



Manual

Title Guaranty Division
Iowa Finance Authority
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By
Title Guaranty a Division of the Iowa Finance Authority
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Article I: Title Guaranty Requirements

This Manual contains the Title Guaranty Division (“Division”) forms and program requirements adopted by the Division. Familiarity with the material in this Manual is a must for Participating Attorneys, Participating Abstractors, Independent Closers, and other parties obtaining Title Guaranty services either directly (by issuing Commitments, Certificates, and Endorsements) or indirectly (by preparing abstracts and title opinions and conducting closings). In addition, lenders, real estate agents, paralegals, and administrative staff are urged to read this Manual in order to become better acquainted with Division coverage and forms.

The Division encourages Participating Attorneys, Participating Abstractors, and Independent Closers to contact the Underwriting Department regarding possible alternatives when the coverage contained herein does not meet the circumstances of a specific transaction.

Participating Attorneys, Participating Abstractors, and Independent Closers are bound by the provisions relating to the Division found in Iowa [Code Chapter 16](#); [265 Iowa Administrative Code Chapter 9](#); the Attorney Participation Agreement, Abstractor Participation Agreement, or Independent Closer Agreement; this Manual; Staff Supplement; and other procedures, guides, directives, or any other written or oral instructions or requirements given by the Division.

Section 1.01 Attorneys and Title Guaranty



Attorney Participation Agreement

This Agreement is made and entered into as of the ____ day of _____, 20____, by and between the Title Guaranty Division of the Iowa Finance Authority (hereinafter referred to as Title Guaranty) and _____ (Participant Name and Number).

WHEREAS, pursuant to Chapter 16 of the Code of Iowa and Chapter 265 of the Iowa Administrative Code, the Title Guaranty Division has been established to offer mortgage lenders and the public low cost protection against loss or damage caused by defective titles to real property located in Iowa.

WHEREAS, the undersigned Attorney wishes to participate in the Title Guaranty Program and Title Guaranty desires to grant the undersigned Attorney limited authority to prepare and issue title opinions to be utilized for Title Guaranty purposes, Title Guaranty Commitments, Certificates, and Endorsements as hereinafter described, subject to the terms and conditions set forth in this Agreement.

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

Section 1. Duties of the Participant.

(a) Participant hereby agrees to comply with the Title Guaranty Manual, as amended from time to time, underwriting guidelines, directives and rules, and applicable state and federal laws with regard to all real estate transactions involving a Title Guaranty Commitment or Certificate.

(b) Participant agrees to examine real estate titles in accordance with the most recent Iowa Land Title Examination Standards of the Iowa State Bar Association, where applicable.

(c) Participant must be a licensed Iowa lawyer in good standing with the Iowa Bar and be actively engaged in the practice of law.

(d) Participant shall complete and submit annual questionnaires to Title Guaranty along with an annual renewal fee of \$25.00.

(e) Participant agrees to perform all duties diligently and in good faith, using reasonable skill and care.

(f) Participant agrees that any title opinion issued by him or her may be used and relied upon by Title Guaranty and its agents in issuing Title Guaranty Commitments, Certificates, and Endorsements.

Section 2. Field Issuance.

(a) The Participant may issue Title Guaranty Commitments, Certificates, and Endorsements in accordance with the Title Guaranty Manual after completing training, as

required by Title Guaranty's Director. The Participant shall obtain Title Guaranty's written authorization prior to issuing the following:

- i. Non-residential Commitments, Certificates, or Endorsements.
- ii. Commitments, Certificates, or Endorsements with coverage exceeding \$500,000.00.

(b) Compensation for Field-Issued Certificates. Title Guaranty will compensate Participants who issue Certificates as follows:

- i. \$40.00 per Application processed by the Participant for which one or more Lender and/or Owner Certificates is properly issued using Title Guaranty's on-line issuance program. For purposes of this Section, a properly issued Certificate is defined as a Certificate issued in accordance with Title Guaranty's underwriting standards, policies, and procedures.
- ii. Title Guaranty will compensate the Participant on a quarterly basis. Payment will be made no later than 30 days following the end of each quarter.
- iii. Unpaid premiums shall be deducted from the Participant's quarterly payments if said premiums are more than 60 days overdue.

(c) The Participant's rights under this Section are contractual in nature and may be terminated or suspended by Title Guaranty upon written notice to the Participant's last known address if:

- i. The Participant is no longer engaged in the active practice of law in Iowa.
- ii. The Participant is disbarred or suspended from the practice of law in any State.
- iii. The Participant has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act.
- iv. The Participant violates the terms of this Agreement.

Termination of the Participant's rights under this Section of the Agreement shall not relieve the Participant of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 3. Rapid Certificate Program.

(a) The Participant may issue a final Title Guaranty Certificate guaranteeing over a prior mortgage not yet released of record, if the following conditions are satisfied:

- i. The participant has in his/her physical possession all of the documentation that is required to be submitted to Title Guaranty for release of mortgage as provided for in Iowa Code section [16.92\(2\)\(a\)](#) and [265 IAC 9.9\(2\)](#);
- ii. The Certificate is based upon a certified abstract, re-continued through the recording of the guaranteed mortgage or recording of the conveyance if a sale transaction or the [265 IAC 9.6\(6\)](#) procedure; and (Note: This requirement is not applicable when a Title Guaranty closing protection letter is issued on the transaction)
- iii. The Participant is issuing the final Certificate.

(b) The Participant shall make an exception on Schedule B stating the pertinent information about the unreleased prior mortgage, and attach an Endorsement Against Loss-Mortgage Lien to the Certificate(s).

(c) Four months after the closing of the guaranteed mortgage the Participant shall apply to Title Guaranty for release of mortgage as provided for in Iowa Code Section [16.92](#) and [265 IAC 9.9](#), unless the public records show the prior mortgage released of record. If the prior mortgage is properly released of record, the Participant shall complete the Showing of Release (Division Form 801).

(d) The Participant's rights under this Section are contractual in nature and may be terminated or suspended by Title Guaranty upon written notice to the Participant's last known address if:

- i. The Participant is no longer engaged in the active practice of law in Iowa.
- ii. The Participant is disbarred or suspended from the practice of law in any State.
- iii. The Participant has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act.
- iv. The Participant violates the terms of this Agreement.
- v. The Participant fails to provide Title Guaranty with the completed Division Form 801 within six (6) months of the closing of the guaranteed mortgage, or in the alternative, fails to apply for use of the Mortgage Release Program.

Termination of the Participant's rights under this Section of the Agreement shall not relieve the Participant of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 4. Closing Protection Letter Program.

(a) Title Guaranty will issue Closing Protection Letters insuring closings conducted by the Participant upon submission of an application and other required forms to Title Guaranty.

(b) Closing Protection Letters are only available to Participants issuing Commitments and Certificates using the Rapid Certificate Program, when applicable.

(c) The Participant's rights under this Section are contractual in nature and may be terminated or suspended by Title Guaranty upon written notice to the Participant's last known address if:

- i. The Participant is no longer engaged in the active practice of law in Iowa.
- ii. The Participant is disbarred or suspended from the practice of law in any State.
- iii. The Participant has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act.
- iv. The Participant violates the terms of this Agreement.

Termination of the Participant's rights under this Section of the Agreement shall not relieve the Participant of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 5. Documentation. Participant agrees to maintain copies of any applicable document including but not limited to title opinions, Composite Mortgage Affidavits, surveys, materials related to encroachment coverage issues, lien waivers, and underwriting used to issue endorsements for a term of ten (10) years from the date of issuance of the Certificate or other coverage binding Title Guaranty. Participant shall provide Title Guaranty with copies of any documents upon request.

Section 6. Premium Remittance. The Participant shall remit to Title Guaranty promptly upon Certificate issuance a premium in accordance with the rates set by the Title Guaranty Board of Directors. The Participant shall not charge or receive any portion of the charge for a Commitment or Certificate as a result of participating in the Title Guaranty Program.

Section 7. Claims. The Participant shall not settle or adjust any claims for which Title Guaranty may be liable, accept notice of claims or service of process for Title Guaranty, or incur debts or other obligations chargeable to Title Guaranty. Upon payment of a claim, Title Guaranty shall be subrogated to the rights of the claimant against the Participant relating to the claim.

Section 8. Insurance. The Participant agrees to maintain professional liability insurance with limits of not less than \$200,000 per claim and not less than \$500,000 total annual limit. If the

Participant receives closing protection letters from Title Guaranty, the Participant shall maintain professional liability insurance in the amount of \$500,000 per claim and \$1,000,000 aggregate annual limit. The Participant shall provide proof of such insurance along with the annual questionnaire and upon request by Title Guaranty.

Section 9. Credit and Criminal Background Investigations. This section shall apply only to Participants who issue Commitments, Certificates, and Endorsements on behalf of Title Guaranty. The Participant hereby agrees to allow Title Guaranty to conduct credit checks and criminal background checks as deemed necessary by Title Guaranty. The Participant agrees to cooperate, to the extent practical, with Title Guaranty to secure consents and waivers.

Section 10. Right to Audit. Title Guaranty may, in its sole discretion, conduct an audit of the files, searches, title opinions, abstracts, correspondence and any other matters, records or underwriting requirements held by the Participant related to any Commitment, Certificate, or any other coverage binding Title Guaranty, including information which may be stored or entered in an electronic database. This audit may be done either by mail or in person at the site(s) of the records in the sole discretion of Title Guaranty. Audits shall be conducted in accordance with [265 IAC 9.6\(9\)“d”](#).

Section 11. Member Number. Upon execution of this Agreement, Title Guaranty shall assign a Member Number to the Participant and the Participant agrees to use the Member Number in all dealings with and all matters relating to the Title Guaranty Program. Participant shall affix his or her name and member number to abstracts and title opinions and accepts liability for these documents. If the Participant is a partner, shareholder, or other similar principal of a firm, whether the firm is a partnership, professional association or other entity, such Participant shall be responsible for any document containing the Member Number. The Member Number is not transferable to another person or entity.

Section 12. Agreement. This Agreement and the Title Guaranty Manual as periodically updated and amended, and any Title Guaranty Commitment, Certificate, or Contract issued by Title Guaranty or the Participant shall constitute the entire Agreement between the parties. No amendment or modification of this Agreement shall be valid or binding on either party unless made in writing and duly signed by the parties.

Section 13. Liability. The Participant shall be liable to Title Guaranty for any loss or damage sustained by Title Guaranty due to the Participant’s own negligence or failure to abide by Administrative Rules, the Title Guaranty Manual, the Participating Attorney’s title opinion and instructions, and all training materials and instructions provided by Title Guaranty.

Section 14. Waiver. Failure by Title Guaranty to promptly assert rights herein shall not be considered a waiver of such right, or a waiver of an existing default.

Section 15. Governing law. This Agreement shall be governed in accordance with the laws of the State of Iowa.

Participating Attorney

Title Guaranty Division of the Iowa Finance Authority

By: _____
Title Guaranty Division Director

Section 1.02 Abstractors and Title Guaranty



Abstractor Participation Agreement

This Agreement is made and entered into as of the ____ day of _____, 20____, by and between the Title Guaranty Division of the Iowa Finance Authority (hereinafter referred to as Title Guaranty) and _____ (Participant Name and Number).

WHEREAS, pursuant to Chapter 16 of the Code of Iowa and Chapter 265 of the Iowa Administrative Code, the Title Guaranty Division has been established to offer mortgage lenders and the public low cost protection against loss or damage caused by defective titles to real property located in Iowa.

WHEREAS, the undersigned Abstractor wishes to participate in the Title Guaranty Program and Title Guaranty desires to grant the undersigned Abstractor limited authority to prepare abstracts to be utilized for Title Guaranty purposes, Title Guaranty Commitments, Certificates, and Endorsements as hereinafter described, subject to the terms and conditions set forth in this Agreement.

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

Section 1. Duties of the Participant.

(a) Participant hereby agrees to comply with the Title Guaranty Manual, as amended from time to time, underwriting guidelines, directives and rules, and applicable state and federal laws with regard to all real estate transactions involving a Title Guaranty Commitment or Certificate.

(b) Participant agrees to prepare abstracts of title in accordance with the most recent Iowa Land Title Association Uniform Abstracting Standards, where applicable.

(c) Participant agrees to retain copies or mechanical reproductions of each certified abstract of title prepared pursuant to this Agreement.

(d) Participant shall complete and submit annual questionnaires to Title Guaranty along with an annual renewal fee of \$25.00.

(e) Participant agrees to perform all duties diligently and in good faith, using reasonable skill and care.

Section 2. Scope of the Agreement. This Agreement shall be limited to abstracting conducted in _____ County, Iowa.

Section 3. Field Issuance.

(a) The Participant may issue Title Guaranty Commitments, Certificates, and Endorsements in accordance with the Title Guaranty Manual after completing training, as

required by Title Guaranty's Director. The Participant shall obtain Title Guaranty's written authorization before issuing the following:

- i. Non-residential Commitments, Certificates, or Endorsements.
- ii. Commitments, Certificates, or Endorsements with coverage exceeding \$500,000.00.
- iii. Commitments, Certificates, or Endorsements for a construction loan or a loan paying off new construction funds.

(b) Compensation for Field-Issued Certificates. Title Guaranty will compensate Participants who issue Certificates as follows:

- i. \$40.00 per Application processed by the Participant for which one or more Lender and/or Owner Certificates is properly issued using Title Guaranty's on-line system. For purposes of this Section, a properly issued Certificate is defined as a Certificate issued in accordance with Title Guaranty's underwriting standards, policies, and procedures.
- ii. Title Guaranty will compensate the Participant on a quarterly basis. Payment will be made no later than 30 days following the end of each quarter.
- iii. Unpaid premiums shall be deducted from the Participant's quarterly payments if said premiums are more than 60 days overdue.

(c) The Participant's rights under this Section are contractual in nature and may be terminated or suspended by Title Guaranty upon written notice to the Participant's last known address if:

- i. The Participant has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act.
- ii. The Participant violates the terms of this Agreement.

Termination of the Participant's rights under this Section of the Agreement shall not relieve the Participant of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 4. Rapid Certificate Program.

(a) The Participant may issue a final Title Guaranty Certificate guaranteeing over a prior mortgage not yet released of record, if the following conditions are satisfied:

- i. The participant has in his/her physical possession all of the documentation that is required to be submitted to Title Guaranty for release of mortgage as provided for in Iowa Code section [16.92\(2\)\(a\)](#) and [265 IAC 9.9\(2\)](#);
- ii. The Certificate is based upon a certified abstract, re-continued through the recording of the guaranteed mortgage or recording of the conveyance if a sale transaction or the [265 IAC 9.6\(6\)](#) procedure; and (Note: This requirement is not applicable when a Title Guaranty closing protection letter is issued on the transaction)
- iii. The Participant is issuing the final Certificate.

(b) The participant shall make an exception on Schedule B stating the pertinent information about the unreleased prior mortgage, and attach an Endorsement Against Loss-Mortgage Lien to the Certificate(s).

(c) Four months after the closing of the guaranteed mortgage the participant shall apply to Title Guaranty for release of mortgage as provided for in Iowa Code Section [16.92](#) and [265 IAC 9.9](#), unless the public records show the prior mortgage released of record. If the prior mortgage is properly released of record, the Participant shall complete the Showing of Release (Division Form 801).

(d) The Participant's rights under this Section are contractual in nature and may be terminated or suspended by Title Guaranty upon written notice to the Participant's last known address if:

- i. The Participant has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act
- ii. The Participant violates the terms of this Agreement
- iii. The Participant fails to provide Title Guaranty with a completed Division Form 801 within six (6) months of the closing of the guaranteed mortgage, or in the alternative, fails to apply for use of the Mortgage Release Program

Termination of the Participant's rights under this Section of the Agreement shall not relieve the Participant of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 5. Closing Protection Letter Program.

