



BOARD MEETING MINUTES

**Iowa Title Guaranty
Des Moines, Iowa
June 6, 2023**

Board Members Present

Daniel Seufferlein, Chair
Jason Froehlich, Vice-Chair

Judy Hilgenberg
Sarah Pesek
Sam Erickson

Board Members Absent

None.

Staff Members Present

Dillon Malone, Director, Iowa Title Guaranty
Kim Axtell, Lender Services Coordinator
Christine Baber, ITG Intern
Mallory Bartlett, Commercial Settlement Attorney
Kevin Blackman, Senior Residential Attorney
Michelle Bodie, ITG Accounting Manager
Mary Brucker, Compliance Officer
Vicky Clinkscales, IT Project Specialist
Karla Furger, Claims and Compliance Attorney

Heidi Koll, Participant Program Administrator
Hao Lu, Billing & Receivables Specialist
Doug Mizer, Legal Counsel
David Morrison, Single Family Accounting
Manager
Ethan Murray, Commercial Attorney
Carrie Nutt, Senior Production Specialist
Kim Praska, Commercial Services Specialist
Emily Stokes, Compliance Officer
Matthew Veldey, Senior Commercial Attorney

Others Present

Daniel Kadrlik, Iowa Land Title Association
Randee Slings, Iowa Title Company

Call to Order

The June 6, 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: Chair, Daniel Seufferlein, Vice-Chair Jason Froehlich, Judy Hilgenberg, Sarah Pesek and Sam Erickson.

Mr. Seufferlein welcomed Sam Erickson, ITG's new board member.

Action Items

Review and Approval of February 28, 2023 Board Meeting Minutes

MOTION: On a motion by Ms. Pesek and a second by Mr. Froehlich, the Board unanimously approved the February 28, 2023 Board Meeting Minutes.

New Business

Proposed 2024 ITG Board Meeting Dates

MOTION: On a motion by Ms. Hilgenberg and a second by Mr. Froehlich, the Board unanimously approved the proposed 2024 meeting dates of the ITG Board. In 2024 the Board will meet March 5, June 4, August 27, and December 3.

ITG 23-02 – Transfer of Funds

Mr. Morrison presented the proposed transfer of ITG funds outlined in Resolution ITG 23-02. The resolution proposed transferring \$75,000.00 to the Iowa Finance Authority's (IFA) housing assistance fund. Mr. Morrison requested board action on Resolution ITG 23-02.

MOTION: On a motion by Ms. Hilgenberg and a second by Ms. Pesek the Board unanimously approved ITG Resolution 23-02.

ITG 23-03 – Adoption of ALTA 2021 Forms

Director Malone presented the proposed ALTA 2021 Forms and Endorsements set forth in Resolution ITG 23-03. Director Malone requested the board adopt the ALTA 2021 Forms and Endorsements in Resolution ITG 23-03.

MOTION: On a motion by Mr. Froehlich and a second by Ms. Hilgenberg the Board unanimously approved ITG Resolution 23-03.

Discussion and Informational Items

Financial Report

Mr. Morrison presented an overview of the FY24 ITG Budget:

FY23 Forecast:

- Total Operating Income is expected to exceed FY23 budget by \$688K or 6.7%, due to an increase in premiums, endorsements, Mortgage Release premiums and annual participant renewal fees.
- Total Operating Expenses of \$6.9MM are budgeted to decrease \$0.6MM or 8.5% below budget of \$7.6MM due to lower employee expenses and professional services.
- Transfers to Housing Assistance Fund are forecast at \$3.75MM, \$2.75MM or 275% more than budget.
- Net Operating Income After Grants (NOIAG) forecast of \$233K trails budget by \$1.4MM.

FY24 Budget

- Total Operating Revenue of \$8.2MM shows a decrease of 25.4% under FY23.
- Total Operating Expenses are budgeted to decrease \$8K or 0.1% compared to forecast.
- Employee Expenses are budgeted to increase \$0.3MM due to being fully staffed, scheduled Step increases and Across the Board increases – 3% each. Professional Services are budgeted to decrease \$3.5MM due to lower Field Issuer incentives related to lower projected premiums.
- Transfers to the Housing Assistance Fund are projected at \$1.0MM.
- Net Operating Income after Grants (NOIAG) is \$0.07MM or 32.5% favorable to FY23 forecast.

