., scheduled to close in January.

Chairman Winkleblack inquired as to whether ITG is required by statute to appoint or elect a Vice-Chair. Kristin Hanks-Bents, General Counsel, having read the statute, recommended that the ITG Board vote on a Vice-Chair at the March 3, 2020 ITG Board meeting.

Public Comment

There were no comments from the public.

Adjournment

MOTION: On a motion by Ms. Pesek and a second by Mr. Seufferlein, the December 3, 2019 Meeting of the ITG Board of Directors adjourned at 11:26a.m.

Dated this 3rd day of March, 2020.

Respectfully submitted:

Approved as to form:



Lindsey A. Guerrero
Director, Iowa Title Guaranty



Charles Winkleblack
Board Chair, Iowa Title Guaranty