(a) Title Guaranty will issue Closing Protection Letters insuring closings conducted by the Participant upon submission of an application and other required forms to Title Guaranty.

(b) Closing Protection Letters are only available to Participants issuing Commitments and Certificates using the Rapid Certificate Program, when applicable.

(c) The Participant's rights under this Section are contractual in nature and may be terminated or suspended by Title Guaranty upon written notice to the Participant's last known address if:

- i. The Participant has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act.
- ii. The Participant violates the terms of this Agreement.

Termination of the Participant's rights under this Section of the Agreement shall not relieve the Participant of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 6. Documentation. Participant agrees to maintain copies of any applicable document including but not limited to title opinions, Composite Mortgage Affidavits, surveys, materials related to encroachment coverage issues, lien waivers, and underwriting used to issue endorsements for a term of ten (10) years from the date of issuance of the Certificate or other coverage binding Title Guaranty. Participant shall provide Title Guaranty with copies of any documents upon request.

Section 7. Premium Remittance. The Participant shall remit to Title Guaranty promptly upon Certificate issuance a premium in accordance with the rates set by the Title Guaranty Board of Directors. The Participant shall not charge or receive any portion of the charge for a Commitment or Certificate as a result of participating in the Title Guaranty Program.

Section 8. Title Plant. Unless this requirement has been waived by the Title Guaranty Board of Directors in accordance with the Code of Iowa and Administrative Rules, or waived pursuant to the Code of Iowa, the Participant agrees to 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 he or she prepares abstracts for title to real property guaranteed by Title Guaranty. Each of the tract indices shall be designated to encompass a geographical area of not more than one (1) block in the case of platted real estate, nor more than one (1) 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 said tract indices shall commence not less than forty (40) years prior to the effective date of the Abstracter's participation in the Title Guaranty program. The Participant warrants that he or she will own or lease and maintain and use said title plant in the county identified in Section 2 above.

Section 9. Claims. The Participant shall not settle or adjust any claims for which Title Guaranty may be liable, accept notice of claims or service of process for Title Guaranty, or incur debts or other obligations chargeable to Title Guaranty. Upon payment of a claim, Title Guaranty shall be subrogated to the rights of the claimant against the Participant relating to the claim.

Section 10. Insurance. The Participant agrees to maintain professional liability insurance of not less than \$250,000 total annual limit. If the Participant issues Title Guaranty Commitments, Certificates, and Endorsements, the Participant shall maintain professional liability insurance in the amount of \$500,000 per claim and \$500,000 aggregate annual limit. If the Participant receives closing protection letters from Title Guaranty, the Participant shall maintain professional liability insurance in the amount of \$500,000 per claim and \$1,000,000 aggregate annual limit. The Participant shall provide proof of such insurance along with the annual questionnaire and upon request by Title Guaranty.

Section 11. Credit and Criminal Background Investigations. This section shall apply only to Participants who issue Commitments, Certificates, and Endorsements on behalf of Title Guaranty. The Participant hereby agrees to allow Title Guaranty to conduct credit checks and criminal background checks as deemed necessary by Title Guaranty. The Participant agrees to cooperate, to the extent practical, with Title Guaranty to secure consents and waivers.

Section 12. Right to Audit. Title guaranty may, in its sole discretion, conduct an audit of the files, searches, title opinions, abstracts, correspondence, and any other matters, records, or underwriting requirements held by the Attorney related to any Commitment, Certificate, or any other coverage binding Title Guaranty including information which may be stored or entered in an electronic database. This audit may be done either by mail or in person at the site(s) of the records in the sole discretion of Title Guaranty. Audits shall be conducted in accordance with [265 IAC 9.6\(9\)“d”](#).

Section 13. Member Number. Upon execution of this Agreement, Title Guaranty shall assign a Member Number to the Participant and the Participant agrees to use the Member Number in all dealings with and in all matters relating to the Title Guaranty Program. Participant shall affix his or her name and member number to abstracts and accepts liability for these documents. If the Participant is a partner, shareholder, or other similar principal of a firm, whether the firm is a partnership, professional association, or other entity, such Participant shall be responsible for any document containing the Member Number. The Member Number is not transferable to another person or entity.

Section 14. Agreement. This Agreement and the Title Guaranty Manual as periodically updated and amended, and any Title Guaranty Commitment, Certificate, or Contract issued by Title Guaranty or the Participant shall constitute the entire Agreement between the parties. No amendment or modification of this Agreement shall be valid or binding on either party unless made in writing and duly signed by the parties.

Section 15. Liability. The Participant shall be liable to Title Guaranty for any loss or damage sustained by Title Guaranty due to the Participant’s own negligence or failure to abide by Administrative Rules, the Title Guaranty Manual, the Participating Attorney’s title opinion and instructions, and all training materials and instructions provided by Title Guaranty.

Section 16. Waiver. Failure by Title Guaranty to promptly assert rights herein shall not be considered a waiver of such right, or a waiver of an existing default.

Section 17. Governing law. This Agreement shall be governed in accordance with the laws of the State of Iowa.

Participating Abstractor

Title Guaranty Division of the Iowa Finance Authority

By: _____
Title Guaranty Division Director

Section 1.03 Independent Closers and Title Guaranty



Independent Closer Agreement

This Agreement is made and entered into as of the ____ day of _____, 20____, by and between the Title Guaranty Division of the Iowa Finance Authority (hereinafter referred to as Title Guaranty) and _____ (Independent Closer Name and Number).

WHEREAS, pursuant to Chapter 16 of the Code of Iowa and Chapter 265 of the Iowa Administrative Code, the Title Guaranty Division has been established to offer mortgage lenders and the public low cost protection against loss or damage caused by defective titles to real property located in Iowa.

WHEREAS, the undersigned Independent Closer wishes to participate in Title Guaranty's Closing Protection Letter Program and Title Guaranty desires to grant the undersigned limited authority to prepare and issue Title Guaranty Commitments, Certificates, and Endorsements as hereinafter described, subject to the terms and conditions set forth in this Agreement.

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

Section 1. Duties of the Independent Closer.

(a) Independent Closer hereby agrees to comply with the Title Guaranty Manual, as amended from time to time, underwriting guidelines, directives and rules, and applicable state and federal laws with regard to all real estate transactions involving a Title Guaranty Commitment or Certificate.

(b) Independent Closer shall complete and submit annual questionnaires to Title Guaranty along with an annual renewal fee of \$25.00.

(c) Independent Closer agrees to perform all duties diligently and in good faith, using reasonable skill and care.

Section 2. Field Issuance.

(a) At the sole discretion of Title Guaranty, Independent Closer may issue Title Guaranty Commitments, Certificates, and Endorsements in accordance with the Title Guaranty Manual after completing training, as required by Title Guaranty's Director. The Independent Closer shall obtain Title Guaranty's written authorization prior to issuing the following:

i. Non-residential Commitments, Certificates, or Endorsements.

ii. Commitments, Certificates, or Endorsements with coverage exceeding \$500,000.00.

iii. Commitments, Certificates, or Endorsements for a construction loan or a loan paying off new construction funds.

(b) Compensation for Field-Issued Certificates. Title Guaranty will compensate Independent Closers who issue Certificates as follows:

- i. \$40.00 per Application processed by the Independent Closer for which one or more Lender and/or Owner Certificates is properly issued using Title Guaranty's on-line issuance program. For purposes of this Section, a properly issued Certificate is defined as a Certificate issued in accordance with Title Guaranty's underwriting standards, policies, and procedures.
- ii. Title Guaranty will compensate the Independent Closer on a routine basis.
- iii. Unpaid premiums shall be deducted from the Independent Closer's payments if said premiums are more than 60 days overdue.

(c) The Independent Closer's rights under this Section are contractual in nature. The Title Guaranty Division Director may immediately revoke or suspend the Independent Closer's status for reasons including but not limited to the following if:

- i. The financial condition of the division closer deteriorates.
- ii. The division director determines that the division closer's activities are being conducted unlawfully or in an unsafe or unsound manner.
- iii. The Independent Closer has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest activity.
- iv. The Independent Closer violates the terms of this Agreement.

Termination of the Independent Closer's rights under this Section of the Agreement shall not relieve the Independent Closer of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 3. Rapid Certificate Program.

(a) The Independent Closer, at Title Guaranty's sole discretion, may issue a final Title Guaranty Certificate guaranteeing over a prior mortgage not yet released of record, if the following conditions are satisfied:

- i. The Field Issuer has available for review:
 - a. A "Payoff Statement" showing, the unpaid balance of the loan secured by a mortgage, including principal, interest, and any other charges properly due under or secured by the mortgage, the amount required to be paid, interest on a per-day basis, and the address where payment is to be sent or other specific instructions for making a payment. If the payoff statement is for a partial release of mortgage, it must include the legal description of the property that will be released from the mortgage.
 - b. A bank check, certified check, escrow account check, real estate broker trust account check, or attorney trust account check that was negotiated by the mortgagee or mortgage servicer or other documentary evidence satisfactory to the Division of payment to the mortgagee or mortgage servicer. Wiring instructions and a receipt of wire transmittal for payments made by wire is also acceptable.
- ii. The final Certificate is based on the post-closing abstract certification, post-closing search certification, or Form 901, disclosing the recording of the guaranteed mortgage or recording of the conveyance if a sale transaction. If the Certificate is covered by a Closing Protection Letter, it is left to the discretion of the Field Issuer to determine how to verify document recording information.

(b) The Independent Closer shall make an exception on Schedule B stating the pertinent information about the unreleased prior mortgage, and attach an Endorsement Against Loss-Mortgage Lien to the Certificate(s).

(c) Four months after the closing of the guaranteed mortgage the Independent Closer shall submit documentation to Title Guaranty for release of mortgage as provided for in Iowa Code Section [16.92](#) and [265 IAC 9.9](#), unless the public records show the prior mortgage released

of record. If the prior mortgage is properly released of record, the Independent Closer shall complete the Showing of Release (Division Form 801).

(d) The Independent Closer's rights under this Section are contractual in nature, and upon written notice to the Independent Closer's last known address, the Title Guaranty Division Director may revoke or suspend the Independent Closer's status for reasons including but not limited to the following if:

- i. The financial condition of the division closer deteriorates.
- ii. The division director determines that the division closer's activities are being conducted unlawfully or in an unsafe or unsound manner.
- iii. The Independent Closer has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act.
- iv. The Independent Closer violates the terms of this Agreement.
- v. The Independent Closer fails to provide Title Guaranty with the completed Division Form 801 within six (6) months of the closing of the guaranteed mortgage, or in the alternative, fails to apply for use of the Mortgage Release Program.

Termination of the Independent Closer's rights under this Section of the Agreement shall not relieve the Independent Closer of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 4. Closing Protection Letter Program.

(a) Title Guaranty may issue Closing Protection Letters insuring closings conducted by the Independent Closer upon submission of an application, indemnity agreement, irrevocable letter of credit, proof of insurance, and other required forms or information to Title Guaranty.

(b) The Independent Closer's rights under this Section are contractual in nature, and upon written notice to the Independent Closer's last known address, the Title Guaranty Division Director may revoke or suspend the Independent Closer's status for reasons including but not limited to the following if:

- i. The financial condition of the division closer deteriorates.
- ii. The division director determines that the division closer's activities are being conducted unlawfully or in an unsafe or unsound manner.
- iii. The Independent Closer has been convicted of a felony or for any lesser crime if the lesser crime is based on fraud or other type of dishonest act.
- iv. The Independent Closer violates the terms of this Agreement.

Termination of the Independent Closer's rights under this Section of the Agreement shall not relieve the Independent Closer of continuing responsibility or liability hereunder with respect to his or her performance of the duties and obligations under this Agreement during the effective term hereof.

Section 5. Documentation. Independent Closer agrees to maintain copies of any applicable document including but not limited to title opinions, Composite Mortgage Affidavits, surveys, materials related to encroachment coverage issues, lien waivers, and underwriting used to issue endorsements for a term of ten (10) years from the date of issuance of the Certificate or other coverage binding Title Guaranty. Independent Closer shall provide Title Guaranty with copies of any documents upon request.

Section 6. Premium Remittance. The Independent Closer shall remit to Title Guaranty promptly upon Certificate issuance a premium in accordance with the rates set by the Title Guaranty Board

of Directors. The Independent Closer shall not charge or receive any portion of the charge for a Commitment or Certificate as a result of participating in the Title Guaranty Program.

Section 7. Claims. The Independent Closer shall not settle or adjust any claims for which Title Guaranty may be liable, accept notice of claims or service of process for Title Guaranty, or incur debts or other obligations chargeable to Title Guaranty. Upon payment of a claim, Title Guaranty shall be subrogated to the rights of the claimant against the Independent Closer relating to the claim.

Section 8. Insurance. The Independent Closer agrees to maintain professional liability insurance with limits of not less than \$500,000 per claim and not less than \$1,000,000 aggregate annual limit. The Independent Closer shall provide proof of such insurance along with the annual questionnaire and upon request by Title Guaranty.

Section 9. Credit and Criminal Background Investigations. The Independent Closer, including its partners, officers, members, and employees, hereby agrees to allow Title Guaranty to conduct credit checks and criminal background checks as deemed necessary by Title Guaranty. The Independent Closer agrees to cooperate with Title Guaranty to secure consents and waivers as required to conduct such investigations.

Section 10. Right to Audit. Title Guaranty may, in its sole discretion, conduct an audit of the files, searches, title opinions, abstracts, correspondence, and any other matters, records or underwriting requirements held by the Independent Closer related to any Commitment, Certificate, or any other coverage binding Title Guaranty including information which may be stored or entered in an electronic database. This audit may be done either by mail or in person at the site(s) of the records in the sole discretion of Title Guaranty. Audits shall be conducted in accordance with [265 IAC 9.6\(9\)“d”](#).

Section 11. Member Number. Upon execution of this Agreement, Title Guaranty shall assign a Member Number to the Independent Closer and the Independent Closer agrees to use the Member Number in all dealings with and all matters relating to the Title Guaranty Program. The Member Number is not transferable to another person or entity.

Section 12. Agreement. This Agreement, the Title Guaranty Manual, and rules as periodically updated and amended, and any Title Guaranty Commitment, Certificate, or Contract issued by Title Guaranty or the Independent Closer shall constitute the entire Agreement between the parties. No amendment or modification of this Agreement shall be valid or binding on either party unless made in writing and duly signed by the parties.

Section 13. Liability. The Independent Closer shall be liable to Title Guaranty for any loss or damage sustained by Title Guaranty due to the Independent Closer's own negligence or failure to abide by Administrative Rules, the Title Guaranty Manual, the Participating Attorney's title opinion and instructions, and all training materials and instructions provided by Title Guaranty.

Section 14. Waiver. Failure by Title Guaranty to promptly assert rights herein shall not be considered a waiver of such right, or a waiver of an existing default.

Section 15. Governing law. This Agreement shall be governed in accordance with the laws of the State of Iowa.

