



IOWA TITLE GUARANTY
A DIVISION OF IOWA FINANCE AUTHORITY

BOARD MEETING MINUTES

Iowa Title Guaranty
Des Moines, Iowa
March 3, 2020

Board Members Present

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

Board Members Absent

None.

Staff Members Present

Lindsey Guerrero, Director, Iowa Title Guaranty	Deb Franklin, Business Relationship Manager
Matt Veldey, Commercial Underwriting Attorney	Rachel Pettit, Audit Specialist
Kevin Blackman, Residential Underwriting Attorney	Heidi Koll, Participant Program Administrator
Doug Mizer, Residential Underwriting Attorney	Rita Grimm, Chief Legal Counsel
Ethan Murray, Commercial Attorney	David Morrison, Accounting Manager
Katherine Smith, Residential Underwriting Attorney	Steve Harvey, Accounting Director

Others Present

Jan Gemar, ILTA (via phone)
Zach Ruroden, ILTA (via phone)

Call to Order

Chairman Winkleblack attended via telephone and requested that Ms. Hilgenberg attend to the meeting. Ms. Hilgenberg called to order the Meeting of the Iowa Title Guaranty (ITG) Board of Directors, March 3, 2020 at 10:30 a.m. Roll call was taken, and a quorum was established with the following Board Members present: Members Judy Hilgenberg, Jason Froehlich and Sarah Pesek. Chair, Chuck Winkleblack and Dan Seufferlein participated by phone.

Action Items

Review and Approval of December 3, 2019 Board Meeting Minutes

MOTION: On a motion by Ms. Pesek and a second by Mr. Froehlich, the Board unanimously accepted the December 3, 2019 Board Meeting Minutes.

New Business

ITG 20-01 – Transfer of Funds

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 20-01. The proposed transfer would be in the amount of \$250,000.00 to Iowa Finance Authority's (IFA) housing assistance fund. Mr. Morrison requested board action on ITG 20-01.

MOTION: On a motion by Mr. Seufferlein and a second by Mr. Froehlich, the Board unanimously approved ITG Resolution 20-01.

Discussion and Informational Items

Financial Report

Mr. Morrison reported that ITG operated favorably to the budget for the first seven months of 2020. Operating revenue was 19.1% above budget and 29.0% above last year, while operating expense was 3.5% favorable to budget and 14.7% unfavorable to last year. Employee expense and professional services account for this variance to budget. The transfers to the IFA Housing Assistance Fund exceeded budget by \$98,000.00. Net income is exceeding the budget.

Commitments issued thus decreased 15% compared to December, while outstanding receivables grew 26%.

Business Relationship Update

Ms. Franklin met with mortgage lenders and credit unions with 28 appointments in January, 17 of those were in the Quad Cities. She had 26 appointments in Cedar Rapids, Dubuque and Des Moines in February.

Claims Update

Mr. Mizer reviewed the current claims report with the Board, stating that FY19 year to date ITG had paid out \$46,130.79 in claims. He gave a detailed report regarding the trends in claims and the types of claims received. Mr. Mizer supplemented his written report to show updated reserves as of 3/2/20 are now \$419,797.53. The last quarter of the fiscal year he estimates approximately 101 total claims for FY19. Ms. Hilgenberg asked about claims we typically see arising from judgments against prior titleholders. Mr. Mizer stated that they are most often claims we can deny outright, such as a lien on the property over 10 years old. They typically do not arise from an error on the front end of the transaction, but instead due to unfamiliarity with Iowa law on behalf of the submitting claimant.

Mortgage Release Update

Mr. Blackman reported that through January 2020, 176 mortgage release requests had been received. He stated that 110 of the requests were in conjunction with the Rapid Certificate program (63%), 66 requests included the \$200 fee (34%) and 211 releases had been filed. Mr. Blackman reported that since inception, 6,602 mortgages have been released through this program.

Commercial Update

Mr. Veldey reported that the commercial team has been actively promoting their services. Samantha Askland and Ethan Murray attended the ICREA Luncheon in early February, where the organization discussed upcoming projects in Bondurant. Samantha Askland and Kim Praska attended the IFA luncheon in February, as well. Samantha Askland and Kim Praska will attend the IMA Conference, where commercial will have a booth, and Samantha Askland will attend the ILTA Conference, where commercial will have a booth. Mr. Veldey noted this will be the first time the commercial staff will attend or have a booth at either event. Samantha Askland will also attend the National Settlement Services Seminar in late June.

Mr. Veldey will participate in the ALTA Forms Quarterly Meetings via conference call, as they are proposing changes to lender/owner forms and endorsements.

Mr. Veldey reported that commercial had their best February to date, with revenue just under \$100,000.00. The commercial team had 6 closings and commitments had increased from the prior year.

ITG Director Update

Ms. Guerrero reported that the title insurance bill did not make it through the legislative funnel this session and that we will continue to monitor developments.

Ms. Guerrero then introduced Katherine Smith, the new ITG Residential Underwriting Attorney.

Director Guerrero provided an update on the software development with Qualia Labs, Inc.

The Qualia Stakeholder Meetings went well and survey results were as expected, in that ITG Participants are eager to see the Iowa-specific deployment which is still undergoing development. However, as Director Guerrero pointed out, the purpose of the meetings was to serve as a high-level preview of the platform to obtain participants' feedback to assist with development of the ITG deployment. Overall, the meetings were positive.

ITG's Software Programmer, Michael Johnson, delivered an API to Qualia to facilitate data migration process from CAP to Qualia. ITG is currently working with Qualia to develop roles, authentications and credentials within the Qualia platform. Beta testing will begin in early summer. Staff is currently viewing the Qualia University training videos to provide feedback as to how the videos should be tailored for the Iowa platform.

ITG and Qualia will host a variety of regional training labs in October 2020.

The ITG Annual Conference will be held in conjunction with the IFA Housing Conference on September 9-11, 2020. Qualia will host training labs during the conference.

Director Guerrero reported on ITG marketing efforts:

- ITG is developing new marketing materials to educate consumers and lenders about Iowa's land-title system and the benefits of obtaining ITG coverage.
- The new marketing materials include informational flyers, keychains for homebuyers, new branded business cards.

Director Guerrero reported on the following compliance matters:

- ITG is encountering an increase in the number of abstract company sales.
- ITG intends to improve education efforts by improving the frequency and the means by which ITG provides participants with educational materials detailing ITG requirements.
- ITG is updating the participant application to make it more educational and instructive regarding participant responsibilities.

Ms. Guerrero informed the Board that ITG is considering a variety of policy changes to be proposed to the Board for approval at the June Board meeting. These proposed updates include, but are not limited to, pricing changes, increased professional liability insurance requirements, and forms updates.

She concluded her remarks with an update on the sale of 2015 Grand Ave. which she hopes will close by the end of the month.

Mr. Froehlich inquired as to the appropriate level of staff to handle the decrease in mortgage interest rates. Ms. Guerrero stated that her preference would be to hire additional staff pending Director Durham's approval.

Public Comment

There were no comments from the public.

Adjournment

MOTION: On a motion by Ms. Pesek and a second by Mr. Froehlich, the March 3, 2020 Meeting of the ITG Board of Directors adjourned at 11:29a.m.

Dated this 2nd day of June, 2020.

Respectfully submitted:

Approved as to form:



Lindsey A. Guerrero
Director, Iowa Title Guaranty



Charles Winkleblack
Board Chair, Iowa Title Guaranty