



**Board Meeting  
Tentative Agenda  
January 6, 2016, 11:00 a.m.**

**Presentation Room  
2015 Grand Ave.  
Des Moines, Iowa**

**I. Consent Agenda**

- Approval of Minutes of the December 2, 2015, IFA Board Meeting
- ED 15-16, Fairview Village Apartments
- ED 15-17, Drake West Village Project
- WQ 16-01, SRF Construction Loans
- AG 15-093A, Nathan D. Sunderman
- AG 15-094A, Jason W. and Lindsie A. Sandifer
- AG 15-095A, Peter T. and Elizabeth L. Smith
- AG 15-096A, Barry and Kristen Spaans
- AG 15-097A, Jacob T. and Brandi M. Adams
- AG 15-098A, Seth W. Kloetzer
- AG 15-099A, Brent E. Rozendaal
- AG 15-100A, Garrett L. and Dawn Tingwald
- 04029M, Brandon L. Laubenthal
- AG-LP 16-01, Loan Participation Program
- AG-TC 16-01, Beginning Farmer Tax Credit Program

**II. Administration**

- **Executive Director's Report**
- **Accounting and Finance**
  - ◆ November Financial Statement
  - ◆ FIN 16-01, Authorizing Proceedings – Mortgage Credit Certificate Program
  - ◆ FIN 16-02, Habitat for Humanity Loan Consolidation
- **Legal**
  - ◆ TG 16-01, Adopted and Filed Chapter 9
- **Communications**

**III. Housing Iowa**

- HI 16-01, Workforce Housing Loan Program Awards

**IV. Community Development**

- **Iowa Agriculture Development Division**
  - ◆ AG 15-093B, Nathan D. Sunderman
  - ◆ AG 15-094B, Jason W. and Lindsie A. Sandifer
  - ◆ AG 15-095B, Peter T. and Elizabeth L. Smith
  - ◆ AG 15-096B, Barry and Kristen Spaans
  - ◆ AG 15-097B, Jacob T. and Brandi M. Adams
  - ◆ AG 15-098B, Seth W. Kloetzer
  - ◆ AG 15-099B, Brent E. Rozendaal
  - ◆ AG 15-100B, Garrett L. and Dawn Tingwald

**V. Title Guaranty**

**VI. Miscellaneous Items**

- Receive Comments from General Public – 5 min./person: 30 min. total time

**VII. Adjournment**

*Items on the consent agenda may be removed from the consent agenda for separate consideration at the request of any Board member. Agenda items may be taken out of order at the discretion of the Board Chair.*



## **BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Ave  
Des Moines, Iowa  
December 2, 2015**

### **Board Members Present**

Ruth Randleman, Chair  
Jane Bell  
David Greenspon  
Shaner Magalhães

Joan Johnson  
Jeff Heil  
Michel Nelson, Treasurer  
Eric Peterson

### **Board Members Absent**

Darlys Baum

### **Staff Members Present**

David Jamison, Executive Director  
Jess Flaherty, Executive Assistant/  
Recording Secretary  
Lori Beary, Chief Community Development  
Officer  
Cindy Harris, Chief Financial Officer  
Steve Harvey, Accounting Director  
Deb Haugh, Director of Single Family Production  
Ashley Jared, Communications Director

Carolann Jensen, Chief Programs Officer  
Katie Kulisky, LIHTC Administrative Assistant  
Tara Lawrence, Iowa Title Guaranty Director  
Wes Peterson, Director of Government Relations  
Terri Rosonke, HousingIowa Development  
Specialist  
Mark Thompson, General Counsel  
Dave Vaske, LIHTC Manager  
Mark Fairley, Finance & Investment Manager  
Stacy Cunningham, LIHTC Analyst

### **Others Present**

James Smith, Dorsey & Whitney  
Ron Lewis, Warren County Abstract  
Michael Trettin, KPMG

David Grossklaus, Dorsey & Whitney  
Grant Dugdale, Iowa Attorney General  
Jaquelin Dippel, KPMG

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### **Call to Order**

Chair Randleman called to order the December 2, 2015, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:02 a.m. Roll call was taken, and a quorum was established

with the following Board members present: Randleman, Greenspon, Heil, Johnson, Peterson, Magalhães, Bell, and Nelson.

### **Consent Agenda**

Chair Randleman introduced the consent agenda and asked if anyone wanted to request items be removed.

**MOTION:** There being no objections, Mr. Magalhães made a motion to approve the items on the consent agenda, which included the following:

- Approval of Minutes of the November 4, 2015, IFA Board Meeting
- ED 15-15, Wellmark YMCA Aquatic Center Project
- WQ 15-20, SRF Planning and Design Loans
- WQ 15-21, SRF Construction Loans
- AG 15-075A, Neil A. Ellensohn
- AG 15-076A, Jonathan E. and Anne R. Ball
- AG 15-077A, Kyle A. and Shellina Herink
- AG 15-078A, Josh Van Kekerix
- AG 15-079A, Ben Van Kekerix
- AG 15-080A, Brock T. Fister
- AG 15-081A, James Thompson
- AG 15-082A, Kenneth L. Gansz
- AG 15-083A, Michael D. Bucheit
- AG 15-084A, Kyla S. and Bret Cox
- AG 15-085A, Michael and Randi Grevengoed
- AG 15-086A, Eric M. and Angela M. Sieh
- AG 15-087A, Neric D. and Shawna R. Smith
- AG 15-088A, Craig E. Schweer
- AG 15-089A, Ashley and Kyle Moon Bushman
- AG 15-090A, Curtis B. Kuehl
- AG 15-091A, Jacob F. Schulte
- AG 15-092A, Nicholas J. and Carlyn Lechtenberg
- 04359M, Beau M. Romsey
- AG-LP 15-10, Loan Participation Program
- AG-TC 15-12, Beginning Farmer Tax Credit Program

On a second by Mr. Greenspon, the Board unanimously approved the items on the consent agenda.

### **Administration**

#### **EXECUTIVE DIRECTOR'S REPORT**

Director Jamison about current job openings at the Iowa Finance Authority including an Accounting Manager, Single Family Compliance Officer and the Chief Administration Officer. He also gave a brief update on IFA's Entrepreneurial Operating System planning and progress.

#### **ACCOUNTING AND FINANCE**

##### **Presentation of FY15 Financial Audit by KPMG**

Mr. Harvey introduced Ms. Jaquelin Dippel from KPMG to present IFA's FY15 financial audit.

Ms. Dippel thanked the IFA staff for their cooperation while KPMG was performing the audit. She said she had presented detailed information to the Administration Committee prior to the Board meeting. Ms. Dippel reported that KPMG issued an unqualified opinion on the financial statements of IFA as a housing agency, the SRF program and IFA as a whole, which is the highest form of opinion they can give by professional standards.

Ms. Dippel stated that they found no significant deficiencies and no material weaknesses on a financial statement level.

**Motion:** On a motion by Mr. Heil and a second by Mr. Magalhães, the Board unanimously accepted the KPMG audit report.

### **October Financial Statement**

Mr. Harvey presented the October 2015 financial results. He said that as a housing agency, year-to-date net operating income before grants of \$3,354,398 is favorable to budget by \$1,931,890.

The State Revolving Fund year-to-date net operating income after grants of \$30,743,069 is favorable to budget by \$16,350,152.

**MOTION:** On a motion by Mr. Greenspon and a second by Mr. Magalhães, the Board unanimously approved the October Financial Statement.

### **FIN 15-12, Revolving Line of Credit to Warehouse Single Family Loans**

Ms. Harris introduced FIN 15-12 stating that the proposed resolution would authorize the use of up to \$30 million for a revolving LOC for Idaho Housing to acquire Authority single family mortgage loans from its participating lenders. She stated the resolution also authorizes the Executive Director, working with Authority staff and counsel to finalize the LOC agreement. Ms. Harris requested Board action on FIN 15-12.

**MOTION:** On a motion by Mr. Heil and a second by Mr. Greenspon, the Board unanimously approved FIN 15-12.

### **FIN 15-13, Single Family Reimbursement**

Ms. Harris stated that the proposed resolution would authorize the use of up to \$75 million of tax exempt bond proceeds to reimburse the Authority for purchase of mortgage backed securities. Ms. Harris requested action on FIN 15-13.

**MOTION:** On a motion by Mr. Magalhães and a second by Ms. Bell, the Board unanimously approved FIN 15-13.

## **HousingIowa**

### **HI 15-15, Local Housing Trust Fund Awards**

Ms. Rosonke stated that the proposed resolution would approve LHTF Program awards totaling \$6,352,060 to 29 applicants. She stated that this would leave \$101, 013 remaining available in the FY 2016 LHTF Program budget that may be transferred as needed to the FY 2016 Project-Based Housing Program. Ms. Rosonke requested Board action on HI 15-15.

**MOTION:** On a motion by Mr. Greenspon and a second by Mr. Magalhães, the Board unanimously approved resolution HI 15-15.

**HI 15-16, City View Settlement**

Mr. Dugdale stated that he is requesting that the Board approve HI 15-16 to settle the Low-Income Housing Tax Credit (LIHTC) appeal of City View Spirit Lake. Mr. Dugdale reported that the settlement agreement states that the appellants name will be placed on the LIHTC 2015 waiting list for returned tax credits and if there are insufficient funds available to fund the project by December 31, 2015, the appellant will then be eligible to receive an additional five points in the 2016 LIHTC round.

**MOTION:** On a motion by Ms. Bell and a second by Mr. Greenspon, the Board Unanimously approved resolution HI 15-16.

**Community Development**

**COMMUNITY DEVELOPMENT**

**ED 15-10B, WESTERN HOME COMMUNITY PROJECT**

Ms. Beary stated that this is a resolution authorizing the issuance of an amount not to exceed \$58,000,000 of Iowa Finance Authority Senior Living Facilities Revenue and Refunding Bonds for the Western Home Community Project in Cedar Falls. The bonds will be used to construct 75 units of independent living, a 60-bed skilled nursing facility, a complex that will include a kitchen, dining area, community gathering space, office, rehabilitation areas and a pub. The bonds will also be used for a partial refunding of 20152 bonds issued by IFA. Ms. Beary requested Board action on ED 15-10B.

**MOTION:** On a motion by Mr. Magalhães and a second by Ms. Bell, the Board unanimously approved resolution ED 15-10B.

**ED 15-12B, CLAREMONT'S RAMSEY VILLAGE PROJECT**

Ms. Beary stated that this is an application for \$7,500,000 of Iowa Finance Authority Senior Living Facility Revenue Bonds for the Claremont's Ramsey Village, LLC Project in Des Moines. The bonds will be used to refinance existing debt that was used to acquire a retirement community. Ms. Beary requested Board action on ED 15-12B.

**MOTION:** On a motion by Mr. Magalhães and a second by Mr. Greenspon, the Board unanimously approved resolution ED 15-12B.

**ED 15-13B, UNITYPOINT HEALTH SERIES 2006 REFUNDING PROJECT**

Ms. Beary stated that this is an application for \$11,500,000 of Iowa Finance Authority Variable Rate Demand Refunding Revenue Bonds for the UnityPoint Health Project. The bonds will be used to refund bonds issued in 2006. Ms. Beary requested Board action on ED 15-13B.

**MOTION:** ON a motion by Mr. Heil and a second by Mr. Greenspon, the Board unanimously approved resolution ED 15-13B.

**ED 15-14B, UNITYPOINT HEALTH SERIES 2001 A/B REFUNDING**

Ms. Beary stated that this is an application for \$100,000,000 of Iowa Finance Authority loans for the UnityPoint Health Project. The bonds will be used to refund two series of bonds issued in 2009. Ms. Beary requested Board action on ED 15-14B.

**MOTION:** On a motion by Mr. Magalhães and a second by Ms. Bell, the Board unanimously approved resolution ED 15-14B.

**IOWA AGRICULTURAL DEVELOPMENT DIVISION (IADD)**

AG 15-075B, NEIL A. ELLENSOHN  
AG 15-076B, JONATHAN E. AND ANNE R. BALL  
AG 15-077B, KYLE A. AND SHELLINA HERINK  
AG 15-078B, JOSH VAN KEKERIX  
AG 15-079B, BEN VAN KEKERIX  
AG 15-080B, BROCK T. FISTER  
AG 15-081B, JAMES THOMPSON  
AG 15-082B, KENNETH L. GANSZ  
AG 15-083B, MICHAEL D. BUCHEIT  
AG 15-084B, KYLA S. AND BRET COX  
AG 15-085B, MICHAEL AND RANDI GREVENGOED  
AG 15-086B, ERIC M. AND ANGELA M. SIEH  
AG 15-087B, NERIC D. AND SHAWNA R. SMITH  
AG 15-088B, CRAIG E. SCHWEER  
AG 15-089B, ASHLEY AND KYLE MOON BUSHMAN  
AG 15-090B, CURTIS B. KUEHL  
AG 15-091B, JACOB F. SCHULTE  
AG 15-092B, NICHOLAS J. AND CARLYN LECHTENBERG

Ms. Beary introduced the resolutions for the IADD and asked for Board action.

**MOTION:** On a motion by Mr. Greenspon and a second by Mr. Heil, the Board unanimously approved the resolutions.

#### **Iowa Title Guaranty**

##### **Transfer of Funds**

Ms. Lawrence stated that the Iowa Title Guaranty Board had approved \$350,000 for transfer to the Housing Assistance Fund.

MOTION: On a motion by Mr. Greenspon and a second by Mr. Magalhães, the Board unanimously accepted the transfer of funds from Iowa Title Guaranty.

#### **Miscellaneous**

##### **Receive Comments from General Public**

Chair Randleman opened the public comment period and asked if anyone in the audience would like to address the Board.

No members of the audience requested to speak. Chair Randleman closed the public comment period.

#### **Adjournment**

On a motion by Mr. Nelson and a second by Mr. Peterson, the November 4, 2015, regular monthly meeting of the IFA Board of Directors adjourned at 11:36 a.m.

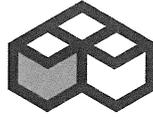
Dated this 6<sup>th</sup> day of January 2016.

Respectfully submitted:

Approved as to form:

David D. Jamison  
Executive Director/Board Secretary

Ruth Randleman, Chair  
Iowa Finance Authority



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Lori Beary, Community Development Director  
Date: 12/23/15  
Re: Economic Development and Water Quality

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**Consent Agenda**

**Economic Development Bond Program**

**ED Loan #15-16, Fairview Village Apartments Project**

This is an application for \$3,795,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Fairview Village Apartments Project in Carroll. The bonds will be used for the acquisition and rehabilitation of a 91 unit apartment complex. The project will also have 4% LIHTC's and will require an allocation of Private Activity Bond Cap.

**ED Loan #15-17, Drake West Village Project**

This is an application for \$35,000,000 of Iowa Finance Authority Student Housing Revenue Refunding Bonds for the Drake West Village Project in Des Moines. The bonds will be used to refund 2007 bonds issued for the construction of a 457-bed student housing facility at Drake University. CHF-Des Moines LLC is a 501 c(3) non-profit corporation.

**State Revolving Fund**

**SRF Construction Loans - WQ 16-01**

This is a resolution to approve an SRF Construction Loan of \$19,100,000 for the city of Fort Dodge. SRF loans have an interest rate of 1.75% for 20 years or 2.75% for 30 years.

RESOLUTION  
ED 15-16A

Approving an Application for \$3,795,000  
Iowa Finance Authority Multifamily Housing Revenue Bonds  
(Fairview Village Apartments Project), Series 2016  
For Carroll RD 538, LLC (the "Borrower")

And Evidencing the Intent to Proceed with the Issuance of  
\$3,795,000 Multifamily Housing Revenue Bonds

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa duly organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Authority") is authorized and empowered by Chapter 16 of the Code of Iowa (the "Act") to issue bonds and notes for the purpose of financing or refunding the cost of certain projects defined in the Act that further the development and expansion of family farming, soil conservation, housing, and business in the State; and

WHEREAS, the Authority has received the Economic Development Loan Program Application set forth in Exhibit A attached hereto (the "Application") which Application is incorporated herein as though set out here in full; and

WHEREAS, the Application is a request that the Authority issue its Multifamily Housing Revenue Bonds in an amount not to exceed \$3,795,000 (the "Bonds") and loan the proceeds from the sale of the Bonds to the Borrower listed in the Application for the purposes stated therein (the "Project"); and

WHEREAS, the Authority and the Borrower desire to comply with the requirements of Treasury Regulation 1.150-2 (the "Regulations") with respect to the Project;

NOW, THEREFORE, Be It Resolved by the Board of the Authority, as follows:

Section 1. Approval of Application. The Application is hereby approved, and the Executive Director of the Authority is authorized to notify the Borrower of such approval.

Section 2. Reimbursement from Bond Proceeds. Based upon representations of the Borrower, the Authority declares (a) that the Borrower proposes to undertake the Project, (b) that except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5% of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20% of the issue price of the Bonds, and (iii) other expenditures made not earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Borrower and no expenditures will be made by the Borrower until after the date hereof, and (c) the Borrower reasonably expects to reimburse the expenditures made for costs of the Project with the proceeds of the Bonds. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 3. Intent to Issue Bonds. It is hereby determined necessary and advisable that the Authority proceed with the issuance and sale of the Bonds as permitted by the Act and that the

Authority hereby declares its intent to issue the Bonds to finance the Project, and that such actions will be taken by the Authority as may be required by the Act to authorize, issue and sell the Bonds.

Section 4. Execution and Approval of Agreements. The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bonds. The Authority's Program Counsel and/or General Counsel shall approve all agreements to be entered into in connection with the issuance of the Bonds, and such agreements shall be authorized and approved after due consideration by the Authority prior to their execution by the Authority.

Section 5. Notice and Governor Approval. The Executive Director, and the staff of the Authority are directed, on behalf of the Authority, to publish notice of the proposal to issue the Bonds, to conduct a public hearing on such proposal and, following such hearing, obtain the approval of the Governor as the chief elected executive officer, all as required by Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 6. Preliminary Official Statement. The Executive Director and the staff of the Authority are authorized to cooperate in the preparation of a preliminary official statement with respect to the Bonds, and that the Executive Director is authorized to execute and deliver such certificates to comply with SEC Rule 15c2-12 in connection with the offer, sale and issuance of the Bonds.

Section 7. Further Actions. The officers, Executive Director and Program Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and purpose of this Resolution, the accomplishment of the Project and the sale and issuance of the Bonds.

Section 8. Not Obligations of the Authority. The Bonds, when issued, shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Borrower, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of, or claim against, the State of Iowa or the Authority or a charge against their general credit or general funds.

Section 9. Costs. It is to be understood that the Borrower shall pay all reasonable and necessary costs, including costs of counsel, and expenses of the Authority related to the Bonds and the Project.

Section 10. Repealer. All resolutions, parts of resolutions, and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6th day of January, 2016.

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David D. Jamison, Secretary

(Seal)



IOWA FINANCE  
AUTHORITY

David D. Jamison, Executive Director  
2015 Grand Avenue  
Des Moines, Iowa 50312  
(515) 725-4900 - (800) 432-7230

FOR IFA USE ONLY  
Project No. ED 15-16  
Application Received 12/17/15  
Application Fee Received?  Yes  No  
Volume Cap?  Yes  No  
Amount of Request \$ 3,795,000

Application forms can be obtained from the Authority's website at [www.IowaFinanceAuthority.gov](http://www.IowaFinanceAuthority.gov)

**ECONOMIC DEVELOPMENT BOND APPLICATION**

**Part A - Borrower Information**

1. **Project Name:** Fairview Village Apartments
2. **Contact Person/Title:** Jeffrey Voorhees/President  
**Company:** National Consulting Alliance, inc  
**Address:** 12289 Stratford Drive  
**City, State, Zip:** Clive, IA 50325  
**Telephone:** 515-225-3500  
**E-mail:** jwv@ncalliance.com
3. **Principals: (If a partnership, list partners; if a corporation, list officers/directors and state of incorporation; if a nursing facility, list directors and principal staff.) Attach separate list if necessary.**  
Carroll RD 538, LLC an Iowa Corporation  
Managing Member - National Affordable Housing Foundation, Jodi Page, President; Yolandi Carrick, Sec. & Treasurer; Dawn Schafer and Tara Badger, directors
4. **If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose.**
5. **Is the Borrower currently qualified to transact business within the State of Iowa? Yes**
6. **If project is a Nursing Facility, is state certificate of need required? No**  
**If yes, attach copy.**
7. **Total current FTE's of Borrower: 0**  
**Number of permanent FTE's created by the project: 2**

**Part B - Project Information**

1. **Amount of Loan Request:** \$3,795,000.00  
**Amount to be used for refunding:** \$0.00
2. **Location of Project**  
**Address:** 504 E. 18th Street

City/State: Carroll, IA

County: CARROLL

3. **General Project Description:**

91 unit apartment complex for families at or below 60% AMI. Project will have project based Rental Assistance from USDA Rural Development

4. **Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made? No**

If yes, specify \$ amount: \$0.00

5. **Parties related to the Project:**

a. **Principal User will be:** Families below 60% AMI

b. **Seller (if any) of the Project:** for 71 of 91 units, National Consulting Alliance, Inc., GP of Seller Consultant to Buyer

c. **Purchaser (if any) or Owner or Lessee of the Project:** National Affordable Housing Management Member of Buyer, LP of Seller

d. **Relationship of Project Seller and Purchaser, if any:** National Consulting Alliance is GP of Seller, Consultant to Buyer

6. **Sources and Uses of Project Funds (Sum of Sources and Uses must match):**

Source	Amount	Use	Amount
USDA Rural Development	\$1326220.00	Professional Fees	\$381756.00
Owner Equity	\$240148.00	Interim Costs	\$294317.00
Cash from Operations	\$175026.00	Syndication Fees	\$45000.00
Deferred Dev Fee	\$230000.00	Reserves	\$439437.00
Cash Transferred	\$54851.00	Site Work	\$47730.00
Bond Financing Perm Loan	\$3795000.00	Developer Fees	\$804157.00
	<b>Total</b>		
	<b>\$ 8,004,942.00</b>		<b>\$ 8,004,942.00</b>

8. **Type of Bond Sale:** Private Placement

**Part C - Professionals Participating in the Financing**

Applications must have either Bond Counsel or Underwriter/Financial Institution identified

1. **Bond Counsel: (an attorney hired by the borrower to ensure the bonds can be issued on a tax-exempt basis)**

Name: David Grossklaus

Firm Name: Dorsey & Whitney, LLP

Address: 2700 Grand, Ave

City/State/Zip Code: Des Moines, IA 50309-8002

Telephone: 515-699-3287

E-mail: Grossklaus.david@dorsey.com

2. **Counsel to the Borrower:**

Name: Ron Pogge

Firm Name: Hopkins & Huebner, PC

Address: 2700 Grand, Ave

City/State/Zip Code: Des Moines, IA 50309

**Telephone:** rpogge@hopkinsandhuebner.

**E-mail:**

3., **Underwriter or Financial Institution purchasing the bonds:**

**Name:**

**Firm Name:**

**Address:**

**City/State/Zip Code: ,**

**Telephone:**

**E-mail:**

4. **Counsel to the Underwriter:**

**Name:**

**Firm Name:**

**Address:**

**City/State/Zip Code: ,**

**Telephone:**

**E-mail:**

5. **Trustee: (if needed)**

**Name:**

**Firm Name:**

**Address:**

**City/State/Zip Code: ,**

**Telephone:**

**E-mail:**

**Part D - Fees and Charges**

1. **A non-refundable application fee must accompany this form at the time of submission to the Authority. For applications up to \$10 million, the application fee is \$1,000. For applications over \$10 million, the application fee is \$2,500. The application fee is subtracted from the Issuer's fee at closing.**

Applications will expire if the bonds are not issued within 18 months.

Submit application to the Authority at the following address:

Lori Beary

Community Development Director

Iowa Finance Authority

2015 Grand Avenue

Des Moines, IA 50312

2. An Issuer's fee will be due at the time of closing. The fee is 10 basis points for the first \$10 million and declines after that. Please contact Lori Beary at 515-725-4965 or lori.beary@iowa.gov for more information.
3. Borrower is required to pay the fees and expenses of Dorsey & Whitney, who serve as Issuer's Counsel. Bond documents should be sent to David Claypool ( claypool.david@dorsey.com ) or David Grossklaus (Grossklaus.David@dorsey.com ) at Dorsey & Whitney and the Authority's Community Development Director ( lori.beary@iowa.gov ).

RESOLUTION  
ED 15-17A

Approving an Application for \$35,000,000  
Iowa Finance Authority Student Housing Revenue Refunding Bonds  
(Drake West Village Project), Series 2016  
For CHF-Des Moines, L.L.C. (the "Borrower")

And Evidencing the Intent to Proceed with the Issuance of  
\$35,000,000 Student Housing Revenue Refunding Bonds

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa duly organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Authority") is authorized and empowered by Chapter 16 of the Code of Iowa (the "Act") to issue bonds and notes for the purpose of financing or refunding the cost of certain projects defined in the Act that further the development and expansion of family farming, soil conservation, housing, and business in the State; and

WHEREAS, the Authority has received the Economic Development Loan Program Application set forth in Exhibit A attached hereto (the "Application") which Application is incorporated herein as though set out here in full; and

WHEREAS, the Application is a request that the Authority issue its Student Housing Revenue Refunding Bonds in an amount not to exceed \$35,000,000 (the "Bonds") and loan the proceeds from the sale of the Bonds to the Borrower listed in the Application for the purposes stated therein (the "Project"); and

WHEREAS, the Authority and the Borrower desire to comply with the requirements of Treasury Regulation 1.150-2 (the "Regulations") with respect to the Project;

NOW, THEREFORE, Be It Resolved by the Board of the Authority, as follows:

Section 1. Approval of Application. The Application is hereby approved, and the Executive Director of the Authority is authorized to notify the Borrower of such approval.

Section 2. Reimbursement from Bond Proceeds. Based upon representations of the Borrower, the Authority declares (a) that the Borrower proposes to undertake the Project, (b) that except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5% of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20% of the issue price of the Bonds, and (iii) other expenditures made not earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Borrower and no expenditures will be made by the Borrower until after the date hereof, and (c) the Borrower reasonably expects to reimburse the expenditures made for costs of the Project with the proceeds of the Bonds. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 3. Intent to Issue Bonds. It is hereby determined necessary and advisable that the Authority proceed with the issuance and sale of the Bonds as permitted by the Act and that the

Authority hereby declares its intent to issue the Bonds to finance the Project, and that such actions will be taken by the Authority as may be required by the Act to authorize, issue and sell the Bonds.

Section 4. Execution and Approval of Agreements. The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bonds. The Authority's Program Counsel and/or General Counsel shall approve all agreements to be entered into in connection with the issuance of the Bonds, and such agreements shall be authorized and approved after due consideration by the Authority prior to their execution by the Authority.

Section 5. Notice and Governor Approval. The Executive Director, and the staff of the Authority are directed, on behalf of the Authority, to publish notice of the proposal to issue the Bonds, to conduct a public hearing on such proposal and, following such hearing, obtain the approval of the Governor as the chief elected executive officer, all as required by Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 6. Preliminary Official Statement. The Executive Director and the staff of the Authority are authorized to cooperate in the preparation of a preliminary official statement with respect to the Bonds, and that the Executive Director is authorized to execute and deliver such certificates to comply with SEC Rule 15c2-12 in connection with the offer, sale and issuance of the Bonds.

Section 7. Further Actions. The officers, Executive Director and Program Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and purpose of this Resolution, the accomplishment of the Project and the sale and issuance of the Bonds.

Section 8. Not Obligations of the Authority. The Bonds, when issued, shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Borrower, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of, or claim against, the State of Iowa or the Authority or a charge against their general credit or general funds.

Section 9. Costs. It is to be understood that the Borrower shall pay all reasonable and necessary costs, including costs of counsel, and expenses of the Authority related to the Bonds and the Project.

Section 10. Repealer. All resolutions, parts of resolutions, and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

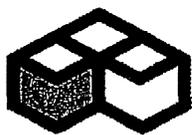
Passed and approved this 6th day of January, 2016.

---

David D. Jamison, Secretary

(Seal)

Exhibit A



IOWA FINANCE AUTHORITY

David D. Jamison, Executive Director
2015 Grand Avenue
Des Moines, Iowa 50312
(515) 725-4900 - (800) 432-7230

FOR IFA USE ONLY
Project No. ED 15-17
Application Received 12/23/15
Application Fee Received? [ ]
Volume Cap? [ ] Yes [x] No
Amount of Request \$ 35,000,000

Application forms can be obtained from the Authority's website at www.IowaFinanceAuthority.gov

ECONOMIC DEVELOPMENT BOND APPLICATION

Part A - Borrower Information

- 1. Project Name: Drake West Village
2. Contact Person/Title: William B. Givhan, General Counsel
Company: Collegiate Housing Foundation, sole member of CHF-Des Moines, L.L.C., owner of project
Address; 409 Johnson Avenue,
City, State, Zip; Fairhope, Alabama, 36532
Telephone: 251-928-9340 E-mail; willgivhan@collgeiatehousing.org
5. Principals: (If a partnership, list partners; if a corporation, list officers/directors and state of incorporation; if a nursing facility, list directors and principal staff.) Attach separate list if necessary.
Leeman H. Covey - President and Chairman of the Board
William B. Givhan - General Counsel and COO
Janet Brown - Vice President of Administration
John Hicks - Vice Chairman and member of Board of Directors
John Brooks Slaughter - Treasurer and member of Board of Directors
Jack Edwards - Secretary and member of Board of Directors
Robert A Shearer - Member of Board of Directors
Tom Daly - Member of Board of Directors
6. If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose: see attached
7. Is the Borrower currently qualified to transact business within the State of Iowa? Yes [x] No [ ]
8. If project is a Nursing Facility, is state certificate of need required: [ ] Yes [x] No (N/A)
If yes, attach copy.

9. Total current FTE's of Borrower: 6

Number of permanent FTE's created by the project: 0 New FTEs

**Part B - Project Information**

1. This Project qualifies for financing pursuant to the Economic Development Loan Program as land, buildings or improvements suitable for use as one of the following facilities (Check one):

- 501 c (3) entity:
- Private college or university
- Housing facility for elderly or disabled persons
- Museum or library facility
- Voluntary nonprofit hospital, clinic or health care facility as defined in Section 135c.1 (6) of the Iowa Code. Specify: \_\_\_\_\_
- Other 501c (3) entity (please specify) \_\_\_\_\_
- Manufacturing facility
- Agricultural processing facility
- Multi-family housing
- Solid Waste facility

3. Amount of Loan Request: \$ 35,000,000  
Amount to be used for refunding: \$ 35,000,000

4. Address/Location of Project  
Street/City/State 1315 31<sup>st</sup> Street, Des Moines, Iowa  
County Polk

5. General Project Description:  
457-bed Student Housing Facility on the Drake University campus for students of Drake University and certain other local institutions. The project is comprised of two buildings, totaling 236,000 square feet (including 9,000 square feet of retail).  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Part B - Project Information continued**

6. Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made?  
 No  
 Yes, in the amount of \$\_\_\_\_\_ (There are IRS limitations on eligible reimbursable costs.)

7. Parties related to the Project:

- a. Principal User will be: Students of Drake University
- b. Seller (if any) of the Project: N/A
- c. Purchaser (if any) or Owner or Lessee of the Project: N/A
- d. Relationship of Project Seller and Purchaser, if any: N/A

8. Sources and Uses of Project Funds (Sum of Sources and Uses must match):

Sources:	Amount	Uses:	Amount
Bond Par	\$34,341,000	Refunding of Series 2007 Bonds	\$34,560,000
Other funds	4,462,000	Costs of Issuance	749,000
		Deposit to DSRF	1,795,000
		Deposits to Operating Funds and Reserves	1,699,000
<b>Total</b>	<b>\$ 38,803,000</b>	<b>Total</b>	<b>\$38,803,000</b>

9. Type of Bond Sale  Public Sale  Private Placement

NOTE: The issue includes both senior lien bonds sold in a public offering and subordinate notes placed privately.

**Part C - Professionals Participating in the Financing**

**Applications must have either Bond Counsel or Underwriter/Financial Institution identified**

**1. Bond Counsel: (an attorney hired by the borrower to ensure the bonds can be issued on a tax-exempt basis)**

Name: John H. Bunz  
Firm Name: Ahlers & Cooney, P.C.  
Address: 100 Court Avenue, Suite 600  
City/State/Zip Code: Des Moines, Iowa 50309  
Telephone: 515-246-0336 E-mail: jbunz@ahlerslaw.com

**2. Counsel to the Borrower:**

Name: Preston Bolt  
Firm Name: Hand Arendall LLC  
Address: P.O. Box 123  
City/State/Zip Code: Mobile, Alabama 36601  
Telephone: 251 694-6292 E-mail: pbolt@handarendall.com

**3. Underwriter or Financial Institution purchasing the bonds:**

Name: Michael Baird  
Firm Name: RBC Capital Markets, LLC  
Address: 100 Light Street, Suite 2410  
Baltimore, Maryland 21202  
Telephone: (410) 625-6103 E-mail: michael.baird@rbccm.com

**4. Counsel to the Underwriter:**

Name: John L. Petr  
Firm Name: Kutak Rock  
Address: 1650 Farnam Street  
The Omaha Building  
Omaha, Nebraska 68102-2186  
Telephone: (402) 231-8786 E-mail: John.Petr@KutakRock.com

**5. Trustee: (if needed)**

Name: Jeff Carlson  
Firm Name: Wells Fargo Bank, N.A.  
Address: 625 Marquette, Avenue, 11<sup>th</sup> Floor  
City/State/Zip Code: Minneapolis, Minnesota 55479  
Telephone: 612 667-4802 E-mail: Jeffrey.K.Carlson@wellsfargo.com

**PART D - Fees and Charges**

1. A non-refundable application fee must accompany this form at the time of submission to the Authority. For applications up to \$10 million, the application fee is \$1,000. For applications over \$10 million, the application fee is \$2,500. The application fee is subtracted from the Issuer's fee at closing.

Applications will expire if the bonds are not issued within 18 months.

Submit application to the Authority at the following address:

Lori Beary  
Community Development Director  
Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, IA 50312

2. An Issuer's fee will be due at the time of closing. The fee is 10 basis points for the first \$10 million and declines after that. Please contact Lori Beary at 515-725-4965 or [lori.beary@iowa.gov](mailto:lori.beary@iowa.gov) for more information.
3. Borrower is required to pay the fees and expenses of Dorsey & Whitney, who serve as Issuer's Counsel. Bond documents should be sent to David Claypool ([claypool.david@dorsey.com](mailto:claypool.david@dorsey.com)) or David Grossklaus ([Grossklaus.David@dorsey.com](mailto:Grossklaus.David@dorsey.com)) at Dorsey & Whitney and the Authority's Community Development Director ([lori.beary@iowa.gov](mailto:lori.beary@iowa.gov)).

