

## TITLE GUARANTY

Chester J. Culver  
*Governor*

Patty Judge  
*Li. Governor*

Bret L. Mills  
*Executive Director*

Loyd W. Ogle  
*Title Guaranty Director*

November 6, 2009

TO: Interested Parties

RE: NOTICE OF REQUEST FOR PROVISIONAL WAIVER OF 40-YEAR ABSTRACT  
REQUIREMENT

The Board of Directors of Title Guaranty Division has received a request for a provisional waiver of the 40-year abstracting plant requirement, pursuant to 265 IAC 9.7(8)a.

The request has been filed by Abstract Associates of Webster County, Inc. The provisional waiver of the 40-year title plant is for abstracts the company prepares for property located in Webster County.

The Board of Directors will be considering the request at its Board meeting scheduled for December 8, 2009, at 10:30 a.m., in the Presentation Room, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312.

If you wish to make any comment to the Board regarding this request, you may do so in writing or in person.

If you do not wish to attend in person, you should submit any written responses you wish to make to this office in advance of the Board meeting so that it will be available to the Board of Directors.

Yours truly,

Loyd W. Ogle  
Director, Title Guaranty Division

LWO/sem

2015 Grand Avenue  
Des Moines, Iowa 50312

515.725.4900  
800.432.7230  
fax 515.725.4901

[www.iowaFinanceAuthority.gov](http://www.iowaFinanceAuthority.gov)

# Title Guaranty Application for Tract Index (title plant) Waiver

(Please submit Application to Attn: Loyd Ogle - Director, Title Guaranty Division of the Iowa Finance Authority, 2015 Grand Ave, Des Moines, IA 50312)

NAME OF APPLICANT: ABSTRACT ASSOCIATES OF WEBSTER COUNTY, INC.

BUSINESS ADDRESS: 15 South 10th Street, Fort Dodge, Iowa 50501  
(Street) (City) (State) (Zip)

Telephone: ( 515 ) 576-7922

Facsimile: ( 515 ) 576-7923

Email: tjhuggins@abstractassociateswc.com

1. Select type of title plant waiver requested:
  - a. xxx Provisional (temporary) waiver (see Paragraph #4, below)
  - b. \_\_\_\_\_ Permanent waiver for attorney (see Paragraph #5, below)
  - c. \_\_\_\_\_ Permanent waiver for non-attorney (see Paragraph #6, below)
  
2. Attach a written statement with the following information:
  - a. General description of the applicant's business;
  - b. Intention, if any, to develop a 40-year tract index;
  - c. Relevant facts that the applicant believes would justify a waiver, as stated below:
    - i. That the title plant requirement described in Iowa Code Supplement section 16.91(5)"a"(2) imposes a hardship to the abstractor or attorney; and
    - ii. That the waiver is:
      - (1) Clearly in the public interest; or
      - (2) Absolutely necessary to ensure availability of title guaranties throughout the state.
  
3. All waiver requests must include a signed, sworn statement from the applicant attesting to the accuracy of the facts provided in the application.
  
4. Provisional Waiver Request  
Applicant, at a minimum, should also provide the following:
  - a. Evidence that a title plant will be built for a specified county;
  - b. Evidence of significant financial loss due to the inability to provide abstracts for the division;
  - c. Evidence that the provisional waiver is necessary in order to produce a revenue stream to justify the expense associated with building a title plant; and
  - d. Professional references from two licensed Iowa attorneys or one participating plant-abstractor attesting to the applicant's ability to abstract.

