



BOARD MEETING MINUTES

**Iowa Title Guaranty
Des Moines, Iowa
August 30, 2022**

Board Members Present

Charles Winkleblack, Chair
Daniel Seufferlein

Judy Hilgenberg, Vice-Chair
Jason Froehlich
Sarah Pesek

Board Members Absent

None.

Staff Members Present

Debi Durham, Exec. Director, IEDA/IFA
Dillon Malone, Director, Iowa Title Guaranty
Doug Mizer, Legal Counsel
Rachel Pettit, Operations Manager
Matt Veldey, Senior Commercial Attorney
Kevin Blackman, Senior Residential Attorney
Karla Furger, Claims Attorney
Ethan Murray, Commercial Attorney
Julie Frye, Compliance Officer

Mary Brucker, Training Specialist
Beau Hanson, IT Support Specialist
David Morrison, ITG Accounting Manager
Nichole Hanson, Legislative Liaison
Heidi Koll, Participant Program Administrator
Kim Axtell, Lender Services Coordinator
Carrie Nutt, Sr. Production Specialist
Rachel Buckingham, Production Specialist
Travis Browder, Production Specialist
Hao Lu, ITG Billing Specialist

Others Present

Sara Cockerham, Abstract and Title
Services of Story County
Jan Gemar, Iowa Land Title Association
Jorge Gomez, Jr., Gomez-May
Jorge Gomez III, Gomez-May

Sandy Guy, Midwest Community Title
Dean Hoag, Midwest Community Title
Daniel Kadrlík, Iowa Land Title Association
Zach Ruroden, Fritcher Abstract Company

Call to Order

The August 30, 2022 meeting of the Iowa Title Guaranty Board of Directors was called to order by Chairman Winkleblack at 10:05 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 May 24, 2022 Board Meeting Minutes

MOTION: On a motion by Ms. Hilgenberg and a second by Mr. Froehlich, the Board unanimously accepted the May 24, 2022 Board Meeting Minutes.

New Business

Proposed 2023 ITG Board Meeting Dates

MOTION: On a motion by Mr. Froehlich and a second by Ms. Pesek, the Board unanimously approved the proposed 2023 meeting dates of the ITG Board.

Election of ITG Board Chair and Vice-Chair

The board decided to postpone the Election of Officers until the December 6, 2022 meeting. It was determined that further discussion regarding board member terms was required before nominations could be made. Chairman Winkleblack and Vice-Chair Hilgenberg will review.

ITG 22-03 – Transfer of Funds

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 22-03. The proposed transfer would be in the amount of \$1,300,000.00 to Iowa Finance Authority's (IFA) housing assistance fund. Mr. Morrison requested board action on Resolution ITG 22-03.

MOTION: On a motion by Mr. Seufferlein and a second by Mr. Froehlich the Board unanimously approved ITG Resolution 22-03.

Title Plant Waiver Application W22-1 for Jorge Gomez III: Written Ruling

Director Malone presented the Application for a Title Plant Waiver (the "Application") submitted by Jorge Gomez III ("Applicant") on February 25, 2022. Director Malone summarized the relevant facts regarding the Application's submission.

Mr. Gomez is an Iowa licensed attorney with Gomez May LLP, a law firm located in Davenport, Iowa. Applicant is a licensed attorney for over 20 years and is an ITG participant offering title opinion, field issuing and closing protection letter services. The firm has several ITG participants including Jorge Gomez Jr., a grandfathered abstracting attorney. The Applicant has provided abstracting services under the supervision of Jorge Gomez, Jr. throughout his career and is requesting a title plant waiver for Scott County.

Director Malone summarized the law regarding Title Plant Waiver Requirements as set forth in the Iowa Code. While the Iowa Code recognizes the 40-year title plant as the preferred method of providing title evidence, the ITG Board may issue a ruling waiving the title plant requirement if the Board finds the following:

1. The title plant requirement imposes a hardship to the applicant; and

2. The waiver is:
 - a. Clearly in the public interest; or
 - b. Absolutely necessary to ensure availability of certificates throughout the state.

Director Malone presented the Applicant's justification and support for the application by stating the title plant requirement creates a hardship on the Firm and granting the Application is in the public interest. He then discussed each of these in turn.

Director Malone pointed out that the Application included letters of support from local attorneys Judy A. Shawver, Michael L. Gorsline and David D. Dunakey as well as Curt Johnston, Vice President of Mortgage with IH Mississippi Valley Credit Union. Zach Ruroden, President of the Iowa Land Title Association ("ILTA") Board of Directors, submitted public comment on behalf of ILTA urging ITG and the ITG Board to deny the Application.

Director Malone provided the basis for Application denial:

1. The title plant requirement does not impose a hardship on the Applicant.
2. The title plant waiver is not clearly in the public interest nor is a title plant waiver absolutely necessary to ensure the availability of certificates throughout the state.

Jorge Gomez, Jr. spoke on behalf of the applicant, attesting to the applicant's ability to abstract. Mr. Gomez, Jr. discussed abstracting practices in Scott County, both historically, and currently. Mr. Gomez, Jr. stressed fairness in his comments and responded to questions by the ITG Board Members.

