



AMENDED AGENDA
Iowa Title Guaranty Board Meeting
December 6, 2022

Iowa Finance Authority
Helmick Room
Des Moines, Iowa
<https://akaiowa.us/itgboard>
10:30 a.m.

I. Roll Call

II. Action Items

- a. ITG Board Meeting Minutes August 30, 2022
- b. Special Meeting of the ITG Board: December 1, 2022 Minutes
- c. Election of Officers
- d. New Business
 - i. Transfer of Funds
 - 1. Resolution ITG 22-04
 - ii. Title Plant Waiver Application
 - 1. W22-1 Jorge Gomez III
 - a. Amended Written Ruling
 - 2. W22-2 Mahaska Title - Johnson Abstract Co.
 - a. Written Ruling

III. Discussion & Informational Items

- | | |
|----------------------------|----------------|
| a. Financial Report | David Morrison |
| b. Claims Report | Karla Furger |
| c. Mortgage Release Report | Kevin Blackman |
| d. Commercial Update | Matt Veldey |
| e. ITG Director's Update | Dillon Malone |

IV. Public Comment: The public is invited to provide comments at this time. Each speaker is asked to limit comments to 5 minutes.

V. Adjournment: Next Board meeting is Tuesday, February 28, 2023.
Iowa Finance Authority, Helmick Room
Des Moines, Iowa 50315
10:30 a.m.



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 Kadrlik, 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 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:

Dillon D. Malone
Director, Iowa Title Guaranty

Charles Winkleblack
Board Chair, Iowa Title Guaranty



BOARD MEETING MINUTES

Special Meeting of the ITG Board Iowa Title Guaranty Des Moines, Iowa December 1, 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
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
Hao Lu, ITG Billing Specialist

Others Present

Jan Gemar, Iowa Land Title Association
Sally Hertel, Iowa Land Title Association
Jorge Gomez, Jr., Gomez-May
Jorge Gomez III, Gomez-May
Anthony Bengston, Buchanan County
Abstract Company
Brett Pierson, Washington Title & Guaranty
Danielle Michalski, Abstract Associates

Sandy Guy, Midwest Community Title
Dean Hoag, Midwest Community Title
Daniel Kadrlik, Iowa Land Title Association
Matthew J. White, Title Services DM Corp.
Richard Bordwell, Walk, Prichard, Baresel &
Murphy, PC
Abby Dorsey, Abstract Associates of Iowa
Heather Hackbarth, IA Dept. of Management

Call to Order

The December 1, 2022 Special Meeting of the ITG Board of Directors was called to order by Chairman Winkleblack at 10:30 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.

New Business

Title Plant Waiver Application W22-1 for Jorge Gomez III

Director Malone summarized the presentation of the Application for a Title Plant Waiver (the “Application”) submitted by Jorge Gomez III (“Applicant”) during the August 30, 2022 meeting:

- 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 was requesting a title plant waiver for Scott County.
- 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.
- 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.

In the interim, ITG and the Applicant have agreed upon a solution that recognizes the Applicant’s expertise as well as the uniqueness of Scott County: Jorge Gomez III will begin abstracting immediately as a waived attorney under a 3-year title plant waiver after which he will have built or own and control a Scott County title plant.

Director Malone proposed the Board reject the Proposed Ruling Denying the Title Plant Waiver Application that was presented August 30, 2022 and an Amended Ruling incorporating the agreement between ITG and the Applicant can be placed on the Agenda for the Board’s consideration at the December 6, 2022 Board Meeting.

MOTION: On a motion by Ms. Hilgenberg and a second by Ms. Pesek, the Board unanimously rejected the Proposed Written Ruling Title Plant Waiver Application W22-1 as presented to the Board in the August 30, 2022 meeting.

MOTION: On a motion by Ms. Pesek and a second by Mr. Seufferlein, the Board unanimously approved the decision to add a Proposed Ruling outlining the circumstances under which a 3-year title plant waiver would be granted to the December 6, 2022 Meeting Agenda.

Public Comment

There was no comment from the public.

Adjournment

MOTION: On a motion by Mr. Froehlich and a second by Ms. Hilgenberg, the December 1, 2022 Special Meeting of the ITG Board of Directors adjourned at 10:48 a.m.

Dated this 6th day of December, 2022.

Respectfully submitted:

Approved as to form:

Dillon D. Malone
Director, Iowa Title Guaranty

Charles Winkleblack
Board Chair, Iowa Title Guaranty

RESOLUTION ITG 22-04

WHEREAS, Iowa Title Guaranty (“ITG”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, operates a program to offer guaranties of real property titles to facilitate mortgage lenders’ participation in the secondary market and to add to the integrity of the land-title transfer system in the state of Iowa; and

WHEREAS, ITG generates revenue by the sale of ITG Certificates, the revenues of which are deposited in the ITG Fund held by the treasurer of state with all interest generated from the ITG Fund being deposited in the housing trust fund; and

WHEREAS, section 16.91(1) of the Iowa Code provides that “if the authority board in consultation with the ITG board determines that there are surplus funds in the ITG fund after providing for adequate reserves and operating expenses of ITG, the surplus funds shall be transferred to the housing assistance fund created pursuant to section 16.40.”; and

WHEREAS, the ITG Board has determined that there are surplus funds in the ITG Fund in the amount of \$900,000 and it is recommending to the Iowa Finance Authority Board that it would be appropriate to transfer the surplus funds to the Housing Assistance Fund pursuant to Iowa Code section 16.91(1).

NOW, THEREFORE, BE IT RESOLVED that the ITG Board adopts and recommends that the surplus funds in the ITG Fund, in the amount of \$900,000 be transferred to the Housing Assistance Fund created pursuant to Iowa Code section 16.40.

PASSED AND APPROVED this 6th day of December 2022.

Charles Winkleblack, Iowa Title Guaranty Board Chair

Dillon D. Malone, Iowa Title Guaranty Board Secretary

BEFORE THE IOWA FINANCE AUTHORITY,
IOWA TITLE GUARANTY BOARD

IN RE:

APPLICATION FOR TITLE PLANT WAIVER
BY JORGE GOMEZ III

)
)
)
)
)
)
)

PROPOSED WRITTEN RULING
APPROVING TITLE PLANT WAIVER
APPLICATION #W22-1

SUMMARY OF THE RELEVANT FACTS

Jorge Gomez III (“Applicant”) submitted an Application for Title Plant Waiver (“Application”) on February 25, 2022.¹ Applicant is an Iowa licensed attorney with Gomez May LLP (“the Firm”), a law firm with an Iowa office located at 2322 E. Kimberly Road, Suite 120W, Davenport, Iowa 52807.² Applicant has been licensed to practice law in Iowa for over twenty years.³ Applicant is an Iowa Title Guaranty (“ITG”) participant currently offering title opinion, field issuing, and closing protection letter services. Jorge Gomez, Jr. provides abstracting services for the Firm. Gomez, Jr. abstracts pursuant to Iowa Code § 16.91(5)(a)(2)’s exemption.⁴ Throughout his career, Applicant has abstracted under Gomez, Jr.’s supervision.⁵ Applicant is requesting a title plant waiver for Scott County.⁶

PROCEDURAL HISTORY

Title plant waiver applications are considered at the first ITG Board (“Board”) meeting that occurs 90 days after the application is submitted.⁷ Upon receipt, ITG published notice of Applicant’s title plant waiver application on its website. ITG notified the Iowa State Bar Association and the Iowa Land Title Association (“ILTA”). ITG received public comments regarding the application through July 16, 2022. The Application was initially considered as part of the August 30, 2022 Board meeting. Following discussion, the Board voted to table decision on the Application until a later meeting and encouraged ITG and the Applicant to further discuss the

¹ Jorge Gomez III, *Application for Title Plant Waiver* (February 25, 2022), <https://www.iowafinance.com/content/uploads/2022/02/Gomez-Application.pdf> [hereinafter Application].

² Application at 1.

³ See *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ Iowa Admin. Code r. 265—9.7(1)“d”(4)“4” (2022).

Application. At a special meeting of the Board held on December 1, 2022, the Board directed ITG to prepare an amended written ruling consistent with Iowa Administrative Code rule 265—9.7(1)“d”(6)“2”.

TITLE PLANT WAIVER REQUIREMENTS

The Board may issue a ruling waiving the title plant requirement set forth in Iowa Code § 16.91(5)(a)(2) 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.⁸

“Hardship” means deprivation, suffering, adversity, or long-term adverse financial impact in complying with the title plant requirement that is more than minimal when considering all the circumstances.⁹ “Public interest” means that which is beneficial to the public as a whole, including but not limited to increasing competition among abstractors, encouraging the use of certificates throughout the state, making certificates more competitive than out-of-state title insurance, increasing ITG’s market share, improving the quality of land titles, and protecting consumers.¹⁰

APPLICANT’S JUSTIFICATION OF WAIVER

Applicant offers justification for the Application by stating the title plant requirement creates a hardship on the Firm and granting the Application is in the public interest.¹¹ Each will be discussed in turn.

Applicant generally asserts a hardship arises due to time and resource expenditures that creating a title plant would require of the Firm.¹² He notes that “requiring the creation of a title plant at this time . . . would call for an extreme number of hours and resources.”¹³ Applicant next argues that having to devote “hours and resources” to creating a title plant would prohibit the firm from being able to meet customer demand for abstracting and ITG certificates in a “timely and

⁸ Iowa Code § 16.91(5)(b) (2021).

⁹ Iowa Admin. Code r. 265—9.7(1)“d”(5)“3”.

¹⁰ Iowa Admin. Code r. 265—9.7(1)“d”(5)“4”.

¹¹ Application at 297–98.

