



## **BOARD MEETING MINUTES**

**Iowa Title Guaranty  
Des Moines, Iowa  
May 24, 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**

Debi Durham, Executive Director, IEDA  
Dillon Malone, Director, Iowa Title Guaranty  
Doug Mizer, Legal Counsel  
Rachel Pettit, Operations Manager  
Matt Veldey, Senior Commercial Attorney  
Kevin Blackman, Senior Residential Attorney  
Ethan Murray, Commercial Attorney  
Katherine Smith, Residential Attorney  
Julie Frye, Compliance Officer  
Emily Stokes, Compliance Officer

Mary Brucker, Training Specialist  
Mike Hogan, IT System Administrator  
Beau Hanson, IT System Administrator  
David Morrison, ITG Accounting Manager  
Heidi Koll, Participant Program Administrator  
Kim Praska, Commercial Services Specialist  
Carrie Nutt, Sr. Production Specialist  
Rachel Buckingham, Production Specialist  
Travis Browder, Production Specialist  
Christine Baber, ITG Intern

#### **Others Present**

Sandy Guy, Community Title, LLC  
Dean Hoag, Community Title, LLC

#### **Call to Order**

The May 24, 2022 meeting of the Iowa Title Guaranty Board of Directors was held via telephone. Chairman Winkleblack called the meeting to order at 10:33 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 March 1, 2022 Board Meeting Minutes**

**MOTION:** On a motion by Ms. Pesek and a second by Mr. Froehlich, the Board unanimously accepted the March 1, 2022 Board Meeting Minutes.

### **New Business**

#### **ITG 22-02 – Transfer of Funds**

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 22-02. The proposed transfer would be in the amount of \$2,200,000 to Iowa Finance Authority's (IFA) housing assistance fund. Mr. Morrison requested board action on Resolution ITG 22-02.

**MOTION:** On a motion by Mr. Froehlich and a second by Mr. Seufferlein, the Board unanimously approved ITG Resolution 22-02.

### **Discussion and Informational Items**

#### **Financial Report**

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

- ITG operated favorable to budget through the first month of the fourth quarter of FY2022. Operating revenue was 20.2% above budget and 22.1% above last year.
- Operating expense was 5% unfavorable to budget and 6.2% unfavorable to last year. Employee expenses were favorable to budget \$208K; offset by unfavorable Professional Services (\$772K), primarily related to higher incentive payments.
- Net Operating Income After Grants (NOIAG) is \$340K favorable to budget and \$212K favorable to last year.
- Commitments decreased 1.7% (\$2.809M vs. \$2.859M) compared to March, while outstanding receivables decreased 23.2% in April (\$188K to \$244K primarily in <30 days and 30>60 days aging).
- April YTD ITG transferred \$3.5M to the IFA housing assistance fund compared to a budget of \$1.5M.
- Iowa Title Guaranty commitments are flat and certificates are trending down.

Mr. Morrison then presented an overview of the FY23 ITG Budget:

- Total Operating Revenue of \$10.2M shows a decrease of 46.0% under FY22.
- Total Operating Expenses are budgeted to decrease \$2.7M or 26.3% compared FY22 forecast.
- Professional Services are budgeted to be \$4.1M in FY23, a decrease of \$3.0M or 41.8%, compared to forecasted amounts in FY22.
- Other Operating expenses in FY23 are budgeted to be \$42K lower than FY22.

- Net Operating Income After Grants (NOIAG) is \$3.0M or 64.6% unfavorable to FY22 forecast.

### **Claims Update**

Director Malone reported that ITG claims reserves as of May 11, 2022 are now \$408,361.70. ITG has paid out \$46,272.97 in claims in FY22. As of the date of the report ITG had 32 pending claims, with 4 in recoupment only status.

Director Malone reported that ITG has received 47 claims since July 1 and 56 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, mechanics liens and breaks in the chain of title.

### **Mortgage Release Update**

Mr. Blackman reported that ITG received 723 mortgage release requests through April 2022. He stated that 511 of the requests were in conjunction with the Rapid Certificate program (71%), 212 of the remaining requests included the \$200 fee (29%), and 635 releases were filed. Mr. Blackman reported that since inception, 7,877 mortgages have been released through this program. Mr. Blackman noted ITG numbers for the program thus far are exceeding the numbers for FY2021.

### **Commercial Update**

Mr. Veldey reported that the ITG Commercial Team continues to see a steady volume of transactions. Commitments YTD are approximately 12% higher than last 2021. The ITG Commercial Team has conducted 10 closings YTD which is slightly less than normal. ITG Commercial Team is attending the CREW and ICREA events. Mr Veldey attended the ALTA Forms Committee Meeting in April. Mr. Veldey praised Samantha Askland and Kim Praska for their efforts in obtaining the documentation needed to issue a large number of final certificates.

### **ITG Director Update**

Director Malone opened his comments with a staffing update. Travis Browder was recently hired as a Production Specialist and Christine Baber is the ITG Legal Intern. The Claims and Compliance Attorney job posting closed. We will begin reviewing applications and scheduling interviews soon.

Director Malone informed the board that Jorge Gomez, III submitted a Permanent Title Plant Waiver Application which is currently open for public comment. The Application will be on the August 30, 2022 ITG Board Meeting Agenda.

ITG will attend the ILTA Conference, the County Recordors Association Summer School, and the annual reinsurance meeting in Chicago. ITG is sponsoring and will present at the Iowa State Bar

Association Annual Meeting this summer as well.

The Housing Iowa Conference is scheduled for September 7–9 with an evening reception on September 6. There will be a separate ITG track with two days of speakers and panel discussions. Panel discussions may include the following: ethics, digital/paperless real estate offices (digital abstracting, title examination and closings), legislative updates, discussion about new matters in real estate law, and claims. National topics may include cybersecurity and blockchain.

Director Malone stated that IFA submitted a Notice of Termination for Cause to Qualia in May.

**Public Comment**

There was no comment from the public.

**Adjournment**

**MOTION:** The May 24, 2022 Meeting of the ITG Board of Directors adjourned at 11:10 a.m.

Dated this 30th day of August, 2022.

Respectfully submitted:

Approved as to form:



Dillon D. Malone  
Director, Iowa Title Guaranty



Charles Winkleblack  
Board Chair, Iowa Title Guaranty