Dated this 23<sup>rd</sup> day of December, 2014.

Borrower: CHF-Des Moines, L.L.C.

By Leeman H. Covey  
Leeman H. Covey  
Title: President, Collegiate Housing Foundation acting  
as sole member thereof

Exhibit D

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Collegiate Housing Foundation  
c/o G. Porter Brock  
3000 First National Bank Building  
P.O. Box 123  
Mobile, AL 36602

Contact Person:

L.E. Kaweckj

Telephone Number:

(202) 622-7305

In Reference to:

CP:E:EO:T:5

Date:

SEP 24 1997

Employer Identification Number: 63-1173425  
Key District: Southeast  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(2)  
Advance Ruling Period Begins: June 19, 1996  
Advance Ruling Period Ends: December 31, 2000  
Form 990 Required: Yes

Dear Applicant:

Based on the information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in the section(s) indicated above.

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins and ends on the dates indicated above.

Within 90 days after the end of your advance ruling period, you must submit to your key district office information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are

Collegiate Housing Foundation

classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on the advance ruling that you are not a private foundation until 90 days after your advance ruling period ends. If you submit the required information within the 90 days, donors may continue to rely on the advance ruling until we make a final determination of your foundation status. However, if notice that you will no longer be treated as the type of organization indicated above is published in the Internal Revenue Bulletin, donors may not rely on this advance ruling after the date of such publication. Also, donors (other than private foundations) may not rely on the classification indicated above if they were in part responsible for, or were aware of, the act that resulted in your loss of that classification, or if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification indicated above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key district office of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act.

Because you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction,

## Collegiate Housing Foundation

that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fund-raising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fund-raising events such as benefit dinners, shows, membership drives, etc., where something of value is received in return for payments, you are required to provide a written disclosure statement informing the donor of the fair market value of the specific items or services being provided. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that the donor can determine how much is deductible and how much is not. Your disclosure statement should be made, at the latest, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fund-raising circumstance where each complete payment, including the contribution portion, exceeds \$75. In addition, donors must have written substantiation from the charity for any charitable contribution of \$250 or more. For further details regarding these substantiation and disclosure requirements, see the enclosed copy of Publication 1771. For additional guidance in this area, see Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events, which is available at many IRS offices or by calling 1-800-TAX-FORM (1-800-829-3676).

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If "Yes" is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The

Collegiate Housing Foundation

maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key district office of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any immediate questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters,

Collegiate Housing Foundation

including questions concerning reporting requirements, please contact your key district office.

Sincerely,

*Garland A Carter*

Garland A. Carter  
Chief, Exempt Organizations  
Technical Branch 5

Enclosures:  
Form 872-C  
Pub. 1771

**RESOLUTION**  
**WQ 16-01**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and sections 455B.291 through and including 455B.299 of the Code of Iowa, works with the Iowa Department of Natural Resources (the "Department"), to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the "SRF Program"); and

WHEREAS, the Authority offers loans under the SRF Program as a means of financing all or part of the construction of certain drinking water or wastewater treatment facilities; and

WHEREAS, the construction activities being undertaken meet the requirements of the SRF Program and have been approved by the Department; and

WHEREAS, the Authority offers the SRF loans at below market interest maturing no later than thirty years from execution; and

WHEREAS, the Authority desires to approve SRF Loans to the communities and in the amounts set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes funding SRF Loans to the communities and in the amounts set forth on Exhibit A attached hereto, each with an interest rate of 1.75% for a maturity of twenty years or an interest rate of 2.75% with a maturity of not to exceed thirty years, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to fund said loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 6<sup>th</sup> day of January, 2016.

(Seal)

\_\_\_\_\_  
David D. Jamison, Secretary

**Exhibit A**

**SRF Construction Loans**

<b>Borrower</b>	<b>County</b>	<b>Population</b>	<b>Amount</b>	<b>CW/ DW</b>	<b>Description</b>
Fort Dodge	Webster	25,206	\$19,100,000	CW	Infiltration & Inflow Corrections



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Tammy Nebola, Iowa Ag Program Specialist  
Lori Beary, Community Development Director  
Date: December 28, 2015  
Re: Iowa Agricultural Division Beginning Farmer Loan Program

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**Consent Agenda**

**Iowa Agricultural Development Division**

**Inducement Resolutions**

**AG 15-093 Nathan D. Sunderman**

This is an application for \$118,590 of Agricultural Development Revenue Bonds for Nathan D. Sunderman. The bond will be used: To purchase approximately 40.33 acres of agricultural land in Sac County. The lender is Bank Iowa in Clarinda.

- **Need Board action on Resolution AG 15-093A**

**AG 15-094 Jason W. and Lindsie A. Sandifer**

This is an application for \$515,000 of Agricultural Development Revenue Bonds for Jason W. and Lindsie A. Sandifer. The bond will be used: To purchase approximately 238 acres of agricultural land, house and out-buildings in Wapello County. The lender is South Ottumwa Savings Bank in Ottumwa.

- **Need Board action on Resolution AG 15-094A**

**AG 15-095 Peter T. and Elizabeth L. Smith**

This is an application for \$290,905 of Agricultural Development Revenue Bonds for Peter T. and Elizabeth L. Smith. The bond will be used: To purchase approximately 80 acres of agricultural land in Cass County. The lender is First Whitney Bank & Trust Co in Atlantic.

- **Need Board action on Resolution AG 15-095A**

**AG 15-096 Barry and Kristen Spaans**

This is an application for \$100,861 of Agricultural Development Revenue Bonds for Barry and Kristen Spaans. The bond will be used: To purchase approximately 40 acres of agricultural land in Sioux County. The lender is American State Bank in Alford.

- **Need Board action on Resolution AG 15-096A**

**AG 15-097 Jacob T. and Brandi M. Adams**

This is an application for \$365,000 of Agricultural Development Revenue Bonds for Jacob T. and Brandi M. Adams. The bond will be used: To purchase approximately 155 acres of agricultural land and out-buildings in Jefferson County. The lender is First National Bank in Fairfield.

- **Need Board action on Resolution AG 15-097A**

### **AG 15-098 Seth W. Kloetzer**

This is an application for \$297,675 of Agricultural Development Revenue Bonds for Seth W. Kloetzer. The bond will be used: To purchase approximately 63 acres of agricultural land in Franklin County. The lender is Green Belt Bank & Trust in Iowa Falls.

- **Need Board action on Resolution AG 15-098A**

### **AG 15-099 Brent E. Rozendaal**

This is an application for \$121,000 of Agricultural Development Revenue Bonds for Brent E. Rozendaal. The bond will be used: To purchase approximately 45 acres of agricultural land, house and out-buildings in Jasper County. The lender is U.S. Bank, N.A. in Boone.

- **Need Board action on Resolution AG 15-099A**

### **AG 15-100 Garrett L. and Dawn Tingwald**

This is an application for \$277,500 of Agricultural Development Revenue Bonds for Garrett L. and Dawn Tingwald. The bond will be used: To purchase approximately 75 acres of agricultural land in Boone County. The lender is U.S. Bank, N.A. in Boone.

- **Need Board action on Resolution AG 15-100A**

## **Amending Resolutions**

### **04029 Brandon L. Laubenthal, Algona**

This is a resolution amending a \$120,000 Beginning Farmer Loan to Brandon L. Laubenthal issued 1/5/2006 to Remove prepayment language "Prior to January 5, 2016, payments in excess of payments provided for in this note are not allowed" so loan can be paid off, Brandon was killed in an accident in January 2015. All other loan terms remain the same. The lender is Farmers & Traders Savings Bank in Bancroft.

- **Need Board action on Resolution 04029M**

## **Loan Participation Program**

### **AG-LP #16-01, Loan Participation Program**

The Loan Participation Program (LPP) was established in to assist low income farmers secure loans and make down payments. IADD's participation can be used to supplement the borrower's down payment, thereby helping a farmer secure a loan more readily. The lender's risk is also reduced since the IADD provides a "last-in/last-out" loan participation for the financial institution. The interest rate will be 1.0% over the FSA Direct Farm Ownership Down Payment Loan Program (which is currently at 1.5%) fixed for the first five years, then re-adjusted to the same index and fixed for the final five years. The participation loan is a 10 year balloon with a 20 year amortization. Attached are the LPP applications reviewed last month. The IADD Board has recommended approval.

## **Beginning Farmer Tax Credit Program**

### **AG-TC #16-01, Beginning Farmer Tax Credit Program**

The Agricultural Assets Transfer Tax Credit commonly referred to as the Beginning Farmer Tax Credit (BFTC) program allows agricultural asset owners to earn tax credits for leasing their land, equipment and/or breeding livestock to beginning farmers. Leases must be for terms of 2-5 years. The tax credit for cash rent leases is 7% of the amount of the rent. The tax credit for crop share leases is 17%. There is an additional 1% tax credit if the beginning farmer is also a veteran. Maximum tax credit for any one asset owner is \$50,000 per year. The maximum amount of tax credits allocated cannot be more than \$12 million in any one year. Attached are the BFTC applications reviewed last month. The IADD Board has recommended approval.

**RESOLUTION**  
**AG 15-093A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

---

David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-093
- 2. Beginning Farmer:** Nathan D. Sunderman  
3047 170th St  
Redding, IA 50860-8821
- 3. Bond Purchaser:** Bank Iowa  
101 N 15th St, PO Box 119  
Clarinda, IA 51632-1614
- 4. Principal Amount:** \$118,590
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 40.33 acres of agricultural land

**RESOLUTION**  
**AG 15-094A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-094
- 2. Beginning Farmer:** Jason W. and Lindsie A. Sandifer  
21542 62nd St  
Ottumwa, IA 52501-8573
- 3. Bond Purchaser:** South Ottumwa Savings Bank  
320 Church St, PO Box 516  
Ottumwa, IA 52501-0516
- 4. Principal Amount:** \$515,000
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 238 acres of agricultural land,  
house and out-buildings

**RESOLUTION**  
**AG 15-095A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-095
- 2. Beginning Farmer:** Peter T. and Elizabeth L. Smith  
1805 Hillcrest Dr  
Atlantic, IA 50022-2850
- 3. Bond Purchaser:** First Whitney Bank & Trust Co  
223 Chestnut St, PO Box 271  
Atlantic, IA 50022-0271
- 4. Principal Amount:** \$290,905
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 80 acres of agricultural land

**RESOLUTION**  
**AG 15-096A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-096
- 2. Beginning Farmer:** Barry and Kristen Spaans  
3448 Cherry Ave  
Hudson, IA 57034-8922
- 3. Bond Purchaser:** American State Bank  
212 Main St, PO Box 116  
Alvord, IA 51230-7707
- 4. Principal Amount:** \$100,861
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 40 acres of agricultural land

**RESOLUTION**  
**AG 15-097A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-097
- 2. Beginning Farmer:** Jacob T. and Brandi M. Adams  
302 E Madison Ave  
Fairfield, IA 52556-3643
- 3. Bond Purchaser:** First National Bank  
100 E Burlington Ave, PO Box 1007  
Fairfield, IA 52556-1007
- 4. Principal Amount:** \$365,000
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 155 acres of agricultural land and out-buildings

**RESOLUTION**  
**AG 15-098A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-098
- 2. Beginning Farmer:** Seth W. Kloetzer  
406 Mallard Ave  
Iowa Falls, IA 50126-9021
- 3. Bond Purchaser:** Green Belt Bank & Trust  
616 Washington Ave, PO Box 790  
Iowa Falls, IA 50126-2217
- 4. Principal Amount:** \$297,675
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 63 acres of agricultural land

**RESOLUTION**  
**AG 15-099A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-099
- 2. Beginning Farmer:** Brent E. Rozendaal  
4725 E 116th St S  
Kellogg, IA 50135-8557
- 3. Bond Purchaser:** U.S. Bank, N.A.  
724 Story St, PO Box 518  
Boone, IA 50036-0518
- 4. Principal Amount:** \$121,000
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 45 acres of agricultural land,  
house and out-buildings

**RESOLUTION**  
**AG 15-100A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

---

David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-100
- 2. Beginning Farmer:** Garrett L. and Dawn Tingwald  
603 W State St  
Jefferson, IA 50129-1723
- 3. Bond Purchaser:** U.S. Bank, N.A.  
724 Story St, PO Box 518  
Boone, IA 50036-0518
- 4. Principal Amount:** \$277,500
- 5. Approval Date:** 1/6/2016
- 6. Project:** To purchase approximately 75 acres of agricultural land

**RESOLUTION  
04029M**

A Resolution amending an Agricultural Development Revenue Bond.

WHEREAS, the Iowa Agricultural Development Authority, or its successor, the Iowa Finance Authority (the "Authority"), heretofore took action to authorize the issuance of an Agricultural Development Revenue Bond, Project No. 04029 (the "Bond") pursuant to Resolution B relating thereto (the "Bond Resolution") for the purpose of financing the acquisition of the Project (as defined in the Bond Resolution) by the Beginning Farmer (as defined in the Bond Resolution); and

WHEREAS, the Bondholder has requested to remove the prepayment language on the Bond.

NOW, THEREFORE, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. The Authority hereby approves removing the prepayment language on the Bond, "Prior to January 5, 2016, payments in excess of payments provided for in this note are not allowed" so loan can be paid off, Brandon was killed in an accident in January 2015. All other loan terms remain the same. Eff. 12/01/2015.

Section 2. That the Staff and Officers of the Authority are hereby authorized to amend any and all loan documents as necessary to reflect the aforementioned amendments.

Section 3. That except as amended herein, the Bond and other loan documents are hereby confirmed in all other respects.

Section 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall become effective immediately upon adoption.

Passed and approved on this 6<sup>th</sup> day of January, 2016.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

January 6, 2016

Charles Kennedy  
Farmers & Traders Savings Bank  
108 W Ramsey, PO Box 107  
Bancroft, IA 50517-0107

**Re: Brandon L. Laubenthal – Project No. 04029**

Dear Mr. Kennedy:

The Iowa Finance Authority (IFA) Board held its monthly meeting on January 6, 2016, and the above project was approved for the proposed loan changes. The changes approved were as follows:

**Remove prepayment language “Prior to January 5, 2016, payments in excess of payments provided for in this note are not allowed” so loan can be paid off, Brandon was killed in an accident in January 2015. All other loan terms remain the same. Eff. 12/01/2015**

Attached is a copy of the official board resolution for the above Beginning Farmer Loan Program project. This resolution was recently approved by the Iowa Finance Authority (IFA) board of directors and prepared by our bond attorney.

If you have any questions, please contact our office at 515.725.4900.

Sincerely,

David Jamison  
Executive Director

Enclosure: Board Resolution

**RESOLUTION  
AG-LP 16-01**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and 2013 Iowa Acts House File 607, has established the Iowa Agricultural Development Division ("IADD") to administer the Loan Participation Program pursuant to Chapter 175 and Chapter 16

WHEREAS, the Authority administers programs to assist beginning farmers with the purchase of agricultural land, equipment and breeding livestock; and

WHEREAS, the Authority understands that the lack of capital is a major impediment for beginning farmers and desires to assist those farmers with down payment assistance; and

WHEREAS, the IADD has received an application from a lending institution to participate in a loan for the down payment for the purchase of agricultural land by an eligible beginning farmer; and

WHEREAS, the IADD Board has recommended approval of the funding of the Loan Participation set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes the Authority to finalize this transaction with the Borrower, to negotiate and complete the necessary loan documents, and to fund the participation in the Loan as described herein. The Executive Director is authorized to prepare and execute any necessary documents in connection with the participation in the Loan, consistent with the terms of this Resolution.

SECTION 3. The Board authorizes the Executive Director to fund said participation from available funds held under the IADD, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 6<sup>th</sup> day of January, 2016.

---

David D. Jamison, Secretary

(Seal)

# Exhibit A

## Loan Participation Program

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Project No.	Beginning Farmer	Bank	Purpose	Loan Amt
P0209	Ryan P. & Kristen P. Dekkers	Northwestern Bank, Orange City	To purchase approximately 2.5 acres and construct (2) 1,200 Hd Hog Confinements and purchase 40 Hd of cows	<u>\$150,000.00</u> \$150,000.00

**RESOLUTION  
AG-TC 16-01**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, has established the Iowa Agricultural Development Division ("IADD") to administer the Agricultural Assets Transfer Tax Credit program and the Custom Farming Contract Tax Credit (together the "Iowa Agricultural Tax Credit Programs"); and

WHEREAS, the Authority offers tax credits under the Iowa Agricultural Tax Credit Programs as a means of encouraging the execution of assets transfer agreements and custom farming contracts with beginning farmers; and

WHEREAS, the Authority has received applications seeking tax credit allocations from the Iowa Agricultural Tax Credit Programs; and

WHEREAS, the IADD has determined the applications meet the eligibility requirements of Chapter 16; and

WHEREAS, the IADD Board has recommended approval of the tax credit applications set forth on Exhibit A; and

WHEREAS, the Authority desires to authorize the allocation of tax credits set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes allocating tax credits to the asset owners set forth on Exhibit A, attached hereto, against taxes imposed in chapter 422, division II, as provided in section 422.11M, and in chapter 422, division III, as provided in section 422.33, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to certify said tax credits in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 6th day of January, 2016.

(Seal)

\_\_\_\_\_  
David D. Jamison, Secretary

## Exhibit A

### Agricultural Assets Transfer Tax Credit Program

Project #	Owner Name	County	Beginning Farmer	Rental Type	Term(Years)	Tax Credit
5024	Lawler Farms	Boone	Brett, Marcus, & Andrew Heineman	Custom Farming	1	\$ 23,346.39
5026	Larson Laboratory Eggs, Inc.	Pocahontas	Brad Frerk	Custom Farming	1	\$ 1,569.07
5028	Paul L Erickson	Webster	Andrew Blair	Custom Farming	2	\$ 845.78
5029	Ashdale Inc	Webster	Philip Bauer	Custom Farming	2	\$ 1,403.70
5030	Williams Farms Inc	Buena Vista	Andrew Pickhinke	Custom Farming	1	\$ 2,112.60
5031	Wendl Cattle Company, Inc.	Crawford	Robert Riesselman	Custom Farming	2	\$ 6,293.63
5032	Michael R Stenzel	Fremont	Ethon Smith	Custom Farming	1	\$ 1,324.62
5033	KenLa Farms Inc	O'Brien/Cherokee	Cory Vanderploeg	Custom Farming	1	\$ 9,035.12
5034	Francis Uhl	Plymouth	Andrew & Ryan Langel	Custom Farming	1	\$ 1,276.81
5035	Eugene Ver Steeg	Lyon	Cody Ver Steeg & Nathan Nieuwendorp	Custom Farming	1	\$ 534.28
5036	Prestige Pork, Inc.	Lyon	Nathan Nieuwendorp	Custom Farming	1	\$ 475.49
5037	Myers LLC	Wright	Ethan Anderson	Custom Farming	1	\$ 7,127.38
5038	Hartland Farms Inc	Lyon	Nathan D Groeneweg	Custom Farming	1	\$ 388.36
5039	Lovick Family Farms, LC	Cerro Gordo/Worth	Andrew Anderson	Custom Farming	1	\$ 2,774.93
5040	McClellan Legacy Farms LLC	Hardin/Grundy	Eric Duncan	Custom Farming	1	\$ 17,177.42
5041	Dennis Springer	Cerro Gordo	Joel Watson	Custom Farming	1	\$ 813.77
5042	James Braden	Page/Adams/Taylor	Ryan Sunderman	Custom Farming	1	\$ 704.84
5043	Neil Steffensen	Winnebago	Jeff Divan	Custom Farming	1	\$ 1,385.38
5044	Shannon Smith	Fremont	Ethon Smith	Custom Farming	2	\$ 1,602.67
5045	Plainview Farms Inc	Palo Alto	Travis & Vince Cruise	Custom Farming	1	\$ 1,030.12
						\$ 81,222.36

20

Denotes Military Veteran

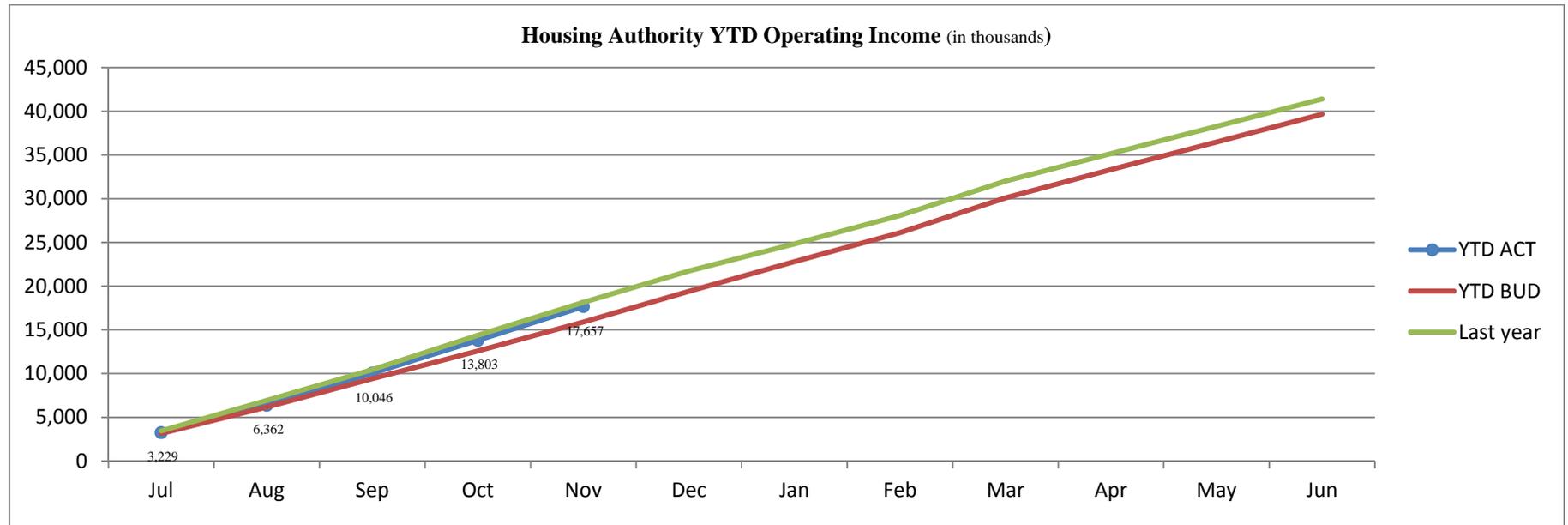
To: David D Jamison  
From: Steven E Harvey  
Date: December 16, 2015  
Re: November 2015 Financial Results



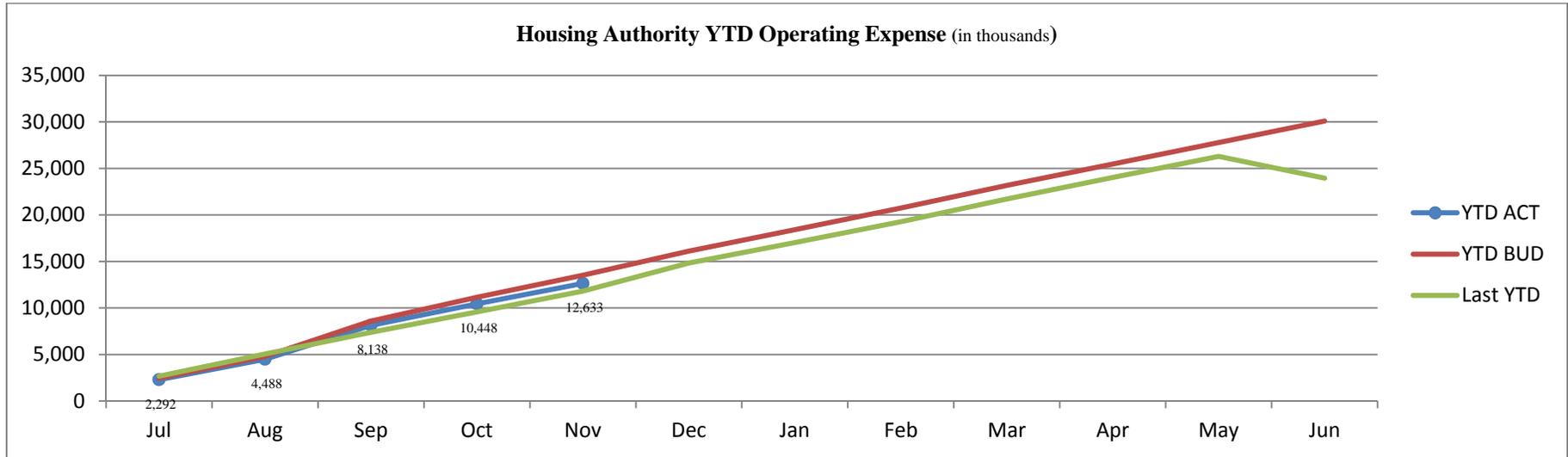
## Housing Authority Highlights

YTD November results for the Housing Authority were favorable to budget.

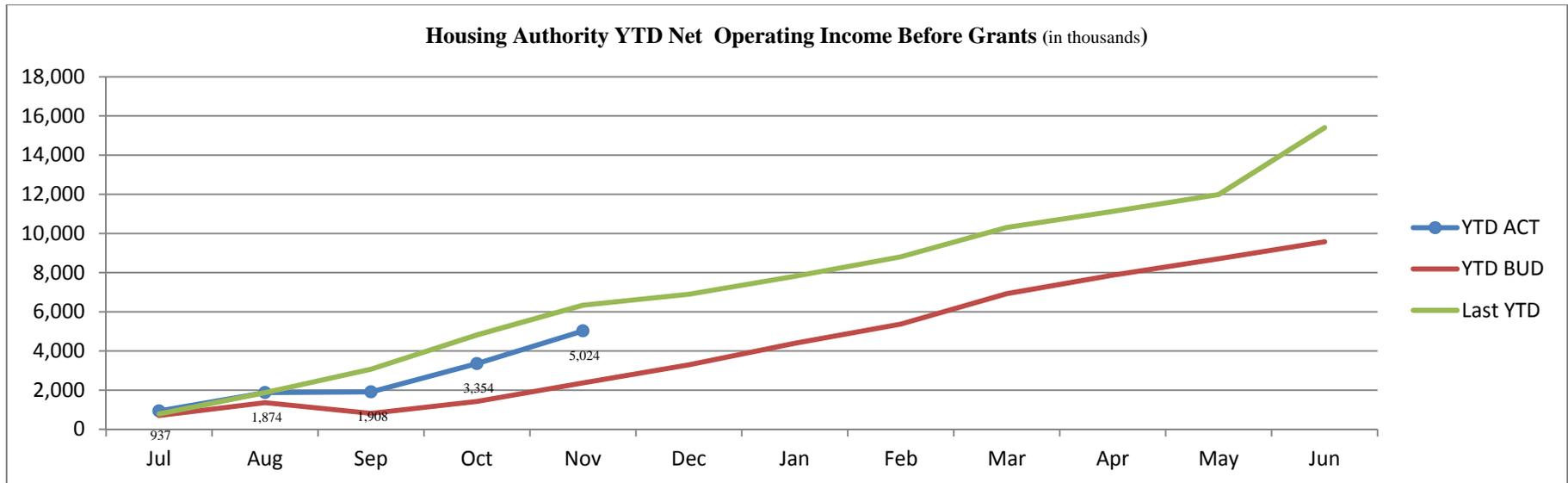
- Aggressive debt reduction continues to reduce interest expense which is \$861,088 or 14.1% below budget.
- ITG continues to exceed their Operating Income budget by \$902,835 or 37.1%.
- Staffing was below budget by 8 FTE's resulting in a reduction of employee expenses of \$306,351 or 7.0% below budget.
- Professional services were above budget by \$404,021 or 21.5% due to ITG incentive payments to field issuers.
- Net Grant Expense of \$823,066 exceeded budget by \$1,067,210 due to disbursements occurring earlier in the year than expected.



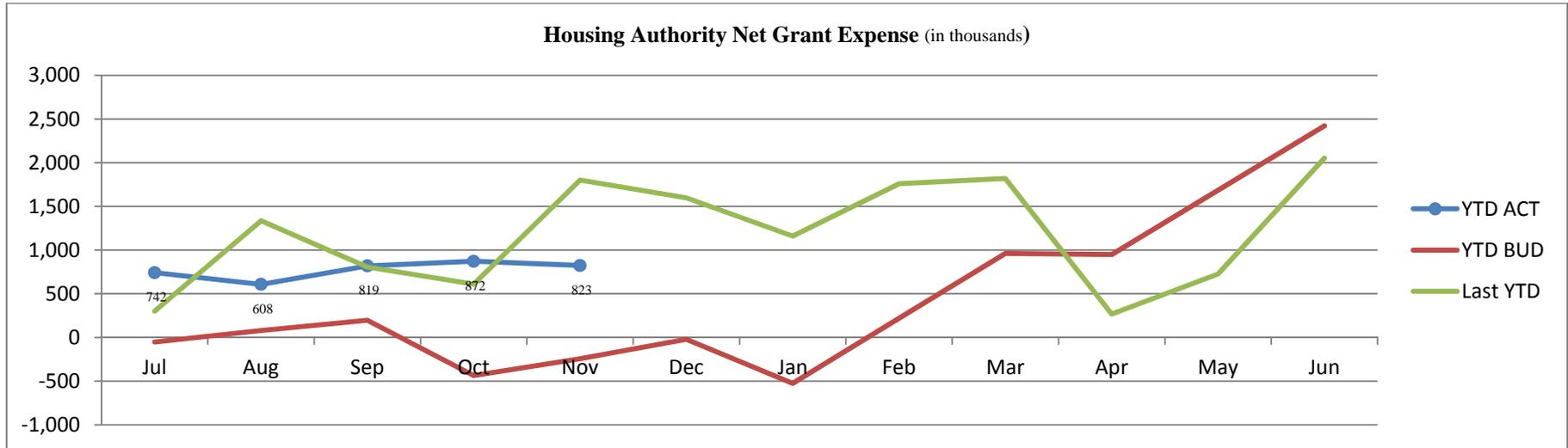
YTD Operating Income of \$17,656,920 was \$1,763,359 or 11.1% above budget but \$489,121 or 2.7% below last year.



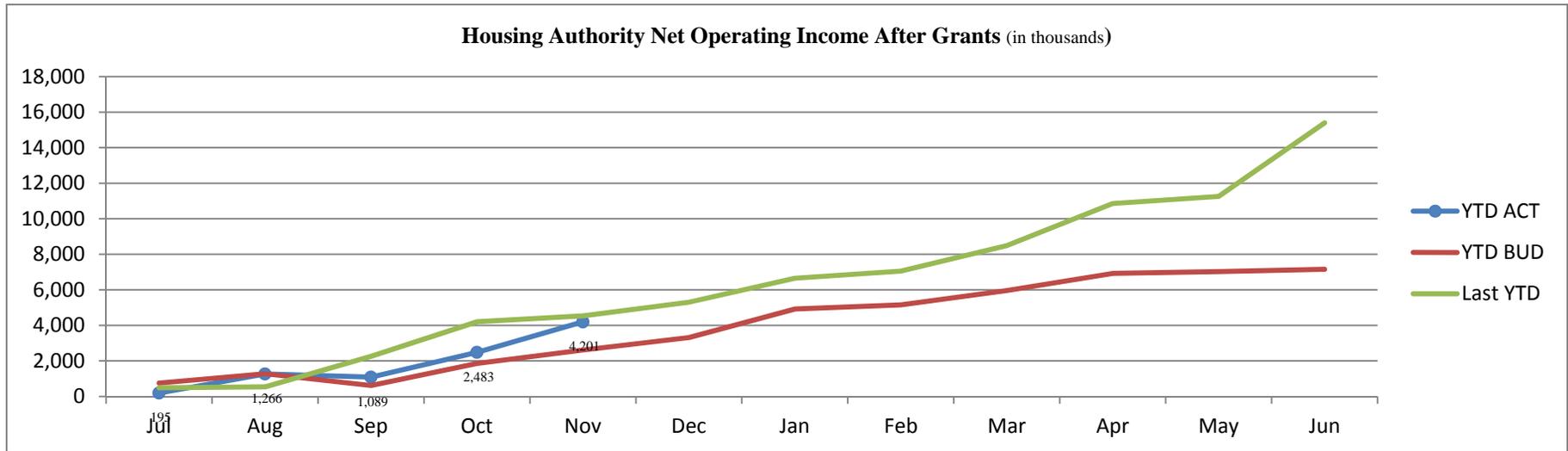
YTD Operating Expense of \$12,632,896 was \$894,580 or 6.6% below budget but \$823,229 or 7% above last year.



YTD Net Operating Income before Grants of \$5,024,023 was \$2,657,939 or 112.3% above budget but \$1,312,350 or 20.7% below last year.

