



IOWA TITLE GUARANTY  
A DIVISION OF IOWA FINANCE AUTHORITY

**AGENDA**  
**Iowa Title Guaranty Board Meeting**  
**August 27, 2024**

**Iowa Finance Authority**  
**Helmick Room**  
**Des Moines, Iowa**  
<https://akaiowa.us/itgboard>  
**10:30 a.m.**

**I. Roll Call**

**II. Action Items**

- a. ITG Board Meeting Minutes June 4, 2024
- b. New Business
  - i. Election of Officers
  - ii. ALTA 3.3 Endorsement
    - 1. Resolution ITG 24-02

**III. Discussion & Informational Items**

- |                            |                |
|----------------------------|----------------|
| a. Financial Report        | Michelle Bodie |
| b. Claims Report           | Karla Moccero  |
| c. Mortgage Release Report | Kevin Blackman |
| d. Commercial Update       | Matt Veldey    |
| e. Operations Report       | Rachel Pettit  |
| f. ITG Director's Update   | Dillon Malone  |

**IV. Public Comment:** The public is invited to provide comments at this time. Each speaker is asked to limit comments to 5 minutes.

**V. Adjournment:** Next Board meeting is Tuesday, December 3, 2024  
Iowa Finance Authority, Helmick Room  
Des Moines, Iowa 50315  
10:30 a.m.



## BOARD MEETING MINUTES

Iowa Title Guaranty  
Des Moines, Iowa  
June 4, 2024

### **Board Members Present**

Jason Froehlich, Vice-Chair  
(telephonic)  
Sam Erickson

Judy Hilgenberg  
Sarah Pesek  
Dillon Malone, *Ex-Officio*

### **Board Members Absent**

Daniel Seufferlein, Chair

### **Staff Members Present**

Dillon Malone, Director, Iowa Title Guaranty  
Kim Axtell, Lender Services Coordinator  
Kevin Blackman, Senior Residential Attorney  
Michelle Bodie, ITG Accounting Manager  
Micah Castanon, IFA Legal Intern  
Ian Critelli, ITG Legal Intern  
Jessica Danielson, ITG Legal Intern  
Julie Frye, Compliance Officer

Beau Hanson, IT Support Specialist  
Heidi Koll, Participant Program  
Administrator  
Karla Moccero, Claims and Compliance  
Attorney  
Ethan Murray, Commercial Attorney  
Rachel Pettit, Operations Manager  
Matthew Veldey, Senior Commercial  
Attorney

### **Others Present**

Jan Gemar, Iowa Land Title Association  
Sandy Guy, Community Title LLC

Randee Slings, Iowa Title

### **Call to Order**

The June 4, 2024 meeting of the Iowa Title Guaranty Board of Directors was called to order by Vice Chairman Froehlich at 10:30 a.m. Roll call was taken, and a quorum was established with the following Board Members present: Jason Froehlich (Vice-Chair - telephonic), Judy Hilgenberg, Sarah Pesek, and Sam Erickson. Daniel Seufferlein, Chair, was absent.

### **Action Items**

#### **Review and Approval of March 5, 2024 Board Meeting Minutes**

**MOTION:** On a motion by Ms. Hilgenberg and a second by Ms. Pesek, the Board unanimously approved the March 5, 2024 Board Meeting Minutes.

### **New Business**

#### **Proposed 2025 ITG Board Meeting Dates**

**MOTION:** On a motion by Ms. Erickson and a second by Ms. Pesek, the Board unanimously approved Proposed 2025 ITG Board Meeting Dates.

### **Financial Report**

Ms. Bodie provided an overview of the written financial report to the Board.

### **Claims Update**

Ms. Moccero provided an update and summary of her written report to the Board.

### **Mortgage Release Update**

Mr. Blackman provided an update and summary of his written report to the Board.

### **Commercial Update**

Mr. Veldey reported that ITG Commercial closings in the month of March were strong, but April and May were lower. Overall, revenue numbers remain slightly favorable to budget. He indicated that June and July could be near record breaking months for commercial closings. ITG Commercial Staff has attended several ground-breaking ceremonies for the projects they've provided title coverage and closing and draw services.

**ITG Director Update**

Director Malone opened his comments with a staffing update by introducing the IFA and ITG Legal Interns, Micah Castanon, Ian Critelli and Jessica Danielson.

Director Malone attended the ALTA Advocacy Summit in May and worked with ALTA to craft new language for the Protecting America’s Property Rights Act which now recognizes the Iowa system. He also met with 6 Congressional offices regarding the new language for the bill. ITG continues to monitor the bill.

Mr. Malone discussed Equity Investment Agreements and whether they might pose an issue to ITG.

The Federal Housing Finance Agency (FHFA) announced an increase in the conforming loan limit values to \$766,550, in November, 2023. In response to the increased conforming loan limit, ITG will now allow the Form 900 and Form 901 to be used in refinances where the requested coverage amount does not exceed the conforming loan limit value.

Director Malone announced the HousingIowa Conference dates, September 4 and 5.

ITG continues to work with the developer of the Enterprise Management System charged with building the Title Guaranty platform. Development of the platform is tentatively scheduled to begin in 2025. The project is completely funded and will not require additional revenue.

**Public Comment**

There was no comment from the public.

**Adjournment**

**MOTION:** On a motion by Ms. Pesek and a second by Ms. Hilgenberg, the June 4, 2024 Meeting of the ITG Board of Directors adjourned at 10:51a.m.

Dated this 27th day of August, 2024.

Respectfully submitted:

Approved as to form:

Dillon D. Malone  
Director, Iowa Title Guaranty

Daniel L. Seufferlein  
Board Chair, Iowa Title Guaranty

**ALTA 3.3 ENDORSEMENT RESOLUTION  
ITG 24-02**

WHEREAS, Iowa Title Guaranty (“ITG”), a division of the Iowa Finance Authority (“IFA”), in accordance with the statutory directives set forth in Chapter 16 of the Iowa Code, as amended, operates a program to offer guaranties of real property titles to facilitate mortgage lenders’ participation in the secondary market and to add to the integrity of the land-title transfer system in the state of Iowa; and

WHEREAS, ITG provides title coverage to lenders, investors, owners, and purchasers of real estate in the State of Iowa; and

WHEREAS, as an integral part of those services, ITG offers a full range of title products on American Land Title Association (“ALTA”) forms and endorsements; and

WHEREAS, pursuant to Iowa Code § 16.91(1), and Iowa Administrative Code rule 265—9.5(1), the form of ITG commitments and certificates will be adopted, approved, revised, or amended by the Board; and

WHEREAS, effective April 2, 2024, ALTA approved changes to the ALTA 3.3 Endorsement—Zoning—Completed Improvement—Legal Non-Conforming Use (ALTA 3.3 2021 v. 01.01) (“Endorsement”), which ITG issues as part of commitments and certificates from time to time; and

WHEREAS, ITG has reviewed the Endorsement attached as Exhibit A, and favors adopting the Endorsement to remain current and meet the needs and expectations of national lenders and to remain competitive with out-of-state title insurance; and

WHEREAS, it is the ITG Director and staff’s desire to obtain Board approval of the Endorsement and to implement the Endorsement at the ITG Director’s discretion; and

WHEREAS, it is also the ITG Director and staff’s desire to obtain Board approval to make any technical corrections to the Endorsement as needed and at the ITG Director’s discretion; and

NOW, THEREFORE, BE IT RESOLVED that the ITG Board approves the Endorsement as modified for ITG’s use, approves implementation of the Endorsement at the ITG Director’s discretion, and approves technical corrections to the Endorsement at the ITG Director’s discretion.

PASSED AND APPROVED this 27<sup>th</sup> day of August 2024.

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Daniel Seufferlein, Iowa Title Guaranty Board Chair

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Dillon Malone, Iowa Title Guaranty Board Secretary

# EXHIBIT A



## Zoning—Completed Improvement—Legal Non-Conforming Use

ALTA Endorsement 3.3  
2021 v. 01.01 (04-02-2024)

Certificate Number:

1. For purposes of this endorsement only, the following terms mean, all as of the Date of Certificate:
  - (a) “Improvement”: An existing building located on the Land.
  - (b) “Non-Conforming Use”: The use of the Land, which use is described in Section 2(b) and is not allowed in the Zoning Ordinance.
  - (c) “Non-Conforming Improvement”: An Improvement that violates the Zoning Ordinance with respect to any of the matters set forth in Section 2(c).
  - (d) “Zoning Ordinance”: A zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land.
2. ITG guarantees against loss or damage sustained by the Guaranteed resulting from:
  - (a) The Land not being classified Zone \_\_\_\_\_ according to the Zoning Ordinance at the Date of Certificate.
  - (b) The following Non-Conforming Use not being allowed by the governing political subdivision of the State because the Non-Conforming Use violates the Zoning Ordinance at the Date of Certificate:

[Drafting Instruction: Describe the existing Non-Conforming Use, or if there is not a Non-Conforming Use, insert “NOT APPLICABLE”.]
  - (c) A final decree of a State or federal court having jurisdiction either prohibiting the Non-Conforming Use or requiring the removal or alteration of the Non-Conforming Improvement because, at the Date of Certificate, the Non-Conforming Improvement violates the Zoning Ordinance with respect to the following selected matters:
    - \_\_\_\_\_ The area, width, or depth of the Land as a building site for the Improvement;
    - \_\_\_\_\_ The floor space area of the Improvement;
    - \_\_\_\_\_ A setback of the Improvement from the property lines of the Land;
    - \_\_\_\_\_ The height of the Improvement; or
    - \_\_\_\_\_ The number of parking spaces.

[Drafting Instruction: Select the applicable checkboxes.]
3. Section 2 does not guarantee against loss or damage and ITG will not pay costs, attorneys’ fees, or expenses resulting from:
  - (a) The lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance regarding the continuation or maintenance of the Non-Conforming Use or an Improvement;
  - (b) The failure to secure necessary consents or authorizations as a condition for continuing or maintaining the Non-Conforming Use or an Improvement;
  - (c) The invalidity of the Zoning Ordinance, the effect of which is to prohibit the Non-Conforming Use or an Improvement;
  - (d) Any change, cessation, abandonment, or replacement of the Non-Conforming Use or an Improvement;
  - (e) A prohibition to restore or rebuild an Improvement;
  - (f) The violation of or the lack of compliance with any law, order, or regulation regarding the continuation or maintenance of the Non-Conforming Use or an Improvement;
  - (g) Any law, order, or regulation requiring the amortization, expiration, or elimination by passage of time of the Non-Conforming Use or an Improvement;

CERTIFICATE NO.

VERIFICATION CODE:

NOTE: Revised Month DD, YYYY, at HH:MM:SS AM/PM. This revision does not extend the Date of Certificate unless otherwise specified.

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(h) Any refusal to purchase, lease, or lend money on the Title.

This endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Coverage Amount. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

\_\_\_\_\_  
By: {Division or Issuing Participant Signature Template}

CERTIFICATE NO.

VERIFICATION CODE:

NOTE: Revised Month DD, YYYY, at HH:MM:SS AM/PM. This revision does not extend the Date of Certificate unless otherwise specified.

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To: IFA & ITG Board Members  
 From: Michelle Bodie  
 Date: April 24, 2024  
 RE: FY25 Iowa Title Guaranty (ITG) Budget Overview

A forecast for the remainder of FY24 has been prepared in conjunction with the FY25 Budget. It considers the first eight months of actual results and four months of projections using current trends and input from ITG leaders. This creates the starting point for the FY25 Budget and is used for all FY24 to FY25 comparisons.

The ITG FY24 Forecast comparison to FY24 Budget and FY24 Forecast comparison to FY25 Budget are summarized below (in millions MM):

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**FY24 Financial Statement Highlights (FY24 Forecast compared to FY24 Budget)**

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**Total Operating Income** of \$7.7MM is \$0.5MM or 7% below FY24 budget of \$8.2MM.

