



BOARD MEETING MINUTES

**Iowa Title Guaranty
Des Moines, Iowa
March 1, 2022**

TELEPHONIC MEETING

Board Members Present

Charles Winkleblack, Chair
Daniel Seufferlein

Judy Hilgenberg, Vice-Chair
Jason Froehlich
Sarah Pesek

Board Members Absent

None.

Staff Members Present

Lindsey Guerrero, Director, Iowa Title Guaranty
Doug Mizer, Legal Counsel
Rachel Pettit, Operations Manager
Matt Veldey, Senior Commercial Attorney
Kevin Blackman, Senior Residential Attorney
Dillon Malone, Claims Attorney
Ethan Murray, Commercial Attorney
Katherine Smith, Residential Attorney
Emily Stokes, Compliance Officer

Mary Brucker, Training Specialist
Mike Hogan, IT System Administrator
David Morrison, ITG Accounting Manager
Heidi Koll, Participant Program Administrator
Kim Praska, Commercial Services Specialist
Hao Lu, ITG Billing Specialist
Carrie Nutt, Sr. Production Specialist

Others Present

Sandy Guy, Community Title, LLC
Dean Hoag, Community Title, LLC
Amy Portwine, Midland Title & Escrow
Randee Slings, Iowa Title Company

Call to Order

The March 1, 2022 meeting of the Iowa Title Guaranty Board of Directors was held via telephone. Chairman Winkleblack called the meeting to order at 10:32 a.m. Roll call was taken, and a quorum

was established with the following Board Members present: Chairman Winkleblack, Vice-Chair Judy Hilgenberg, Dan Seufferlein, Jason Froehlich and Sarah Pesek.

Action Items

Review and Approval of November 30, 2021 Board Meeting Minutes

MOTION: On a motion by Mr. Froehlich and a second by Mr. Seufferlein, the Board unanimously accepted the November 30, 2021 Board Meeting Minutes.

New Business

ITG 22-01 – Transfer of Funds

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 22-01. The proposed transfer would be in the amount of \$1,500,000.00 to Iowa Finance Authority's (IFA) housing assistance fund. Mr. Morrison requested board action on Resolution ITG 22-01.

MOTION: On a motion by Ms. Hilgenberg and a second by Ms. Pesek, the Board unanimously approved ITG Resolution 22-01.

Discussion and Informational Items

Financial Report

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

- ITG operated favorable to budget through the first month of the third quarter of FY2022. Operating revenue was 29.4% above budget and 48.1% above last year.
- Operating expense was 10.2% unfavorable to budget and 23.9% unfavorable to last year. Employee expenses were favorable to budget \$167; offset by unfavorable Professional Services (\$826), primarily related to higher incentive payments.
- Net Operating Income After Grants (NOIAG) is \$1,157 favorable to budget and \$1,467 favorable to last year.
- Commitments decreased 10.9% (\$3.950M vs. \$3.976M) compared to December, while outstanding receivables increased 14.9% in January (\$323K to \$281K primarily in <30 days and 30>60 days aging).
- January YTD ITG transferred \$2M to the IFA housing assistance fund compared to a budget of \$1M.
- Iowa Title Guaranty commitments are trending down due to an increase in interest rates. Certificates are still trending upwards.

Claims Update

Mr. Malone reported that ITG claims reserves as of February 9, 2022 are now \$419,650.40. Mr. Malone reported that ITG has paid out \$41,933.61 in claims in FY22. As of the date of the report ITG had 35 pending claims, with 4 in recoupment only status.

Mr. Malone reported that ITG has received 24 claims since July 1. Mr. Malone reported 30 claims have been resolved since that date.

While claim volume has steadily decreased, ITG continues to receive claims due primarily to issues with the drafting and breaks in the chain of title.