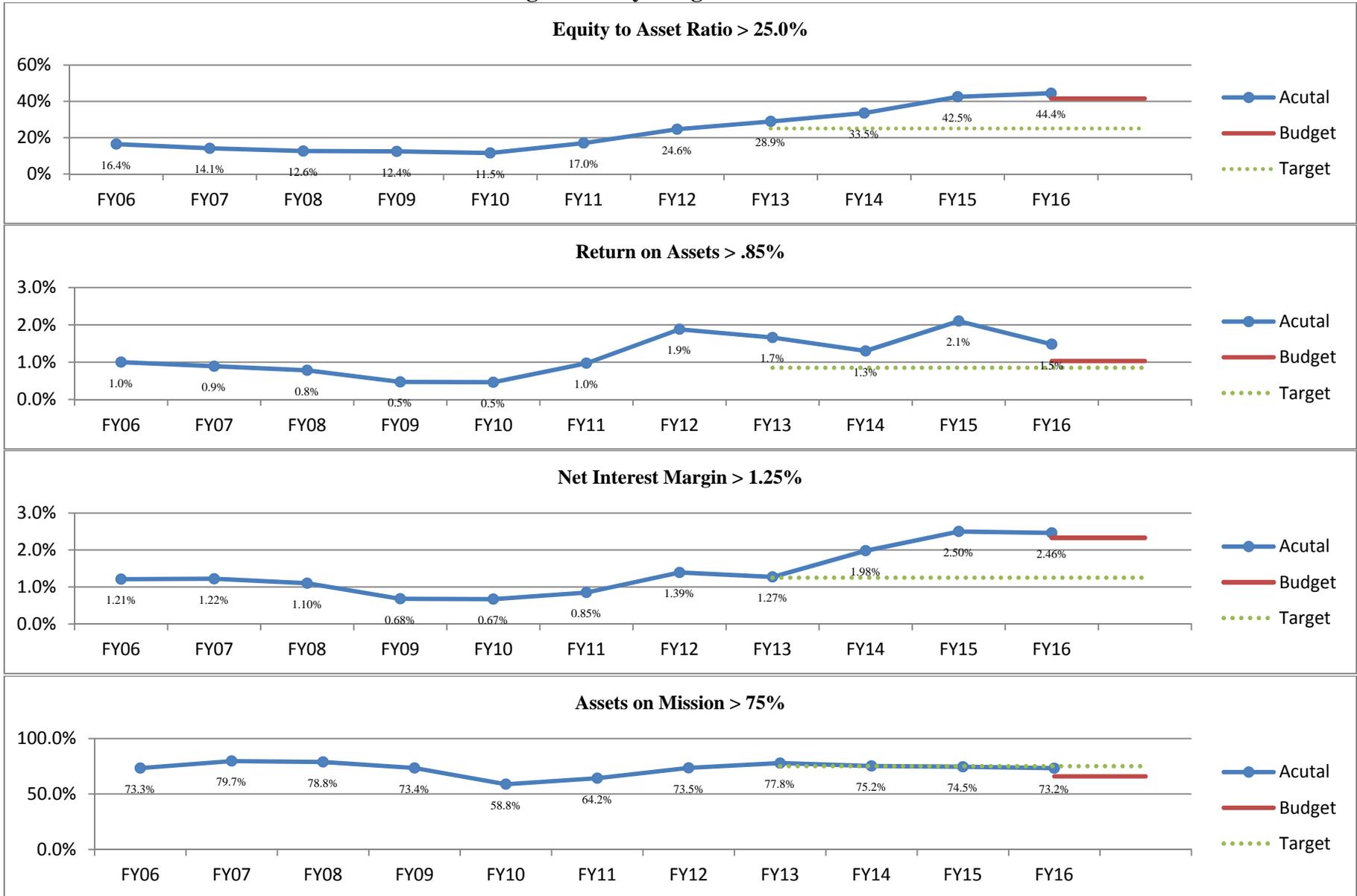


YTD Net Grant Expense of \$823,066 was \$1,067,210 or over 100% above budget but \$977,924 or 54.3% below last year



YTD Net Operating Income after Grants of \$4,200,957 was \$1,590,729 or 60.9% above budget but \$334,426 or 7.4% below last year.

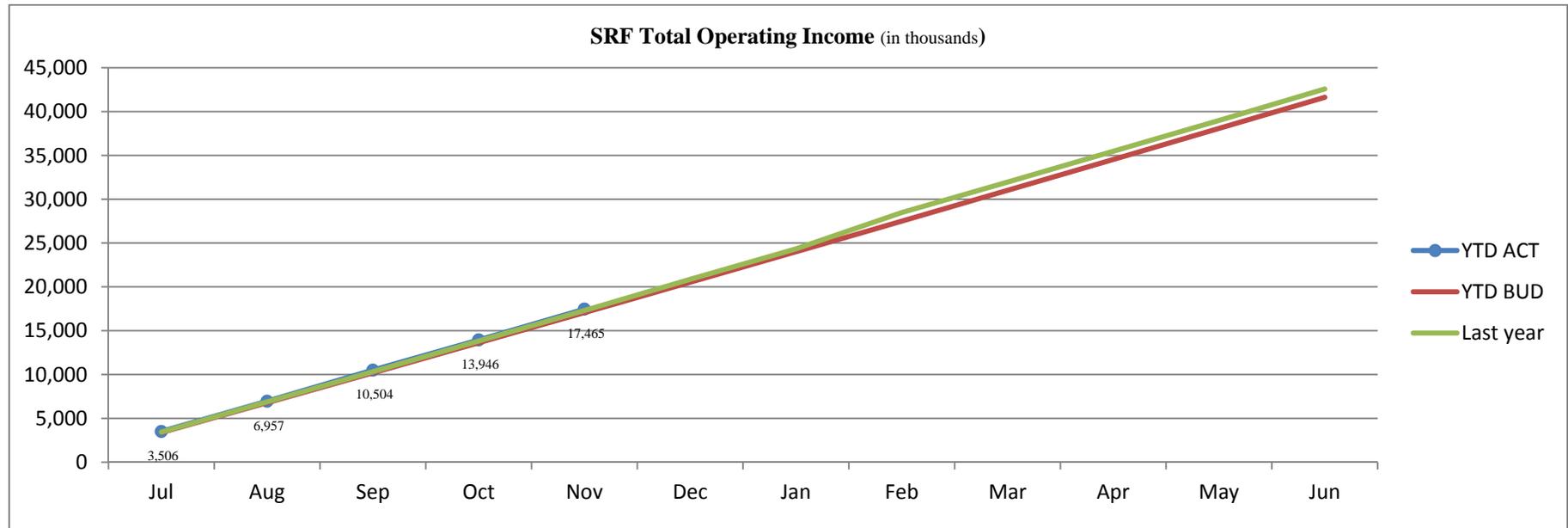
## Housing Authority Long-Term Measures



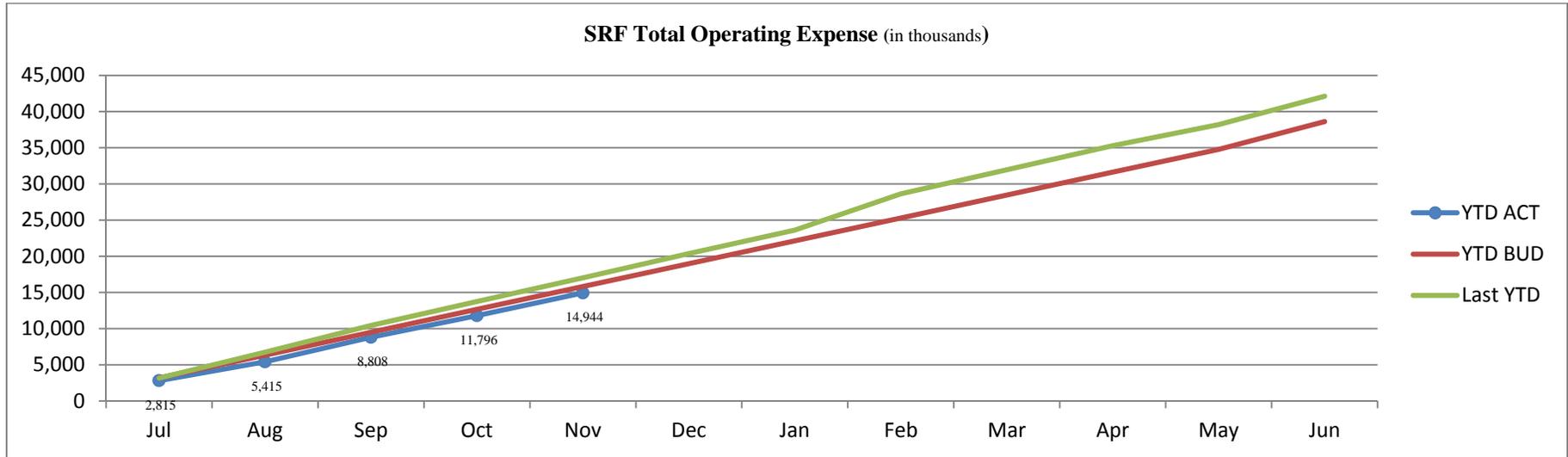
## State Revolving Fund Highlights

YTD November results for the SRF were favorable to budget.

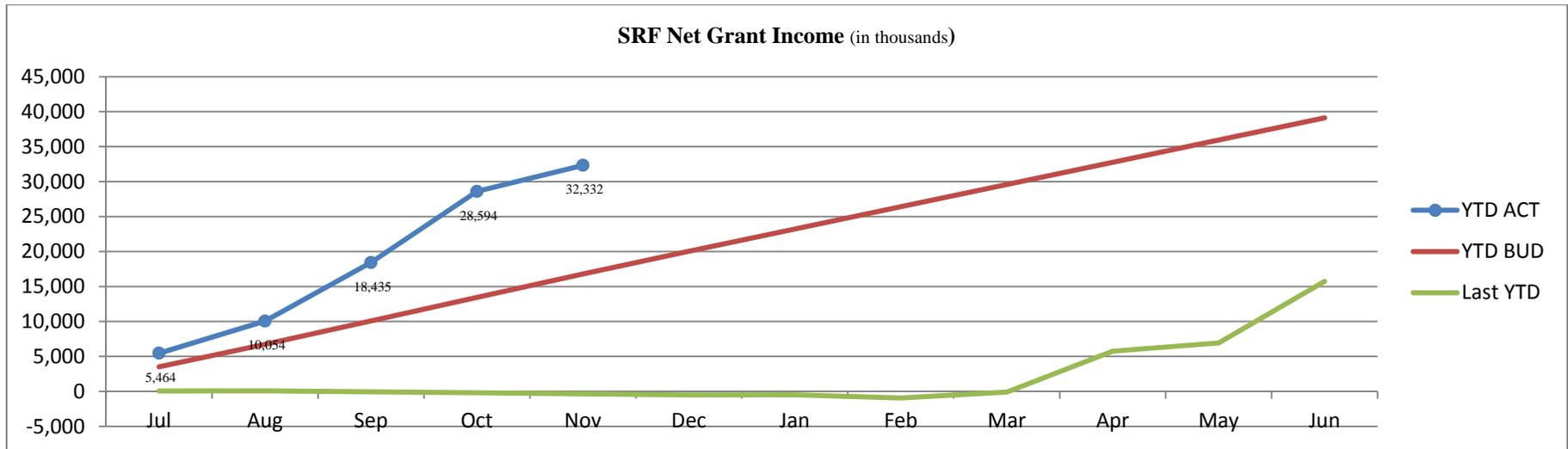
- SRF has \$176.6 million available to fund loan disbursements plus \$9.2 million of cap grants available.
- YTD the SRF has disbursed \$72.8 million in loan draws with \$9.5 million of that amount forgivable.
- Operating income and expense are both favorable to budget.



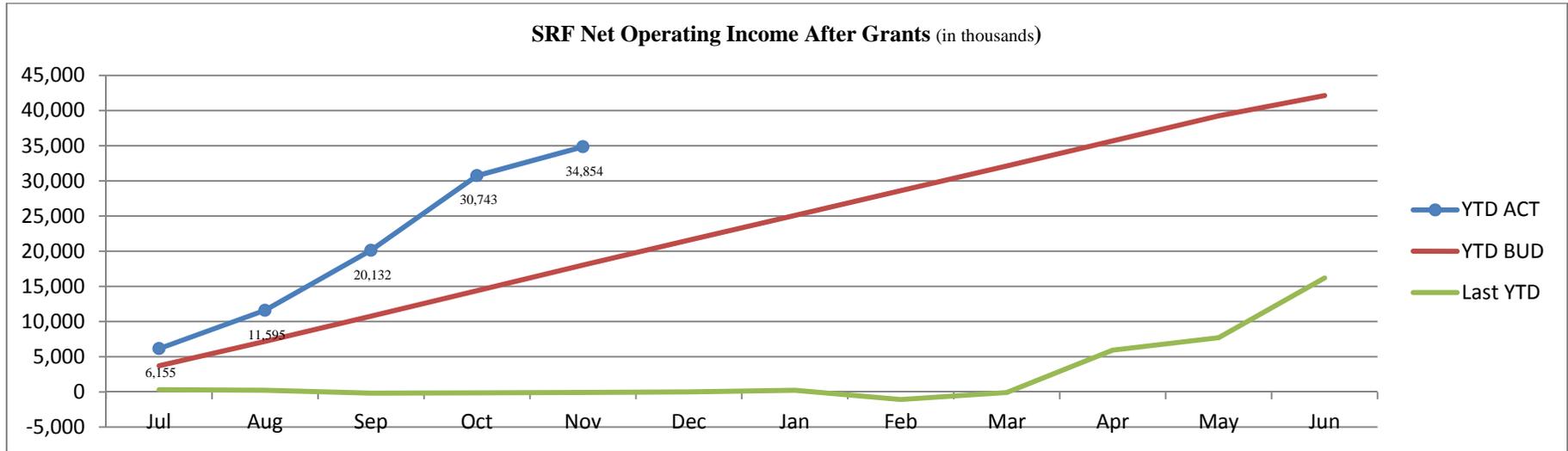
YTD Operating Income of \$17,465,177 was \$400,035 or 2.3% above budget and \$169,311 or 1.0% above last year.



YTD Operating Expenses of \$14,943,632 was \$876,124 or 5.5% below budget and \$2,082,516 or 12.2% below last year.



YTD Net Grant Income of \$32,331,984 was \$15,546,305 or 92.6% above budget and \$32,692,828 above last year.



YTD Net Operating Income after Grants of \$34,853,529 was \$16,822,465 or 93.3% above budget and \$34,944,655 above last year.

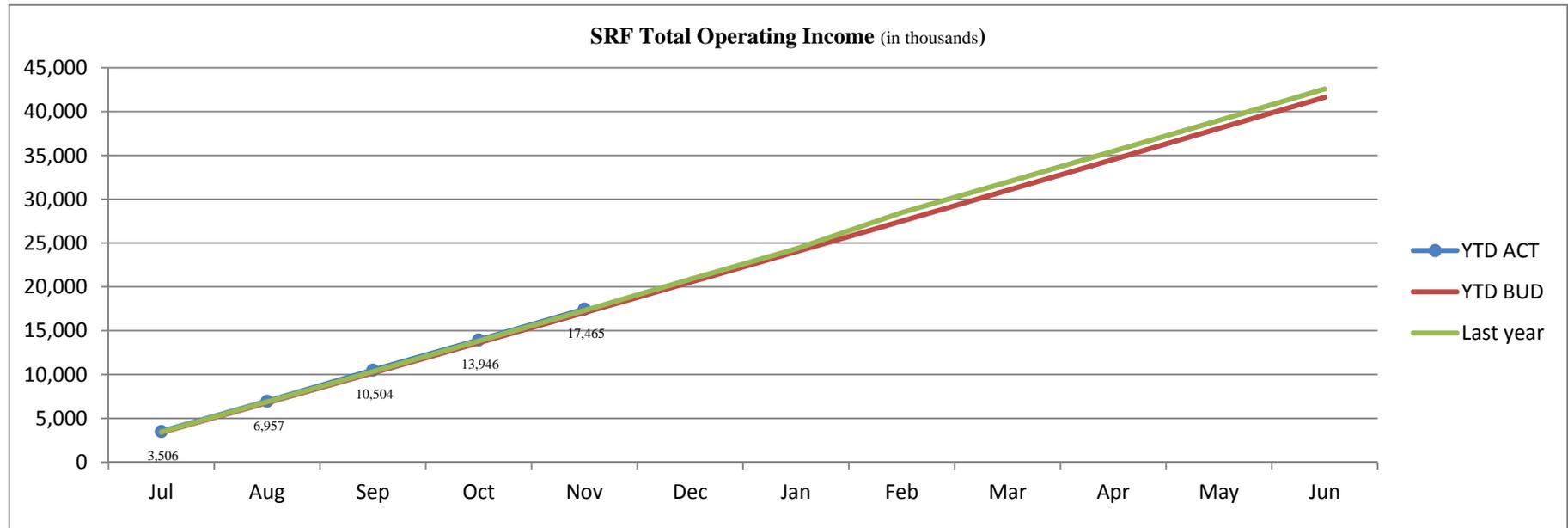
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## State Revolving Fund Highlights

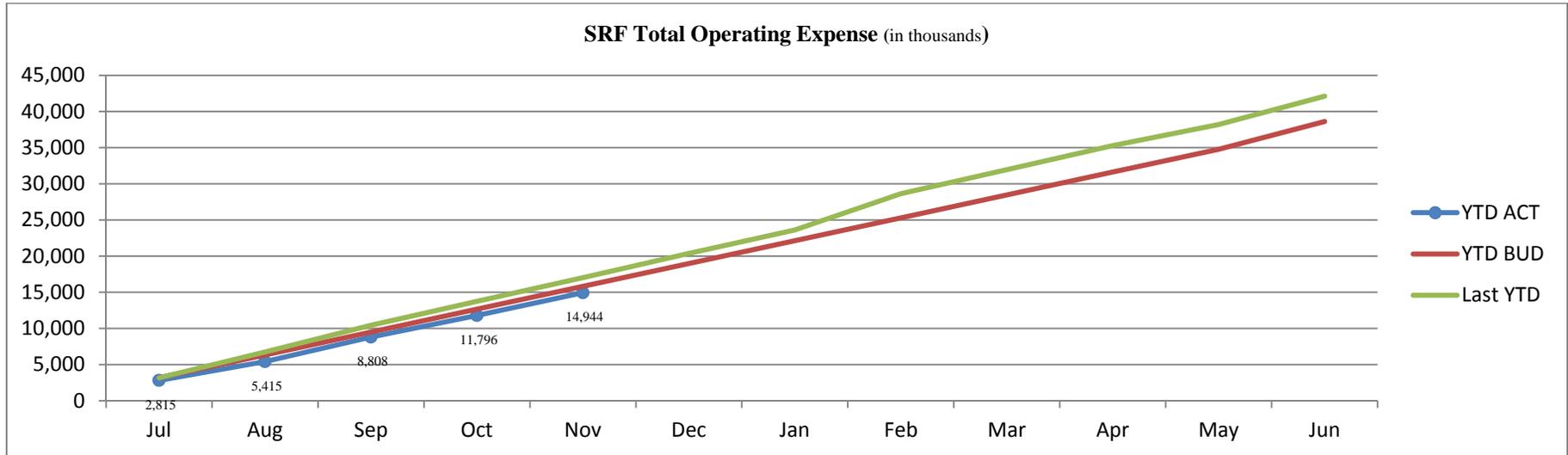
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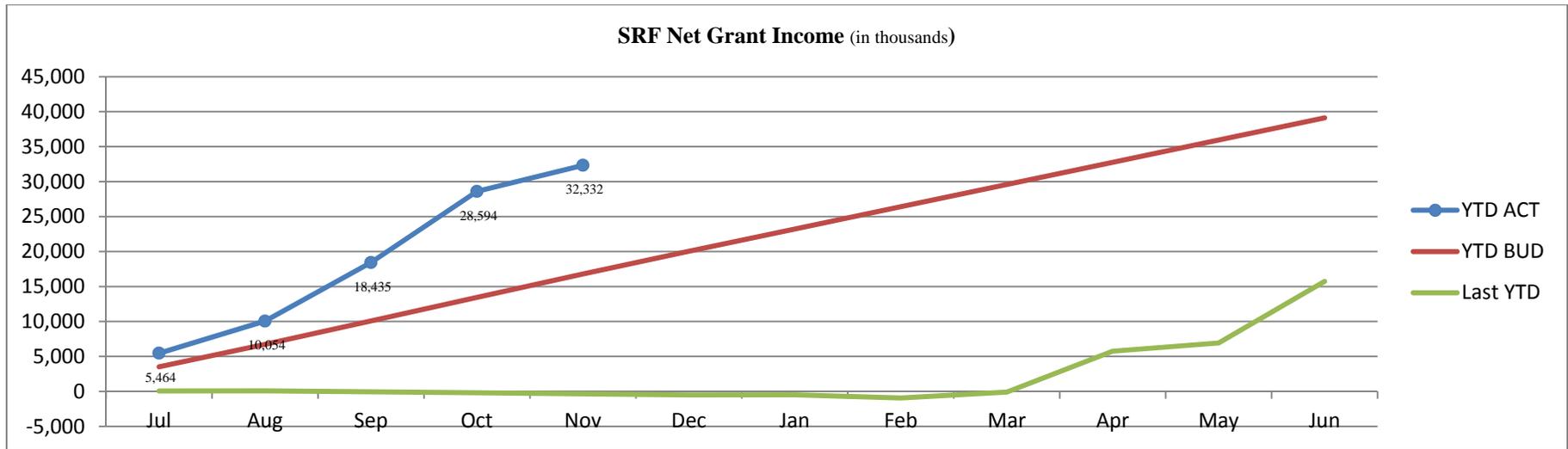
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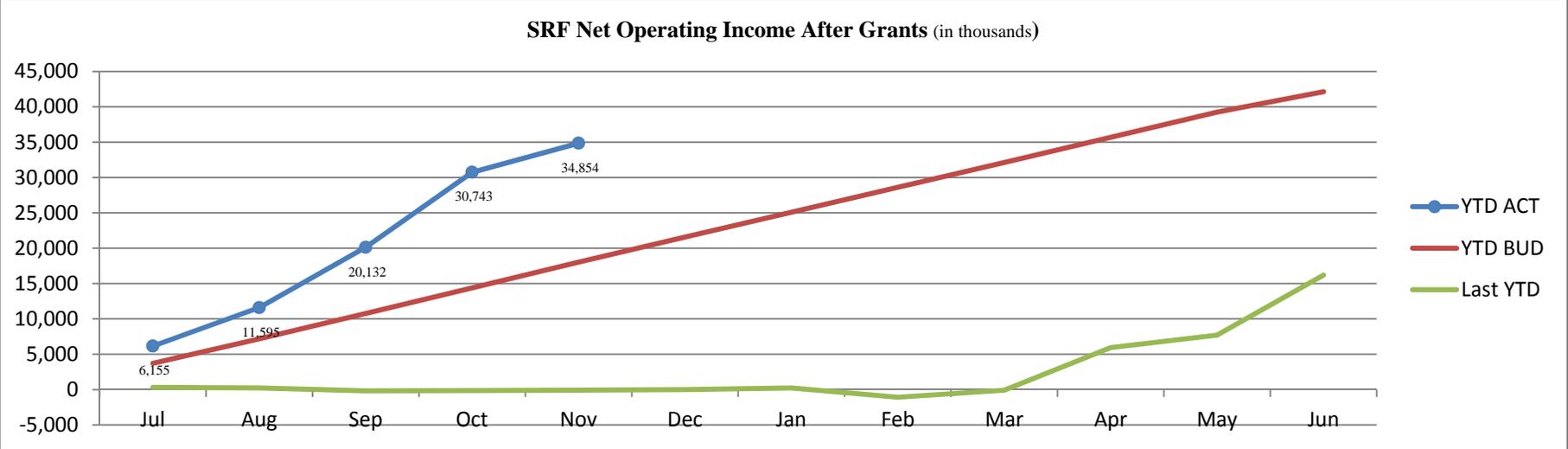
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Income Statement	Housing Authority (Rollup)													
	Nov-2015							YTD as of Nov-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	2,657,761	2,396,879	260,882	10.9	2,951,198	(293,437)	-9.9	12,091,872	11,575,516	516,356	4.5	14,112,314	(2,020,442)	-14.3
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	1,184,805	910,807	273,998	30.1	804,795	380,010	47.2	5,393,360	4,138,070	1,255,289	30.3	3,847,065	1,546,294	40.2
Other Income	11,784	4,011	7,774	193.8	5,042	6,742	133.7	171,689	179,975	(8,286)	-4.6	186,662	(14,973)	-8.0
<b>Total Operating Income</b>	<b>3,854,351</b>	<b>3,311,697</b>	<b>542,654</b>	<b>16.4</b>	<b>3,761,036</b>	<b>93,315</b>	<b>2.5</b>	<b>17,656,920</b>	<b>15,893,561</b>	<b>1,763,359</b>	<b>11.1</b>	<b>18,146,040</b>	<b>(489,121)</b>	<b>-2.7</b>
Operating Expense														
Interest Expense	897,923	1,040,848	(142,925)	-13.7	1,169,339	(271,416)	-23.2	5,244,342	6,105,430	(861,088)	-14.1	5,836,531	(592,189)	-10.1
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	807,719	833,633	(25,914)	-3.1	720,702	87,018	12.1	4,050,709	4,357,060	(306,351)	-7.0	3,953,545	97,164	2.5
Operating Expenses	91,924	102,636	(10,712)	-10.4	101,118	(9,193)	-9.1	531,981	532,561	(580)	-0.1	534,116	(2,136)	-0.4
Marketing Expense	47,681	10,347	37,335	360.8	14,325	33,356	232.8	329,531	465,066	(135,535)	-29.1	278,518	51,013	18.3
Professional Services	319,584	345,252	(25,668)	-7.4	304,170	15,414	5.1	2,282,727	1,878,707	404,021	21.5	1,596,284	686,444	43.0
Claim and Loss Expenses	10,600	27,052	(16,452)	-60.8	(65,461)	76,061	-116.2	168,370	143,088	25,283	17.7	(391,435)	559,805	-143.0
Service Release Premium	9,128	10,647	(1,520)	-14.3	1,422	7,705	541.7	33,576	48,236	(14,660)	-30.4	4,820	28,755	596.5
Miscellaneous Operating Expense	6,626	4,119	2,507	60.9	(597)	7,223	-1210.2	26,553	30,515	(3,962)	-13.0	27,717	(1,164)	-4.2
Overhead Allocation	(6,460)	(6,413)	(47)	0.7	(5,842)	(618)	10.6	(34,893)	(33,187)	(1,706)	5.1	(30,429)	(4,465)	14.7
<b>Total Operating Expense</b>	<b>2,184,726</b>	<b>2,368,121</b>	<b>(183,394)</b>	<b>-7.7</b>	<b>2,239,176</b>	<b>(54,450)</b>	<b>-2.4</b>	<b>12,632,896</b>	<b>13,527,476</b>	<b>(894,580)</b>	<b>-6.6</b>	<b>11,809,667</b>	<b>823,229</b>	<b>7.0</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>1,669,625</b>	<b>943,577</b>	<b>726,048</b>	<b>76.9</b>	<b>1,521,859</b>	<b>147,766</b>	<b>9.7</b>	<b>5,024,023</b>	<b>2,366,085</b>	<b>2,657,939</b>	<b>112.3</b>	<b>6,336,373</b>	<b>(1,312,350)</b>	<b>-20.7</b>
Net Grant (Income) Expense														
Grant Income	(1,911,568)	(1,878,527)	(33,041)	1.8	(1,590,066)	(321,502)	20.2	(11,356,897)	(10,392,636)	(964,261)	9.3	(11,672,918)	316,021	-2.7
Grant Expense	1,862,981	2,070,077	(207,096)	-10.0	2,781,309	(918,328)	-33.0	12,179,963	10,148,492	2,031,471	20.0	13,473,908	(1,293,945)	-9.6
<b>Total Net Grant (Income) Expense</b>	<b>(48,587)</b>	<b>191,550</b>	<b>(240,137)</b>	<b>-125.4</b>	<b>1,191,243</b>	<b>(1,239,830)</b>	<b>-104.1</b>	<b>823,066</b>	<b>(244,144)</b>	<b>1,067,210</b>	<b>-437.1</b>	<b>1,800,990</b>	<b>(977,924)</b>	<b>-54.3</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>1,718,212</b>	<b>752,027</b>	<b>966,185</b>	<b>128.5</b>	<b>330,616</b>	<b>1,387,596</b>	<b>419.7</b>	<b>4,200,957</b>	<b>2,610,228</b>	<b>1,590,729</b>	<b>60.9</b>	<b>4,535,384</b>	<b>(334,426)</b>	<b>-7.4</b>
Non-Operating (Income) Expense	1,296,879	-	1,296,879	0.0	(554,650)	1,851,529	-333.8	3,891,562	-	3,891,562	0.0	(812,199)	4,703,761	-579.1
<b>Net Income (Loss)</b>	<b>421,333</b>	<b>752,027</b>	<b>(330,694)</b>	<b>-44.0</b>	<b>885,266</b>	<b>(463,933)</b>	<b>-52.4</b>	<b>309,395</b>	<b>2,610,228</b>	<b>(2,300,833)</b>	<b>-88.1</b>	<b>5,347,582</b>	<b>(5,038,188)</b>	<b>-94.2</b>
Home Dept Staff Count	82	92	(10)	-10.9	87	(5)	-5.7	82	92	(10)	-10.7	87	(5)	-5.5
FTE Staff Count	83	92	(9)	-9.8	88	(5)	-5.6	84	92	(8)	-8.9	89	(5)	-5.9

Balance Sheet	Housing Authority (Rollup)						
	Nov-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	160,356,633	177,495,318	(17,138,685)	-9.7	159,877,379	479,254	0.3
Investments	20,547,424	23,111,855	(2,564,431)	-11.1	21,916,682	(1,369,258)	-6.2
Mortgage Backed Securities	390,469,818	389,348,288	1,121,530	0.3	429,563,737	(39,093,920)	-9.1
Loans - net of reserve for losses	129,456,686	136,261,320	(6,804,634)	-5.0	144,348,821	(14,892,135)	-10.3
Capital Assets (net of accumulated depreciation)	2,704,607	2,864,559	(159,952)	-5.6	2,886,426	(181,818)	-6.3
Other Assets	12,598,204	39,345,704	(26,747,500)	-68.0	38,973,444	(26,375,240)	-67.7
Deferred Outflows	4,222,385	6,758,681	(2,536,296)	-37.5	5,891,266	(1,668,881)	-28.3
<b>Total Assets and Deferred Outflows</b>	<b>720,355,758</b>	<b>775,185,725</b>	<b>(54,829,967)</b>	<b>-7.1</b>	<b>803,457,755</b>	<b>(83,101,998)</b>	<b>-10.3</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	352,287,880	377,962,589	(25,674,709)	-6.8	403,309,405	(51,021,526)	-12.7
Interest Payable	3,307,968	4,244,697	(936,729)	-22.1	4,273,854	(965,886)	-22.6
Unearned Income	4,746,373	4,084,961	661,413	16.2	5,038,105	(291,731)	-5.8
Escrow Deposits	14,798,797	7,196,146	7,602,651	105.6	6,279,777	8,519,020	135.7
Reserves for Claims	940,317	5,437,968	(4,497,651)	-82.7	5,265,170	(4,324,854)	-82.1
Accounts Payable & Accrued Liabilities	4,348,769	3,778,060	570,709	15.1	15,695,867	(11,347,098)	-72.3
Other liabilities	10,731,608	37,241,055	(26,509,447)	-71.2	37,241,055	(26,509,447)	-71.2
Deferred Inflows	1,524,352	-	1,524,352	0.0	-	1,524,352	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>392,686,063</b>	<b>439,945,474</b>	<b>(47,259,412)</b>	<b>-10.7</b>	<b>477,103,233</b>	<b>(84,417,170)</b>	<b>-17.7</b>
<b>Equity</b>							
YTD Earnings(Loss)	309,395	2,610,228	(2,300,833)	-88.1	5,347,582	(5,038,188)	-94.2
Prior Years Earnings	327,360,300	332,630,023	(5,269,722)	-1.6	321,006,940	6,353,360	2.0
Transfers	0	(0)	0		0	0	
<b>Total Equity</b>	<b>327,669,695</b>	<b>335,240,251</b>	<b>(7,570,556)</b>	<b>-2.3</b>	<b>326,354,522</b>	<b>1,315,173</b>	<b>0.4</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>720,355,758</b>	<b>775,185,725</b>	<b>(54,829,967)</b>	<b>-7.1</b>	<b>803,457,755</b>	<b>(83,101,998)</b>	<b>-10.3</b>

Income Statement	State Revolving Fund (Rollup)													
	Nov-2015							YTD as of Nov-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Operating Income</b>														
Interest Income	3,198,868	3,106,698	92,170	3.0	3,169,103	29,765	0.9	15,737,592	15,386,208	351,384	2.3	15,723,871	13,720	0.1
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	320,771	339,109	(18,338)	-5.4	310,808	9,963	3.2	1,727,585	1,678,933	48,652	2.9	1,571,994	155,591	9.9
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	0	(0)	-100.0
<b>Total Operating Income</b>	<b>3,519,639</b>	<b>3,445,807</b>	<b>73,832</b>	<b>2.1</b>	<b>3,479,911</b>	<b>39,728</b>	<b>1.1</b>	<b>17,465,177</b>	<b>17,065,141</b>	<b>400,035</b>	<b>2.3</b>	<b>17,295,866</b>	<b>169,311</b>	<b>1.0</b>
<b>Operating Expense</b>														
Interest Expense	2,439,589	2,446,095	(6,506)	-0.3	2,686,725	(247,136)	-9.2	12,000,983	12,249,914	(248,931)	-2.0	13,689,037	(1,688,054)	-12.3
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	55,600	55,439	161	0.3	49,573	6,027	12.2	278,888	286,742	(7,855)	-2.7	263,547	15,341	5.8
Operating Expenses	7,286	8,247	(961)	-11.7	6,250	1,036	16.6	44,060	41,011	3,049	7.4	33,274	10,786	32.4
Marketing Expense	359	2,200	(1,841)	-83.7	804	(445)	-55.4	3,969	11,000	(7,031)	-63.9	12,506	(8,537)	-68.3
Professional Services	20,779	20,708	72	0.3	21,414	(635)	-3.0	105,265	122,902	(17,637)	-14.4	155,428	(50,164)	-32.3
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	617,265	615,000	2,265	0.4	503,092	114,173	22.7	2,475,574	3,075,000	(599,426)	-19.5	2,841,926	(366,352)	-12.9
Overhead Allocation	6,460	6,413	47	0.7	5,842	618	10.6	34,893	33,187	1,706	5.1	30,429	4,465	14.7
<b>Total Operating Expense</b>	<b>3,147,338</b>	<b>3,154,102</b>	<b>(6,764)</b>	<b>-0.2</b>	<b>3,273,700</b>	<b>(126,361)</b>	<b>-3.9</b>	<b>14,943,632</b>	<b>15,819,756</b>	<b>(876,124)</b>	<b>-5.5</b>	<b>17,026,147</b>	<b>(2,082,516)</b>	<b>-12.2</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>372,301</b>	<b>291,705</b>	<b>80,596</b>	<b>27.6</b>	<b>206,211</b>	<b>166,089</b>	<b>80.5</b>	<b>2,521,545</b>	<b>1,245,385</b>	<b>1,276,160</b>	<b>102.5</b>	<b>269,718</b>	<b>2,251,827</b>	<b>834.9</b>
<b>Net Grant (Income) Expense</b>														
Grant Income	(3,738,160)	(3,846,443)	108,283	-2.8	(218,294)	(3,519,866)	1612.4	(35,125,469)	(19,285,679)	(15,839,790)	82.1	(1,478,152)	(33,647,317)	2276.3
Grant Expense	-	500,000	(500,000)	-100.0	368,752	(368,752)	-100.0	2,793,485	2,500,000	293,485	11.7	1,838,995	954,489	51.9
<b>Total Net Grant (Income) Expense</b>	<b>(3,738,160)</b>	<b>(3,346,443)</b>	<b>(391,717)</b>	<b>11.7</b>	<b>150,458</b>	<b>(3,888,618)</b>	<b>-2584.5</b>	<b>(32,331,984)</b>	<b>(16,785,679)</b>	<b>(15,546,305)</b>	<b>92.6</b>	<b>360,844</b>	<b>(32,692,828)</b>	<b>-9060.1</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>4,110,461</b>	<b>3,638,148</b>	<b>472,313</b>	<b>13.0</b>	<b>55,753</b>	<b>4,054,707</b>	<b>7272.6</b>	<b>34,853,529</b>	<b>18,031,064</b>	<b>16,822,465</b>	<b>93.3</b>	<b>(91,126)</b>	<b>34,944,655</b>	
<b>Non-Operating (Income) Expense</b>	<b>210,249</b>	<b>-</b>	<b>210,249</b>	<b>0.0</b>	<b>(223,499)</b>	<b>433,748</b>	<b>-194.1</b>	<b>78,617</b>	<b>-</b>	<b>78,617</b>	<b>0.0</b>	<b>(241,812)</b>	<b>320,429</b>	<b>-132.5</b>
<b>Net Income (Loss)</b>	<b>3,900,211</b>	<b>3,638,148</b>	<b>262,064</b>	<b>7.2</b>	<b>279,253</b>	<b>3,620,959</b>	<b>1296.7</b>	<b>34,774,912</b>	<b>18,031,064</b>	<b>16,743,848</b>	<b>92.9</b>	<b>150,686</b>	<b>34,624,226</b>	
Home Dept Staff Count	4	4	-	0.0	4	-	0.0	4	4	-	0.0	4	-	0.0
FTE Staff Count	5	6	(1)	-14.9	6	(1)	-13.4	5	6	(1)	-11.3	5	(0)	-5.8

Balance Sheet	State Revolving Fund (Rollup)						
	Nov-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	171,734,835	205,130,939	(33,396,104)	-16.3	225,249,916	(53,515,081)	-23.8
Investments	117,863,576	93,004,143	24,859,433	26.7	81,206,262	36,657,314	45.1
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	1,487,365,258	1,457,699,074	29,666,184	2.0	1,431,911,800	55,453,458	3.9
Capital Assets (net of accumulated depreciation)	7,361	7,361	(0)	0.0	51,528	(44,167)	-85.7
Other Assets	20,552,548	21,418,112	(865,564)	-4.0	20,592,886	(40,338)	-0.2
Deferred Outflows	25,018,462	24,987,580	30,882	0.1	2,868,308	22,150,154	772.2
<b>Total Assets and Deferred Outflows</b>	<b>1,822,542,040</b>	<b>1,802,247,209</b>	<b>20,294,831</b>	<b>1.1</b>	<b>1,761,880,700</b>	<b>60,661,340</b>	<b>3.4</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	949,575,556	949,575,556	-	0.0	938,531,079	11,044,477	1.2
Interest Payable	12,407,284	12,407,284	(0)	0.0	12,816,294	(409,010)	-3.2
Unearned Income	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	763,334	694,339	68,995	9.9	1,607,914	(844,580)	-52.5
Other liabilities	269,655	-	269,655	0.0	-	269,655	0.0
Deferred Inflows	102,838	-	102,838	0.0	-	102,838	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>963,118,668</b>	<b>962,677,180</b>	<b>441,488</b>	<b>0.0</b>	<b>952,955,288</b>	<b>10,163,380</b>	<b>1.1</b>
<b>Equity</b>							
YTD Earnings(Loss)	34,774,912	18,031,064	16,743,848	92.9	150,686	34,624,226	22977.7
Prior Years Earnings	824,656,460	821,538,965	3,117,496	0.4	808,774,726	15,881,734	2.0
Transfers	(8,000)	-	(8,000)		0	(8,000)	
<b>Total Equity</b>	<b>859,423,372</b>	<b>839,570,029</b>	<b>19,853,343</b>	<b>2.4</b>	<b>808,925,412</b>	<b>50,497,960</b>	<b>6.2</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>1,822,542,040</b>	<b>1,802,247,209</b>	<b>20,294,831</b>	<b>1.1</b>	<b>1,761,880,700</b>	<b>60,661,340</b>	<b>3.4</b>

FIN 16-01

Authorization Proceedings

Des Moines, Iowa

January 6, 2016

The Board of the Iowa Finance Authority (the "Authority") met on January 6, 2016 at 11:00 o'clock a.m. at 2015 Grand Avenue, Des Moines, Iowa. The meeting was called to order and there were present in person or by telephonic conference Ruth Randleman, in the Chair, and the following named Board Members:

\_\_\_\_\_  
\_\_\_\_\_

Absent: \_\_\_\_\_

Matters were discussed concerning adoption of a program guide and related documents for the Authority's Mortgage Credit Certificate Program. Whereupon Board Member \_\_\_\_\_ introduced a resolution entitled:

Resolution Adopting and Approving forms of Program Documents in connection with the Authority's Mortgage Credit Certificate Program; and Delegating Certain Responsibilities to the Executive Director for Finalizing Certain Matters, Forms and Contents of Certain Documents

and moved its adoption, seconded by Board Member \_\_\_\_\_. After due consideration of said Resolution by the Board, the Chair put the question on the motion, the following named Board Members voted:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Whereupon, the Chair declared said Resolution duly adopted and approval was signed thereto.

