

**Title Guaranty
Board Meeting Minutes
June 4, 2013**

Board Members Present:

Pat Schneider
Daniel Seufferlein
Kim Downing-Manning
Tim Reilly
Chuck Winkleblack

Staff Members Present:

Geri Huser, Title Guaranty Director
Matt White, Title Guaranty Deputy Director
Jess Flaherty, Executive Assistant
Samantha Day, Business Development Specialist/
Recording Secretary
Carla Pope, Senior Project Coordinator
Jerry LoRang, Underwriting Attorney
Kim Axtell, Member Services Manager
Michelle Thomas, IFA Accounting Manager
Steve Harvey, Chief Operating Officer
Linda Berg, Business Development Director
Halley Stille, TG Intern
Judy Peterson, Senior Production Specialist
Sydney Kronkow, TG Intern
Bob Skelley, Compliance Officer
Matt Blake, TG Intern
Lori Beary, Community Development Director

Others Present:

Tim Peters, ILTA President
Todd Prichard, Iowa Abstract Services
Loyd Ogle, Ogle Law Office
Doug Daggett, Guaranty Abstract Company
Bill Price, Abstract Title and Escrow Services of Iowa

Call to Order

Ms. Schneider called the June 4, 2013, meeting of the Title Guaranty Board of Directors to order at 10:32 a.m.

Ms. Downing-Manning arrived at 10:33 a.m. All Board Members, Title Guaranty staff and members of the public introduced themselves.

Board Officer Elections

Motion: On a motion by Mr. Winkleblack, seconded by Mr. Seufferlein, the Board unanimously approved Ms. Schneider as chair.

Motion: On a motion by Ms. Schneider, seconded by Mr. Seufferlein, the Board unanimously approved Mr. Winkleblack as vice chair.

State Revolving Fund

Ms. Beary went over the material handed out to everyone and gave an overview of the Iowa Finance Authority's involvement with the State Revolving Fund. Iowa Finance Authority is unusual in that it is the only housing agency that also does the state revolving fund for clean

water and drinking water. The Iowa Code gives DNR and Iowa Finance Authority joint authority to administer the Iowa State Revolving Fund. Ms. Beary gave a brief description on the responsibilities of DNR and the Iowa Finance Authority. The State Revolving Fund can be used for non-point source projects that have a water quality benefit. Ms. Beary provided detail on what constitutes a water quality benefit. Mr. Winkleblack asked several questions and Ms. Beary went into detail on larger cities using the state revolving fund and reasons, if any, there were failures.

Review & Approval of Board Meeting Minutes

Motion: On a motion by Mr. Winkleblack, seconded by Mr. Reilly, the Board unanimously approved the March 5, 2013, Board meeting minutes.

Abstract Plant Certification

Mr. White discussed the work group concerning Abstract Plant Certification. He gave an overview of the topics that had been talked about within the work group meetings. Ms. Huser stated that modifications suggested by the work group would also be made to the application process for a waiver, to clarify the terms and conditions the applicant consents to when they apply. The Board, Mr. White and Ms. Huser discussed the costs of having a third party inspect the title plants, who will fund those costs and who will want to inspect for Title Guaranty, to which there were questions.

Ms. Pope reviewed the Title Plant Inspection Process handout, previously emailed to the Board members. She and Mr. White stated that the group is currently working on the Request for Proposal (RFP), and will include specific details regarding the cost of inspections and what Title Guaranty requires of those inspections. Mr. Peters spoke on behalf of the ILTA and agreed with the work group topics and process thus far.

Ms. Huser stated to Mr. Price that Title Guaranty needed his permission to have his plant inspected by ILTA prior to the amended Administrative Rules taking effect. She stated that ten names from the ILTA would be submitted to him and he would be able to pick two of the ten abstractors for his inspection, prior to the Board meeting in August. Mr. Price agreed and stated that he would be calling Ms. Huser to discuss the inspection to be scheduled.

Ms. Huser reviewed the Board's limited powers concerning rule making and stated the Iowa Finance Authority Board will be approving and adopting the rules on June 5, 2013. She said that if approved, the rules will be effective July 31, 2013. Ms. Huser asked for the Board to approve resolution TG 13-05, recommending approval of the amendments to the Administrative Rules, to present to the Iowa Finance Authority Board at their meeting on June 5, 2013.

Motion: On a motion by Mr. Reilly, seconded by Mrs. Downing-Manning, the Board unanimously approved Resolution TG 13-05.

Iowa Abstract Services

Ms. Huser discussed the previously granted waiver for the Iowa Abstract Services and the upcoming expiration. She asked the Board to grant an extension based upon her recommendation to extend the waiver to August 15, 2013.

Ms. Schneider asked Mr. Prichard if August 15th would be acceptable for the special Board meeting. The Board briefly discussed what other topics would be discussed at the August meeting. Mr. Reilly confirmed he would be joining by phone, while all other Board members said they would attend in person. Ms. Schneider set a special Board meeting for August 15, 2013.

Motion: On a motion by Mr. Winkleblack, seconded by Mr. Sufferlein, the Board unanimously approved to extend Iowa Abstract Service's provisional waiver, based upon Ms. Huser's recommendation, to August 15, 2013, at which time, the Board will hold a special meeting.