- Residential Premiums decreased \$0.5MM
- Commercial prepaid third-party closing costs, such as recording fees, are reported net of prepayment in filing fees resulting in a decrease of \$0.06MM in miscellaneous revenue

**Total Operating Expense** of \$6.1MM is \$0.8MM or 12% below FY24 budget of \$6.9MM.

- Professional Services related to IT Consulting Fees is lower by \$0.65MM
- Employee Expenses related to Staffing, Travel and Education is lower by \$0.14MM
- Marketing, Overhead Allocation and Shared Expense are lower by a combined \$0.1MM
- Claim and Loss Expense exceed budget by \$0.14MM

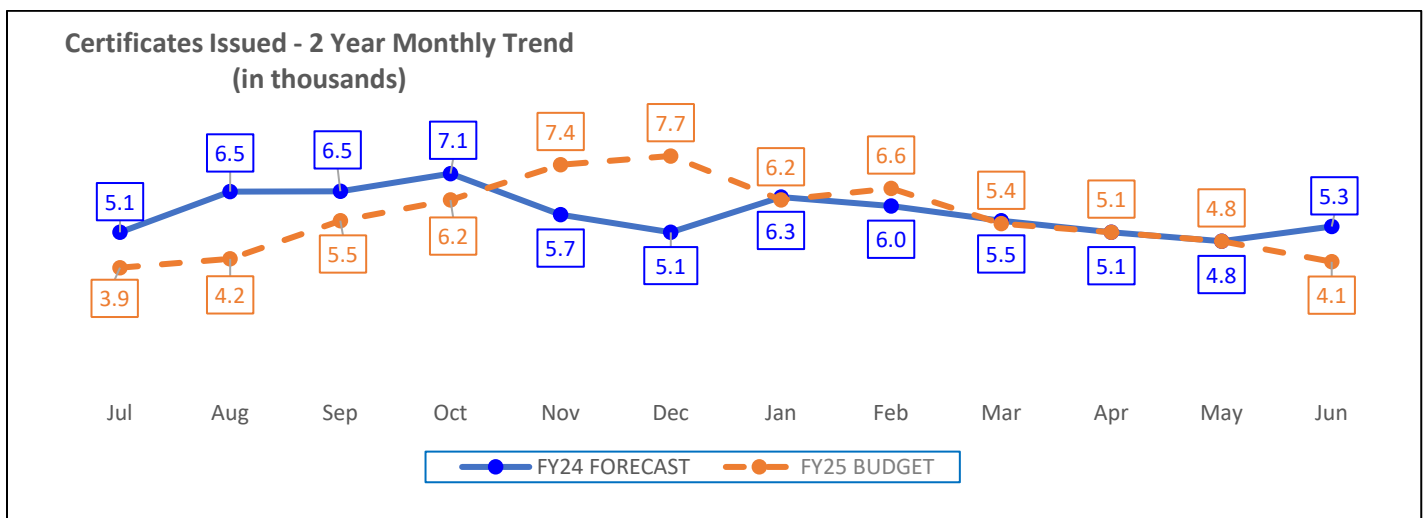
**Transfers to Housing Assistance Fund** are predicted to be \$1.6MM, exceeding budget by \$0.6MM.

As a result, **Net Operating Income After Grants** is forecast to be \$0.01MM which is below budget of \$0.3MM.

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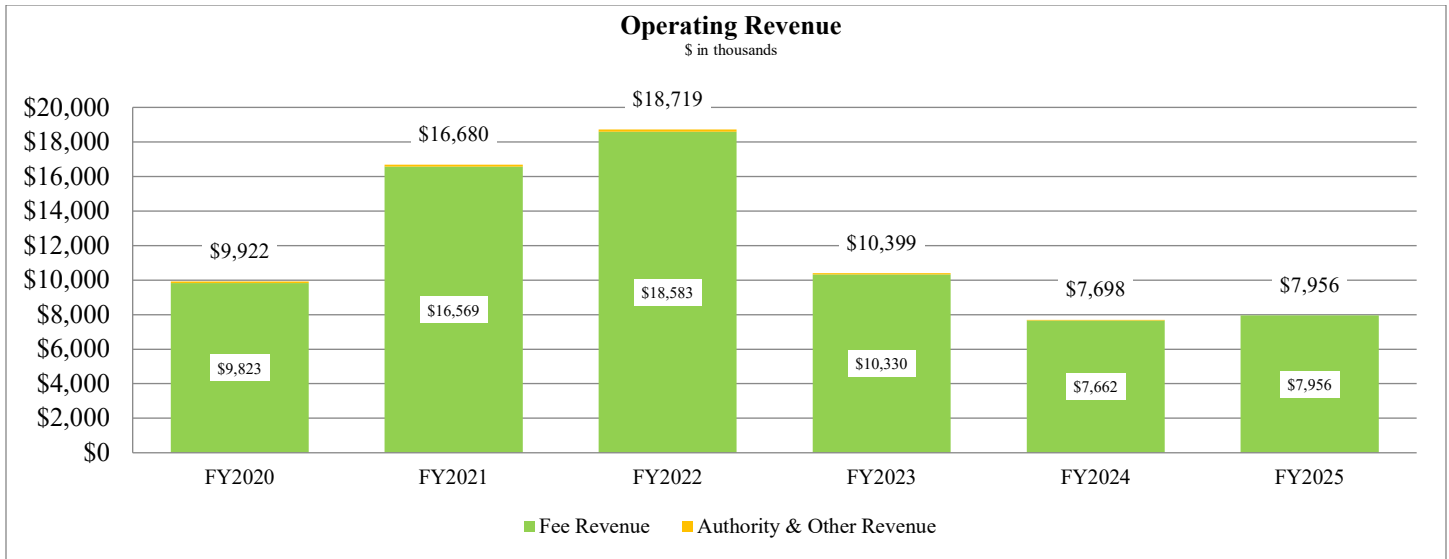
**FY25 - Financial Statement Highlights (FY25 Budget compared to FY24 Forecast)**

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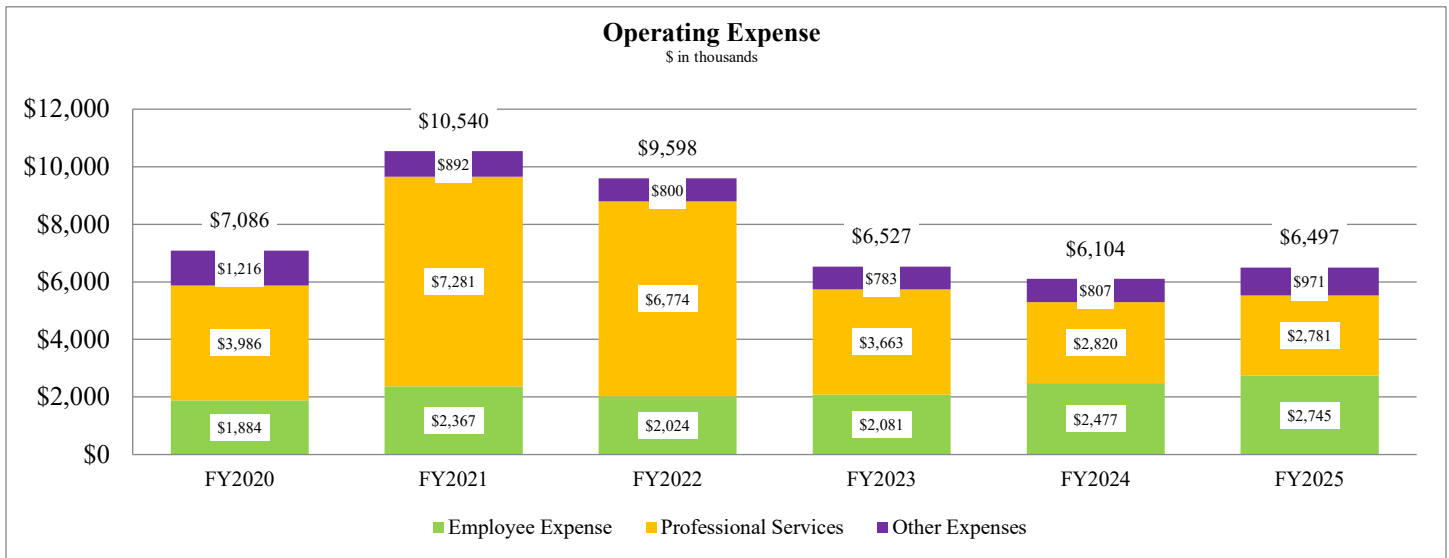


Annual certificates issued are expected to total 67K in FY25 compared to 69K in FY24.





Total Operating Revenue of \$8.0MM exceeds FY24 Forecast by \$0.3MM or 3%. Revenue from commercial premiums is projected to increase 24% to \$1.0MM while residential premiums are expected to be in line with prior year at \$6.9MM. The charge to revenue for reinsurance decreased by \$0.09MM due to a favorable negotiated contract.



Total Operating Expenses are budgeted to increase \$0.4MM in FY25 or 6% more than the FY24 Forecast. Employee Expense is projected to increase \$0.3MM or 11% compared to FY24, due to:

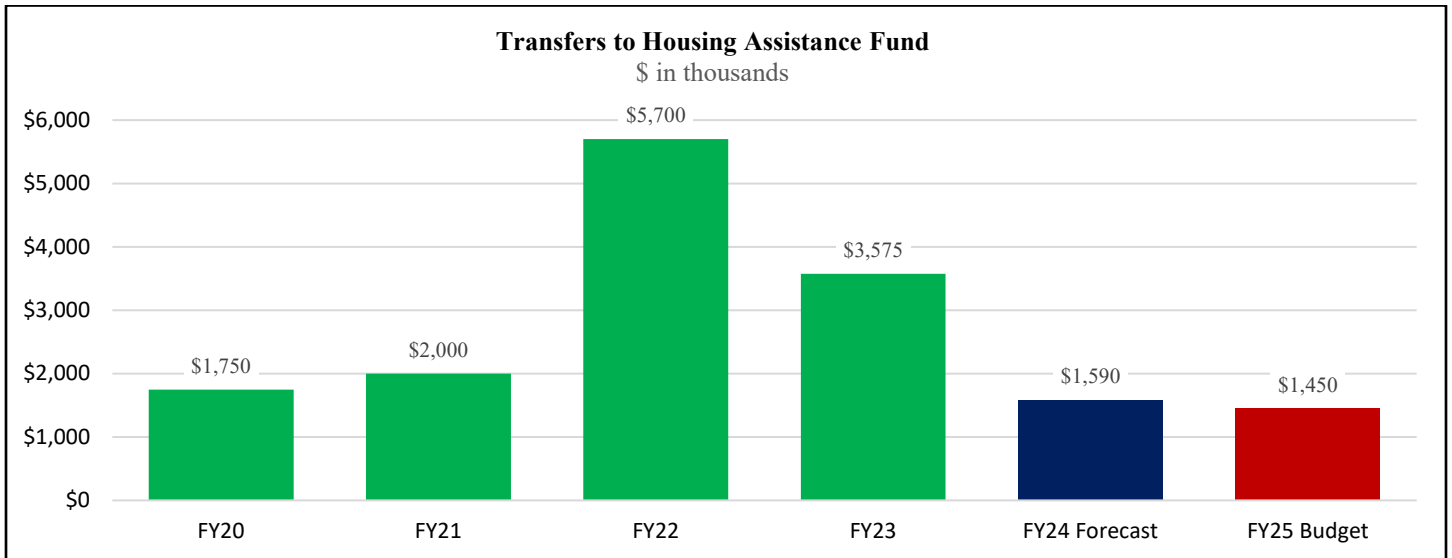
- Across the Board and Step increases projected at 3% each
- Vacant positions for 2 Interns and a Compliance Officer to be filled during FY25

Professional Services are comparable in FY25 to FY24:

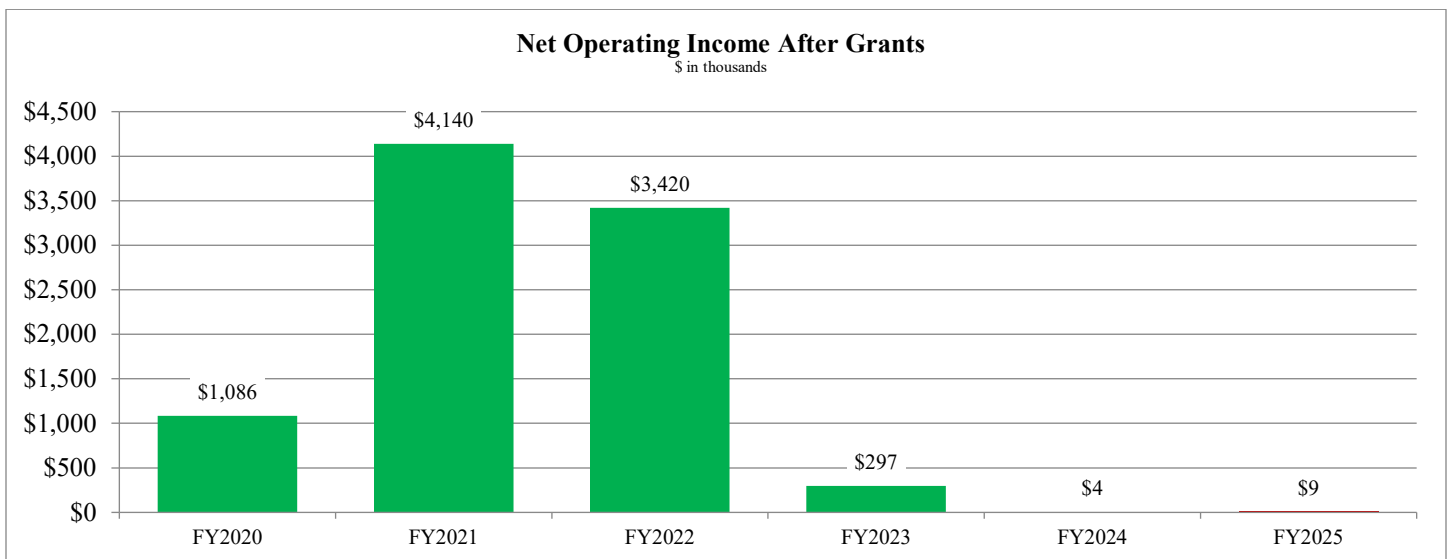
- Field Issuer Incentive payments, the largest expense in this group, anticipated to be \$2.67MM and \$2.64MM in FY25 and FY24, respectively

Other Expenses in FY25 are budgeted to be \$0.16MM higher than FY24 due to:

- Increase in Claim and Loss Expense \$0.1MM or 29% due to higher anticipated claims
- Increase in Direct Cost Transfer \$0.04MM or 28% related to facility overhead and other allocated costs
- Increase in Marketing and Sponsorships \$0.02MM or 64% for marketing items supporting residential and commercial activities



Transfers to the Housing Assistance Fund from Title Guaranty are estimated to be \$1.45MM in FY25 compared to \$1.59MM in FY24. In addition, Title Guaranty expects to transfer \$3.5MM of reserved funds to the General Fund during FY25 to pay their share of the EMS software system to be developed.



