

**Title Guaranty Division  
Board Meeting Minutes  
September 28, 2010  
Iowa Finance Authority Presentation Room  
2015 Grand Avenue  
Des Moines, IA 50312**

**Board Members Present:**

Mitchell Taylor  
Deborah Petersen  
Surasee Rodari  
Tim Reilly  
Pat Schneider

**Staff Members Present:**

Loyd Ogle, TGD Director  
Matt White, TGD Deputy Director  
Linda Berg, TGD Business Dev. Director  
Carrie May, TGD Administrative Assistant  
Becky Wu, IFA Staff Accountant

**Others Present:**

Randee Slings, Iowa Title Company Cedar Rapids (ILTA President),  
Dean, Hoag, Jr., Attorney  
Ryan Miller, Attorney

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**Call to Order**

Ms. Petersen called the September 28, 2010, meeting of the Title Guaranty Board of Directors to order at 10:33 a.m.

**Review & Approval of Board Meeting Minutes**

The Board discussed the June 4, 2010, meeting minutes, which included a handout asserting and acknowledging that an unofficial meeting was held on June 1, 2010.

Motion: On a motion by Mr. Reilly, seconded by Mr. Taylor, the Board unanimously approved the June 4, 2010, Board meeting minutes.

**Review of Financial Reports and  
Transfer of Funds to IFA's Housing Programs**

Mr. Ogle delivered the financial report. He reported that business and revenue have stayed strong and Title Guaranty market share is higher than it's ever been, due to the changes that have been made in the last several years. Mr. Ogle reported that this is the third best year for revenue.

Mr. Ogle said that there is \$593,000 available to transfer to the housing programs.

Motion: On a motion by Mr. Taylor, seconded by Ms. Schneider, the Board unanimously approved the financial reports as well as the transfer of \$593,000 to IFA's housing programs.

**Director's Report**

Mr. Ogle presented the director's report. He discussed the Written Ruling for Dean Hoag Provisional Waiver and noted that it will require Board approval. He stated that staff has completed a ruling, which was intended to be consistent with the Board's vote and intent in terms of the waiver.

After the Board reviewed the Dean Hoag Written Ruling, Ms. Petersen called for questions or comments, at which time Mr. Hoag requested time to review the ruling.

Ms. Petersen requested that a reference to the June 1, 2010 and June 4, 2010 meetings be added to the ruling.

Motion: On a motion by Ms. Schneider, seconded by Mr. Rodari the Board unanimously approved the Dean Hoag Written Ruling.

Mr. Ogle explained the Demotech Claims Reserve Analysis in detail and he discussed the importance of the analysis for Title Guaranty. Through this analysis, Demotech found that TGD has an excess of \$2.2 million in the reserves. Mr. Ogle provided a written staff recommendation to release these excess reserves gradually.

Board and staff members discussed the issue thoroughly.

Mr. Ogle stated that the staff recommendation is to release the funds regularly every quarter over the course of 18 months. He stated that Demotech performs a Claim Reserve Analysis every five years, and a financial stability rating every year.

The Board questioned the line item entry on the financial report titled "Market Share by Rockridge Group". Mr. Ogle directed Becky Wu to have this item removed or to show a disclaimer next to it on future financial reports.

#### **Deputy Director's Report**

Mr. White delivered the Deputy Director's Report. He discussed the newest claims, which included a legal description problem, a quiet title action against the Guaranteed, and a claim based on Administrative Notice of a tax sale for \$2 on a \$225,000 home. He described a tenancy in common title curative matter, a mechanics lien claim, and another claim that involved a question regarding whether a mortgage was properly executed on a manufactured home. He also provided the Board with details on some claims related to unpaid property taxes.

Additional claims were discussed further.

Mr. White said TGD is receiving more requests for assistance from the Mortgage Release Program as requests for the Closing Protection Letter and Rapid Certificates increase.

Mr. Reilly questioned The Wetlands Reserve Easement Program and the process for these transactions. Mr. White explained the program, followed by further discussion by Board and staff about wetlands Title Guaranty Certificates.

Mr. White stated that a few years ago a Provisional Waiver was given to American Abstract in Dallas County, operated by Bill Blue. On September 17, 2010, Mr. White and Ms. Angela Davis performed an audit and found that the title plant is now complete.

#### **Business Development Director's Report**

Ms. Berg delivered the Business Development Director's Report. For July and August, the refinances still outnumber purchases. The commercial transactions are increasing steadily and the prediction is that they will continue to do so. With the addition of Angela Davis to Title Guaranty there will now be more time for staff members to focus on marketing the commercial department.

Ms. Berg stated that September was a busy month for conferences. She stated that the post card to promote Title Guaranty's annual conference was mailed September 27, 2010. The conference will be held November 9, 2010, at the Marriott in Coralville. The keynote speaker is Ted Jones, the Chief Economist for Stewart Title.

### **Field Operations Director's Report**

Mr. Ogle delivered the Field Operations Director's Report on behalf of Ms. Davis. He noted that Title Guaranty is currently in a transition phase as Ms. Becky Petersen devotes her time to commercial. Mr. Ogle welcomed TGD's new Field Operations Director Angela Davis, and reported that she previously worked at TGD as an intern. He also noted that Ms. Davis recently graduated from Drake University Law School.

Mr. Ogle reported that Title Guaranty is preparing to roll out an auditing and compliance program for abstractors, allowing TGD to review compliance in terms of the 40-Year Market Title Act and to evaluate the product of the abstractors.

### **Manual Changes and Discussion**

Mr. White led the discussion regarding changes to the TGD manual. The first change is a typo on the page titled "Article IV: Endorsements" and that is strictly a typo. The word "in" as noted on the hand out does not belong and it was deleted.

The second change to the Manual affects the section titled "Post-Closing Search Certification". The wording and ordering of the general Post-Closing Search Certification search requirements were amended to align more closely with the wording and ordering of the specific Non-Purchase Financing post-closing search requirements.

The last change is in reference to the page titled, "Non-Purchase Financing", The five-acres clause has been removed. The Board was asked to determine whether transactions involving the payoff or refinancing of a real estate installment sale contract should qualify under the Non-Purchase Financing Program.

The Board discussed the manual changes further.

Mr. Ogle said his recommendation is to exclude real estate sales contract refinances from the Non-Purchase Financing Program unless written prior approval is received from the Division or on a case-by-case basis.

Motion: On a motion by Ms. Schneider, seconded by Mr. Taylor, the Board unanimously approved the proposed changes to the manual.

### **Next Meeting Date and Time**

The next Board meeting is tentatively set for Tuesday, December 7, 2010, at 10:30 a.m.

### **Adjournment**

Motion: The meeting adjourned at 12:06 p.m.

Dated this September 28, 2010,

Respectfully submitted:



Loyd W. Ogle, Director  
Title Guaranty Division

Approved as to form:



Deborah Petersen, Chair  
Title Guaranty Division