



IOWA TITLE GUARANTY  
A DIVISION OF IOWA FINANCE AUTHORITY

November 30, 2023

## Iowa Title Guaranty Compliance Snippets

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The Iowa Title Guaranty (ITG) team is pleased to provide our participants with a monthly reminder to conduct a simple routine compliance check-up. Please review and share these compliance snippets with your staff. If you would like additional information about a subject, a reference and link to the ITG manual from which the information was acquired has been provided. As always, please contact us if you have any questions.

### ABSTRACTING

**Covenants, Conditions and Restrictions.** Restrictions, covenants, or agreements not expired through the Stale Uses and Reversion Act (Iowa Code § 614.24) must be typed in full or in short form, provided a copy of the complete instrument is included in the abstract. While covenants lapse after 21 years unless a verified claim is filed, easements and maintenance obligations are perpetual unless the instrument stipulates a termination date, or another form of termination is filed of record. Therefore, if a document over 21 years includes an easement or maintenance obligation, it must be shown in the abstract.



[ITG Minimum Abstract Standards Effective Jan 2021](#)

Page 3; Paragraph 8 (j)

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### TITLE EXAMINATION

**Preliminary Title Opinion.** Prior to creating the commitment, the Field Issuer must review the title opinion for objections or title defects that require resolution prior to closing, including, but not limited to, mortgages, judgments, liens, assessments, UCC financing statements, Mechanic's Notice and Lien Registry (MNL) postings, mineral interest reservations, stray interests, etc. If an objection does not also include a proposed resolution or appears to be open-ended, the field issuer must contact the title opinion attorney and request that a written requirement be added to the opinion.



## COMMITMENT ISSUANCE

The field issuer must deliver the Composite Mortgage Affidavit(s) with the commitment to the lender, closer, and attorney(s) to ensure they are executed at the time of closing. ITG strongly advises that the field issuer and/or closer provide copies of the CMAs to the Owner/Seller(s) and Buyer(s) as soon as the commitment is issued. This allows ample time to clear any matters disclosed on the CMA prior to closing. If the CMA is not presented to the parties until the day of closing, closing may be delayed if the seller discloses a title issue that requires additional time to clear.



[ITG Program Overview Manual](#)  
Page 39; Paragraph d (v)

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## CERTIFICATE ISSUANCE

**Legal Description.** Enter the legal description exactly as it appears on the final title opinion. The legal description must be the full and complete legal as provided by the participating abstractor. Field issuers may not use short form legal descriptions, such as those appearing on the county assessor's website. The field issuer may not change the legal description from commitment to certificate, nor may the field issuer revise the legal description in Schedule A to reflect any additional information such as parcel numbers or chain of title information. Also, the field issuer must confirm that the legal description on the final title opinion and final title certificate matches the legal description on the preliminary title opinion and/or commitment to verify there have been no changes. If the field issuer notices a discrepancy, alert the examining attorney, and obtain confirmation that appropriate title searches and conveyances were obtained. If the examining attorney confirms that the legal description on the final title opinion is accurate and appropriate searches and conveyances were obtained but the final legal description does not match the legal description on the title commitment, the field issuer must obtain written approval from the lender evidencing that the lender consents to receiving a certificate with the revised legal description. For further guidance on variances in legal descriptions, contact an ITG underwriter.



[ITG Program Overview Manual](#)  
Page 43; Paragraph 8 (b)(i)(2)

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## CLOSING PROTECTION LETTER

Participants performing closing services pursuant to an ITG closing protection letter ("CPL"), must ensure that a

search of the Mechanic's Notice & Lien Registry ("MNL") was performed on or very near the day of closing, prior to recording and disbursement of funds. If postings are revealed, the closer must consult with the examining attorney to determine how to resolve the matter prior to closing and disbursement.



[ITG MNL Search Guidelines](#)

Page 1; Paragraph I

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## DOCUMENT DOUBLE CHECK

**Document Retention.** A participant shall maintain transaction files in such a manner that information pertaining to activities of the participant is readily available to ITG while protecting confidential client information. A participant shall retain files for a period of 10 years after the effective date of the certificate or the effective date of the commitment if a certificate is not issued. A participating abstractor shall retain a written or electronic copy of each abstract prepared for ITG purposes and shall provide a copy to ITG upon request at no charge no later than seven days following receipt of such notice.



[ITG Program Overview Manual](#)

Page 56; Paragraph 4

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

[iowatitleguaranty.com](http://iowatitleguaranty.com) | 800.432.7230 | 515.452.0484  
1963 BELL AVENUE | SUITE 200 | DES MOINES, IOWA 50315

Iowan Title Guaranty | 1963 Bell Avenue, Suite 200, Des Moines, IA 50315

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