As a result, FY25 Budget and FY24 Forecast NOIAG are both less than \$0.01MM in keeping with the intention to distribute reserves to support Iowa Finance Authority’s housing programs.

Balance Sheet	Bud25									
	Iowa Title Guaranty Division (Rollup)									
	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	FCT FY24	FY2025	\$ change	% change
<b>Assets and Deferred Outflows</b>										
Cash & Cash Equivalents	9,942,205	11,383,211	13,207,122	22,103,806	23,808,754	21,194,239	20,171,930	20,468,860	296,929	1%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	-	-	-	-	-	-	-	-	-	0%
Capital Assets (net)	2,311	-	-	-	-	-	-	-	-	0%
Other Assets	170,558	157,800	655,647	815,341	102,276	222,187	(86,136)	(3,586,136)	(3,500,000)	4063%
Deferred Outflows	393,180	307,669	270,190	317,864	532,199	309,225	309,225	309,225	-	0%
<b>Total Assets and Deferred Outflows</b>	<b>10,508,254</b>	<b>11,848,680</b>	<b>14,132,960</b>	<b>23,237,011</b>	<b>24,443,229</b>	<b>21,725,651</b>	<b>20,395,020</b>	<b>17,191,949</b>	<b>(3,203,071)</b>	<b>-16%</b>

<b>Liabilities, Deferred Inflows, and Equity</b>										
Liabilities and Deferred Inflows	4,364,872	5,125,977	6,324,600	11,288,630	9,074,493	6,059,549	4,724,746	5,012,215	287,469	6%
Equity	6,143,382	6,722,703	7,808,360	11,948,381	15,368,736	15,666,102	15,670,273	12,179,734	(3,490,539)	-22%
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>10,508,254</b>	<b>11,848,680</b>	<b>14,132,960</b>	<b>23,237,011</b>	<b>24,443,229</b>	<b>21,725,651</b>	<b>20,395,020</b>	<b>17,191,949</b>	<b>(3,203,071)</b>	<b>-16%</b>

Income Statement	Bud25									
	Iowa Title Guaranty Division (Rollup)									
	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	FCT FY24	FY2025	\$ change	% change
<b>Operating Revenue</b>										
Interest Revenue	85,620	157,327	-	-	-	-	-	-	-	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	7,628,252	6,599,796	9,823,305	16,569,448	18,582,957	10,329,807	7,662,336	7,956,300	293,964	4%
Other Revenue	116,531	80,805	98,264	110,475	135,692	69,197	36,149	-	(36,149)	-100%
<b>Total Operating Revenue</b>	<b>7,830,404</b>	<b>6,837,929</b>	<b>9,921,570</b>	<b>16,679,923</b>	<b>18,718,649</b>	<b>10,399,004</b>	<b>7,698,485</b>	<b>7,956,300</b>	<b>257,815</b>	<b>3%</b>

<b>Operating Expense</b>										
Interest Expense	-	-	-	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	2,253,501	1,579,076	1,884,471	2,367,317	2,023,930	2,081,232	2,477,390	2,744,906	267,517	11%
Shared Expense	388,091	477,646	241,094	227,612	270,611	280,575	287,331	287,929	597	0%
Marketing Expense	65,831	42,830	83,434	18,273	32,245	40,243	34,310	56,390	22,080	64%
Professional Services	3,170,936	2,823,868	3,985,680	7,280,784	6,773,909	3,662,768	2,820,030	2,781,230	(38,800)	-1%
Claim and Loss Expense	513,596	246,273	529,742	335,664	177,369	193,393	355,618	460,000	104,382	29%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	116,620	81,588	101,264	109,661	149,100	108,458	0	-	(0)	-100%
Overhead Allocation	-	-	260,228	200,591	171,129	159,970	129,634	166,384	36,751	28%
<b>Total Operating Expense</b>	<b>6,508,575</b>	<b>5,251,281</b>	<b>7,085,913</b>	<b>10,539,902</b>	<b>9,598,294</b>	<b>6,526,638</b>	<b>6,104,313</b>	<b>6,496,839</b>	<b>392,526</b>	<b>6%</b>

<b>Net Operating Income (Loss) Before Grants</b>	<b>1,321,829</b>	<b>1,586,648</b>	<b>2,835,657</b>	<b>6,140,021</b>	<b>9,120,355</b>	<b>3,872,366</b>	<b>1,594,172</b>	<b>1,459,461</b>	<b>(134,711)</b>	<b>-8%</b>
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<b>Net Grant (Income) Expense</b>										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	1,235,620	1,007,327	1,750,000	2,000,000	5,700,000	3,575,000	1,590,000	1,450,000	(140,000)	-9%
<b>Total Net Grant (Income) Expense</b>	<b>1,235,620</b>	<b>1,007,327</b>	<b>1,750,000</b>	<b>2,000,000</b>	<b>5,700,000</b>	<b>3,575,000</b>	<b>1,590,000</b>	<b>1,450,000</b>	<b>(140,000)</b>	<b>-9%</b>

<b>Net Operating Income (Loss) After Grants</b>	<b>86,208</b>	<b>579,321</b>	<b>1,085,657</b>	<b>4,140,021</b>	<b>3,420,355</b>	<b>297,366</b>	<b>4,172</b>	<b>9,461</b>	<b>5,289</b>	<b>127%</b>
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<b>Non-Operating (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
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<b>Net Income (Loss)</b>	<b>86,208</b>	<b>579,321</b>	<b>1,085,657</b>	<b>4,140,021</b>	<b>3,420,355</b>	<b>297,366</b>	<b>4,172</b>	<b>9,461</b>	<b>5,289</b>	<b>127%</b>
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IFA Staff Count by Home Dept	18.3	14.4	13.7	18.6	19.7	20.8	20.2	21.5	1.3	7%
Contractor Staff Count by Home Dept	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	20.0	16.1	16.3	20.9	21.2	21.3	21.1	22.3	1.2	6%

Balance Sheet	Bud25 800-020 Residential									
	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	FCT FY24	FY2025	\$ change	% change
<b>Assets and Deferred Outflows</b>										
Cash & Cash Equivalents	9,942,205	11,383,211	13,207,122	22,103,806	23,808,754	21,194,239	20,171,930	20,468,860	296,929	1%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	-	-	-	-	-	-	-	-	-	0%
Capital Assets (net)	2,311	-	-	-	-	-	-	-	-	0%
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Deferred Outflows	393,180	307,669	270,190	317,864	532,199	309,225	309,225	309,225	-	0%
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<b>Liabilities, Deferred Inflows, and Equity</b>										
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Equity	5,952,872	6,588,327	7,808,360	11,948,381	15,368,736	15,666,102	15,670,273	12,179,734	(3,490,539)	-22%
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>10,317,744</b>	<b>11,714,305</b>	<b>14,132,960</b>	<b>23,237,011</b>	<b>24,443,229</b>	<b>21,725,651</b>	<b>20,395,020</b>	<b>17,191,949</b>	<b>(3,203,071)</b>	<b>-16%</b>

Income Statement	Bud25 800-020 Residential									
	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	FCT FY24	FY2025	\$ change	% change
<b>Operating Revenue</b>										
Interest Revenue	85,620	157,327	-	-	-	-	-	-	-	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	6,749,141	6,053,759	9,151,665	15,813,324	17,572,733	9,378,219	6,839,287	6,932,700	93,413	1%
Other Revenue	-	-	-	-	-	-	-	-	-	0%
<b>Total Operating Revenue</b>	<b>6,834,761</b>	<b>6,211,086</b>	<b>9,151,665</b>	<b>15,813,324</b>	<b>17,572,733</b>	<b>9,378,219</b>	<b>6,839,287</b>	<b>6,932,700</b>	<b>93,413</b>	<b>1%</b>

<b>Operating Expense</b>										
Interest Expense	-	-	-	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	1,880,387	1,242,426	1,488,798	1,954,402	1,596,853	1,622,737	1,972,303	2,130,721	158,419	8%
Shared Expense	348,816	422,604	221,246	214,099	261,864	261,565	270,231	267,094	(3,137)	-1%
Marketing Expense	60,686	39,130	74,189	10,023	27,745	33,493	22,159	35,540	13,381	60%
Professional Services	3,163,194	2,820,127	3,984,739	7,276,081	6,773,909	3,660,681	2,819,530	2,777,730	(41,800)	-1%
Claim and Loss Expense	498,471	235,672	507,358	310,907	177,369	193,393	355,618	460,000	104,382	29%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	3,176	6,329	10,870	5,585	7,762	6,366	-	-	-	0%
Overhead Allocation	-	-	204,658	161,147	142,732	133,768	104,631	129,183	24,552	23%
<b>Total Operating Expense</b>	<b>5,954,730</b>	<b>4,766,287</b>	<b>6,491,859</b>	<b>9,932,243</b>	<b>8,988,235</b>	<b>5,912,002</b>	<b>5,544,472</b>	<b>5,800,268</b>	<b>255,796</b>	<b>5%</b>

<b>Net Operating Income (Loss) Before Grants</b>	<b>880,032</b>	<b>1,444,799</b>	<b>2,659,806</b>	<b>5,881,081</b>	<b>8,584,497</b>	<b>3,466,217</b>	<b>1,294,815</b>	<b>1,132,432</b>	<b>(162,383)</b>	<b>-13%</b>
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<b>Net Grant (Income) Expense</b>										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	1,235,620	1,007,327	1,750,000	2,000,000	5,700,000	3,575,000	1,590,000	1,450,000	(140,000)	-9%
<b>Total Net Grant (Income) Expense</b>	<b>1,235,620</b>	<b>1,007,327</b>	<b>1,750,000</b>	<b>2,000,000</b>	<b>5,700,000</b>	<b>3,575,000</b>	<b>1,590,000</b>	<b>1,450,000</b>	<b>(140,000)</b>	<b>-9%</b>

<b>Net Operating Income (Loss) After Grants</b>	<b>(355,588)</b>	<b>437,472</b>	<b>909,806</b>	<b>3,881,081</b>	<b>2,884,497</b>	<b>(108,783)</b>	<b>(295,185)</b>	<b>(317,568)</b>	<b>(22,383)</b>	<b>8%</b>
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<b>Non-Operating (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
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<b>Net Income (Loss)</b>	<b>(355,588)</b>	<b>437,472</b>	<b>909,806</b>	<b>3,881,081</b>	<b>2,884,497</b>	<b>(108,783)</b>	<b>(295,185)</b>	<b>(317,568)</b>	<b>(22,383)</b>	<b>8%</b>
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IFA Staff Count by Home Dept	15.3	10.8	9.8	14.6	15.7	16.9	16.2	17.0	0.8	5%
Contractor Staff Count by Home Dept	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	16.5	13.0	12.7	17.1	17.4	17.1	17.0	17.3	0.3	2%