•••••

Upon motion and vote the meeting adjourned.

\_\_\_\_\_  
Ruth Randleman, Chair

Attest:

(Seal)

\_\_\_\_\_  
David D. Jamison  
Executive Director/Secretary

STATE OF IOWA    )  
                          ) ss.  
COUNTY OF POLK )

I, the undersigned, do hereby depose and certify that I am the duly appointed, qualified and acting Secretary of the aforementioned Iowa Finance Authority and that as such I have in my possession or have access to the complete corporate records of said Authority; that I have carefully compared the transcript hereto attached with the aforesaid corporate records; and that said transcript attached hereto is a true, correct and complete copy of all the corporate records in relation to the adoption of the Resolution referred to therein.

Witness my hand and the seal of the Iowa Finance Authority this 6<sup>th</sup> day of January, 2016.

\_\_\_\_\_  
David D. Jamison  
Secretary

(Seal)

Resolution Adopting and Approving forms of Program Documents  
in connection with the Authority's Mortgage Credit Certificate  
Program; and Delegating Certain Responsibilities to the Executive  
Director for Finalizing Certain Matters, Forms and Contents of  
Certain Documents

BE IT RESOLVED BY THE IOWA FINANCE AUTHORITY (the "Authority"), as follows:

Section 1. Approval of Forms of Mortgage Credit Certificate Program Documents. Pursuant to a Resolution adopted by the Board on September 9, 2015, the Authority determined to proceed with filing a Notice of Election with the U.S. Internal Revenue Service converting \$160,565,724 of private activity bond volume cap to a mortgage credit certificate program (the "Program"). Consistent with that Resolution, the Authority hereby approves the substantially final forms, agreements and Program manuals (together, the "Program Documents") attached to this Resolution as Exhibit A, for implementation and administration of the Program. Authority is hereby delegated to the Executive Director to finalize and approve such items in connection with the establishment and on-going administration of the Program, including any revisions deemed necessary from time to time.

Section 2. General and Specific Authorizations. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (1) authorizes and directs all of the officers, employees and agents of the Authority to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any one of them, in consultation with counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, the Program, the Program Documents, and the issuance of mortgage credit certificates including without limitation and whenever appropriate, the execution and delivery thereof and of all other related documents, instruments, certifications and opinions including but not limited to agreements with participating lenders, and (2) delegates the right, power and authority to the Executive Director of the Authority to exercise his own independent judgment and discretion upon advice of counsel in determining and finalizing the terms, provisions, form and contents of the Program Documents. The execution and delivery by the Executive Director or by any such other officer, officers, agent or agents of the Authority of the Program Documents, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the action so taken.

Passed and approved this 6<sup>th</sup> day of January, 2016.

---

Ruth Randleman, Chair

Attest:

---

David D. Jamison  
Executive Director/Secretary

(Seal)

## **Exhibit A – Forms of Program Documents**



IOWA FINANCE  
AUTHORITY

**Take Credit  
Mortgage Credit Certificate  
Program Guide**

**January~~March~~ 2015~~2016~~**

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## 1. Introduction

The Iowa Finance Authority ("IFA") was created in 1975 by the Iowa Legislature for the purpose of providing decent, safe, affordable and sanitary housing for eligible Iowans. The Mortgage Credit Certificate (MCC) was authorized by Congress in the 1984 Tax Reform Act as a new method of enhancing housing affordability and promoting homeownership. Pursuant to Section 25 of the Internal Revenue Code of 1986, as amended (the "Code"), the Iowa Finance Authority ("IFA") may elect not to issue certain amounts of qualified mortgage bonds (which it could otherwise issue in a calendar year) and make up to 25% of such amounts available for Mortgage Credit Certificates.

The MCC is a federal income tax credit that is applied against the certificate holder's federal income tax liability. The amount of the credit is based on a percentage of the mortgage interest paid in a given tax year. This percentage is referred to as the "credit rate" and the Code permits IFA to establish the credit rate from 10% to 50%. For credit rates above 20%, the Code limits the amount of credit that can be taken in any taxable year to \$2,000. The eligibility requirements for the MCC are generally the same as a Mortgagor must meet to qualify for financing through a mortgage revenue bond program such as IFA's FirstHome Program. Both the MCC and the qualified mortgage revenue bonds refer to Section 143 of the Code when defining Mortgagor eligibility. Therefore, IFA uses the same procedures for verification and determination of eligibility for MCCs as it does for its FirstHome Program.

A prospective purchaser of a new or existing single family residence may apply for an MCC through a Participating Lender as a part of the process of obtaining financing from the lender. Eligibility is verified by the Participating Lender at the time of financing approval. The Participating Lender reserves the MCC through IFA's Lender Online system and submits the application and eligibility documentation to IFA for review prior to closing. A preliminary determination of eligibility is performed by IFA and if an applicant appears eligible, IFA will provide a written Commitment of funds. After closing, the lender must upload documentation of the closing along with any outstanding items noted during the pre-closing review. If approved Final eligibility is then determined and, IFA will issue a the Mortgage Credit Certificate to the an eligible Mortgagor following closing. The homeowner may then use the certificate to document eligibility for the tax credit when filing federal tax returns annually. An MCC will not be issued with respect to a Mortgage Loan that closed prior to receiving written approval from IFA in the form of a Notice of Commitment.

This Program Guide sets forth the administrative policies and procedures that will be used when IFA elects to make some of its private activity bond volume cap available for MCCs. Since the State of Iowa receives a limited amount of bond volume cap each calendar year, these policies are necessary to ensure equitable and timely use of resources for qualified homebuyers.

From time to time, this Program Guide may be amended by IFA in response to changing tax laws, market conditions or other factors. The Executive Director is authorized to approve changes to this Program Guide and such changes will be communicated through the issuance of revision pages. Revisions will be effective as of date of issue, or later date, as specified.

## 2. Benefit to Homebuyers

### A. Amount of the Credit

The Mortgage Credit Certificate (MCC) is a federal tax credit against the amount of federal income taxes due from the Mortgagor. The amount of the credit is based on a percentage of the mortgage interest paid in a given tax year. IFA has established a credit rate of 50% for its program and each Mortgagor is, therefore, subject to a maximum of \$2,000 of credit that can be taken in any taxable year.

The amount of tax credit taken in any given taxable year cannot exceed the Mortgagor's annual federal income tax liability after all other credits and deductions. The itemized deduction for mortgage interest is reduced by the amount of the MCC tax credit taken. Any unused credit will be a carryover to each of the 3 succeeding taxable years, subject to limitations in the Code capping the tax credit at \$2,000 in any taxable year.

### B. Reissuance at Refinance

The annual tax credit may be taken each year for the life of the original mortgage so long as the Mortgagor continues to occupy the property as a principal residence. The MCC may be re-issued if the Mortgagor refinances; however, the credit may not be taken beyond the term of the original mortgage.

A certificate is considered validly re-issued only if all the following conditions are met:

- 1) The Mortgage being refinanced has a valid MCC at the time of closing on the financing for which the reissuance is requested.
- 2) IFA receives a complete application for reissuance within 45 days of closing on the financing for which the reissuance is requested.
- 3) The Mortgagor continues to meet all applicable requirements for use of the Mortgage Credit Certificate under the Code at the time the certificate is re-issued.

### C. Transferability at Sale

Only with written approval from IFA, and with the satisfaction of certain conditions established in the Code, the MCC may be transferred in connection with purchase of the residence by a new homebuyer. A certificate that is transferred with the approval of IFA is a qualified mortgage credit certificate in the hands of the transferee only if all of the following conditions are met:

- 1) The transferee assumed liability for the remaining balance of the certified indebtedness amount in the connection of the residence from the transferor,
- 2) IFA issues a new certificate to the transferee,

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- 3) The transferee meets the requirements of mortgage credit certificate eligibility under the Code at the time the new certificate is issued. For example, the acquisition costs for the property are within the purchase price limits at the time of the assumption, the transferee meets any income limits in place at the time of transfer, and any first-time homebuyer qualifications are met.

Lenders should notify IFA of any proposed assumption of a Mortgage Loan and transfer of MCC, and proceed through each of the steps outlined herein for obtaining an MCC, including completion of all required documents, as if the MCC were being issued for the first time.

#### ***D. Recapture Provisions***

A portion of the federal subsidy provided by the MCC may be subject to “recapture” upon a disposition of the subject property. Three criteria will trigger recapture of the subsidy. All three criteria must occur in order for the recapture (subsidy repayment) to be required. The three criteria triggering recapture are:

1. Sale of the subject property within nine years;
2. Realization of a gain from the sale; AND
3. Household income increases more than 5% per year above the loan program limit in effect when the loan closed.

IFA requires execution of the **Homebuyer Document** (Form MCC02 - Exhibit C-2) which consists of a written statement informing the Mortgagor of the potential recapture of a portion of the federal subsidy pursuant to Section 143(m) of the Code. This statement must be executed by the Mortgagor and is a standard form required by IFA as a condition of issuing the certification.

### **3. Eligible Financing**

An MCC may be issued only for a new mortgage and shall not be issued to a homebuyer who is refinancing an existing mortgage or land contract. If any Mortgagor has an ownership interest in the subject property to be financed, such financing will not qualify as a new purchase and, therefore, will not be eligible for the MCC. A Mortgagor may not be issued an MCC in conjunction with a mortgage financed with tax exempt bonds, including IFA’s FirstHome and FirstHome Plus Programs. However, the MCC may be used in conjunction with IFA’s Homes for Iowans Program, Homes for Iowans Plus, and the Military Homeownership Assistance Program as well as other non-IFA first mortgage financing provided, however, that such financing is in the form of a 30-year fixed rate fully amortizing first mortgage loan and meets all other program requirements. Only one mortgage may be used to finance the subject property, and meets all other program requirements.

### **4. Homebuyer Eligibility**

The Take Credit Program will be available only to borrowers making a new purchase occurring after the effective date of ~~an MCC resource allocation~~ the Program for each allocation of funding by IFA who have

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met all other procedural and eligibility criteria. [The effective date of the 2016 Take Credit Program is January 11, 2016.](#) The program shall not be available retroactively for home purchases that occurred prior to the effective date of any MCC allocation by IFA or for borrowers who did not receive a **Notice of Commitment** (MCC 04 – Exhibit C-4) for the MCC from IFA prior to closing. To be eligible to receive an MCC under Section 25 of the Code, a Mortgagor must meet each of the requirements set forth in subsections 4.A.-E.

***A. First-Time Homebuyer***

The Mortgagor must have the legal capacity to incur the obligations of the Mortgage Loan. The Mortgagor must qualify as a First-Time Homebuyer or meet one of two exceptions for veterans and individuals purchasing a home in a federally designated target area. A more detailed description of each of these categories is provided in the following paragraphs. To qualify as a First-Time Homebuyer a Mortgagor may not have had an ownership interest in a principal residence at any time during the three year period preceding the date of execution of the mortgage. This requirement applies to the persons who will execute the note establishing an interest in the property being financed.

Present ownership interest includes:

- A fee simple interest;
- An individual tenancy, joint tenancy, a tenancy in common, or a tenancy by the entirety;
- The interest of a tenant shareholder in a cooperative;
- A life estate;
- A land contract, under which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time;
- An interest held in trust for the Mortgagor (whether or not created by the Mortgagor) that would constitute a present ownership interest if held directly by the Mortgagor;
- An ownership interest in a mobile home that is taxed as real estate.

Interests that do not constitute a present ownership interest include:

- Remainder interest;
- An ordinary lease with or without an option to purchase;
- A mere expectancy to inherit an interest in a Principal Residence;
- The interest that a purchaser of a residence acquires on the execution of an accepted offer to purchase real estate;
- An interest in other than a Principal Residence during the previous three years (e.g. recreational/seasonal home); or
- An ownership interest in a mobile home which is not permanently attached to the land and is taxed as Personal Property.

### **Required Documentation of First-Time Homebuyer Eligibility**

The Lender shall verify the First-Time Homebuyer requirement by obtaining from each prospective Mortgagor copies of the Mortgagor's signed tax returns which were filed with the Internal Revenue Service for the three years preceding the execution of the Mortgage and shall examine each return to determine whether the Mortgagor has claimed a deduction for taxes on real property which was the Mortgagors principal residence pursuant to Section 164(a)(1) of the Code, or a deduction pursuant to Section 163 of the Code for interest paid on a mortgage secured by real property which was the Mortgagor's principal residence. If such a deduction was claimed, the Lender must make additional investigations. In the event the tax returns do not include all information needed to determine first time homebuyer status, additional verification may be required. For example, in the instance that the borrower's current address is different from the prior year's tax return, a separate verification of rent may be required. Lender must also obtain and submit an **Affidavit of Purchaser** (MCC 01- Exhibit C-1), completed and fully executed by the Mortgagor and Lender which certifies that the Mortgagor meets the applicable eligibility requirements.

#### ***B. Exempt Veteran***

A veteran who has been discharged with a status other than dishonorable and who has not participated in a qualified mortgage revenue bond program previously is exempt from the first-time homebuyer definition.

### **Required Documentation of Exempt Veteran Status**

To verify a veteran's exemption from the first-time homebuyer requirement, the lender must obtain a DD-214 from the Veteran's Administration and submit such form to IFA with the Pre-Closing Compliance Package. Lender must obtain and submit an **Affidavit of Purchaser** (MCC 01- Exhibit C-1), completed and fully executed by the Mortgagor and Lender which certifies that the Mortgagor meets the applicable eligibility requirements.

#### ***C. Targeted Area***

A Mortgagor purchasing a home in federally designated Target Area need not meet the definition of a First-Time Homebuyer. Current targeted area delineations throughout Iowa can be found on the IFA website at [www.iowafinanceauthority.gov](http://www.iowafinanceauthority.gov). Lender must obtain and submit an **Affidavit of Purchaser** (MCC 01- Exhibit C-1), completed and fully executed by the Mortgagor and Lender which certifies that the Mortgagor meets the applicable eligibility requirements.

### ***D. Principal Residence/Occupancy Requirement***

The Mortgagor must intend to occupy the financed dwelling as a principal residence ~~within 60 days~~**immediately** after the closing of the loan and must intend to maintain the property as his or her principal residence. A certification of owner occupancy must be executed by the Mortgagor in the **Purchaser's Affidavit (MCC 01)**. The Mortgagor must agree not to rent the subject property at any time during the term of the Mortgage Loan and must acknowledge and agree that the Mortgage Credit Certificate is not transferable, except with the written approval of IFA as described in section 2.C. herein. The Mortgagor must agree to notify the Authority at any time the subject property ceases to be the principal residence of the Mortgagor. The MCC is treated as revoked when the residence ceases to be the holder's principal residence, and the holder is no longer entitled to a federal income tax credit from and after such time.

### ***E. Income Eligibility***

The Mortgagor must meet the federal income limits for the program which are posted on the IFA website at [www.iowafinanceauthority.gov](http://www.iowafinanceauthority.gov). Income limits are published for each county in the state with separate limits for Mortgagors purchasing in federally designated target areas and are subject to change periodically. The income to be considered when determining eligibility is the gross annual income projected for the year following the date of the mortgage application. It must include the income for the Mortgagor and all title holders as well as the spouses of the Mortgagor and all title holders. The income of all Mortgagors, title holders and spouses must be verified and considered for the purposes of determining whether the income limits for the program have been exceeded, even if the income is not considered for credit underwriting purposes. The total annual gross income cannot exceed the applicable income limits provided on the IFA website.

Gross annual income includes projected income from:

- Salary, commissions, bonuses, tips, earnings from part-time employment;
- Interest, dividends, gains on sale of securities;
- Annuities, pension, royalties;
- Veterans Administration compensation, public assistance, social security benefits, unemployment compensation, and sick pay;
- Net rental income (including contract-for-deed income), income received from business activities or investments;
- Alimony, child support; and
- Estate or trust income.

### **Required Documentation of Income Eligibility**

The lender must submit documentation of applicant income eligibility by gathering income verification for all Mortgagors, title holders and their spouses. The income of a Mortgagor's spouse must be included in the gross annual income for the MCC applicant, unless the Mortgagor is legally divorced

from his or her spouse. The lender must submit a copy of a divorce decree signed by a judge in order to be considered “legally divorced”. A legal separation agreement or a petition for dissolution will not suffice. Verification of income may include but is not limited to copies of:

- Certified tax returns
- Verification of Employment
- Copies of paystubs
- Non-working – 1010 Warning Statement and past year IRS Transcript showing no record found
- Current award letter for Social Security, Supplemental Security Income, Pensions and Grants/Scholarships
- Child support stipulations, divorce decree
- 1099 for additional income

IFA, at its discretion, may require any other type of documentation it deems necessary to make an accurate determination of eligibility. An MCC will not be issued to applicants whose household income eligibility has not been adequately documented.

#### ***F. Payment of MCC Application Fee***

The Mortgagor shall pay an application fee in accordance with the fee schedule provided as Exhibit B of this Program Guide. The application fee shall be collected by the Participating Lender and submitted by the Participating Lender to IFA at the time of the MCC request. The fee schedule is subject to change periodically at the discretion of IFA.

### **5. Property Eligibility**

The residence for which the MCC is requested must be located in the State of Iowa. The issuance of a mortgage credit certificate may be connected to financing for any of the following property types:

- A single-family detached residence;
- A condominium unit;
- A manufactured home permanently affixed to a foundation and taxed as real estate;
- A modular home built to state building codes and delivered to the site in modular sections.

#### ***A. Ineligible Properties***

A mortgage credit certificate may not be issued in connection with financing for the following property types:

- A unit in a Cooperative Corporation or a limited equity Cooperative Corporation;
- A property consisting of more than one residential unit;
- Recreational or seasonal home;
- A property intended to be used as an investment property
- A property where 15% or more of the total area of the property is used primarily in a trade or business in a manner which would permit the Mortgagor to take a deduction for any portion of

the costs of the property expenses incurred in connection with such trade or business use of the property on the Mortgagor's federal income tax return.

- An MCC cannot be issued to a homebuyer refinancing an existing mortgage or land contract.

### ***B. Acquisition Cost Limit***

Acquisition cost is the cost of acquiring an eligible property from the Seller as a completed residential unit. The acquisition cost of a property may not exceed the applicable limits posted on the IFA website at [www.iowafinanceauthority.gov](http://www.iowafinanceauthority.gov).

When determining whether a property is within the acquisition cost limit, include the following costs:

- All amounts paid either in cash or in kind by the Mortgagor (or by a related party for the benefit of the Mortgagor) to the Property Seller (or to a related party for the benefit of the Property Seller) as consideration for the property;
- All amounts paid by or on behalf of the Mortgagor and required to complete or repair a residence whether or not the cost of such completion or repairs is to be financed (which may be agreed upon beyond the contractually provided purchase price);
- The purchase price as well as all repair costs for FHA 203K Streamlined loans;
- For new construction the value of land, as determined by the appraiser, must be included if purchased less than 24 months prior to the date on which construction begins or through a non-arms length transaction;
- All special assessments paid or assumed by the Mortgagor.

When determining whether a property is within the acquisition cost limit, the following costs are not included except as indicated:

1. The usual and reasonable settlement and financing costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Financing costs include credit reference fees, legal fees, appraisal expenses, permitted origination fees which are paid by the buyer (but not the seller, even though borne by the Mortgagor through a higher Purchase Price) or other costs of financing the residence. However, such amounts will be excluded in determining acquisition cost, for purposes of the Purchase Price limitation, only to the extent that the amounts do not exceed the usual and reasonable costs which would be paid by the buyer where financing is not provided in connection with an MCC Program. For example, if the purchaser agrees to pay to the seller more than a pro rata share of property taxes, such excess shall be treated as part of the acquisition cost of a residence, for purposes of the Purchase Price limitation.

2. The value of services performed by the Mortgagor or members of the Mortgagor's family in completing the residence. For purposes of the preceding sentence, the family of an individual shall include only the individual's brothers and sisters, spouse, ancestors and lineal descendants. For example, where the Mortgagor builds a residence with the help of family members, the acquisition cost includes the cost of materials provided and work performed by subcontractors (whether or not related to the Mortgagor) but does not include the imputed cost of any labor actually performed by the Mortgagor or a member of the Mortgagor's family in constructing the residence.
3. The cost of land which has been owned by the Mortgagor for at least two (2) years prior to the date on which construction of the residence begins.

### ***C. Excess Property***

A mortgage credit certificate may not be issued in connection with a financing that includes excess land beyond what is necessary to maintain the basic livability of the dwelling.

- The land being financed may not provide other than incidental income to the Mortgagor;
- The appraiser must state that the subject lot is not greater in size than other residential parcels in the community;
- The land may not comprise more than one parcel or be eligible for legal subdivision unless the appraiser states that the land is commensurate in size with other residential parcels in the community, and the Mortgagor must certify that he or she has no intention of selling or leasing any portion of the land being financed.

## **6. Participating Lender Eligibility & Terms**

### ***A. Eligibility Requirements for Lending Institutions***

IFA will disseminate a summary of the Take Credit MCC Program to mortgage lenders operating within Iowa. Any lender that is legally authorized to make real estate mortgage loans in Iowa is eligible to participate in the Take Credit MCC Program provided they enter into [and adhere to](#) the Lender Participation Agreement (Exhibit A) with IFA. Lenders may become a Take Credit Participating Lender by submitting a fully executed Lender Participation Agreement to IFA and paying any required participation fee. Each participating lender shall pay a participation fee in accordance with the schedule provided as Exhibit B. The fee schedule is subject to change periodically at the discretion of IFA.

The MCC must be requested by the lending institution in whose name the loan closes and that entity must be registered as a Take Credit Participating Lender. The entity in whose name the loan closes is responsible for fulfilling all IRS reporting and recordkeeping obligations.

Prospective Mortgagors may contact a Take Credit Participating Lender directly, or may contact IFA for a list of Take Credit Participating Lenders. Prospective Mortgagors may request the MCC through any Take Credit Participating Lender.

### ***B. Lender Compensation***

The lender may collect compensation for costs incurred in processing the MCC in accordance with the fee schedule set forth as Exhibit B. This fee schedule is subject to change periodically at the discretion of IFA.

### **Unauthorized Compensation**

Lender may receive fees approved in this Program Guide; however, lender shall not receive or demand from realtor, builder, property seller, or Mortgagor:

- Kickbacks;
- Commissions; or
- Other Compensation.

Lenders may not charge MCC applicants any other fees that are not charged to other Mortgagors, including, but not limited to, origination fees that are not charged to other Mortgagors for the same product. Applicants may be required to pay any fees that would be considered reasonable and customary for mortgages that are not in conjunction with an MCC.

### ***C. Program Guide Adherence***

This Program Guide, including subsequent changes and additions, is a supplement to the Lender Participation Agreement for Iowa Finance Authority's Mortgage Credit Certificate Program, as amended or supplemented, executed between the Lender and Iowa Finance Authority. It is incorporated into such Lender Participation Agreement by reference and is a part thereof as fully as if set forth in such Lender Participation Agreement at length.

Iowa Finance Authority reserves the right to:

- Alter or waive any of the discretionary requirements herein;
- Impose other or additional requirements;
- Rescind or amend any or all materials effective as of the date of issue unless otherwise stated; and,
- Grant waivers, alterations or make revisions at its sole discretion

### ***D. Evidence of Misconduct Referred to Attorney General***

Iowa Finance Authority will refer any evidence of fraud, misrepresentation, or other misconduct in connection with the operation of this program to the Iowa Attorney General's office for appropriate

legal action. If, after a certificate is issued, a Lender discovers any material misstatements or misuse of the program by the Mortgagor or others, the Lender shall promptly report such discovery to Iowa Finance Authority.

### ***E. Termination of Lender Participation***

IFA may terminate participation of any lender under the Mortgage Credit Certificate Program at any time and may preclude Lender's future eligibility for reasons including, but not limited to, noncompliance with:

- This Program Guide;
- The Lender Participation Agreement;
- The Federal Fair Housing Law and/or the Equal Credit Opportunity Act;
- Any federal or state laws or acts that protect the Mortgagor's rights with regard to obtaining financing for homeownership; and
- Other applicable state and federal laws, rules, and regulations.

## **7. Procedures for Issuance of MCC**

### ***A. Reservation of MCC Funding***

The Mortgagor initiates the process by applying for financing from a Take Credit Participating Lender. The Take Credit Participating Lender preliminarily determines if the loan applicant is a likely candidate for an MCC, based on preliminary indications of income, prior home ownership, tax liability, and home purchase price. If the Lender determines that the borrower meets the applicable eligibility criteria for an MCC and the borrower has executed a bona fide purchase agreement for the subject property, the lender may reserve funds for the borrower when the loan is within 60 days of closing.

Any funds made available for Mortgage Credit Certificates will be posted in IFA's online lender portal, Lender Online, where Take Credit Participating Lenders must reserve the MCC on behalf of each eligible homeowner. New reservations will be accepted on a first-come first-serve basis and Lender Online will stop accepting new reservations once the available capacity has been exhausted. Reservations will expire after 60 days if no closing has been confirmed. The MCC capacity for any expired reservation will be automatically placed back in circulation by Lender Online and made available for new reservations.

The financing for which the MCC is being reserved must close during the reservation period. If the financing does not close within the reservation period, the borrower will lose the lock on the MCC funds and will be subject to IFA's Product Reservation and Rate Lock Policy with respect to re-locks. A re-lock shall be granted at IFA's sole discretion and only if funds are available. Only one re-lock request will be permitted per reservation.

~~-and will be subject to IFA's relock policy. IFA's relock policy allows funds to be relocked when it is within 10 days of closing at IFA's discretion but only if funds are available. Only one relock request will be permitted per MCC reservation.~~

### ***B. Computation of the Mortgage Credit Certificate***

The value of the MCC is computed by multiplying the applicable credit rate times the interest paid by the Mortgagor each year for the life of the mortgage up to 30 years. IFA has adopted a flat maximum mortgage credit rate of 50%. This means that a Mortgagor can claim an annual federal tax credit of up to 50% of interest paid during the tax year on the mortgage loan (subject to a maximum credit of \$2,000 in any year). The lender shall provide this calculation to the borrower to demonstrate the benefit of applying for the MCC.

### ***C. Lender Underwriting***

The Participating Lender is responsible for ensuring adherence to normal underwriting procedures and determining general acceptability in accordance with applicable FNMA, FHLMC, FHA, VA and private mortgage insurance standards and underwriting guidelines. This includes performing the usual verifications for loan underwriting. In conjunction with the Lender's regular verification process, and under the terms of the Lender Participation Agreement with IFA, the Lender performs reasonable investigation as to whether the Take Credit MCC Program requirements have been met. The Lender may verify these facts at different times and in various ways, depending upon the Lender's particular procedures for processing loans.

### ***D. Submission of the MCC Pre-Closing Compliance Package to IFA***

Prior to the Mortgage Loan closing, and as early as possible in the loan processing, the Lender must upload all necessary documents to IFA via Lender Online. The necessary documents are listed on a Pre-Close Checklist and Transmittal form (MCC 06 – Exhibit C-6) which shall be available in Lender Online for use by Participating Lenders. This checklist may be updated from time to time and lenders shall use the version of the form available in Lender Online at the time of any submission. All documents listed on the checklist must be completed and signed where appropriate for the submission to be complete.

### ***E. IFA Review of MCC Pre-Closing Compliance Package***

Upon receipt of the uploaded Pre-Closing Compliance Package in Lender Online, IFA will review the package for completeness and determines whether or not all necessary verifications are present to confirm preliminary eligibility for the MCC. If the Pre-Closing Compliance Package is not complete, IFA will notify the lender of any outstanding conditions that must be met to receive a **Notice of Commitment** of funds. IFA will complete this review within 5 business days of receipt of the Pre-Closing Compliance Package.

### ***F. IFA Notice of Commitment***

If IFA determines the Pre-Closing Compliance Package is acceptable, IFA will send the Lender a written **Notice of Commitment** (MCC 04 – Exhibit C-4) by e-mail. Incomplete submissions will not receive a **Notice of Commitment** from IFA. A **Notice of Commitment** shall not be issued with respect to a Mortgage Loan that is closed before IFA has received the Pre-Close Submission Package with all items listed on the **Pre-Close Checklist and Transmittal form**. The **Notice of Commitment** constitutes a preliminary determination of borrower eligibility but is not a guarantee of issuance. Issuance of the MCC is contingent on final approval upon satisfaction of all pre and post-close compliance conditions.

The MCC reservation completed by the Lender in Lender Online reserves the estimated mortgage amount for a particular borrower. The Lender should immediately notify IFA if the anticipated amount of the Mortgage is expected to increase and thus exceed the Certified Indebtedness Amount indicated in the **Notice of Commitment**. If unreserved amounts are still available, the Commitment may be amended to provide for the increased amount of the Mortgage.

An executed Commitment remains valid for the later of the expiration of the initial reservation period~~sixty (60) days after the issuance of the Commitment~~ or thirty (30) days after loan closing; provided, however, that no Commitment may extend beyond the last date on which IFA may issue MCCs pursuant to a specific election under federal law. A reservation for which a complete post-close package is not received by IFA (including satisfaction of all conditions for approval), prior to expiration of the Commitment will be cancelled. The Commitment Notice shall not be interpreted as an extension of the reservation period. The subject financing must close within the reservation period. The Commitment Notice holds funds for up to 30 days after closing, provided the subject financing closes within the reservation period, to allow time for submission of the post-closing documents. Extensions may be granted by IFA staff at its sole discretion. Commitment extensions may be granted in accordance with IFA's Product Reservation & Rate Lock Policy and at IFA's sole discretion if funding is available. If granted by IFA, commitment extensions shall be subject to the fee schedule included as Exhibit B and no more than one 30-day extension shall be permitted per reservation.