¹² *Id.*

¹³ *Id.* at 297.

reasonable fashion”.¹⁴ Lastly, Applicant theorizes that if the Application were denied the Firm would be required to devote a significant amount of time “attempting to return the tens of thousands of abstracts amassed over the years.”¹⁵

Applicant offers the following to support his claim that granting a title plant waiver would serve the public interest:

1. Servicing a public need. Applicant claims that over the last decade the Firm has provided “approximately twenty-five to thirty percent (25–30%) of Lender certificates and an even higher percent of Owner certificates” for the Scott County area.¹⁶ Applicant also notes the volume of certificates the Firm has processed has “generated millions of dollars” in revenue for ITG.¹⁷ While not stated directly in the Application, these statements can reasonably be read to illustrate how the Firm’s current position in Scott County serves a public need.
2. Encourage the use of certificates. Applicant states that the Firm has generated a large portion of the lender and owner certificates in Scott County.¹⁸ By allowing the Firm to continue to offer abstracting services, Applicant claims the Firm will be able to “keep up with this demand from all manner of lending institutions and clients.”¹⁹ Without granting the Application, Applicant argues that “[r]emaining abstractors would be unable to keep up with the demand of lender and owner abstracting and title needs.”²⁰
3. Protecting consumers and promoting competition. Applicant contends that “the volume of business that would be diverted to other abstractors would [be] an undue burden on the remaining abstractors in the community.”²¹ Applicant argues that “[w]ith . . . the inability to provide abstract and title services . . . lenders and customers would have no other option but to seek the services of others” and that, without the Firm’s services, customers may have to turn to commercial title insurance which would be more costly to the consumer and not in the public interest.²² Applicant also claims its absence would result in slower

¹⁴ *Id.*

¹⁵ *Id.* at 297–98.

¹⁶ *Id.* at 297.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *See id.*

²⁰ *Id.* at 298.

²¹ *Id.*

²² *Id.*

turnaround times and finally asserts that decreased competition would result in increased prices.²³

4. Improving the quality of land titles. Applicant argues that the Firm's absence from the abstracting market in Scott County would lead to "a very distinct possibility of errors and omissions as the few remaining firms attempt to keep up with the demand."²⁴ Presumably, Applicant argues that the Firm's continued presence as an abstractor in Scott County would preserve the quality of land titles by keeping other abstractors at manageable file volumes that could be handled free from an increase in errors and omissions.

PUBLIC COMMENTS REGARDING THE TITLE PLANT WAIVER APPLICATION

The Board shall give considerable weight to an applicant's experience abstracting under the supervision of a participating abstractor or participating attorney with whom the applicant has had a close working relationship or with whom the applicant is a partner or associate.²⁵ The Board shall also give considerable weight to a recommendation from a participating abstractor or participating attorney who supervised the applicant's abstracting for a period of two years or more and who attests in writing or in person before the Board regarding the applicant's ability to abstract.²⁶

Applicant has practiced law for over 20 years.²⁷ He has prepared abstracts under the supervision of his firm's grandfathered attorney abstractor for the majority of that time.²⁸ The Application included letters of support from local attorneys Judy A. Shawver²⁹ and Michael L. Gorsline,³⁰ as well as Curt Johnston, Vice President of Mortgage with IH Mississippi Valley Credit Union.³¹

Mr. Gorsline, who practices in Scott County, writes that granting Applicant a waiver "will be beneficial to our community".³² He states that doing so will increase competition among

²³ *Id.*

²⁴ *Id.*

²⁵ Iowa Admin. Code r. 265—9.7(1)"d"(6)"4" (2022).

²⁶ *Id.*

²⁷ Application at 1.

²⁸ *Id.*

²⁹ *Id.* at 295.

³⁰ *Id.* at 294.

³¹ *Id.* at 296.

³² *Id.* at 294.

abstractors and make certificates more competitive than out-of-state title insurance.³³ Ms. Shawver, also a Scott County practitioner, writes that were Applicant not granted a waiver and Jorge Gomez Jr. stopped abstracting it would create an “extreme hardship” on the Firm and local real estate attorneys.³⁴ Shawver notes that the Firm handles a significant amount of abstracting and finding abstractors to fill that void “would be hard”.³⁵ Mr. Johnston notes the quality and efficiency of abstracting Applicant and the Firm provide are “some of the best available” in Scott County.³⁶

David D. Dunakey submitted a letter in support of this application during the public comment period.³⁷ Mr. Dunakey is President of Title Services DM Corp. and an ITG participating attorney. Mr. Dunakey’s letter “highly recommend[s]” the Board approve Applicant’s waiver. Mr. Dunakey states that in his experience, Iowans are being underserved by the present abstracting system. He sees allowing more attorney abstractors as a solution to this problem, and ultimately as a method of deterring consumers from choosing title insurance. Approved to abstract in all counties, Mr. Dunakey notes he regularly receives abstracting requests from customers in counties where the local abstractor is “too busy or unable to complete the order in a timely fashion”. Mr. Dunakey states that if he is unable to accommodate a customer, “the only alternative is title insurance”.

Zach Ruroden, then-President of the Iowa Land Title Association (“ILTA”) Board of Directors submitted public comment on ILTA’s behalf. That letter urges ITG and the ITG Board to deny the Application. ILTA’s letter notes Applicant’s hardship arguments “are much the same as all title plant waiver requests that come before ITG from persons unwilling to build a title plant”, further stating that such claims “have no merit when attorney abstractors and non-attorney abstractors across the state have purchased, leased, built, or are currently building title plants, and have for decades”. ILTA writes that the practice of building a title plant is done “to build a reliable asset” and protect Iowans from claims, emphasizing that “most importantly” title plants are built because ITG “requires it to be part of the ITG program”.

³³ *Id.*

³⁴ *Id.* at 295.

³⁵ *Id.*

³⁶ *Id.* at 296.

³⁷ See Iowa Admin. Code r. 265—9.7(1)“d”(4)“4” (2022).

At the August 30, 2022 Board meeting, Jorge Gomez, Jr., an ITG participating abstractor who has supervised the Applicant's work for many years, discussed the Applicant's professional history and recommended the Application be granted.³⁸

BASIS FOR TITLE PLANT WAIVER APPLICATION APPROVAL

As stated in Iowa Administrative Code rule 265—9.7(1)“d”, ITG recognizes the 40-year title plant as the preferred method of providing title evidence for the purpose of issuing commitments and certificates.³⁹ Iowa law requires ITG participating abstractors own or lease an up-to-date title plant for each county in which they prepare abstracts upon which ITG guarantees real property titles.⁴⁰ The Iowa Code includes a grandfather clause, allowing a participating attorney providing abstract services continuously from November 12, 1986, to the date of application, either personally or through persons under the attorney's supervision and control, to become a participating abstractor *without* an up-to-date abstract title plant.⁴¹

Further, the Iowa Code also provides the Board the option of waiving the up-to-date title plant requirement under certain conditions, allowing an attorney or abstractor to abstract without owning or leasing an up-to-date, 40-year title plant.⁴² The Board must weigh the benefits of the traditional title plant with other alternatives to ensure buyers and lenders have access to high quality certificates throughout the state, rapid service, and a competitive price.⁴³

The title plant waiver provides ITG and the Board a mechanism to ensure the availability of certificates in all 99 counties, specifically counties where an up-to-date title plant does not exist. The Board has the option of issuing a title plant waiver to ensure that all Iowans have access to the title protection ITG offers.

The Board has discretion to grant or deny a title plant waiver application, even if the hardship and public interest requirements are satisfied.⁴⁴ The final decision on whether the circumstances justify granting a waiver is made at the sole discretion of the Board upon consideration of all relevant factors.⁴⁵ Relevant factors to be considered include, but are not limited

³⁸ See Iowa Admin. Code r. 265—9.7(1)“d”(6)“4”.

³⁹ Iowa Admin. Code r. 265—9.7(1)“d”.

⁴⁰ Iowa Code § 16.91(5)(a)(2) (2021).

⁴¹ *Id.* As mentioned above, this is the exemption under which Jorge Gomez Jr. has provided abstracting services for ITG.

⁴² *Id.* at § 16.91(5)(b).

⁴³ See Iowa Admin. Code r. 265—9.7(1)“d”.

⁴⁴ See Iowa Code § 16.91(5)(b) (“The division *may* waive the requirements.” (emphasis added)).

⁴⁵ Iowa Admin. Code r. 265—9.7(1)“d”(6)“4”.

to, the ITG Director's proposed written ruling, the facts and circumstances set out in the application, any history of professional disciplinary action against the applicant, adverse claims made against the applicant, prior waiver withdrawal actions against the participating attorney or participating abstractor, public comments, the professional knowledge and expertise of the Board members and ITG staff, and any other resources available to the entire ITG Board.⁴⁶ Consideration should be afforded to rulings on prior waiver requests, but the Board shall not be bound by such rulings.⁴⁷ The Board may limit a waiver as to county, transaction type, or both, and may also limit the duration of any granted waiver.⁴⁸

I. AN IMMEDIATE TITLE PLANT REQUIREMENT IMPOSES A HARDSHIP ON THE APPLICANT.

Upon review of the relevant facts and application of the governing law and rules, the Board concludes Applicant has established a hardship under Iowa Code § 16.91(5)(b). As stated above, hardship is defined as deprivation, suffering, adversity, or long-term adverse financial impact in complying with the title plant requirement that is more than minimal when considering all the circumstances.⁴⁹

Applicant asserts that creating a title plant would impose a hardship on his firm.⁵⁰ Applicant underpins this argument by generally asserting, among other things, that building a title plant would require "an extreme number of hours and resources."⁵¹ The Board recognizes that there is a cost associated with creating a title plant, such that a requirement that a participant possess a title plant immediately prior to participation may impose a hardship. However, the Board recognizes that over the long term, owning a title plant may save time and expense. There is also the added benefit of owning an asset that may appreciate in value.

The argument that creating a title plant costs time and resources is not unique to Applicant. This argument could be asserted by any title plant waiver applicant. Requiring Applicant to possess a title plant before Applicant may provide abstracting products for ITG under Applicant's own name does create a hardship in visiting adversity upon Applicant during the time in which Applicant builds a title plant. The time and resources necessary to build a title plant, while unable

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ Iowa Admin. Code r. 265—9.7(1)"d"(5)"3".

⁵⁰ Application at 297.

⁵¹ *Id.*

to abstract under his own name, especially in a market in which abstracting services are competitive, is a demonstrable hardship in accordance with the Iowa Administrative Code. Accordingly, the ITG Board concludes Applicant has established a hardship under Iowa Code § 16.91(5)(b) and Iowa Administrative Code rule 265–9.7(1)“d”(5) as it relates to an immediate requirement for a title plant.

