



## **BOARD MEETING MINUTES**

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

### **TELEPHONIC MEETING**

#### **Board Members Present**

Chuck Winkleblack, Chair  
Daniel Seufferlein

Judy Hilgenberg  
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

#### **Others Present**

Jan Gemar, ILTA  
Zach Ruroden, ILTA

Dean Hoag, Midwest Community Title  
Sandy Guy, Midwest Community Title

#### **Call to Order**

Due to COVID-19, the September 1, 2020 meeting of the Iowa Title Guaranty Board of Directors was held via telephone. Chairman Winkleblack called the meeting to order at 10:32 a.m. Roll call was taken, and a quorum was established with the following Board Members present: Chairman Winkleblack, Judy Hilgenberg, Dan Seufferlein, Jason Froehlich and Sarah Pesek.

## **Action Items**

### **Review and Approval of June 2, 2020 Board Meeting Minutes**

**MOTION:** On a motion by Ms. Pesek and a second by Mr. Froehlich, the Board unanimously accepted the June 2, 2020 Board Meeting Minutes.

### **Move June 1, 2021 ITG Board Meeting to May 25, 2021**

**MOTION:** On a motion by Mr. Froehlich and a second by Ms. Pesek, the Board unanimously approved moving the June 1, 2021 ITG Board Meeting to May 25, 2021.

## **New Business**

### **ITG 20-05 – Transfer of Funds**

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 20-05. 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 Resolution ITG 20-05.

**MOTION:** On a motion by Mr. Seufferlein and a second by Mr. Froehlich, the Board unanimously approved ITG Resolution 20-05.

### **ITG 20-06 – Proposed Premiums on the Commitment for Iowa Title Guaranty Certificate**

Mr. Blackman presented ITG's proposal to include premium quotes on Schedule A of all commitments issued through the Qualia platform. Such a change will require revisions to the commitment form, specifically for the addition of a column reflecting "Proposed Premium" which itemizes both "Certificate Premium" and "Endorsement Premium". Showing the proposed premium on the commitment itself, as opposed to generating a separate Transaction Quote, will be more efficient as premiums can be determined solely by reference to the commitment. Mr. Blackman requested board action on Resolution ITG 20-06.

**MOTION:** On a motion by Ms. Hilgenberg and a second by Ms. Pesek, the Board unanimously approved ITG Resolution 20-06.

### **Election of ITG Board Chair and Vice-Chair**

Chairman Winkleblack opened the floor for nominations for ITG Board Chair and Vice-Chair.

**MOTION:** Ms. Hilgenberg moved to nominate Chairman Winkleblack to another term as ITG Board Chair and Mr. Seufferlein seconded the motion. Chairman Winkleblack moved to nominate Ms. Hilgenberg as Vice-Chair and Ms. Pesek seconded the motion. The Board unanimously approved Chairman Winkleblack as Chair and Ms. Hilgenberg as Vice-Chair of the ITG Board.

## **Discussion and Informational Items**

## **Financial Report**

Mr. Morrison presented an overview of the financials July YTD:

- ITG operated favorably to the budget for the first month of FY21. Operating revenue was \$328, or 58.8% above budget and 46.2% above last year. Operating expense was \$106, or 21.4% unfavorable to budget and 32.5% unfavorable to last year.
- Employee expenses were favorable to budget \$16. Employee expenses were offset by unfavorable Professional Services (\$129) and primarily related to higher incentive payments.
- Transfers to the Housing Assistance Fund from Title Guaranty will not occur until later in Q1 (September).
- Net Operating Income After Grants (NOIAG) is \$222 favorable to budget and \$145 favorable to last year, primarily due to higher revenues.
- Commitments increased 21% (\$2.246M vs \$1.850M) compared to June, while outstanding receivables decreased 9% in July (\$219k to \$239k primarily in >30 days aging). Iowa Title Guaranty issued 11.8 commitments FYTD July compared to 7.4 in FY20 and 7.9 certificates FYTD July compared to 6.9 in FY20.

## **Business Relationship Update**

Ms. Franklin reported that the Iowa Title Guaranty Team is working diligently and effectively to stay connected with lenders and participants during the pandemic:

- Deb Franklin, Business Relationship Manager, has conducted dozens of conference calls during the last quarter with participants and lenders in Omaha/Council Bluffs, Central Iowa, Southeastern Iowa, Northeastern, and Northwestern Iowa.
- ITG outreach in July and August was focused on educating our lenders and participants regarding the Iowa Title Guaranty electronic methods of payment. ITG's goal is to move to a paperless environment and to that end, has conducted 34 training sessions via conference call with lenders and participants across the state of Iowa.
- ITG has promoted the new "750 Bright Line" Policy, the Updated Minimum Abstract Standards, the Mixed-Use Property Policy, and implemented Iowa Title Guaranty's new title production platform and related pricing changes.
- Matt Veldey, Senior Commercial Attorney and Lindsey Guerrero presented at the ISBA CLE Webinar, providing attorneys with information on commercial services, the importance of Iowa Title Guaranty coverage, and the "750 Bright Line" Policy.
- Katherine Smith, Residential Underwriting Attorney and Matt Veldey serve as members of the ISBA Real Estate and Title Law Section Council and participated in the Council's monthly meetings during the second quarter of 2020.

## **Claims Update**

Mr. Mizer reported that ITG has received a total of 3 claims since July 1 and 1 additional claim in the last week for total of 4; 12 claims have been resolved since that date and another claim is almost settled.