Independent Closer

Title Guaranty Division of the Iowa Finance Authority

By: _____
Title Guaranty Division Director

Section 1.04 Conflicts of Interest

If a Participant or an Independent Closer issues or causes to be issued a Division Commitment or Certificate or closes on land in which the Participant or Independent Closer has a direct or indirect interest without first obtaining the approval of the Division, the Participant or Independent Closer shall, in addition to other rights and remedies of the Division, be liable to the Division for any loss or damage suffered by the Division under the Commitment, Closing Protection Letter, Certificate, or Endorsements. In addition, the Division shall not be liable under the Commitment or Certificate to the Participant or Independent Closer or anyone who succeeds to their interest in the land, including but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. An “indirect interest” for purposes of this discussion includes, but is not limited to, an interest held by the Participant or Independent Closer in a trust, estate, partnership, or corporation, and any interest held by their spouse, children, grandchildren, or parents in the land or in a trust, estate, partnership, or corporation. These requirements shall not apply to interests held by the Participant, Independent Closer or his or her spouse, children, grandchildren, or parents in a representative capacity or in a publicly held corporation.

Article II: Commitment

Section 2.01 Commitment Jacket

Serial No. C-1000553



Commitment for Title Guaranty

(Same coverage as American Land Title Association Standard Policy 6-17-2006)

The Title Guaranty Division of the Iowa Finance Authority, herein called the Division, for a valuable consideration, commits to issue its Title Guaranty Certificate or Certificates as identified in Schedule A, in favor of the Proposed Guaranteed named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

The Commitment shall be effective only when the identity of the Proposed Guaranteed and the Amount of Coverage committed for have been inserted in Schedule A by the Division or by a Division Participant.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the Certificate or Certificates committed for shall issue, whichever first occurs, provided that failure to issue the Certificate or Certificates is not the fault of the Division.

The Division will provide a sample of the Certificate upon request.

IN WITNESS WHEREOF, the Title Guaranty Division, has caused this Commitment to be signed and sealed in its name by its duly authorized officer, by direction of its Board, to become binding when countersigned by its Director, or by a Division Participant.



Title Guaranty Division

By

Loyd W. Ogle, Director

Division Form 100
(2006)

COMMITMENT NO.: C-1000553

DATE REVISED: June 25, 2007 at 08:48:38 AM

NOTE: This revision does not extend the effective date of the commitment unless specified.

Conditions

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Guaranteed has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest of mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Division in writing, the Division shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Division is prejudiced by failure to so disclose such knowledge. If the proposed Guaranteed shall disclose such knowledge to the Division, or if the Division otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Division at its option may amend Schedule B of the Commitment accordingly, but such amendment shall not relieve the Division from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Division under this Commitment shall be only to the named Proposed Guaranteed and such parties included under the definition of Guaranteed in the form of Certificate or Certificates committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the Certificate or Certificates committed for and such liability is subject to the guaranteeing provisions and Conditions and the Exclusions from Coverage of the form of Certificate or Certificates committed for in favor of the Proposed Guaranteed which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more Title Guaranty Certificates and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Guaranteed may have or may bring against the Division arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

Title Guaranty

A Division of the Iowa Finance Authority

800-432-7230

2015 Grand Avenue

Des Moines, Iowa 50312

www.IowaFinanceAuthority.gov

COMMITMENT NO.: C-1000553

DATE REVISED: June 25, 2007 at 08:48:38 AM

NOTE: This revision does not extend the effective date of the commitment unless specified.

Section 2.02 Commitment Schedule A



Commitment Form Schedule A

Commitment Number: C-1000553

Borrower(s)/Buyers(s), For Reference Purposes Only: John J. Title and Kris M. Title

Address, For Reference Purposes Only: 8304 Winston Avenue, Urbandale, IA

Effective Date: June 01, 2007 at 08:00:00 PM

<u>1. Certificate or Certificates to be issued</u>	<u>Proposed Coverage Amount</u>	<u>File Number</u>	<u>Loan Number</u>
(a) <u>Owner Certificate</u>	\$220,000.00		
(b) <u>Lender Certificate</u>	\$200,000.00		

Proposed Guaranteed:

Bank of the West its successors and/or assigns, Johnston, IA

(c) <u>Lender Certificate</u>	\$20,000.00		
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Proposed Guaranteed:

Bank of the West its successors and/or assigns, Johnston, IA

2. The estate or interest in the Land described or referred to in this Commitment is a fee simple (if other, specify same).

Fee Simple

3. Title to the estate or interest in said Land is at the Effective Date hereof vested in:

Joe Titleholder and Jane Titleholder

Note: The Division does not purport to guarantee whether the above parties hold title as joint tenants with full rights of survivorship and not as tenants in common or as tenants in common.

4. The Land referred to in this Commitment is described as follows:

Lot 26 in Northwest Country Club Manor, Plat 4, an Official Plat, now included in and forming a part of the City of Urbandale, Polk County, Iowa.

Prepared By John Test
 Typed Name

Test Law Firm
 Member Name
 200 E. Grand Ave., Suite 350
 (Mailing Address)

Signature of Member
 Des Moines, IA 50309
 (City, State) (Zip)

COMMITMENT NO.: C-1000553

DATE REVISED: June 25, 2007 at 08:48:38 AM

NOTE: This revision does not extend the effective date of the commitment unless specified.

Section 2.03 Commitment Schedule B



Commitment Form Schedule B

Commitment Number: C-1000553

I. Schedule B of the Certificate or Certificates to be issued will contain the following five Standard Exceptions and other matters listed below as exceptions 6, etc., unless the same are disposed of to the satisfaction of the Division:

1. Any right or claim of a party in possession not shown by the Public Records.
2. Notwithstanding the guaranteeing clauses of this Guaranty, the Division does not guarantee against any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land.
3. Any easement or claim of easement, not shown by the Public Records.
4. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
5. Notwithstanding the guaranteeing clauses of this Guaranty, the Division does not guarantee against taxes or special assessments which are not shown as existing liens by the Public Records.
6. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records or attaching subsequent to the Effective Date but prior to the date the Proposed Guaranteed acquires for value of record the estate or interest or Mortgage thereon covered by this Commitment.
7. Payment of the full consideration to, or for the account of, the grantors or mortgagors.
8. The lien of the taxes for the July 1, 2006 - June 30, 2007 fiscal year and thereafter, with the first half due on September 1, 2007 (delinquent after September 30, 2007) and the second half due on March 1, 2008 (delinquent after March 31, 2008). None now due and payable.
9. Mortgages, restrictions, easements or any other lien or encumbrance on or defect in the Title to the property as follows:
 - a) Mortgage in favor of Central State Bank dated April 1, 2005, filed April 4, 2005 in Book 23400, at Page 55, to secure an indebtedness of \$34,000.00
 - b) Mortgage in favor of U.S. Bank, N.A. dated April 1, 2005, filed April 4, 2005 in Book 23400, at Page 89, to secure an indebtedness of \$11,000.00.
 - c) Ordinances and regulations for the City of Urbandale and County of Polk, Iowa.
 - d) Plat(s) filed in the Polk County, Iowa, Recorder's Office, including easements, building setbacks, restrictions, reservations, and notations.

COMMITMENT NO.: C-1000553

DATE REVISED: June 25, 2007 at 09:02:34 AM

NOTE: This revision does not extend the effective date of the commitment unless specified.

e) Declarations, covenants, restrictions, easements, reservations, rights, and options filed of record in the Polk County, Iowa, Recorder's Office.

f) Utility Easement in favor of MidAmerican Energy filed July 1, 2002 in Book 22490, at Page 245.

g) Restrictive Covenants filed February 5, 2000 in Book 12000, at Page 234, and as amended from time to time.

II. The following are the requirements to be complied with:

1. Instruments in form suitable for guaranty which must be executed, delivered, and duly filed for record:

a) Warranty Deed from Joe Titleholder and Jane Titleholder and spouse, if any, to John J. Title and Kris M. Title conveying the above described property. Note: The marital status of the grantor(s) of the deed must be shown on the deed.

b) Real Estate Mortgage from John J. Title and spouse, if any, and Kris M. Title and spouse, if any, to Bank of the West, securing a debt in the amount of \$200,000.00. Note: The marital status of the borrower(s) must be shown on the mortgage.

c) Satisfaction or subordination agreement of the mortgages described in 9(a) and 9(b) above.

d) Real Estate Mortgage from John J. Title and spouse, if any, and Kris M. Title and spouse, if any, to Bank of the West, securing a debt in the amount of \$20,000.00.

2. Other clearance items:

a) Composite Mortgage Affidavit signed by the titleholders/buyers and sellers of the subject property and notarized.

b) If mechanic lien claims may be filed of record, then mechanic lien waivers must be submitted for review.

Notes for Information:

1. Lender First has been approved for the following endorsement(s): Comprehensive 1 - Improved Land, Environmental Protection Lien (ALTA 8.1-06), Location - Residential (ALTA 22-06)

Lender Junior has been approved for the following endorsement(s): None

Owner has been approved for the following endorsement(s): None

2. At closing the buyer(s) of a primary residence may elect to receive a free Owner's Certificate from the Title Guaranty Division if the purchase amount is \$500,000.00 or less. The buyer(s) must elect the free coverage and provide the purchase price on the Composite Mortgage Affidavit (2006 version).

End of Schedule B.

COMMITMENT NO.: C-1000553

DATE REVISED: June 25, 2007 at 09:02:34 AM

NOTE: This revision does not extend the effective date of the commitment unless specified.

Section 2.04 Composite Mortgage Affidavit



Composite Mortgage Affidavit (2006)

(Primary Residence)

Commitment No. _____ Loan No. _____

1. No work, materials or equipment have been furnished in the last 90 days, before the date of closing, on the property located at:

 (Note: If work, materials or equipment have been furnished, attach all lien waivers.)

2. There are no public improvements affecting the above described property prior to the date of closing that would cause a special property tax assessment against such property after the date of closing.
3. To the best of my knowledge, there are no unrecorded contracts, options, leases, easements or other agreements or interests affecting the above described property.
4. Borrower(s)/purchaser(s) confirm that the above described property is or will be my primary place of residence.
5. Purchaser(s) may Elect _____ or Decline _____ (initial choice) to receive a standard Owner's Certificate for the full purchase price of \$_____. (Not available for purchases over \$500,000.)
6. The improvements located upon the above described property are wholly contained within the property boundary and setback lines; and further that neighboring buildings, fences, walkways, driveways, eaves, drains, etc., do not encroach upon the above described property.
7. I am familiar with the covenants, conditions or restrictions, if any, for the above described property, and there are no known violations of said covenants, conditions or restrictions.
8. The undersigned affiant(s) knows that the matters herein stated are true and indemnify the Title Guaranty Division of the Iowa Finance Authority against loss, costs, damages and expenses of every kind incurred by it by reason of its reliance on the statements made herein.
9. Any person or party signing this Affidavit who is also the borrower in a mortgage to be guaranteed under a Lender Certificate issued by Title Guaranty states that the mortgage and the principal obligations therein are good and valid and free from all defenses; and that any purchaser of the mortgage may rely upon the truth of the statements made herein.

Seller(s) or Owner(s):

Purchaser(s)

 (Typed Name)

 (Typed Name)

 (Typed Name)

 (Typed Name)

Subscribed and sworn before me, a Notary Public In and for _____ County and State of Iowa, this _____ day of _____, 20____.

(place notary stamp or seal here)

 Notary Public

Subscribed and sworn before me, a Notary Public In and for _____ County and State of Iowa, this _____ day of _____, 20____.

(place notary stamp or seal here)

 Notary Public

Note: Sellers and purchasers should execute separate affidavits. If the property will not be a primary residence or the above representations cannot be made, the All Purpose CMA must be executed.



Composite Mortgage Affidavit (2006)

(All Purpose)

Commitment No. _____ Loan No. _____
Property Address: _____

The undersigned state to the Division that with respect to the land described in the above listed Commitment or Certificate to guarantee title, and to their best knowledge and belief:

1. Within the last ninety (90) days
 - a. No labor, services or materials have been furnished to improve the land or to rehabilitate, repair, refurbish or remodel the building(s) situated on the land
 - b. Nor have any goods, chattels, machinery, apparatus or equipment been attached to the land or building(s) thereon, as fixtures
 - c. Nor have any contracts been let for the furnishing of labor, service, materials, machinery, apparatus or equipment that are to be completed subsequent to the date hereof
 - d. Nor have any notices of lien been received, **except:**

Note: Please attach all lien waivers

2. There are no unrecorded security agreements, leases, financing statements, chattel mortgages, or conditional sales agreements regarding any appliances, equipment or chattels that have or are to become attached to the land or any improvements thereon as fixtures, **except:** (attach copies)

3. There are no unrecorded contracts or options to purchase the land, **except:** (attach copies)

4. There are no unrecorded leases, easements, or other servitudes to which the land or building, or portions thereof, are subject, **except:** (attach copies): _____

5.
 - a) The improvements (house, garage, outbuilding, etc.) on the subject property are within the boundary lines and set back lines if any, of said property
 - b) There are no encroachments by improvements (buildings, fences, walkways, driveways, eaves, drains, etc.) from adjoining property on to the land
 - c) There is no known assertion being made by either the undersigned or the owners of adjoining property against the other as to the location of boundary lines
 - d) There is no dispute as to the occupancy of any portion of the subject property, **except:**

6. Please choose either (a) or (b) below:

- (a) There are no covenants, conditions or restrictions which limit the use of said property.
- (b) I am familiar with the covenants, conditions or restrictions recorded in Book _____ Page _____, in the Recorder's Office of _____ County, Iowa, and there are no violations of any of the provisions of said covenants, conditions and restrictions, **except:**

7. Borrower(s)/purchaser(s) verify that the property (choose one of the following)
 is or will be used is not or will not be used as a principal residence.
 If the property is or will be used as a principal residence, please complete paragraph 8 below.
8. Purchaser(s) may Elect _____ or Decline _____ (initial choice) to receive a standard Owner's Certificate for the full purchase price of \$ _____.
 (Not available for purchases over \$500,000).
9. That the undersigned makes the above statements for the purpose of inducing the Title Guaranty Division of the Iowa Finance Authority to issue its Lender and/or Owner Title Guaranty Certificate(s) with respect to the land described in the above Commitment and/or Certificate.
10. Any person or entity signing the affidavit who is also the mortgagor in a mortgage to be guaranteed under a Lender Certificate to be issued pursuant to the above Commitment to guarantee title attests that the mortgage and the principal obligations it secures are good and valid and free from all defenses; that any purchaser of the mortgage and its obligations may do so in reliance upon the truth of the matters herein recited; and that this affidavit is made for the purpose of better enabling the holder(s) from time to time, of the mortgage and obligations to sell, pledge or otherwise dispose of the same freely at any time, and to guarantee the purchasers or pledge thereof against any defenses thereto by the mortgagor or the mortgagor's heirs, personal representative or assigns.

Seller(s) or Owner(s):	Purchaser(s)
_____	_____
(Typed Name)	(Typed Name)
_____	_____
(Typed Name)	(Typed Name)

Subscribed and sworn before me, a Notary Public in and for _____ County and State of _____ this _____ day of _____, 20 _____

(Place notary stamp or seal here) Notary Public

Subscribed and sworn before me, a Notary Public in and for _____ County and State of _____ this _____ day of _____, 20 _____

(Place notary stamp or seal here) Notary Public

Note: Sellers and purchasers may complete separate affidavits. The affiants must fully read this affidavit, complete paragraphs 1 through 8 above and execute before a Notary Public.

Article III: Certificate

Section 3.01 Lender Jacket



Lender Form - Title Guaranty Certificate

(Same coverage as American Land Title Association Standard Loan Policy 6-17-2006)

Any notice of claim and any other notice or statement in writing required to be given the Division under this Certificate must be given to the Division at the address shown in Section 17 of the Conditions.