II. THE TITLE PLANT WAIVER IS CLEARLY IN THE PUBLIC INTEREST.

As mentioned, “Public Interest” is defined as “that which is beneficial to the public as a whole, including but not limited to increasing competition among abstractors, encouraging the use of certificates throughout the state, making certificates more competitive than out-of-state title insurance, increasing the division’s market share, improving the quality of land titles, and protecting consumers.”⁵²

i. Increasing competition among abstractors.

Scott County currently has 21 authorized ITG abstractor participants. Were Applicant to provide abstracting services in Scott County under a title plant waiver, the county’s abstracting market would increase to 22 abstractors. When Jorge Gomez, Jr. retires, with the granting of the Application, the competition in Scott County will substantially remain unchanged. In contrast, were the Application denied and Jorge Gomez, Jr. were to retire, Scott County would lose an abstractor. While the loss of one abstractor in a market of 20 may not seem substantial if each market share were equal, in Scott County, Jorge Gomez, Jr. currently occupies a significant share of the market. Granting the Application would, thus, ensure that competition would be increased in maintaining market share.

ii. Encouraging the use of certificates throughout the state and making certificates more competitive than out-of-state title insurance.

Applicant argues that denying the Application will lead to increased turnaround times, reasoning that such an increase may lead consumers to choose an inferior, yet potentially speedier option: title insurance.⁵³ ITG agrees this is a relevant consideration, and worthy of examination. Expediently processed title requests are *sine qua non* to Iowa’s abstract-attorney’s title opinion system remaining competitive with out-of-state title insurance. Mr. David Dunakey, in his public comment, also argues that granting the Application will ensure timely processing of certificates

⁵² Iowa Admin. Code r. 265—9.7(1)“d”(5)“4”.

⁵³ See Application at 298.

and ensuring that ITG retains its market share against out-of-state title insurance. Allowing the Applicant to abstract in Scott County will ensure there are sufficient abstractors such that certificate issuance times may remain at an acceptable level, thus encouraging the use of certificates.

iii. Increasing the division's market share.

Applicant, as stated in the Application, maintains roughly 25% of the ITG market in Scott County.⁵⁴ Granting a waiver to Applicant will, at the very least, ensure ITG's market share in Scott County is not reduced. Indeed, giving Applicant time to create a title plant while having the ability to abstract may increase ITG's market share in Scott County given Applicant's history.

iv. Improve the quality of land titles and protect consumers.

The Board finds that granting the Application and allowing Applicant sufficient time to build a title plant, while being allowed to abstract in the meantime, will improve the quality of land titles in Iowa. As stated before, the Iowa Administrative Code has a stated preference for title plant abstracting. Ensuring that Applicant eventually abstracts through a title plant will not only improve the quality of land title in Scott County, it will protect consumers by giving them another option to obtain the statutorily preferred abstracting product.

After considering these factors, the Board finds Applicant has established that granting a waiver of the 40-year title plant requirement is clearly in the public interest, as required by Iowa Code § 16.91(5)(b) and Iowa Administrative Code rule 265—9.7(1)“d”(5)(2).

RULING

SECTION 1. SATISFACTION OF CRITERIA. Upon review of the Application, the relevant facts, application of the relevant rules, and for the reasons noted above, the Board determines that the criteria for a title plant waiver have been met.

SECTION 2. WAIVER. The Board grants to Applicant a title plant waiver for Scott County subject to the terms and conditions described in Section 3 below.

SECTION 3. TERMS AND CONDITIONS. The Board grants the Application, subject to the following terms and conditions:

1. Jorge Gomez III must create, own, and maintain a title plant for Scott County in compliance with Iowa Code § 16.91(6)(a)(2) no later than December 31, 2025;

⁵⁴ Application at 298.

2. Jorge Gomez III must provide regular, no less frequent than annual, progress reports to Iowa Title Guaranty regarding the progress of the creation of the title plant. Said progress reports shall evidence that Jorge Gomez III has made sufficient progress such that the title plant will be complete by December 31, 2025;
3. Jorge Gomez III must have the title plant inspected and certified by the Iowa Land Title Association no later than December 31, 2025;
4. Jorge Gomez III must remain an Iowa Title Guaranty participant in good standing with Iowa Title Guaranty; and
5. Jorge Gomez III must comply with all regular terms of abstractor participation with Iowa Title Guaranty.

If the foregoing conditions have not been met, Jorge Gomez III's authorization to provide abstracting on behalf of Iowa Title Guaranty will be revoked pursuant to Iowa Administrative Code rule 265—9.6(14).

SO RULED this 6th day of December, 2022.

Charles Winkleblack, Iowa Title Guaranty Board Chair

Dillon D. Malone, Iowa Title Guaranty Board Secretary

(seal)

BEFORE THE IOWA FINANCE AUTHORITY,
IOWA TITLE GUARANTY BOARD

IN RE:

APPLICATION FOR TITLE PLANT WAIVER
BY MAHASKA TITLE-JOHNSON
ABSTRACT CO.

)

)

)

)

)

)

WRITTEN RULING APPROVING

TITLE PLANT WAIVER APPLICATION

#W22-2

SUMMARY OF THE RELEVANT FACTS

Mahaska Title-Johnson Abstract Co. (“Applicant”) submitted an Application for Title Plant Waiver on September 6, 2022 (#W22-2) (the “Application”). The Application sought an extension of the one-year provisional title plant waiver discussed below.

In December 2021, the Iowa Title Guaranty (“ITG”) Board granted Applicant a one-year provisional title plant waiver (“Waiver”). For the next year, Applicant submitted monthly progress reports to ITG. Among other things, these reports updated ITG about Applicant’s progress in curing its title plant index deficiency. Applicant’s title plant index deficiency was approximately 4300 documents when the Waiver was granted. Applicant reported its index deficit was approximately 2050 documents in April 2022. By September 2022, Applicant reported a deficiency of approximately 600 documents. As of November 2022, Applicant reduced its deficiency to 238 documents. Concerned it may be unable to fully cure its index deficit, or alternatively, unable to obtain a passing inspection from the Iowa Land Title Association (“ILTA”) before the Waiver expired, Applicant submitted the Application.

The Written Ruling Approving Title Plant Waiver Application #W21-2 (the “2021 Written Ruling”), attached as “Exhibit A”, and incorporated herein by reference, summarizes Applicant’s location, experience, and staff. The Application states Applicant hired another full-time abstracter in August 2022.

ITG published notice of the Application on its website. ITG notified the Iowa State Bar Association and the ILTA. ITG received public comments regarding the Application through October 22, 2022.

APPLICANT’S JUSTIFICATION OF WAIVER

Applicant’s Justification of Waiver is stated in the 2021 Written Ruling, attached as “Exhibit A”, and incorporated by reference.

BASIS FOR TITLE PLANT WAIVER APPLICATION APPROVAL

The applicable statutory law and administrative rules governing the Application are stated in the 2021 Written Ruling, attached as “Exhibit A”, and incorporated by reference.

- I. THE TITLE PLANT REQUIREMENT HAS TEMPORARILY IMPOSED HARDSHIP TO THE APPLICANT AND A TITLE PLANT WAIVER IS CLEARLY IN THE PUBLIC INTEREST OR IS ABSOLUTELY NECESSARY TO ENSURE THE AVAILABILITY OF CERTIFICATES THROUGHOUT THE STATE.

Factors supporting Applicant’s temporary hardship and public interest arguments remain the same as previously stated in the 2021 Written Ruling, attached as “Exhibit A”, and are incorporated by reference.

- II. ADDITIONAL FACTORS SUPPORTING THE APPROVAL OF THE PROVISIONAL TITLE PLANT WAIVER.

Additional factors supporting approval of the provisional title plant waiver extension remain the same as previously stated in the 2021 Written Ruling, attached as “Exhibit A”, and incorporated by reference.

RULING

SECTION 1. SATISFACTION OF CRITERIA. Upon review of the Application, the relevant facts, application of the relevant rules, and for the reasons noted above and in the 2021 Written Ruling, the ITG Board has determined that the criteria for a title plant waiver have been and remain met.

SECTION 2. WAIVER. The ITG Board grants to Applicant an extension of its current provisional title plant waiver subject to the terms and conditions described in Section 3 below.

SECTION 3. TERMS AND CONDITIONS. The ITG Board grants this Waiver, subject to the following terms and conditions:

1. Applicant must submit monthly progress reports to ITG detailing the number of documents in Applicant’s title plant indexing deficit. Progress reports must be submitted within the first five (5) business days of each month. Progress reports must be submitted to ITG Compliance Officer Emily Stokes via email at emily.stokes@iowafinance.com.
2. Applicant must perform judgment and lien searches against all parties within the chain of title pursuant to ITG’s most current Minimum Abstract Standards and other guidelines, directives, and rules, as amended from time to time.

3. If ITG determines the Applicant is using the provisional title plant waiver in a manner inconsistent with the Terms and Conditions contained herein, Applicant shall be subject to disciplinary action to be determined by ITG's Director, which may include but shall not be limited to, immediate termination of this provisional title plant waiver or immediate suspension or revocation of their active status as an ITG participating abstractor.
4. Applicant shall be subject to this Written Ruling Approving Title Plant Waiver Application #W22-2's terms and conditions until it receives a passing inspection conducted by the ILTA and delivers evidence of said passing inspection to ITG.

SECTION 4. TERM. The ITG Board grants this extension of the provisional title plant waiver for a term of six (6) months from December 6, 2022 to June 6, 2023.

SO RULED this 6th day of December, 2022.

Charles Winkleblack, Iowa Title Guaranty Board Chair

Dillon D. Malone, Iowa Title Guaranty Board Secretary

(seal)

EXHIBIT A

BEFORE THE IOWA FINANCE AUTHORITY,
IOWA TITLE GUARANTY BOARD

IN RE:

APPLICATION FOR TITLE PLANT WAIVER
BY MAHASKA TITLE-JOHNSON
ABSTRACT CO.

)
)
)
)
)
)

WRITTEN RULING APPROVING
TITLE PLANT WAIVER APPLICATION
#W21-2

SUMMARY OF THE RELEVANT FACTS

Mahaska Title-Johnson Abstract Co. (“Applicant”) submitted an Application for Title Plant Waiver on August 31, 2021 (#W21-2).

