



TITLE GUARANTY

Title Guaranty Board Meeting Minutes

June 5, 2012

Board Members Present:

Deborah Petersen
Pat Schneider
Kim Downing-Manning
Tim Reilly
Chuck Winkleblack

Staff Members Present:

Geri Huser, Title Guaranty Director
Matt White, Title Guaranty Deputy Director
Joanna Wilson, Associate General Counsel
Linda Berg, Field Operations Director
Jess Flaherty, Training Specialist
Carla Pope, Senior Project Coordinator
Jerry LoRang, Underwriting Attorney
Steve Harvey, IFA Chief Operating Officer
David Peters, Underwriting Attorney
Judy Peterson, Customer Service Manager
Dave Jamison, IFA Executive Director

Others Present:

Dean Hoag, Jr., Peoples Abstract Company
Judy Hildenberg, ILTA President

Call to Order

Ms. Petersen called the June 5, 2012, meeting of the Title Guaranty Board of Directors to order at 10:30 a.m.

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

Action Items

Review & Approval of Board Meeting Minutes

The Board discussed the meeting minutes of March 6, 2012.

Motion: On a motion by Mr. Reilly, seconded by Ms. Schneider, the Board unanimously approved the March 6, 2012, Board meeting minutes.

Written Ruling –Abstract, Title & Escrow Services of Iowa, LLC

Ms. Petersen introduced the Written Ruling and restated the prior acts of the Board from the March 6, 2012, meeting.

Motion: On a motion by Ms. Schneider, seconded by Mr. Reilly, the Board unanimously approved the Written Ruling granting Abstract, Title & Escrow Services of Iowa, LLC an Extension to the Provisional Waiver for a one-year term and including monthly status reports provided to Title Guaranty.

Mortgage Release Program

Mr. LoRang began his presentation by thanking all of the staff members that assisted on the report. He presented the report the Board members had received, which outlined the rules and

statute governing the Mortgage Release program. He reviewed the cost to process each Mortgage Release application and proposed that the fee should be raised to \$200.00 per application. Mr. LoRang stated that this fee increase will not cover 100% of the cost to run the program because approximately 50% of the files received are in conjunction with the Rapid Certificate program, which waives the fee. The Board had several questions for Mr. LoRang regarding the cost of each application and the reason for waiving the fee for rapid certificate files. Mr. LoRang, Ms. Peterson, Ms. Wilson and Ms. Berg each provided information to the Board about the rapid certificate files. Mr. Winkleblack inquired about information regarding the statutory requirement for the lender to release the mortgage and if it were possible for Title Guaranty to act on the legislation to receive a release from the lender. The Board had a long discussion regarding the statute mandating the lenders to release a mortgage. They also discussed Title Guaranty's proposed new legislation to obtain a release from a lender in a timely manner. Ms. Huser stated that Title Guaranty would draft legislation to tweak the Mortgage Release program and present it to the Board at the October 2, 2012, meeting. Ms. Petersen stated that the Board will move forward with the fee increase and directed the staff to continue working on the proposed legislation.

Motion: On a motion by Ms. Downing-Manning, seconded by Ms. Schneider, the Board unanimously approved to raise the Mortgage Release Program application fee to \$200.00 on July 1, 2012, or as soon as possible thereafter.

Motion: On a motion by Mr. Winkleblack, seconded by Ms. Schneider, the Board unanimously approved to direct staff to present alternatives to the current legislation to create a solution for the releases not being filed by lenders.

Transfer of Funds to Iowa Finance Authority Housing Programs

Ms. Huser addressed the Board presenting them the transfer summary chart to clarify when the transfers are approved by both Boards and when the funds are actually transferred from Title Guaranty to the Iowa Finance Authority (IFA). Ms. Huser stated that there had been a difference in the amount approved by the Title Guaranty Board in December and the amount transferred. She will be asking the IFA Board to accept the difference from December as well as the additional amount available for transfer. Ms. Huser asked the Board to approve the resolution transferring \$1,266,679.00 to the IFA Housing Assistance Fund. The Board and Ms. Huser discussed the amount of the transfer and the summary document.

Motion: On a motion by Mr. Reilly, seconded by Mr. Winkleblack, the Board unanimously approved the transfer of \$1,266,679 to the IFA Housing Assistance Fund.

FY 2013 Budget and Financial Reports

Ms. Huser presented the FY12 and FY13 budget to the Board, pointing out the differences in the proposed budgets and the itemization pages. Ms. Huser asked for feedback from the Board as to how she can improve the materials and amount of involvement they would like to have in setting the budget. Ms. Huser addressed the Board's questions and they discussed how the budget can be presented the next year as well as specific line items in the budget.

Mr. Harvey outlined the financial reports and the amount available for transfer. The Board stated they would like to see only the most current month's cover page with the quarter's details behind it for future reports.

Information Technology

Ms. Huser gave a brief overview of the Title Guaranty Certificate Application Processing (CAP) system and the issues revolving around the CAP system. Ms. Huser stated that the biggest and most urgent issue was the CAP system being property based and the changes being made to the property descriptions. Ms. Huser stated that Ms. Pope has been asked to draft a Request For Proposal (RFP) to hire an IT consultant to help Title Guaranty and its users define what type of system would best meet TG's needs.

Ms. Pope introduced herself to the Board and gave a brief overview of her job duties for Title Guaranty. She presented the RFP for an IT Consultant and the items specifically addressed in the RFP. She requested Board approval of the RFP by the Board to bring a IT Consultant to Title Guaranty to assist TG, Field Issuers, and customers to achieve the best program possible for all users. Mr. Harvey stated that he and the IFA IT staff support the RFP. The Board supported the RFP and stated that it was an urgent need to move forward to correct the current legal description issue in CAP.

Motion: On a motion by Mr. Reilly, seconded by Ms. Schneider, the Board unanimously approved the Request for Proposal to hire an IT Consultant.

Demotech

Ms. Huser stated the TG had not received the final report from Demotech. She stated that when the final report is received she would request a conference call meeting to discuss the final report.

Mechanic Liens

Mr. White gave an overview of the new legislation regarding mechanic's liens and how it will help improve the review of the liens. The Board had several questions regarding specific aspects of the new mechanic lien registry that were discussed with Mr. White. He stated that the Secretary of State's office will have a representative present to give an update at the Title Guaranty Annual Conference on November 15th.

Claims Report

Mr. White gave a brief update on the current claims. The Board and Mr. White discussed those claims for which there were questions. The Board members expressed their appreciation of the new format for the claims report and asked that the reports going forward would remain in the same format.

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 Annual Conference.

Director's Report

Ms. Huser gave a brief update on the Commercial Department staffing due to one of the attorneys going on military leave for twelve months. She also stated that there are two summer interns that have recently started with one being from University of Iowa to work on the accounting tasks.

The Board adjourned for a short lunch break at 12:45 and Ms. Downing-Manning left the meeting.

Ms. Petersen called the meeting to order at 1:08 p.m.

Board Education – Reinsurance Treaty – Joanna Wilson, IFA Associate General Counsel

Ms. Wilson presented materials to the Board discussing the history of the Reinsurance Treaty and the most current treaty with Stuart Title.

Adjournment

On a motion by Mr. Reilly, seconded by Mr. Winkleblack, the Board voted unanimously to adjourn the meeting at 1:35 p.m.

Dated this October 2, 2012.

Respectfully submitted:



Geri Huser
Director, Title Guaranty

Approved as to form:



Deborah Petersen,
Chair, Title Guaranty Board