BOARD MEETING MINUTES

Iowa Title Guaranty
Des Moines, Iowa
March 5, 2019

Board Members Present

Pat Schneider, Chair
Judy Hilgenberg
Daniel Seufferlein

Board Members Absent

Chuck Winkleblack, Vice Chair
Jason Froehlich

Staff Members Present

Matthew Rousseau, Interim Director
Kerry Bell, IFA Secretary
Heidi Koll, Participant Program Administrator
Randy Ambrozic, Controller
Matt Velday, Commercial Underwriting Attorney
Deb Franklin, Business Relationship Manager
Kevin Blackman, Residential Underwriting Attorney
Lindsey Guerrero, Residential Underwriting Attorney
Kim Praska, Commercial Services Specialist

Others Present

Arlene Drennan, President, ILTA (Telephone)
Jan Gemar, Executive Director, ILA (Telephone)
Dean Hoag Jr., Statewide Abstract
Sandy Guy, Statewide Abstract

Call to Order

Chair, Pat Schneider called to order the March 5, 2019 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: Chair, Pat Schneider, Judy Hilgenberg, and Daniel Seufferlein.

Action Items

Review and Approval of August 28, 2018 Board Meeting Minutes

MOTION: On a motion by Mr. Seufferlein and a second by Ms. Hilgenberg the Board unanimously accepted the December 4, 2018 Board Meeting Minutes.
New Business

New Streamlined Pricing Structure and Additional Field Issuer Compensation
Mr. Rousseau presented the proposed new streamlined pricing structure and additional field issuer compensation per Resolution ITG 19-01 and Resolution ITG 19-02.

MOTION: On a motion by Ms. Hilgenberg, and a second by Mr. Seufferlein, the Board unanimously approved Resolution ITG 19-01 and Resolution ITG 19-02.

Discussion and Informational Items

Claims Update
Mr. Blackman reviewed the current claims report with the Board, stating that in FY19 year-to-date ITG had paid out $82,426.67 in claims. He gave a detailed report regarding the trends in claims and the types of claims received.

Mortgage Release Update
Mr. Blackman reported that in FY19 year-to-date, 213 mortgage release requests had been received. He stated that 160 of the requests were in conjunction with the Rapid Certificate program (75%), 53 requests included the $200 fee (25%) and 142 releases had been filed. Mr. Blackman reported that since inception, 6,229 mortgages have been released through this program.

Commercial Update
Mr. Veldey reported that commitment volume has picked up within the last 6-8 weeks. The Iowa Finance Authority marketing team has released several items over the past few months promoting ITG Commercial. In December, an ITG Commercial update was circulated that announced a record-breaking year. IFA also included ITG Commercial in their Top 8 for 2018 accomplishment graphic which was sent out at the end of 2018. The IFA annual report released in January included video testimonies from an attorney and lender highlighting their positive experiences with ITG Commercial.

Mr. Veldey attended a quarterly meeting of the Forms Committee of the American Land Title Association in January. He reported that the Committee’s work over the past year resulted in recent approval of two new closing protection letter forms, three new endorsement forms, and four technical corrections to existing endorsement forms.

Business Relations Update and Volume Report
Ms. Franklin reported that Commercial generated 33 certificates in January 2019, a decrease of 1 certificate, compared to January 2018 production. Fiscal year-to-date, the Commercial department generated 158 certificates through January 2019, a decrease of 17 certificates, compared to the fiscal year-to-date figures through January of 2018.

Commercial premium fees were $57,544 in January 2019 which is a 44.38% decrease compared to January 2018 fee income totaling $103,458. The Commercial department fiscal year to date premium fees total $248,321 through January 2019, a decrease of 51.07% compared to the fiscal year to date fees of $507,543 through January 2018. Ms. Franklin also reported that Residential purchase related certificates totaled 3992 in January 2019, compared to 4,422 in January 2018, a
Total claims expense was $129,800 for the seven months ended January 31, 2019, an increase of $28,500 compared to budgeted expense and a decrease of $28,700 compared to expense during the seven months ended January 31, 2018. Total claim loss reserves are approximately $870,400 at January 31, 2019, an increase of $366,300 compared to reserves at January 31, 2018.