Balance Sheet	Bud25 800-030 Commercial										
	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	FCT FY24	FY2025	\$ change	% change	
<b>Assets and Deferred Outflows</b>											
Cash & Cash Equivalents	-	-	-	-	-	-	-	-	-	-	0%
Investments	-	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	-	-	-	-	-	-	-	-	-	-	0%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	-	0%
Other Assets	-	-	-	-	-	-	-	-	-	-	0%
Deferred Outflows	-	-	-	-	-	-	-	-	-	-	0%
<b>Total Assets and Deferred Outflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Liabilities, Deferred Inflows, and Equity</b>											
Liabilities and Deferred Inflows	-	-	-	-	-	-	-	-	-	-	0%
Equity	190,510	134,376	(0)	0	-	-	-	-	-	-	0%
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>190,510</b>	<b>134,376</b>	<b>(0)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Income Statement	Bud25 800-030 Commercial										
	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	FCT FY24	FY2025	\$ change	% change	
<b>Operating Revenue</b>											
Interest Revenue	-	-	-	-	-	-	-	-	-	-	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	879,111	546,037	671,641	756,124	1,010,224	951,588	823,049	1,023,600	200,551	24%	
Other Revenue	116,531	80,805	98,264	110,475	135,692	69,197	36,149	-	(36,149)	-100%	
<b>Total Operating Revenue</b>	<b>995,642</b>	<b>626,843</b>	<b>769,905</b>	<b>866,599</b>	<b>1,145,916</b>	<b>1,020,785</b>	<b>859,198</b>	<b>1,023,600</b>	<b>164,402</b>	<b>19%</b>	
<b>Operating Expense</b>											
Interest Expense	-	-	-	-	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	-	0%
Employee Expense	373,114	336,650	395,674	412,915	427,077	458,495	505,087	614,185	109,098	22%	
Shared Expense	39,276	55,042	19,847	13,513	8,747	19,010	17,100	20,835	3,735	22%	
Marketing Expense	5,144	3,700	9,245	8,250	4,500	6,750	12,151	20,850	8,699	72%	
Professional Services	7,742	3,741	941	4,703	-	2,087	500	3,500	3,000	600%	
Claim and Loss Expense	15,125	10,601	22,383	24,757	-	-	-	-	-	0%	
Service Release Premium	-	-	-	-	-	-	-	-	-	0%	
Miscellaneous Operating Expense	113,444	75,259	90,394	104,076	141,338	102,092	0	-	(0)	-100%	
Overhead Allocation	-	-	55,569	39,445	28,397	26,202	25,002	37,201	12,199	49%	
<b>Total Operating Expense</b>	<b>553,845</b>	<b>484,993</b>	<b>594,054</b>	<b>607,659</b>	<b>610,058</b>	<b>614,636</b>	<b>559,841</b>	<b>696,571</b>	<b>136,730</b>	<b>24%</b>	
<b>Net Operating Income (Loss) Before Grants</b>	<b>441,797</b>	<b>141,849</b>	<b>175,851</b>	<b>258,940</b>	<b>535,858</b>	<b>406,149</b>	<b>299,357</b>	<b>327,029</b>	<b>27,672</b>	<b>9%</b>	
<b>Net Grant (Income) Expense</b>											
Grant Revenue	-	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	-	-	-	-	-	-	-	-	-	-	0%
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	
<b>Net Operating Income (Loss) After Grants</b>	<b>441,797</b>	<b>141,849</b>	<b>175,851</b>	<b>258,940</b>	<b>535,858</b>	<b>406,149</b>	<b>299,357</b>	<b>327,029</b>	<b>27,672</b>	<b>9%</b>	
<b>Non-Operating (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	
<b>Net Income (Loss)</b>	<b>441,797</b>	<b>141,849</b>	<b>175,851</b>	<b>258,940</b>	<b>535,858</b>	<b>406,149</b>	<b>299,357</b>	<b>327,029</b>	<b>27,672</b>	<b>9%</b>	

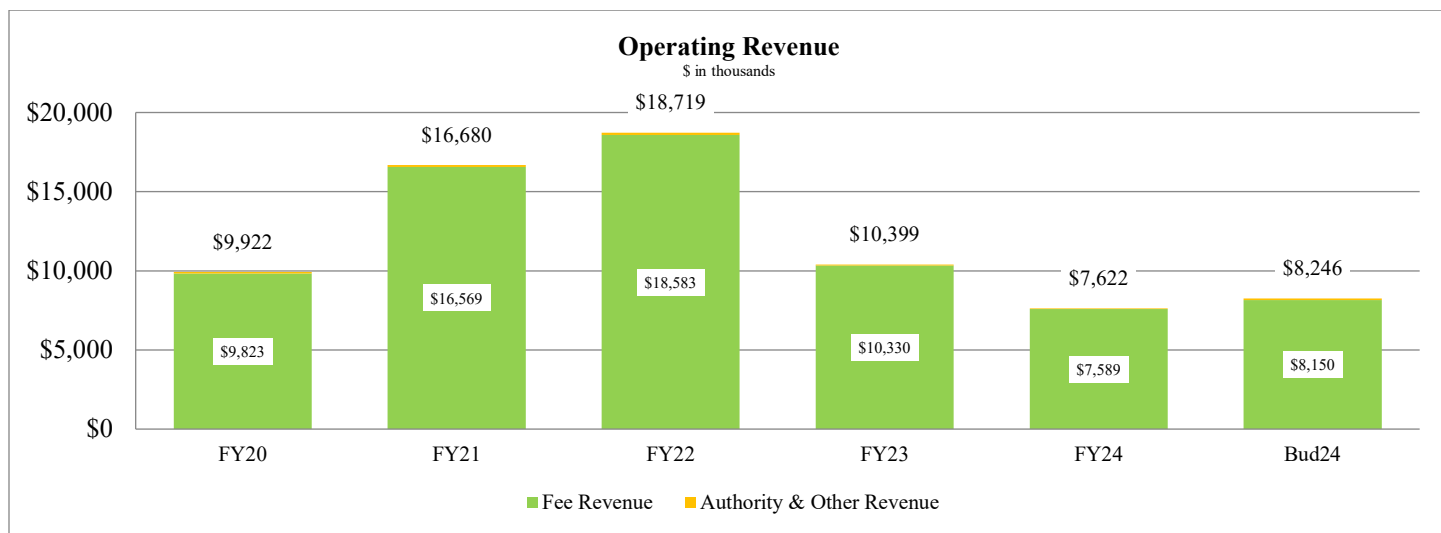
IFA Staff Count by Home Dept	3.0	3.6	3.8	4.0	4.0	3.8	4.0	4.5	0.5	13%
Contractor Staff Count by Home Dept	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	3.5	3.1	3.6	3.8	3.8	4.2	4.1	5.0	0.9	22%



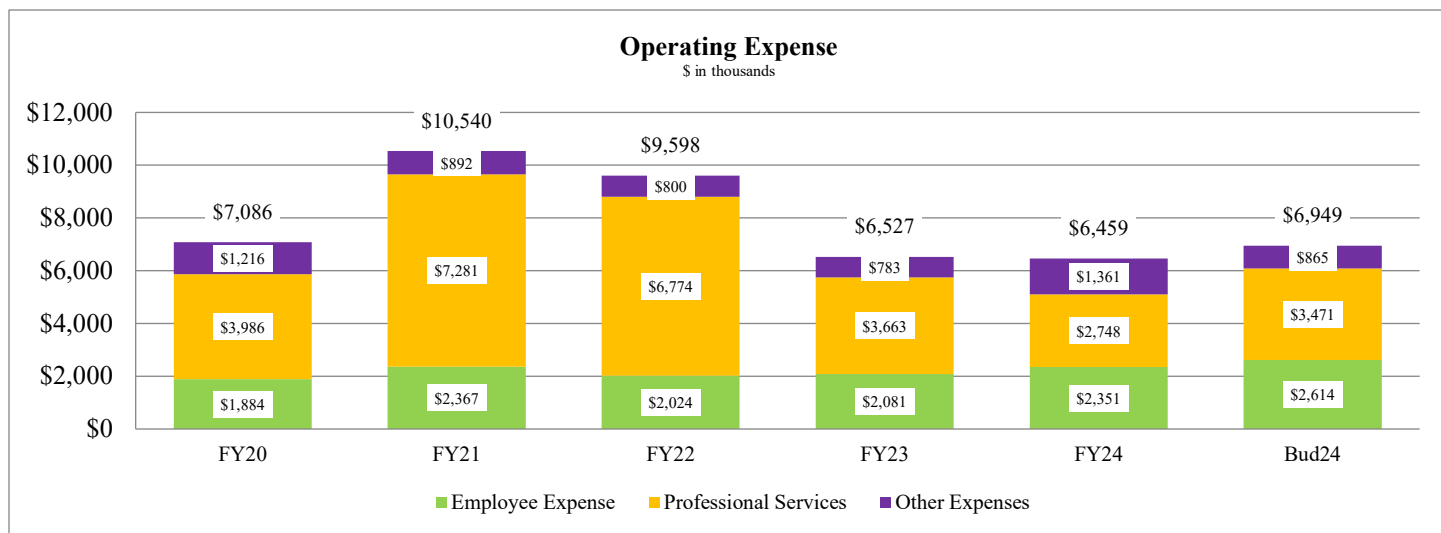
To: IFA & ITG Board Members  
 From: Michelle Bodie  
 Date: July 22, 2024  
 RE: June 2024 Fiscal Year Financial Results for Iowa Title Guaranty

**Iowa Title Guaranty (ITG) Financial Results (\$ in thousands)**

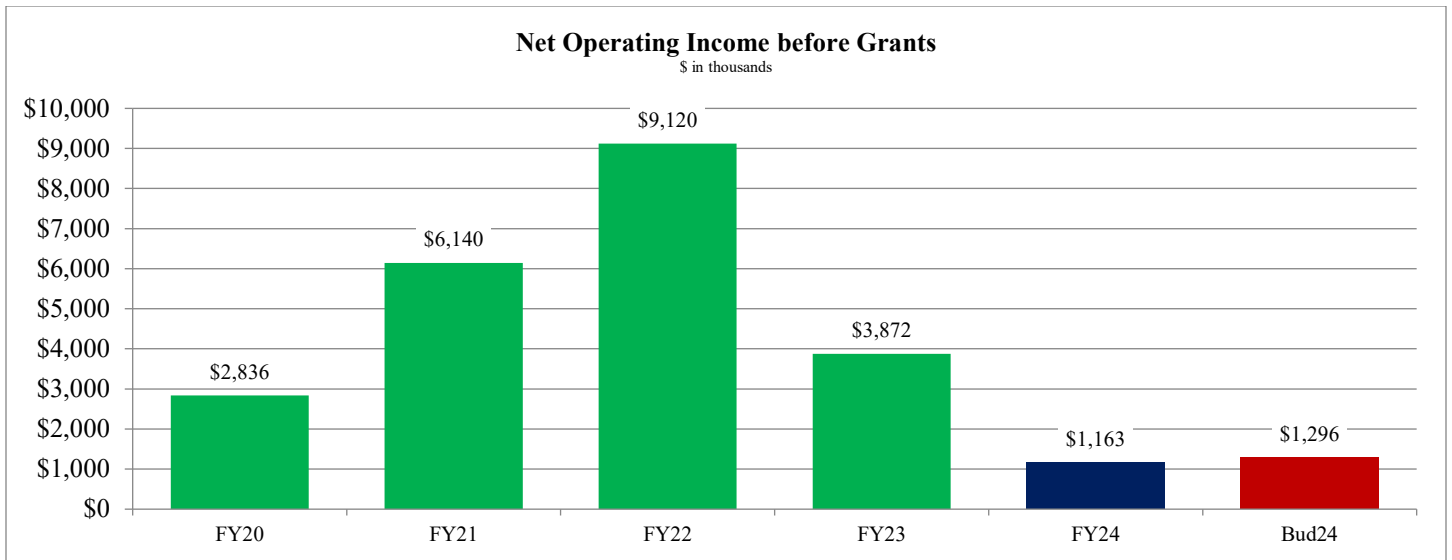
ITG operated unfavorably compared to budget for the fiscal year ended June 2024.