Covered Risks

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, the Title Guaranty Division of the Iowa Finance Authority (the "Division"), guarantees, as of Date of Certificate and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Certificate, against loss or damage, not exceeding the Amount of Coverage, sustained or incurred by the Guaranteed by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to coverage against loss from:
 - (a) A defect in the Title caused by:
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
 - (a) the occupancy, use or enjoyment of the Land;
 - (b) the character, dimensions or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. The invalidity or unenforceability of the lien of the Guaranteed Mortgage upon the Title. This Covered Risk includes but is not limited to coverage against loss from any of the following impairing the lien of the Guaranteed Mortgage:
 - (a) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
 - (b) failure of any person or Entity to have authorized a transfer or conveyance;
 - (c) the Guaranteed Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
 - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (e) a document executed under a falsified, expired or otherwise invalid power of attorney;
 - (f) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (g) a defective judicial or administrative proceeding.
10. The lack of priority of the lien of the Guaranteed Mortgage upon the Title over any other lien or encumbrance.

11. The lack of priority of the lien of the Guaranteed Mortgage upon the Title:
 - (a) as security for each and every advance of proceeds of the loan secured by the Guaranteed Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either:
 - (i) contracted for or commenced on or before Date of Certificate; or
 - (ii) contracted for, commenced, or continued after Date of Certificate if the construction is financed, in whole or in part, by proceeds of the loan secured by the Guaranteed Mortgage that the Guaranteed has advanced or is obligated on Date of Certificate to advance; and
 - (b) over the lien of any assessments for street improvements under construction or completed at Date of Certificate.
12. The invalidity or unenforceability of any assignment of the Guaranteed Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Guaranteed Mortgage in the named Guaranteed assignee free and clear of all liens.
13. The invalidity, unenforceability, lack of priority or avoidance of the lien of the Guaranteed Mortgage upon the Title:
 - (a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Guaranteed Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the Guaranteed Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records:
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Certificate and prior to the recording of the Guaranteed Mortgage in the Public Records.

The Division will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter guaranteed against by this Certificate, but only to the extent provided in the Conditions.

In Witness Whereof, the Title Guaranty Division has caused this Certificate to be signed and sealed in its name by its duly authorized officer, by direction of its Board, to become binding when countersigned by its Director or by a Division Participant.



Title Guaranty Division

By

Lloyd W. Ogle

Lloyd W. Ogle, Director

Exclusions from Coverage

The following matters are expressly excluded from the coverage of this Certificate and the Division will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed, or agreed to by the Guaranteed Claimant;
 - (b) not Known to the Division, not recorded in the Public Records at Date of Certificate, but Known to the Guaranteed Claimant and not disclosed in writing to the Division by the Guaranteed Claimant prior to the date the Guaranteed Claimant became a Guaranteed under this Certificate;
 - (c) resulting in no loss or damage to the Guaranteed Claimant;
 - (d) attaching or created subsequent to Date of Certificate (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Guaranteed Claimant had paid value for the Guaranteed Mortgage.
4. Unenforceability of the lien of the Guaranteed Mortgage because of the inability or failure of a Guaranteed to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Guaranteed Mortgage that arises out of the transaction evidenced by the Guaranteed Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Guaranteed Mortgage, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this Certificate.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Certificate and the date of recording of the Guaranteed Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

Conditions

1. Definition of terms

The following terms when used in this Certificate mean:

- (a) "Amount of Coverage": The amount stated in Schedule A, as may be increased or decreased by endorsement to this Certificate, increased by Section 8(b), or decreased by Section 10 of these Conditions.
- (b) "Date of Certificate": The date designated as "Date of Certificate" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Indebtedness": The obligation secured by the Guaranteed Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of:
 - (i) the amount of the principal disbursed as of Date of Certificate;
 - (ii) the amount of the principal disbursed subsequent to Date of Certificate;
 - (iii) the construction loan advances made subsequent to Date of Certificate for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Guaranteed was and continued to be obligated to advance at Date of Certificate and at the date of the advance;
 - (iv) interest on the loan;
 - (v) the prepayment premiums, exit fees and other similar fees or penalties allowed by law;
 - (vi) the expenses of foreclosure and any other costs of enforcement;
 - (vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Guaranteed Mortgage before the acquisition of the estate or interest in the Title;

- (viii) the amounts to pay taxes and insurance; and,
 - (ix) the reasonable amounts expended to prevent deterioration of improvements;
- but the Indebtedness is reduced by the total of all payments and by any amount forgiven by a Guaranteed.

(e) "Guaranteed": the Guaranteed named in Schedule A.

- (i) The term "Guaranteed" also includes:
 - (A) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions;
 - (B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;
 - (C) successors to a Guaranteed by dissolution, merger, consolidation, distribution, or reorganization;
 - (D) successors to a Guaranteed by its conversion to another kind of Entity;
 - (E) a grantee of a Guaranteed under a deed delivered without payment of actual valuable consideration conveying the Title:
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Guaranteed,

CERTIFICATE NO.: L-1000553

DATE: June 10, 2007

- (2) if the grantee wholly owns the named Guaranteed, or
- (3) if the grantee is wholly-owned by an affiliated Entity of the named Guaranteed, provided the affiliated Entity and the named Guaranteed are both wholly-owned by the same person or Entity;
- (F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the Guaranteed Mortgage, or any part of it, whether named as a Guaranteed or not;
- (ii) With regard to (A), (B), (C), (D) and (E) reserving, however, all rights and defenses as to any successor that the Division would have had against any predecessor or Guaranteed, unless the successor acquired the indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance or other matter guaranteed against by this Certificate.
- (f) "Guaranteed Claimant": A Guaranteed claiming loss or damage.
- (g) "Guaranteed Mortgage": The Mortgage described in paragraph 4 of Schedule A.
- (h) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to a Guaranteed by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (i) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is guaranteed by this Certificate.
- (j) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (k) "Public Records": Records established under Iowa statutes at Date of Certificate for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (l) "Title": The estate or interest described in Schedule A.
- (m) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title or a prospective purchaser of the Guaranteed Mortgage to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title.
2. **Continuation of Coverage**
The coverage of this Certificate shall continue in force as of Date of Certificate in favor of a Guaranteed after acquisition of the Title by a Guaranteed or after conveyance by a Guaranteed, but only so long as the Guaranteed retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Guaranteed, or only so long as the Guaranteed shall have liability by reason of warranties in any transfer or conveyance of the Title. This Certificate shall not continue in force in favor of any purchaser from the Guaranteed of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Guaranteed.
3. **Notice of claim to be given by Guaranteed Claimant**
The Guaranteed shall notify the Division promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to a Guaranteed of any claim of title or interest that is adverse to the Title or the lien of the Guaranteed Mortgage, as guaranteed, and that might cause loss or damage for which the Division may be liable by virtue of this Certificate, or (iii) if the Title or the lien of the Guaranteed Mortgage, as guaranteed, is rejected as Unmarketable Title. If the Division is prejudiced by the failure of the Guaranteed Claimant to provide prompt notice, the Division's liability to the Guaranteed Claimant under the Certificate shall be reduced by the extent of the prejudice.
4. **Proof of loss**
In the event the Division is unable to determine the amount of loss or damage, the Division may, at its option, require as a condition of payment that the Guaranteed Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance or other matter guaranteed against by this Certificate that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.
5. **Defense and prosecution of actions**
(a) Upon written request by the Guaranteed, and subject to the options contained in Section 7 of these Conditions, the Division, at its own cost and without unreasonable delay, shall provide for the defense of a Guaranteed in litigation in which any third party asserts a claim covered by this Certificate adverse to the Guaranteed. This obligation is limited to only those stated causes of action alleging matters guaranteed against by this Certificate. The Division shall have the right to select counsel of its choice (subject to the right of the Guaranteed to object for reasonable cause) to represent the Guaranteed as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Division will not pay any fees, costs or expenses incurred by the Guaranteed in the defense of those causes of action that allege matters not guaranteed against by this Certificate.
(b) The Division shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Guaranteed Mortgage, as guaranteed, or to prevent or reduce loss or damage to the Guaranteed. The Division may take any appropriate action under the terms of this Certificate, whether or not it shall be liable to the Guaranteed. The exercise of these rights shall not be an admission of liability or waiver of any provision of this Certificate. If the Division exercises its rights under this subsection, it must do so diligently. Whenever the Division brings an action or asserts a defense as required or permitted by this Certificate, the Division may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.
(c) **Duty of Guaranteed Claimant to cooperate**
(a) In all cases where this Certificate permits or requires the Division to prosecute or provide for the defense of any action or proceeding and any appeals, the Guaranteed shall secure to the Division the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Guaranteed for this purpose. Whenever requested by the Division, the Guaranteed, at the Division's expense, shall give the Division all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Division may be necessary or desirable to establish the Title, the lien of the Guaranteed Mortgage, or any other matter as guaranteed. If the Division is prejudiced by the failure of the Guaranteed to furnish the required cooperation, the Division's obligations to the Guaranteed under the Certificate shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
(b) The Division may reasonably require the Guaranteed Claimant to submit to examination under oath by any authorized representative of the Division and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Division, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Certificate, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Division, the Guaranteed Claimant shall grant its permission, in writing, for any authorized representative of the Division to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Guaranteed Claimant provided to the Division pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Division, it is necessary in the administration of the claim. Failure of the Guaranteed Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Division under this Certificate as to that claim.
7. **Options to pay or otherwise settle claims; termination of liability**
In case of a claim under this Certificate, the Division shall have the following additional options:
(a) To Pay or Tender Payment of the Amount of Coverage or to Purchase the Indebtedness.

- (i) To pay or tender payment of the Amount of Coverage under this Certificate together with any costs, attorneys' fees, and expenses incurred by the Guaranteed Claimant that were authorized by the Division up to the time of payment or tender of payment and that the Division is obligated to pay; or
- (ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Guaranteed Claimant that were authorized by the Division up to the time of purchase and that the Division is obligated to pay.
- When the Division purchases the Indebtedness, the Guaranteed shall transfer, assign, and convey to the Division the Indebtedness and the Guaranteed Mortgage, together with any collateral security.
- Upon the exercise by the Division of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Division to the Guaranteed under this Certificate, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other than the Guaranteed or With the Guaranteed Claimant.
- (i) To pay or otherwise settle with other parties for or in the name of a Guaranteed Claimant any claim guaranteed against under this Certificate. In addition, the Division will pay any costs, attorneys' fees, and expenses incurred by the Guaranteed Claimant that were authorized by the Division up to the time of payment and that the Division is obligated to pay; or
- (ii) To pay or otherwise settle with the Guaranteed Claimant the loss or damage provided for under this Certificate, together with any costs, attorneys' fees, and expenses incurred by the Guaranteed Claimant that were authorized by the Division up to the time of payment and that the Division is obligated to pay.
- Upon the exercise by the Division of either of the options provided for in subsections (b)(i) or (ii), the Division's obligations to the Guaranteed under this Certificate for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.
- 8. Determination and extent of liability**
- This Certificate is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Guaranteed Claimant who has suffered loss or damage by reason of matters guaranteed against by this Certificate.
- (a) The extent of liability of the Division for loss or damage under this Certificate shall not exceed the least of:
- (i) the Amount of Coverage;
- (ii) the Indebtedness;
- (iii) the difference between the value of the Title as guaranteed and the value of the Title subject to the risk guaranteed against by this Certificate; or
- (iv) if a government agency or instrumentality is the Guaranteed Claimant, the amount it paid in the acquisition of the Title or the Guaranteed Mortgage in satisfaction of its insurance contract or guaranty.
- (b) If the Division pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Guaranteed Mortgage, as guaranteed,
- (i) the Amount of Coverage shall be increased by 10%, and
- (ii) the Guaranteed Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Guaranteed Claimant or as of the date it is settled and paid.
- (c) In the event the Guaranteed has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Division shall continue as set forth in Section 8(a) of these Conditions.
- (d) In addition to the extent of liability under (a), (b) and (c), the Division will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.
- 9. Limitation of liability**
- (a) If the Division establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, or establishes the lien of the Guaranteed Mortgage, all as guaranteed, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the
- Guaranteed.
- (b) In the event of any litigation, including litigation by the Division or with the Division's consent, the Division shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Guaranteed Mortgage, as guaranteed.
- (c) The Division shall not be liable for loss or damage to the Guaranteed for liability voluntarily assumed by the Guaranteed in settling any claim or suit without the prior written consent of the Division.
- 10. Reduction of Coverage; reduction or termination of liability**
- (a) All payments under this Certificate, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Coverage by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Coverage afforded under this Certificate except to the extent that the payments reduce the Indebtedness.
- (b) The voluntary satisfaction or release of the Guaranteed Mortgage shall terminate all liability of the Division except as provided in Section 2 of these Conditions.
- 11. Payment of loss**
- When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.
- 12. Rights of recovery upon payment or settlement**
- (a) **The Division's Right to Recover:**
- Whenever the Division shall have settled and paid a claim under this Certificate, it shall be subrogated and entitled to the rights of the Guaranteed Claimant in the Title or Guaranteed Mortgage and all other rights and remedies in respect to the claim that the Guaranteed Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Division. If requested by the Division, the Guaranteed Claimant shall execute documents to evidence the transfer to the Division of these rights and remedies. The Guaranteed Claimant shall permit the Division to sue, compromise, or settle in the name of the Guaranteed Claimant and to use the name of the Guaranteed Claimant in any transaction or litigation involving these rights and remedies.
- If a payment on account of a claim does not fully cover the loss of the Guaranteed Claimant, the Division shall defer the exercise of its right to recover until after the Guaranteed Claimant shall have recovered its loss.
- (b) **The Guaranteed's Rights and Limitations:**
- (i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Guaranteed Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Guaranteed Mortgage.
- (ii) If the Guaranteed exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Guaranteed Mortgage guaranteed against by this Certificate, the Division shall be required to pay only that part of any losses guaranteed against by this Certificate that shall exceed the amount, if any, lost to the Division by reason of the impairment by the Guaranteed Claimant of the Division's right of subrogation.
- (c) **The Division's Rights Against Non-guaranteed Obligors:**
- The Division's right of subrogation includes the Guaranteed's rights against non-guaranteed obligors including the rights of the Guaranteed to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.
- The Division's right of subrogation shall not be avoided by acquisition of the Guaranteed Mortgage by an obligor (except an obligor described in Section 1(e)(f)(F) of these Conditions) who acquires the Guaranteed Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be a Guaranteed under this Certificate.
- 13. Arbitration - deleted**
- 14. Liability limited to this Certificate; Certificate entire contract**
- (a) This Certificate together with all endorsements, if any, attached to it by the Division is the entire Certificate and contract between the Guaranteed and the Division. In interpreting any provision of this Certificate, this Certificate shall be construed as a whole.

- (b) Any claim of loss or damage that arises out of the status of the Title or lien of the Guaranteed Mortgage or by any action asserting such claim shall be restricted to this Certificate.
 - (c) Any amendment of or endorsement to this Certificate must be in writing and authenticated by an authorized person.
 - (d) Each endorsement to this Certificate issued at any time is made a part of this Certificate and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsement, (iii) extend the Date of Certificate or (iv) increase the Amount of Coverage.
15. Severability
In the event any provision of this Certificate, in whole or in part, is held invalid or unenforceable under applicable law, the Certificate shall be deemed not to include that provision or such part held to be invalid, and all other provisions shall remain in full force and effect.
16. Choice of law; forum
(a) Choice of Law: The Guaranteed acknowledges the Division has underwritten the risks covered by this Certificate and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of Title Guaranty Certificates in Iowa. Therefore, the court shall apply the law of Iowa to determine the validity of claims against the Title or the lien of the Guaranteed Mortgage that are adverse to the Guaranteed, and in interpreting and enforcing the terms of this Certificate. In neither case shall the court apply its conflicts of laws principles to determine the applicable law.
(b) Choice of Forum: Any litigation or other proceeding of a judicial or quasi-judicial nature related to or arising from this Certificate shall be brought and maintained in the Iowa District Court for Polk County in Des Moines, Iowa.
17. Notices, where sent
Any notice of claim and any other notice or statement in writing required to be given to the Division under this Certificate must be given to the Division at 2015 Grand Avenue, Des Moines, Iowa 50312.