Mortgage Release Update

Mr. Blackman reported that ITG received 480 mortgage release requests through January 2022. He stated that 337 of the requests were in conjunction with the Rapid Certificate program (70%), 143 of the remaining requests included the \$200 fee (30%), and 390 releases were filed. Mr. Blackman reported that since inception, 7,632 mortgages have been released through this program. Mr. Blackman noted ITG numbers for the program thus far are exceeding the numbers for FY2021, especially in January 2022.

Mr. Blackman praised Kim Praska for her ability to manage the record number of release requests thus far.

Commercial Update

Mr. Veldey reported that the ITG Commercial Team continues to see a steady volume of transactions and a large number of those are agricultural commitments. The number of closings has slowed which has allowed the team to work on cross-training employees. Overall, the numbers for new transactions are strong and specific numbers are reflected in the premiums shown in the financial report.

ITG Director Update

Director Guerrero opened her comments with a staffing update. Two positions are currently open: a legal Summer Internship and a Production Specialist position to replace Amanda Jenkins.

ITG recently developed three short-form attorney certifications that participating ITG attorneys may use in lieu of a traditional title opinion when examining a Form 900, Form 901, or Post-Closing Search Certification. The forms do not eliminate the title opinion requirement as provided in Iowa Code Section 16.91(6). Rather, ITG created these forms to simultaneously uphold the title opinion requirement and expedite the title opinion process. The forms enable the title attorney to render a short-form opinion as to the status of title based upon review of the short-form abstracting product which shall be relied upon by the field issuer when issuing a commitment or certificate. The forms are not required. The title attorney has the discretion to require full abstracting and a traditional title opinion as the title attorney deems necessary.

Director Guerrero stated that the Iowa Finance Authority (“IFA”) Board approved of IFA Resolution “ITG 22-01,” granting petitioners, Clear Title & Abstract, LLC and Council Bluffs Title & Escrow, LLC, a five-year extension of the existing Pottawattamie County Abstract Definition Waiver and approving use of the updated Pottawattamie County Report of Title on residential and commercial transactions with coverage amounts of \$750,000 or less for the period of March 1, 2022

– March 1, 2027. The Iowa Administrative Code Rule 265-9.1 defines an abstract as a summary of “all matters of record” affecting title to a specific parcel of real estate. The Waiver waives the “all matters of record” requirement within the abstract definition, allowing the Applicants to prepare a Report of Title disclosing only those matters of record currently affecting the property. The Reports of Title must be prepared on Iowa Title Guaranty’s approved forms and in accordance with Iowa Title Guaranty’s Pottawattamie County Report of Title Requirements. The original waiver was granted in 2007 and extended for five-year terms in 2012 and 2017. Changes to the waiver include an expansion of the coverage amount from \$500,000 to \$750,000 or less and including both residential and commercial properties.

Director Guerrero shared the results from an independent market research study:

1. If the sale of title insurance is legalized in Iowa, Iowans would pay an additional \$45M per year in premiums and the profits would go to out-of-state title insurance companies.
2. ITG provides Iowans with title coverage for a quarter of the cost of an out-of-state title insurance policy.
3. The national average premium for a title insurance policy is \$911. ITG offers a flat rate premium of \$175 for residential coverage up to \$750,000.
4. Homeowners with out-of-state title insurance are twice as likely to suffer a title related loss as those with Iowa Title Guaranty coverage.
5. ITG reinvests all of its profits into the IFA housing assistance fund to help Iowans purchase homes, supporting an average of 2,300 homebuyers a year and totaling \$63M and counting.

Public Comment

There was no comment from the public.

Adjournment

MOTION: On a motion by Ms. Pesek and a second by Mr. Froehlich, the March 1, 2022 Meeting of the ITG Board of Directors adjourned at 11:12 a.m.

Dated this 24th day of May, 2022.

Respectfully submitted:

Approved as to form:



Dillon D. Malone
Director, Iowa Title Guaranty

Charles Winkleblack
Board Chair, Iowa Title Guaranty