



BOARD MEETING MINUTES

**Iowa Title Guaranty
Des Moines, Iowa
February 28, 2023**

Board Members Present

Daniel Seufferlein, Chair
Jason Froehlich, Vice-Chair

Judy Hilgenberg
Sarah Pesek
Charles Winkleblack

Board Members Absent

None.

Staff Members Present

Debi Durham, Executive Director, IEDA/IFA
Dillon Malone, Director, Iowa Title Guaranty
Christine Baber, ITG Intern
Kevin Blackman, Senior Residential Attorney
Travis Browder, Production Specialist
Mary Brucker, Training Specialist
Vicky Clinkscales, IT Project Specialist
Julie Frye, Compliance Officer
Karla Furger, Claims and Compliance Attorney

Beau Hanson, IT Support Specialist
Heidi Koll, Participant Program Administrator
Doug Mizer, Legal Counsel
David Morrison, Single Family Accounting
Manager
Ethan Murray, Commercial Attorney
Carrie Nutt, Senior Production Specialist
Rachel Pettit, Operations Manager
Kim Praska, Commercial Services Specialist
Emily Stokes, Compliance Officer
Matthew Veldey, Senior Commercial Attorney

Others Present

Angela Phillips, Schweitzer & Bajric
Jordan Holtkamp, Iowa Day of Close
Sandy Guy, Community Title, L.L.C.
Dean Hoag, Community Title, L.L.C.
Jan Gemar, Iowa Land Title Association
Richard S. Bordwell, Washington Title &
Guaranty

Virginia Bordwell, Washington Title &
Guaranty
Daniel Kadrlík, Iowa Land Title Association
Danielle Michalski, Abstract Associates
Amy Portwine, Midland Title & Escrow
Deb Partee, Midland Escrow Services, Inc.
Matthew J. White, Title Services DM Corp.

Call to Order

The February 28, 2023 meeting of the Iowa Title Guaranty Board of Directors was called to order by Chairman Seufferlein at 10:30 a.m. Roll call was taken, and a quorum was established with the following Board Members present: Charles Winkleblack, Judy Hilgenberg, Vice-Chair Jason Froehlich and Sarah Pesek.

Mr. Seufferlein thanked Charles Winkleblack for his dedication and service to Iowa Title Guaranty as a board member and board Chair.

Action Items

Review and Approval of December 6, 2022 Board Meeting Minutes

MOTION: On a motion by Mr. Winkleblack and a second by Ms. Pesek, the Board unanimously approved the December 6, 2022 Board Meeting Minutes.

New Business

ITG 23-01 – Transfer of Funds

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 23-01. The resolution proposed transferring \$1,300,000.00 to the Iowa Finance Authority's (IFA) housing assistance fund. Mr. Morrison requested board action on Resolution ITG 23-01.

MOTION: On a motion by Ms. Hilgenberg and a second by Mr. Froehlich the Board unanimously approved ITG Resolution 23-01.

Title Plant Waiver Application W22-3 for Angela N. Phillips: Written Ruling

Mr. Mizer summarized the facts regarding Angela N. Phillips' ("Applicant") Application for Title Plant Waiver submitted October 6, 2022 (#W22-3) (the "Application"). The Applicant sought a waiver of the title plant requirement in Louisa county. The Applicant is not an ITG participating abstractor. Mr. Mizer briefly summarized the Applicant's justification of a waiver and the basis for recommendation that the ITG Board deny the Application for Title Plant Waiver W22-3.

In response to a request for comments or questions by the Chair, Ms. Phillips spoke on her behalf, providing additional information in support of the Application for Title Plant Waiver W22-3.

MOTION: On a motion by Mr. Winkleblack and a second by Mr. Froehlich, the Board unanimously denied the Application for Title Plant Waiver W22-3.

Title Plant Waiver Application W22-4 for Jordan Holtkamp: Written Ruling

Mr. Mizer summarized the facts regarding Jordan Holtkamp's ("Applicant") Application for Title Plant Waiver submitted November 29, 2022 (#W22-4) (the "Application"). The Applicant sought a waiver of the title plant requirement in order to provide "day of close (gap)" searches through a Limited Liability Company (OF SEI Innovations, LLC) doing business as "Iowa Day of Close". The applicant is a real

estate closer and is not currently an ITG participant. Mr. Mizer briefly summarized the Applicant's justification of a waiver and the basis for recommendation that the ITG Board deny the Application for Title Plant Waiver W22-4.

In response to a request for comments or questions by the Chair, Mr. Holtkamp spoke on his behalf, providing additional information in support of the Application for Title Plant Waiver W22-4.

MOTION: On a motion by Ms. Pesek and a second by Mr. Froehlich, the Board unanimously denied the Application for Title Plant Waiver W22-4.

