BOARD MEETING MINUTES

Iowa Title Guaranty
Des Moines, Iowa
February 27, 2018

Board Members Present

Pat Schneider - Chair
Chuck Winkleblack – Vice Chair
Jason Froehlich

Judy Hilgenberg (Telephone)
Daniel Seufferlein

Board Members Absent

None

Staff Members Present

Tara Lawrence, Iowa Title Guaranty Director
Matthew Rousseau, Deputy Director
Randy Ambrozic, Controller
Deb Franklin, Business Relationship Manager
Carla Pope, Senior Project Coordinator
Carrie Nutt, Audit Specialist
Halley Ryherd, Claims and Mortgage Release Attorney

Matt Veldey, Commercial Attorney
Mike Moss, Underwriting Attorney
Wes Peterson, Director of Government Relations
Heidi Koll, ITG Assistant to Director

Others Present

Ron Lewis, Warren County Abstract
Sandy Guy, The Title Resource Network

Ted Hugghins, President, ILTA (Telephone)
Jan Gorm, Executive Director, ILTA (Telephone)

Call to Order

Chair Schneider called to order the February 27, 2018 meeting of the Iowa Title Guaranty (ITG) Board of Directors at 10:30 a.m. Roll call was taken, and a quorum was established with the following Board Members present: Chairwoman Pat Schneider, Vice-Chairman Chuck Winkleblack, Jason Froehlich, Judy Hilgenberg (telephone) and Daniel Seufferlein.

Action Items

Review and Approval of December 5, 2017 Board Meeting Minutes

MOTION: On a motion by Mr. Winkleblack and a second by Ms. Hilgenberg, the Board unanimously accepted the December 5, 2017 Board Meeting Minutes.
New Business

**ITG 18-01, Transfer of Funds**
Mr. Ambrozic presented the proposed transfer of ITG funds outlined in Resolution ITG 18-01. The proposed transfer would be in the amount of $250,000 to Iowa Finance Authority’s (IFA) housing assistance fund. Mr. Ambrozic requested board action on ITG 18-01.

**MOTION:** On a motion by Mr. Seufferlein, and second by Mr. Winkleblack, the Board unanimously approved Resolution ITG 18-01.

**ITG 18-02 – 2016 New Commitment Form**
Mr. Rousseau presented the proposed 2016 New Commitment Form outlined in Resolution ITG 18-02. Mr. Rousseau noted that there was a change on 2/26/28 to Schedule B of the New Commitment Form and that each Board Member had a revised Schedule B in their packet.

Mr. Rousseau explained that the New Commitment Form was adopted by the American Land Title Association in 2016. The New Form provides better clarification regarding the roles of the parties (underwriter/agent). ITG has not received any negative comments regarding adoption of the New Commitment Form. Mr. Rousseau requested the Board’s approval for ITG to use the New Commitment Form as well as the authority for Director Lawrence to discontinue the use of the current form.

**MOTION:** On a motion by Mr. Winkleblack, and second by Mr. Froehlich, the Board unanimously approved Resolution ITG 18-02.

Discussion and Informational Items

**Participant Audit Update**
Ms. Nutt updated the Board on her progress auditing participants, and stated that she had completed 12 audits thus far and anticipates completing 107 during 2018. Ms. Nutt reported that, after the audit, she provides a one page summary of the action taken during the audit and recommendations. She provided detailed information regarding audit procedures and criteria for audits.

**Claims Update**
Ms. Ryherd reviewed the current claims report with the Board, stating that FY18 year to date ITG had paid out $141,386.04 in claims. She gave a detailed report regarding the trends in claims and the types of claims received.

**Mortgage Release Update**
Ms. Ryherd reported that FY18 year to date, 238 mortgage release requests had been received. She stated that 187 of the requests were in conjunction with the Rapid Certificate program (79%), 49 requests included the $200 fee (21%) and 200/238 releases had been filed. Ms. Ryherd reported that since inception, 5,921 mortgages have been released through this program.