5. Permanent Waiver Request: for Attorney

Applicant, at a minimum, should also provide the following:

- a. For attorney applicants with experience abstracting under the supervision and control of an exempt attorney-abstractor, Applicant, at a minimum, should also provide the following:
  - i. Evidence of the applicant's abstract experience;
  - ii. Professional references;
  - iii. Samples of abstracts prepared by the applicant;
- b. For attorney applicants without experience working under the supervision and control of an exempt attorney-abstractor, Applicant, at a minimum, should also provide the following:
  - i. Evidence of the applicant's abstract experience;
  - ii. Professional references;
  - iii. Samples of abstracts prepared by the applicant;
  - iv. The applicant's business plan;
  - v. Evidence of clients and volume of additional transactions that will be brought into the title guaranty abstract/attorney system as a result of the waiver;
  - vi. Evidence of the number, availability, service and quality of other abstractors available to perform abstracting and whether the grant of a permanent waiver will adversely impact the business of other participating abstractors;
  - vii. Evidence of whether the applicant demonstrates the inability to abstract under the supervision and control of an exempt attorney.

6. Permanent Waiver Request: for Non-Attorney

Applicant, at a minimum, should also provide the following:

- a. Evidence of the applicant's abstract experience, maintenance of a title plant by the applicant in any other county, and degree of participation by the applicant in the title guaranty division standards in excellence program;
- b. Professional references;
- c. Samples of abstracts prepared by the applicant;
- d. The applicant's business plan;
- e. Evidence of clients and volume of additional transactions that will be brought into the title guaranty abstract/attorney system as a result of the waiver;
- f. Evidence of the number, availability, service and quality of other abstractors available to perform abstracting and whether the grant of a permanent waiver will adversely impact the business of other participating abstractors.

**IOWA FINANCE AUTHORITY**  
**TITLE GUARANTY DIVISION**

**ABSTRACTOR APPLICATION FOR TRACT INDEX WAIVER—WEBSTER COUNTY**

**Name of Applicant:** ABSTRACT ASSOCIATES OF WEBSTER COUNTY, INC.  
(Hereafter "Abstract Associates")

**Telephone Number:** (515)576-7922

**Business Address:** 15 South 10th Street  
Fort Dodge, IA 50501

**E-mail:** [info@abstractassociateswc.com](mailto:info@abstractassociateswc.com)  
[tjhughhins@abstractassociateswc.com](mailto:tjhughhins@abstractassociateswc.com)

**Web Site:** [www.abstractassociateswc.com](http://www.abstractassociateswc.com)

I, Ted J. Huggins, the President of Abstract Associates of Webster County, Inc., do hereby submit for consideration the following information concerning Abstract Associates' request for waiver of abstractor participation and requirements of the use and ownership of a current forty year tract index for the Title Guaranty program:

1. Abstract Associates seeks a provisional waiver pursuant to Sub-Rule 9.7(8)(a).
2. Abstract Associates is an independently owned abstracting company that opened September 21, 2009 at 15 So. 10th Street, Fort Dodge, Iowa. Abstract Associates provides complete abstracting and title services in Webster County, Iowa. Abstract Associates currently has three employees.

**KATHY VOSIKA** –

1972-2007 - Owned and operated Pocahontas Abstract Company, Inc., Pocahontas, Iowa; completed 40-year title plant and did abstracts and abstract related activities.

1984-1996 - Owned and operated Calhoun County Abstract Co., Inc., Rockwell City, Iowa. Worked on microfilm title plant, as well as doing abstract and abstract related activities.

1987-1992 - Created Wright County Title Co., Clarion, Iowa. Created a from scratch which 40-year title plant was completed in less than two years, as well as doing abstracts and abstract related activities.

1988-1996 - Owned and operated Webster County Title Co., Inc., Fort Dodge, Iowa. Completed the 40-year title plant and did abstracts as well as abstract related activities.

1993-1995 - Created Sac Title Co., Inc., Sac City, Iowa. Created a 40-year title plant from scratch in less than two years, as well as doing abstracts and abstract related activities.

2007-Present - Abstractor working part-time for Pocahontas Abstract Co., Inc., Pocahontas, Iowa, doing abstracts of title.

2009-Present - Abstractor working part-time for Abstract Associates of Webster County, Inc., doing abstracts of title, helping create 40-year title plant and acting as Consultant.