ITG claims reserves as of August 17, 2020 are now \$429,971.60. Mr. Mizer reported that ITG has paid out \$4,408.40 in claims in FY21. As of the date of the report ITG had 39 pending claims.

Mr. Mizer explained that overall claims were on an upward trajectory until March 2020 and then dipped. The top two reasons for claims involve issues with the drafting or execution of the vesting deed or guaranteed mortgage as well as a break in chain of title. We did see a decline in claims involving judgments or liens against the prior titleholder. This number is typically linked to foreclosures, so the decrease in foreclosures is the reason for this decline.

### **Mortgage Release Update**

Mr. Blackman reported that through June 2020, 337 mortgage release requests had been received. He stated that 208 of the requests were in conjunction with the Rapid Certificate program (62%), 129 requests included the \$200 fee (38%) and 373 releases had been filed. Mr. Blackman reported that since inception, 6,764 mortgages have been released through this program.

### **Commercial Update**

Mr. Veldey reported that the ITG Commercial Team continues their efforts to be visible and promote Iowa Title Guaranty. He spoke about the live ISBA Webinar in August in which he and Director Guerrero were panelists. ITG is also a sponsor of the CREW Iowa Luncheon in November and Director Guerrero is scheduled to speak.

ITG Commercial has also been extremely busy with commitments and closings. Mr. Veldey reported that the Commercial Team of Samantha Askland, Ethan Murray and Kim Praska have done an outstanding job executing closings in a timely manner and managing the challenges while working remotely.

Mr. Veldey is a member of the ALTA's Forms Committee. He reported that ALTA's Board of Governors proposed a new commitment and owner and lender policies, effective July 2021. ITG will review the proposed documents during the comment period to determine if ITG will use the new documents.

Samantha Askland has been working with Qualia to test that the commercial functionality of the software platform is sufficient to meet the needs of the department. Testing will continue through the fall.

### **ITG Director Update**

Ms. Guerrero provided a staffing update and introduced the following new employees:

1. Claims Attorney: Dillon Malone
2. Compliance Officer: Emily Stokes
3. Training Specialist: Mary Brucker
4. Production Specialist: Rachel Buckingham

The Qualia launch date has been adjusted to January 1, 2021 to allow for additional time for development and testing. However, the "go live" date is November 1, 2020. This is when our participants can begin logging into the system and working with the platform. The dates are tentative because we are still in development and further testing of the platform is necessary.

Director Guerrero explained a new feature in which payment will be remitted to the field issuer and the field issuer will then be able to pay the premium with an account linked to the platform. This will allow the field issuer to retain their incentive payment immediately.

ITG has prepared a Composite Mortgage Affidavit presentation and Manual and a 750 Bright Line Policy presentation to gain awareness of the new policies effective January 1, 2021. ITG also put together an ITG Policy Updates for Abstractors presentation to educate abstractors on our new policies that will impact abstracting.

ITG has updated our residential application with formatting changes and some edits to language.

In addition, ITG has developed a Mixed-Use Property Policy because so many Iowans have property on which they have a single-family dwelling and use the land for agricultural purposes. This policy allows homeowners to obtain coverage on their residence provided that they have full abstracting completed and the coverage amount is less than \$250,000.

ITG has developed Title Plant Corrective Action Plans for three title plants that were delinquent. ITG has granted them an extension to December 1, 2020 due to COVID-19 and the August derecho, which have caused significant delays in their efforts. Two title plants are about 6 months behind and the third company is a couple of years behind. One company has applied for a Provisional Title Plant Waiver to allow for additional time to become compliant.

ITG has approved one intent to build title plant application for Johnson County Title & Settlement. The company has three years in which to build their title plant in Johnson County.

In response to Chairman Winkleblack's question, Director Guerrero informed the Board that the meetings with Qualia stakeholders went well. We received excellent input, particularly from abstractors. Many of the features currently in development were a direct result of stakeholder feedback. Director Guerrero is confident that stakeholders were given the opportunity to address their concerns and ask questions.

Executive Director Durham responded to Chairman Winkleblack's inquiry regarding legislative efforts on behalf of title insurance by confirming that there has been no legislative activity involving title insurance.

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

Executive Director Durham informed that Board that the IEDA/IFA leadership team has been restructured and that Director Guerrero now reports directly to Executive Director Durham. She then commended Director Guerrero on talent displayed by recent hires and overall composition of the ITG Team as well as Director Guerrero's leadership skills.

Executive Director Durham then went on to summarize the programs that have been developed in IEDA and IFA in response to COVID-19 and the August derecho:

- Iowa Small Business Relief Grant

- Non-Profit Assistance Program
- The Utility Disruption Plan (for residential and large and small businesses).
- Eviction and Foreclosure Program

Executive Director Durham then reported on the potential for a Housing Omnibus Bill designed to protect and expand housing opportunities for all Iowans, transform older buildings into housing as well as to right-size the funding of current housing programs and ultimately stimulate economic recovery in the housing sector.

**Public Comment**

There was no comment from the public.

**Adjournment**

**MOTION:** On a motion by Ms. Hilgenberg and a second by Mr. Froehlich, the September 1, 2020 Meeting of the ITG Board of Directors adjourned at 11:55 a.m.

Dated this 1<sup>st</sup> day of December, 2020.

Respectfully submitted:

Approved as to form:



Lindsey A. Guerrero  
Director, Iowa Title Guaranty



Charles Winkleblack  
Board Chair, Iowa Title Guaranty