Applicant is located at 121 High Ave. E., Oskaloosa, Iowa 52577. Applicant is an Iowa Land Title Association (“ILTA”) member offering abstracting products and services in Mahaska County, Iowa. Applicant was formed in June 1991 when Becky and Lyle Siefering purchased and merged Mahaska Abstract Co. and Johnson Abstract Co. Applicant has over 30 years’ experience preparing Iowa abstracts and title reports.

J. Todd Roach has managed Applicant since 2004. Mr. Roach is active with the ILTA. He was the Iowa Land Title Board’s Southeast Regional Vice President from 2013–2016. He has been a member of the ILTA Legislative Committee. Candace Slobe is Applicant’s senior abstractor. She is a Certified Land Title Professional. Ms. Slobe began abstracting in 1977. She has abstracted almost exclusively in Mahaska County. Janet Vernooy has abstracted for Applicant since 2005. She previously served as a typist and title researcher.

In May 2021, Applicant submitted its annual renewal application to Iowa Title Guaranty (“ITG”). The application disclosed Applicant’s title plant was delinquent. The plant’s most recent postings were more than thirty (30) days in arrears of the current date. On May 26, 2021, ITG sent Applicant a Title Plant Delinquency Notice (the “Notice”). The Notice directed Applicant to provide ITG with a corrective action plan and subsequent monthly progress reports detailing the status of its remediation measures. The Notice also required Applicant to bring its title plant current

by August 1, 2021 and present ITG with a passing ILTA inspection report no later than August 15, 2021.

The Notice provided Applicant two options if it were unable to timely cure its title plant delinquency. First, Applicant could wind up existing ITG business and terminate its participation in the ITG program. Alternatively, Applicant could apply for a provisional title plant waiver. Under the Notice's terms, if Participant submitted a provisional title plant waiver application, it could continue using its title plant in an unrestricted status while that application was under consideration. A provisional title plant waiver would allow Applicant to remain an ITG participant while continuing efforts to bring its title plant current.

Unable to provide ITG with a passing ILTA certification by August 15, 2021, Applicant now seeks a provisional title plant waiver.

APPLICANT'S JUSTIFICATION OF WAIVER

Applicant offers the following in support of its application for a provisional title plant waiver for Mahaska County:

1. **HARDSHIP.** Applicant claims the title plant requirement imposes a hardship. In support, it offers the following:
 - a. Applicant claims its hardship culminates from a variety of factors, including but not limited to, the challenges of the COVID-19 pandemic, the surge in real estate transactional volume, unexpectedly losing a key staff member, and inability to find a suitable replacement for that key staff member. Applicant experienced an increased workload volume while simultaneously navigating through COVID challenges such as office closures, social distancing and staff quarantines. Applicant undertook title plant remediation measures while short staffed due to a key employee's extended medical leave followed by the employee's unexpected departure. Further, Applicant reported the title plant data entry would have to be handled while abstracting work "was coming in the door at a more rapid pace than normal". Finally, Applicant struggled in finding a replacement for the departed employee. It hired three (3) different replacements since January 2021. Per Applicant, the first two hires lasted "2-3 weeks" before departing. The third hire lasted two months before that individual left due to family obligations.

2. PUBLIC INTEREST. Applicant offers the following to support its claim that granting a title plant waiver would serve the public interest:

- a. Servicing a public need. Applicant claims it services a public need for abstracting services in Mahaska County. In support of this claim, Applicant notes it is relied upon by the Mahaska County Bar, Realtors, lenders, public and all others involved in the county's real estate and lending industries. Applicant asserts it is "the primary title company" for many local providers and the public. Applicant argues for its continued presence in the county real estate market by stating many transactional delays would occur if it were to suddenly stop providing abstracting products to the area. Applicant also stresses its knowledge of Mahaska County real estate titles is "second to none", which provides a public benefit as well.
- b. Encourage use of certificates. Applicant claims its continued operation encourages continued use of ITG certificates because many of the other abstract providers that serve Mahaska County "utilize title insurance products" instead of ITG products. Accordingly, Applicant alleges any absence from the market would "drive market share away" from ITG products and toward title insurance. Applicant notes it occasionally provides contract work to title companies throughout Iowa that typically use title insurance products. When these companies use Applicant, more business comes to ITG.
- c. Protecting consumers and promoting competition. Applicant notes its continued market presence would help avoid transactional delays it believes would occur if it left Mahaska County's real estate market. This would protect consumers, as would continued consumer access to the substantial abstracting experience Applicant notes in its application. Further, Applicant asserts it provides the "best and fairest priced title products" to Mahaska County consumers, noting it has been told its abstracts are less expensive than the products provided by other companies, a practice that protects consumers and promotes competition.
- d. Improving the quality of land titles. Applicant notes local attorneys and lenders repeatedly tell it that its abstracts are superior to work being done by "title companies that utilize title insurance." Applicant's continued market presence would allow it to continue providing its superior product.

Upon receipt, ITG published notice of Applicant's title plant waiver application on its website. ITG notified the Iowa State Bar Association and the ILTA. ITG received public comments regarding the application through October 16, 2021.

BASIS FOR TITLE PLANT WAIVER APPLICATION APPROVAL

Iowa Title Guaranty recognizes the 40-year title plant as the preferred method of providing title evidence for the purpose of issuing commitments and certificates. The legislature requires abstractors own or lease an up-to-date title plant for each county in which they prepare abstracts. Participating abstractors are further required to maintain and use these title plants in preparation of abstracts for real property titles guaranteed by Iowa Title Guaranty. These requirements have been in place since Iowa Title Guaranty's inception.

The legislature also provided the Iowa Title Guaranty Board the option of waiving the up-to-date title plant under certain conditions. Iowa Title Guaranty must weigh the benefits of the traditional title plant with other alternatives to ensure buyers and lenders have access to high quality certificates throughout the state, rapid service, and a competitive price. Pursuant to Iowa Code §16.91(5)(b), the Iowa Title Guaranty Board may issue a ruling waiving the title plant requirement set forth in Iowa Code §16.91(5)(a)(2) 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.

“Hardship” means deprivation, suffering, adversity, or long-term adverse financial impact in complying with the title plant requirement that is more than minimal when considering all the circumstances.¹ “Public interest” means that which is beneficial to the public as a whole, including but not limited to increasing competition among abstractors, encouraging the use of certificates throughout the state, making certificates more competitive than out-of-state title insurance, increasing Iowa Title Guaranty's market share, improving the quality of land titles, and protecting consumers.²

¹ 265 IAC 9.7(1)“d”(5)(3).

² 265 IAC 9.7(1)“d”(5)(4).

The title plant waiver provides Iowa Title Guaranty a mechanism to ensure the availability of certificates in all ninety-nine (99) counties, specifically in those counties in which an up-to-date title plant does not exist. The Iowa Title Guaranty Board has the option of issuing a title plant waiver to ensure that all Iowans have access to the title protection offered by Iowa Title Guaranty.

The Iowa Title Guaranty Board has discretion to grant or deny a title plant waiver application, even if the hardship and public interest requirements of Iowa Code §16.91(5)(b) and 265 IAC 9.7(1)“d”(5) are satisfied. The final decision on whether the circumstances justify granting a waiver is made at the sole discretion of the Iowa Title Guaranty Board upon consideration of all relevant factors. Relevant factors to be considered include, but are not limited to, the Iowa Title Guaranty Director’s proposed written ruling, the facts and circumstances set out in the application, any history of professional disciplinary action against the applicant, adverse claims made against the applicant, prior waiver withdrawal actions against the participating attorney or participating abstractor, public comments, the professional knowledge and expertise of the Board members and Iowa Title Guaranty staff, and any other resources available to the entire Iowa Title Guaranty Board. Consideration should be afforded to rulings on prior waiver requests, but the Iowa Title Guaranty Board shall not be bound by such rulings. The Iowa Title Guaranty Board may limit a waiver as to county, or transaction type, or both, and may also limit the duration of any granted waiver.

I. THE TITLE PLANT REQUIREMENT HAS TEMPORARILY IMPOSED HARDSHIP TO THE APPLICANT.

Upon review of the relevant facts and application of the applicable law and rules, the Board concludes Applicant established a hardship under Iowa Code §16.91(5)(b). Hardship is defined in 265 IAC 9.7(1)“d”(5)(3) as deprivation, suffering, adversity, or long-term adverse financial impact in complying with the title plant requirement that is more than minimal when considering all the circumstances.

As stated above, ITG sent Applicant the Notice on May 26, 2021. The Notice allowed Applicant until June 8, 2021 to provide ITG with a corrective action plan which would enable its title plant postings to be brought current by August 1, 2021. The Notice also required Applicant to present ITG with a passing ILTA inspection report no later than August 15, 2021. The Notice

specified that if Applicant could not provide ITG with a passing ILTA inspection report by August 15, 2021, it would either need to: (1) terminate its participation in the ITG program and wind up its ITG business; or (2) submit a Provisional Waiver of Title Plant Requirements application to the ITG Board of Directors (“the Board”) no later than September 1, 2021. The Notice specified that if Applicant submitted a timely, complete application, ITG would allow it to continue to use the title plant in an unrestricted status during the pendency of that application before the Board.

Upon receiving ITG’s Notice, Applicant provided ITG with a corrective action plan and began making efforts to bring its title plant current. Under its initial corrective action plan, Applicant noted it needed to enter filings spanning from April to June 2021. However, in its first monthly progress report to ITG, on July 8, 2021, Applicant reported its instrument backlog was “much more substantial than [it] originally thought and reported”. Applicant noted it was behind approximately one year on its “City index”, which was current through June 2020; and even further behind on its “Rural index” which was current through “the beginning of 2020”. Ultimately unable to remedy its title plant index’s deficiency by the August 1, 2021 deadline imposed in the Notice, Applicant seeks a provisional title plant waiver allowing it to continue abstracting for a period of one (1) year while it continues its work to bring its title plant postings current.

