

Title Guaranty Division Board Meeting Minutes

January 13, 2009

Board Members Present:

Deborah Petersen (by phone)
Walter Murphy (by phone)
Mitchell Taylor (by phone)
Pat Schneider
Surasee Rodari

Staff Members Present:

Loyd Ogle, TGD Director
Matt White, TGD Deputy Director
Linda Berg, TGD Business Development
Director
Becky Petersen, TGD Field Operations
Director
Becky Wu, IFA Accountant
Susan Mock, TGD Administrative Assistant

Others Present:

Bill Blue – ILTA

Call to Order

Ms. Deborah Petersen called the January 13, 2009, meeting of the Title Guaranty Board of Directors to order at 10:06 a.m. Present at that time along with Ms. Deborah Petersen were Mr. Taylor and Mr. Rodari.

Review & Approval of Board Meeting Minutes

The Board discussed the December 9, 2008, meeting minutes.

Ms. Schneider entered the meeting at 10:07 a.m.

Motion: On a motion by Mr. Taylor, seconded by Mr. Rodari, the Board unanimously approved the December 9, 2008, Board meeting minutes.

Review of Financial Reports and Transfer of Funds to IFA's Housing Programs

Mr. Ogle delivered the financial report. TGD had a really strong month in November. Available for transfer is \$107,000. December was a slow month. January started slow, but TGD is starting to pick up due to a refinance boom.

Motion: On a motion by Mr. Rodari, seconded by Ms. Schneider, the Board unanimously approved the financial report.

Motion: On a motion by Mr. Taylor, seconded by Mr. Rodari, the Board unanimously approved the transfer of \$107,000 to IFA's housing programs.

Director's Report

Mr. Ogle gave the director's report. The state legislative session started that week. TGD is proposing one bill regarding the regulation of closing companies. TGD also worked with the Iowa State Bar Association on a proposal to overhaul the mechanic lien law in Iowa to make closing go more smoothly. TGD is also monitoring two additional bills. One is an ILTA initiative to license abstracting in the state. The other legislation deals with the CLARIS online system and whether the county associations are allowed to sell the data in bulk on a statewide basis.

Recommendation to Strike Plant Definition in Waiver Rules

Mr. Ogle reminded the Board that before they worked on the plant waiver rules, there was already a definition of "title plant" in the Iowa Code. When the plant waiver rules were developed, a definition of a plant was included in the waiver rules. Mr. Ogle said staff attorneys determined that there are no legal differences in the wording of the definitions. However, the definition of "plant" in the waiver rules raised concerns by the ILTA. The ILTA felt it could be used by someone to say they had a plant merely by the ability to access publicly available information. It was simpler to remove the language from the waiver rules. Staff recommendation is to start the process to notice rules to strike the language. This will appear as an agenda item at the IFA Board meeting in February.

Motion: On a motion by Mr. Taylor, seconded by Ms. Schneider, the Board unanimously voted to recommend to the IFA Board to strike the language regarding the definition of "plant" from the waiver rules.

Approval of TGD Manual Changes Regarding the Non-Purchase Product

Mr. Ogle said that when TGD put the non-purchase product into effect, the Manual showed details on requirements for using that product. It requires that on a refinance transaction that a search of at least 24 months in length must be done. The underwriting problem is that the standards set do not make sense in every situation. If a homebuyer has owned a home for a year or so and decides to refinance for a lower interest rate, it does not make sense to go back 24 months. Some abstractors charge the same rate for a 24-month search and a full value deed search, while some charge different rates for the searches. In the second case, attorneys and lenders can either follow the TGD requirement and pay more for the 24-month search to get Title Guaranty, they can have the full value search and use Title Guaranty, or they can switch to title insurance and do the full value search. There is broad noncompliance on this issue.

Mr. Ogle requested that a Board meeting be scheduled for February to approve the change on the non-purchase product from a 24-month chain of title requirement to a full value deed search.

Mr. Murphy called into the meeting at 10:30 a.m.

Review Draft of Administrative Rules

Mr. Ogle said it would not be until this spring or summer that a proposal of new administrative rules would be available.

Mr. Ogle noted that this meeting was held telephonically for the convenience of members who live out of town.

Next Meeting Date and Time

The next Board meeting will be a telephonic one to be held February 10, 2009, at 10:30 a.m.

The quarterly Board meeting was set for May 12, 2009, at 10:30 a.m.

Adjournment

Motion: On a motion by Mr. Rodari, the Board unanimously voted to adjourn at 10:40 a.m.

Dated this February 10, 2009,

Respectfully submitted:

Approved as to form:

Loyd W. Ogle, Director
Title Guaranty Division

Deborah Petersen, Chair
Title Guaranty Division