Jorge Gomez III introduced himself to the Board, commented on his experience, and answered questions.

After discussion, the ITG Board of Directors determined more time was required in order to consider the Application and the information presented to the Board in support of and opposed to the Application.

MOTION: On a motion by Mr. Seufferlein and a second by Ms. Pesek the Board unanimously approved moving the vote to the December 6, 2022 meeting.

Discussion and Informational Items

Financial Report

Mr. Morrison presented an overview of the financials for June 2022 YTD:

- ITG operated favorable to budget through the end of June and Fiscal FY22. Operating revenue was 14.5% above budget and 12.2% above last year.
- Operating expense was 0.7% comparable to budget and 6.7% unfavorable to last year. Employee expenses were favorable to budget \$286K; offset by unfavorable Professional Services (\$457K), primarily related to higher incentive payments.
- Net Operating Income After Grants (NOIAG) is \$1,406K unfavorable to budget and \$953K unfavorable to last year. Primarily due to transfers to Housing Assistance fund (\$5.7M vs \$2.0M budget).

- Commitments decreased 2.1% (\$2.715M vs. \$2.772M) compared to May, while outstanding receivables increased 14.9% in June (\$170K to \$148K primarily in <30 day aging).
- Transferred \$5.7M to the IFA housing assistance fund for Fiscal FY22 compared to a budget of \$2.0M.
- Iowa Title Guaranty commitments certificates are trending down.

Claims Update

Mr. Malone reported that ITG claims reserves as of August 3, 2022 are now \$417,843.70. Mr. Malone reported that ITG has paid out \$2,676.50 in claims in FY23 and that has risen to \$3,300 to date. As of the date of the report ITG had 36 pending claims, with 4 in recoupment only status and 32 active claims.

Mr. Malone reported that ITG has received 8 claims since July 1. Mr. Malone reported 14 claims have been resolved since that date. Those numbers are just up slightly as of today as ITG received 2 additional claims but resolved 4.

ITG continues to see slower claim trends, receiving more lender claims than owner claims.

Claims continue to arise due to issues with the drafting the deed and mortgage as well as an increase in boundary dispute claims. ITG still has 5 mechanics lien claims, 4 regarding break in the chain of title, and 2 related to manufactured home claims.

Mortgage Release Update

Mr. Blackman reported that ITG received 847 mortgage release requests through June 2022. He stated that 573 of the requests were in conjunction with the Rapid Certificate program (68%), 274 of the remaining requests included the \$200 fee (32%), and 755 releases were filed. Mr. Blackman reported that since inception, 7,997 mortgages have been released through this program. Mr. Blackman noted ITG numbers for FY22 exceeded the numbers for FY21. The increase is due in large part to an increased use of ITG by consumers, ITG field issuers and national lenders.

Commercial Update

Mr. Veldey reported that the ITG Commercial Team attended a ribbon cutting as well as the IEDA Iowa Downton Conference in Pella and CREW's annual event on behalf of ITG.

The ITG Commercial Team conducted 21 closings in the last quarter, an approximate 50% increase as well as an unusually high number of new commitment orders. The team is reviewing commercial metrics to determine if that trend will continue.

Mr. Veldey reported that Samantha Askland accepted a position with the Iowa Finance Authority. Mr. Veldey praised Ms. Askland her for her excellent work and her invaluable contributions to the ITG Commercial Team.

ITG Director Update

Director Malone opened his comments with ITG staffing updates with Samantha Askland's departure from the ITG Commercial Team. Ms. Askland's position has been restructured as an attorney level position and ITG is actively recruiting a commercial settlement attorney to provide closing services and assist with Underwriting. He then introduced Karla Furger, the ITG Claims and Compliance Attorney. Director Malone recognized Kim Axtell's 30 years of service to IFA.

Director Malone announced that there will be an ALTA Forms update on the December 6, 2022 meeting agenda. All existing forms will be reviewed for uniformity and consistency.

Director Malone encouraged all board members to attend The Housing Iowa Conference September 7-8, 2022.

ITG staff attended the ILTA Convention, the ISBA Convention, and a reinsurance meeting in Chicago this summer. Director Malone and ITG Operations Manager Rachel Pettit will attend the ALTA One Meeting in October and Director Malone will attend the Title Counsel Meeting which precedes ALTA One. ILTA Regional Meetings will be attended by ITG staff in September and October and ITG will conduct ITG Regional Workshops in 4-5 regions and Des Moines later this fall.

IEDA/IFA Executive Director Update

The Executive Director Update was postponed. Director Durham departed the meeting for a prior engagement.

Public Comment

There was no comment from the public.

Adjournment

MOTION: On a motion by Ms. Hilgenberg and a second by Mr. Froehlich, the August 30, 2022 Meeting of the ITG Board of Directors adjourned at 12:13 p.m.

Dated this 6th day of December, 2022.

Respectfully submitted:

Approved as to form:

A handwritten signature in blue ink, appearing to read 'D.D. Malone', with a long horizontal flourish extending to the right.

Dillon D. Malone
Director, Iowa Title Guaranty

A handwritten signature in blue ink, appearing to read 'Charles Winkleblack', with a large, stylized initial 'C'.

Charles Winkleblack
Board Chair, Iowa Title Guaranty