Beginning in March 2020, the Mahaska County Recorder’s office experienced the temporary closures and periods of limited access that many Iowa counties experienced during the first year of the COVID-19 pandemic. Following a period of total closure, access to the public records was limited to appointment only. This inhibited Applicant’s ability to index public records in the manner it typically would have prior to the pandemic. Further, Applicant periodically closed its own office to the public. Other times, employees were forced to quarantine following COVID-19 exposures. Throughout these disruptions, the real estate industry experienced an exponential growth in business. In late 2020, during this period of increased work volume and decreased record access, Applicant lost a key employee to medical leave. That employee, who had over 20 years abstracting experience, unexpectedly retired when it was time to return to work in early 2021. Applicant has since cycled through hiring and training three new potential replacements for this retired staff member, each of which subsequently left. As of late October 2021, Applicant hired a fourth potential replacement and commenced that individual’s training. Together, these factors combined to impose a hardship on Applicant.

Since receiving the Notice, Applicant made efforts to bring its title plant deficiency current. Applicant was ultimately unable to bring its title plant current or obtain ILTA certification by December 1, 2020. Applicant reports working short staffed during a period of high volume impeded its ability to remedy the title plant delinquency, though it is optimistic it will be able to bridge this gap in under one year once fully staffed. Accordingly, the Board finds that denying a provisional title plant waiver to Applicant would only serve to amplify the temporary hardship it is currently experiencing. Such a denial would also penalize this Applicant for the misfortunes it encountered while making a good faith effort to bring its title plant into compliance. Denying this application would be unjust considering the hardship Applicant suffered during its corrective action period. For the foregoing reasons, the ITG Board concludes Applicant established a hardship under Iowa Code §16.91(5)(b) and 265 IAC 9.7(1)“d”(5).

II. THE TITLE PLANT WAIVER IS CLEARLY IN THE PUBLIC INTEREST OR IS ABSOLUTELY NECESSARY TO ENSURE THE AVAILABILITY OF CERTIFICATES THROUGHOUT THE STATE.

A. The Title Plant Waiver is Clearly in the Public Interest.

The Board further concludes granting a provisional title plant waiver to Applicant is clearly in the public interest. The term “Public Interest”, for purposes of 265 IAC 9.7(1)“d”(5), is defined as “that which is beneficial to the public as a whole, including but not limited to increasing competition among abstractors, encouraging the use of certificates throughout the state, making certificates more competitive than out-of-state title insurance, increasing the division’s market share, improving the quality of land titles, and protecting consumers.”³

i. Increasing competition among abstractors.

Applicant asserts that if it were unable to provide ITG products until it brought its title plant current, it would essentially have to close its doors to new business until completing the required data entry tasks. Removing a market participant from conducting business would decrease market options and competition. The Mahaska County bar members, realtors, lenders, and public are best served when there is increased competition among abstractors. Allowing Applicant to

³ 265 IAC 9.7(1)“d”(5)(4).

continue abstracting under a provisional title plant waiver promotes competition among abstractors. Granting the waiver maintains an existing, reliable option for abstracting services. The Board agrees that allowing Applicant to continue operating as an ITG participant while curing the indexing deficiency within its title plant would increase competition among abstractors in Mahaska County.

- ii. *Encouraging the use of certificates throughout the state and making certificates more competitive than out-of-state title insurance.*

Applicant asserts that granting a provisional title plant waiver is in the public interest because it will encourage the use of certificates in Mahaska County by allowing it to meet local banks, attorneys, and real estate agents respective needs for timely abstracting. Over the past ten years, approximately eighty (80) percent of all certificates issued for Mahaska County real property were based on Applicant's abstracting. This figure demonstrates that Applicant is fulfilling a significant public need in Mahaska County by enabling owners and lenders to obtain ITG certificates.

Failure to grant a provisional waiver and the subsequent deactivation of Applicant as an ITG participant would displace an overwhelming majority of the county's transactional volume onto a smaller number of participants. There are a handful of statewide waived attorneys that provide occasional abstracting services to Mahaska County transactions. Deactivation would require that the remaining abstracting participants absorb the market footprint the Applicant's abstracting services currently occupy. Such an immediate influx of business would likely slow abstract order processing times and increase the transaction turnaround time within Mahaska County.

If ITG participating abstractors are unable to meet lender and market demands, consumers within the Mahaska County market could foreseeably turn to title insurance for expedient service. The availability of expedient abstracting is crucial considering the high transactional volume being experienced statewide. The Board concludes permitting Applicant to continue operating as an ITG participant pursuant to a provisional title plant waiver will allow abstractors to maintain competitive processing times. Competitive processing times will encourage certificate use in Mahaska County and make certificates competitive with title insurance.

iii. Increasing the division's market share.

The Board finds that granting Applicant a provisional waiver advances the express public purpose of increasing the division's market share. As Mahaska County's lone title plant abstractor, if Applicant were no longer available to assist in absorbing the county's demand for ITG certificates, an alternative would likely be title insurance. Allowing title insurance to absorb the market footprint that Applicant currently occupies would run counter to the directive that "increasing the division's market share" should be considered when determining whether granting a waiver is clearly in the public interest.

iv. Improve the quality of land titles.

The Board also finds that the public interest supports granting the provisional waiver because it will improve the quality of Iowa's land titles. Upon expiration of the provisional waiver, Applicant will be preparing abstracting using a complete 40-year title plant, which is the preferred method of title evidencing in Iowa. Like the intent to build, a provisional waiver promotes the use of the 40-year title plant, providing the applicant with an appropriate amount of time to complete the plant.

In addition, granting Applicant's provisional title plant waiver application is clearly in the public interest because Applicant provides competent abstracting services. Applicant employs the county's most experienced abstractor. Its employees have amassed over seventy (70) years' experience abstracting and conducting title searches for Iowa real property. As Mahaska County's only title plant abstractor, Applicant is uniquely positioned to improve the county's land titles. Its continued operation should be preserved to affect this end.

v. Protecting consumers.

The Board finds granting Applicant a provisional waiver to complete its 40-year title plant protects consumers. Allowing Applicant to maintain operations pursuant to a provisional waiver protects consumers by promoting competitive pricing and turnaround times within Mahaska County. Further, the 40-year title plant is the most thorough and reliable form of title evidencing, resulting in clean title for Iowa consumers. Finally, Applicant has considerable experience

operating as an ITG participant. It has a history of producing competent, quality abstracting work that participants have relied on for years while issuing ITG coverage for Iowans transacting real estate in Mahaska County. A participant with this track record of competency and reliability should be allowed to continue operating, as that continued operation ultimately serves to protect Iowans.

After considering these factors, the Board finds Applicant has established that a provisional waiver of the 40-year title plant requirement is clearly in the public interest, satisfying the requirements of Iowa Code §16.91(5)(b) and 265 IAC 9.7(1)“d”(5)(2).

B. The Title Plant Waiver is Absolutely Necessary to Ensure Availability of Certificates throughout the State.

Having concluded the public interest prong of Iowa Code §16.91(5)(b) and 265 IAC 9.7(1)“d”(5)(2) has been satisfied, the Board need not analyze whether granting a provisional waiver is absolutely necessary to ensure availability of certificates throughout the state.

III. ADDITIONAL FACTORS SUPPORTING THE APPROVAL OF THE PROVISIONAL TITLE PLANT WAIVER.

The Iowa Title Guaranty Board shall give considerable weight to an applicant’s experience abstracting under the supervision of a participating abstractor or participating attorney with whom the applicant has had a close working relationship or with whom the applicant is a partner or associate.⁴ The Iowa Title Guaranty Board shall also give considerable weight to a recommendation from a participating abstractor or participating attorney who supervised the applicant’s abstracting for a period of two years or more and who attests in writing or in person before the Iowa Title Guaranty Board regarding the applicant’s ability to abstract.⁵

Applicant’s employees extensive experience is significant and noteworthy. Staff members Todd Roach, Candace Slobe and Janet Vernooy have over seventy (70) years combined experience between them. Multiple Mahaska County ITG participating attorneys offered letters supporting Applicant’s request for a provisional title plant waiver. Each communicated Applicants critical

⁴ 265 IAC 9.7(1)“d”(6)(4).

⁵ *Id.*

importance as Mahaska County's lone local abstract company, stressing any service disruption would work to the Mahaska County real estate community's detriment.

Dustin Hite, an attorney and State Representative for Iowa's Seventy-Ninth District, commented in his letter that Applicant is "one of the finest" abstract companies with whom he works. Hite noted Applicant's work product is "as good as or better than any other abstract company in the state". In his letter, Oskaloosa attorney Michael W. Broerman endorsed Applicant's trustworthiness, reliability, and excellent work quality. Attorney David Dixon, who has practiced for forty-three (43) years in Oskaloosa, echoed Broerman's sentiments, noting Applicant produces excellent work. Dixon's letter states he has "marveled" with fellow area practitioners about "how lucky we are to have the quality of [Applicant's] service." Dixon noted other abstract companies work product is often found to be lacking by comparison to Applicant's work. Dixon also offered praise for Applicant's consistent helpfulness, and considerable knowledge. Zach Ruroden, President of the Iowa Land Title Association ("ILTA") Board of Directors wrote in public comments on the Application that the ILTA supports title-plant abstracting and supports the one-year title plant waiver application.

RULING

For these reasons, the Board approves Mahaska Title-Johnson Abstract Co.'s Application for a provisional title plant waiver for a period of one (1) year from the date of this Written Ruling.

SO RULED this 30th day of November, 2021.