Title Guaranty

A Division of the Iowa Finance Authority
800-432-7230

2015 Grand Avenue
Des Moines, Iowa 50312
www.IowaFinanceAuthority.gov

Section 3.02 Lender Schedule A



Lender Form Schedule A

Certificate No.: L-1000553
 Loan No.: 789456123
 Address, For Reference Purposes Only: 8304 Winston Avenue, Urbandale, IA
 Date of Certificate: June 10, 2007 at 10:47:00 AM Amount of Coverage: \$135,000.00

1. Name of Guaranteed:

Bank of the West its successors and/or assigns, Johnston, IA

2. The estate or interest in the Land that is encumbered by the Guaranteed Mortgage is a fee simple (if other, specify same):

Fee Simple

3. Title is vested in:

John J. Title and Kris M. Title, husband and wife, as joint tenants with full rights of survivorship and not as tenants in common.

4. The Guaranteed Mortgage, and its assignments, if any, are described as follows:

Mortgage in the amount of \$135,000.00 dated June 10, 2007, filed June 10, 2007, in Book 23400, at Page 456 of the Polk County, Iowa, Recorder's Office, given by John J. Title and Kris M. Title, husband and wife, to Bank of the West.

5. The Land referred to in this Certificate is described as follows:

Lot 26 in Northwest Country Club Manor, Plat 4, an Official Plat, now included in and forming a part of the City of Urbandale, Polk County, Iowa.

6. This Certificate incorporates those endorsements listed below:

Environmental Protection Lien (ALTA 8.1-06)
 Location - Residential (ALTA 22-06)
 Endorsement Against Loss-Lien
 Endorsement Against Loss-Lien

Prepared By John Test
 Typed Name

Test Law Firm
 Member Name
200 E. Grand Ave., Suite 350
 (Mailing Address)

Signature of Member
Des Moines, IA 50309
 (City, State) (Zip)

Section 3.03 Lender Schedule B



Lender Form Schedule B

Certificate Number: L-1000553

Exceptions From Coverage

Schedule B - Part I

This Certificate does not guarantee against loss or damage (and the Division will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. The lien of the taxes for the July 1, 2006 - June 30, 2007 fiscal year and thereafter, with the first half due on September 1, 2007 (delinquent after September 30, 2007) and the second half due on March 1, 2008 (delinquent after March 31, 2008). None now due and payable.
2. Ordinances and regulations for the City of Urbandale and County of Polk, Iowa.
3. Plat(s) filed in the Polk County, Iowa, Recorder's Office, including all easements, building setbacks, restrictions, reservations and notations.
4. Declarations, covenants, restrictions, easements, reservations, rights and options filed of record in Polk County, Iowa, Recorder's Office.
5. Utility Easement in favor of MidAmerican Energy filed July 1, 2002 in Book 22490, at Page 245.
6. Restrictive Covenants filed February 5, 2000 in Book 12000, at Page 234, and as amended from time to time.
7. Mortgage in favor of Central State Bank dated April 1, 2005, filed April 4, 2005 in Book 23400, at Page 55, to secure an indebtedness of \$34,000.00
8. Mortgage in favor of U.S. Bank, N.A. dated April 1, 2005, filed April 4, 2005 in Book 23400, at Page 89, to secure an indebtedness of \$11,000.00.

Schedule B - Part II

In addition to the matters set forth in Part I of this Schedule, the title is subject to the following matters and the Division guarantees against loss or damage sustained in the event that they are not subordinate to the lien of the Guaranteed Mortgage:

Mortgage in the amount of \$30,000.00 dated June 10, 2007, filed June 10, 2007, in Book 23400, at Page 465 of the Polk County, Iowa, Recorder's Office, given by John J. Title and Kris M. Title, husband and wife, to Bank of the West.

End of Schedule B, Parts I and II.

Signature of Member

CERTIFICATE NO.: L-100553

DATE: June 10, 2007

Section 3.04 Owner Jacket



Owner Form - Title Guaranty Certificate

(Same coverage as American Land Title Association Standard Policy 6-17-2006)

Any notice of claim and any other notice or statement in writing required to be given the Division under this Certificate must be given to the Division at the address shown in Section 18 of the Conditions.

Covered Risks

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, the Title Guaranty Division of the Iowa Finance Authority (the "Division"), guarantees, as of Date of Certificate and, to the extent stated in Covered Risk 9 and 10, after Date of Certificate, against loss or damage, not exceeding the Amount of Coverage, sustained or incurred by the Guaranteed by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to coverage against loss from:
 - (a) A defect in the Title caused by:
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
 - (a) the occupancy, use or enjoyment of the Land;
 - (b) the character, dimensions or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective:
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records:
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- 10.

Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Certificate and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Division will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter guaranteed against by this Certificate, but only to the extent provided in the Conditions.

In Witness Whereof, the Title Guaranty Division has caused this Certificate to be signed and sealed in its name by its duly authorized officer, by direction of its Board, to become binding when countersigned by its Director or by a Division Participant.



Title Guaranty Division

By *Lloyd W. Ogle*
Lloyd W. Ogle, Director

CERTIFICATE NO.: O-1.000553

DATE: June 10, 2007

Exclusions from Coverage

The following matters are expressly excluded from the coverage of this Certificate and the Division will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed, or agreed to by the Guaranteed Claimant;
 - (b) not Known to the Division, not recorded in the Public Records at Date of Certificate, but Known to the Guaranteed Claimant and not disclosed in writing to the Division by the Guaranteed Claimant prior to the date the Guaranteed Claimant became a Guaranteed under this Certificate;
 - (c) resulting in no loss or damage to the Guaranteed Claimant;
 - (d) attaching or created subsequent to Date of Certificate (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Guaranteed Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this Certificate.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Certificate and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

Conditions

1. Definition of terms

The following terms when used in this Certificate mean:

- (a) "Amount of Coverage": the amount stated in Schedule A, as may be increased or decreased by endorsement to this Certificate, increased by Section 8(b), or decreased by Sections 11 and 12 of these Conditions.
- (b) "Date of Certificate": The date designated as "Date of Certificate" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Guaranteed": the Guaranteed named in Schedule A.
 - (i) The term "Guaranteed" also includes:
 - (A) successors to the Title of the Guaranteed by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to a Guaranteed by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to a Guaranteed by its conversion to another kind of Entity;
 - (D) a grantee of a Guaranteed under a deed delivered without payment of actual valuable consideration conveying the Title:
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Guaranteed;
 - (2) if the grantee wholly owns the named Guaranteed; or
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Guaranteed, provided the affiliated Entity and the named Guaranteed are both wholly-owned by the same person or Entity;
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument

established by the Guaranteed named in Schedule A for estate planning purposes.

- (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Division would have had against any predecessor or Guaranteed.
- (e) "Guaranteed Claimant": A Guaranteed claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to a Guaranteed by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is guaranteed by this Certificate.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under Iowa statutes at Date of Certificate for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title.

2. Continuation of Coverage

The coverage of this Certificate shall continue in force as of Date of Certificate

in favor of a Guaranteed, but only so long as the Guaranteed retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Guaranteed, or only so long as the Guaranteed shall have liability by reason of warranties in any transfer or conveyance of the Title. This Certificate shall not continue in force in favor of any purchaser from the Guaranteed of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Guaranteed.

3. Notice of claim to be given by Guaranteed Claimant

The Guaranteed shall notify the Division promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to a Guaranteed of any claim of title or interest that is adverse to the Title, as guaranteed, and that might cause loss or damage for which the Division may be liable by virtue of this Certificate, or (iii) if the Title, as guaranteed, is rejected as Unmarketable Title. If the Division is prejudiced by the failure of the Guaranteed Claimant to provide prompt notice, the Division's liability to the Guaranteed Claimant under the Certificate shall be reduced by the extent of the prejudice.

4. Proof of loss

In the event the Division is unable to determine the amount of loss or damage, the Division may, at its option, require as a condition of payment that the Guaranteed Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance or other matter guaranteed against by this Certificate that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. Defense and prosecution of Actions

(a) Upon written request by the Guaranteed, and subject to the options contained in Section 7 of these Conditions, the Division, at its own cost and without unreasonable delay, shall provide for the defense of a Guaranteed in litigation in which any third party asserts a claim covered by this Certificate adverse to the Guaranteed. This obligation is limited to only those stated causes of action alleging matters guaranteed against by this Certificate. The Division shall have the right to select counsel of its choice (subject to the right of the Guaranteed to object for reasonable cause) to represent the Guaranteed as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Division will not pay any fees, costs or expenses incurred by the Guaranteed in the defense of those causes of action that allege matters not guaranteed against by this Certificate.

(b) The Division shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as guaranteed, or to prevent or reduce loss or damage to the Guaranteed. The Division may take any appropriate action under the terms of this Certificate, whether or not it shall be liable to the Guaranteed. The exercise of these rights shall not be an admission of liability or waiver of any provision of this Certificate. If the Division exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Division brings an action or asserts a defense as required or permitted by this Certificate, the Division may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. Duty of Guaranteed Claimant to cooperate

(a) In all cases where this Certificate permits or requires the Division to prosecute or provide for the defense of any action or proceeding and any appeals, the Guaranteed shall secure to the Division the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Guaranteed for this purpose. Whenever requested by the Division, the Guaranteed, at the Division's expense, shall give the Division all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Division may be necessary or desirable to establish the Title or any other matter as guaranteed. If the Division is prejudiced by the failure of the Guaranteed to furnish the required cooperation, the Division's obligations to the Guaranteed under the Certificate shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Division may reasonably require the Guaranteed Claimant to submit

to examination under oath by any authorized representative of the Division and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Division, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Certificate, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Division, the Guaranteed Claimant shall grant its permission, in writing, for any authorized representative of the Division to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Guaranteed Claimant provided to the Division pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Division, it is necessary in the administration of the claim. Failure of the Guaranteed Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Division under this Certificate as to that claim.

7. Options to pay or otherwise settle claims; termination of liability

In case of a claim under this Certificate, the Division shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Coverage.

To pay or tender payment of the Amount of Coverage under this Certificate together with any costs, attorneys' fees, and expenses incurred by the Guaranteed Claimant that were authorized by the Division up to the time of payment or tender of payment and that the Division is obligated to pay.

Upon the exercise by the Division of this option, all liability and obligations of the Division to the Guaranteed under this Certificate, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Guaranteed or With the Guaranteed Claimant.

(i) To pay or otherwise settle with other parties for or in the name of a Guaranteed Claimant any claim guaranteed against under this Certificate. In addition, the Division will pay any costs, attorneys' fees, and expenses incurred by the Guaranteed Claimant that were authorized by the Division up to the time of payment and that the Division is obligated to pay; or

(ii) To pay or otherwise settle with the Guaranteed Claimant the loss or damage provided for under this Certificate, together with any costs, attorneys' fees, and expenses incurred by the Guaranteed Claimant that were authorized by the Division up to the time of payment and that the Division is obligated to pay.

Upon the exercise by the Division of either of the options provided for in subsections (b)(i) or (ii), the Division's obligations to the Guaranteed under this Certificate for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

8. Determination and extent of liability

This Certificate is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Guaranteed Claimant who has suffered loss or damage by reason of matters guaranteed against by this Certificate.

(a) The extent of liability of the Division for loss or damage under this Certificate shall not exceed the lesser of:

(i) the Amount of Coverage; or
(ii) the difference between the value of the Title as guaranteed and the value of the Title subject to the risk guaranteed against by this Certificate.

(b) If the Division pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as guaranteed,

(i) the Amount of Coverage shall be increased by 10%, and
(ii) the Guaranteed Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Guaranteed Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Division will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. **Limitation of liability**
- (a) If the Division establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as guaranteed, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Guaranteed.
 - (b) In the event of any litigation, including litigation by the Division or with the Division's consent, the Division shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as guaranteed.
 - (c) The Division shall not be liable for loss or damage to the Guaranteed for liability voluntarily assumed by the Guaranteed in settling any claim or suit without the prior written consent of the Division.
10. **Reduction of Coverage; reduction or termination of liability**
All payments under this Certificate, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Coverage by the amount of the payment.
11. **Liability non cumulative**
The amount of Coverage shall be reduced by any amount the Division pays under any Certificate guaranteeing a Mortgage to which exception is taken in Schedule B or to which the Guaranteed has agreed, assumed, or taken subject, or which is executed by a Guaranteed after Date of Certificate and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Guaranteed under this Certificate.
12. **Payment of loss**
When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.
13. **Rights of recovery upon payment or settlement**
- (a) Whenever the Division shall have settled and paid a claim under this Certificate, it shall be subrogated and entitled to the rights of the Guaranteed Claimant in the Title and all other rights and remedies in respect to the claim that the Guaranteed Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Division. If requested by the Division the Guaranteed Claimant shall execute documents to evidence the transfer to the Division of these rights and remedies. The Guaranteed Claimant shall permit the Division to sue, compromise, or settle in the name of the Guaranteed Claimant and to use the name of the Guaranteed Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Guaranteed Claimant, the Division shall defer the exercise of its right to recover until after the Guaranteed Claimant shall have recovered its loss.
 - (b) The Division's right of subrogation includes the rights of the Guaranteed to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.
14. **Arbitration - deleted**
15. **Liability limited to this Certificate; Certificate entire contract**
- (a) This Certificate together with all endorsements, if any, attached to it by the Division is the entire Certificate and contract between the Guaranteed and the Division. In interpreting any provision of this Certificate, this Certificate shall be construed as a whole.
 - (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this Certificate.
 - (c) Any amendment of or endorsement to this Certificate must be in writing and authenticated by an authorized person.
 - (d) Each endorsement to this Certificate issued at any time is made a part of this Certificate and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsement, (iii) extend the Date of Certificate or (iv) increase the Amount of Coverage.
16. **Severability**
In the event any provision of this Certificate, in whole or in part, is held invalid or unenforceable under applicable law, the Certificate shall be deemed not to include that provision or such part held to be invalid, and all other provisions shall remain in full force and effect.
17. **Choice of law; forum**
- (a) **Choice of Law:** The Guaranteed acknowledges the Division has underwritten the risks covered by this Certificate and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of Title Guaranty Certificates in Iowa. Therefore, the court shall apply the law of Iowa to determine the validity of claims against the Title that are adverse to the Guaranteed, and in interpreting and enforcing the terms of this Certificate. In neither case shall the court apply its conflicts of laws principles to determine the applicable law.
 - (b) **Choice of Forum:** Any litigation or other proceeding of a judicial or quasi-judicial nature related to or arising from this Certificate shall be brought and maintained in the Iowa District Court for Polk County in Des Moines, Iowa.
18. **Notices, where sent**
Any notice of claim and any other notice or statement in writing required to be given to the Division under this Certificate must be given to the Division at 2015 Grand Avenue, Des Moines, Iowa 50312.

Title Guaranty

A Division of the Iowa Finance Authority
800-432-7230

2015 Grand Avenue
Des Moines, Iowa 50312
www.IowaFinanceAuthority.gov

Section 3.05 Owner Schedule A



Owner Form Schedule A

Certificate No.: O-1000553

Address, For Reference Purposes Only: 8304 Winston Avenue, Urbandale, IA

Date of Certificate: June 10, 2007 at 10:47:00 AM Amount of Coverage: \$220,000.00

1. Name of Guaranteed:

John J. Title and Kris M. Title, husband and wife, husband and wife, as joint tenants with full rights of survivorship, and not as tenants in common.