**Commercial Update**
Mr. Velday reported that there were 11 Closings in December 2017 and noted that December was the 2nd best escrow income month to date for ITG. He also noted that January 2018 was the 3rd best escrow income month to date for ITG with over $100,000.00 in premiums. In addition, the
Commercial Staff had been working diligently in December and January to transition to the new escrow software. Mr. Veldey praised the Commercial Staff as well as those of other departments, for the smooth transition and successful launch on January 5, 2018.

He also reported that the Commercial Staff, in an effort to increase visibility and promote awareness of ITG and its mission, is increasingly active in ICREA (Iowa Commercial Real Estate Association) and that Amy Montgomery and Samantha Askland hold leadership positions within CREW (Commercial Real Estate Women). Mr. Veldey will be calling in to a monthly Loan Meeting with a lender in North Eastern Iowa to talk about ITG’s services and value-add as well as presenting at a Drake CLE Program on March 23, 2018.

**Business Relations Update and Volume Report**
Ms. Franklin reported that there were 4,421 Residential certificates issued in January 2018 vs. 3,582 issued in January 2017, a 23.42% increase. In January 2018 there were 2,264 Refinance certificates issued vs. 3,343 in January 2017, a 32% decline. This decline was expected nationwide. Premium from Residential purchases was $566,167 and from Residential refinances was $233,239. YTD income from Residential purchases was $3M and from Residential refinances was $1.1M.

Ms. Franklin reported to the Board her recent business development efforts including an overview of the areas she had visited as well as events she and other staff had participated in.

**Financial Update**
Mr. Ambrozin reviewed the financial report from the seven months ended January 31, 2018. He stated that Total Operating Revenue during that time period had increased by 27.3% compared to revenue budgeted for that same period. However, Total Revenue decreased 6.3% compared to the same seven months in FY17.

Mr. Ambrozin stated that he is currently working on the next budget and will have a Budget Proposal ready before the next ITG Board Meeting.

Mr. Ambrozin distributed a Market Share Report – Direct Premiums By Individual Underwriters graph which showed that ITG had a 65% market share in 2016.

**Legislative Update**
Mr. Peterson reported on the following: HF2232, An Act Relating to Mortgage Releases, which passed the House; SF2139, A bill for an act relating to the powers of an agent under a power of attorney with respect to real property, which passed the Senate; HF586, A bill for an act relating to financial matters, including mechanic’s liens, and the Iowa finance authority. ITG is paying attention to the provision that affects non-public commercial real estate; SSB3121, A bill for an act relating to the authorized uses of certain fees collected by county recorders. This bill died, but Mr. Peterson expects that it will be revived in the future.

Mr. Peterson reported that Mr. Froehlich’s Board Appointment was moved through Committee and onto the En Bloc February 26, 2108. Senate confirmation is expected soon.

**Director Update**
Ms. Lawrence informed the Board that while there is no current legislation that directly impacts
ITG, the Iowa Bankers’ Association has alluded to legislative action against ITG and we are trying to work with them to pinpoint their concerns, in an attempt to alleviate them.

Ms. Lawrence announced that the Bell Avenue lease has been approved and signed and the tentative date for relocation is the end of 2018. The new space will accommodate growth over the next 20 years. 20% of the total expenses will be assigned to ITG as a result of this move and we can expect this to result in a large increase in ITG budget expenditures. We recently contracted with a design firm and are in the beginning stages of office design and layout.

Internally, ITG has been working on the New Commitment Form, CMA and Notice of Availability of Owner Coverage forms. We expect that the new forms will roll out in April as we have not received any negative comments regarding the forms.

We are also working on a streamlined application, renewal and contract process for our participants in addition to updating contracts, particularly with respect to E&O Liability limits. These will be followed by a communications campaign and training opportunities for the participants.

In an effort to be more competitive, we are reviewing our pricing structure and will use an outside consultant to advise. To this end, the entire ITG team is also focused on communication, education and awareness as well as customer service.

Public Comment

There was no comment from the public.

Adjournment

MOTION: On a motion by Mr. Winkleblack and a second by Mr. Seufferlien, the February 27, 2018, meeting of the ITG Board of Directors adjourned at 11:30a.m.

Dated this 5th day of March, 2018

Respectfully submitted:  

Approved as to form:

Tara Lawrence  
Director, Iowa Title Guaranty

Pat Schneider  
Board Chair, Iowa Title Guaranty