Charles Winkleblack, Iowa Title Guaranty Board Chair



Lindsey A. Guerrero, Iowa Title Guaranty Board Secretary

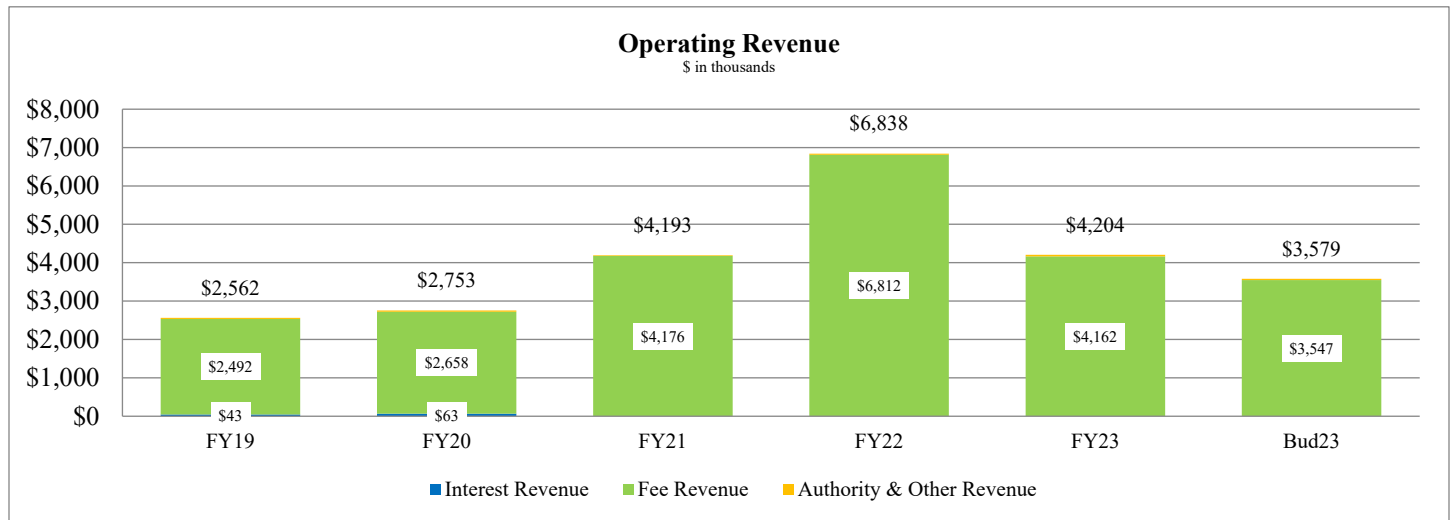
(seal)



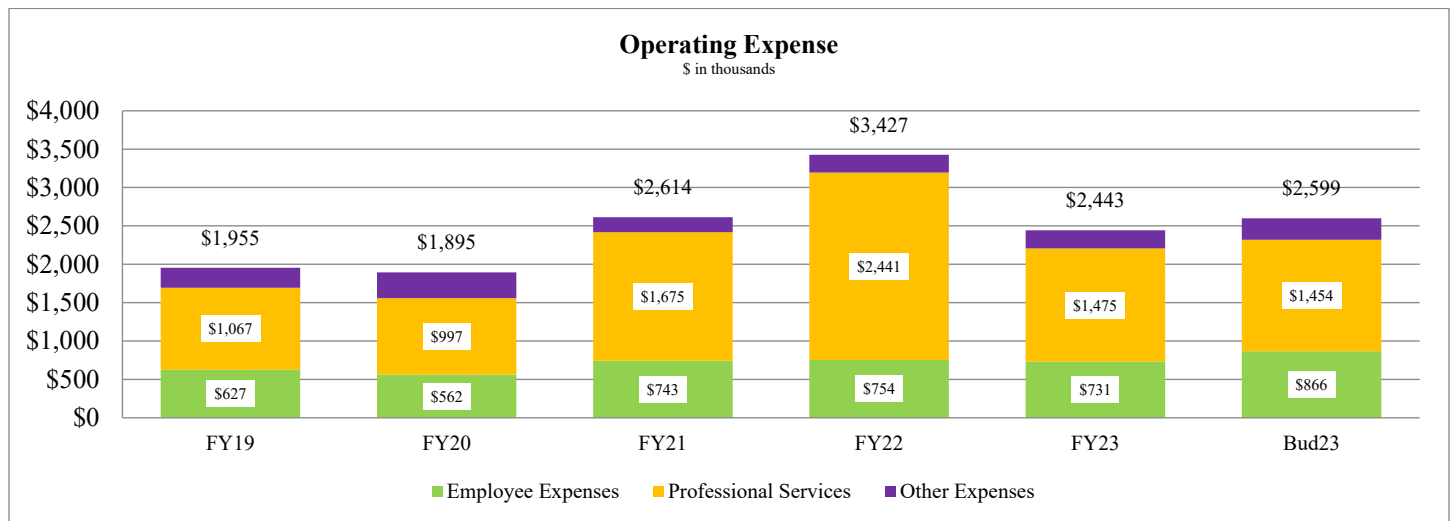
To: IFA & ITG Board Members
 From: David Morrison
 Date: December 6, 2022
 RE: October 2022 YTD Financial Results

Iowa Title Guaranty Financial Results (\$ in thousands)

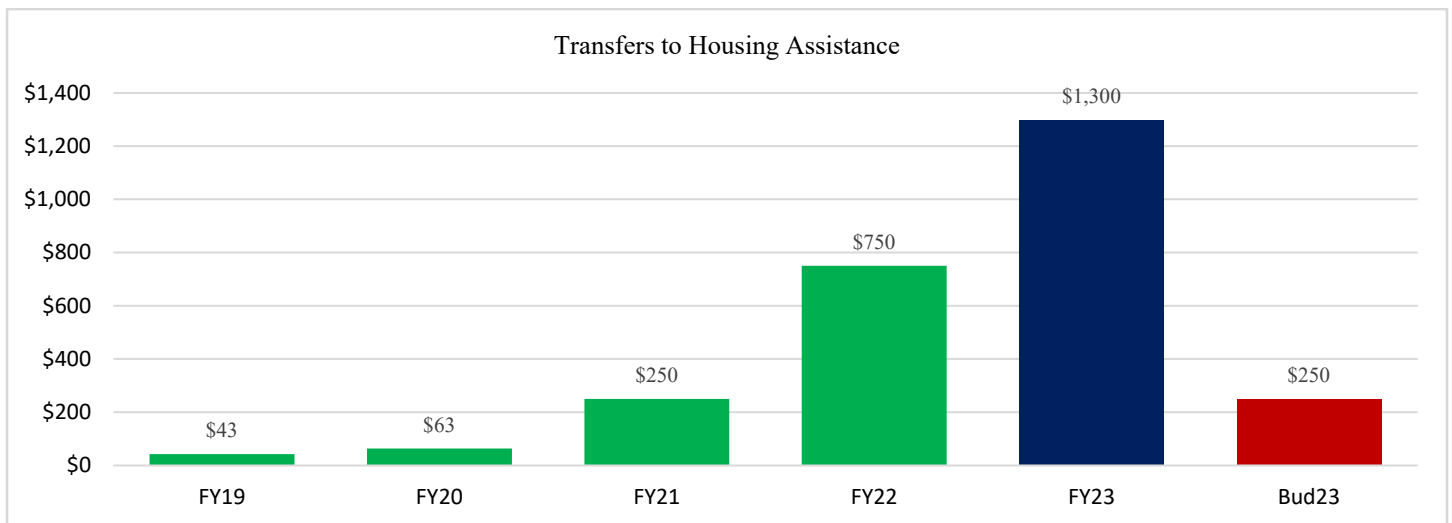
ITG operated unfavorably to budget for the first four months of fiscal year of FY2023.



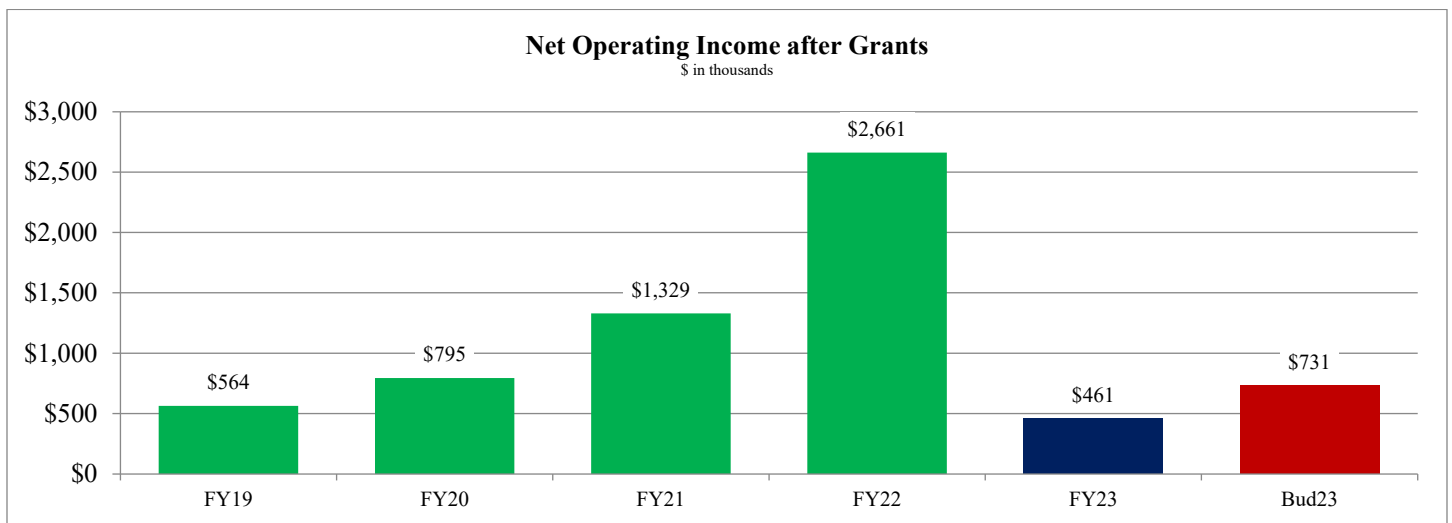
Operating revenue was \$625, or 17.4% above budget and 38.5% behind last year.