Discussion and Informational Items

Financial Report

Mr. Morrison presented an overview of the financials for January 2023 YTD:

- ITG operated unfavorably to budget for the first seven months of Fiscal year 2023. Operating revenue was 14.4% above budget and 38.6% behind last year.
- Operating expense was 8.3% favorable to budget and 31.2% favorable to last year. Employee expenses were favorable to budget \$230K and Claims and Loss Expenses favorable due to increase in Known Claims Reserve \$52K and favorable Professional Services (\$62K), primarily related to higher incentive payments.
- Net Operating Income After Grants (NOIAG) is \$387K unfavorable to budget and \$2.72M unfavorable to last year, primarily due to transfers to IFA's Housing Assistance Fund. Transfers are \$1.7M ahead of budget and \$200K ahead of last year.
- Commitments decreased 22.9% (\$1.471M vs. \$1.908M) compared to December, while outstanding receivables decreased 23.7% in January (\$71K vs \$93K), primarily in the 60>90 days aging window.

Claims Update

Ms. Furger reported that ITG claims reserves as of February 15, 2023 are now \$344,522.35. Ms. Furger reported that ITG has paid out \$146,783.89 in claims in FY23. As of the date of the report ITG had 47 pending claims, with 6 in recoupment only status and 41 active claims.

Ms. Furger reported that ITG has received 43 claims since July 1. Ms. Furger reported 38 claims have been resolved since that date.

The nature of the claims continue to involve issues with deed and mortgage drafting (12 claims), prior judgments or liens (10 claims) and boundary disputes (7 claims). ITG has 5 mechanic's lien claims; 4 regarding breaks in the chain of title; and 2 related to manufactured homes.

Mortgage Release Update

Mr. Blackman reported that ITG received 299 mortgage release requests through January 2023. He stated that 174 of the requests were in conjunction with the Rapid Certificate program (58%); 125 of the remaining requests included the \$200 fee (42%); and 304 releases were filed. Mr. Blackman reported that since inception, 8,301 mortgages have been released through this program.

Commercial Update

Mr. Veldey reported that the ITG Commercial Team had a strong 2nd quarter in FY 2023 and record sales in January 2023. Record numbers were due in part to a larger market share for ITG, increased land values, and a fear of rising interest rates and construction costs. Since then, volume has slowed and is mirroring the rest of the industry. The team is now focusing on issuing final certificates and drafting new manuals and policies and procedures to streamline and document processes.

Mr. Veldey continues to attend ALTA Forms Committee Meetings.

ITG Director Update

Director Malone opened his comments with an ITG staffing update by announcing an active post for an ITG Accounting Director. He also recognized ITG Compliance Officer Julie Frye who obtained her CLTP designation at the end of 2022.

Director Malone reviewed the Memo regarding the ALTA Forms and Endorsements Update the Board will be asked to adopt at the June 6, 2023 ITG Board Meeting. He provided an overview of the changes to the ALTA Forms and Endorsements as well as the ITG forms that will be retired. If approved, the forms will be effective July 1, 2023.

Director Malone reported that ITG is monitoring 2 proposed bills, one in the House and one in the Senate, that address problems involving interest rate buy-down disclosure forms for non-depository institutions. ITG is also closely monitoring legislation prohibiting Non-Title Recorded Agreements for Personal Services, realty listing agreements that has been proposed and supported by many stakeholders.

Director Malone summarized ITG outreach with stakeholders:

- Regular meetings with ITG participants and real estate agents.
- Director Malone and ITG Operations Manager Rachel Pettit will attend the ALTA Springboard Conference in March and he and Residential Underwriting Attorney Katherine Smith will attend the ALTA Spring Title Counsel Meeting in April.
- ITG will have a presence at the ILTA Annual Convention in May and the ISBA Annual Meeting this summer.

Director Malone concluded his update with an overview of the FY 2022 numbers, another record-breaking year for ITG:

- 2% increase over total number of certificates issued for over \$30B of residential real estate coverage.
- 1,204 participants. Over 1000 attorneys and 138 title plant abstractors.
- 96% of the ITG residential products are issued in the field transferring \$6.5M in incentive payments to those participants.
- ITG Commercial saw a 66% increase in total transactions for FY22 and a 45% increase in the amount of coverage, almost \$1B of commercial real estate.

- Transfers to the Housing Assistance Fund totaled \$5.7M in FY22, a 185% increase over previous fiscal years. To date ITG has transferred \$68.5M to the fund which helps low-income and first-time buyers achieve home ownership.

IEDA/IFA Executive Director Update

Director Durham had to leave the meeting and was unable to provide her update.

Public Comment

Richard S. Bordwell, ITG participant attorney from Washington, Iowa is a grandfathered attorney abstractor who owns a title plant in Washington county. He submitted comments opposing Angela Phillips Application for Title Plant Waiver and provided for the Board an overview on the indexing practices he follows as a title plant owner.

Adjournment

MOTION: On a motion by Mr. Froelich and a second by Ms. Pesek, the February 28, 2023 Meeting the ITG Board of Directors adjourned at 11:58 a.m.

Dated this 6th day of June, 2023.

Respectfully submitted:

Approved as to form:



Dillon D. Malone
Director, Iowa Title Guaranty



Daniel L. Seufferlein
Board Chair, Iowa Title Guaranty