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### ***G. Post-Closing Compliance Submission***

The lender must submit all items required for final approval and issuance of the MCC during the commitment period. As soon as possible after closing, the Lender uploads all required documents to IFA in Lender Online. The lender shall report to IFA any changes that have occurred since the issuance of the Commitment. The documents required by IFA post-closing are listed on the **Post-Close Checklist and Transmittal** (MCC 07) available to the Lender in Lender Online. This checklist may be updated from time to time and lenders shall use the version of the form available in Lender Online at the time of any submission. If final documents, including satisfaction of all outstanding pre- and post-close conditions, are not received by the expiration of the Commitment, including any extensions that may have been granted, the reservation will be canceled with no further opportunity for issuance of the MCC. ~~A canceled reservation shall be subject to IFA's re-lock policy if funding is available and at IFA's sole discretion.~~

### ***H. IFA Issuance of MCC***

Upon determination of final eligibility, IFA shall provide to the Mortgagor the executed **Mortgage Credit Certificate** and provide a copy to the Lender. The **Mortgage Credit Certificate** shall specify the Certified Indebtedness Amount and the applicable Credit Rate. An MCC shall not be issued with respect to a Mortgage Loan that is closed prior to receiving a **Notice of Commitment** from IFA.

### ***I. Revocations***

Automatic revocation occurs when the residence with respect to which the MCC was issued ceases to be the MCC holder's principal residence. A Mortgagor will have their MCC revoked if the Mortgagor does not meet the requirements for a qualified MCC. Revocation will occur upon the discovery of any material misstatement, whether negligent or fraudulent.

## **8. Record Keeping and Federal Report Filing**

The following records and reports are required for the MCC Program:

1. The originating Lender must file an annual report using IRS Form 8329.
2. For six (6) years, the originating Lender must retain:
  - a. Name, address, TIN (social security number or tax identification number) of the MCC Holder.
  - b. Name, address, TIN of IFA.
  - c. Date the Mortgage Loan was closed, Certified Indebtedness Amount, and Mortgage Credit Certificate Rate, as specified on the Mortgage Credit Certificate.
3. IFA must make quarterly reports on IRS Form 8330 and additional annual reports. The reports must include:
  - a. Name, address, TIN of IFA.
  - b. Date of election.

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- c. The sum of the products of the Certified Indebtedness Amount and the Mortgage Credit Certificate Rate for each MCC.
- d. Name, address, TIN of each MCC holder where an MCC was revoked.
- e. Annually, the Number of Mortgage Credit Certificates by Income and Acquisition Cost Table required by federal IRS reporting regulations.
- f. Annually, the Volume of Mortgage Credit Certificates by Income and Acquisition Cost as required by IRS reporting regulations.

## Glossary of Terms

TERM	DEFINITION
Take Credit Participating Lender	Any <del>person legally entity</del> authorized to engage in the business of making loans of the general character of Mortgage Loans and meeting the qualifications for a Take Credit Participating Lender set forth in the Program Guide and Lender Participation Agreement.
Maximum Household Income Limit	The maximum Annual Family Income permitted by the Program of an Eligible Mortgagor. Updated Maximum Household Income Limits will be posted on the IFA website at <a href="http://www.iowafinanceauthority.gov">www.iowafinanceauthority.gov</a> .
Maximum Purchase Price	The Maximum Purchase Price means the maximum acquisition cost permitted by the Program for an eligible Mortgagor. Updated Maximum Purchase Price limits will be posted on the IFA website at <a href="http://www.iowafinanceauthority.gov">www.iowafinanceauthority.gov</a> .
MCC	Mortgage Credit Certificate.
Mortgage	The written instrument securing the related Mortgage Loan and encumbering a Single-Family Residence.
Credit Rate	The percentage of mortgage interest to be used in calculating the amount of the tax credit for a given certificate holder. The credit rate is specified by IFA in the Mortgage Credit Certificate in accordance with the Program Guide.
Mortgage Loan	A mortgage loan to an Eligible Mortgagor evidenced by a Mortgage Note secured by a related Mortgage on a Single-Family Residence located in the State to which a Mortgage Credit Certificate applies.
Mortgage Note	The written instrument executed to evidence the Mortgagor's obligation to repay the Mortgage Loan.
Mortgagor	A person who has a present Ownership Interest in a Single-Family Residence subject to the related Mortgage and/or executes the Mortgage. <del>The term Mortgagor does not include any person who (i) executes only the Mortgage Note as a guarantor or co-signor and does not have a present Ownership Interest in the property, or (ii) executes the Mortgage but not the Mortgage Note and has provided evidence satisfactory to the Lender that such person will not occupy the Single-Family</del>

**Iowa Finance Authority  
Take Credit Mortgage Credit Certificate Program Guide**

	<del>Residence and will not hold the title to the property.</del>
Ownership Interest	Ownership by any means, whether outright or partial, including property subject to mortgage or other security interest. Ownership interest also means a fee simple ownership interest, a joint ownership interest by joint tenancy, tenancy.
Principal Residence	A property used as the primary domicile of the owner-occupant Mortgagor and his/her household.
Program	The Iowa Finance Authority's Take Credit Mortgage Credit Certificate Program as administered pursuant to this Program Guide and the rules of IFA.
Program Guide	This document describing the Take Credit Mortgage Credit Certificate Program and procedures for obtaining a Mortgage Credit Certificate, as amended and supplemented from time to time.

## Exhibit A

### TAKE CREDIT MORTGAGE CREDIT CERTIFICATE PROGRAM

#### *Lender Participation Agreement*

THIS AGREEMENT made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the IOWA FINANCE AUTHORITY, an agency and instrumentality of the State of Iowa (hereinafter referred to as the "Authority" or "IFA") and \_\_\_\_\_ (hereinafter referred to as the "Lender").

WITNESSETH:

WHEREAS, the Take Credit Mortgage Credit Certificate (hereinafter referred to as "MCC") Program under Section 25 of the Internal Revenue Code of 1986 as amended (the "Code") provides a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, pursuant to Chapter 16 of the Code of Iowa 2011, as amended, the Authority is authorized to issue MCCs and administer the Take Credit MCC Program for the State of Iowa; and

WHEREAS, by resolution adopted September 5, 2012, the Authority has established the Take Credit MCC Program; and

WHEREAS, the Lender wishes to participate in the Take Credit Mortgage Credit Certificate Program administered by the Authority, consistent with the terms of this Agreement, the requirements of the Code, and the requirements set forth in the Authority's Take Credit Mortgage Credit Certificate Program Guide, as amended (the "Program Guide");

NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree as follows:

1. The Authority hereby appoints the Lender as its agent for receipt and processing of applications from customers of the Lender for MCCs under the Take Credit MCC Program.

**Iowa Finance Authority  
Take Credit Mortgage Credit Certificate Program Guide**

2. The Lender will make information regarding the Take Credit MCC Program available to potential Mortgagors. The Lender will process and review the application of any potential Mortgagor in order to determine eligibility for the Program, consistent with applicable requirements of the Code and the Program Guide.

3. The Lender will obtain from the Mortgagor all documents and information required for the application for and receipt of an MCC as directed by IFA.

4. The Lender will perform all investigation and verification that it would normally perform for underwriting of any financing not provided in connection with an MCC.

5. The Lender will conduct such reasonable investigation as is necessary to certify that the applicant has satisfied all requirements of the Take Credit MCC Program, including those imposed by temporary and permanent regulations issued pursuant to the Internal Revenue Code and IFA eligibility requirements detailed in the Program Guide.

6. The Lender warrants that it is familiar with the Internal Revenue Code and all temporary and permanent regulations issued pursuant thereto applicable to the Take Credit MCC Program as well as all provisions set forth in the Program Guide. The Lender hereby agrees to comply with all provisions of the Internal Revenue Code, state law, and applicable regulations and guidelines, including but not limited to the Program Guide and accompanying Program Documents currently in effect or that may become effective in the future.

7. The Lender hereby agrees to comply with all data and record retention and all reporting requirements applicable to the Take Credit MCC Program which are required by the Code, all temporary and permanent regulations, state law, and IFA guidelines, including but not limited to the Program Guide and Program Documents currently in effect or that may become effective in the future.

8. The Lender hereby agrees that the Authority and its agents have the authority to examine and inspect all books and records in Lender's possession relating to any Mortgage Credit Certificate and the Take Credit MCC Program. The Lender hereby agrees to grant the Authority and its agents access to such books and records during normal business hours upon its request.

9. Except as provided in Paragraph 10 of this Agreement, the Lender will charge

**Iowa Finance Authority  
Take Credit Mortgage Credit Certificate Program Guide**

a potential Mortgagor applying for an MCC only those fees for processing of the financing as would be charged to a potential Mortgagor applying for financing not provided in connection with an MCC.

10. The lender may collect compensation for costs incurred in processing the MCC in accordance with the fee schedule set forth as Exhibit B. This fee schedule is subject to change periodically at the discretion of IFA. The lender shall remit the borrower's application fee to IFA with the MCC request. For those MCCs requested in conjunction with an IFA first mortgage, the borrower's application fee shall be waived.

11. The Agreement shall remain in full force and effect until the earlier of one year or until terminated. The Lender or IFA may terminate this Agreement without cause, upon sixty (60) days written notice to the other. Further, IFA may immediately terminate this Agreement and prohibit the Lender from participation in the Take Credit MCC Program upon the Lender's failure to comply with the terms and conditions of this Agreement, the Code, or the Program Guide, effective upon written notice from the Authority. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto; provided, however, the Authority may change the Program Guide at any time in its sole discretion without consent of the Lender.

12. The Lender hereby agrees that repayment of any loan made in conjunction with the MCC Program is the responsibility of the Mortgagor and payment of such loans does not constitute an indebtedness of IFA or a charge against its general credit or other assets of the State of Iowa.

**THIS AGREEMENT** is entered into as of the day and year written above.

\_\_\_\_\_  
(Lender)

By: \_\_\_\_\_  
(Type Name under Signature)

Its: \_\_\_\_\_  
(Type Title)

Iowa Finance Authority  
Take Credit Mortgage Credit Certificate Program Guide

**IOWA FINANCE AUTHORITY**

By: \_\_\_\_\_  
Authorized Representative  
Mortgage Credit Certificate Program

Lender Address: \_\_\_\_\_  
City: \_\_\_\_\_  
Telephone Number: (\_\_\_\_) \_\_\_\_-\_\_\_\_  
Fax Number: (\_\_\_\_) \_\_\_\_-\_\_\_\_  
Contact Person: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

## Exhibit B

### 2015-2016 Fee Schedule

Take Credit Fee Schedule Effective <del>January</del> <u>March 11, 2015</u> <del>2016</del>	
Participating Lender Sign-Up Fee	<ul style="list-style-type: none"> <li>Current IFA Participating First Mortgage Lenders - <del>\$200-250</del> per institution plus <del>\$100-150</del> for each additional branch location</li> <li>Lenders Not Participating with IFA's First Mortgage Financing Programs - <del>\$500-550</del> per institution plus <del>\$100-150</del> for each additional branch location</li> </ul>
Lender MCC Processing Fee	Up to <del>\$200-250</del> may be charged to the borrower and retained by the lender for actual costs incurred in processing the MCC
Lender Financing Fees	Lenders fees are limited to those charges that are reasonable and customary as defined in 26 CFR Chapter I
<u>Reservation Re-Lock Fee</u>	<u>\$100 per 10-day re-lock</u>
<u>Commitment Extension Fee</u>	<u>\$200 per 30-day extension</u>
Borrower Application Fee	<p><del>\$300-350</del> per application</p> <p>*This fee shall be waived if the borrower uses an IFA first mortgage product.</p>
<u>Borrower Re-Issuance Fee</u>	<u>\$400 per application for re-issuance of an MCC</u>
<u>MCC Replacement Fee</u>	<u>\$400 per replacement of an original MCC</u>

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## Exhibit C - Take Credit Forms

# Exhibit C-1



## Take Credit – Mortgage Credit Certificate Program

### AFFIDAVIT OF PURCHASER & LENDER CLOSING CERTIFICATION

The home I am (we are) purchasing (the “Residence”) is being financed with funds made available through the sale of tax-exempt bonds issued by the Iowa Finance Authority (“IFA”). IFA is relying upon this affidavit in determining that this transaction qualifies for tax-incented financing.

1. “First-time” Homebuyer Requirement - Check the applicable statement:

- a. I (we) have not had an ownership interest in real property which I (we) have occupied as a primary residence in the last three full years. Examples of an ownership interest include the following: (a) a fee simple interest (b) a joint tenancy, a tenancy in common, a tenancy by the entirety, or a community property interest (c) the interest of a tenant-shareholder in a 'cooperative (d) a life estate (e) a land contract or contract for deed (i.e. a contract pursuant to which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time) (f) an interest held in trust for the mortgagor (whether or not created by the mortgagor) that would constitute a present ownership interest if held directly by the mortgagor (g) a lease with an option to purchase for a nominal sum and (h) an interest in a mobile home that is permanently affixed to the land.
- b. I (we) am exempt from “first-time homebuyer requirement” due to discharge other than dishonorable from United States military service and have not previously received financing under the FirstHome Program or similar program for financing the acquisition of a residence with funds made available through tax-exempt financing. I (we) have attached to this Affidavit a numbered Certificate of Service or Discharge from Active Duty, DD Form 214, or equivalent, issued to \_\_\_\_\_.
- c. The home we are purchasing is home is located in a federally Targeted Area and I am not required to be a “first-time” buyer.

2. The copies of federal tax returns delivered by me (us) to the lender are true, correct and complete copies of the returns they purport to be. I (we) have signed IRS form 4506 authorizing IFA and/or lender to verify pertinent tax information. Alternatively, if I (we) was (were) not required to file a federal income tax return for any or all of the previous tax years, I (we) have attached to this Affidavit an explanation detailing the reasons why such filing was not required. \_\_\_\_\_(Borrower/Co-Borrower Initials, if applicable)

3. My (our) current gross annual family income is below the applicable program income limits of \$\_\_\_\_\_. Family income is the total income for any mortgagor, defined as any person required to execute the mortgage, titleholder and titleholder’s spouse.

4. The acquisition cost of \$\_\_\_\_\_ for the Residence is not greater than the applicable purchase price limits of (check one):  
\_\_\_\_\_\$250,000 for Non-Targeted Areas OR \_\_\_\_\$305,000 for Targeted which includes the cost of the land and any improvements purchased in connection therewith, any attached items such as floor covering, curtain rods and light fixtures, and any services and additions furnished by third parties required to complete the Residence. All non-attached fixtures and other items of moveable personal property, which have been included in the contract price of the Residence, have been deducted in computing the acquisition cost.

- a. If the Residence is purchased subject to a ground lease, the acquisition cost includes the capitalized value of the ground rent.
- b. If the Residence has been built or is to be built on land owned by the purchaser less than two years prior to the date on which construction of the Residence begins, the acquisition cost includes the cost of the land.

5. The Residence I am (we are) purchasing is a single-family residence, located in the state of Iowa, which I (we) intend to use as my (our) primary residence within 60 days of today and not more than 15% of the Residence will be used in any trade or business. The land to be purchased as part of the Home is included with and appurtenant to the improvements purchased as part of the Home.





**Take Credit – Mortgage Credit Certificate Program**  
**LENDER CLOSING CERTIFICATION**

\_\_\_\_\_ (the “Lender”) states that it has received and reviewed the loan application and Purchaser Affidavit submitted in connection with financing (the “Mortgage Loan”) of the purchase of a single-family residence (the “Residence”) located at \_\_\_\_\_; \_\_\_\_\_, Iowa in the County of \_\_\_\_\_ by:

\_\_\_\_\_  
Borrower Name

\_\_\_\_\_  
Co-Borrower Name

\_\_\_\_\_  
Former Address

\_\_\_\_\_  
Former Address

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Social Security Number

who shall be referred to as the “Mortgagor”.

The Lender hereby certifies the following:

1. Lender has obtained true and complete fully executed copies of the Mortgagor’s Federal income tax returns for the three-year period prior to the date of loan closing and all other verification of borrower eligibility as deemed necessary by the Iowa Finance Authority.
2. Lender is not aware of any facts or circumstances that calls into question the truth or accuracy of any documents executed and submitted to the Iowa Finance Authority in connection with this application for mortgage credit certificate.
3. After completion of all underwriting, investigation, and verification, the Lender has approved the mortgage loan in the amount of \$\_\_\_\_\_.
4. After reasonable investigation, the Lender hereby certifies that the residence is a (check one):  new, never occupied or  existing, previously occupied single family residence located in the State of Iowa, and is reasonably expected to become the Mortgagor’s principal residence within sixty (60) days after the Mortgage Loan closing.
5. Lender has charged the Mortgagor only reasonable and customary fees for processing of the financing as would be charged to a potential borrower applying for financing not provided in connection with a Mortgage Credit Certificate.

\_\_\_\_\_  
Name of Lending Institution

\_\_\_\_\_  
Name & Title of Authorized Representative

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date



## Exhibit C-2

### Home Buyer Document

#### Notice of Potential Recapture

As the recipient of a mortgage credit certificate, you are receiving the benefit of a tax credit equal to a portion of the interest you have paid on your mortgage. If you sell or otherwise dispose of your home during the next nine years, this benefit may be “recaptured.”

The Internal Revenue Service (the “IRS”) recaptures this benefit by increasing your federal income tax for the year in which you sell your home (the “Recapture Tax”). You must pay the Recapture Tax, however, only if you sell your home at a gain and if your income increases above specified levels.

You may wish to consult a tax advisor or the local office of the IRS at the time you sell your home to determine the amount, if any, of the recapture tax.

#### Notice to Buyers as to Assumption of Mortgage

As the recipient of a mortgage credit certificate, you are receiving the benefit of a tax credit equal to a portion of the interest you have paid on your mortgage. If you sell your home to a party eligible under the IFA’s guidelines for this Program and allow the buyer to make your payments for you (assume your loan), you may request that IFA transfer the benefit of the mortgage credit certificate to the purchaser of your home. If the buyer qualifies and IFA issues a new mortgage credit certificate, the benefit may be passed on to the new homeowner.

In general those requirements for transfer of the mortgage credit certificate benefits upon assumption of the loan are:

- i. the purchaser intends to occupy the residence as a principal residence within 60 days after the assumption;
- ii. the purchaser had no present ownership interest in a principal residence at any time during the three- year period prior to the date on which the mortgage is assumed, unless the home is in a Targeted Area or the purchaser is an exempt Veteran (defined in the Affidavit of Purchaser, MCC 01 document);
- iii. the purchase price of the residence paid by the purchaser does not exceed the applicable limits set by the IFA; and
- iv. the purchaser has an income which does not exceed the then current applicable limits set by the IFA.

---

Purchaser signature(s)

Date

---

Printed name(s)

**Exhibit C-3**



**Take Credit – Mortgage Credit Certificate Program  
SELLER'S AFFIDAVIT AND CERTIFICATION**

The undersigned, being first duly sworn under oath, hereby states and certifies that:

(1) Seller of Home I am the present owner and seller of a home located at:  
\_\_\_\_\_ in \_\_\_\_\_, Iowa,  
(Property Address) (City) (County)  
(hereinafter referred to as the "Home"), to be purchased by  
\_\_\_\_\_ (the "Purchaser").

(2) Selling Price The acquisition cost of the Home, which includes the amounts set forth in the following paragraph, is not greater than \$ \_\_\_\_\_. The purchase agreement and any other contracts or agreements in connection with the purchase and occupancy of the Home, between myself, or anyone acting (directly or indirectly) on my behalf, and the Purchaser, or anyone acting (directly or indirectly) on the Purchaser's behalf, are attached to this Affidavit.

I understand that for the purposes of the foregoing the acquisition cost of the Home includes: (a) All amounts paid, either in cash or in kind, by the Purchaser (or a related party or for the benefit of the Purchaser) to me as seller (or a related party or for the benefit of me as seller) as consideration for the Home and related land; (b) If the residence is incomplete, the reasonable cost of completing the residence, whether or not the cost of completing construction is to be financed with proceeds of the Purchaser's mortgage loan; (c) Where the residence is purchased subject to ground rent, the capitalized value of the ground rent; and (d) The cost of all fixtures, such as wall-to-wall carpeting, light fixtures and curtain rods, but not personal property purchased from me for fair market value.

I have not received and will not receive any consideration for the Home, including related land and fixtures, in excess of the aforesaid selling price.

(3) Purchaser's Interest in Home Other than the interest the Purchaser has obtained as a result of the purchase agreement and other than any interest obtained through temporary initial financing of construction of the Home with a term not in excess of 24 months, the Purchaser has no current ownership interest in the above-described property (by reason of a contract for deed, land contract, or otherwise).

\_\_\_\_\_  
Printed Name Seller Signature Seller Date

\_\_\_\_\_  
Printed Name Seller Signature Seller Date

STATE OF IOWA )  
 )SS.  
COUNTY OF \_\_\_\_\_ )

Subscribed, sworn to and acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Notary Public in and for said State \_\_\_\_\_  
My Notary number \_\_\_\_\_ Signature

My commission expires \_\_\_\_\_ Printed Name (or stamp/seal)



Take Credit Mortgage Credit Certificate Program

NOTICE OF COMMITMENT

TO: {Lender}
{Address}
{City, State, Zip}

On Behalf of Mortgagor: {Mortgagor Name}
{MCC Reservation#}

The Iowa Finance Authority (IFA) hereby issues a commitment of capacity under its Take Credit Mortgage Credit Certificate Program for the Mortgagor's acquisition of a (check one): [ ] new, never occupied or [ ] existing, previously occupied single family residence located at:

Street Address
City, State, Zip
County

COMMITMENT AMOUNT

This Commitment authorizes a certified indebtedness amount of \$\_\_\_\_\_.

COMMITMENT TERM

This Commitment has been issued on \_\_\_\_\_ and will expire on \_\_\_\_\_, or on the date which is 30 days after loan closing, whichever is earlier.

CONDITIONS OF COMMITMENT

This Commitment has been issued in reliance upon the certifications contained in the executed form 1003, the Affidavit of Purchase (Form MCC01), the Seller's Affidavit & Certification (MCC03), and the Lender Participation Agreement stating that the requirements for issuance of a qualified Mortgage Credit Certificate (MCC) have been met. If IFA becomes aware of any change in the circumstances under which the Commitment was issued, or a material misstatement made in the aforementioned forms, this Commitment shall be revoked.

ISSUANCE OF MCC

An MCC will be issued only upon IFA's verification of the closing of the Mortgage Loan within the Commitment Term and receipt and approval of the post-closing transmittal and all required attachments.

IOWA FINANCE AUTHORITY

By: \_\_\_\_\_
Authorized Representative

**Exhibit C-5**

# Mortgage Credit Certificate

Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa 50312

Certificate Number:  
Election Date: 12/23/2015

52-1699886

**Holder's Name(s):** Borrower Name  
CoBorrower Name

**Holder's TIN(s):** Borrower SSN  
CoBorrower SSN

**Holder's Address:** Property Street  
City, Iowa, Zip Code

**Lender's Address:** Lender Name  
Lender address  
City, State, Zip code

**Certificate Credit Rate:** 50%

**Certified Indebtedness Amount:**

**Expiration Date:**

This Certificate shall expire upon the earlier of (i) the Expiration Date shown above or (ii) repayment of the Certified Indebtedness Amount. This Certificate shall be deemed revoked if the Residence ceases to be the principal residence of the Holder. This certificate may be revoked if the Issuer finds that the Holder does not meet the requirements of §1.25-3T (d), (e), (f), (g), (h), (i), (j), (k), and (n).

This Certificate is not transferable without the prior written approval of the Issuer and only if the Issuer executes a new Mortgage Credit Certificate to a qualified transferee who assumes the remaining Certified Indebtedness Amount.

This Certificate has been issued in reliance upon the Affidavits of the Holder and the Lender certifying that all conditions required for the issuance of a qualified Mortgage Credit Certificate have been met.

**If the Certificate Credit Rate shown above is higher than 20%, the annual credit claimed under this Certificate cannot exceed \$2,000.**

**I understand that the calculation to determine my annual tax credit under this Certificate will be calculated pursuant to IRS Form 8396 and instructions for such form.**

If the Issuer becomes aware that a material misstatement, either negligent or intentional, has been made in connection with the Holder's application for the Certificate, this Certificate shall be revoked. Further, if such misstatement shall be due to fraud, this Certificate shall automatically be null and void without any need for further action on the part of the Issuer.

Under penalty of perjury, I hereby declare that to the best of my knowledge and belief, the determinations specified in paragraphs (d), (e), (f), (g), (h), (i), (j), (k), and (n) of Section 1.25-3T of the Regulations have been made.

Seal

IOWA FINANCE AUTHORITY

Authorized Representative  
Take Credit MCC Program

Form MCC 05  
Distribution-  
Copy: IFA  
Copy: Lender  
Original: Mortgagor

# Exhibit C-6



## TAKE CREDIT PROGRAM

### Pre-Close Compliance Review Checklist & Transmittal

IFA Loan #: \_\_\_\_\_ Anticipated Close Date: \_\_\_\_\_

Mortgagor Name: \_\_\_\_\_

Mortgagor Email: \_\_\_\_\_

Lender Institution: \_\_\_\_\_ Lender Contact: \_\_\_\_\_

Lender Branch Address: \_\_\_\_\_

Lender Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Upload Adobe documents to Compliance Review via Lender Online E-documents. Include complete executed documents for single submission to IFA. IFA recommends submission of Pre-Close Compliance Review package when loan is submitted for underwriting decision. Advance review by IFA will allow the lender opportunity to obtain necessary documentation prior to closing.

1. Package to include only Take Credit documentation.
2. Please allow at least 5 business days processing time.
3. Commitment from IFA and MCC-09 Invoice and Borrower Application Fee(if applicable) required prior to closing. **A loan closed without a written commitment notice from IFA will not be eligible for the MCC.**

#### Property Eligibility

- Purchase Agreement with all addenda
- Third Party Valuation of any personal property to be acquired as part of the purchase agreement
- Appraisal Report (1004) and all addenda

#### Borrower Application Fee

- Homes for lowans/Homes for lowans Plus, fee waived **OR**  Other Financing
- MCC09-Invoice MCC-09 Invoice and \$350 Fee mailed to IFA on: \_\_\_\_\_

#### Home Buyer Eligibility

- Application – 1003 (Signed and dated by lender and applicants.
- Annual Family Income: \$ \_\_\_\_\_ Applicable Income Limit: \$ \_\_\_\_\_
- Verification of Income

#### Eligible Homebuyer Status (Check One):

- First Time Home Buyer
- Exempt Veteran
- Targeted Area Purchase

#### For First Home Buyer

- Federal Tax Returns last 3 years for all borrowers, spouses or other title holders: (1040; 1040A; 1040EZ; IRS letter filed A or EZ; or IRS "Return Transcript" or "Record of Account"). If tax return not filed, provide IRS "Return Transcript" with "No Record Found".
- Lease agreement if current residence or mailing address indicates subject property.
- Verification of Rent (if needed to document any period in the last 3 years e.g. missing tax returns)

#### OR For Exempt Veteran

- DD 214 Attached for Section 1.b veteran exemption
- MCC 01 Affidavit of Purchaser**
- MCC 02 Home Buyer Document**
- MCC 03 Seller's Affidavit and Certification**

# Exhibit C-7

## TAKE CREDIT PROGRAM

### Post-Close Checklist & Transmittal



IFA Loan # : \_\_\_\_\_ Lender Contact: \_\_\_\_\_

Mortgagor: \_\_\_\_\_ Lender Institution: \_\_\_\_\_

Lender Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Please upload Adobe documents to IFA via Lender Online E-Documents (package #1) as soon as possible following closing.

**IMPORTANT NOTE: Funds for the Take Credit Program are limited. Timely submissions are necessary to ensure availability of the mortgage credit certificate for the amount reserved and committed. All pre and post close conditions must be satisfied by the commitment expiration or 30 days after loan close, whichever is later. If not submitted within the above dates, the mortgage credit certificate may be cancelled.**

- Note**
  - Notarized Name Affidavit &/or lender Property Address Certification (if borrower executes in different variations or property address is not the same on all documents)
- Mortgage**
- HUD-1** copy with all parties' signatures
- Warranty Deed** copy sent for recordation. All title holders must meet compliance requirements.
- Iowa Title Guaranty Commitment**
- Mortgage Insurance/Government Commitment**
- Other** \_\_\_\_\_ (Specify)
- Other** \_\_\_\_\_ (Specify)
- Other** \_\_\_\_\_ (Specify)

SAMPLE



## Exhibit C-8

Date: 00/00/00

TO: Last Name, First Name

RE: Notice to Mortgage Credit Certificate Holders

Thank you for choosing an Iowa Finance Authority (IFA) program to purchase your home! IFA is a self-funded state agency created by the Iowa Legislature with the mission of advancing affordable homeownership opportunities for Iowans. We are pleased you have joined the thousands of Iowans who have selected IFA's homeownership programs as their best choice for purchasing a home.

Enclosed please find your mortgage credit certificate (MCC). Please keep this document in a safe place. It should be presented each year to the individual preparing your Federal Income Tax return for use in calculating the given years' tax credit. The original must be surrendered to IFA as part of any application for re-issuance if you want to continue to use the MCC following a future re-finance of your mortgage.

Please note that your MCC may be subject to Federal "recapture" tax. This is because you are receiving the benefit of a federal tax credit that is restricted by Section 143 of the Internal Revenue Code. If "recapture" applies you may have an increase in your federal income tax in the year in which you sell your home. **NOTE:** Federal "recapture" tax applies only to borrowers who meet all of the following three criteria:

- 1) The sale of your home within nine years from the date of closing, referenced in the Recapture Tax Addendum, AND
- 2) The realization of a gain from the sale of referenced home (after deducting the cost of improvements and selling costs), AND
- 3) An increase in income above Internal Revenue Service specified levels.

In accordance with Internal Revenue Service guidelines, we are providing the information on the attached "Recapture Tax Addendum" for use by your tax preparer when calculating the potential increase in tax due to the "recapture" from the associated mortgage credit certificate.

**We want your feedback!** We would appreciate your honest feedback in order to better serve Iowa home buyers by participating in a short survey: [www.SurveyMonkey.com/IFA](http://www.SurveyMonkey.com/IFA). Survey participants are automatically entered in a monthly drawing for a \$50 gift card to LOWE's.

## Recapture Tax Addendum

Name: Last Name, First Name

Address of Residence: Address  
City, State, Zip

Mortgage Loan Amount: \$ 00,000.00

Mortgage Loan Closing Date: 00/00/00

Loan Number: 000000000000

### Federally Subsidized Amount:

Original Loan Amount		Federally Subsidized Amount
\$ 00,000.00	X 6.25%=	\$ 0,000.00

### Adjusted Qualifying Income

County/MSA: County name Targeted or Non-Targeted (T or N): N

<u>Date That You Sell Your Home</u>	<u>Holding Period</u>	<u>Adjusted Qualifying Income</u>	
	<u>Percentage</u>	Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or Less</u>	<u>3 or More</u>
Before the first anniversary of closing*	20%	\$ 72,900	\$ 83,835
On or after the first anniversary of closing, but before the second anniversary of closing*	40%	\$ 76,545	\$ 88,026
On or after the second anniversary of closing, but before the third anniversary of closing*	60%	\$ 80,372	\$ 92,427
On or after the third anniversary of closing, but before the fourth anniversary of closing*	80%	\$ 84,390	\$ 97,048

On or after the fourth anniversary of closing, but before the fifth anniversary of closing*	100%	\$ 88,609	\$101,900
On or after the fifth anniversary of closing, but before the sixth anniversary of closing*	80%	\$ 93,039	\$106,995
On or after the sixth anniversary of closing, but before the seventh anniversary of closing*	60%	\$ 97,690	\$112,344
On or after the seventh anniversary of closing, but before the eighth anniversary of closing*	40%	\$102,574	\$117,961
On or after the eighth anniversary of closing, but before the ninth anniversary of closing*	20%	\$107,702	\$123,859

**\*Note:** Closing means the closing date for your loan.

SAMPLE

Borrower  
Address  
City, State, Zip

SAMPLE



## Exhibit C-9

### INVOICE Take Credit Mortgage Credit Certificate Borrower Fee

**MCC Reservation #:** \_\_\_\_\_

**Check #:** \_\_\_\_\_

**Invoice Date:** \_\_\_\_\_

**Total Due:** \$350.00

**Due From Borrower:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**REMINDER:** *Fee is non-refundable. Fee waived for MCC requests in conjunction with an IFA first mortgage. Fee due prior to commitment of MCC.*

**Remitted By Lender:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Lender Contact:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### Itemized Summary

<b>Item</b>	<b>Description</b>	<b>Amount</b>
MCC Application Fee	Borrower fee for IFA review of MCC request and determination of eligibility	\$350.00
		<b>Total Due: \$350.00</b>

#### Remit Invoice & Payment To:

Single Family Department  
c/o Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, IA 50312



To: Iowa Finance Authority Board of Directors

From: Derek Folden

Date: January 6, 2016

Re: Habitat for Humanity of Iowa

**Background:** Habitat for Humanity of Iowa (HFHIA) borrowed funds from IFA between 2006 and 2008 to in turn lend to Habitat for Humanity affiliates. IFA's 4 loans to HFHIA have 20 year terms. When HFHIA made loans to their affiliates their loan terms and start dates varied. This has caused a mismatch between the payments received by HFHIA and the payments made to IFA. HFHIA is current on their 4 loans and has never been delinquent. However, by 2021 HFHIA will no longer be able to service the IFA loans with the loan payments received from affiliates. IFA and HFHIA have been in discussions for more than a year to fix the loan payment mismatch, and HFHIA has requested that IFA extend the maturity date to November 1, 2029, lower the interest rate to 2%, and modify the payment schedule.

**Recommendation:** Staff recommends that the board authorize staff to restructure the payments for the loans listed below by merging them into one loan payment at 2% interest.

