

# RAPID CERTIFICATE PROGRAM MANUAL

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**IOWA TITLE GUARANTY**

A DIVISION OF IOWA FINANCE AUTHORITY

# RAPID CERTIFICATE PROGRAM MANUAL

The Iowa Title Guaranty (ITG) Rapid Certificate Program offers field issuers the ability to issue ITG certificates, despite unreleased prior mortgages and liens. An ITG field issuer may issue a certificate guaranteeing against actual loss or damage sustained due to the enforcement of a prior mortgage or lien **paid at or prior to** the current transaction that has **not yet been released** of record. A rapid certificate may not be issued in conjunction with a Division-issued commitment.

The purpose of the program is to enable the field issuer to issue and deliver certificates in compliance with ALTA Best Practice Pillar 5 and ITG’s participation agreement. The field issuer shall issue and deliver ITG certificates within **thirty (30) days of the later of (i) the date of settlement, or (ii) the date that the terms and conditions of the commitment are satisfied**. ITG’s participation agreement further provides that in the event the lender’s closing instructions require a shorter timeframe to issue and deliver ITG certificates, the field issuer shall adhere to the lender’s requirements.

## DETERMINING ELIGIBILITY REQUIREMENTS

	UNRELEASED MORTGAGE	UNRELEASED LIEN
Maximum lien amount	\$1,000,000*; \$20,000,000 if paid off by ITG Commercial*	\$500,000*
Field issued certificate	✓	✓
Written payoff statement** or paid in full letter	✓	✓
Proof of payment (copy of cancelled check, wire confirmation, or paid in full letter)	✓	✓
Request to close (kill-letter) signed by borrower(s) if open-end, future advance, HELOC, or other line of credit	✓	N/A
Inclusion of the <b>Endorsement Against Loss-Lien</b> on the certificate	✓	✓

\*Unless prior written approval is obtained from the Iowa Title Guaranty Director.

\*\*See payoff statement requirements below.

## PAYOFF STATEMENT REQUIREMENTS

The payoff statement must reflect the following:

1. **UNPAID BALANCE:** The unpaid balance of the loan secured by the mortgage or lien, including principal, interest and any other charges properly due under or secured by the mortgage or lien (e.g., penalty fees, release fees, per diem), or the amount required to be paid in order to release the mortgage or lien.
2. **ADDRESS FOR PAYMENT:** The address where payment must be sent or other specific instructions for remitting payment.
3. **PROPERTY DESCRIPTION:** The legal description, street address or other property description sufficient to identify the Land that will be released from the mortgage or lien.
4. **GOOD THROUGH DATE:** The date through which the payoff statement is valid.
5. **STATEMENT OF RELEASE:** A affirmative statement providing that the Land will be released from the mortgage or lien upon payment in full of the amount described in the payoff statement.

# HOW TO USE THE RAPID CERTIFICATE PROGRAM

## 1. Verification of Eligibility.

- a. Field issuer must confirm that the mortgage and/or lien qualifies for use of the Rapid Certificate Program.

## 2. Certificate Preparation.

- a. Field issuer prepares the certificate as follows:
  - i. The paid, but unreleased lien remains as an exception on Schedule B, Part I;
  - ii. Add an Endorsement Against Loss-Lien for each paid, but unreleased lien or mortgage;
  - iii. Complete each Endorsement Against Loss-Lien by inserting the appropriate special exception number pertaining to the unreleased lien or mortgage in the variable field.
- b. Upload the written payoff statement, proof of payment, request to close or other supporting documentation to the Endorsement Against Loss-Lien.
- c. Issue and deliver certificate to lender and/or owner.

## 3. Confirmation of Release and Satisfaction Filing.

- a. Field issuer shall periodically check for the filing of the appropriate release and satisfaction of the mortgage or lien.
- b. Upon verification of the release and satisfaction filing, the field issuer shall upload a copy of the file-stamped release and satisfaction to the Endorsement Against Loss-Lien.
- c. Field issuer shall complete the Showing of Release (Form 801).

# WHAT HAPPENS IF A RELEASE AND SATISFACTION IS NOT FILED WITHIN SIXTY (60) DAYS OR IF THE RELEASE IS INVALID OR DEFECTIVE?

## 1. MORTGAGE

- a. Field issuer must make a good faith effort to ensure that the mortgage is promptly released and satisfied of record. The recommendations outlined below satisfy the “good faith” requirement:
  - i. CONTACT THE LENDER. The field issuer should reach out to the lender directly and attempt to secure a release; and
  - ii. SEARCH THE PUBLIC RECORDS. The field issuer should search the online public records to locate a filed release. In processing applications, ITG locates one (1) of every ten (10) releases by simply searching the public records.
- b. If the field issuer has not obtained the release after making a good faith effort to do so, the field issuer shall submit a Mortgage Release Certificate through the Endorsement Against Loss Lien. ***The use of the Mortgage Release Certificate Program is available at no cost if used in conjunction with the Endorsement Against Loss Lien.***

## 2. LIEN

- a. Field issuer must ensure that the lien is promptly released and satisfied of record by performing one or more of the following until the lien is released and satisfied:
  - i. CONTACT THE CREDITOR. The field issuer should reach out to the creditor directly and attempt to secure a release; and
  - ii. SEARCH THE PUBLIC RECORDS. The field issuer should search the online public records to locate a filed release.
  - iii. PURSUE NECESSARY LEGAL ACTION. If the field issuer fails to obtain the release and satisfaction by performing subsections 2(a)(i)-(ii) above, within six (6) months from the date of closing, the field issuer must initiate any and all necessary legal action and shall be responsible for any all costs incurred to obtain the release and satisfaction.

***NOTE: The Mortgage Release Certificate Program cannot be used for any type of lien other than a mortgage.***