

**Title Guaranty
Board Meeting Minutes
October 8, 2013**

Board Members Present:

Pat Schneider
Tim Reilly
Dan Seufferlein

Staff Members Present:

Geri Huser, Title Guaranty Director
Matt White, Title Guaranty Deputy Director
Samantha Day, Business Development Specialist/
Recording Secretary
Carla Pope, Senior Project Coordinator
Michelle Thomas, IFA Accounting Manager
Ann Marie Malave, Title Guaranty Attorney
Linda Berg, Business Development Director

Others Present:

David Dunakey, Dunakey & Co.
Edward Koufer, QCI
Ramona Lee, Iowa Insurance Division
Ron Lewis, The Title Resource Network
Gary Reeder, President Elect for ILTA
Jay Sommers, Law Office of Jay Sommers, P.C.

Call to Order

Ms. Schneider called the October 8, 2013, meeting of the Title Guaranty Board of Directors to order at 10:32 a.m.

All Board Members present, Title Guaranty staff and members of the public introduced themselves.

Review & Approval of Board Meeting Minutes

Motion: On a motion by Mr. Reilly, seconded by Ms. Seufferlein, the Board unanimously approved the August 15, 2013, Board meeting minutes.

Truitt Abstract Company, Inc. (d/b/a Davis County Abstract and Title) Update

Mr. White outlined the document provided in the Board packet, which included a graphical update through September 25, 2013. Mr. White stated to the Board that Davis County Abstract and Title is now working under a d/b/a, Truitt Abstract Company, Inc. d/b/a Davis County Abstract and Title. Mr. White reminded the Board that this company had an extension until December of this year but Dave Truitt, President, believes all entries will be done within the next week or less. Mr. Truitt has begun working with ILTA on an inspection schedule.

Great Plains Title, LLC (f/k/a Abstract Services, LLC) Update

Mr. White outlined the document provided in the Board packet, which included a memo including the most recent update from Great Plains Title, LLC. Mr. White reminded the Board that Great Plains Title, LLC was formerly known as Abstract Services, LLC and that this company has an extension until December 3, 2013. Mr. White has been receiving monthly updates from Todd Prichard, owner, and he

believes they are very close to being finished. The company is finalizing the conversion, has begun training and will be scheduling an inspection in late October or early November.

Ms. Huser told the Board that Title Guaranty had received a call from Deb Petersen, Petersen Law PLLC, asking if we had rules on the title plant having a physical address in the county they are abstracting. Ms. Petersen believed that the address for Great Plains Title, LLC was now vacant. Mr. White asked the Board if they felt it necessary that the title plant have a physical address in the county they are abstracting. Mr. Reilly stated that he believes if it is based on geographical indexing that it should not matter the physical location. Mr. White stated if we left the rules how they currently are he believes we would not have to make any changes. The Board agreed that the company does not need a physical address in the county they perform abstracting with the appropriate indexing.

Guaranty Abstract Company Update

Mr. White outlined the document provided in the Board packet, which included a memo including the most recent update for Guaranty Abstract Company. Mr. White briefly went over the update with the Board and explained that there was a delay in their database import. Mr. White said that when Guaranty Abstract Company got the data from the recorder there were certain fields that did not get included. Mr. White told the Board that they have hired at least one additional employee and still intend on completing in April and having their inspection done by the June Board meeting.

Title Plant Inspection Contract Resolution

Ms. Pope handed out a replacement Resolution, which included changes to the amount not to exceed for services. Ms. Pope told the Board that the resolution is a result of a request for proposal to hire an outside entity to perform title plant inspections for Title Guaranty. Title Guaranty recommended Iowa Land Title Association; their proposal was to mimic their current process for their members. Ms. Pope briefly went over the title plant process, highlighting on our agreement that the services will cost \$500 per inspection, \$300 per re-inspection and reimbursement of travel costs at the state rate. ILTA will provide a list of inspectors, giving the company flexibility when choosing who will inspect their plants. Ms. Pope told the Board that there will be up to 12 alternates available. Ms. Pope reminded the Board that the detail given from the final report will only be if they passed or did not pass.

Mr. Dunakey asked if there would be a protocol given to Board or available to Title Guaranty members. Ms. Huser told Mr. Dunakey she would send him a copy and that it would be readily available along with our application.

Motion: On a motion by Mr. Seufferlein, seconded by Mr. Reilly, the Board unanimously approved Resolution TG 13-08.

IT Consultant Contract Resolution

Ms. Pope outlined the document provided in the Board packet, which included a resolution for the IT Consultant Contract. Ms. Pope told the Board that we had 9 initial letters of interest and had 3 written proposals. Title Guaranty selected Information Resource Group, based on their references, interview and our scoring criteria. Ms. Pope went into detail on the background of the company and their experience working with government entities, insurance and finance institutions.