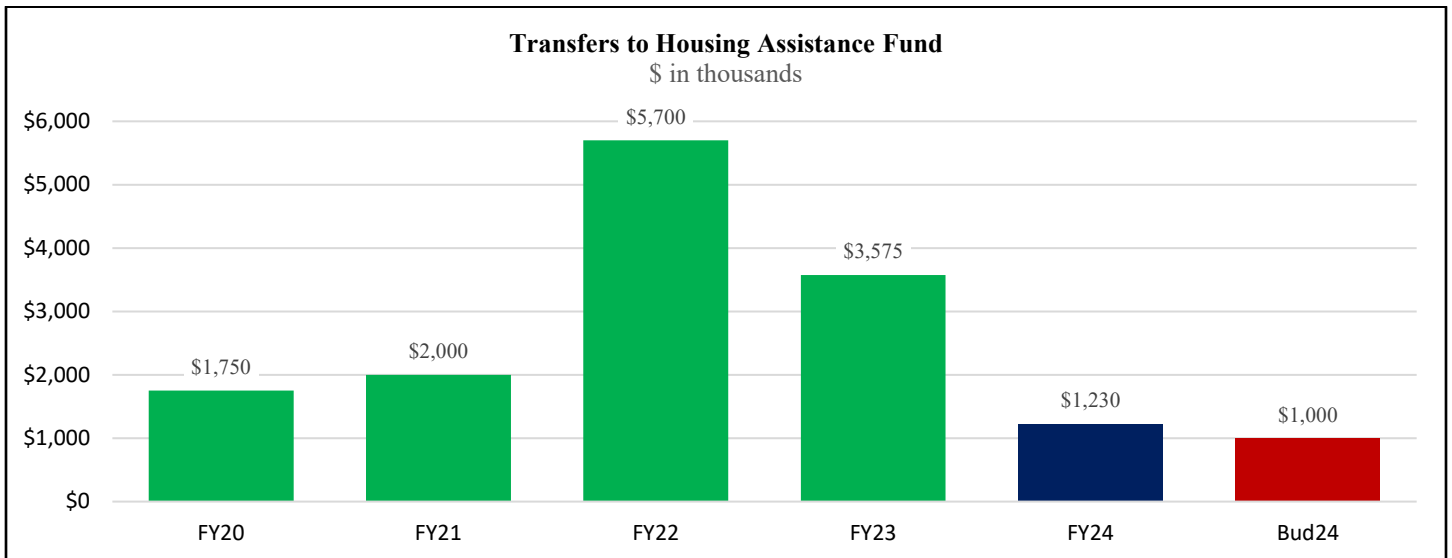
Operating revenue was \$624 or 7.6% below budget and \$2,777 or 26.7% behind last year. Fiscal year-to-date revenue was \$7,622 of which \$6,698 was generated from residential transactions and \$924 from commercial transactions.



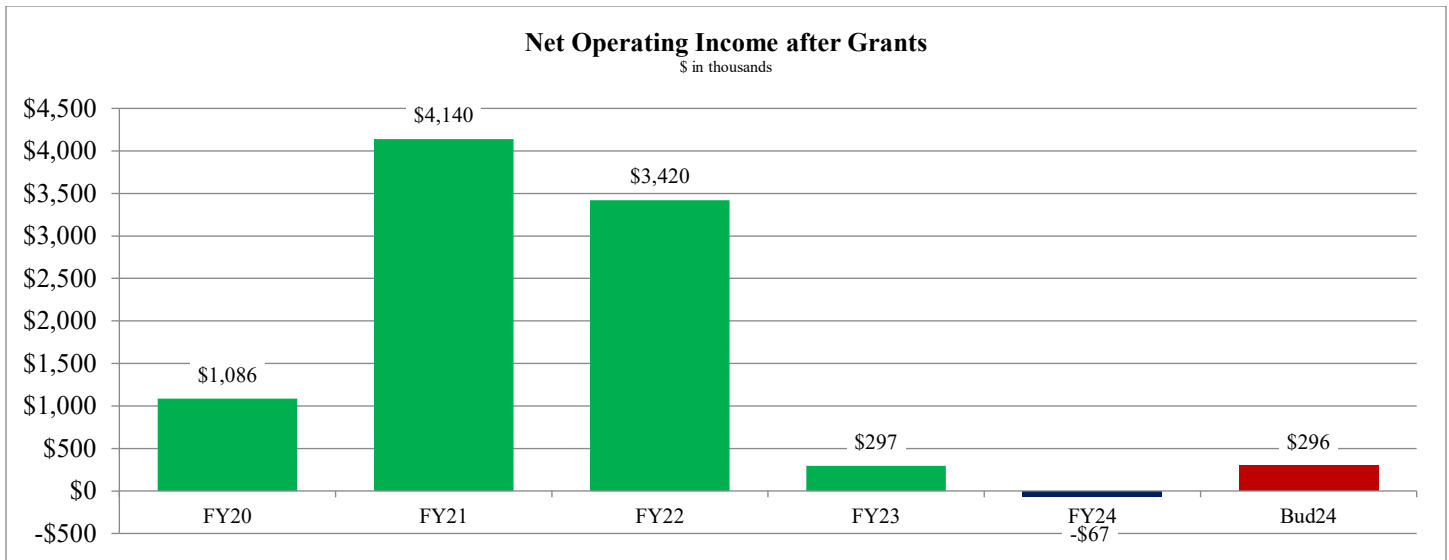
Operating expense was \$490 or 7.1% favorable to budget and \$68 or 1.0% favorable to last year. In the Other Expenses group, Overhead Allocation for shared building costs exceed budget due to realignment expenses. Claims and Loss Expense exceed budget and last year primarily due to two large claims filed this fiscal year and an increase of \$207 to the actuarial determined reserves.



Net Operating Income before Grants (NOIBG) was unfavorable by \$133 to budget and \$2,709 to prior year.



Transfers to HAF from ITG occur quarterly. Actual transfers for the fiscal year of \$1,230 are above budget but below last year. Per State Code, the interest earned on ITG funds held by the state treasurer is deposited directly to the State Housing Trust Fund (SHTF) monthly. The fiscal year interest earned on ITG funds was \$881. The combination of interest and HAF transfers totaled \$2,111 in contributions supporting housing programs in fiscal year 2024.

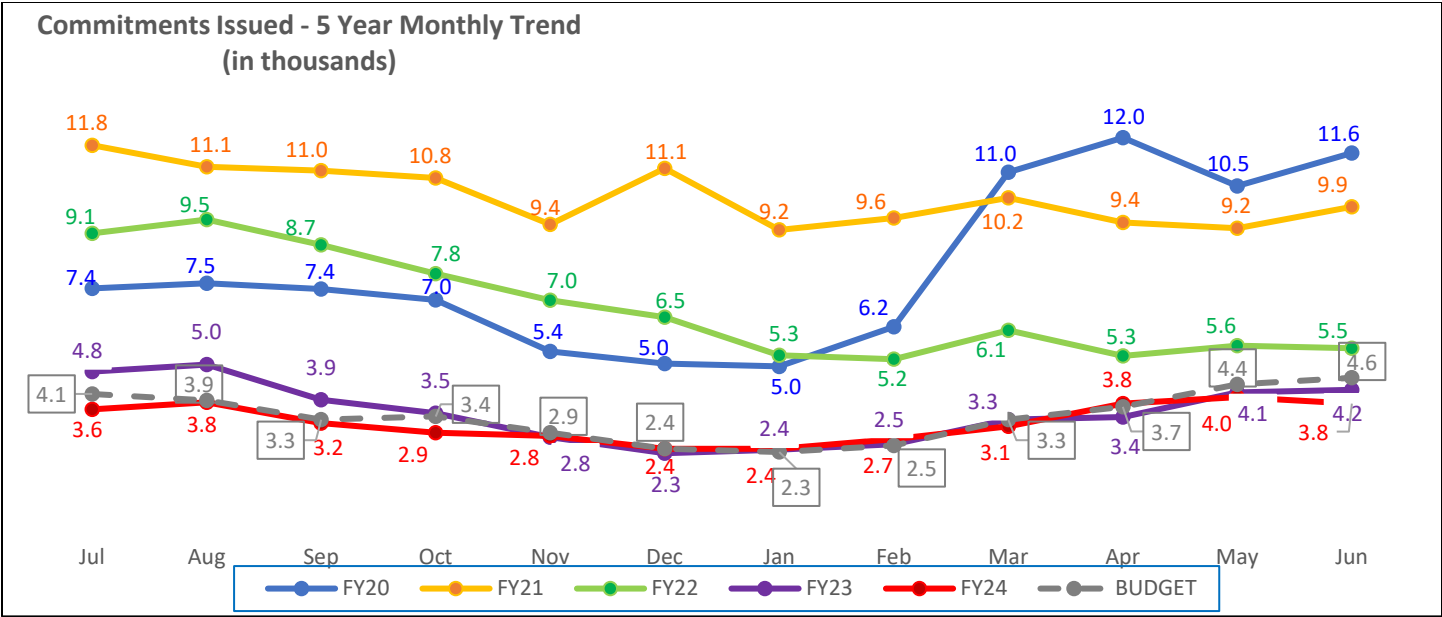


Net Operating Income after Grants (NOIAG) was unfavorable to budget by \$363 and unfavorable to last year by \$364.

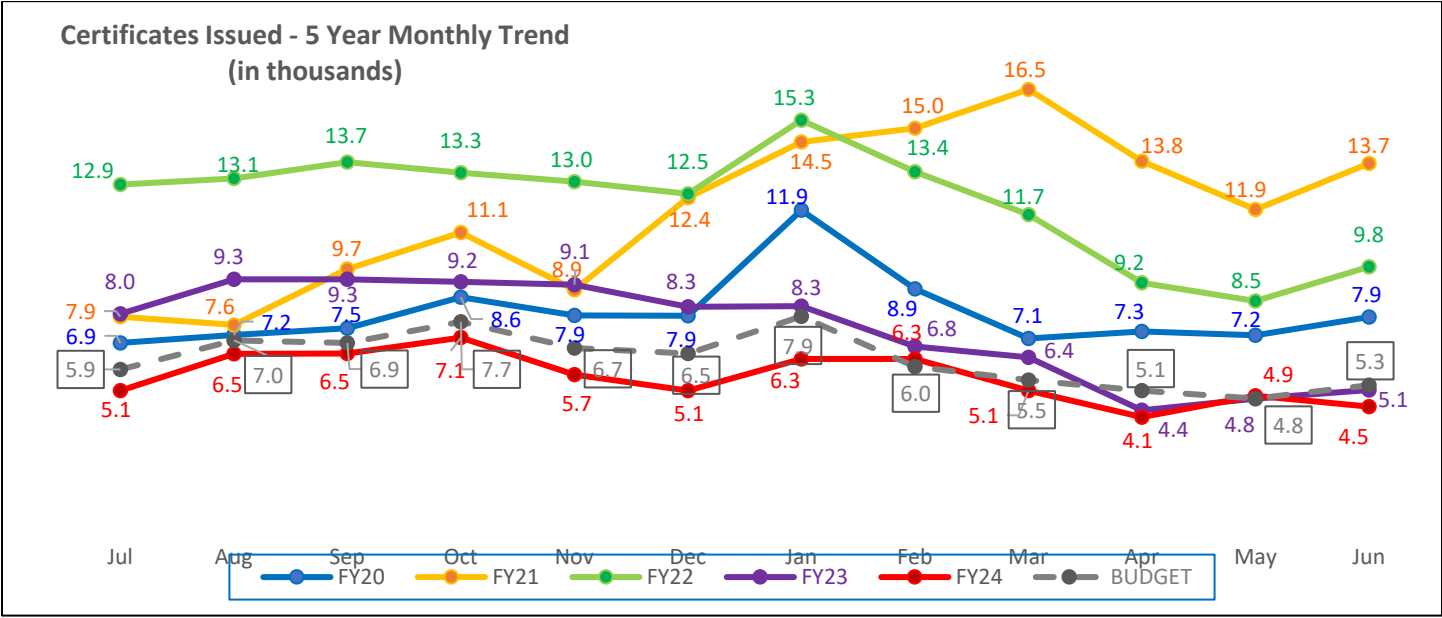


During the month of June, receivables decreased 23% (\$79.9 vs \$103.6) primarily due to the payment of \$31 in commercial receivables dated the end of May. Commitments increased 11% (\$1,271 vs \$1,143) for the 2<sup>nd</sup> consecutive month. The average fiscal year average balance for receivables was \$90.6 and commitments was \$1,256.





Fiscal year actual commitments issued of 38.6 compare to 40.8 budget and 42.2 in prior year.



Fiscal year actual certificates issued of 67.2 compare to 75.3 budget and 88.8 in prior year.