**CAROLYN SANDVIG –**

1986-1987 – Fifth Judicial District, Department of Correctional Services, part-time Secretary. Handled confidential records, typed legal documents.

1987-1999 – Webster County/Butler & Rhodes Abstract Co., Inc. Assistant Manager and abstractor. Did abstract work, prioritized work load and managed office in absence of Manager.

2004- Target; part-time Cashier.

2000-2004 – Iowa State University, Webster County Extension Office. Customer service; researched inquiries, assist 4-H and Youth Coordinator, computer record keeping, organized files, update mailing lists.

2004-2008 – Iowa Realty, Fort Dodge, Iowa. Office Manager; duties included customer service, prepared paperwork for real estate listings and sales; update Multiple Listing Service listings on a daily basis; coordinate closings with banks, attorneys and other realty companies; computer record keeping; etc.

2008-2009 – Fort Dodge Housing Agency, Home Ownership Coordinator. Duties included marketing and outreach for home ownership program, counsel clients on home ownership education and foreclosure, perform Section 8 program re-certifications.

**TED J. HUGGHINS**

1972-2002 - J.C. Penney Co., Iowa, Texas, Kansas.

Store Manager, Fort Dodge, Iowa – 1993-2002

Instructor, Corporate Management Development Center, Plano, Texas – 1990-1993

Operations Manager, San Antonio, Texas; Wichita, Kansas – 1985-1990

General Merchandising Manager, Waco; Bryant; Austin; San Antonio, Texas – 1976-1985

Customer Service Manager, San Antonio, Texas – 1976

Merchandising Manager, Odessa; Abilene, Texas – 1972-1976

2002-2006 – Certified Pre-Planning Consultant, Gunderson Funeral Home, Fort Dodge, Iowa.

2006-2009 – Registered Representative, Agent for New York Life, Fort Dodge, Iowa.

2009 – Abstract Associates of Webster County, Inc.

**JERRY L. SCHNURR III, ATTORNEY AT LAW**

1986-Present – Practicing Attorney, Fort Dodge, Iowa. Practice includes civil litigation, real estate, wills, estate and probate. Mr. Schnurr has been a participant in the Title Guaranty Program since 1992. Jerry Schnurr has been active in the Iowa State Bar Association, the Iowa Trial Lawyers Association now known as the Iowa Association for Justice (Board

of Governors), the American Association for Justice, Iowa Association of Workers' Compensation Lawyers, Inc. (Board of Governors); Main Street Fort Dodge (President); Fort Dodge Historical Preservation Commission (Chair); Fort Dodge Noon Rotary (Board of Directors).

3. Abstract Associates intends to develop a forty year tract index for Webster County. We have purchased software which will aid in the development of the title plant. We will hire two employees specifically dedicated to building the title plant. Other employees will work on the title plant when not working on other abstracting work. Abstract Associates has requested from the Webster County Recorder the Index Records from 1994 through the present which are maintained digitally on computer. We have also requested digital copies of the microfilm records of the indices back to December 1969. This information will be added to the software to create the title plant. Daily records received from the County Recorder's Office are added to the title plant as received. The forty-year title plant will be maintained electronically. When completed, the title plant may be searched by legal description: lot, block, sub-division or section, township, range. Searches can also be made by individuals' name.

4. Abstract Associates believes a waiver is justified pursuant to Sub-Rules 9.7(7) and 9.7(8) and sets forth the following in support thereof.

A. Hardship. The title plant requirement described in Iowa Code Supplement Section 16.91(5)(A)(2) imposes a hardship to the abstractor applicant as follows: A significant majority of abstracts in Webster County, Iowa are for properties that have mortgages that will be sold on the secondary market or for lenders that require title guaranty abstracts. In order to generate the cash flow necessary to complete the construction of the title plant, a waiver is necessary. A stream of income is needed in order to complete the construction of the title plant.