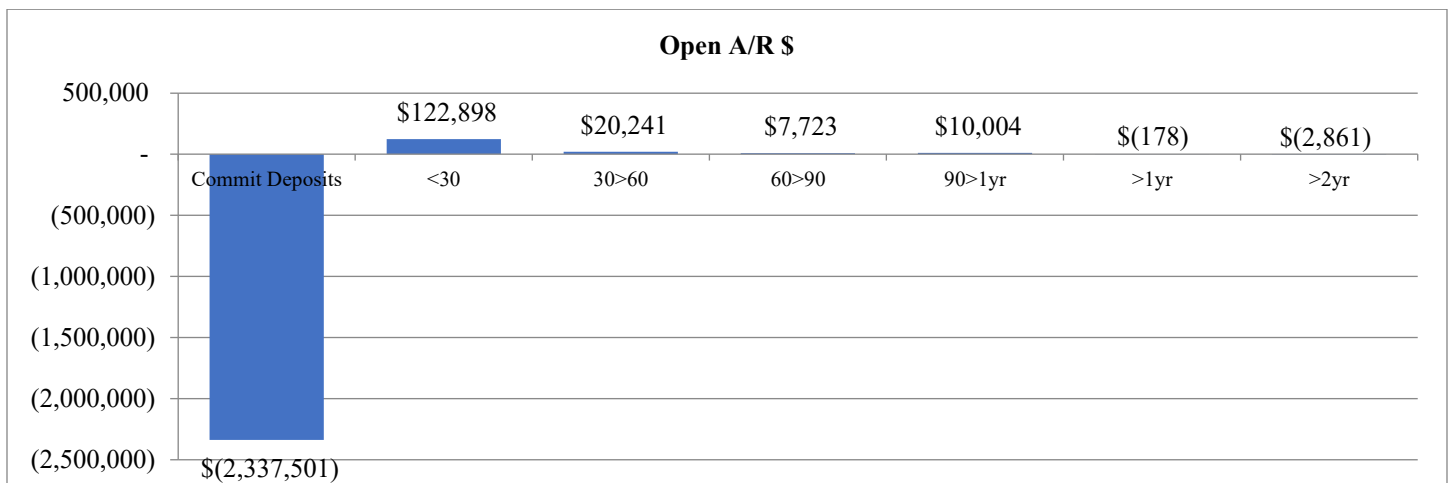
Operating expense was \$156, or 6.0% favorable to budget and 28.7% favorable to last year. Employee expenses were favorable to budget \$134, Claims and Loss Expenses favorable due to decrease in Known Claims Reserve \$25; offset by unfavorable Professional Services (\$23) – primarily related to higher incentive payments.



Transfers to Housing Assistance Fund from Title Guaranty occur quarterly. Transfers are \$1,050 ahead of budget and \$550 ahead of last year.

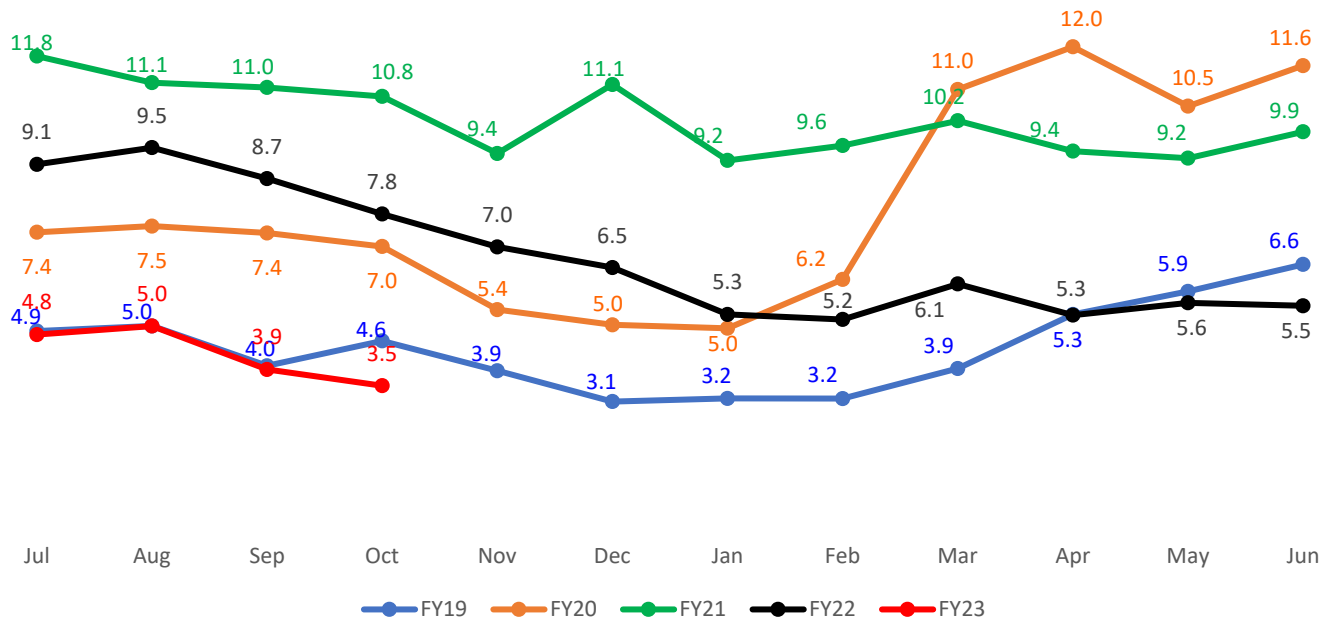


As a result, NOIAG is \$270 unfavorable to budget and \$2,200 unfavorable to last year.

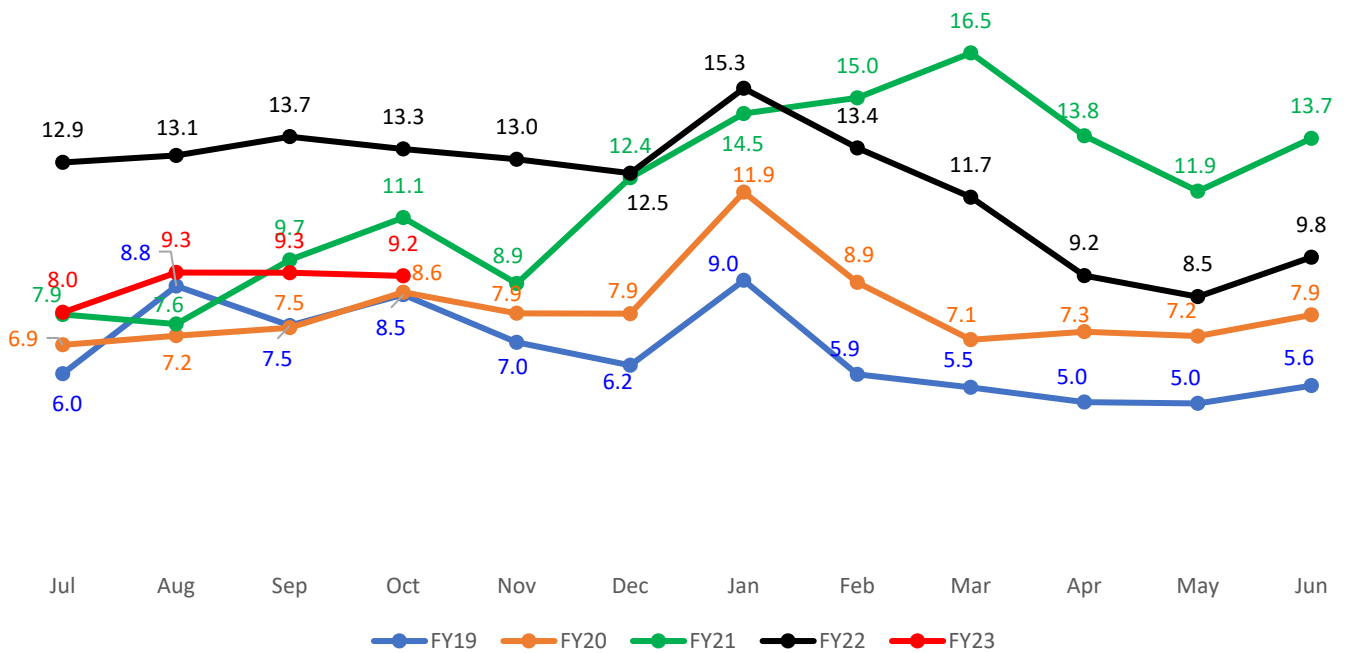


Commitments decreased 6.8% (\$2.338M vs \$2.508M) compared to September, while outstanding receivables decreased 0.5% in Oct (\$157k vs \$159k primarily in 30>60 days aging).

Monthly Trend - Commitments Issued- 5 yr trends



Monthly Trend - Certificates Issued 5 year trend



Balance Sheet	Iowa Title Guaranty Division (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	24,620,767	24,534,882	85,885	0.4	23,556,768	1,063,999	4.5
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	-	-	-	0.0	-	-	0.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	189,684	327,551	(137,868)	-42.1	287,346	(97,662)	-34.0
Deferred Outflows	268,126	317,864	(49,738)	-15.6	317,864	(49,738)	-15.6
Total Assets and Deferred Outflows	25,078,577	25,180,298	(101,721)	-0.4	24,161,978	916,599	3.8
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	-	-	-	0.0	790	(790)	-100.0
Escrow Deposits	3,561,790	1,026,841	2,534,949	246.9	1,500,091	2,061,698	137.4
Reserves for Claims	1,656,495	1,859,444	(202,948)	-10.9	1,651,915	4,580	0.3
Accounts Payable & Accrued Liabilities	2,719,992	3,614,184	(894,192)	-24.7	4,805,477	(2,085,485)	-43.4
Other liabilities	250,557	1,279,687	(1,029,130)	-80.4	1,418,775	(1,168,218)	-82.3
Deferred Inflows	1,060,406	81,785	978,621	1196.6	175,105	885,301	505.6
Total Liabilities and Deferred Inflows	9,249,240	7,861,940	1,387,300	17.6	9,552,153	(302,913)	-3.2
Equity							
YTD Earnings(Loss)	460,601	730,751	(270,150)	-37.0	2,661,444	(2,200,843)	-82.7
Prior Years Earnings	15,368,736	16,587,606	(1,218,870)	-7.3	11,948,381	3,420,355	28.6
Transfers	-	-	-	0.0	-	-	0.0
Total Equity	15,829,337	17,318,357	(1,489,020)	-8.6	14,609,825	1,219,512	8.3
Total Liabilities, Deferred Inflows, and Equity	25,078,577	25,180,298	(101,721)	-0.4	24,161,978	916,599	3.8

