



IOWA TITLE GUARANTY
A DIVISION OF IOWA FINANCE AUTHORITY

May 7, 2021

CAP ENHANCEMENTS RELEASED MAY 7-9
UPDATED EXCEPTIONS AND REQUIREMENTS DROPDOWN MENUS;
AUTOMATED ENDORSEMENT REQUIREMENTS;
COMMITMENT REQUIREMENTS UPDATE

Iowa Title Guaranty will be releasing the following CAP enhancements May 7–9.

UPDATED EXCEPTIONS AND REQUIREMENTS DROPDOWN MENUS

Iowa Title Guaranty is pleased to announce that we have updated our CAP dropdown menus with new and improved template requirements and exceptions for both commitments and certificates. We hope this CAP refresh will prove exceptionally useful to field issuers and staff members who are now able to easily insert the updated exceptions and requirements directly into the commitment or certificate.

We encourage all field issuers and staff members to review the new exception and requirement dropdowns and let the ITG team know if you have any questions.

The updated Residential Sample Schedule B Exceptions and Residential Sample Schedule B Requirements are also available for download in the Residential Policies and Manuals section of the [ITG Resources](#) page.

AUTOMATED ENDORSEMENT REQUIREMENTS

One of the most common compliance violations is the failure to ensure residential endorsement requirements have been satisfied in accordance with ITG's Residential Endorsements Manual prior to the issuance of an ITG endorsement. To facilitate compliance and improve transparency, ITG has implemented endorsement requirement automation on the commitment. Upon selection of an endorsement, CAP will automatically populate the appropriate endorsement requirement(s) on Schedule B, Part I of the commitment.

The endorsement requirements can also be found in the Residential Endorsements Manual as well as the Residential Sample Schedule B Requirements document located in the Residential Policies and Manuals section of the [ITG Resources](#) page.

COMMITMENT REQUIREMENTS UPDATE

Participants will also notice changes to Schedule B, Part I of the commitment. ITG has made the following updates to the requirements section to provide clarification to closers and field issuers:

1. RECORD REQUIREMENTS. ITG has added the following template record requirement to Schedule B, Part I (4):

a. MNLN Postings: If the Mechanic's Notice and Lien Registry ("MNLN") reveals any of the following postings, obtain and post the required documentation as shown below:

- Mechanic's lien: (a) obtain final lien waivers from all contractors, subcontractors, materialmen, or suppliers that have posted to the MNLN; and (b) post satisfaction of lien to the MNLN.
- Commencement of Work: (a) obtain final lien waivers from all contractors, subcontractors, materialmen, or suppliers that have posted to the MNLN; and (b) post withdrawal or lien waiver(s) through and including the filing date of the vesting deed and/or Guaranteed Mortgage to the MNLN.
- Preliminary Notice: (a) obtain final lien waivers from all contractors, subcontractors, materialmen, or suppliers that have posted to the MNLN; and (b) post withdrawal or lien waiver(s) through and including the filing date of the vesting deed and/or Guaranteed Mortgage to the MNLN.

2. NON-RECORD REQUIREMENTS. ITG has updated the following template non-record requirements in Schedule B, Part I (5):

a. Composite Mortgage Affidavit: Obtain completed, signed, and notarized Composite Mortgage Affidavits ("CMA") from the sellers/titleholders, and spouses, if any, and buyers of the Land, and for purchase transactions, the Notice of Availability of Iowa Title Guaranty Owner Certificate signed by each buyer electing or declining an owner certificate. All unrecorded matters such as leases, contracts, easements, lien waivers, etc., must be attached thereto and provided to the examining participating attorney for review prior to closing. The examining participating attorney may require disclosed matters be resolved prior to closing. Any unresolved matters disclosed on the CMA shall be excepted from coverage by adding them as exceptions in Schedule B, Part I of the final certificate(s).

Please be advised, however, that most lender closing instructions do not permit matters that impair the titleholders' interest or the priority of the Guaranteed Mortgage to remain as exceptions to title and will require record resolution prior to closing to ensure that the lender's mortgage is in the desired lien position. ITG requires that all disclosed matters that impair the titleholders' interest or the priority of the Guaranteed Mortgage be resolved of record unless the lender has provided written confirmation that the lender consents to the matter remaining as an exception on Schedule B, Part I of the final certificate and understands that the lender's interest in the property is subordinate to said matter.

b. Pre-Closing Search: If a GAP Coverage Endorsement or a Closing Protection Letter is issued in conjunction with this Commitment:

- Obtain from a Participating Abstractor a written pre-closing search certification, also known as a day-of-closing search or gap search, as close to the closing date as possible;
- Record the proper closing documents (i.e. deed, mortgage, title clearing affidavits, etc.) immediately after execution, and in no event later than the tenth business day following the certification date of the pre-closing search certification;
- If the pre-closing search certification date is more than ten business days prior to recording the deed and/or mortgage, obtain an updated pre-closing search certification;
- Confirm no new matters are disclosed on the pre-closing search certification before closing and disbursing funds; and
- If the pre-closing search discloses any new matters, except any and all new matters by adding them as exceptions on Schedule B of the commitment and consult with the examining participating attorney to satisfactorily resolve matters that impair the titleholders' interest or the priority of the Guaranteed Mortgage prior to closing.

c. Purchase Money Mortgage: Confirm that the Guaranteed Mortgage meets the definition of a purchase money mortgage as defined by Iowa Code Section 654.12B and include a statement on the mortgage that it is a purchase money mortgage. If the Guaranteed Mortgage does not qualify as a purchase money mortgage as defined by Iowa Code Section 654.12B, a participating abstractor must perform personal lien searches against all proposed titleholders. Except any and all matters revealed by the personal lien

searches by adding them as exceptions on Schedule B. Consult with an examining participating attorney to satisfactorily resolve matters that impair the titleholders' interest or the priority of the Guaranteed Mortgage prior to closing.

Please contact the [Iowa Title Guaranty team](#) with questions.

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