Balance Sheet	Iowa Title Guaranty Division (Rollup)							
	Jun-2024							
	Actuals	Bud24	Difference	%	Last Year	Difference	%	
<b>Assets and Deferred Outflows</b>								
Cash & Cash Equivalents	21,094,405	21,373,386	(278,981)	-1.3	21,194,239	(99,834)	-0.5	
Investments	-	-	-	0.0	-	-	0.0	
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0	
Line of Credit	-	-	-	0.0	-	-	0.0	
Loans - net of reserve for losses	-	-	-	0.0	-	-	0.0	
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0	
Other Assets	(89,135)	(252,147)	163,012	-64.6	222,187	(311,322)	-140.1	
Deferred Outflows	417,141	268,126	149,015	55.6	309,225	107,916	34.9	
<b>Total Assets and Deferred Outflows</b>	<b>21,422,411</b>	<b>21,389,365</b>	<b>33,046</b>	<b>0.2</b>	<b>21,725,651</b>	<b>(303,240)</b>	<b>-1.4</b>	
<b>Liabilities, Deferred Inflows, and Equity</b>								
Debt	-	-	-	0.0	-	-	0.0	
Interest Payable	-	-	-	0.0	-	-	0.0	
Unearned Revenue	-	-	-	0.0	-	-	0.0	
Escrow Deposits	1,036,099	745,677	290,421	38.9	1,478,774	(442,675)	-29.9	
Reserves for Claims	2,085,301	1,895,317	189,984	10.0	1,778,141	307,160	17.3	
Accounts Payable & Accrued Liabilities	1,495,069	1,466,920	28,149	1.9	1,629,151	(134,082)	-8.2	
Other Liabilities	1,044,519	1,305,607	(261,088)	-20.0	930,578	113,941	12.2	
Deferred Inflows	162,528	87,065	75,463	86.7	242,905	(80,377)	-33.1	
<b>Total Liabilities and Deferred Inflows</b>	<b>5,823,516</b>	<b>5,500,586</b>	<b>322,930</b>	<b>5.9</b>	<b>6,059,549</b>	<b>(236,033)</b>	<b>-3.9</b>	
<b>Equity</b>								
YTD Earnings(Loss)	(67,207)	296,332	(363,540)	-122.7	297,366	(364,573)	-122.6	
Prior Years Earnings	15,666,102	15,592,447	73,655	0.5	15,368,736	297,366	1.9	
Transfers	-	-	-	0.0	-	-	0.0	
<b>Total Equity</b>	<b>15,598,895</b>	<b>15,888,779</b>	<b>(289,884)</b>	<b>-1.8</b>	<b>15,666,102</b>	<b>(67,207)</b>	<b>-0.4</b>	
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>21,422,411</b>	<b>21,389,365</b>	<b>33,046</b>	<b>0.2</b>	<b>21,725,651</b>	<b>(303,240)</b>	<b>-1.4</b>	

Income Statement	800-020 Residential													
	Jun-2024							YTD as of Jun-2024						
	Actuals	Bud24	Difference	%	Last Year	Difference	%	Actuals	Bud24	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	459,123	529,400	(70,277)	-13.3	531,689	(72,566)	-13.6	6,697,617	7,409,450	(711,833)	-9.6	9,378,219	(2,680,602)	-28.6
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Revenue</b>	<b>459,123</b>	<b>529,400</b>	<b>(70,277)</b>	<b>-13.3</b>	<b>531,689</b>	<b>(72,566)</b>	<b>-13.6</b>	<b>6,697,617</b>	<b>7,409,450</b>	<b>(711,833)</b>	<b>-9.6</b>	<b>9,378,219</b>	<b>(2,680,602)</b>	<b>-28.6</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	95,962	175,969	(80,007)	-45.5	(31,722)	127,684	-402.5	1,851,164	2,117,410	(266,247)	-12.6	1,622,737	228,427	14.1
Shared Expense	19,905	20,100	(196)	-1.0	19,107	798	4.2	271,239	276,484	(5,245)	-1.9	261,565	9,675	3.7
Marketing Expense	5,369	4,200	1,169	27.8	750	4,619	615.9	18,462	59,670	(41,208)	-69.1	33,493	(15,031)	-44.9
Professional Services	185,846	255,153	(69,306)	-27.2	201,902	(16,055)	-8.0	2,747,966	3,470,339	(722,373)	-20.8	3,660,681	(912,715)	-24.9
Claim and Loss Expense	217,253	110,000	107,253	97.5	116,465	100,788	86.5	842,110	220,000	622,110	282.8	193,393	648,718	335.4
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	350	(350)	-100.0	964	(964)	-100.0	-	4,200	(4,200)	-100.0	6,366	(6,366)	-100.0
Overhead Allocation	55,768	10,265	45,503	443.3	(9,294)	65,062	-700.1	161,880	145,836	16,044	11.0	133,768	28,112	21.0
<b>Total Operating Expense</b>	<b>580,103</b>	<b>576,038</b>	<b>4,065</b>	<b>0.7</b>	<b>298,172</b>	<b>281,931</b>	<b>94.6</b>	<b>5,892,822</b>	<b>6,293,940</b>	<b>(401,118)</b>	<b>-6.4</b>	<b>5,912,002</b>	<b>(19,180)</b>	<b>-0.3</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(120,980)</b>	<b>(46,638)</b>	<b>(74,342)</b>	<b>159.4</b>	<b>233,517</b>	<b>(354,497)</b>	<b>-151.8</b>	<b>804,795</b>	<b>1,115,510</b>	<b>(310,715)</b>	<b>-27.9</b>	<b>3,466,217</b>	<b>(2,661,422)</b>	<b>-76.8</b>
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	250,000	(250,000)	-100.0	75,000	(75,000)	-100.0	1,230,000	1,000,000	230,000	23.0	3,575,000	(2,345,000)	-65.6
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>250,000</b>	<b>(250,000)</b>	<b>-100.0</b>	<b>75,000</b>	<b>(75,000)</b>	<b>-100.0</b>	<b>1,230,000</b>	<b>1,000,000</b>	<b>230,000</b>	<b>23.0</b>	<b>3,575,000</b>	<b>(2,345,000)</b>	<b>-65.6</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(120,980)</b>	<b>(296,638)</b>	<b>175,658</b>	<b>-59.2</b>	<b>158,517</b>	<b>(279,497)</b>	<b>-176.3</b>	<b>(425,205)</b>	<b>115,510</b>	<b>(540,715)</b>	<b>-468.1</b>	<b>(108,783)</b>	<b>(316,422)</b>	<b>290.9</b>
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(120,980)</b>	<b>(296,638)</b>	<b>175,658</b>	<b>-59.2</b>	<b>158,517</b>	<b>(279,497)</b>	<b>-176.3</b>	<b>(425,205)</b>	<b>115,510</b>	<b>(540,715)</b>	<b>-468.1</b>	<b>(108,783)</b>	<b>(316,422)</b>	<b>290.9</b>
IFA Home Dept Staff Count	18	18	1	2.9	17	1	5.9	16	18	(1)	-6.7	17	(1)	-3.4
FTE Staff Count	19	19	0	1.7	17	2	10.1	17	19	(1)	-7.4	17	0	0.1

Income Statement	Iowa Title Guaranty Division (Rollup)													
	Jun-2024							YTD as of Jun-2024						
	Actuals	Bud24	Difference	%	Last Year	Difference	%	Actuals	Bud24	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	524,643	596,412	(71,769)	-12.0	582,600	(57,957)	-9.9	7,588,514	8,149,793	(561,279)	-6.9	10,329,807	(2,741,293)	-26.5
Other Revenue	(1,231)	8,000	(9,231)	-115.4	420	(1,652)	-393.1	33,406	96,000	(62,594)	-65.2	69,197	(35,791)	-51.7
<b>Total Operating Revenue</b>	<b>523,412</b>	<b>604,412</b>	<b>(81,000)</b>	<b>-13.4</b>	<b>583,020</b>	<b>(59,609)</b>	<b>-10.2</b>	<b>7,621,921</b>	<b>8,245,793</b>	<b>(623,872)</b>	<b>-7.6</b>	<b>10,399,004</b>	<b>(2,777,084)</b>	<b>-26.7</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	144,346	220,257	(75,910)	-34.5	11,839	132,508	1119.3	2,350,661	2,613,661	(263,000)	-10.1	2,081,232	269,429	12.9
Shared Expense	24,451	23,410	1,041	4.4	20,394	4,058	19.9	288,388	296,839	(8,452)	-2.8	280,575	7,813	2.8
Marketing Expense	5,284	4,750	534	11.2	750	4,534	604.6	28,328	78,370	(50,042)	-63.9	40,243	(11,915)	-29.6
Professional Services	185,846	255,153	(69,306)	-27.2	201,902	(16,055)	-8.0	2,747,966	3,470,839	(722,873)	-20.8	3,662,768	(914,802)	-25.0
Claim and Loss Expense	217,253	110,000	107,253	97.5	116,465	100,788	86.5	842,110	220,000	622,110	282.8	193,393	648,718	335.4
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	7,600	(7,600)	-100.0	34,740	(34,740)	-100.0	0	91,200	(91,200)	-100.0	108,458	(108,458)	-100.0
Overhead Allocation	70,584	12,568	58,016	461.6	(12,163)	82,748	-680.3	201,674	178,551	23,124	13.0	159,970	41,705	26.1
<b>Total Operating Expense</b>	<b>647,765</b>	<b>633,738</b>	<b>14,027</b>	<b>2.2</b>	<b>373,925</b>	<b>273,840</b>	<b>73.2</b>	<b>6,459,128</b>	<b>6,949,461</b>	<b>(490,333)</b>	<b>-7.1</b>	<b>6,526,638</b>	<b>(67,511)</b>	<b>-1.0</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(124,354)</b>	<b>(29,326)</b>	<b>(95,027)</b>	<b>324.0</b>	<b>209,095</b>	<b>(333,449)</b>	<b>-159.5</b>	<b>1,162,793</b>	<b>1,296,332</b>	<b>(133,540)</b>	<b>-10.3</b>	<b>3,872,366</b>	<b>(2,709,573)</b>	<b>-70.0</b>
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	250,000	(250,000)	-100.0	75,000	(75,000)	-100.0	1,230,000	1,000,000	230,000	23.0	3,575,000	(2,345,000)	-65.6
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>250,000</b>	<b>(250,000)</b>	<b>-100.0</b>	<b>75,000</b>	<b>(75,000)</b>	<b>-100.0</b>	<b>1,230,000</b>	<b>1,000,000</b>	<b>230,000</b>	<b>23.0</b>	<b>3,575,000</b>	<b>(2,345,000)</b>	<b>-65.6</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(124,354)</b>	<b>(279,326)</b>	<b>154,973</b>	<b>-55.5</b>	<b>134,095</b>	<b>(258,449)</b>	<b>-192.7</b>	<b>(67,207)</b>	<b>296,332</b>	<b>(363,540)</b>	<b>-122.7</b>	<b>297,366</b>	<b>(364,573)</b>	<b>-122.6</b>
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(124,354)</b>	<b>(279,326)</b>	<b>154,973</b>	<b>-55.5</b>	<b>134,095</b>	<b>(258,449)</b>	<b>-192.7</b>	<b>(67,207)</b>	<b>296,332</b>	<b>(363,540)</b>	<b>-122.7</b>	<b>297,366</b>	<b>(364,573)</b>	<b>-122.6</b>
IFA Home Dept Staff Count	22	22	1	2.3	21	1	4.8	20	22	(1)	-5.4	21	(0)	-2.0
FTE Staff Count	24	23	1	5.2	22	1	6.4	21	23	(1)	-6.2	21	(0)	-0.3

Income Statement	800-030 Commercial													
	Jun-2024							YTD as of Jun-2024						
	Actuals	Bud24	Difference	%	Last Year	Difference	%	Actuals	Bud24	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	65,520	67,012	(1,492)	-2.2	50,911	14,609	28.7	890,897	740,343	150,554	20.3	951,588	(60,691)	-6.4
Other Revenue	(1,231)	8,000	(9,231)	-115.4	420	(1,652)	-393.1	33,406	96,000	(62,594)	-65.2	69,197	(35,791)	-51.7
<b>Total Operating Revenue</b>	<b>64,289</b>	<b>75,012</b>	<b>(10,723)</b>	<b>-14.3</b>	<b>51,331</b>	<b>12,958</b>	<b>25.2</b>	<b>924,304</b>	<b>836,343</b>	<b>87,961</b>	<b>10.5</b>	<b>1,020,785</b>	<b>(96,481)</b>	<b>-9.5</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	48,385	44,288	4,097	9.3	43,560	4,824	11.1	499,498	496,251	3,247	0.7	458,495	41,003	8.9
Shared Expense	4,547	3,310	1,237	37.4	1,287	3,260	253.3	17,148	20,355	(3,207)	-15.8	19,010	(1,862)	-9.8
Marketing Expense	(85)	550	(635)	-115.5	-	(85)	0.0	9,866	18,700	(8,834)	-47.2	6,750	3,116	46.2
Professional Services	-	-	-	0.0	-	-	0.0	-	500	(500)	-100.0	2,087	(2,087)	-100.0
Claim and Loss Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	7,250	(7,250)	-100.0	33,776	(33,776)	-100.0	0	87,000	(87,000)	-100.0	102,092	(102,092)	-100.0
Overhead Allocation	14,816	2,303	12,513	543.4	(2,870)	17,686	-616.3	39,794	32,715	7,079	21.6	26,202	13,592	51.9
<b>Total Operating Expense</b>	<b>67,662</b>	<b>57,700</b>	<b>9,962</b>	<b>17.3</b>	<b>75,753</b>	<b>(8,091)</b>	<b>-10.7</b>	<b>566,306</b>	<b>655,520</b>	<b>(89,215)</b>	<b>-13.6</b>	<b>614,636</b>	<b>(48,330)</b>	<b>-7.9</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(3,374)</b>	<b>17,311</b>	<b>(20,685)</b>	<b>-119.5</b>	<b>(24,422)</b>	<b>21,048</b>	<b>-86.2</b>	<b>357,998</b>	<b>180,823</b>	<b>177,175</b>	<b>98.0</b>	<b>406,149</b>	<b>(48,151)</b>	<b>-11.9</b>
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(3,374)</b>	<b>17,311</b>	<b>(20,685)</b>	<b>-119.5</b>	<b>(24,422)</b>	<b>21,048</b>	<b>-86.2</b>	<b>357,998</b>	<b>180,823</b>	<b>177,175</b>	<b>98.0</b>	<b>406,149</b>	<b>(48,151)</b>	<b>-11.9</b>
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(3,374)</b>	<b>17,311</b>	<b>(20,685)</b>	<b>-119.5</b>	<b>(24,422)</b>	<b>21,048</b>	<b>-86.2</b>	<b>357,998</b>	<b>180,823</b>	<b>177,175</b>	<b>98.0</b>	<b>406,149</b>	<b>(48,151)</b>	<b>-11.9</b>
IFA Home Dept Staff Count	4	4	-	0.0	4	-	0.0	4	4	-	0.0	4	0	4.3
FTE Staff Count	5	4	1	20.5	5	(0)	-5.3	4	4	(0)	-1.0	4	(0)	-1.9