2. The estate or interest in the Land that is guaranteed by this Certificate is a fee simple (if other, specify same):

Fee Simple

3. Title is vested in:

John J. Title and Kris M. Title, husband and wife, husband and wife, as joint tenants with full rights of survivorship, and not as tenants in common.

4. The Land referred to in this Certificate is described as follows:

Lot 26 in Northwest Country Club Manor, Plat 4, an Official Plat, now included in and forming a part of the City of Urbandale, Polk County, Iowa.

5. This Certificate incorporates those endorsements listed below:

Endorsement Against Loss-Lien

Endorsement Against Loss-Lien

Prepared By John Test
 Typed Name

Test Law Firm
 Member Name
 200 E. Grand Ave., Suite 350
 (Mailing Address)

Signature of Member
 Des Moines, IA 50309
 (City, State) (Zip)

Section 3.06 Owner Schedule B



Owner Form Schedule B

Certificate Number: O-1000553

Exceptions From Coverage

This Certificate does not guarantee against loss or damage (and the Division will not pay costs, attorneys' fees or expenses) that arise by reason of:

Standard (notwithstanding the guaranteeing clauses of this Guaranty):

1. Rights or claims of parties in possession not shown by the Public Records.
2. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
3. Easements, or claims of easements, not shown by the Public Records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
5. Taxes or special assessments which are not shown as existing liens by the Public Records.

Special:

6. The lien of the taxes for the July 1, 2006 - June 30, 2007 fiscal year and thereafter, with the first half due on September 1, 2007 (delinquent after September 30, 2007) and the second half due on March 1, 2008 (delinquent after March 31, 2008). None now due and payable.

7. Ordinances and regulations for the City of Urbandale and County of Polk, Iowa.

8. Plat(s) filed in the Polk County, Iowa, Recorder's Office, including all easements, building setbacks, restrictions, reservations and notations.

9. Declarations, covenants, restrictions, easements, reservations, rights and options filed of record in Polk County, Iowa, Recorder's Office.

10. Utility Easement in favor of MidAmerican Energy filed July 1, 2002 in Book 22490, at Page 245.

11. Restrictive Covenants filed February 5, 2000 in Book 12000, at Page 234, and as amended from time to time.

12. Mortgage in favor of Central State Bank dated April 1, 2005, filed April 4, 2005 in Book 23400, at Page 55, to secure an indebtedness of \$34,000.00

13. Mortgage in favor of U.S. Bank, N.A. dated April 1, 2005, filed April 4, 2005 in Book 23400, at Page 89, to secure an indebtedness of \$11,000.00.

CERTIFICATE NO.: O-1000553

DATE: June 10, 2007

14. Mortgage in the amount of \$135,000.00 dated June 10, 2007, filed June 10, 2007, in Book 23400, at Page 456 of the Polk County, Iowa, Recorder's Office, given by John J. Title and Kris M. Title, husband and wife, to Bank of the West.

15. Mortgage in the amount of \$30,000.00 dated June 10, 2007, filed June 10, 2007, in Book 23400, at Page 465 of the Polk County, Iowa, Recorder's Office, given by John J. Title and Kris M. Title, husband and wife, to Bank of the West.

End of Schedule B

Signature of Member

CERTIFICATE NO.: O-1.00053

DATE: June 10, 2007

Article IV: Endorsements

In addition to the Certificates, a number of Endorsements are available for modifying (usually expanding) the coverage under a Certificate. Each Endorsement form cross-references the certificate which it amends. The use of each Endorsement requires compliance with certain underwriting standards, procedures, and requirements determined and developed by the Division Director and set forth in the Staff Supplement.

Situations may arise in which additional coverage is desired but is not available through one of the standard Endorsements offered by the Division. Special Endorsements may be available but may not be written without the express consent of the Division.

Some of the more commonly used Endorsements offered by the Division are included below.

Section 4.01 Balloon Mortgage Endorsement



Balloon Mortgage Endorsement

Certificate Number:

The Division hereby guarantees against loss or damage by reason of:

(1) The invalidity or unenforceability of the lien of the Guaranteed Mortgage resulting from the provisions therein which provide for a Conditional Right to Refinance and a change in the rate of interest as set forth in the Mortgage Rider.

(2) Loss of priority of the lien of the Guaranteed Mortgage as security for the unpaid principal balance of the loan, together with interest thereon, which loss of priority is caused by the exercise of the Conditional Right to Refinance and the extension of the loan term to the New Maturity Date set forth on the Rider and a change in the rate of interest provided all the conditions set forth in Paragraphs 2 and 5 of the Rider have been met, further provided no coverage is given by this paragraph with respect to any lien, encumbrance or other matter the existence of which is actually known to the Guaranteed prior to the exercise of the Conditional Right to Refinance.

The Endorsement does not guarantee against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth-in-lending law or (c) environmental protection liens or (d) federal tax liens or (e) bankruptcy.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any other prior endorsements.

Section 4.02 Comprehensive 1 – Improved Land Endorsement



Comprehensive 1 – Improved Land Endorsement

Certificate Number:

The Division guarantees the Guaranteed against loss or damage sustained by the Guaranteed by reason of:

1. Any incorrectness in the assurance which the Division hereby gives:
 - a. That there are no covenants, conditions, or restrictions under which the lien of the Guaranteed Mortgage can be cut off, subordinated, or otherwise impaired;
 - b. That, except as shown in Schedule B, there are no present violations on the Land of any enforceable covenants, conditions, or restrictions;
 - c. That, except as shown in Schedule B, there are no encroachments of buildings, structures, or improvements located on the Land onto adjoining lands, nor any encroachments onto the Land of buildings, structures, or improvements located on adjoining lands.
2. Any violations on the land of any covenants, conditions or restrictions occurring prior to acquisition of title to the Land by the Guaranteed, provided such violations result in loss or impairment of the lien of the Guaranteed Mortgage, or result in loss or impairment of the title to the Land if the Guaranteed shall acquire such title in satisfaction of the indebtedness secured by the Guaranteed Mortgage.
3. Damage to existing improvements that are located or encroach upon that portion of the Land subject to any easement shown in Schedule B, which damage results from the exercise of the right to use or maintain such easement for the purpose for which the same was granted or reserved.
4. Any final court order or judgment requiring removal from any land adjoining the Land of any encroachment shown in Schedule B.

Wherever in this Endorsement any or all the words “covenants, conditions or restrictions” appear, they shall not be deemed to refer to or include the terms, covenants and condition or limitations contained in any lease, instrument creating an easement or declaration of condominium referred to in Schedule A.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

***Section 4.03 Comprehensive 2 – Lender’s Restrictions, Encroachments,
Minerals ALTA Endorsement 9-06***



Comprehensive 2 – Lender’s Restrictions, Encroachments, Minerals ALTA Endorsement 9-06

Certificate Number:

The Division guarantees the owner of the Indebtedness secured by the Guaranteed Mortgage against loss or damage sustained by reason of:

1. The existence, at Date of Certificate, of any of the following:
 - a. Covenants, conditions, or restrictions under which the lien of the Guaranteed Mortgage can be divested, subordinated, or extinguished, or its validity, priority, or enforceability impaired.
 - b. Unless expressly excepted in Schedule B
 - i. Present violations on the Land of any enforceable covenants, conditions, or restrictions, or existing improvements on the land described in Schedule A that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
 - ii. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (A) establishes an easement on the Land, (B) provides a lien for liquidated damages, (C) provides for a private charge or assessment, (D) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant.
 - iii. Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
 - iv. Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - v. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Any future violation on the Land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of title to the estate or interest in the Land by the Guaranteed, provided the violation results in:
 - a. the invalidity, loss of priority, or unenforceability of the lien of the Guaranteed Mortgage, or
 - b. the loss of Title if the Guaranteed shall acquire Title in satisfaction of the Indebtedness secured by the Guaranteed Mortgage
3. Damage to existing improvements, including lawns, shrubbery, or trees:
 - a. that are located on or encroach upon that portion of the Land subject to any easement excepted

in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;

b. resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.

4. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.

5. Any final court order or judgment denying the right to maintain any existing improvements on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words “covenants, conditions, or restrictions” appear, they shall not be deemed to refer to or include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.b.i. and 5, the words “covenants, conditions, or restrictions” do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Certificate and is not excepted in Schedule B.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.04 Comprehensive 6 – Restrictions



Comprehensive 6 – Restrictions Endorsement

Certificate Number:

The Title Guaranty Division guarantees the Guaranteed against actual loss or damage sustained by the Guaranteed by reason of:

1. Any inaccuracies in the following assurances:

Any right of re-entry or right of forfeiture or reversion of Title to the estate or interest referred to in Schedule A contingent on a violation of the covenants, conditions or restrictions referred to in exception(s) No(s). 4 is(are) not enforceable.

2. The exercise or attempt to exercise any right of re-entry, forfeiture or reversion or other right of termination of Title to said estate or interest based on a violation of said covenants, conditions or restrictions disclosed in paragraph 1 above.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.05 Condominium – Lender



Condominium – Lender ALTA Endorsement 4-06 (Revised 4/1/10)

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 3, the words “restrictive covenants” do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Certificate and is not excepted in Schedule B.
4. The priority of any lien for charges and assessments at Date of Certificate provided for in the condominium statutes and condominium documents over the lien of any Guaranteed Mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at Date of Certificate because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at Date of Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.06 Condominium – Owner ALTA Endorsement 4.1-06



Condominium – Owner ALTA Endorsement 4.1-06 (Revised 4/1/10)

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 3, the words “restrictive covenants” do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Certificate and is not excepted in Schedule B.
4. Any charges or assessments provided for in the condominium statutes and condominium documents due and unpaid at Date of Certificate.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at Date of Certificate because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at Date of Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.07 Encroachment Endorsement – Adverse



Encroachment Endorsement – Adverse

Certificate Number:

The Title Guaranty Division guarantees the Guaranteed against actual loss or damage sustained by the Guaranteed by reason of the adverse encroachment raised in Schedule B as Exception Number(s) _____.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.08 Encroachment Endorsement



Encroachment Endorsement

Certificate Number:

The Title Guaranty Division guarantees the Guaranteed against actual loss or damage sustained by the Guaranteed by reason of any final judgment or decree by a court of competent jurisdiction denying the right to maintain the improvements as now located on the Land, beyond the boundaries of the property described in Schedule A hereof, or in violation of any building set-back line, or easement mentioned in Schedule B hereof because of the encroachment raised in Schedule B as Exception Number(s) _____.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.09 Endorsement Against Loss-Lien



Endorsement Against Loss-Lien

Certificate Number:

The Division guarantees the Guaranteed against actual loss or damage sustained by the Guaranteed by reason of the enforcement of the lien excepted at No. _____ of Schedule B so as to secure full or partial satisfaction there of out of the Land as a lien encumbering or having priority over the Guaranteed Mortgage or estate guaranteed by this Certificate, as well as costs, attorney fees, and expenses in defense against such encumbrance as provided in the Conditions of this Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.10 Environmental Protection Lien ALTA Endorsement 8.1-06



Environmental Protection Lien ALTA Endorsement 8.1-06 (Revised 4/1/10)

Certificate Number:

The coverage afforded by this Endorsement is effective only if the Land is used or is to be used for a single family home or a residential building containing up to four residential units.

The Division guarantees against loss or damage sustained by the Guaranteed by reason of lack of priority of the lien of the Guaranteed Mortgage over

(a) any environmental protection lien which, at Date of Certificate, is recorded in those records established under state statutes at Date of Certificate for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or is filed in the records of the clerk of the United States district court for the district in which the Land is located, except as set forth in Schedule B, or

(b) any environmental protection lien provided for by any state statute in effect at Date of Certificate, except environmental protection liens provided for by the following state statutes: [455B.396](#)

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.11 Form E – Lender Endorsement



Form E – Lender Endorsement

Certificate Number:

Guaranteed: _____

Amount of Coverage: _____

Effective Date of Certificate: _____

The above Certificate is amended as follows:

(Insert amendments)

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.12 Form E – Owner Endorsement



Form E – Owner Endorsement

Certificate Number:

Guaranteed: _____

Amount of Coverage: _____

Effective Date of Certificate: _____

The above Certificate is amended as follows:

(Insert amendments)

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.13 Future Advance – Priority ALTA Endorsement 14-06



Future Advance – Priority ALTA Endorsement 14.06

Certificate Number:

1. The coverage for Advances added by Sections 2 & 3 of this Endorsement is subject to the exclusions in Section 4 of this Endorsement and the Exclusions from Coverage in the Certificate, except Exclusion 3(d), the provisions of the Conditions, and the exceptions contained in Schedule B.

a. “Agreement,” as used in this Endorsement, shall mean either the note or loan agreement secured by the Guaranteed Mortgage.

b. “Advances,” as used in this Endorsement, shall mean only those advances of principal indebtedness made after the Date of Certificate as provided in the Agreement, including expenses of foreclosure, amounts advanced pursuant to the Guaranteed Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Guaranteed Mortgage before the time of acquisition of the Title, and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.

2. The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

a. The invalidity or unenforceability of the lien of the Guaranteed Mortgage as security for each Advance.

b. The lack of priority of the lien of the Guaranteed Mortgage as security for each Advance over any lien or encumbrance on the Title.

c. The invalidity or unenforceability or loss of priority of the lien of the Guaranteed Mortgage as security for the Indebtedness and Advances resulting from (i) re-Advances and repayments of Indebtedness, (ii) lack of outstanding Indebtedness before an Advance, or (iii) the failure of the Guaranteed Mortgage to comply with the requirements of state law of the state in which the Land is located to secure Advances.

3. The Division also guarantees against loss or damage sustained by the Guaranteed by reason of:

a. The invalidity or unenforceability of the lien of the Guaranteed Mortgage resulting from any provisions of the Agreement that provide for (i) interest on interest, (ii) changes in the rate of interest, or (iii) the addition of unpaid interest to the Indebtedness.

b. Loss of priority of the lien of the Guaranteed Mortgage as security for the Indebtedness, interest on interest, or interest as changed in accordance with the provisions of the Guaranteed Mortgage, which loss of priority is caused by (i) changes in the rate of interest, (ii) interest on

interest, or (iii) increases in the Indebtedness resulting from the addition of unpaid interest.

“Changes in the rate of interest,” as used in this Endorsement, shall mean only those changes in the rate of interest calculated pursuant to a formula provided in the Guaranteed Mortgage at Date of Certificate.

4. This Endorsement does not guarantee against loss or damage (and the Division will not pay costs, attorneys’ fees, or expenses) resulting from:

a. Advances made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor.

b. The loss of priority of the lien of the Guaranteed Mortgage, as security for Advances, to the lien of real estate taxes or assessments on the Title imposed by governmental authority arising after Date of Certificate.

c. The loss of priority of the lien of the Guaranteed Mortgage as security for any Advance, to a federal tax lien, which Advance is made after the earlier of (i) actual knowledge of the Guaranteed that a federal tax lien was filed against the mortgagor, or (ii) the expiration of more than forty-five days after notice of a federal tax lien filed against the mortgagor.

d. The loss of priority of the lien of the Guaranteed Mortgage as security for Advances to any federal or state environmental protection lien.

e. Usury, or any consumer credit protection or truth-in-lending law.

f. The loss of priority of the lien of the Guaranteed Mortgage as security for any Advance to a mechanic’s or materialmen’s lien.