Since its inception, ITG has contributed over $58.9 million to Iowa’s Housing Programs. During the seven months ended January 31, 2019, Iowa Title Guaranty transferred $250,000 to Iowa’s Housing Assistance Program. Iowa Title Guaranty also earned interest of $76,363 on its funds held with the State Treasurer and the earnings were deposited into the Iowa Housing Program accounts as required by statute.

**Director Update**

Mr. Rousseau introduced the Board members to new Iowa Title Guaranty employee, Kim Praska, Commercial Services Specialist. Mr. Rousseau discussed the current staff ratio to the number of open positions at ITG.

**Public Comment**

There was no comment from the public.

**Adjournment**

**MOTION:** On a motion by Mr. Seufferlein and a second by Ms. Hilgenberg, the March 5, 2019, meeting of the Iowa Title Guaranty Board of Directors adjourned at 11:15 a.m.

Dated this 4th day of June, 2019

Respectfully submitted:

Matthew Rousseau
Interim Director, Iowa Title Guaranty

Approved as to form:

Charles Winkleblack
Board Chair, Iowa Title Guaranty
decrease of 9.72%. Refinance related certificates totaled 1317, in January 2019, compared to 2,257 in January 2018, a 41.65% decrease. Residential purchase related premium fees were $499,462 in January 2019, compared to $566,502 in January 2018, a decrease of 11.83%. Residential refinance related premium fees were $134,241 in January 2019, compared to $232,714 in January 2018, a decrease of 42.32%. The Residential fiscal year-to-date premium fee income for purchase transactions through January 2019 was $3,067,553 compared to $3,023,440 fiscal year-to-date through January 2018, an increase of 1.46%. The residential fiscal year-to-date premium fee income for refinance business through January 2019 was $791,697 compared to $1,145,006 through fiscal year-to-date through January 2018, a 30.86% decrease.

On January 25, 2019 TitleCore National, LLC staff members visited the new IFA facilities for a question and answer session with our ITG team. During the month of February, Matt Rousseau, ITG Interim Director and Deb Franklin, ITG Business Relationship Manager met with and contacted 21 different Iowa Title Guaranty Participant offices which included 28 different attorneys, 10 abstract companies and 20 closing companies to introduce our new ITG “Simplified Pricing Proposal” and to gather valuable feedback from our industry partners. Iowa Title Guaranty will host an Iowa Title Guaranty Fall Conference November 7, 2019. Iowa Title Guaranty will also host five regional workshops in the state of Iowa in September and October 2019.

Financial Update

Mr. Ambrozic reviewed the seven months ended January 31, 2019 and reported total operating revenue as approximately $4,419,200. Revenue was favorable by $137,400, or 3.2%, during the seven months ended January 31, 2019 compared to revenue budgeted for the period. Total revenue was unfavorable by $533,900, or 10.8%, compared to revenues from the seven months ended January 31, 2018.

Total Operating Expense was approximately $3,346,200 for the seven months ended January 31, 2019, a decrease of $163,500 compared to the budget and a decrease of $391,200 compared to last year. The decrease compared to budget was due to lower employee expenses, lower operating expenses, and lower other professional services offset by higher field issuer incentives and claims activity expense.

Net Operating Income for the seven months ended January 31, 2019 was approximately $1,072,900; and favorable by $300,800 compared to net operating income budgeted for the seven months. Net Operating Income for the seven months ended January 31, 2019 was favorable by $142,800 compared to the net operating income from the seven months ended January 31, 2018.

Field Issuer Incentives for the seven months ended January 31, 2019 increased by approximately $132,600 compared to budget and decreased $149,300 compared to prior year. Field Issuers Incentives vary in direct proportion with changes in Residential Premium Fees. Field Issuers Incentives were 45.5% of Residential Premiums during the seven months ended January 31, 2019 compared to 45.5% budgeted. Field Issuer Incentives were 45.8% of Residential Premiums during the seven months ended January 31, 2018.