**Borrower:** Habitat for Humanity of Iowa

Current Debt

HH-06-000

Current Loan Balance:	\$985,116.04
Interest Rate:	3%
Payments:	\$9,124.01
Maturity Date:	6-1-2026

HH-07-000

Current Loan Balance:	\$793,854.29
Interest Rate:	3%
Payments:	\$6,935.71
Maturity Date:	4-1-2027

HH-08-000

Current Loan Balance:	\$1,211,891.35
Interest Rate:	3%
Payments:	9,342.28
Maturity Date:	12-1-2028



IOWA FINANCE  
AUTHORITY

HH-08-000A<sup>1</sup>

Current Loan Balance:	\$433,071.78
Interest Rate:	1.5%
Payments:	3,039.65
Maturity Date:	1-1-2029

Proposed Debt

Loan Balance 1/1/2016:	\$3,408,461.38
Rate:	2%
Payments:	Variable
Maturity Date:	11-1-2029

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<sup>1</sup> HH-08-000 and HH-08-000A are the same loan, which was amended in 2011 and 2013. The amount shown under the HH-08-000A number represents the amount owed under pursuit to the revised interest rate of the amended loan. The full amount owed under the laon is the sum of both balances, or \$1,644,963.13

**RESOLUTION**  
**FIN 16-02**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, Habitat for Humanity of Iowa (“HFHIA”) is a state support organization representing Habitat for Humanity affiliates in Iowa; and

WHEREAS, HFHIA has previously borrowed funds from the Authority to in turn lend to its affiliates around the state for the construction of homes as housing for low income families; and

WHEREAS, the Authority and HFHIA wish to amend the HFHIA Loans (identified as loan dated June 14, 2006, for \$2,000,000.00; loan dated April 16, 2007, for \$2,000,000.00; and loan dated December 23, 2008, as amended on May 17, 2011, and January 1, 2013, for \$2,450,000.00), with an outstanding balance in the aggregate of \$3,408,461.38 as of January 1, 2016, to provide the Authority discretion to amend the HFHIA Loans to terminate any future disbursements and consolidate payments for all three HFHIA Loans into one payment which would necessitate, from time to time, changing the interest rate, payment dates and amounts, and extending due dates.

WHEREAS, while the payments on the three HFHIA Loans would be consolidated, the loans themselves would not be consolidated, but would remain as three distinct loans.

WHEREAS, The Authority finds this proposal an effective way to organize and simplify HFHIA payments on the Loans and, if necessary or desireable, to terminate future disbursements.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Authority at its discretion to amend the HFHIA Loans to terminate any future disbursements and consolidate payments into one payment which would necessitate, from time to time, changing the interest rate, payment dates and amounts, and extending due dates.

SECTION 2. The Executive Director and Authority Staff are authorized to prepare and execute documents as necessary to amend the HFHIA Loans as set forth above.

SECTION 3. The provisions of this Resolution are declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 6th day of January, 2016.

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David D. Jamison, Secretary

(Seal)

**RESOLUTION**  
**TG 16-01**

WHEREAS, pursuant to section 16.2 of the Iowa Code; the Iowa Finance Authority (IFA) is established and constituted a public instrumentality and agency of the state exercising public and essential governmental functions,

WHEREAS, the Title Guaranty Division, a/k/a Iowa Title Guaranty (ITG), was created by the Iowa Legislature as a division of IFA to provide an alternative to title insurance, the sale of which is illegal in Iowa; and

WHEREAS, ITG and IFA determined that the rules regulating ITG should be revised and updated to make them more consistent, to ensure better compliance with the Iowa Code, and to provide clarity on certain recurring issues; and

WHEREAS, revised administrative rules were approved by the ITG and IFA boards, filed with the Administrative Code Editor, and published in the September 2, 2015, issue of the Iowa Administrative Bulletin; and

WHEREAS, the Iowa Land Title Association subsequently submitted to IFA a letter making public comment on the noticed rules, which letter included a request for a regulatory analysis pursuant to Iowa Code section 17A.4A; and

WHEREAS, that section of the Iowa Code requires IFA under those circumstances to prepare and publish in the Iowa Administrative Bulletin a regulatory analysis that addresses five specific questions posed in Iowa Code section 17A.4A; and

WHEREAS, on November 4, 2015, IFA and ITG staff prepared such an analysis, and the IFA Board approved the Regulatory Analysis and authorized its publication in the Iowa Administrative Bulletin; and

WHEREAS, the Regulatory Analysis was published in the Iowa Administrative Bulletin on November 25, 2015, and the public comment period was automatically extended to December 15, 2015; and

WHEREAS, IFA and ITG received public comment on the noticed rules, held hearings for public comment on September 22, 2015, and December 15, 2015, and the formal public comment period has now expired; and

WHEREAS, IFA, with ITG's concurrence, made certain changes to the noticed rules, as set forth in the Adopted and Filed Rulemaking attached hereto as "Exhibit "A".

NOW, THEREFORE, the Board of IFA hereby resolves as follows:

1. The Board hereby approves the submission of the Adopted and Filed Rules in the same form and content as attached hereto as Exhibit A and authorizes its publication in the Iowa Administrative Bulletin.
2. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

3. All resolutions, parts of resolutions or prior actions of IFA in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 6th day of January, 2016.

---

David D Jamison, Secretary

(Seal)

## IOWA FINANCE AUTHORITY [265]

### Adopted and Filed

Pursuant to the authority of Iowa Code sections 17A.3(1)“b,” 16.5(1)“r” and 16.91(8), the Iowa Finance Authority hereby amends Chapter 9, “Title Guaranty Division,” Iowa Administrative Code.

The amendment strikes rules 265—9.1(16) to 265—9.22(16) and adopts new rules 265—9.1(16) to 265—9.11(16) in order to reorganize Chapter 9. The purpose of the amendment is to clarify the rules, align the language with statutory authority and current practice, and streamline the process for obtaining a waiver of the 40-year title plant requirement.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2128C** on September 2, 2015. A public hearing was held on September 22, 2015, at the Iowa Finance Authority. A request for a regulatory analysis, pursuant to Iowa Code section 17A.4A, was received by the Authority on or about September 15. A regulatory analysis was prepared and published in the Iowa Administrative Bulletin on November 25, 2015, at page 839. Accordingly, by operation of law, the public comment period and the public hearing were extended until December 15, 2015. One member of the public attended the extended public hearing on December 15, 2015. No public comment was made at the extended hearing.

Public comments were received from Iowa Land Title Association, abstractors and attorneys. Comments received addressed the definition of “abstract” and “participating abstractor.” Comments were also received on title plant inspections and title plant waiver subrules, including:

- the content of the application,
- criteria for a waiver of the 40-year title plant requirement,

- definitions for “hardship” and “public interest,”
- rulings by the board,
- mentoring and liability of attorneys,
- geographic limitations,
- conditions, and
- revocation.

Based on public comments, the following changes were made from the published Notice:

- Added a definition to rule 265—9.1 for “abstractor.”
- Removed the references to “oral instructions given by the division” throughout the chapter.
- Corrected typographical errors in subrule 9.4(1) and subparagraph 9.7(1)*b*.(3).
- Moved eligibility considerations from paragraph 9.7(4)*a*” that applied to issuance of closing protection letters and created a new subsection 9.6(3) to apply the eligibility considerations to all participants. Renumbered subsections following new subsection 9.6(3), and renumbered remaining provisions in 9.7(4).
- Replaced reference to “Title Insurance and Settlement Company Best Practices’ set forth by the American Land Title Association” with “title and settlement best practices adopted by the division” in new paragraph 9.6(3)*g*.”
- In subrule 9.6(6), clarified that liability insurance is also known as errors and omissions insurance and modified liability insurance to “professional liability insurance.”

- Clarified, in paragraph 9.6(13)“f” that material noncompliance with the law, rules, and other instructions will be based on a finding by the division director, instead of reliance on a complaint or claim.
- In subparagraph 9.7(1)“d”(6)4, provided for giving considerable weight in the granting of a title plant waiver, if the applicant has experience abstracting under the supervision of a participating attorney or participating abstractor in certain circumstances; or if the participating attorney or participating abstractor has supervised the applicant’s abstracting for a period of two years and attests to the board regarding the applicant’s ability to abstract.
- Clarified in subparagraph 9.7(1)“d”(8)4 that the revocation of a waiver recipient’s authorization to provide services on behalf of the division is grounds for the division board to withdraw a waiver.

This amendment does not provide for waivers in specified situations because requests for the waiver of any rule may be submitted under the Authority’s general rule on waivers at 265—Chapter 18.

The Iowa Finance Authority adopted this amendment on January 6, 2016.

After analysis and review of this rule making, no adverse impact on jobs is expected.

This amendment is intended to implement Iowa Code sections 16.2A, 16.4C, 16.91, 16.92, and 16.93.

The following amendment is adopted.

Amend **265—Chapter 9** as follows:

## CHAPTER 9

### TITLE GUARANTY DIVISION

~~265~~ ~~9.1(16) Definitions.~~ The following words and phrases, when used in this chapter, shall have the meanings set forth below unless a meaning is inconsistent with the manifest intent or the context of a particular rule:

~~“Abstract of title” or “abstract,” for the purposes of the title guaranty program, means a written or electronic summary of all matters of record including, but not limited to, grants, conveyances, easements, encumbrances, wills, and judicial proceedings affecting title to a specific parcel of real estate, together with a statement including, but not limited to, all liens, judgments, taxes and special assessments affecting the property and a certification by a participating abstractor that the summary is complete and accurate; provided, however, that for purposes of issuance of a title guaranty certificate covering nonpurchase financing, and for only such purposes, the “abstract of title” or “abstract” may also mean a title guaranty report of title.~~

~~“Authority” means the Iowa finance authority described in Iowa Code chapter 16.~~

~~“Certificate” means the division certificate to guarantee title, including any part or schedule thereof and any endorsements thereto.~~

~~“Closing protection letter” means an agreement by the division to indemnify a lender or owner or both for loss caused by a division closer’s theft of settlement funds or failure to comply with written closing instructions relating to title certificate coverage when agreed to by the division closer.~~

~~“Commitment” means the division commitment to guarantee title, including any part or schedule thereof and any endorsements thereto.~~

~~“Division” means the title guaranty division of the Iowa finance authority.~~

~~“Division board” means the board of the title guaranty division created pursuant to Iowa Code section 16.2A(1).~~

~~“Division closer” means a participating attorney, a participating abstractor, or an independent closer who is authorized by the division to conduct a division closing under the protection of a closing protection letter.~~

~~“Division closing” means a settlement in which a division closer is appointed to finalize a real estate transaction in accordance with general and specific instructions prior to disbursement of the proceeds and for which a closing protection letter is issued.~~

~~“Division escrow account” means, in conjunction with division closings, escrows, settlements, and title indemnities, any checking account utilized for the purpose of:~~

~~1.——Deposits, including, but not limited to, the acceptance of incoming funds from the lender or borrower or both; and~~

~~2.——Disbursements, including, but not limited to, sellers’ proceeds, mortgage payoffs, expenses of sale, and professional fees.~~

~~However, “division escrow account” shall not include client trust accounts subject to the requirements of chapter 45 of the Iowa Court Rules.~~

~~“Electronic record,” for the purposes of the title guaranty program, means a record created, generated, sent, communicated, received, or stored by electronic means that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.~~

~~“Field issuer” means a participating attorney, a participating abstractor, or an independent closer authorized by the division to issue commitments and certificates.~~

~~“Form” or “forms” means printed instruments used in guaranteeing title to Iowa real estate that, when completed and executed, create contractual obligations or rights affecting the division.~~

~~“Grandfathered attorney” means a participating attorney who has been providing abstract services continuously from November 12, 1986, to the date of application to be a participating abstractor, either personally or through persons under the participating attorney’s supervision and control, who is exempt from the requirement to own or lease a title plant.~~

~~“Independent closer” means a person or entity, other than a participating attorney or a participating abstractor, conducting a division closing and authorized to close a transaction under protection of a closing protection letter.~~

~~“Manual” means a title guaranty reference book approved by the division board containing division certificate forms and certain Iowa statutory requirements.~~

~~“Nonpurchase financing,” for the purposes of the title guaranty program, means a refinanced or junior mortgage securing an amount fixed by the division board and included in the manual.~~

~~“Participant” means a participating attorney or a participating abstractor.~~

~~“Participating abstractor” means an abstractor who is authorized to participate in the title guaranty program and who is in full compliance with the abstractor’s participation agreement, the Code of Iowa, these rules, the manual, staff supplements, and any other written or oral instructions or requirements given by the division.~~

~~“Participating attorney” means an attorney who is authorized to participate in the title guaranty program, who is in full compliance with the attorney’s participation agreement, the Code of Iowa, these rules, the manual, staff supplements, and any other written or oral instructions or requirements given by the division, and who is not subject to current disciplinary proceedings by the Iowa supreme court that preclude the attorney from practicing law in this state.~~

~~“Person” shall have the same meaning as in Iowa Code section 4.1(20).~~

~~“Residential property,” for the purposes of the title guaranty program, means residential real estate consisting of single family housing or multifamily housing of no more than four units.~~

~~“Supervision and control,” for the purposes of the title guaranty program, means that a participant’s or independent closer’s shareholders, partners, associates, secretaries, paralegals, and other persons under the participant’s or independent closer’s supervision or control who transact the business of abstracting, which includes but is not limited to any manner of title search or review, opining on titles to real estate, or issuing commitments or certificates at the direction of or in the name of the participant or independent closer, shall comply with the requirements of the contracts, forms, the manual, staff supplements, and any other written or oral instructions or requirements given by the division. A participant or independent closer shall be liable to the division for loss or damage suffered by the division resulting from acts or omissions of the participant’s or independent closer’s shareholders, partners, associates, secretaries, paralegals, and other persons under the participant’s or independent closer’s supervision or control who transact the business of abstracting, which includes but is not limited to any manner of title search or review, opining on titles to real estate, or issuing commitments or certificates at the direction of or in the name of the participant or independent closer as an agent of the division as though the act or omission were that of the participant or independent closer.~~

~~“Title guaranty report of title,” for the purpose of nonpurchase financing, means a written or electronic short form of the abstract of title covering the borrower’s title, liens, and encumbrances. The division board shall approve requirements and procedures for the title guaranty report of title in the manual.~~

~~“Title search(es)” or “search(es),” for the purposes of the title guaranty program, means the abstract of title.~~

~~[ARC 8458B, IAB 1/13/10, effective 2/17/10]~~

~~**265 9.2(16) Purpose.** This chapter describes the mission, organization, programs and operations of the division, including the office where and the means by which interested persons may obtain information and make submissions or requests.~~

~~[ARC 8458B, IAB 1/13/10, effective 2/17/10]~~

~~**265 9.3(16) Mission.** The mission of the division is to operate a program that offers guaranties of real property titles in order to provide, as an adjunct to the abstract attorney’s title opinion system, a low cost mechanism to facilitate mortgage lenders’ participation in the secondary market and add to the integrity of the land title transfer system in the state. Surplus funds in the title guaranty fund shall be transferred to the authority’s housing program fund after providing for adequate reserves and for the operating expenses of the division.~~

~~[ARC 8458B, IAB 1/13/10, effective 2/17/10]~~

~~**265 9.4(16) Organization.**~~

~~**9.4(1) Location.** The office of the division is located at 2015 Grand Avenue, Des Moines, Iowa 50312. Office hours are 8 a.m. to 4:30 p.m. Monday through Friday, excluding legal holidays. The division’s Web site address is [www.iowafinanceauthority.gov](http://www.iowafinanceauthority.gov), and the division’s telephone and facsimile numbers are as follows: (515)725-4900 (general telephone number); 1-800-432-7230 (toll free telephone number); 1-800-618-4718 (TTY); and (515)725-4901 (facsimile).~~

~~9.4(2) *Division board.* A chair and vice chair shall be elected annually by the members of the division board, generally at the first meeting following July 1 of each year, which is the beginning of the fiscal year.~~

~~9.4(3) *Meetings.* Meetings of the division board shall be held quarterly on the date and time determined by the board. Meetings of the division board may also be held at the call of the chair or on written request of two members. The division will give advance public notice of the specific date, time and place of each division board meeting, and will post the tentative agenda for each meeting at least 24 hours before commencement of the meeting at the main office of the authority, as well as on the authority's Web site. Meetings may occasionally be conducted by electronic means. Any interested person may attend and observe division board meetings except for any portion of a meeting that may be closed pursuant to Iowa Code section 21.5. The minutes of the division board meetings are available for viewing at the main office of the authority or via the authority's Web site. Three members of the division board constitute a quorum. An affirmative vote of a majority of the appointed board members is necessary for any substantive action taken by the division board. The majority shall not include any board member who has a conflict of interest, and a statement of a conflict of interest shall be conclusive for this purpose.~~

[ARC 8458B, IAB 1/13/10, effective 2/17/10]

~~265—9.5(16) **Location where public may obtain information.** Requests for information, inquiries, submissions, petitions and other requests may be directed to the division at the address set forth in subrule 9.4(1). Requests may be made personally, by telephone, mail, E-mail or any other medium available.~~

~~265—9.6(16) **Title guaranty program.**~~

~~9.6(1) Operation.~~ The division operates a program to offer guaranties of real property titles in the state through the issuance of title guaranty commitments and certificates by the division, by participating abstractors for the division pursuant to subrule 9.6(4), paragraph “c,” herein, or by participating attorneys pursuant to Iowa Code section 16.91(7).

~~9.6(2) Application for title guaranty commitments or certificates.~~ The division may authorize entities engaged in the real estate industry to apply directly to the division staff, an independent closer, a participating attorney, or a participating abstractor for a title guaranty commitment or certificate. The applicant shall complete and submit such forms and other information as the division may require and pay the appropriate fee. Entities engaged in the real estate industry that the division may authorize to apply include, but are not limited to, mortgage lenders as defined in Iowa Code section 16.1(1)“y,” and closing and escrow companies.

~~9.6(3) Participating attorneys.~~ An attorney licensed to practice law in the state of Iowa may participate in the title guaranty program upon approval by the division director of an application submitted by the licensed attorney to the division and upon execution and acceptance by the division director of the attorney’s participation agreement.

*a. License.* A participating attorney shall be licensed to practice law in the state of Iowa and shall be in good standing with the Iowa supreme court at all times while acting as an agent of the division.

*b. Underwriting determinations.* A participating attorney shall make all underwriting determinations prior to or at the time of closing. If the participating attorney does not attend the closing and is not available by telephone during the closing, all underwriting determinations must have been made by the participating attorney issuing the opinion, commitment or certificate prior to closing. For purposes of this rule, the term “underwriting determinations” includes, but is

~~not limited to, guaranteeing access, reviewing gap searches, possible judgments, survey matters (including encroachments), unreleased mortgages or other liens, and any other matters disclosed by the opinion, commitment or other sources of title information. A participating attorney who causes or allows an erroneous underwriting determination to be made by someone other than a member of the division's legal staff or the participating attorney who issued the opinion, commitment or certificate shall be strictly liable to the division for loss or damage the division may suffer as a result of the erroneous underwriting determination.~~

~~(1) — A participating attorney shall make all underwriting determinations arising out of the issuance of an attorney title opinion or a title commitment or certificate using both:~~

~~1. — Generally accepted and prudent title examining methods; and~~

~~2. — Procedures implemented by the division and outlined in these rules, the manual, staff supplements, and any other written or oral instructions or requirements given by the division.~~

~~(2) — Any underwriting determination about which there may be a bona fide difference of opinion among local lawyers and that is not specifically covered by materials provided by the division shall be approved by division legal staff.~~

~~*c. — Authority of participating attorney.* A participating attorney is authorized to act as an agent of the division but only for the purposes and in the manner set forth in the attorney's participation agreement, the Code of Iowa, these rules, the manual, staff supplements, and any other written or oral instructions given by the division and in no other manner whatsoever. The authority of the participating attorney under the preceding sentence is not exclusive and is subject to the rights of the authority, the division, and other participants, independent closers, agents, or representatives of the division to transact the business of opining on titles to real estate~~

~~and issuing commitments and certificates and is further subject to the right of the division to appoint other participants and independent closers.~~

~~**9.6(4) Participating abstractors.** An abstractor or abstracting concern may participate in the title guaranty program upon approval by the division director of an application to the division and upon execution and acceptance by the division director of an abstractor's participation agreement.~~

~~*a. Title plant.* Participating abstractors shall own or lease, and maintain and use in the preparation of abstracts, an up-to-date abstract title plant including tract indices for real estate for each county in which abstracts are prepared for titles to real property guaranteed by the division. Each of the tract indices shall be designated to encompass a geographical area of not more than one block in the case of platted real estate, nor more than one section in the case of unplatted real estate. The tract indices shall include a reference to all of the instruments affecting real estate recorded in the office of the county recorder, and the tract indices shall commence not less than 40 years prior to the effective date of the abstractor's participation in the title guaranty program.~~

~~*b. Title plant exemption.* Grandfathered attorneys and attorneys and abstractors who have received a waiver of the use of an up-to-date plant described in Iowa Code section 16.91(5)“a”(2), either personally or through persons under their supervision and control, shall be exempt from the requirement to own or lease a title plant. This exemption is a personal exemption of the individual participant, is not transferable, and terminates at such time as the participant ceases providing abstracting services or upon the death or incapacity of the participant.~~

~~c. — Issuing title guaranty. Pursuant to a written contract with the division director, a participating abstractor may be authorized to issue a title guaranty commitment or certificate for the division when the participating attorney who prepares the opinion allows issuance by the participating abstractor. Written contractual approval by the division director for division issuance will be based upon the completion of a division request form by a participating abstractor and the attachment of all disclosures required by the division. A participating abstractor authorized to issue a title guaranty commitment or certificate must comply with the Code of Iowa, these rules, the manual, staff supplements, and any other written or oral instructions or requirements given by the division and in no other manner whatsoever. The rights of the participating abstractor under the preceding sentence are not exclusive and are subject to the rights of the authority, the division, and other field issuers of the division to issue commitments or certificates and are further subject to the right of the division to appoint other field issuers. A participating abstractor's right to issue commitments and certificates is a privilege for the convenience of the division and may be terminated pursuant to the written contract with the division.~~

~~d. — Authority of participating abstractor. A participating abstractor is authorized to act as an agent of the division but only for the purposes and in the manner set forth in the abstractor's participation agreement, the Code of Iowa, these rules, the manual, staff supplements, and any other written or oral instructions or requirements given by the division and in no other manner whatsoever. The authority of the participating abstractor under the preceding sentence is not exclusive and is subject to the rights of the authority, the division, and other participating abstractors, agents, or representatives of the division to transact the business of abstracting, which includes but is not limited to any manner of title search or review of titles to~~

~~real estate, and is further subject to the right of the division to appoint other participating abstractors.~~

~~**9.6(5) Participation requirements.**~~

~~*a.*— *Errors and omissions insurance.* A participant shall maintain errors and omissions insurance at all times while acting as an agent of the division, with such coverage and in such amounts as the division board may direct from time to time by resolution.~~

~~(1) — The division will inform the Iowa State Bar Association, the Iowa Land Title Association, and any person requesting such information of any proposed change in the amount of required errors and omissions insurance at least 30 days prior to the date of the meeting at which the matter will be considered.~~

~~(2) — Interested parties may submit evidence or statements in support of or in opposition to the proposal in writing or by personal appearance before the division board.~~

~~*b.*— *Participation fees.* A participant shall pay a participation fee set by resolution of the division board subject to the approval of the authority board.~~

~~(1) — The division will inform the Iowa State Bar Association, the Iowa Land Title Association, and any person requesting such information of any proposed change in the amount of participation fees at least 30 days prior to the date of the meeting at which the matter will be considered.~~

~~(2) — Interested parties may submit evidence or statements in support of or in opposition to the proposal in writing or by personal appearance before the division board.~~

~~**9.6(6) Abstract of title.** All abstracts of title shall be prepared and conducted in compliance with division procedures as specified in the manual, staff supplements, and any other written or oral instructions or requirements given by the division that are in effect at the time of~~

~~abstracting. A participating abstractor shall retain a written or electronic copy of each abstract of title prepared for a title guaranty certificate and shall provide such copy to the division upon request.~~

~~**9.6(7) Attorney title opinion.** All attorney title opinions shall be prepared and issued in compliance with division procedures as specified in the manual, staff supplements, and any other written or oral instructions or requirements given by the division that are in effect at the time of issuance. A participating attorney who is a field issuer may issue a commitment as the preliminary attorney title opinion and the certificate as the final attorney title opinion in compliance with division procedures. A written or electronic copy of each attorney title opinion shall be retained by a field issuer, and a copy thereof shall be provided to the division upon request.~~

~~**9.6(8) Closing protection letters.**~~

~~*a. Issuance of closing protection letters.* Division closers may be authorized to receive a closing protection letter approved by the division board when:~~

- ~~(1) A division closer has completed division forms and procedures training,~~
- ~~(2) The division director has approved the application, and~~
- ~~(3) A division commitment is issued.~~

~~*b. Application.* Application for designation of division closer status shall be on forms provided by the division, and all requested information shall be provided with the application form. The division may consider an application withdrawn if it does not contain all of the information required and the information is not submitted to the division within 30 days after the division requests the information. The application shall be accompanied by a fee to be set by the division board. The division director shall approve or deny the application within 90 days~~

~~after the application has been accepted for processing and send written notice thereof to the applicant.~~

~~c. — *Guidelines.* In determining whether to approve or deny an application for designation of division closer status, the division director may consider the following factors, including but not limited to:~~

~~(1) — The needs of the public and the needs of existing or potential customers of the applicant that are served by a designation of division closer status.~~

~~(2) — A history of operation and management of the applicant's business.~~

~~(3) — Character, fitness, financial responsibility and experience of the applicant and the applicant's employees.~~

~~(4) — Criminal background checks for felony or misdemeanor convictions of the applicant or the applicant's employees involving moral turpitude.~~

~~(5) — A record of defaulting by the applicant or the applicant's employees in the payment of moneys collected for others in this state or other states.~~

~~(6) — A history of discharge of debts by the applicant or the applicant's employees through bankruptcy proceedings.~~

~~(7) — The applicant's credit report, which is to be submitted directly to the division director at the expense of the applicant.~~

~~(8) — Other factors as determined by the division director to be relevant.~~

~~d. — *Investigation.* The division director may conduct an investigation as deemed necessary. The division director may solicit, by whatever manner deemed appropriate, comments from other persons conducting closings, or from any other person or entity which may be affected by or have an interest in the pending application.~~

~~e. — *Revocation.* The division director has discretion to revoke a division closer's status for reasons including but not limited to the following:~~

~~(1) — When the financial condition of the division closer deteriorates.~~

~~(2) — When the division director determines that the division closer's activities are being conducted unlawfully or in an unsafe or unsound manner.~~

~~f. — *Authority of division closer.* A division closer is authorized to conduct division closings only for the purposes and in the manner set forth in the division closer's agreement, the Code of Iowa, these rules, the manual, staff supplements, and any other instructions or requirements given by the division and in no other manner whatsoever. The authority of the division closer under the preceding sentence is not exclusive and is subject to the rights of the authority, the division, and other division closers to transact the business of guaranteeing titles to real estate in Iowa and is further subject to the right of the division to appoint other division closers.~~

~~A division closer shall obtain the written authorization of a member of the division's legal staff prior to issuing a commitment or certificate which exceeds such amounts as the division board may set from time to time by resolution. If any authorization required under 9.6(8)“f” is not obtained through the act or omission of the division closer, the division closer shall be strictly liable to the division for any resulting loss or damage.~~

~~g. — *Division escrow accounts.* The division board shall approve procedures and requirements for the maintenance of division escrow accounts. Division closers shall comply with the rules and requirements set by the division board with respect to the procedures, format, and style for maintaining the division escrow accounts. The division board may require the division closer to provide an irrevocable letter of direction to the institution at which each~~

~~division escrow account is established, authorizing the division to review and audit the institution's records of such account at any time that the division, in its discretion, deems necessary.~~

~~9.6(9) General provisions.~~

~~a. — *Commitment and certificate amount limitations.* A field issuer shall obtain the written authorization of a member of the division's legal staff prior to issuing a commitment or certificate which exceeds such amounts as the division board may set from time to time by resolution. If any authorization required under this paragraph is not obtained through the act or omission of the field issuer, the field issuer shall be strictly liable to the division for any loss or damage resulting from issuance of the commitment or certificate.~~

~~b. — *Title/closing files and forms.* A participant or independent closer shall maintain separate title, client and closing files or maintain client files in such a manner that information pertaining to activities of the participant or the independent closer is readily available to the division. A participant or independent closer shall maintain files for a period of ten years after the effective date of the commitment and certificate or certificates.~~

~~(1) — The division will provide forms to a participant or independent closer for use in acting for the division. A participant or independent closer may not alter any form supplied by the division, or use a form supplied by another person or entity to bind the division, or otherwise bind the division to liability with a form, other writing or representation not supplied or authorized by the division. In addition, the participant or independent closer shall:~~

- ~~1. — Return the original of any canceled certificate to the division, and~~

~~2. — Not transfer or attempt to transfer unissued commitments or certificates to another participant, independent closer, or other person or entity unless authorized in writing by the division.~~

~~(2) — If a participant or independent closer fails to comply with the requirements of 9.6(9)“b,” in addition to the division’s other rights and remedies, the division may refuse to supply any forms to the participant or independent closer until the participant or independent closer complies with the requirements of 9.6(9)“b” to the satisfaction of the division.~~

~~(3) — The participant or independent closer shall be liable to the division for loss or damage sustained by the division by reason of the loss of, misuse of, or inability of the participant or independent closer to account for any form supplied by the division, or the failure of the participant or independent closer to comply with the requirements of 9.6(9)“b.”~~

~~*c. — Training.* The division director may require a participant, an independent closer, and the participant’s and independent closer’s staff to attend training sessions or continuing education seminars as deemed necessary by the division director in order to ensure compliance with division requirements and procedures.~~

~~*d. — Office audits.* The division may, with or without notice to a participant or an independent closer, audit the participant or independent closer at the participant’s or independent closer’s office. This audit may include, but need not be limited to, a review of the participant’s or independent closer’s commitment and certificate issuance procedures, an audit of serialized forms, an audit and test of title plants and tract indices, an audit of closing operation and closing procedures, an audit of the division escrow account(s), and verification of the participant’s or independent closer’s compliance with division rules, participation agreements, the Code of Iowa,~~

~~these rules, the manual, staff supplements, and any other written or oral instructions or requirements given by the division.~~

~~*e. Interest in property.* No participant or independent closer shall prepare an abstract of title, issue attorney title opinions, commitments, or certificates, or conduct a closing upon property in which the participant or independent closer has an interest without prior authorization of the division.~~

[ARC 8458B, IAB 1/13/10, effective 2/17/10]

~~**265—9.7(16) Waiver of up-to-date title plant requirement.** The division board shall consider an application by an attorney or abstractor for waiver of the use of an up-to-date title plant requirement described in Iowa Code Supplement section 16.91(5)“a”(2).~~

~~**9.7(1) Mission.** The division is authorized under Iowa Code chapter 16 to issue title guaranties throughout the state. The division’s public purpose is to facilitate lenders’ participation in the secondary market and to promote land title stability through use of the abstract attorney opinion system. The division recognizes the 40-year title plant as the preferred method of providing title evidence for the purpose of issuing title guaranties. The division must weigh the benefits of the traditional title plant with other alternatives to ensure buyers and lenders high quality of title guaranties throughout the state, rapid service, and a competitive price. To assist the division in this mission, Iowa Code Supplement section 16.91(5)“b” expressly allows the division to waive the up-to-date title plant requirement.~~

~~**9.7(2) Definitions.** The following words and phrases, when used in this rule, shall have the meanings set forth below unless a meaning is inconsistent with the manifest intent or the context of a particular rule:~~

~~“Availability of title guaranties” means that title guaranties are uniformly accessible throughout the state to buyers and lenders with competitive pricing, service, and quality and that there are two or more abstractors physically located in all 99 counties.~~

~~“Exempt attorney abstractor,” as it relates to the title plant requirement, means a grandfathered attorney or a waived attorney.~~

~~“Grandfathered attorney” means a participating attorney who has been providing abstract services continuously from November 12, 1986, to the date of application to be a participating abstractor, either personally or through persons under the participating attorney's supervision and control, who is exempt from the requirement to own or lease a title plant. This exemption is a personal exemption of the individual participating attorney, is not transferable, and terminates at such time as the participating attorney ceases providing abstracting services or upon the death or incapacity of the participating attorney.~~

~~“Hardship” means deprivation, suffering, adversity, or long term adverse financial impact in complying with the title plant requirement that is more than minimal when considering all the circumstances. Financial hardship alone may constitute a hardship.~~

~~“Interested person” means a person requesting a plant waiver, all division board members, all participating abstractors in the county for which the waiver is requested, the Iowa State Bar Association, the Iowa Land Title Association, and any person requesting such information that an application for waiver has been made to the division.~~

~~“Person” means an individual, including a corporation, limited liability company, government or governmental subdivision or agency, business trust, trust, partnership or association, or any other legal entity.~~

~~“Public interest” means that which is beneficial to the public as a whole, including but not limited to increasing competition among abstractors, encouraging the use of title guaranties throughout the state, making title guaranties more competitive than out-of-state title insurance, increasing the division’s market share, improving the quality of land titles, protecting consumers, and encouraging maximum participation by participating abstractors and participating attorneys physically located in all 99 counties.~~

~~“Waiver” or “variance” means an action by the division which suspends in whole or in part the requirement of the use of a current tract index described in Iowa Code Supplement section 16.91(5) as applied to an abstractor.~~

~~**9.7(3) Filing of application.** An applicant must submit a plant waiver application in writing to the attention of the director of the Title Guaranty Division of the Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312.~~

~~**9.7(4) Content of application.** The title guaranty division may provide an application form on the division’s Web site. A plant waiver application shall include, at a minimum, the following information where applicable and known to the applicant:~~

- ~~a. — The name, business address, E-mail address, and telephone number of the abstractor for whom a waiver is being requested;~~
- ~~b. — The type of waiver being requested, as described in subrule 9.7(8);~~
- ~~c. — A general description of the applicant’s business;~~
- ~~d. — A description of intention to develop a 40-year tract index;~~
- ~~e. — The relevant facts that the applicant believes would justify a waiver under subrules 9.7(7) and 9.7(8); and~~

~~f. — A signed statement from the applicant attesting to the accuracy of the facts provided in the application.~~

~~**9.7(5) Notification and response.**~~

~~a. — The division director shall acknowledge an application upon receipt. All interested persons shall be contacted by E mail and Web site posting, and notice shall be given by United States first class mail to any party requesting the same in writing. Notice shall be given within 14 days of the receipt of the application by the division director. Notification to an interested person is not a requirement for the division board to consider the waiver, and failure to inform an interested person of an application for waiver shall not void or otherwise nullify any action or decision of the division board.~~

~~b. — Any person may submit a written statement in support of or in opposition to the application.~~

~~c. — The application shall be placed on the agenda for the next scheduled division board meeting which is at least 30 days after the application is filed unless a special meeting is requested by the chairperson of the board or by written request of two board members.~~

~~**9.7(6) Board meeting action.**~~

~~a. — The informal review of the waiver is not a contested case proceeding but other agency action wherein the rules of evidence are not applicable.~~