5. The Amount of Coverage shall include Advances.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.14 Future Advance – Reverse Mortgage ALTA Endorsement 14.3-06



Future Advance – Reverse Mortgage ALTA Endorsement 14.3-06

Certificate Number:

1. The coverage for Advances added by Sections 2 and 3 of this Endorsement is subject to the exclusions in Section 4 of this Endorsement and the Exclusions in the Certificate, except Exclusion 3(d), the provisions of the Conditions, and the exceptions contained in Schedule B.

a. “Agreement,” as used in this Endorsement, shall mean either the note or loan agreement secured by the Guaranteed Mortgage.

b. “Advances,” as used in this Endorsement, shall mean only those advances of principal indebtedness made after the Date of Certificate as provided in the Agreement, including expenses of foreclosure, amounts advanced pursuant to the Guaranteed Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Guaranteed Mortgage before the time of acquisition of the Title, and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.

2. The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

a. The invalidity or unenforceability of the lien of the Guaranteed Mortgage as security for each Advance.

b. The lack of priority of the lien of the Guaranteed Mortgage as security for each Advance over any lien or encumbrance on the Title.

c. The invalidity or unenforceability or loss of priority of the lien of the Guaranteed Mortgage as security for the Indebtedness and Advances resulting from (i) re-Advances and repayments of Indebtedness, (ii) lack of outstanding Indebtedness before an Advance, (iii) failure to comply with the requirements of state law to secure Advances, (iv) failure of the Guaranteed Mortgage to state the term for Advances, or (v) failure of the Guaranteed Mortgage to state the maximum amount secured by the Guaranteed Mortgage.

3. The Division also guarantees against loss or damage sustained by the Guaranteed by reason of:

a. The invalidity or unenforceability of the lien of the Guaranteed Mortgage resulting from any provisions of the Agreement that provide for (i) interest on interest, (ii) changes in the rate of interest, or (iii) the addition of unpaid interest to the Indebtedness.

b. Loss of priority of the lien of the Guaranteed Mortgage as security for the Indebtedness, including any unpaid interest that was added to principal in accordance with any provisions of the Agreement, interest on interest, or interest as changed in accordance with the provisions of the Guaranteed Mortgage, which loss of priority is caused by (i) changes in the rate of interest, (ii) interest on interest, or (iii) increases in the Indebtedness resulting from the addition of unpaid

interest.

“Changes in the rate of interest,” as used in this Endorsement, shall mean only those changes in the rate of interest calculated pursuant to a formula provided in the Guaranteed Mortgage at Date of Certificate.

“Interest,” as used in this Endorsement, shall include lawful additional interest based on net appreciated value.

4. This Endorsement does not guarantee against loss or damage (and the Division will not pay costs, attorneys’ fees, or expenses) resulting from:

a. Advances made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor.

b. The loss of priority of the lien of the Guaranteed Mortgage, as security for Advances, to the lien of real estate taxes or assessments on the Title imposed by governmental authority arising after Date of Certificate.

c. The loss of priority of the lien of the Guaranteed Mortgage as security for any Advance, to a federal tax lien, which Advance is made after the earlier of (i) actual knowledge of the Guaranteed that a federal tax lien was filed against the mortgagor, or (ii) the expiration of more than forty-five days after notice of a federal tax lien filed against the mortgagor.

d. The loss of priority of the lien of the Guaranteed Mortgage as security for Advances to any federal or state environmental protection lien.

e. Usury, or any consumer credit protection or truth-in-lending law.

f. The loss of priority of the lien of the Guaranteed Mortgage as security for any Advance to a mechanic’s or materialmen’s lien.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.15 Gap Coverage Endorsement

**PRE-CLOSING SEARCH CERTIFICATION
TITLE GUARANTY DIVISION**

COMMITMENT NO.:

LOAN CLOSER:
PROPOSED GUARANTEED(S):

ABTRACTOR:
ABST. OR PENCIL NOTES NO.:
PROPERTY ADDRESS:
BRIEF LEGAL:

NAME(S) OF SELLER(S):
NAME(S) OF BUYER(S) TO BE SEARCHED:
DATE AND TIME OF PRIOR CONTINUATION:

EFFECTIVE DATE AND TIME OF THIS CERTIFICATION:

(To be completed by abstractor)

The undersigned, acting in its capacity as a Participating Abstractor for the Title Guaranty Division of the Iowa Finance Authority, certifies that the appropriate records have been searched and that no matters affecting the title to the property described above have been filed between the effective date and time of the preliminary title opinion and the date and time shown above, except for the following: (To be completed by abstractor)_____

PARTICIPATING ABTRACTOR

BY

TITLE GUARANTY MEMBER #

DIVISION FORM: PCS

FILE NO.:

REVISED: 7/2005



Gap Coverage Endorsement

Commitment Number:

Notwithstanding anything to the contrary contained herein, the Division agrees that upon receipt of a properly executed Pre-Closing Search Certification (Division Form PCS), coverage hereunder and the Effective Date hereof shall be extended up to and including the recording of the deed and/or mortgage of the Proposed Guaranteed(s) identified in Schedule A hereof, provided that the documents are recorded no later than the tenth day, following the date of the Pre-Closing Search Certification, that documents can be recorded in the County Recorder's Office.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.16 Leasehold – Lenders ALTA Endorsement 13.1-06



Leasehold – Lenders ALTA Endorsement 13.1-06

Certificate Number:

1. As used in this Endorsement, the following terms shall mean:

- a. “Evicted” or “Eviction”: (a) the lawful deprivation, in whole or in part, of the right of possession guaranteed by this Certificate, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case, as a result of a matter covered by this Certificate.
- b. “Lease”: the lease agreement described in Schedule A.
- c. “Leasehold Estate”: the right of possession for the Lease Term.
- d. “Lease Term”: the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. “Personal Property”: chattels located on the Land and property that, because of their character and manner of affixation to the Land, can be severed from the Land without causing appreciable damage to themselves or to the Land to which they are affixed.
- f. “Remaining Lease Term”: the portion of the Lease Term remaining after the Guaranteed has been Evicted as a result of a matter covered by this Certificate.
- g. “Tenant”: the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this Certificate, the Guaranteed Claimant.
- h. “Tenant Leasehold Improvements”: Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Guaranteed’s expense or in which the Guaranteed has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Guaranteed:

If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Tenant, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Guaranteed Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this Endorsement:

If the Guaranteed acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this Certificate and thereafter is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Guaranteed, but not to the extent that the same are included in the valuation of the Title.

a. The reasonable cost of removing and relocating any Personal Property that the Guaranteed has the right to remove and relocate, situated on the Land at the time of Eviction the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Guaranteed as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent that, by the terms of the Lease, the Guaranteed must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Guaranteed has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Guaranteed in any lease or sublease made by Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.

e. Damages that the Guaranteed is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.

f. Reasonable costs incurred by the Guaranteed to secure a replacement leasehold equivalent to the Leasehold Estate.

g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Guaranteed, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.17 Leasehold – Owners ALTA Endorsement 13-06



Leasehold – Owners ALTA Endorsement 13-06

Certificate Number:

1. As used in this Endorsement, the following terms shall mean:

- a. “Evicted” or “Eviction”: (a) the lawful deprivation, in whole or in part, of the right of possession guaranteed by this Certificate, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this Certificate.
- b. “Lease”: the lease agreement described in Schedule A.
- c. “Leasehold Estate”: the right of possession for the Lease Term.
- d. “Lease Term”: the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. “Personal Property”: chattels located on the Land and property that, because of their character and manner of affixation to the Land, can be severed from the Land without causing appreciable damage to themselves or to the Land to which they are affixed.
- f. “Remaining Lease Term”: the portion of the Lease Term remaining after the Guaranteed has been Evicted as a result of a matter covered by this Certificate.
- g. “Tenant Leasehold Improvements”: Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Guaranteed’s expense or in which the Guaranteed has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Guaranteed:

If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Tenant, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Guaranteed Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this Endorsement:

If the Guaranteed is Evicted, the following items of loss, if applicable, shall be included in

computing loss or damage incurred by the Guaranteed, but not to the extent that the same are included in the valuation of the Title.

a. The reasonable cost of removing and relocating any Personal Property that the Guaranteed has the right to remove and relocate, situated on the Land at the time of Eviction, the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Guaranteed as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent that, by the terms of the Lease, the Guaranteed must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Guaranteed has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Guaranteed in any lease or sublease made by Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.

e. Damages that the Guaranteed is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.

f. Reasonable costs incurred by the Guaranteed to secure a replacement leasehold equivalent to the Leasehold Estate.

g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Guaranteed, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.18 Location Endorsement – Condominium



Location – Condominium Endorsement

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of any inaccuracies in the following assurances:

1. That, according to the Declaration of Condominium recorded as _____, and as amended from time to time, the Land is part of a Condominium Property.
2. That, the building on the Condominium Property has the No. _____ thereon, indicating that the same is known as _____.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.19 Location – Residential ALTA Endorsement 22.06



Location – Residential ALTA Endorsement 22-06

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of the failure of a residence, known as _____ to be located on the Land at Date of Certificate. This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.20 Manufactured Housing Unit ALTA Endorsement 7-06



Manufactured Housing Unit ALTA Endorsement 7-06

Certificate Number:

The term “Land” includes the manufactured housing unit located on the land described in Schedule A at Date of Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

***Section 4.21 Manufactured Housing Unit-Conversion; Loan ALTA
Endorsement 7.1-06***



**Manufactured Housing Unit-Conversion;
Loan
ALTA Endorsement 7.1-06**

Certificate Number:

1. The term “Land” as defined in this Certificate includes the manufactured housing unit located on the land described in Schedule A at Date of Certificate.
2. Unless excepted in Schedule B, the Division guarantees against loss or damage, sustained by the Guaranteed if, at Date of Certificate:
 - a. A manufactured housing unit is not located on the land described in Schedule A.
 - b. The manufactured housing unit located on the land is not real property under the law of the state where the land described in Schedule A is located.
 - c. The owner of the land is not the owner of the manufactured housing unit.
 - d. Any lien is attached to the manufactured housing unit as personal property, including
 - i. a federal, state, or other governmental tax lien,
 - ii. UCC security interest,
 - iii. a motor vehicular lien, or
 - iv. other personal property lien.
 - e. The lien of the Guaranteed Mortgage is not enforceable against the land.
 - f. The lien of the Guaranteed Mortgage is not enforceable in a single foreclosure procedure.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.22 Mortgage Modification ALTA Endorsement 11-06



Mortgage Modification ALTA Endorsement 11-06

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

1. The invalidity or unenforceability of the lien of the Guaranteed Mortgage upon the Title at Date of Endorsement as a result of the agreement dated _____, recorded _____ (“Modification”); and

2. The lack of priority of the lien of the Guaranteed Mortgage, at Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the Certificate or any prior endorsement and except:

(Insert exceptions)

This Endorsement does not insure against loss or damage, and the Division will not pay costs, attorneys’ fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights laws that is based on:

1. the Modification being deemed a fraudulent conveyance or fraudulent transfer; or
2. the Modification being deemed a preferential transfer except where the preferential transfer results from the failure
 - a. to timely record the instrument of transfer; or
 - b. of such recordation to impart notice to a purchaser for value or to a judgment or lien creditor.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.23 Multiple Tax Parcels ALTA Endorsement 18.1-06



Multiple Tax Parcels ALTA Endorsement 18.1-06

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

1. those portions of the Land identified below not being assessed for real estate taxes under the listed tax identification numbers or those tax identification numbers including any additional land:

(Enter identified land)

2. the easements, if any, described in Schedule A being cut off or disturbed by the nonpayment of real estate taxes, assessments or other charges imposed on the servient estate by a governmental authority.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.24 Planned Unit Development (PUD) – Lender ALTA Endorsement 5-06



Planned Unit Development (PUD) – Lender ALTA Endorsement 5-06 (Revised 4/1/10)

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words “restrictive covenants” do not refer to or include any covenant, condition or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Certificate and is not excepted in Schedule B.
2. The priority of any lien for charges and assessments at Date of Certificate in favor of any association of homeowners which are provided for in any document referred to in Schedule B over the lien of any Guaranteed Mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

***Section 4.25 Planned Unit Development (PUD) – Owner ALTA Endorsement
5.1-06***



Planned Unit Development (PUD) – Owner ALTA Endorsement 5.1-06 (Revised 4/1/10)

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words “restrictive covenants” do not refer to or include any covenant, condition or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Certificate and is not excepted in Schedule B.
2. Any charges or assessments in favor of any association of homeowners, which are provided for in any document referred to in Schedule B, due and unpaid at Date of Certificate.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.26 Single Tax Parcel ALTA Endorsement 18-06



Single Tax Parcel ALTA Endorsement 18-06

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of the Land being taxed as part of a larger parcel of land or failing to constitute a separate tax parcel for real estate taxes.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.27 Standard Exception Waiver Endorsement – Residential



Standard Exception Waiver Endorsement – Residential (Revised 4/1/10)

Certificate Number:

This Endorsement shall be effective if a residence (1 to 4 family units) is affixed to the Land.

Standard Exception(s) _____ has(have) been deleted.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.28 Street Assessments ALTA Endorsement 1-06

**AFFIDAVIT FOR
LENDER'S STREET ASSESSMENT ENDORSEMENT**

STATE OF IOWA
COUNTY OF _____

Date: _____

Property Legal Description:

The undersigned, being the seller(s) and/or owner(s) of record for the above described property, hereby verify the truth and accuracy of the following statements:

1. There have been no recent street improvements that would benefit the above referenced legal description.
2. I (we) have not received notice or have become aware of any proposed street improvements that would benefit the above referenced legal description.

This affidavit is given to the Title Guaranty Division as an inducement to issue the Street Assessments Endorsement with the Lender Certificate providing protection against loss sustained by reason of any assessments for street improvements having priority over the Guaranteed Mortgage.

[Name of seller and/or owner]

[Name of seller and/or owner]

Subscribed and sworn to before me this _____ day of _____, 20__

(Notary Public)



Street Assessments ALTA Endorsement 1-06

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of the lack of priority of the lien of the Guaranteed Mortgage over the lien of any assessments for street improvements under construction or completed at Date of Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.29 Variable Rate Mortgage ALTA Endorsement 6-06



Variable Rate Mortgage ALTA Endorsement 6-06 (Revised 4/1/10)

Certificate Number:

The Division hereby guarantees against loss or damage sustained by the Guaranteed by reason of:

1. The invalidity or unenforceability of the lien of the Guaranteed Mortgage resulting from its provisions that provide for changes in the rate of interest.
2. Loss of priority of the lien of the Guaranteed Mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the Guaranteed Mortgage, which loss of priority is caused by the changes in the rate of interest.

“Changes in the rate of interest”, as used in this Endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the loan documents secured by the Guaranteed Mortgage at Date of Certificate.

This Endorsement does not guarantee against loss or damage based upon:

1. usury, or
2. any consumer credit protection or truth in lending law.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.30 Variable Rate, Negative Amortization ALTA Endorsement 6.2-06



Variable Rate Mortgage, Negative Amortization ALTA Endorsement 6.2-06 (Revised 4/1/10)

Certificate Number:

The Division guarantees against loss or damage sustained by the Guaranteed by reason of:

1. The invalidity or unenforceability of the lien of the Guaranteed Mortgage resulting from its provisions that provide for (a) interest on interest, (b) changes in the rate of interest, or (c) the addition of unpaid interest to the principal balance of the loan.
2. Loss of priority of the lien of the Guaranteed Mortgage as security for the principal balance of the loan, including any unpaid interest which was added to principal in accordance with the provisions of the Guaranteed Mortgage, interest on interest, or interest as changed in accordance with the provisions of the Guaranteed Mortgage, which loss of priority is caused by (a) changes in the rate of interest, (b) interest on interest, or (c) increases in the unpaid principal balance of the loan resulting from the addition of unpaid interest.