B. Public interest will be served by granting Abstract Associates a Tract Index Waiver. If Abstract Associates is granted a waiver, Abstract Associates will be able to offer competitive abstracting services. Additionally, Lenders would have two abstractors in Webster County to choose from for abstracts connected with mortgages sold on the secondary market which require Title Guaranty. Before we opened there was only one abstract company in Webster County: Webster County/Butler & Rhodes Abstract Company, Inc., which is owned by First Federal Savings Bank in Fort Dodge, Iowa. Many Lenders will not do business with a second abstractor unless the abstractor has a Title Guaranty Certificate allowing them to prepare abstracts for mortgages that will be available for the secondary market. The public interest will be served by increasing competition between abstract companies which will keep costs of abstracting services down and quality up, encourage participation in Title Guaranty and add integrity to the land title transfer system in the State. We will have a turn-around time of no more than seven days. Most work will be done in two to four days. We intend to improve customer service through our website, [www.abstractassociateswc.com](http://www.abstractassociateswc.com). The website contains a description of our services, pricing information, a portal for placing orders and links to information helpful to those involved in real estate transactions. We also provide pick-up and delivery service in Fort Dodge.

6. Abstract Associates seeks a provisional waiver pursuant to Sub-Rule 9.7(8)(a).

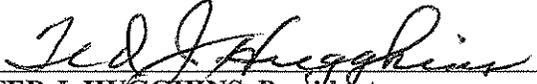
A. **Evidence that a title plant will be built for Webster County.** Abstract Associates is in the process of obtaining copies of the Indices of recorded documents from the Webster County Recorder in order to prepare its title plant. Abstract Associates has purchased and has been trained on the software necessary to create and maintain the title plant from the Indices and records of Webster County. We will hire two full-time employees designated to build the title plant. They will be trained on the Title Search software. Abstract Associates believes that the title plant can be built within one year from the date the Waiver is granted.

B. **Financial loss due to inability to provide abstracts for the Division.** Without the waiver, Abstract Associates will not be allowed to compete for a majority of abstracts in Webster County, Iowa. As stated earlier, a significant amount of the abstracts in Webster County are for lenders that require abstracts prepared by abstractors certified by Title Guaranty. Abstract Associates intends to build a forty year title plant. The cost of start-up of the business and the loss of income due to Abstract Associates' inability to do abstract work which require Title Guaranty, by law or by practice or policy, would create a financial hardship for Abstract Associates. There has been significant financial resources expended in the start-up cost. There are significant expenses regarding payroll, rent, utilities, cost of obtaining records and information and insurance. Additional personnel will be added to prepare and create the forty year title plant which will increase further the costs of doing business. The stream of income from abstracts for Title Guaranty is necessary to justify the expense of building, owning and maintaining a title plant.

C. **Waiver needed to produce revenue stream.** The provisional waiver is necessary in order to produce a revenue stream to justify the expense associated with building and maintaining a title plant. Attached as Exhibit "A" is a professional reference from Candy Robinson of NorthCentral Title Company of Humboldt, Iowa, a participating plant abstractor.

D. Professional references and letters in support of our Application for Waiver are attached.

I, the undersigned, Ted J. Huggins, as President of Abstract Associates of Webster County, Inc., do hereby and herewith attest to the accuracy of the facts provided in the Application for Trust Index Waiver and this supporting statement. They are true and correct as I verily believe.

  
TED J. HUGGHINS, President

STATE OF IOWA :  
: SS  
WEBSTER COUNTY :

On this 30<sup>th</sup> day of October, 2009 before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Ted J. Huggins, to me personally known, who, being by me duly sworn, did say that he is President of the corporation executing the foregoing instrument; that no seal has been procured by the corporation; that the instrument was signed on behalf of the corporation by authority of its Board of Directors; and Ted J. Huggins acknowledges the execution of the instrument to be the voluntary act and deed of the corporation, by it and by him as voluntarily executed.

  
NOTARY PUBLIC