~~b. — To preserve order, the chairperson of the board may set reasonable limitations upon the number of persons who may appear before the division board and the time allotted for presentations in favor of and against the requested waiver.~~

~~c. Title guaranty director review. The title guaranty director shall investigate and review the petition and its supporting documentation and, at the waiver meeting before the board, shall give the board a recommendation to grant or deny the waiver.~~

~~d. The board shall consider the application, the criteria and type of waiver set forth in subrules 9.7(7) and 9.7(8), and then vote on the application.~~

~~**9.7(7) Criteria for waiver or variance.** In response to an application completed pursuant to subrule 9.7(4), the division board may issue a ruling permanently or provisionally waiving the requirement set forth in Iowa Code Supplement section 16.91(5) “a”(2) of an up-to-date title plant requirement, if the board finds both of the following:~~

~~a. The title plant requirement described in Iowa Code Supplement section 16.91(5) “a”(2) imposes a hardship to the abstractor or attorney; and~~

~~b. The waiver is:~~

~~(1) Clearly in the public interest; or~~

~~(2) Absolutely necessary to ensure availability of title guaranties throughout the state.~~

~~**9.7(8) Type of waiver or variance granted.** Provisional and permanent waivers described in this subsection may be granted by the division board. Guidelines for provisional and permanent waivers are as follows:~~

~~a. *Provisional waivers.* The division board may grant a provisional waiver of one year or less to an applicant intending to build a title plant. If such time period is not sufficient, the applicant may reapply to the division board for an extension of the waiver up to one additional year at the discretion of the division board. The division board may grant a provisional waiver when the applicant provides the following:~~

~~(1) Evidence that a title plant will be built for a specified county;~~

~~(2) — Evidence of significant financial loss due to the inability to provide abstracts for the division;~~

~~(3) — Evidence that the provisional waiver is necessary in order to produce a revenue stream to justify the expense associated with building a title plant; and~~

~~(4) — Professional references from two licensed Iowa attorneys or one participating plant abstractor attesting to the applicant's ability to abstract.~~

~~b. — *Permanent waivers for attorneys.* The division board may grant a permanent waiver to an Iowa licensed attorney.~~

~~(1) — Attorneys granted a permanent waiver hold the same status as grandfathered attorneys and, absent express legislative authority to the contrary, the board will not limit geographically an attorney's ability to abstract for the division. However, the applicant may by contract with the division board agree voluntarily to limit the applicant's abstracting for the division to one or more specified counties.~~

~~(2) — A permanent waiver is personal in nature and nontransferable. An attorney granted a permanent waiver shall be personally liable for abstracting conducted on behalf of the division. Although an attorney may abstract through a separate entity, such liability cannot be transferred to a corporate entity nor may an attorney utilize a corporate structure which would shield the attorney from personal liability.~~

~~(3) — Permanent waivers are predicated upon the attorney's retaining an Iowa license to practice law. An attorney whose license is suspended shall reapply to the division director upon reinstatement by the Iowa supreme court. The division director has the discretion to refer the matter to the division board.~~

~~(4) There are two circumstances when an attorney may be granted a permanent waiver:~~

~~1. For attorney applicants with experience abstracting under the supervision and control of an exempt attorney abstractor, the board shall consider, at a minimum, the following:~~

~~● The applicant's abstract experience. The board shall give considerable weight to an applicant's experience abstracting under the personal supervision and control of an exempt attorney abstractor with whom the applicant has had a close working relationship or with whom the applicant is a legal partner or associate.~~

~~● Professional references. The board shall give considerable weight to a recommendation from the exempt attorney abstractor or grandfathered attorney who personally supervised the applicant's abstracting for a period of two years or more and who attests in writing or in person before the division board regarding the applicant's ability to abstract.~~

~~● Samples of abstracts prepared by the applicant.~~

~~● The division board shall give consideration to the number of participating abstractors physically located in the county or counties where the applicant seeks to abstract in determining whether a waiver should be granted.~~

~~2. For attorney applicants without experience working under the supervision and control of an exempt attorney abstractor, the board shall consider, at a minimum, the following:~~

~~● The applicant's abstract experience;~~

~~● Professional references;~~

~~● Samples of abstracts prepared by the applicant;~~

~~● The applicant's business plan;~~

~~● Evidence of clients and volume of additional transactions that will be brought into the title guaranty abstract/attorney system as a result of the waiver;~~

~~● The number, availability, service and quality of other abstractors available to perform abstracting and whether the grant of a permanent waiver will adversely impact the business of other participating abstractors;~~

~~● Whether the applicant demonstrates the inability to abstract under the supervision and control of an exempt attorney.~~

~~e. Permanent waivers for non-attorneys.~~

~~(1) The board may grant a permanent waiver with limitations as to county, or transaction type, or both.~~

~~(2) In determining whether to grant a waiver, the board shall consider, at a minimum, the following:~~

~~1. The applicant's abstract experience, maintenance of a title plant by the applicant in any other county, and degree of participation by the applicant in the title guaranty division standards in excellence program;~~

~~2. Professional references;~~

~~3. Samples of abstracts prepared by the applicant;~~

~~4. The applicant's business plan;~~

~~5. Evidence of clients and volume of additional transactions that will be brought into the title guaranty abstract/attorney system as a result of the waiver;~~

~~6. The number, availability, service and quality of other abstractors available to perform abstracting and whether the grant of a permanent waiver will adversely impact the business of other participating abstractors.~~

~~9.7(9) Ruling.~~ The division board shall direct the division director to prepare, or cause to be prepared, a proposed written ruling setting forth the board's rationale for granting or denying the waiver. Action to adopt or direct changes to the proposed ruling will be taken by the division board at a subsequent meeting. However, if the board directs the division director to prepare a proposed ruling granting the waiver, the applicant may start abstracting while the ruling is being prepared, and staff shall issue a new participating abstractor number to the applicant immediately.

~~a.~~ The ruling granting or denying a waiver shall contain a reference to the particular applicant, discuss the application of subrules 9.7(7) and 9.7(8), and describe how granting the waiver would or would not advance the division's statutory mission described in subrule 9.7(1). The ruling will summarize the relevant facts and reasons upon which the action is based and include a description of the precise scope and duration of the waiver if the waiver contains limitations, restrictions or requirements.

~~b.~~ The final decision on whether the circumstances justify the granting of a waiver shall be made at the sole discretion of the division board upon consideration of all relevant factors. Relevant factors to be considered are the unique circumstances set out in the application, presentations given before the board, the professional knowledge and expertise of the board members and division staff, and any other resources available to the entire division board. Consideration should be afforded to rulings on prior plant waiver requests, but the division board shall not be bound by such rulings.

~~c.~~ Within seven days of its issuance, any ruling issued under subrule 9.7(9) shall be transmitted to the applicant, the Iowa State Bar Association and the Iowa Land Title Association.

~~d. — The decision of the division board shall be final agency action and all appeals shall be filed with the Iowa District Court for Polk County.~~

~~9.7(10) Title plant certification. For applicants granted a provisional waiver, an inspection of the title plant shall be performed by division staff or a designee of the title guaranty director. The inspection shall determine if the title plant meets the criteria set forth in paragraph 9.6(4)“a” and shall occur before the division board grants up to date title plant status to the applicant. If the applicant, following verification of up to date title plant status by the division board, proposes to conduct business under a name other than that of the entity to which the provisional waiver was granted, the applicant must obtain prior written approval to do so from the division. Any transfer of a title plant must be approved by division staff in order for the title plant to be a title guaranty abstractor.~~

~~9.7(11) Public availability. Applications for waivers and rulings on waiver applications are public records under Iowa Code chapter 22. Some applications or rulings may contain information the division is authorized or required to keep confidential. Division staff may accordingly redact confidential information from applications or rulings prior to public inspection or dissemination.~~

~~9.7(12) Voiding or cancellation. A waiver or variance is voidable if material facts upon which the petition is based are not true or if material facts have been withheld. A waiver or variance issued by the division board may be withdrawn, canceled, or modified if, after appropriate notice and meeting, the division board issues a ruling finding any of the following:~~

~~a. — That the petitioner or the applicant who was the subject of the waiver ruling withheld or misrepresented material facts relevant to the propriety or desirability of the waiver;~~

~~or~~

~~b. — That the alternative search method assuring that the public interest will be adequately protected after issuance of the ruling has been demonstrated to be insufficient; or~~

~~c. — That the subject of the waiver ruling has failed to comply with all conditions contained in the ruling.~~

~~[ARC 7892B, IAB 7/1/09, effective 8/5/09; ARC 0826C, IAB 7/10/13, effective 8/14/13]~~

~~**265 9.8(16) Title guaranty contracts, forms, manual, and staff supplements.** The division shall adopt and issue such contracts, forms, and the manual as the division deems necessary to set out standards and requirements, and such other matters that the division deems necessary for implementation and effective administration of the title guaranty program. The contents of the contracts, forms, and the manual shall be applicable to participants and independent closers in the title guaranty program.~~

~~**9.8(1) Division board adoption.** The form of title guaranty commitments and certificates will be adopted, revised, or amended by resolution of the division board, and the form of such commitments and certificates is subject to the approval of the authority board. The manual will be adopted, revised, or amended on approval of a majority vote of the division board.~~

~~a. — The division will inform the Iowa State Bar Association, the Iowa Land Title Association, and any person requesting such information of any proposed adoption of or change to the form of title guaranty commitments and certificates at least 30 days prior to the date of the division board meeting at which the matter will be considered.~~

~~b. — Interested parties may submit evidence or statements in support of or in opposition to the proposal in writing or by personal appearance before the division board.~~

~~**9.8(2) Division staff adoption.** Under the direction of the division director, the division staff shall adopt and issue staff supplements as the division deems necessary to set out standards~~

~~and requirements of these rules, applicable statutes, and the manual; to address nonresidential, extraordinary and unusual risk situations; and to address such other matters that the division deems necessary for implementation and effective administration of the title guaranty program.~~

~~[ARC 8458B, IAB 1/13/10, effective 2/17/10]~~

~~**265—9.9(16) Mortgage release certificate.** Pursuant to Iowa Code section 16.92, the division is charged with the administration of a system, after notification to lenders, to clear paid off mortgages from real estate titles in Iowa by executing and filing with county recorders release certificates for mortgages that have been paid in full.~~

~~**9.9(1) Definitions.** As used in this rule, unless the context otherwise requires:~~

~~“Certificate” means the certificate of release or partial release of mortgage issued by the division.~~

~~“Claim for damages” means a claim for actual money damages against the division caused by the division’s wrongfully or erroneously, through an act of negligence, filing a certificate while division staff are acting within the scope of their office or employment.~~

~~“Effective release” or “satisfaction” means a release or satisfaction of mortgage pursuant to Iowa Code chapter 655.~~

~~“Mortgage” means a mortgage or mortgage lien on an interest in real property in this state given to secure a loan in an original principal amount, including any future advances, equal to or less than:~~

~~1. — \$20 million for mortgages paid off by the division staff or a division closer within a division closing, unless prior written approval is obtained from the division director.~~

~~2. — \$1 million for all other mortgages.~~

~~“Real estate lender or closer” means a person licensed to regularly lend moneys to be secured by a mortgage on real property in this state, a licensed real estate broker, a licensed attorney, or a participating abstractor.~~

~~9.9(2) Request for certificate. Applications, forms, procedures and practices for the implementation of an effective mortgage release certificate by the division pursuant to Iowa Code section 16.92 shall be provided in the staff supplements. Further, any fee to be charged for the mortgage release application shall be set by the division board upon the recommendation of the division director.~~

~~9.9(3) Authority to sign certificate. The division director or designee of the division director may execute and record the certificates pursuant to Iowa Code section 16.92 and this rule.~~

~~9.9(4) Additional remedies. In addition to any other remedy provided by law, the division may recover from the real estate lender or closer who requested the certificate all expenses incurred, and all damages including punitive or exemplary damages paid to the mortgagee or mortgage service provider, in satisfaction or resolution of a claim for damages.~~

[ARC 8458B, IAB 1/13/10, effective 2/17/10]

~~265—9.10(16) Rates. The rate or fee, if any, for the owner’s guaranty, the lender’s guaranty, the various endorsements, and the closing protection letter will be fixed by the division board by resolution. In situations involving extraordinary risk, unusual transactions, or unique or multiple endorsements, the division, under the direction of the division director, may make additional charges that are added to and become part of the rate or fee. The rates or fees of any other products or services that will be offered by the division shall be set by the division board upon the recommendation of the division director.~~

~~A participant or independent closer shall calculate the title guaranty fees and premiums according to the applicable rate schedule in effect on the effective date of the commitment or the certificate, whichever is earlier. A participant or independent closer shall collect the fee in effect for any other product or service offered by the division at the time the product or service is sold. Additional participant or independent closer responsibilities with regard to the collection and use of fees and premiums shall be set forth in the manual and staff supplements.~~

~~{ARC 8458B, IAB 1/13/10, effective 2/17/10}~~

## ~~265~~ **9.11(16) Claims.**

~~**9.11(1) Definitions.** The following words and phrases, when used in this rule, shall have the meanings set forth below unless a meaning is inconsistent with the manifest intent or the context of a particular rule:~~

~~“*Claim*” means loss or damage or potential loss or damage arising by reason of a matter actually, possibly, or allegedly within the coverage of a commitment, certificate, closing protection letter, mortgage release certificate, or by reason of any other matter for which the division is actually, possibly, or allegedly liable.~~

~~“*Claim loss*” means amounts paid by the division in the investigation and resolution of a claim including, but not limited to, payments to the guaranteed, payments to adverse claimants, attorneys’ fees, and all other expenses and costs related to or arising from the claim in accordance with the provisions of this rule.~~

~~“*Party*” means a participant, independent closer, or any other person or entity that has a contractual relationship with the division to provide coverage or services for which a claim may be brought against the division.~~

~~9.11(2) Claim procedures. In the event of a claim, the rights of the division and a party are as follows:~~

~~a. — Upon receipt of notice by a party of a claim, the party must notify the division in writing within three business days of receipt of information about a claim by the party and shall mail notification to the division by first class mail at the division's address in subrule 9.4(1). In addition, if the nature of the claim is such that the guaranteed claimant or the division, or both, may suffer loss or damage that might be reduced or avoided by notice given more promptly than required by the preceding sentence, the party shall notify the division by telephone, facsimile transmission, overnight mail or other overnight delivery service, or any combination of these methods.~~

~~b. — When a party receives a request from the division for information with respect to a claim, the party shall supply to the division any documents, correspondence, surveys, abstracts of title, title searches, other writings, or other information known by or available to the party and relevant to the claim, even if not specifically requested by the division.~~

~~c. — A party shall cooperate fully in the investigation and resolution of a claim and shall supply any additional, new information that may come to the party's attention with such promptness as the circumstances permit.~~

~~d. — The division may, with or without prior notice to the party or parties involved, investigate and resolve any claim in any manner that, in the division's sole discretion, the division may deem advisable.~~

~~9.11(3) Claim loss recovery:~~

~~a. — Any claim losses paid are recoverable from a party by the division.~~

~~b. — In the absence of knowledge by the party about the title defect or other matter causing the claim loss, the division shall not seek recovery from the party when a claim loss arises from one or more of the following:~~

~~(1) — Hidden defects, including, but not limited to, forged deeds and mortgages, false affidavits, and false statements of marital status;~~

~~(2) — Errors by public officials in maintaining and indexing the public records, including, but not limited to, errors by county assessors, recorders, clerks, and treasurers;~~

~~(3) — Errors in these rules, the manual, staff supplements, and any other written or oral instructions or requirements given by the division that the party relies upon in issuing an abstract of title, opinion, commitment, certificate, or endorsement;~~

~~(4) — Errors in surveys provided by registered Iowa land surveyors that the party relies upon in giving survey coverage or issuing an endorsement or endorsements; or~~

~~(5) — Underwriting determinations or title risks approved by the division prior to issuance of the abstract of title, opinion, commitment, certificate, or endorsement.~~

~~c. — The party shall reimburse the division for a claim loss when the division determines, in accordance with 9.11(3) “d,” that the party is liable and when the claim loss arises from one or more of the following:~~

~~(1) — Errors by the party in the title search and report of information in the public record;~~

~~(2) — Reliance by the party upon sources of title searches and other title information that had not been approved by the division at the time of the reliance;~~

~~(3) — Errors made by the party in examining the title information provided in an abstract of title, survey, affidavit, or other source of title information;~~

~~(4) — Errors made by the party in the preparation or review of an abstract of title, opinion, commitment or certificate;~~

~~(5) — Knowing issuance of an abstract of title, opinion, commitment or certificate by the party upon a defective title; or~~

~~(6) — Failure of the party to follow these rules, the manual, staff supplements, or any other written or oral instructions or requirements given by the division with respect to any other matters not included within 9.11(3)“c.”~~

~~d. — Unless another rule, the Code of Iowa, the manual, a procedure, or a guideline provides for a different standard of liability or other rule for determining whether the party shall be liable for a claim loss, the division shall apply the following standards:~~

~~(1) — In the event that a claim loss occurs for which the division may seek recovery from the party under 9.11(3)“c”(1), the division may demand reimbursement from the party if the party was grossly negligent in conducting the title search. Gross negligence includes the failure to make a search or the use of inadequate search procedures. Gross negligence under the preceding sentence includes but is not limited to failure to search certain indices, failure to search all names of parties with an interest in the real estate, or failure to search in all public offices required by the division search procedures or procedures used by prudent title searchers if the division has not established specific search procedures. In making its determination whether to seek recovery, the division may consider the complexity of the public record, the reliance of the party upon division approved search procedures, the training and experience of the person who made the error, and the existence or nonexistence of previous search errors by the party.~~

~~(2) — In the event that a claim loss occurs for which the division may seek recovery from a party under 9.11(3)“c”(2), the division may demand reimbursement from that party if the~~

~~party relied upon sources of title searches or other title information that had not been approved by the division at the time of the reliance.~~

~~(3) — In the event that a claim loss occurs for which the division may seek recovery from the party under 9.11(3)“e”(3), the division may demand reimbursement from the party if the party negligently examined the title information used in making a title determination, failed to raise an appropriate exception, waived an exception, or endorsed a title commitment or certificate.~~

~~1. — The division may make full review of local county abstracting standards and bar title rules as a guide to determine whether the party has failed to meet the standard of skill and competence of an abstractor who prepares an abstract of title or an attorney who examines titles in the community where the claim arose.~~

~~2. — The division may also consider whether the party followed these rules, the manual, staff supplements, or any other written or oral instructions or requirements given by the division in examining the title.~~

~~3. — In addition, the division may seek input from other parties in the community in which the claim arose as to the standard of care of an abstractor who prepares an abstract of title or of an attorney who examines titles in that community.~~

~~(4) — In the event that a claim loss occurs for which the division may seek recovery from the party under 9.11(3)“e”(4), the division may demand reimbursement from the party if the party negligently prepared and reviewed an abstract of title, opinion, commitment or certificate.~~

~~(5) — In the event that a claim loss occurs for which the division may seek recovery from the party under 9.11(3)“e”(5), the division may demand reimbursement from the party if~~

~~the issuance of the abstract of title, opinion, commitment or certificate constituted fraud, concealment or dishonesty, or if the issuance of the abstract of title, opinion, commitment or certificate was based upon an underwriting decision on an unusual risk that was made without contacting the division for approval.~~

~~(6) — In the event that a claim loss occurs for which the division may seek recovery from the party under 9.11(3)“e”(6), the division may demand reimbursement from the party if the party failed to follow these rules, the manual, staff supplements, or any other written or oral instructions or requirements given by the division with respect to the matter causing the claim loss.~~

~~(7) — In the event the division seeks reimbursement from a party, the division shall state the basis of the reimbursement.~~

~~e. — The division board may, from time to time by resolution, establish levels of authority, including dollar amounts, for the division board, the division director and the division staff for the settlement of claims made against the division.~~

~~[ARC 8458B, IAB 1/13/10, effective 2/17/10]~~

~~**265 — 9.12(16) Rules of construction.** In the construction of this chapter, the following rules of construction shall be observed, unless either the rules of Iowa Code chapter 4, Construction of Statutes, or the following rules of construction are inconsistent with the manifest intent or the context of a rule:~~

~~1. — The word “shall” means mandatory and not permissive and the word “may” means permissive and not mandatory.~~

~~2. — The word “closing” includes, but is not limited to, the recording of a deed executed and delivered in lieu of a mortgage foreclosure or pursuant to a mortgage foreclosure~~

~~proceeding and also includes the entry into a binding agreement and transfer of possession by a seller to a buyer on a contract sale of land.~~

~~3. Nothing contained in this chapter shall be construed to require a participating attorney to disclose privileged information of a client to the division or to any other person.~~

~~4. Any rule that provides a specific remedy or sanction for violation of the rule shall not be construed as limiting the ability of the division to pursue and enforce other penalties or sanctions under this chapter, or otherwise, against the participating abstractor, participating attorney, independent closer or other person responsible or liable, either separately, concurrently, cumulatively, or in any combination, at the sole discretion of the division.~~

~~5. The failure of the division to enforce a right or remedy under this chapter, a statute, or common law shall not be construed as a waiver of such right or remedy either in the specific instance or in any other instance.~~

[ARC 8458B, IAB 1/13/10, effective 2/17/10]

~~**265—9.13(16) Seal.** The division shall have a corporate seal that may be altered from time to time. The seal shall impress the words “Title Guaranty Division Iowa Finance Authority” and may be used to authenticate acts and legal instruments of the division.~~

[ARC 8458B, IAB 1/13/10, effective 2/17/10]

~~**265—9.1(16) Definitions.** The following words and phrases, when used in this chapter, shall have the meanings set forth below unless a meaning is inconsistent with the manifest intent or the context of a particular rule:~~

~~“Abstract” means a written or electronic summary of all matters of record affecting title to a specific parcel of real estate prepared in accordance with abstract minimum standards adopted by the division, provided however, that for nonpurchase transactions, “abstract” may also mean a~~

written or electronic short-form summary setting forth the titleholders, liens, and encumbrances in accordance with guidelines adopted by the division.

“Abstractor” means a person who is engaged in the practice of searching public records for the purpose of creating abstracts.

“Authority” means the Iowa finance authority established by Iowa Code chapter 16.

“Certificate” means the form used to guarantee title, including any part or schedule thereof and any endorsements thereto.

“Claim” means loss or damage or potential loss or damage arising by reason of a matter actually, possibly, or allegedly within the coverage of a commitment, certificate, closing protection letter, mortgage release certificate, or by reason of any other matter for which the division is actually, possibly, or allegedly liable.

“Claim loss” means amounts paid by the division in the investigation and resolution of a claim including, but not limited to, payments to the guaranteed, payments to adverse claimants, attorneys’ fees, and all other expenses and costs related to or arising from the claim.

“Closing protection letter” means the division’s written agreement to indemnify a lender or borrower or both for loss caused by a participating closer’s theft of settlement funds or failure to comply with written closing instructions relating to title certificate coverage when agreed to by the participating closer.

“Commitment” means the division’s written offer to issue a certificate.

“Division” means Iowa title guaranty, a division of the Iowa finance authority.

“Division board” means the board of the division created pursuant to Iowa Code section 16.2A(1).

“Field issuer” means a participant authorized by the division to issue commitments and

certificates.

“Mortgage release certificate” means a certificate of release or a certificate of partial release issued by the division, pursuant to Iowa Code section 16.92.

“Participant” means a participating attorney, a participating abstractor, or a participating closer.

“Participating abstractor” means an abstractor who is authorized by the division to prepare abstracts for division purposes.

“Participating attorney” means an attorney licensed to practice law in the state of Iowa who is authorized by the division to prepare title opinions for division purposes.

“Participating closer” means any of the following authorized by the division to issue a closing protection letter: an Iowa licensed attorney disbursing funds through an interest on lawyer trust account, a closing agent licensed by the Iowa division of banking, or a real estate broker licensed by the Iowa real estate commission disbursing funds through a real estate trust account.

“Party” means a participant, or any other person, that has a contractual relationship with the division to provide services for which a claim may be brought against the division.

“Person” means an individual or legal entity, including corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

**265—9.2(16) Purpose.** This chapter describes the mission, organization, programs and operations of the division, including the office where and the means by which a person may obtain information and make submissions or requests.

**265—9.3(16) Mission.** The mission of the division is to operate a program that offers guaranties

of real property titles in order to provide, as an adjunct to the abstract-attorney's title opinion system, a low-cost mechanism to facilitate mortgage lenders' participation in the secondary market and add to the integrity of the land-title transfer system in the state of Iowa and to perform other duties as assigned by Iowa law. Surplus funds generated by the division shall be transferred to the authority's housing assistance fund after providing for adequate reserves and for the operating expenses of the division.

**265—9.4(16) Organization.**

9.4(1) Location. The office of the division is located at 2015 Grand Avenue, Des Moines, Iowa 50312. Office hours are 8 a.m. to 4:30 p.m. Monday through Friday, excluding legal holidays. The division's Web site address is [www.iowatitleguaranty.gov](http://www.iowatitleguaranty.gov) and the division's telephone and facsimile numbers are as follows: (515)725-4900 (general telephone number); 1-800-432-7230 (toll-free telephone number); and (515)725-4901 (facsimile). The division's e-mail address is [titleguaranty@iowa.gov](mailto:titleguaranty@iowa.gov). Inquiries, submissions, applications and other requests for information may be directed to the division at the address set forth herein. Requests may be made personally or by telephone, fax, mail or e-mail.

9.4(2) Division board. A chair and vice chair shall be elected annually by the members of the division board at the first quarterly meeting following July 1 of each year, which is the beginning of the division's fiscal year.

9.4(3) Meetings. Meetings of the division board shall generally be held quarterly on the date and time determined by the division board. Meetings of the division board may also be held at the call of the chair or on written request of two division board members. The division will give advance public notice of the specific date, time and place of each division board meeting. At least 24 hours before commencement of a division board meeting, the division will post the

tentative agenda at the office of the division and on the division's Web site. Division board meetings may be conducted by conference call. Any person may attend and observe division board meetings except for any portion of a division board meeting that may be closed pursuant to Iowa Code section 21.5. The minutes of the division board meetings are available at the office of the division and on the division's Web site. Three members of the division board constitute a quorum. An affirmative vote of a majority of the division board members is necessary for any substantive action taken by the division board. The majority shall not include any division board member who has a conflict of interest, and a statement of a conflict of interest shall be conclusive for this purpose.

**265—9.5(16) Operation.** The division offers guaranties of real property titles in the state through the issuance of commitments and certificates.

9.5(1) *Commitments, certificates, forms and manuals.* The terms, conditions, and form of commitments and certificates shall be approved by the division board. The division may adopt and use manuals and other forms as the division deems necessary for implementation and administration of the title guaranty program.

a. The division will provide forms to a participant for use in issuing commitments and certificates on behalf of the division. A participant may not alter any form supplied by the division or use a form supplied by another person to bind the division. In addition, the participant shall not transfer or attempt to transfer unissued commitments or certificates to another participant or other person unless authorized in writing by the division.

b. If a participant fails to comply with the requirements of this rule, in addition to the division's other rights and remedies, the division may refuse to allow the participant access to any forms until the participant complies with the requirements of this chapter to the satisfaction

of the division.

c. A participant shall be liable to the division for loss or damage sustained by the division by reason of the loss of, misuse of, or inability of the participant to account for any form supplied by the division, or the failure of the participant to comply with the requirements of this rule.

9.5(2) Application for commitments and certificates. The division shall make an application for commitments and certificates available at the office of the division and on the division's Web site.

9.5(3) Rates. The division shall set the rates for certificates and closing protection letters in an amount sufficient to permit the title guaranty program to operate on a self-sustaining basis, including payment of administrative costs and the maintenance of an adequate reserve against claims. In transactions involving extraordinary risk or unusual or unique endorsements, the division may charge additional fees.

## **265—9.6(16) Participants.**

9.6(1) General provisions. An applicant shall submit a participant application and the first year's annual fee and shall sign a participation agreement in order to be authorized to provide one or more services on behalf of the division.

9.6(2) Participant application. Applications for participation and renewal are available on the division's Web site. An applicant shall submit an application to provide one or more services on behalf of the division. If the applicant is approved as a participant, the participant is required to submit a renewal application annually.

9.6(3) Eligibility considerations. In determining whether to approve or deny a participant application, the division may consider the following, including but not limited to:

a. The needs of the public and the needs of existing or potential customers of the applicant.

- b. A history of the operation and management of the applicant's business.
- c. The character, fitness, financial responsibility and experience of the applicant and the applicant's employees.
- d. A credit report or criminal background check of the applicant or the applicant's employees.
- e. A record of default in the payment of moneys collected for others by the applicant or the applicant's employees.
- f. A history of discharge of debts by the applicant or the applicant's employees through bankruptcy proceedings.
- g. Compliance with the title and settlement best practices adopted by the division.
- h. Other factors as determined by the division.

9.6(4) *Participation agreement.* The participation agreement sets forth the contractual relationship between the participant and the division. A new participation agreement is executed annually and when otherwise required by the division.

9.6(5) *Annual fee.* A participant may be required to pay an annual fee to be eligible to participate in the title guaranty program. The fee, if any, shall be set by the division.

9.6(6) *Professional liability insurance.* A participant shall maintain professional liability insurance, also known as errors and omissions insurance, at all times while acting as an agent of the division, with such coverage and in such amounts as the division may determine.

9.6(7) *Agent relationship.* A participant is only authorized to act as an agent of the division for the purposes and in the manner set forth in the participant's participation agreement, the Code of Iowa, these rules, manuals and any other written instructions given by the division. The authority of a participant to act as an agent of the division is not exclusive and is subject to the

rights of the authority, the division, and other participants, agents, or representatives of the division.

9.6(8) *Conflict of interest.* A participant shall not, without prior authorization of the division, prepare an abstract or issue a title opinion, commitment, certificate, or closing protection letter for a transaction in which the participant has a personal or financial interest in the real estate that is the subject of that transaction.

9.6(9) *Clearance of title objections.* All title objections must be cleared in accordance with applicable division manuals and any other written instructions given by the division prior to the issuance of a certificate. Any underwriting determination about which there may be a bona fide difference of opinion among attorneys, which is not specifically addressed by division manuals or instructions, shall be approved by the division in writing.

9.6(10) *Commitment and certificate coverage limitations.* A field issuer shall obtain written authorization from the division prior to issuing a commitment or certificate that exceeds the allowable maximum amount of coverage, as determined by the division. If authorization required under this subrule is not obtained through the act or omission of the field issuer, the field issuer shall be strictly liable to the division for any loss or damage resulting from issuance of the commitment or certificate.

9.6(11) *Document retention.* A participant shall maintain transaction files in such a manner that information pertaining to activities of the participant is readily available to the division while protecting confidential client information. A participant shall retain files for a period of ten years after the effective date of the certificate or the effective date of the commitment if a certificate is not issued. A participating abstractor shall retain a written or electronic copy of each abstract prepared for division purposes and shall provide a copy to the division upon request.

9.6(12) Training. The division may require a participant and the participant's staff, as a condition of participation, to participate in training sessions or continuing education seminars as deemed necessary by the division in order to ensure compliance with division requirements and procedures.

9.6(13) Compliance. Participants shall comply with the Code of Iowa, these rules, the participation agreement, manuals, and any other written instructions given by the division. The division may audit the participant, with or without notice, for verification of compliance. An audit may include, but not be limited to, a review of the participant's commitment and certificate issuance procedures, a test of title plants and tract indices, and a review of closing policies and procedures and escrow account details. An inspection of a title plant may be performed by the division or its designee to determine if the title plant meets the criteria set forth in paragraph 9.7(1)"a."

9.6(14) Revocation. The division has discretion to revoke a participant's authorization to provide services on behalf of the division for reasons including, but not limited to, the following:

- a. Failure to comply with the terms and conditions of the participation agreement.
- b. Failure to submit an annual renewal application.
- c. Knowingly withholding or misrepresenting material facts relied upon by the division.
- d. Fraud, theft, dishonesty, or misappropriation of funds or documents.
- e. Deterioration of the participant's financial condition adversely affecting the participant's ability to provide services on behalf of the division.
- f. A finding by the division director of material noncompliance with the Code of Iowa, these rules, manuals, and any other written instructions given by the division.
- g. Other factors as determined by the division.

**265—9.7(16) Services offered.**

9.7(1) Abstracting. Abstracts utilized for division purposes must be prepared by a participating abstractor.

a. Title plant. A participating abstractor shall own and maintain, or lease and use, a title plant including tract indices for each county in which that participating abstractor prepares abstracts for division purposes, unless exempt under paragraph 9.7(1)“c” or authorized under paragraph 9.7(1)“d.” Each of the tract indices shall be designated to encompass a geographical area of not more than one block in the case of platted real estate, nor more than one section in the case of unplatted real estate. The tract indices shall include a reference to all of the instruments affecting real estate recorded in the office of the county recorder, and the tract indices shall commence not less than 40 years prior to the effective date of the abstractor’s participation in the title guaranty program. A government-maintained and -controlled database is not considered a title plant for division purposes.

b. Intent to build title plant. The division may authorize an abstractor that is building or that intends to build a title plant to prepare abstracts for use by the division, upon review of the following:

- (1) The abstractor’s business plan;
- (2) Evidence that a title plant will be built for a specific county or counties within three years;
- (3) A timeline for completion of the title plant; and
- (4) A description of the applicant’s abstracting experience.

c. Grandfathered attorney. A participating attorney who has provided abstracts continuously from November 12, 1986, to the date of application to provide abstracts for division purposes, either personally or through persons under the participating attorney’s supervision and control,

shall be exempt from the requirements to own or lease a title plant. This exemption is unique to the participating attorney, is nontransferable, and terminates at such time as the participating attorney ceases providing abstracts for division purposes or upon the death or incapacity of the participating attorney.

d. Title plant waivers. The division recognizes the 40-year title plant as the preferred method of providing title evidence for the purpose of issuing commitments and certificates. The division must weigh the benefits of the traditional title plant with other alternatives to ensure buyers and lenders high quality of certificates throughout the state, rapid service, and a competitive price. Iowa Code section 16.91(5)“b” allows the division board to waive the up-to-date title plant requirements under certain conditions.

(1) General provisions. The division board shall consider an application for a title plant waiver upon submission by an attorney or an abstractor.

(2) Submission of application. The division shall provide an application form at the office of the division and on the division’s Web site. An applicant must submit an application in writing to the attention of the division director at the office of the division.

(3) Content of application. The applicant must provide, at a minimum, the following information:

1. The name, business address, e-mail address, and telephone number of the applicant;
2. The applicant’s business plan;
3. The county or counties in which the applicant intends to abstract;
4. A description of the applicant’s abstracting experience;
5. Samples of abstracts prepared by the applicant;
6. A history of any professional disciplinary action against the applicant;

- 7. Professional references in support of the applicant;
- 8. The relevant facts that the applicant believes would justify a waiver under 9.7(1)“d”(5) and 9.7(1)“d”(6)“4”; and
- 9. A signed statement from the applicant attesting to the accuracy of the facts provided in the application.

