



IOWA TITLE GUARANTY  
A DIVISION OF IOWA FINANCE AUTHORITY

April 2, 2020

## COVID-19: Updated Commitment Requirement

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It has been brought to ITG's attention that certain lenders are requiring that any reference to COVID-19 be removed entirely from Schedule B of the commitment, including both requirements and exceptions. ITG is working diligently to provide our participants and partners with necessary title coverage while mitigating unnecessary risk to ITG.

In response to the above-referenced concern, ITG has agreed to modify the requirement populating on Schedule B – Part I, Requirements section of commitments to read as follows:

***Confirmation that the county recorder and courthouse are processing filings and permitting abstractor access to perform necessary final title searches through the date of the vesting deed and/or guaranteed mortgage filing.***

Accordingly, Section 2 of the original e-bulletin dated March 18, 2020, as amended by e-bulletin dated March 23, 2020, and clarified by e-bulletin dated March 27, 2020 shall be omitted in its entirety and replaced with the following:

### **2. COVID-19 COMMITMENT REQUIREMENT**

Effective immediately and until further notice, the following requirement will appear as a record requirement in Section 4 of Schedule B – Part I on all ITG commitments:

***Confirmation that the county recorder and courthouse are processing filings and permitting abstractor access to perform necessary final title searches through the date of the vesting deed and/or guaranteed mortgage filing.*** ~~*If the county recorder or courthouse are not processing filings or permitting abstractor access to public records, Iowa Title Guaranty reserves the right to raise exceptions or requirements or determine that a certificate may not be issued due to any changes, disruptions or delays in recording and abstractor title search capabilities resulting from COVID-19 outbreak and global pandemic and/or the implementation of Iowa's State Disaster Emergency Plan in response thereof.*~~

ITG has reprogrammed CAP to allow field issuers to modify the requirement as it appears on Schedule B – Part I of commitments issued between March 23, 2020 and April 2, 2020 by clicking the “Amend” icon and then reissuing the commitment. Participants may also remove the exception appearing on Schedule B – Part II, Exceptions section of commitments that were issued between March 19, 2020 and March 23, 2020.

As you know, Iowa's real estate system is fundamentally different than the other 49 states. In some states, all liens are filed with the county recorder. By contrast, there are a variety

of filing mechanisms in Iowa. For example, all mechanic's liens notices are posted electronically through the Iowa Secretary of State's electronic submission portal. Due to the electronic nature of the posting, there would be no disruption or delay in filing mechanic's liens. Therefore, we know with **certainty** that intervening liens will be filed and take priority over the guaranteed mortgages across the state which will not be filed until the recorders reopen.

While ITG is comfortable providing lenders with CPL and GAP coverage, ITG is simply requiring that closers confirm that recorders and courthouses are processing filings and permitting abstractor access to perform necessary final title searches through the date of the vesting deed and/or guaranteed mortgage filing. This requirement is critical for ITG to remain viable and to allow ITG to continue to provide low-cost title coverage to lenders and consumers.

Should you have any questions or concerns, please contact the [Iowa Title Guaranty team](#).

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