






Why Title Guaranty

- ▶ Title coverage for lenders and owners
- ▶ • Facilitate sales to secondary market
- ▶ • Support affordable housing
 - – IFA FirstHome Program
 - – IFA FirstHome Plus

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Title Coverage

- Lender's Coverage
 - Valid and enforceable mortgage
 - No liens or encumbrances on title
 - Owner's hold title as stated on Certificate
- Owner's Coverage
 - Title as stated on Certificate
 - No liens or encumbrances on title

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Title Coverage

- ▶ Owner's Coverage **FREE**
 - Issued with Lender Coverage
 - Owner Occupied
 - Valued <\$500,000
- ▶ Request on CMA ¶15

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Common Title Issues

- ▶ Mechanic's Liens
- ▶ Improper execution of mortgages
- ▶ Open-ended lines of credit

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Mechanic's Liens

- ▶ Priority over home buyers first mortgage
 - - If lien is filed within the 90 day period
 - - Lien may be filed AFTER mortgage and still have priority
- ▶ Homeowner may be liable
 - - Even if they have paid the Contractor in full

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Execution of Mortgage

- ▶ Marital Status must be indicated
- ▶ All title holders and spouses must sign mortgage:
 - John Doe and Mary Doe, Husband and Wife
 - John Jones, a single person and Mary Doe, a single person
 - John Doe, an unmarried person
 - John Doe, a married person and Mary Doe a married person
 - John Doe and James Smith, a married couple

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Open End Mortgage

- ▶ Abstractors should identify
- ▶ Payoff alone insufficient
 - Line of credit must be CLOSED

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Title Guaranty Procedures

- ▶ Pre Closing – Refinance Transactions
 - Title Search (Form 900 or equivalent)
 - Attorney Review
 - Title Guaranty Commitment or
 - Title Opinion
 - Close Loan

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Title Guaranty Procedures

- ▶ Post Closing
 - Post Closing Search – (Form 901 or equivalent)
 - Do NOT hold to show releases
 - Attorney Review
 - Final Title Guaranty Certificate (policy) or
 - Final Title Opinion

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Rapid Certificate

- ▶ Final Certificates are more timely
- ▶ No waiting for mortgage releases
- ▶ No chasing releases
- ▶ Rapid Certificate is required when issuing Closing Protection letter

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Requirements

- ▶ Proof of Payoff
 - Payoff Statement
 - Cancelled Check - copy
 - Proof of wired funds
 - If line of credit - need proof of closure

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Rapid Certificate

- ▶ Schedule B of final Certificate will show the unreleased mortgage
- ▶ Schedule B
- ▶ Endorsement against Loss Lien

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Rapid Certificate

- ▶ Post Closing
 - Title Guaranty follow up
 - 4 months
 - Check for release
 - If no release, Title Guaranty will release
 - NO charge for releasing the mortgage

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Title Guaranty

- ▶ Communicate to closers
 - Attorneys
 - Independent Closers
- ▶ Closing Protection Letter
 - NO Charge
 - Requires Rapid Certificate

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Ordering Title Guaranty

- ▶ www.iowaFinanceAuthority.gov/titleguaranty
- ▶ [Finding Field Issuers](#)

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Questions??

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More Information?

Linda Berg
linda.berg2@iowa.gov

515.725.4893

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