(4) Notification and response.

- 1. The division shall notify the applicant upon receipt of a complete application.
- 2. The division shall publish notice of an application on the division’s Web site within 7 calendar days of receipt of a complete application. A copy of the application and supporting documents will be provided to any interested person upon request.
- 3. The Iowa State Bar Association and Iowa Land Title Association shall be provided notice of an application. Provision of the notice to the identified associations is not a requirement for the division board to consider the application, and failure to inform an interested person of an application shall not void or otherwise nullify any action or decision of the division board.
- 4. If a complete application is received at least 90 days prior to the next scheduled division board meeting, the application shall be placed on the agenda for that division board meeting. The division shall receive public comments up to 45 calendar days prior to that division board meeting.

(5) Criteria for title plant waiver. Pursuant to Iowa Code section 16.91(5)“b,” the division board may issue a ruling waiving the title plant requirement set forth in Iowa Code section 16.91(5)“a”(2) if the board finds the following:

- 1. The title plant requirement imposes a hardship to the applicant; and
- 2. The waiver is:

• Clearly in the public interest; or

• Absolutely necessary to ensure availability of certificates throughout the state.

3. For purposes of paragraph 9.7(1)“d,” “hardship” means deprivation, suffering, adversity, or long-term adverse financial impact in complying with the title plant requirement that is more than minimal when considering all the circumstances.

4. For purposes of paragraph 9.7(1)“d,” “public interest” means that which is beneficial to the public as a whole, including but not limited to increasing competition among abstractors, encouraging the use of certificates throughout the state, making certificates more competitive than out-of-state title insurance, increasing the division’s market share, improving the quality of land titles, and protecting consumers.

(6) Board meeting and ruling.

1. The review of a waiver application is not a contested case proceeding.

2. The division director or designee shall review an application and its supporting documentation. The division director shall present to the division board a proposed written ruling. The division board shall adopt, amend or reject the proposed written ruling. If the proposed written ruling is rejected, the division board shall instruct the division director to prepare an alternative written ruling to be considered at a subsequent division board meeting.

3. The written ruling shall summarize the relevant facts and the basis for granting or denying the waiver. The written ruling may specify the scope and duration of the waiver and any restrictions, conditions, or requirements.

4. The final decision on whether the circumstances justify the granting of a waiver shall be made at the sole discretion of the division board upon consideration of all relevant factors. Relevant factors to be considered include, but are not limited to, the division director’s

proposed written ruling, the facts and circumstances set out in the application, any history of professional disciplinary action against the applicant, adverse claims made against the applicant, prior waiver withdrawal actions against the participating attorney or participating abstractor, public comments, the professional knowledge and expertise of the board members and division staff, and any other resources available to the entire division board. The division board shall give considerable weight to an applicant's experience abstracting under the supervision of a participating abstractor or participating attorney with whom the applicant has had a close working relationship or with whom the applicant is a partner or associate. The division board shall also give considerable weight to a recommendation from a participating abstractor or participating attorney who supervised the applicant's abstracting for a period of two years or more and who attests in writing or in person before the division board regarding the applicant's ability to abstract. Consideration should be afforded to rulings on prior waiver requests, but the division board shall not be bound by such rulings. The division board may limit a waiver as to county, or transaction type, or both.

5. The written ruling shall be mailed to the applicant within 7 days of its issuance.

6. The decision of the division board shall be final agency action, and all appeals shall be filed with the Iowa District Court for Polk County.

(7) Conditions. A waiver is unique to the recipient and is nontransferable. A waiver recipient shall be accountable to the division for abstracts prepared for division purposes. The division may require a waiver recipient to provide a guarantee, performance bond, or other form of indemnification, as assurance for abstracts prepared by the waiver recipient on behalf of the division. The division may review the waiver recipient annually and may require a renewal, modification or addition to any required assurances. Retention of a waiver is dependent on the

applicant meeting the requirements for a participant in rule 265—9.6(16). If the waiver recipient fails to meet the terms of the recipient’s participation agreement, the waiver may be withdrawn by the division board.

(8) Withdrawal of a waiver. A waiver issued by the division board may be withdrawn or modified if, after public notice and division board meeting, the division board issues a written ruling finding any of the following:

1. That the waiver recipient knowingly withheld or misrepresented material facts relied upon by the division board in granting the waiver; or

2. That the waiver recipient failed to comply with all conditions contained in the written ruling; or

3. That the abstracts prepared by the waiver recipient fail to meet the abstract minimum standards adopted by the division.

4. That the division has revoked the waiver recipient’s authorization to provide services on behalf of the division pursuant to subrule 9.6(13).

The decision of the division board shall be final agency action, and all appeals shall be filed with the Iowa District Court for Polk County.

(9) Public availability. Applications for waivers and written rulings are public records under Iowa Code chapter 22. Some applications or written rulings may contain information that the division is authorized or required to keep confidential. The division may redact confidential information from applications or written rulings prior to public inspection or dissemination.

**9.7(2) Issuing title opinions.**

a. All title opinions shall be prepared by participating attorneys and issued in compliance with division procedures as specified in manuals and any other written instructions given by the

division.

b. A participating attorney who is a field issuer may issue a commitment as the preliminary title opinion and the certificate as the final title opinion.

c. A participating attorney shall be licensed to practice law in the state of Iowa and shall be in good standing with the Iowa supreme court at all times while acting as an agent of the division.

9.7(3) Issuing commitments and certificates. Pursuant to a participation agreement with the division, a participant may be authorized to issue a commitment or certificate on behalf of the division. A participant's right to issue commitments and certificates is a privilege for the convenience of the division and may be terminated pursuant to terms of the participation agreement.

9.7(4) Issuing closing protection letters. Pursuant to a participation agreement with the division, a participant may be authorized to issue a closing protection letter on behalf of the division.

The division may require the participating closer to provide an irrevocable letter of direction to the institution at which each escrow account is established, authorizing the division to review and audit the institution's records of such account at any time that the division, in its discretion, deems necessary.

## **265—9.8(16) Claims.**

9.8(1) Claim procedures. In the event of a claim, the rights of the division and a party are as follows:

a. Upon receipt of notice by a party of a claim, the party must notify the division in writing within three business days of receipt of information about a claim by the party and shall mail

notification to the division by first-class mail at the division's address as set forth in subrule 9.4(1). In addition, if the nature of the claim is such that the guaranteed claimant or the division, or both, may suffer loss or damage that might be reduced or avoided by notice given more promptly than required by the preceding sentence, the party shall notify the division by telephone, facsimile transmission, e-mail, overnight mail or other overnight delivery service, or any combination of these methods.

b. When a party receives a request from the division for information with respect to a claim, the party shall supply to the division any documents, correspondence, surveys, abstracts of title, title searches, other writings, or other information known by or available to the party and relevant to the claim, even if not specifically requested by the division.

c. A party shall cooperate fully in the investigation and resolution of a claim and shall supply any additional, new information that may come to the party's attention with such promptness as the circumstances permit.

d. The division may, with or without prior notice to the party or parties involved, investigate and resolve any claim in any manner that, in the division's sole discretion, the division may deem advisable.

**9.8(2) Claim loss recovery.**

a. Any claim losses paid are recoverable from a party by the division.

b. In the absence of knowledge by the party about the title defect or other matter causing the claim loss, the division shall not seek recovery from the party when a claim loss arises from one or more of the following:

(1) Hidden defects, including, but not limited to, forged deeds and mortgages, false affidavits, and false statements of marital status;

(2) Errors by public officials in maintaining and indexing the public records, including, but not limited to, errors by county assessors, recorders, clerks, and treasurers;

(3) Errors in these rules, manuals, and any other written instructions given by the division that the party relies upon in issuing an abstract, title opinion, commitment or certificate;

(4) Errors in surveys provided by registered Iowa land surveyors that the party relies upon in issuing a certificate that provides survey coverage; or

(5) Underwriting determinations or title risks approved by the division prior to issuance of the abstract, title opinion, commitment, or certificate.

c. The party shall reimburse the division for a claim loss when the division determines, in accordance with paragraph 9.8(2)“d,” that the party is liable and when the claim loss arises from one or more of the following:

(1) Errors by the party in the preparation of an abstract or any other report of information in the public record;

(2) Reliance by the party upon sources of title searches and other title information that had not been approved by the division at the time of the reliance;

(3) Errors made by the party in examining the title information provided in an abstract, survey, affidavit, or other source of title information;

(4) Errors made by the party in the preparation or review of an abstract, title opinion, commitment or certificate;

(5) Issuance of an abstract, title opinion, commitment or certificate by the party with knowledge that title is defective; or

(6) Failure of the party to follow the Code of Iowa, these rules, manuals, or any other written instructions given by the division.

d. Unless another rule, the Code of Iowa, manuals, or any other written instruction given by the division provides for a different standard of liability or other rule for determining whether the party shall be liable for a claim loss, the division shall apply the following standards:

(1) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.8(2)“c”(1), the division may demand reimbursement from the party if the party was grossly negligent in preparing the abstract. Gross negligence includes the failure to make a search or the use of inadequate search procedures. Gross negligence under the preceding sentence includes but is not limited to failure to search certain indices, failure to search all names of parties with an interest in the real estate, or failure to search in all public offices required by the division search procedures or procedures used by prudent title searchers if the division has not established specific search procedures. In making its determination whether to seek recovery, the division may consider the complexity of the public record, the reliance of the party upon division-approved search procedures, the training and experience of the person who made the error, and the existence or nonexistence of previous search errors by the party.

(2) In the event that a claim loss occurs for which the division may seek recovery from a party under subparagraph 9.8(2)“c”(2), the division may demand reimbursement from that party if the party relied upon sources of abstracts or other title information that had not been approved by the division at the time of the reliance.

(3) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.8(2)“c”(3), the division may demand reimbursement from the party if the party negligently examined the title information used in making a title determination, failed to raise an appropriate exception, waived an exception, or endorsed a commitment or certificate.

1. The division may make full review of local county abstracting standards and bar title rules

as a guide to determine whether the party has failed to meet the standard of skill and competence of an abstractor who prepares an abstract or an attorney who examines titles in the community where the claim arose.

2. The division may also consider whether the party followed the Code of Iowa, these rules, manuals, or any other written instructions given by the division in examining the title.

3. In addition, the division may seek input from other parties in the community in which the claim arose as to the standard of care of an abstractor who prepares an abstract or of an attorney who examines titles in that community.

(4) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.8(2)“c”(4), the division may demand reimbursement from the party if the party negligently prepared or reviewed an abstract, title opinion, commitment or certificate.

(5) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.8(2)“c”(5), the division may demand reimbursement from the party if the issuance of the abstract, title opinion, commitment or certificate constituted fraud, concealment or dishonesty, or if the issuance of the abstract, title opinion, commitment or certificate was based upon an underwriting decision on an unusual risk that was made without contacting the division for approval.

(6) In the event that a claim loss occurs for which the division may seek recovery from the party under subparagraph 9.8(2)“c”(6), the division may demand reimbursement from the party if the party failed to follow the Code of Iowa, these rules, manuals, or any other written instructions given by the division with respect to the matter causing the claim loss.

(7) In the event the division seeks reimbursement from a party, the division shall state the basis of the reimbursement.

e. The division board may establish levels of authority, including dollar amounts, for the division for the settlement of claims made against the division.

**265—9.9(16) Mortgage release certificate.** Pursuant to Iowa Code section 16.92, the division is charged with the administration of a program to release, after proper notification, paid-off mortgages from real estate titles in Iowa by executing and filing with the county recorder a mortgage release certificate.

**9.9(1) Application.** The division shall provide a mortgage release application at the office of the division and on the division's Web site. The following may submit an application for a mortgage release certificate:

a. A person authorized to regularly lend moneys to be secured by a mortgage on real property in Iowa.

b. A licensed real estate broker.

c. A licensed attorney.

d. A participating abstractor.

e. A licensed closing agent.

**9.9(2) Application fee.** An applicant may be required to pay a fee to apply for a mortgage release certificate. The fee shall be set by the division.

**9.9(3) Maximum principal amount of mortgage.** The division board may set a maximum principal amount for mortgages that may be released by a mortgage release certificate.

**9.9(4) Authority to sign certificate.** A mortgage release certificate shall be executed by the division director or designee of the division director.

**265—9.10(16) Rules of construction.** In this chapter, the following rules of construction shall be observed:

1. The word “shall” means mandatory and not permissive and the word “may” means permissive and not mandatory.

2. Nothing contained in this chapter shall be construed to require a participating attorney to disclose privileged information of a client to the division or to any other person.

3. Any rule that provides a specific remedy or sanction for violation of the rule shall not be construed as limiting the ability of the division to pursue and enforce other remedies or sanctions under this chapter, or otherwise against a participant or other person responsible or liable, either separately, concurrently, cumulatively, or in any combination, at the sole discretion of the division.

4. The failure of the division to enforce a right or remedy under this chapter, a statute, or common law shall not be construed as a waiver of such right or remedy either in the specific instance or in any other instance.

**265—9.11(16) Seal.** The division shall have a corporate seal that may be altered by the division from time to time.

These rules are intended to implement Iowa Code sections 16.2A, 16.4C, 16.5, 16.90 to 16.94, 17A.3, 17A.9, 17A.10, and 535.8(10), ~~2007 Iowa Code Supplement sections 16.1, 16.2, 16.3, 16.5, 16.40, and 16.91, and Iowa Code section 16.93 as amended by 2008 Iowa Acts, Senate File 2117.~~



To: Iowa Finance Authority Board  
From: Ashley Jared  
Date: December 28, 2015  
Re: January 2016 Communications Report

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## **IOWA TITLE GUARANTY**

### **E-Payment Portal**

ITG's new E-Payment portal will be launched on January 7. This launch has been supported by various marketing support including:

- Routine emails with launch information
- Postcards sent to participants
- Mailing stuffer
- E-Payment 1-Pagers
- Web banner

### **2016 Spring Settlement Conference**

The Iowa Title Guaranty Spring Settlement Conference will be held April 26 at Prairie Meadows. More information will be available soon.

## **SINGLE-FAMILY**

### **2016 Take Credit Program**

We're preparing to launch the 2016 Take Credit program with communications to our partner organizations, updated materials and media relations initiatives.

### **Lender Recognition Luncheon**

Single-Family will be holding a lender recognition luncheon on March 10 at Prairie Meadows. Registration information will be available soon. Board members are welcome to attend.

## **MEDIA RELATIONS**

[Dec. 2: Iowa Finance Authority Awards more than \\$6.3 million to 27 Local Housing Trust Funds](#)

[Dec. 15: Fifteen Iowa Cities Receive \\$9.1 Million in Low-Interest State Revolving Fund Loans for Water Quality Initiatives](#)

## **UPCOMING EVENTS**

### **January**

Jan. 7: Introduction to 2016 Take Credit Mortgage Credit Certificate Program  
Jan. 16: 2016 Iowa FFA Alumni Conference, FFA Enrichment Center, Ankeny  
Jan. 21: Farming for the Future, Quality Inn & Suites, Ames  
Jan. 22-23: Practical Farmers of Iowa Conference, Scheman Building, Ames  
Jan. 27-28: Iowa Pork Congress Iowa Events Center, Des Moines  
Jan. 29-30: CCCC & KIIC Ag Show, Ottumwa  
Feb. 9-10: Iowa Agri Business Tradeshow, Iowa State Fairgrounds, Des Moines  
Feb. 16: Northwest Iowa Ag Outlook, Clay County Events Center, Spencer  
Feb. 25: Beginning Farmer Workshop, Burlington Community College



### 'Relentless' exec drives downtown housing boom

December 26, 2015 - The Des Moines Register

...she managed rentals, developed apartments and handled low-income **housing tax credits**. An advocate for affordable housing, Saddoris is involved...

### Coralville looks at affordable senior housing

December 25, 2015 - TheGazette.com

...approval of developer Sand Development's application for low-income **housing tax credits** from the Iowa Finance Authority. The Housing Trust Fund...

### January 2015

December 25, 2015 - The Daily Nonpareil

...and Pottawattamie counties, excluding Council Bluffs, which receives support from **the Iowa Finance Authority**. On Jan. 2, the Midlands Humane...

### City of Osage receives low-interest state loan for water quality initiatives

December 23, 2015 - Globe Gazette

...first-phase of project expenses. The Iowa Finance Authority and the **Iowa Department of Natural Resources** jointly administer the **State Revolving Fund** in...

### Returning next generation to farm is CSIF conference focus

December 22, 2015 - Farms.com

...lending process works for new livestock projects; Steve Ferguson with **the Iowa Finance Authority**, who will talk about the Beginning Farm Loan...

### D.M. attorneys cite 'potential' conflict for Hensley

December 22, 2015 - The Des Moines Register

...prohibit your full participation in City Council actions regarding **Iowa Finance Authority** applications in which MHEG and the applicant developers...

### Housing for seniors planned in Marion

December 19, 2015 - TheGazette.com

...households per year through 2020. according to a market study by **the Iowa Finance Authority**. A 2014 study released by the Housing Assistance...

### Water Project Loans

December 17, 2015 - KICD AM 1240

...first-phase of project expenses. The Iowa Finance Authority and the **Iowa Department of Natural Resources** jointly administer the **State Revolving Fund** in...

### Letts awarded loan for water quality

December 17, 2015 - The Muscatine Journal

Letts can borrow \$600,000 for its sewer infiltration and inflow. **State Revolving Fund** Construction Loans are DES MOINES, **Iowa** Letts was one of 15...

### Tama one of 15 cities receiving loans for water improvements

December 16, 2015 - TamaToledoNews.com

...of low- and moderate-income Iowans. IFA also administers the **State Revolving Fund** (SRF) in partnership with the **Iowa** Department of Natural Resources.

### First-time homebuyers receive assistance

December 12, 2015 - Quad-City Times

...qualify for a conventional first mortgage. The program can utilize **Iowa Finance Authority** (IFA) FirstHome programs and other lending programs...

### Rate fears build solid home-sales year

December 10, 2015 - THonline.com

...say some 1st-time buyers are taking advantage of programs through **the Iowa Finance Authority**. Local Realtors have witnessed an increase in home...

### Northey highlights Iowa investments in past year to improve water quality

December 09, 2015 - newzgroup.com

Iowa Falls Farm Bureau Spokesman Full Edition - Iowa Falls, IA - Column Inches: 32 - Page #: 02

### Council OKs plans for former Maytag buildings

December 08, 2015 - NewtonDailyNews.com

...one of the 13 proposals to receive federal Housing Tax Credit through **the Iowa Finance Authority**, falling short by one point. We always welcome...

### Senior housing project to get \$550,000 aid

December 08, 2015 - newzgroup.com

Iowa City Press-Citizen - Iowa City, IA - Column Inches: 8 - Page #: 008

### Addressing low-income, affordable housing issues

December 08, 2015 - newzgroup.com

Newton Daily News - Newton, IA - Column Inches: 20 - Page #: 3

### Q-C gets \$1.14M for housing

December 07, 2015 - newzgroup.com

Davenport Quad-City Times - Davenport, IA - Column Inches: 26 - Page #: 07

### \$325 MILLION INVESTED IN IOWA PROGRAMS FOR WATER QUALITY BENEFITS LAST YEAR

December 07, 2015 - Agri Marketing

...infrastructure low interest loan program jointly managed by the Iowa DNR and **Iowa Finance Authority**. The report was compiled by the Iowa Department of...

### Q-C region receives \$1.14 million in housing assistance grants

December 06, 2015 - Quad-City Times

...Quad-City region have received \$1.14 million in grants from **the Iowa Finance Authority** Board to distribute to groups that provide housing assistance.

**Builders could get it their way, for a time, in new Des Moines tax abatement program - Business Record**

December 04, 2015 - Business Record

...more time to file building permits or apply for low-income **housing tax credits** through the Iowa Finance Authority. If those applications are...

**Dubuque receives \$147,000 for housing**

December 04, 2015 - newzgroup.com

Dubuque Telegraph Herald - Dubuque, IA - Column Inches: 7 - Page #: 005



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Terri Rosonke, HousingIowa Development Specialist  
Date: January 6, 2016  
Re: Workforce Housing Loan Program

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**Workforce Housing Loan Program Background**

The Iowa Finance Authority (IFA) created the Workforce Housing Loan Program to provide financial assistance in the form of a repayable loan to cities and counties that demonstrate a need for additional workforce rental housing for Iowans as a result of employment growth within the local unit of government's jurisdictional boundaries. Only cities and counties in Iowa are eligible applicants for Workforce Housing Loan Program assistance.

Highlights of the Workforce Housing Loan Program include the following:

- Applicants must provide a rental housing market analysis for the proposed project completed by an independent third-party that documents a housing shortage relative to demand, low vacancy rates and/or rising housing costs combined with low unemployment such that the:
  - City has a low annual average rental vacancy rate of five percent or less
  - Community has a low average unemployment rate and demonstrates the extent to which a low unemployment rate contributes to increased demand for workforce housing
- The maximum loan amount per applicant will be the lesser of \$1 million or \$50,000 per assisted workforce housing rental unit.
- The Workforce Housing Loan cannot exceed 50 percent of the total project development budget.
- Workforce housing units shall not be age restricted and shall be limited to tenant households earning 140 percent or less of the statewide median income as published by HUD. The FY 2015 income limit is \$94,500 per household.
- Rents must be affordable to the targeted income population and commensurate with market conditions.
- The city in which the proposed workforce housing project will be located must have local building code enforcement, including inspections, or agree to state building code enforcement.
- The applicant must identify a specific project to be assisted with the loan funds and that project must be "ready to proceed" defined as a reasonable ability, as demonstrated in the application timeline, to expend at least 10 percent of the project's approved development budget within six months of loan award approval.
- The identified project in the application submission may not begin construction until on or after the date the IFA Board of Directors approves the Workforce Housing Loan Program award.

### **2015 Workforce Housing Loan Program Summary**

The application deadline for the Workforce Housing Loan Program was November 2, 2015. IFA received two application submissions requesting a total of \$1,351,000. Available funding under the Workforce Housing Loan Program totals up to \$5,000,000 in uncommitted funds within the Multifamily Loan Program, as the IFA Board of Directors approved in July 2015 under Resolution FIN 15-08. All application submissions are recommended for funding approval summarized as follows:

#### **City of Chariton**

The city of Chariton has requested \$600,000 in Workforce Housing Loan Program assistance to help construct 12 units of workforce rental housing. The project, known as Charger Park Townhomes, will consist of six duplex buildings in close proximity to Chariton Schools. Each approximately 1,200 square foot ranch-style unit will include three bedrooms, two bathrooms and a garage. Two units will be handicapped accessible. Rents are anticipated to be \$750 per month. Major employers in Chariton include the Hy-Vee Distribution Center, Chariton Schools, Lucas County Health Center, and Johnson Machine Works.

#### **City of Forest City**

The city of Forest City has requested a \$751,000 loan to help construct 36 units of workforce rental housing. The project, known as Westgate Apartments, will consist of three 12-unit multifamily buildings with apartments ranging from 1,000 to 1,100 square feet. Half the units will include two bedrooms and the other half three bedrooms, and all apartments will have two bathrooms. Four units will be handicapped accessible. Rents are anticipated to be \$700 per month for two-bedroom units and \$800 per month for three-bedroom apartments. Major employers in Forest City include Winnebago Industries, Waldorf College, 3M Distribution, CDI, and the Forest City Community School District.

If the Board approves the requested Resolution, recommended awards under the Workforce Housing Loan Program will leverage an additional \$4,694,075 in other financing resources or \$3.47 for every dollar of Workforce Housing Loan Program funding. The approved budgets are projected to develop a total of 48 workforce rental housing units in Chariton and Forest City.

#### **Funding Recommendations**

Based upon review of all applications received, IFA staff recommends Workforce Housing Loan Program awards totaling \$1,351,000 for the Board's approval according to the terms as set forth in Exhibit A to the requested Resolution. IFA will enter into loan agreements with each city, with draft contact documents to be sent to the approved borrowers within the next 30 days. The \$3,649,000 remaining available in the Workforce Housing Loan Program budget may be made available in a future funding round at IFA's discretion.

**RESOLUTION**  
**HI 16-01**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, the Authority administers the Multifamily Loan Program for Workforce Housing Loan Assistance program pursuant to administrative rule 265—3.8 (16); and

WHEREAS, the Cities identified on Exhibit A (the “Cities”) have identified a critical need for workforce housing within their jurisdictions; and

WHEREAS, the Cities have identified locations as suitable areas for the development of workforce housing; and

WHEREAS, the Cities have applied to the Authority for financial assistance in the form of loans to finance the development of workforce housing in those areas; and

WHEREAS, the Authority desires to approve Workforce Housing loans to the Cities, on substantially the terms and conditions described in Exhibit A, to finance the development of workforce housing in the Cities.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Authority to work with the Cities and any other necessary parties in an effort to finance workforce housing in the Cities in the manner described herein. The Board further authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes funding loans to the Cities in the amounts set forth on Exhibit A hereto, on substantially the terms set forth therein, consistent with rule 265—3.8 (16) , and subject to such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to fund said loans from available funds of the Authority, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution rule 265—3.8 (16).

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such

declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 6<sup>th</sup> day of January, 2016.

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David D. Jamison, Secretary

(Seal)

**Exhibit A**  
Workforce Housing Loan Terms

Borrower:	City of Chariton
Proposed Loan Amount:	\$600,000
Collateral:	Full Faith and Credit of the City
Term:	Up to 20 years
Rate:	1%
Amortization:	Up to 20 years
IFA Fees:	\$0
Commitment Fee:	\$0
Borrower:	City of Forest City
Proposed Loan Amount:	\$751,000
Collateral:	Full Faith and Credit of the City
Term:	Up to 20 years
Rate:	1%
Amortization:	Up to 20 years
IFA Fees:	\$0
Commitment Fee:	\$0



To: IFA Board of Directors  
From: Tammy Nebola, Iowa Ag Program Specialist  
Lori Beary, Community Development Director  
Date: December 28, 2015  
Re: Iowa Agricultural Division Beginning Farmer Loan Program

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## **Agenda**

### **Iowa Agricultural Development Division**

#### **Authorizing Resolutions**

##### **AG 15-093 Nathan D. Sunderman**

This is a resolution authorizing the issuance of \$118,590 for Nathan D. Sunderman. The bond will be used: To purchase approximately 40.33 acres of agricultural land in Sac County. The lender is Bank Iowa in Clarinda.

- **Need Board action on Resolution AG 15-093B**

##### **AG 15-094 Jason W. and Lindsie A. Sandifer**

This is a resolution authorizing the issuance of \$515,000 for Jason W. and Lindsie A. Sandifer. The bond will be used: To purchase approximately 238 acres of agricultural land, house and out-buildings in Wapello County. The lender is South Ottumwa Savings Bank in Ottumwa.

- **Need Board action on Resolution AG 15-094B**

##### **AG 15-095 Peter T. and Elizabeth L. Smith**

This is a resolution authorizing the issuance of \$290,905 for Peter T. and Elizabeth L. Smith. The bond will be used: To purchase approximately 80 acres of agricultural land in Cass County. The lender is First Whitney Bank & Trust Co in Atlantic.

- **Need Board action on Resolution AG 15-095B**

##### **AG 15-096 Barry and Kristen Spaans**

This is a resolution authorizing the issuance of \$100,861 for Barry and Kristen Spaans. The bond will be used: To purchase approximately 40 acres of agricultural land in Sioux County. The lender is American State Bank in Alford.

- **Need Board action on Resolution AG 15-096B**

##### **AG 15-097 Jacob T. and Brandi M. Adams**

This is a resolution authorizing the issuance of \$365,000 for Jacob T. and Brandi M. Adams. The bond will be used: To purchase approximately 155 acres of agricultural land and out-buildings in Jefferson County. The lender is First National Bank in Fairfield.

- **Need Board action on Resolution AG 15-097B**

**AG 15-098 Seth W. Kloetzer**

This is a resolution authorizing the issuance of \$297,675 for Seth W. Kloetzer. The bond will be used: To purchase approximately 63 acres of agricultural land in Franklin County. The lender is Green Belt Bank & Trust in Iowa Falls.

- **Need Board action on Resolution AG 15-098B**

**AG 15-099 Brent E. Rozendaal**

This is a resolution authorizing the issuance of \$121,000 for Brent E. Rozendaal. The bond will be used: To purchase approximately 45 acres of agricultural land, house and out-buildings in Jasper County. The lender is U.S. Bank, N.A. in Boone.

- **Need Board action on Resolution AG 15-099B**

**AG 15-100 Garrett L. and Dawn Tingwald**

This is a resolution authorizing the issuance of \$277,500 for Garrett L. and Dawn Tingwald. The bond will be used: To purchase approximately 75 acres of agricultural land in Boone County. The lender is U.S. Bank, N.A. in Boone.

- **Need Board action on Resolution AG 15-100B**

**RESOLUTION  
AG 15-093B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested

by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number: AG 15-093**
- 2. Beginning Farmer: Nathan D. Sunderman  
3047 170th St  
Redding, IA 50860-8821**
- 3. Bond Purchaser: Bank Iowa  
101 N 15th St, PO Box 119  
Clarinda, IA 51632-1614**
- 4. Principal Amount: \$118,590**
- 5. Initial Approval Date: 1/6/2016**
- 6. Public Hearing Date: 12/21/2015**
- 7. Bond Resolution Date: 1/6/2016**
- 8. Project: To purchase approximately 40.33 acres of agricultural land**

**RESOLUTION  
AG 15-094B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-094
- 2. Beginning Farmer:** Jason W. and Lindsie A. Sandifer  
21542 62nd St  
Ottumwa, IA 52501-8573
- 3. Bond Purchaser:** South Ottumwa Savings Bank  
320 Church St, PO Box 516  
Ottumwa, IA 52501-0516
- 4. Principal Amount:** \$515,000
- 5. Initial Approval Date:** 1/6/2016
- 6. Public Hearing Date:** 12/21/2015
- 7. Bond Resolution Date:** 1/6/2016
- 8. Project:** To purchase approximately 238 acres of agricultural land, house and out-buildings

**RESOLUTION**  
**AG 15-095B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-095
- 2. Beginning Farmer:** Peter T. and Elizabeth L. Smith  
1805 Hillcrest Dr  
Atlantic, IA 50022-2850
- 3. Bond Purchaser:** First Whitney Bank & Trust Co  
223 Chestnut St, PO Box 271  
Atlantic, IA 50022-0271
- 4. Principal Amount:** \$290,905
- 5. Initial Approval Date:** 1/6/2016
- 6. Public Hearing Date:** 12/21/2015
- 7. Bond Resolution Date:** 1/6/2016
- 8. Project:** To purchase approximately 80 acres of agricultural land

**RESOLUTION  
AG 15-096B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-096
- 2. Beginning Farmer:** Barry and Kristen Spaans  
3448 Cherry Ave  
Hudson, IA 57034-8922
- 3. Bond Purchaser:** American State Bank  
212 Main St, PO Box 116  
Alvord, IA 51230-7707
- 4. Principal Amount:** \$100,861
- 5. Initial Approval Date:** 1/6/2016
- 6. Public Hearing Date:** 12/21/2015
- 7. Bond Resolution Date:** 1/6/2016
- 8. Project:** To purchase approximately 40 acres of agricultural land

**RESOLUTION  
AG 15-097B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-097
- 2. Beginning Farmer:** Jacob T. and Brandi M. Adams  
302 E Madison Ave  
Fairfield, IA 52556-3643
- 3. Bond Purchaser:** First National Bank  
100 E Burlington Ave, PO Box 1007  
Fairfield, IA 52556-1007
- 4. Principal Amount:** \$365,000
- 5. Initial Approval Date:** 1/6/2016
- 6. Public Hearing Date:** 12/21/2015
- 7. Bond Resolution Date:** 1/6/2016
- 8. Project:** To purchase approximately 155 acres of agricultural land and out-buildings

**RESOLUTION  
AG 15-098B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-098
- 2. Beginning Farmer:** Seth W. Kloetzer  
406 Mallard Ave  
Iowa Falls, IA 50126-9021
- 3. Bond Purchaser:** Green Belt Bank & Trust  
616 Washington Ave, PO Box 790  
Iowa Falls, IA 50126-2217
- 4. Principal Amount:** \$297,675
- 5. Initial Approval Date:** 1/6/2016
- 6. Public Hearing Date:** 12/21/2015
- 7. Bond Resolution Date:** 1/6/2016
- 8. Project:** To purchase approximately 63 acres of agricultural land

**RESOLUTION  
AG 15-099B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 15-099
- 2. Beginning Farmer:** Brent E. Rozendaal  
4725 E 116th St S  
Kellogg, IA 50135-8557
- 3. Bond Purchaser:** U.S. Bank, N.A.  
724 Story St, PO Box 518  
Boone, IA 50036-0518
- 4. Principal Amount:** \$121,000
- 5. Initial Approval Date:** 1/6/2016
- 6. Public Hearing Date:** 12/21/2015
- 7. Bond Resolution Date:** 1/6/2016
- 8. Project:** To purchase approximately 45 acres of agricultural land, house and out-buildings

**RESOLUTION  
AG 15-100B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 6<sup>th</sup> day of January, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number: AG 15-100**
- 2. Beginning Farmer: Garrett L. and Dawn Tingwald  
603 W State St  
Jefferson, IA 50129-1723**
- 3. Bond Purchaser: U.S. Bank, N.A.  
724 Story St, PO Box 518  
Boone, IA 50036-0518**
- 4. Principal Amount: \$277,500**
- 5. Initial Approval Date: 1/6/2016**
- 6. Public Hearing Date: 12/21/2015**
- 7. Bond Resolution Date: 1/6/2016**
- 8. Project: To purchase approximately 75 acres of agricultural land**



To: Board of Directors of the Iowa Finance Authority  
From: Tim Morlan & Derek Folden  
Date: January 6, 2016  
Re: Multifamily Loan Program Review

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**Production Status**

Loans in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Target Closing</u>	<u>Amount</u>	<u>Loan Type</u>
Centerville Senior Lofts, Centerville	Senior Living	2-1-2016	\$600,000	C/P
Keokuk Senior Lofts, Keokuk	Senior Living	2-1-2016	\$700,000	C/P
Southridge Senior Lofts, Des Moines	Senior Living	2-1-2016	\$350,000	C/P

Applications in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Amount</u>	<u>Loan Type</u>
Forest City	Workforce	\$751,000	C/P
Chariton	Workforce	\$600,000	C/P