



IOWA TITLE GUARANTY
A DIVISION OF IOWA FINANCE AUTHORITY

Sept. 18, 2020

ITG Policy Updates for Abstractors

In June, ITG announced new streamlined policies, including the “**750 Bright Line**” policy effective Jan. 1, 2021.

Listed below is a brief overview of the policy changes that impact participating abstractors.

A detailed description of each policy and form change can be found in the June 2020 Policy Update Summary under Residential Policies and Manuals on the [ITG Resources](#) page. We strongly encourage all participants to thoroughly review the Policy Update Summary.

FLAT RATE PARTICIPATION FEE: \$75

Effective Jan. 1, 2021, ITG adopts a flat \$75 annual participation fee for all participants regardless of the number of services requested.

E&O MINIMUM REQUIREMENT: \$750,000 per occurrence

Effective Jan. 1, 2021, a participant's professional liability insurance known as errors and omissions (E&O) "per occurrence" minimum shall be at least \$750,000.

MINIMUM ABSTRACT STANDARDS (2021)

Effective Jan. 1, 2021, ITG adopts the Minimum Abstract Standards (2021) to improve the overall format and readability, update requirements in response to new legislation, case law, ITG underwriting issues and claims, and to provide enhance clarification as to ITG abstracting requirement.

Notable Revisions:

- **Remote Notarial Acts:** Identify remote notarial acts and include the recitation shown in the acknowledgment (e.g. “This notarial act involved the use of communication technology.”).
- **Access:** The abstract must reflect all matters of record showing access to the public right-of-way pursuant to Title Standard 1.11. The abstractor has no affirmative duty to confirm legal access. However, if lack of access or other access issues are discovered or otherwise known, the abstractor should alert the examiner by noting in the abstract entry.
- **MNLR Postings:** The abstract must reflect all postings to the Iowa Secretary of State's Mechanics Notice and Lien Registry, including mechanic's liens, commencement of work notices, preliminary notices and withdrawals.
- **Open-End Mortgages:** Mortgage entries must reflect that the mortgage secures an open-end, future advance, HELOC or other form of line of credit mortgage. When abstracting a release and/or satisfaction pertaining to an open-end, future advance, HELOC or other line of credit mortgage, the release or satisfaction must be typed in full or in short form, provided a copy of the complete instrument is included for the examining attorney's review.

See the complete Minimum Abstract Standards (2021) under Residential Policies and Manuals on the [ITG Resources](#) page for further information.

FORMS 900/901 ELIGIBILITY: MAXIMUM COVERAGE AMOUNT OF \$750,000 or LESS

Effective Jan. 1, 2021, the Form 900/901 maximum coverage shall be \$750,000 or less.

ITG will continue to permit the use of the Form 900/901 on transactions with coverage amounts over \$750,000 provided that the following occurred at the time of purchase by the current titleholders:

1. A participating abstractor prepared a final abstract continuation certified through the date and time of the vesting deed
2. A participating attorney rendered a final title opinion
3. An ITG certificate was issued

UPDATES TO THE FORM 900/901 MANUAL

Effective June 2020, ITG adopts the revised Form 900/901 Manual incorporating the following updates:

- **Open-End Mortgages:** Forms 900 and 901 must include a recitation indicating if a mortgage is open-end, future-advance, HELOC or other form of line of credit.
- **Releases:** The abstractor must show all releases and satisfactions in full or short form, provided a copy of the complete instrument is attached for the examining attorney's review.
- **MNLR Postings:** Effective Jan. 1, 2021, Form 900/901 must reflect all postings to the Iowa Secretary of State's Mechanics Notice and Lien Registry, including mechanic's liens, commencement of work notices, preliminary notices and withdrawals.
- **Personal Lien Searches:** Forms 900/901 must show 10-year personal lien searches against all current titleholders.
- **Inter Vivos Trust Exception:** Deed to/from an individual's and/or spouse's individual or joint inter vivos trust in which the individual and/or the individual's spouse is the settlor and the trustee of said trust ONLY IF abstractor performs name searches on all grantors and grantees to/from the inter vivos trust (trustees/trust and individuals) and the title attorney examines the deed, trustee and purchaser affidavits, and guaranteed mortgage to confirm validity and desired lien priority.

See the Form 900/901 Manual under Residential Policies and Manuals on the [ITG Resources](#) page for further information.

POST-CLOSING SEARCH REQUIREMENT

Effective June 2020, a final search product prepared by a participating abstractor certified through the date of the vesting deed and/or guaranteed mortgage is required for all ITG certificates. Self-evidencing is prohibited. The final search may be in the form of a Post-Closing Search if an abstract continuation was completed prior to closing. See the Abstracting & Title Search Requirements for Residential Transactions flyer under Residential Policies and Manuals on the [ITG Resources](#) page for further information.