# IOWA TITLE GUARANTY

A DIVISION OF IOWA FINANCE AUTHORITY

**To:** Iowa Title Guaranty Board  
**From:** Karla Moccero  
**Date:** August 27, 2024  
**Re:** Claims Report

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**I. Current Total Claims Reserves as of August 14, 2024: \$422,259.10**

**II. Fiscal Year 2024 Claims Paid to Date: \$8,833.50**

**III. Claim Summary as of August 14, 2024:**

<b>Total Pending Claims as of August 14, 2024</b>	61
<b>Pending Claims in Recoupment Status</b>	2
<b>Net Pending Claims as of August 14, 2024</b>	59
<b>Claims Received since July 01, 2024</b>	8
<b>Claims Resolved since July 01, 2024</b>	10

**IV. Trends:**

<b>Claims Trends</b>	<b>Lenders</b>	<b>Owners</b>	<b>Total</b>
Claims in FY 2020 ( <i>July 1, 2019 to June 30, 2020</i> )	88	18	106
Claims in FY 2021 ( <i>July 1, 2020 to June 30, 2021</i> )	37	17	54
Claims in FY 2022 ( <i>July 1, 2021 to June 30, 2022</i> )	47	18	65
Claims in FY 2023 ( <i>July 1, 2022 to June 30, 2023</i> )	52	11	63
Claims in FY 2024 ( <i>July 1, 2023 to June 30, 2024</i> )	46	13	59
Claims to date in FY 2025 ( <i>July 1, 2025 to present</i> )	6	2	8

<b>Current Active Claims Topics</b>	
<i>Number of Claims</i>	<i>Nature of Claim</i>
25	Issues with Drafting, Execution of Vesting Deed or Guaranteed Mortgage
13	Prior Judgments or Liens
8	Boundary Disputes
8	Break in Chain of Title
3	Adverse Possession
2	Special Assessment
2	Claims in Recoupment Status



**To:** Iowa Title Guaranty Board  
**From:** Kevin Blackman  
**Date:** August 27, 2024  
**Re:** Mortgage Release – FY24

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**Mortgage Release – FY24 Update**

Through June 2024, we received 434 requests:

248 were in conjunction with the Rapid Certificate program (57%)

186 of the remaining requests included the \$200 fee (43%)

353 Releases have been filed

Since inception, 8,960 mortgages have been released through this program.

<b>FY 2024</b>	<b>Requests Received</b>	<b>Rapid Certificates</b>	<b>Paid \$200</b>	<b>Releases Filed</b>
Jul-23	31	15	16	33
Aug-23	35	14	21	30
Sep-23	64	40	24	29
Oct-23	47	39	8	27
Nov-23	33	18	15	33
Dec-23	32	16	16	28
Jan-24	29	14	15	38
Feb-24	52	35	17	25
Mar-24	29	19	10	14
Apr-24	29	13	16	19
May-24	27	15	12	60
Jun-24	26	10	16	17
<b>Totals</b>	<b>434</b>	<b>248</b>	<b>186</b>	<b>353</b>

CHAPTER 9  
TITLE GUARANTY DIVISION

**265—9.1(16) Definitions.** The following words and phrases, when used in this chapter, shall have the meanings set forth below unless a meaning is inconsistent with the manifest intent or the context of a particular rule:

*“Abstract”* means a written or electronic summary of all matters of record affecting title to a specific parcel of real estate prepared in accordance with abstract minimum standards adopted by the division, provided however, that for nonpurchase transactions, “abstract” may also mean a written or electronic short-form summary setting forth the titleholders, liens, and encumbrances in accordance with guidelines adopted by the division.

*“Abstractor”* means a person who is engaged in the practice of searching public records for the purpose of creating abstracts.

*“Authority”* means the Iowa finance authority established by Iowa Code chapter 16.

*“Certificate”* means the form used to guarantee title, including any part or schedule thereof and any endorsements thereto.

*“Claim”* means loss or damage or potential loss or damage arising by reason of a matter actually, possibly, or allegedly within the coverage of a commitment, certificate, closing protection letter, mortgage release certificate, or by reason of any other matter for which the division is actually, possibly, or allegedly liable.

*“Claim loss”* means amounts paid by the division in the investigation and resolution of a claim including, but not limited to, payments to the guaranteed, payments to adverse claimants, attorneys’ fees, and all other expenses and costs related to or arising from the claim.

*“Closing protection letter”* means the division’s written agreement to indemnify a lender or borrower or both for loss caused by a participating closer’s theft of settlement funds or failure to comply with written closing instructions relating to title certificate coverage when agreed to by the participating closer.

*“Commitment”* means the division’s written offer to issue a certificate and any endorsements thereto.

*“Division”* means Iowa title guaranty, a division of the authority.

*“Division board”* means the board of the division created pursuant to Iowa Code section 16.2A(1).

*“Field issuer”* means a participant authorized by the division to issue commitments and certificates.

*“Mortgage release certificate”* means a certificate of release or a certificate of partial release issued by the division, pursuant to Iowa Code section 16.92.

*“Participant”* means a participating attorney, a participating abstractor, or a participating closer.

*“Participating abstractor”* means an abstractor who is authorized by the division to prepare abstracts for division purposes.

*“Participating attorney”* means an attorney licensed to practice law in the state of Iowa who is authorized by the division to prepare title opinions for division purposes.

*“Participating closer”* means any of the following authorized by the division to issue a closing protection letter: an Iowa licensed attorney disbursing funds through an interest on lawyer trust account, a closing agent licensed by the Iowa division of banking, or a real estate broker licensed by the Iowa real estate commission disbursing funds through a real estate trust account.

*“Party”* means a participant, or any other person, that has a contractual relationship with the division to provide services for which a claim may be brought against the division.

*“Person”* means an individual or legal entity, including corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.



**265—9.2(16) Mission.** The mission of the division is to operate a program that offers guaranties of real property titles in order to provide, as an adjunct to the abstract-attorney's title opinion system, a low-cost mechanism to facilitate mortgage lenders' participation in the secondary market and add to the integrity of the land-title transfer system in the state of Iowa and to perform other duties as assigned by Iowa law.

**265—9.3(16) Organization.**

**9.3(1) Location.** The office of the division is located at the address set forth in rule 265—1.3(16). Office hours are 8 a.m. to 4:30 p.m. Monday through Friday, excluding legal holidays. The division's website address is [www.iowatitleguaranty.com](http://www.iowatitleguaranty.com), and the division's telephone is (515) 452-0484. The division's email address is [titleguaranty@iowafinance.com](mailto:titleguaranty@iowafinance.com). Inquiries, submissions, applications and other requests for information may be directed to the division by the methods set forth herein.

**9.3(2) Meetings.** Meetings of the division board will generally be held quarterly on the date and time determined by the division board, or in accordance with Iowa Code section 16.2A(6). The division will give advance public notice of each division board meeting pursuant to Iowa Code chapter 21. Division board meetings may be conducted by conference call. Any person may attend and observe division board meetings except for any portion of a division board meeting that may be closed pursuant to Iowa Code section 21.5. The minutes of the division board meetings are available at the office of the division and on the division's website. A board member who has a conflict of interest may not vote on substantive actions of the division board.

**265—9.4(16) Operation.** The division offers guaranties of real property titles in the state through the issuance of commitments and certificates.

**9.4(1) Commitments, certificates, forms and manuals.** The terms, conditions, and form of commitments and certificates shall be approved by the division board. The division may adopt and use manuals and other forms as the division deems necessary for implementation and administration of the title guaranty program.

*a.* The division will provide forms to a participant for use in issuing commitments and certificates on behalf of the division. A participant may not alter any form supplied by the division or use a form supplied by another person to bind the division. In addition, the participant shall not transfer or attempt to transfer unissued commitments or certificates to another participant or other person unless authorized in writing by the division.

*b.* In addition to the division's other rights and remedies, the division may refuse to allow the participant access to any forms until the participant complies with the requirements of this chapter to the satisfaction of the division.

*c.* A participant shall be liable to the division for loss or damage sustained by the division by reason of the failure of the participant to comply with the requirements of this rule.

**9.4(2) Application for commitments and certificates.** The division will make an application for commitments and certificates available on the division's website.

**9.4(3) Rates.** Rates for commitments, certificates and closing protection letters shall be set pursuant to Iowa Code section 16.91(1). In transactions involving extraordinary risk or unusual or unique endorsements, the division may assess additional charges.

**265—9.5(16) Participants.**

**9.5(1) General provisions.** An applicant shall submit a participant application and the first year's annual fee and shall sign a participation agreement in order to be authorized to provide one or more services on behalf of the division.

**9.5(2) Participant application.** Applications for participation and renewal are available on the

division's website. An applicant shall submit an application to provide one or more services on behalf of the division. If the applicant is approved as a participant, the participant is required to submit a renewal application annually.

**9.5(3) Eligibility considerations.** To determine whether to approve or deny a participant application, factors the division may consider include, but are not limited to the following:

- a. The needs of the public and the needs of existing or potential customers of the applicant.
- b. A history of the operation and management of the applicant's business.
- c. The character, fitness, financial responsibility and experience of the applicant and the applicant's employees.
- d. A credit report or criminal background check of the applicant or the applicant's employees.
- e. A record of default in the payment of moneys collected for others by the applicant or the applicant's employees.
- f. A history of discharge of debts by the applicant or the applicant's employees through bankruptcy proceedings.
- g. Compliance with the title and settlement best practices adopted by the division.
- h. Other factors as determined by the division.

**9.5(4) Participation agreement.** The participation agreement sets forth the contractual relationship between the participant and the division. A new participation agreement is executed annually and when otherwise required by the division.

**9.5(5) Annual fee.** A participant may be required to pay an annual fee of \$75, set pursuant to Iowa Code section 16.91(4).

**9.5(6) Agent relationship.** A participant is only authorized to act as an agent of the division for the purposes and in the manner set forth in the participant's participation agreement, Iowa Code, these rules, manuals and any other written instructions given by the division. The authority of a participant to act as an agent of the division is not exclusive and is subject to the rights of the authority, the division, and other participants, agents, or representatives of the division.

**9.5(7) Conflict of interest.** A participant shall not, without prior authorization of the division, prepare an abstract or issue a title opinion, commitment, certificate, or closing protection letter for a transaction in which the participant has a personal or financial interest in the real estate that is the subject of that transaction.

**9.5(8) Clearance of title objections.** All title objections must be cleared in accordance with applicable division manuals and any other written instructions given by the division prior to the issuance of a certificate. Any underwriting determination about which there may be a bona fide difference of opinion among attorneys, which is not specifically addressed by division manuals or instructions, shall be approved by the division in writing.

**9.5(9) Commitment and certificate coverage limitations.** A field issuer shall obtain written authorization from the division prior to issuing a commitment or certificate that exceeds the allowable maximum amount of coverage, as determined by the division. If authorization under this subrule is not obtained through the act or omission of the field issuer, the field issuer shall be strictly liable to the division for any loss or damage resulting from issuance of the commitment, closing protection letter, or certificate.

**9.5(10) Document retention.** A participant shall maintain transaction files in such a manner that information pertaining to activities of the participant is readily available to the division while protecting confidential client information. A participant shall retain files for a period of ten years after the issued date of the certificate or the issued date of the commitment if a certificate is not issued.

**9.5(11) Training.** The division may require a participant and the participant's staff to participate in training sessions or continuing education seminars as deemed necessary by the division to ensure compliance with division requirements and procedures.