Ms. Pope told the Board that the contract period was from October 21, 2013, to February 28, 2014, based on an hourly rate and per diem, not including holidays or weekends. Ms. Pope told the Board that the new CAP system would be transactional and we would begin testing the system in mid-December.

Motion: On a motion by Mr. Reilly, seconded by Mr. Seufferlein, the Board unanimously approved Resolution TG 13-09.

2014 Meeting Dates

Ms. Huser outlined the document provided in the Board packet, which included a document with recommended Board meeting dates for the upcoming year. Ms. Huser asked the Board if they would like to have their Board meeting on September 3, 2014 in conjunction with the Iowa Finance Authority's Housing Conference or have it on October 7, 2014. Mr. Reilly recommended that we have the meeting in October, keeping the document unchanged.

Permanent Title Plant Waiver (Jay Sommers)

Mr. White presented the public comments received the day of the board meeting regarding Mr. Sommers waiver application. Mr. White introduced Mr. Sommers to the Board.

Mr. Sommers briefly outlined the documents provided in the Board packet, which included the final waiver application and Director's recommendation. Mr. Sommers went into detail on his reasons for requesting the permanent waiver, including his desire to complement his law practice services in real estate to include Title Guaranty abstracting. There was discussion between the Board and Mr. Sommers on the documents provided in the Board packet. Ms. Huser informed the Board that she was recommending approval of Mr. Sommers application.

Mr. Reilly recommended that there be a geographical limitation for the abstracting. Mr. White went into detail on the limits the Board has on approving a waiver application, including that the Board cannot put geographical limitation on an approval but the applicant can volunteer conditions.

Motion: On a motion by Mr. Seufferlein, seconded by Ms. Schneider, opposed by Mr. Reilly, the Board did not unanimously approve the Waiver of the 40-Year Title Plant Requirement on behalf of Jay Sommers.

Motion failed.

Mr. Sommers asked for an explanation and Ms. Huser requested a short recess at 11:42 A.M.

The Board reconvened at 11:53 A.M.

Mr. Reilly asked the Board to reconsider the motion. Mr. Reilly asked Mr. Sommers if he would be performing all abstracting duties on his own, requested in the Director's recommendation and Mr. Sommers stated he would.

Motion: On a motion by Mr. Reilly, seconded by Mr. Seufferlein, the Board unanimously approved the Waiver of the 40-Year Title Plant Requirement, based on the Director's recommendation.

Contribution for the Cost of Programming in ICIS Resolution

Ms. Huser outlined the document provided in the Board packet, which included a resolution on contribution for the cost of programming in ICIS. Ms. Huser told the Board, based on previous ILTA meetings, that abstractors are having trouble finding new cases. Ms. Huser briefly talked about the letter Title Guaranty and ILTA has prepared asking that the appropriate programming changes be made to allow abstractor reports to be accessible. Resolution 13-10 stated that Title Guaranty was prepared to pay \$5,000 toward these expenses, with ILTA paying the remainder if needed. Mr. Reeder stated that ILTA was authorized up to \$1,500 for the changes, and additional funding would need approval by their Board.

Motion: On a motion by Mr. Reilly, seconded by Mr. Seufferlein, the Board unanimously approved Resolution TG 13-10.

Transfer of Funds

Motion: On a motion by Mr. Seufferlein, seconded by Mr. Reilly, the Board unanimously approved the transfer of \$619,000 to the IFA Housing Assistance Fund.

Financial Reports

Ms. Thomas outlined the August financial reports and amount available for transfer. Ms. Thomas told the Board that revenue had increased, was favorable to the budget by \$379,805, mainly due to the fee income.

Residential and Commercial Volume and Projection Report

Ms. Berg outlined the document provided in the Board packet, which included a report on number of transactions and volume for both residential and commercial within Title Guaranty.

Standardization of Training

Ms. Huser outlined the document provided in the Board packet, which included a summary on the standardization of training. Ms. Huser told the Board that the training group had met with Title Guaranty underwriters to prepare guidelines for division issuers and field issuers, providing standardization of training.

Ms. Huser briefly outlined the Demotech Stability Rating report provided in the Board packet.

Director's Report

Ms. Huser introduced the newest staff member of Title Guaranty, Ann Marie Malave, responsible for all Title Guaranty claims. Ms. Huser told the Board that Ms. Malave will be attending future Board meetings and presenting claim updates. Ms. Huser told the Board that there are reserves in the amount of \$700,000 budgeted for claims filed.

Ms. Huser told the Board that Title Guaranty has hired a financial and other audit company, McGladrey, to review internal systems. Ms. Huser told the Board that their first 20 hours are for assessment and will be job shadowing Title Guaranty staff members and eventually will audit Accounting within Iowa Finance Authority.

Adjournment

Ms. Schneider adjourned the meeting at 11:49 p.m.

Dated this December 3, 2013.

Respectfully submitted:


Geri Huser
Director, Title Guaranty

Approved as to form:


Pat Schneider
Chair, Title Guaranty Board