Income Statement	Iowa Title Guaranty Division (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	1,124,129	1,026,289	97,840	9.5	1,754,186	(630,057)	-35.9	4,162,197	3,547,256	614,941	17.3	6,812,409	(2,650,212)	-38.9
Other Revenue	13,569	8,000	5,569	69.6	3,711	9,858	265.6	41,467	32,000	9,467	29.6	25,981	15,486	59.6
Total Operating Revenue	1,137,698	1,034,289	103,409	10.0	1,757,897	(620,199)	-35.3	4,203,664	3,579,256	624,408	17.4	6,838,390	(2,634,726)	-38.5
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	178,173	221,012	(42,839)	-19.4	185,681	(7,508)	-4.0	731,311	865,555	(134,244)	-15.5	753,599	(22,288)	-3.0
Shared Expenses	16,036	17,433	(1,398)	-8.0	15,911	125	0.8	99,374	99,848	(474)	-0.5	92,805	6,568	7.1
Marketing Expense	300	11,033	(10,733)	-97.3	9,450	(9,150)	-96.8	9,011	38,597	(29,586)	-76.7	10,733	(1,723)	-16.0
Professional Services	361,648	413,714	(52,066)	-12.6	714,293	(352,646)	-49.4	1,475,075	1,453,701	21,373	1.5	2,440,758	(965,683)	-39.6
Claim and Loss Expenses	2,925	10,000	(7,075)	-70.8	(17,579)	20,504	-116.6	14,887	40,000	(25,113)	-62.8	47,568	(32,681)	-68.7
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	6,419	7,600	(1,181)	-15.5	2,232	4,187	187.6	42,939	30,400	12,539	41.2	34,358	8,581	25.0
Overhead Allocation	28,945	12,854	16,091	125.2	11,001	17,944	163.1	70,467	70,404	63	0.1	47,125	23,342	49.5
Total Operating Expense	594,445	693,646	(99,200)	-14.3	920,990	(326,545)	-35.5	2,443,063	2,598,505	(155,442)	-6.0	3,426,946	(983,883)	-28.7
Net Operating Income (Loss) Before Grants	543,253	340,643	202,609	59.5	836,906	(293,654)	-35.1	1,760,601	980,751	779,850	79.5	3,411,444	(1,650,843)	-48.4
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Net Operating Income (Loss) After Grants	543,253	340,643	202,609	59.5	836,906	(293,654)	-35.1	460,601	730,751	(270,150)	-37.0	2,661,444	(2,200,843)	-82.7
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	543,253	340,643	202,609	59.5	836,906	(293,654)	-35.1	460,601	730,751	(270,150)	-37.0	2,661,444	(2,200,843)	-82.7
IFA Home Dept Staff Count	-	21	(21)	-100.0	20	(20)	-100.0	5	22	(17)	-76.7	20	(15)	-75.0
FTE Staff Count	-	22	(22)	-100.0	22	(22)	-100.0	16	23	(7)	-29.8	21	(5)	-25.1

Income Statement	800-020 Residential													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	970,952	965,500	5,452	0.6	1,654,182	(683,230)	-41.3	3,851,956	3,304,100	547,856	16.6	6,472,207	(2,620,251)	-40.5
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	970,952	965,500	5,452	0.6	1,654,182	(683,230)	-41.3	3,851,956	3,304,100	547,856	16.6	6,472,207	(2,620,251)	-40.5
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	146,892	186,532	(39,641)	-21.3	150,776	(3,884)	-2.6	598,633	711,758	(113,125)	-15.9	612,107	(13,474)	-2.2
Shared Expenses	15,712	16,834	(1,122)	-6.7	15,618	94	0.6	91,939	97,337	(5,398)	-5.5	91,743	196	0.2
Marketing Expense	300	10,933	(10,633)	-97.3	5,700	(5,400)	-94.7	6,011	34,947	(28,936)	-82.8	6,983	(973)	-13.9
Professional Services	361,648	413,364	(51,716)	-12.5	713,929	(352,282)	-49.3	1,475,075	1,452,301	22,773	1.6	2,439,375	(964,301)	-39.5
Claim and Loss Expenses	2,925	10,000	(7,075)	-70.8	(17,579)	20,504	-116.6	14,887	40,000	(25,113)	-62.8	47,568	(32,681)	-68.7
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	390	350	40	11.4	590	(200)	-33.9	1,950	1,400	550	39.3	2,140	(190)	-8.9
Overhead Allocation	24,056	10,726	13,330	124.3	9,176	14,881	162.2	58,566	58,171	395	0.7	39,306	19,260	49.0
Total Operating Expense	551,923	648,739	(96,817)	-14.9	878,210	(326,288)	-37.2	2,247,060	2,395,914	(148,854)	-6.2	3,239,222	(992,162)	-30.6
Net Operating Income (Loss) Before Grants	419,029	316,761	102,269	32.3	775,972	(356,942)	-46.0	1,604,896	908,186	696,710	76.7	3,232,984	(1,628,089)	-50.4
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Net Operating Income (Loss) After Grants	419,029	316,761	102,269	32.3	775,972	(356,942)	-46.0	304,896	658,186	(353,290)	-53.7	2,482,984	(2,178,089)	-87.7
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	419,029	316,761	102,269	32.3	775,972	(356,942)	-46.0	304,896	658,186	(353,290)	-53.7	2,482,984	(2,178,089)	-87.7
IFA Home Dept Staff Count	-	17	(17)	-100.0	16	(16)	-100.0	4	18	(14)	-77.1	16	(12)	-75.0
FTE Staff Count	-	19	(19)	-100.0	18	(18)	-100.0	13	19	(6)	-29.5	18	(4)	-24.1

Income Statement	800-030 Commercial													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	153,177	60,789	92,388	152.0	100,004	53,173	53.2	310,241	243,156	67,085	27.6	340,203	(29,962)	-8.8
Other Revenue	13,569	8,000	5,569	69.6	3,711	9,858	265.6	41,467	32,000	9,467	29.6	25,981	15,486	59.6
Total Operating Revenue	166,746	68,789	97,957	142.4	103,715	63,031	60.8	351,708	275,156	76,552	27.8	366,183	(14,476)	-4.0
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	31,282	34,479	(3,198)	-9.3	34,905	(3,624)	-10.4	132,678	153,797	(21,119)	-13.7	141,492	(8,814)	-6.2
Shared Expenses	324	599	(275)	-46.0	293	31	10.4	7,435	2,511	4,924	196.1	1,062	6,372	599.8
Marketing Expense	-	100	(100)	-100.0	3,750	(3,750)	-100.0	3,000	3,650	(650)	-17.8	3,750	(750)	-20.0
Professional Services	-	350	(350)	-100.0	364	(364)	-100.0	-	1,400	(1,400)	-100.0	1,382	(1,382)	-100.0
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	6,029	7,250	(1,221)	-16.8	1,642	4,387	267.2	40,989	29,000	11,989	41.3	32,218	8,771	27.2
Overhead Allocation	4,888	2,128	2,760	129.7	1,826	3,063	167.8	11,901	12,233	(332)	-2.7	7,820	4,081	52.2
Total Operating Expense	42,523	44,906	(2,384)	-5.3	42,780	(257)	-0.6	196,003	202,591	(6,588)	-3.3	187,724	8,279	4.4
Net Operating Income (Loss) Before Grants	124,223	23,883	100,341	420.1	60,935	63,289	103.9	155,705	72,565	83,140	114.6	178,460	(22,754)	-12.8
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Operating Income (Loss) After Grants	124,223	23,883	100,341	420.1	60,935	63,289	103.9	155,705	72,565	83,140	114.6	178,460	(22,754)	-12.8
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	124,223	23,883	100,341	420.1	60,935	63,289	103.9	155,705	72,565	83,140	114.6	178,460	(22,754)	-12.8
IFA Home Dept Staff Count	-	4	(4)	-100.0	4	(4)	-100.0	1	4	(3)	-75.0	4	(3)	-75.0
FTE Staff Count	-	4	(4)	-100.0	4	(4)	-100.0	3	4	(1)	-31.2	4	(1)	-29.4



IOWA TITLE GUARANTY

A DIVISION OF IOWA FINANCE AUTHORITY

To: Iowa Title Guaranty Board

From: Karla Furger

Date: December 6, 2022

Re: Claims Report

I. Current Total Claims Reserves as of November 15, 2022: \$315,023.09

II. Fiscal Year 2023 Claims Paid to Date: \$128,733.61

III. Claim Summary as of November 15, 2022:

Total Pending Claims as of November 15, 2022	34
Pending Claims in Recoupment Status	5
Net Pending Claims as of November 15, 2022	29
Claims Received since July 01, 2022	23
Claims Resolved since July 01, 2022	31

IV. Trends:

Claims Trends	Lenders	Owners	Total
Claims in FY 2019 (<i>July 1, 2018 to June 30, 2019</i>)	129	13	142
Claims in FY 2020 (<i>July 1, 2019 to June 30, 2020</i>)	88	18	106
Claims in FY 2021 (<i>July 1, 2020 to June 30, 2021</i>)	37	17	54
Claims in FY 2022 (<i>July 1, 2021 to June 30, 2022</i>)	46	18	64
Claims to date in FY 2023 (<i>July 1, 2022 to present</i>)	14	9	23

Current Active Claims Topics	
<i>Number of Claims</i>	<i>Nature of Claim</i>
7	Boundary Disputes
6	Mechanic's Liens
6	Prior Judgments or Liens
5	Issues with Drafting, Execution of Vesting Deed or Guaranteed Mortgage
5	Claims in Recoupment Status
3	Break in Chain of Title
2	Manufactured Home Endorsement



To: Iowa Title Guaranty Board

From: Kevin Blackman

Date: December 06, 2022

Re: Mortgage Release – FY23

Mortgage Release – FY23 Update

Through October 2022, we received 197 requests:

110 were in conjunction with the Rapid Certificate program (56%)

87 of the remaining requests included the \$200 fee (44%)

195 Releases have been filed

Since inception, 8,192 mortgages have been released through this program.

FY 2023	Requests Received	Rapid Certificates	Paid \$200	Releases Filed
Jul-22	37	11	26	45
Aug-22	37	15	22	54
Sep-22	74	52	22	58
Oct-22	49	32	17	38
Totals	197	110	87	195