**9.5(12) Compliance.** Participants shall comply with Iowa Code, these rules, the participation

agreement, manuals, and any other written instructions given by the division. The division may audit the participant, with or without notice, for verification of compliance. An audit may include, but not be limited to, a review of the participant's abstracts, title opinions, commitment and certificate issuance procedures, a test of title plants and tract indices, and a review of closing policies and procedures and escrow account details.

**9.5(13) Revocation.** The division may revoke a participant's authorization to provide services on behalf of the division for reasons including, but not limited to, the following:

- a. Failure to comply with the terms and conditions of the participation agreement.
- b. Failure to submit an annual renewal application.
- c. Knowingly withholding or misrepresenting material facts relied upon by the division.
- d. Fraud, theft, dishonesty, or misappropriation of funds or documents.
- e. Deterioration of the participant's financial condition adversely affecting the participant's ability to provide services on behalf of the division.
- f. A finding by the division director of material noncompliance with Iowa Code, these rules, manuals, and any other written instructions given by the division.
- g. Other factors as determined by the division.

## **265—9.6(16) Services offered.**

**9.6(1) Abstracting.** Abstracts utilized for division purposes must be prepared by a participating abstractor.

a. *Title plant.* A participating abstractor shall own and maintain, or lease and use, a title plant including tract indices for each county in which that participating abstractor prepares abstracts for division purposes, unless exempt under Iowa Code section 16.91(5)"a"(2) and paragraph 9.6(1)"c" or authorized under Iowa Code section 16.91(5)"b" and paragraph 9.6(1)"d." Each of the tract indices shall be designated to encompass a geographical area of not more than one block in the case of platted real estate, nor more than one section in the case of unplatted real estate. The tract indices shall include a reference to all of the instruments affecting real estate recorded in the office of the county recorder, and the tract indices shall commence not less than 40 years prior to the effective date of the abstractor's participation in the title guaranty program. A government-maintained and -controlled database is not considered a title plant for division purposes.

b. *Intent to build title plant.* The division may authorize an abstractor that is building or that intends to build a title plant to prepare abstracts for division purposes, upon review of the following:

- (1) The abstractor's business plan;
- (2) Evidence that a title plant will be built for a specific county or counties within three years of authorization;
- (3) A timeline for completion of the title plant; and
- (4) A description of the applicant's abstracting experience.

c. *Exemption.* The exemption available pursuant to Iowa Code section 16.91(5)"a"(2) is unique to the participating attorney, is nontransferable, and terminates at such time as the participating attorney ceases providing abstracts for division purposes or upon the death or incapacity of the participating attorney.

d. *Title plant waivers.* The division recognizes the 40-year title plant as the preferred method of providing title evidence for the purpose of issuing commitments and certificates. The division must weigh the benefits of the traditional title plant with other alternatives to ensure buyers and lenders high quality of certificates throughout the state, rapid service, and a competitive price.

(1) *General provisions.* The division shall consider an application for a title plant waiver upon submission by an attorney or an abstractor.

(2) *Submission of application.* The division shall accept applications in the same manner as provided in paragraph 9.5(2).

- (3) Content of application. The applicant must provide, at a minimum, the following information:
1. The name, business address, email address, and telephone number of the applicant;
  2. The applicant's business plan;
  3. The county or counties in which the applicant intends to abstract;
  4. A description of the applicant's abstracting experience;
  5. Samples of abstracts prepared by the applicant;
  6. A history of any professional disciplinary action against the applicant;
  7. Professional references in support of the applicant;
  8. The relevant facts that the applicant believes would justify a waiver under Iowa Code section 16.91(5)“b”; and
  9. A signed statement from the applicant attesting to the accuracy of the facts provided in the application.

(4) Notification and response.

1. The division shall notify the applicant upon receipt of a complete application.
2. The Iowa State Bar Association and Iowa Land Title Association shall be provided notice of an application. Provision of the notice to the identified associations is not a requirement for the division to consider the application, and failure to inform an interested person of an application shall not void or otherwise nullify any action or decision of the division.

(5) Conditions. A waiver is unique to the recipient and is nontransferable. The division may limit a waiver as to county, transaction type, duration, or any other limitation. The division may require a waiver recipient to provide a guarantee, performance bond, or other form of indemnification, as assurance for abstracts prepared by the waiver recipient on behalf of the division. The division may review the waiver annually and may require a renewal, modification or addition to any required assurances. An applicant may only retain a waiver if the applicant continues to meet the requirements for a participant in rule 265—9.5(16). If the waiver recipient fails to meet the terms of the recipient's participation agreement, the waiver may be withdrawn by the division.

(6) Withdrawal of a waiver. A waiver issued by the division may be withdrawn or modified if, after public notice and division board meeting, the division board issues a written ruling finding any of the following:

1. That the waiver recipient knowingly withheld or misrepresented material facts relied upon by the division in granting the waiver; or
2. That the waiver recipient failed to comply with all conditions contained in the written ruling; or
3. That the abstracts prepared by the waiver recipient fail to meet the abstract minimum standards adopted by the division; or
4. That the division has revoked the waiver recipient's authorization to provide services on behalf of the division pursuant to subrule 9.5(13).

The decision of the division board shall be final agency action, and all appeals shall be filed with the Iowa District Court for Polk County.

**9.6(2) Issuing title opinions.**

*a.* All title opinions shall be prepared by participating attorneys and issued in compliance with division procedures as specified in manuals and any other written instructions given by the division.

*b.* A participating attorney who is a field issuer may issue a commitment as the preliminary title opinion and the certificate as the final title opinion.

*c.* A participating attorney shall be licensed to practice law in the state of Iowa and shall be in good standing with the Iowa supreme court at all times while acting as an agent of the division.

**9.6(3) Issuing commitments and certificates.** Pursuant to a participation agreement with the division, a participant may be authorized to issue a commitment or certificate on behalf of the division. A participant's right to issue commitments and certificates is a privilege for the convenience of the division and may be terminated pursuant to terms of the participation agreement.

**9.6(4) Issuing closing protection letters.**

*a.* Pursuant to a participation agreement with the division, a participant may be authorized to issue a closing protection letter on behalf of the division.

*b.* The division may require the participating closer to provide an irrevocable letter of direction to the institution at which each escrow account is established, authorizing the division to review and audit the institution's records of such account at any time that the division, in its discretion, deems necessary.

**265—9.7(16) Claims.**

**9.7(1) Claim procedures.** In the event of a claim, the rights of the division and a party are as follows:

*a.* Upon receipt of notice by a party of a claim, the party must notify the division in writing within three business days of receipt of information about a claim by the party and shall mail notification to the division by first-class mail at the division's address as set forth in rule 265—1.3(16) or provide notification by email.

*b.* When a party receives a request from the division for information with respect to a claim, the party shall supply to the division any documents, correspondence, surveys, abstracts of title, title searches, title opinions, other writings, or other information known by or available to the party and relevant to the claim, even if not specifically requested by the division.

*c.* A party shall cooperate fully in the investigation and resolution of a claim and shall supply any additional, new information that may come to the party's attention with such promptness as the circumstances permit.

*d.* The division may, with or without prior notice to the party or parties involved, investigate and resolve any claim in any manner that, in the division's sole discretion, the division may deem advisable.

**9.7(2) Claim loss recovery.**

*a.* Any claim losses paid are recoverable from a party by the division.

*b.* In the absence of knowledge by the party about the title defect or other matter causing the claim loss, the division shall not seek recovery from the party when a claim loss arises from one or more of the following:

(1) Hidden defects, including, but not limited to, forged deeds and mortgages, false affidavits, and false statements of marital status;

(2) Errors by public officials in maintaining and indexing the public records, including, but not limited to, errors by county assessors, recorders, clerks, and treasurers;

(3) Errors in these rules, manuals, and any other written instructions given by the division that the party relies upon in issuing an abstract, title opinion, commitment, closing protection letter or certificate;

(4) Errors in surveys provided by registered Iowa land surveyors that the party relies upon in issuing a certificate that provides survey coverage; or

(5) Underwriting determinations or title risks approved by the division prior to issuance of the abstract, title opinion, commitment, closing protection letter, or certificate.

*c.* The party shall reimburse the division for a claim loss when the division determines, in accordance with paragraph 9.7(2)“d,” that the party is liable and when the claim loss arises from one or more of the following:

(1) Errors by the party in the preparation of an abstract or any other report of information in the public record;

(2) Reliance by the party upon sources of title searches and other title information that had not been approved by the division at the time of the reliance;

(3) Errors made by the party in examining the title information provided in an abstract, survey, affidavit, or other source of title information;

(4) Errors made by the party in the preparation or review of an abstract, title opinion, commitment, closing protection letter, or certificate;

(5) Issuance of an abstract, title opinion, commitment, closing protection letter or certificate by the

party with knowledge that title is defective; or

(6) Failure of the party to follow Iowa Code, these rules, manuals, or any other written instructions given by the division.

*d.* Unless another rule, Iowa Code, manuals, or any other written instruction given by the division provides for a different standard of liability or other rule for determining whether the party shall be liable for a claim loss, the division shall apply the following standards:

(1) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.7(2)“c”(1), the division may demand reimbursement from the party if the party was grossly negligent in preparing the abstract. Gross negligence includes the failure to make a search or the use of inadequate search procedures. Gross negligence under the preceding sentence includes, but is not limited to, failure to search certain indices, failure to search all names of parties with an interest in the real estate, or failure to search in all public offices required by the division search procedures or procedures used by prudent title searchers if the division has not established specific search procedures. In making its determination whether to seek recovery, the division may consider the complexity of the public record, the reliance of the party upon division-approved search procedures, the training and experience of the person who made the error, and the existence or nonexistence of previous search errors by the party.

(2) In the event that a claim loss occurs for which the division may seek recovery from a party under subparagraph 9.7(2)“c”(2), the division may demand reimbursement from that party if the party relied upon sources of abstracts or other title information that had not been approved by the division at the time of the reliance.

(3) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.7(2)“c”(3), the division may demand reimbursement from the party if the party negligently examined the title information used in making a title determination, failed to raise an appropriate exception, waived an exception, or endorsed a commitment or certificate.

1. The division may make full review of local county abstracting standards and title standards as a guide to determine whether the party has failed to meet the standard of skill and competence of an abstractor who prepares an abstract or an attorney who examines titles in the community where the claim arose.

2. The division may also consider whether the party followed Iowa Code, these rules, manuals, or any other written instructions given by the division in examining the title.

3. In addition, the division may seek input from other parties in the community in which the claim arose as to the standard of care of an abstractor who prepares an abstract or of an attorney who examines titles in that community.

(4) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.7(2)“c”(4), the division may demand reimbursement from the party if the party negligently prepared or reviewed an abstract, title opinion, commitment, closing protection letter, or certificate.

(5) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.7(2)“c”(5), the division may demand reimbursement from the party if the issuance of the abstract, title opinion, commitment, closing protection letter, or certificate constituted fraud, concealment or dishonesty, or if the issuance of the abstract, title opinion, commitment, closing protection letter or certificate was based upon an underwriting decision on an unusual risk that was made without contacting the division for approval.

(6) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.7(2)“c”(6), the division may demand reimbursement from the party if the party failed to follow Iowa Code, these rules, manuals, or any other written instructions given by the division with respect to the matter causing the claim loss.

(7) In the event the division seeks reimbursement from a party, the division shall state the basis of

the reimbursement.

**265—9.8(16) Mortgage release certificate.** Pursuant to Iowa Code section 16.92, the division is charged with the administration of a program to release, after proper notification, paid-off mortgages from real estate titles in Iowa by executing and filing with the county recorder a mortgage release certificate.

**9.8(1) Application.** The division will provide a mortgage release application on the division's website.

**9.8(2) Application fee.** An applicant may be required to pay a fee of \$200 to apply for a mortgage release certificate. The fee shall be set by the division.

**9.8(3) Maximum principal amount of mortgage.** The division board may set a maximum principal amount for mortgages that may be released by a mortgage release certificate.

**9.8(4) Authority to sign certificate.** A mortgage release certificate shall be executed by the division director or designee of the division director.

**265—9.10(16) Rules of construction.** In this chapter, the following rules of construction shall be observed:

1. The word "shall" means mandatory and not permissive and the word "may" means permissive and not mandatory.

2. Nothing contained in this chapter shall be construed to require a participating attorney to disclose privileged information of a client to the division or to any other person.

3. Any rule that provides a specific remedy or sanction for violation of the rule shall not be construed as limiting the ability of the division to pursue and enforce other remedies or sanctions under this chapter, or otherwise against a participant or other person responsible or liable, either separately, concurrently, cumulatively, or in any combination, at the sole discretion of the division.

4. The failure of the division to enforce a right or remedy under this chapter, a statute, or common law shall not be construed as a waiver of such right or remedy either in the specific instance or in any other instance.

These rules are intended to implement Iowa Code sections 16.2A, 16.4C, 16.5, 16.90 to 16.94, 17A.10 and 535.8.