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

- ITG operated unfavorably to budget through April of Fiscal Year 2023. Operating revenue was 5% above budget and 43.3% behind last year.
- Operating expenses were 11.1% favorable to budget and 33.1% favorable to last year. Employee expenses and Professional Services were favorable to budget \$290K and \$315K respectively.
- Net Operating Income After Grants (NOIAG) is \$1.602MM unfavorable to budget and \$4.268MM unfavorable to last year, primarily due to transfers to IFA's Housing Assistance Fund. Transfers are \$2.75MM ahead of budget and on par with last year.
- Commitment deposits increased 0.4% compared to March (\$1.118M vs. \$1.114M), while outstanding receivables increased 5.2% in April (\$84.7K vs \$79.6K with \$9.6K increase greater than 30 over prior month).

Claims Update

Ms. Furger reported that ITG claims reserves as of May 23, 2023 are now \$346,953.75. Ms. Furger reported that ITG has paid out \$159,394.86 in claims in FY23. As of the date of the report ITG had 43 pending claims, with 3 in recoupment only status and 40 active claims.

Ms. Furger reported that ITG has received 63 claims since July 1, 2022. Ms. Furger reported 63 claims have been resolved since that date.

The nature of the claims continue to involve issues with deed and mortgage drafting (14 claims), prior judgments or liens (11 claims) and boundary disputes (6 claims). ITG has 5 mechanic's lien claims; and 2 regarding breaks in the chain of title.

Mortgage Release Update

Mr. Blackman reported that ITG received 443 mortgage release requests through April 2023. He stated that 279 of the requests were in conjunction with the Rapid Certificate program (63%); 164 of the remaining requests included the \$200 fee (37%); and 474 releases were filed. Mr. Blackman reported that since inception, 8,471 mortgages have been released through this program.

Commercial Update

Mr. Veldey reported that ITG Commercial volume fell somewhat following a strong 2nd quarter in FY 2023, with 9 closings in the last quarter. However, recently Commercial activity has increased.

Commercial staff has been working on the ALTA 2021 Forms, testing and preparing for release on July 1, 2023. Approval and adoption of the additional endorsements provides ITG Commercial a full suite of endorsements to offer on commercial transactions.

ITG Director Update

Director Malone opened his comments with an ITG staffing update by introducing Michelle Bodie, ITG Accounting Manager. He also recognized Mary Brucker who was promoted from Training Specialist to Compliance Officer.

Director Malone summarized the scope of the ALTA Forms project which was started in September 2021 and will be released July 1, 2023. He thanked the entire team and especially Rachel Pettit, Doug Mizer, Carrie Nutt, and Ethan Murray for their hard work on the project.

Director Malone reported that regular meetings with ITG participants and stakeholders will continue throughout the year and that ITG staff has attended the following industry events:

- ALTA Springboard Meeting
- ALTA Title Counsel
- The Association of Title Information Management Conference
- The North American Title Reinsurance Purchasing Group Meeting
- The National Settlement Services Summit.

Director Malone and ITG staff also attended the Iowa Land Title Association (ILTA) Annual Convention in May and will attend the Iowa State Bar Association (ISBA) Conference in two weeks.

Director Malone reported that the legislative session closed without major legislation affecting ITG. He discussed the bill by Rocket Mortgage as an example of legislation that could have affected the Iowa system. He also reported on the legislation making 40-year listing agreements unenforceable in the state of Iowa.

Public Comment

There was no comment from the public.

Adjournment

MOTION: On a motion by Ms. Erickson and a second by Mr. Froehlich, the June 6, 2023 Meeting the ITG Board of Directors adjourned at 10:59 a.m.

Dated this 29th day of August, 2023.

Respectfully submitted:

Approved as to form:



Dillon D. Malone
Director, Iowa Title Guaranty



Daniel L. Seufferlein
Board Chair, Iowa Title Guaranty