

RESOLUTION
ITG 19-04

WHEREAS, Iowa Title Guaranty (“ITG”) operates a program to offer 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 to add to the integrity of the land-title transfer system in the state of Iowa; and

WHEREAS, ITG shall set rates for certificates and closing protection letters in an amount sufficient to permit the program to operate on a self-sustaining basis, including payment of administrative costs and the maintenance of an adequate reserve against claims under the Iowa title guaranty program; and

WHEREAS, ITG currently operates, supports and maintains a web-based title production system developed in-house to facilitate the issuance of ITG commitments, certificates and endorsements; and

WHEREAS, ITG desires to modernize and outsource its title production system to reduce risk and compete more effectively in an increasingly digital and fast-paced real estate industry; and

WHEREAS, ITG staff has researched and evaluated modern title-production systems available in the marketplace, and has selected Qualia Labs, Inc. to develop, operate, support and maintain ITG’s next generation title production system; and

WHEREAS, Qualia Labs, Inc. has agreed to develop ITG’s next generation title production system by January 1, 2020, and operate, support and maintain such system thereafter, in return for a \$30 per transaction technology fee and a \$500,000 security deposit, which shall be refunded from the first \$500,000 of per transaction technology fees paid (“Qualia’s Compensation”); and

WHEREAS, ITG desires to increase its streamlined fee for title coverage from \$140 to \$170 effective January 1, 2020 to generate the revenue necessary to pay for the development, operation, support and maintenance of ITG’s next generation title production system on a self-sustaining basis; and

WHEREAS, ITG seeks ITG Board approval to contract with Qualia Labs, Inc. to develop, operate, support and maintain ITG’s next generation title production system in return for Qualia’s Compensation.

NOW, THEREFORE, BE IT RESOLVED that the ITG Board authorizes ITG to take the following actions:

- 1) Contract with Qualia Labs, Inc. to develop, operate, support and maintain ITG's next generation title production system in return for Qualia's Compensation, in compliance with applicable procurement laws and regulations and on such terms and conditions deemed necessary by the ITG Director, and
- 2) Increase ITG's streamlined fee for title coverage from \$140 to \$170 on or after January 1, 2020 to generate the revenue necessary to pay for the development, operation, support and maintenance of ITG's next generation title production system on a self-sustaining basis.

PASSED AND APPROVED this 24th day of June, 2019.

Charles Winkleblack, Iowa Title Guaranty Board Chair

Matthew Rousseau, Iowa Title Guaranty Board Secretary

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