Request for Provisional Title Plant Waiver - Guaranty Abstract Company

Mr. Daggett introduced himself as both the Owner and President of Guaranty Abstract Company. He stated the plant had previously been owned by a grandfathered attorney and he had purchased the title plant in 2009. He briefly discussed why he had decided to apply for a provisional title plant waiver and building a 40-year title plant.

Ms. Huser stated that her recommendation was to approve the provisional title plant waiver for one year with the following conditions: a one-year deadline with Guaranty Abstract Company providing Mr. White three dates during the work week for inspection by Title Guaranty; proof of purchase of the software being used; Guaranty Abstract Company will need to be certified as up-to-date based on Title Guaranty requirements; Guaranty Abstract Company will consent to administrative rules; and Guaranty Abstract Company will provide monthly status reports to Mr. White.

Mr. Peters thanked Mr. Daggett for his efforts to apply for the provisional waiver and building a title plant. The Board and Mr. Daggett discussed his plan to build the plant, the application and his software options for the plant. The Board approved the application and directed Ms. Huser to prepare a written ruling for the October 1, 2013, meeting setting forth the Board's rationale for granting the waiver.

Motion: On a motion by Mr. Winkleblack, seconded by Mr. Reilly, the Board unanimously approved a one-year Provisional Waiver for Guaranty Abstract Company, including the five conditions presented in the Director's Recommendation.

FY 2014 Budget and Financial Reports

Ms. Huser gave a brief update on current staffing and the influence it had on the budget. She stated that the Title Guaranty had hired three new clerk specialists and that Matt Veldey would be returning from his one-year military leave. She explained why they would like to reclassify a current Attorney 2 position to Attorney 3 and the process with the Attorney General's Office to achieve the reclassification.

Mr. Harvey outlined the financial reports and the amount available for transfer. He briefly spoke about the "Other Operating Expenses" and the amounts pertaining to outsourcing for a new software system for the upcoming year. He stated that the costs for the system would only affect the FY 2014 budget and not carry over to any following years.

Motion: On a motion by Ms. Downing-Manning, seconded by Mr. Sufferlein, the Board unanimously approved the FY 2014 budget.

Transfer of Funds to Iowa Finance Authority Housing Programs

Motion: On a motion by Mr. Winkleblack, seconded by Ms. Downing-Manning, the Board unanimously approved the transfer of \$791,000 to the IFA Housing Assistance Fund.

Title Guaranty Manual

Ms. Pope discussed the draft manual that was presented in the Board packet, which includes copies of the jackets and endorsements. She stated that the manual would be placed on the website after the Board meeting for public comments. The changes that were made are to comply with current ALTA forms and to comply with Iowa law. She will be reporting back to the Board at the October meeting with any modifications and the final manual for approval.

Mortgage Release Program Update

Mr. LoRang began his presentation by thanking all of the staff members that have assisted with the program and introduced several current interns with Title Guaranty. He briefly spoke about Ms. Kronkow and her influence in passing the bill in May, concerning Chapter 16.92 of the Iowa Code. He stated that the bill had increased inquiries about mortgage release and in his opinion the program will only increase. He is currently working on new guidelines to work better with the new bill. The Board and Mr. LoRang briefly discussed how the fee increase had correlated with incoming applications.

Annual Participation Renewal Update

Ms. Axtell briefly reviewed her handouts for the Board pertaining to the current renewal status for calendar year 2013. She went into detail on the current renewal process and the steps they are taking to make the process automated and more user- friendly. She discussed how many current active members Title Guaranty has. The Board and Ms. Axtell discussed how the number for current abstractors had been determined, to which there were questions.

Claims Report

Mr. White gave an update on claims and stated that there were 30 new claims since the meeting in March. There were 26 claims listed in Board packet and 4 new claims since the report had been published. The Board and Mr. White discussed the claims and some reasons for the increase in the number. Mr. White and Ms. Huser also updated the Board on the Danielson case.

Residential and Commercial Volume and Projection Report

Ms. Berg presented the reports that were included in the Board Packet as well as information on the upcoming Settlement Conference.

IT Consultant Update

Ms. Pope gave a brief update on their work with Mr. McCoullough, IT Consultant. She discussed the materials handed out at the Board meeting which included the recommendations to enhance the CAP system. The final recommendations were prepared after meeting with staff, customers, CAP project team and lastly the management team. She stated they plan to have

the Request for Proposal (RFP) done by the end of July, applications being submitted by the end of August, a signed contract by September and programming, starting in October.

Director's Report

Ms. Huser began her report by introducing Samantha Day, Business Development Specialist. She stated that Ms. Day will be taking over as Title Guaranty Board Administrator for Ms. Flaherty who has moved into a new position at IFA. Ms. Huser disclosed her HOME Program and Internal Control Conflict. She briefly discussed how internal control conflicts are handled. She disclosed these conflicts with the Iowa Finance Authority Board at the May 3, 2013, Board meeting.

Adjournment

On a motion by Mr. Winkleblack, seconded by Mr. Sufferlein, the Board voted unanimously to adjourn the meeting at 12:48 p.m.

Dated this August 15, 2013.

Respectfully submitted:



Geri Huser
Director, Title Guaranty

Approved as to form:



Pat Schneider
Chair, Title Guaranty Board