“Changes in the rate of interest”, as used in this Endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the loan documents secured by the Guaranteed Mortgage at Date of Certificate.

This Endorsement does not guarantee against loss or damage based upon:

1. usury, or
2. any consumer credit protection or truth in lending law.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Section 4.31 Zoning – Unimproved Land ALTA Endorsement 3-06



Zoning – Unimproved Land ALTA Endorsement 3-06

Certificate Number:

1. The Division guarantees against loss or damage sustained by the Guaranteed in the event that, at Date of Certificate,

a. According to applicable zoning ordinances and amendments, the Land is not classified Zone Insert Zone;

b. The following use or uses are not allowed under that classification:

(Insert disallowed uses)

2. There shall be no liability under this Endorsement based on

a. Lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. This paragraph 2.a. does not modify or limit the coverage provided in Covered Risk 5.

b. The invalidity of the zoning ordinances and amendments until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses.

c. The refusal of any person to purchase, lease or lend money on the Title covered by this Certificate.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Certificate and of any prior endorsements.

Article V: Post-Closing Search Certification

Traditionally, a formal abstract certification was used for the preliminary and post-closing title work. As the market demands shorter search times and more efficiency in search methods, new search methods have been used, (i.e. Title Guaranty Report of Title). Furthermore, when a Division Closing Protection Letter is part of the transaction, a post-closing verification of recordings is permitted.

Ideally, the abstract certification is updated post-closing, but the Division understands that non-Closing Protection Letter Participants may be competitively disadvantaged by having to wait for an updated abstract certification. Therefore, the Division allows a Post-Closing Search Certification (“PCS”) to be used by a Participating Attorney for the purpose of issuing a final title opinion or Certificate.

When a PCS is used in lieu of a traditional abstract certification update, the abstract may be delivered to the buyer at closing. The buyer should be reminded to formally update their abstract when they encumber or sell the property. The PCS must be retained by the Participating Abstractor so that a written or electronic copy thereof may be provided to the Division upon request.

The Division recognizes that the PCS may disclose judgments or other miscellaneous matters not previously examined and cleared by the Participating Attorney. The Participating Attorney may use his/her discretion to require the Participating Abstractor to provide more information regarding these additional matters shown in the PCS.

Participants should remember that the requirements for Gap Coverage and the Closing Protection Letter remain intact when a PCS is used. The sole use of a PCS, without the issuance of a Commitment including the Gap Endorsement and the Division Closing Protection Letter, would not omit the need for the parties to cure a title problem found in the gap period or cause closing protection letter liability against the Division.

The following shall be included in the Post-Closing Search Certification:

- Abstractor’s reference or file number.
- The date and time of the prior certification.
- Complete legal description, including county, and address of the property being searched.
- Name(s) of the titleholder(s) and how the titleholder(s) currently hold title.
- Information regarding new recordings filed since the prior certification (or attach complete copies of the documents)
 - Deed – the name(s) of the titleholder(s) who conveyed the property to the current titleholder(s), how previous titleholder(s) held title, the date the deed was signed, recording date, and the recording information of the deed.
 - Mortgage – the name of the lender, the name(s) of the borrower(s), the marital status of the borrower(s), the amount of the mortgage, the date the mortgage was signed, recording date, and the recording information of the mortgage.
 - Mortgage Assignment – the name of the assignee, the date the assignment was signed, recording date and the recording information of the assignment.
 - Mortgage Release – the date the release was recorded and the recording information of the release.

- Other Documents including affidavits, judgments and satisfactions – the title of the document, names of the parties, date of document, recording date, and recording information of the documents
- Taxes update
- **The following certification shall be included:**
 - The undersigned, acting in its capacity as an Abstractor in the State of Iowa, certifies that the appropriate searches have been made against the titleholders and buyers and that no matters affecting the title to the property described above have been recorded against the property since the date of the prior certification other than what is disclosed on this certificate.
- Effective date and time of certification.
- The Participating Abstractor's Title Guaranty Number, name, address, and signature.

Article VI: Non-Purchase Financing

The “Title Guaranty Report of Title” is defined in [Chapter 9](#) of the Iowa Administrative Code as “... a written or electronic short form of the abstract of title covering the borrower title, liens and encumbrances.” This shall not be utilized by Participants when a titleholder is obtaining purchase financing. The Title Guaranty Report of Title may be utilized by Participants when a titleholder refinances or obtains an additional mortgage when the following criteria are satisfied:

- Mortgage secures an amount not more than \$1,000,000;
- Mortgage secures residential property;
- The deed vesting title in the borrower;
 - shows documentary transfer tax computed on the full value of the property (hereinafter referred to as the “recorded full value deed”) or
 - is a tax, guardian, executor, administrator, receiver, referee assignee, or sheriff deed that has been recorded in the applicable county recorder’s office for more than 10 years, and no action against said deed is found (refer to Iowa Code section [614.22](#)), then the deed may be relied upon as the “root” for the search;
- The current transaction is not a construction loan;
- Name searches are run on the grantees in the recorded full value deed and any subsequent owners;
- No court proceeding or recording regarding the legal description or possible encroachment exists that would require preparation of an abstract or abstract update; and
- The current transaction is not a payoff or refinancing of a real estate installment sale contract.

A Title Guaranty Report of Title may be used in other non-purchase financing transactions with written approval from the Division.

The Title Guaranty Report of Title (Form 900) shall report the following:

- Name and Address of the lender and mortgage loan number, if available.
- Abstractor’s reference or file number.
- Complete legal description, including county, and address of the property being searched.
- Name(s) of the titleholder(s) and how the titleholder(s) currently hold title.
- Last Full Value Deed - include the name(s) of titleholder(s) who conveyed the property to current titleholder(s) and how the previous titleholder(s) held title, the date the deed was signed, recording date, and the recording information of the deed.
- The following information regarding new recordings filed since the last full value deed:
 - All conveyances, including the names(s) of the parties, the date, recording date, and recording information.
 - Mortgage(s) – the name of the lender, the name(s) of the borrower(s), the marital status of the borrower(s), the amount of the mortgage, the date the mortgage was signed, recording date, and the recording information of the mortgage.

- Mortgage Assignment – the name of the assignee, the date the assignment was signed, recording date and the recording information of the assignment.
- Mortgage Release – the date the release was recorded and the recording information of the release.
- Other Documents including affidavits, judgments and satisfactions – the title of the document, names of the parties, date of document, recording date, and recording information of the documents.
- Taxes – include the current status with reference to fiscal year and installments and Permanent Tax Parcel Number(s).
- Current assessed value, including type of assessment.
- **The following certification shall be included:**

This report is given solely for the purpose of issuance of a Lender Certificate by the Title Guaranty Division, 2015 Grand Avenue, Des Moines, IA 50312, on above mortgagee’s loan and is not intended to be used for sale or transfer. No liability for errors or omissions will accrue to the benefit of any other person, firm or corporation. No report is made of instruments or proceedings not within the listed categories. Judgment and lien search has been made against all parties within the search pursuant to Title Guaranty requirements. This report is not a guaranty of title, or a statement as to the legality of sufficiency of any instrument or proceeding inspected in the search of the above real estate.
- Effective date and time of certification.
- The Participating Abstractor’s Title Guaranty Number, name, address, and signature.

The Title Guaranty Report of Title – Post Closing Search (Form 901) shall report the following:

- Name and Address of the lender and mortgage loan number, if available.
- Abstractor’s reference or file number.
- The date and time of the prior certification.
- Complete legal description, including county, and address of the property being searched.
- Name(s) of the titleholder(s) and how the titleholder(s) currently hold title.
- Information regarding new recordings filed since the prior certification (or attach complete copies of the documents)
 - Mortgage(s) – the name of the lender, the name(s) of the borrower(s), the marital status of the borrower(s), the amount of the mortgage, the date the mortgage was signed, recording date, and the recording information of the mortgage.
 - Mortgage Assignment – the name of the assignee, the date the assignment was signed, recording date and the recording information of the assignment.
 - Mortgage Release – the date the release was recorded and the recording information of the release.
 - Other Documents including affidavits, judgments and satisfactions – the title of the document, names of the parties, date of document, recording date, and recording information of the documents
- Taxes update.
- Current assessed value, including type of assessment.
- **The following certification shall be included:**

This report is given solely for the purpose of issuance of a Lender Certificate by the Title Guaranty Division, 2015 Grand Avenue, Des Moines, IA 50312, on above mortgagee’s loan and is not intended to be used for sale or transfer. No liability for errors or omissions will accrue to the benefit of any other person, firm or corporation. No report is made of instruments or proceedings

not within the listed categories. Judgment and lien search has been made against all parties within the search pursuant to Title Guaranty requirements. This report is not a guaranty of title, or a statement as to the legality of sufficiency of any instrument or proceeding inspected in the search of the above real estate.

- Effective date and time of certification.
- The Participating Abstractor's Title Guaranty Number, name, address, and signature.

Article VII: Closing Protection Letter

Division Participants and Independent Closers are eligible, at the sole discretion of the Division Director, to be granted Division Closer status. A Division Closer shall:

1. Constantly keep in force errors and omissions insurance in the amount of \$500,000 per claim and a \$1,000,000 aggregate annual limit. The policy shall be endorsed to include "Title Guaranty Division" as a certificate holder and must contain provisions such that the Division is immediately notified by the insurance carrier of any lapse in or termination of coverage. Independent Closers may additionally be required to maintain a surety and/or fidelity bond in an amount as deemed necessary by the Division.
2. Obtain prior written authorization of the Division's legal staff prior to issuing a Closing Protection Letter with coverage exceeding \$500,000.

Division Closers who operate non-IOLTA escrow accounts shall provide an Irrevocable Letter of Direction to Financial Institution addressed to the financial institution where the account is located. When a Division Escrow Account is established, the Division Closer must report the account number, the bank name and address, and the Division Closer's name and number to the Division. The Division Closer is responsible for the proper conduct, maintenance, and reconciliation of the account. Periodic audits and reconciliation of bank accounts will be conducted by the Division.

In addition to the money collected to fund a Division Closing, the only money that should be deposited in the account is money intended to cover check charges or bank fees. Personal use of the Escrow Account is strictly forbidden. All activity, including bank service charges and check charges, must be recorded in the Division Closer's records of the account.

Monthly reconciliation of the Division Escrow Account is mandatory. Each month, the account must be reconciled with the bank statement. A Division Closer must immediately notify the Division on becoming aware of any problem with the account. Failure to maintain monthly reconciliations will result in loss of privilege to conduct Division Closings.

The records of a Division Escrow Account must be kept up to date at all times, so that they may be inspected by the Division. The Division reserves the right to audit this account at any time, and can be expected to do so under any of the following circumstances:

- a. If a check is returned for non-sufficient funds (NSF).
- b. When a Division Closer terminates his/her relationship with the Division.
- c. Whenever a Division Closer has not followed Division procedures.

Upon request, Division Closers must immediately submit account information, bank statements, receipts, checks, and other information upon request of the Division for review. All records relating to this account must be kept for 10 years beyond the current year. The day-to-day operation and maintenance and requirements of a Division Escrow Account shall be specified in the Staff Supplements.

The approved Closing Protection Letter is shown on the following pages.

Date:

Lender's Name

Street Address:

City/State:

Legal Description of Property:

Commitment No.:

Closing Protection Letter related to Division Closer _____ (name and member number).

When a Commitment and Certificate of the Title Guaranty Division of the Iowa Finance Authority (the Division) is specified for your protection in connection with closing the Iowa real estate transaction specified above, in which you are to be the: (a) lessee of an interest in land, (b) purchaser of an interest in land, or (c) lender secured by a mortgage (including any other security instrument) of an interest in land, its assignees or a warehouse lender, the Division, subject to the conditions, exclusions and limitations set forth below, hereby agrees to reimburse you for actual loss incurred by you in connection with the closing when conducted by a Division Closer and when such loss arises out of:

1. Failure of the Division Closer to comply with your written closing instructions to the extent that they relate to (a) the status of the title to said interest in land or the validity, enforceability and priority of the lien of said mortgage on said interest in land, including the obtaining of documents and the disbursements of funds necessary to establish such status of title or lien, or (b) the obtaining of any other document, specifically required by you, but only to the extent the failure to obtain such other document affects the status of the title to said interest in land or the validity, enforceability and priority of the lien of said mortgage on said interest in land, or
2. Fraud, dishonesty, or negligence of the Division Closer in handling your funds or documents in connection with such closings to the extent such fraud, dishonesty, or negligence relates to the status of the title to said interest in land or to the validity, enforceability, and priority of the lien of said mortgage on said interest in land.

If you are a lender protected under the foregoing paragraph, your borrower, your assignee and your warehouse lender in connection with a loan secured by a mortgage shall be protected as if this letter were addressed to them, provided, however, your borrower is only protected if they receive a Division Owner's Certificate in connection with the real estate transaction specified above.

Conditions and Exclusions.

1. The Division issues Commitments and Certificates pursuant to Iowa Code Section [16.91](#) and nothing in this Closing Protection Letter or your written closing instructions or oral closing instructions shall create any liability or requirement for the Division or a Division Closer as regards title coverage outside of the authority provided in Iowa Code Section [16.91](#), [16.93](#) and the rules promulgated there under.
2. The Division will not be liable to you for loss arising out of:

- A. Failure of the Division Closer to comply with your closing instructions which require Title Guaranty protection inconsistent with that set forth in the Commitment issued by the Division. Instructions which require the removal of specific exceptions to title or compliance with the requirements contained in said Commitment shall not be deemed to be inconsistent.
 - B. Loss or impairment of your funds in the course of collection or while on deposit with a bank due to bank failure, insolvency or suspension, except such as shall result from failure of the Division Closer to comply with your written closing instructions to deposit the funds in a bank which you designate by name.
 - C. Mechanic's and materialmen's liens in connection with your purchase or lease or construction loan transactions, except to the extent that protection against such liens is afforded by a Division Commitment or Certificate.
 - D. Failure of the Division Closer to comply with your written closing instructions to the extent such instructions require a determination by the Division Closer of the validity, enforceability or effectiveness of any document contemplated under paragraph 1(b) above.
 - E. Fraud, dishonesty or negligence of your employee, agent, attorney or broker.
 - F. Your settlement or release of any claim without the written consent of the Division.
 - G. Any matters created, suffered, assumed or agreed to by you or known to you.
- 3. A Division Commitment must have been received by you prior to the transmission of your final closing instructions to the Division Closer.
 - 4. When the Division shall have reimbursed you pursuant to this letter, it shall be subrogated to all rights and remedies which you would have had against any person or property had you not been so reimbursed. Liability of the Division for such reimbursement shall be reduced to the extent that you have knowingly and voluntarily impaired the value of such right of subrogation.
 - 5. Any liability of the Division for loss incurred by you in connection with closings of real estate transactions by a Division Closer shall be limited to the protection provided by this

letter. However, this letter shall not affect the protection afforded by a Division Commitment or Certificate.

6. Claims shall be made promptly in writing to the Title Guaranty Division at its principal office at 2015 Grand Avenue, Des Moines, IA, 50312. When the failure to give prompt notice shall prejudice the Division, then liability of the Division hereunder shall be reduced to the extent of such prejudice.
7. The protection herein offered extends only to the above-referenced real property transaction as presented in the Division Commitment. This Closing Protection Letter does not provide any other coverage to indemnify against improper acts or omissions with regard to escrow, settlement, or closing services.
8. The total amount of coverage shall not exceed the amount of the Commitment or Title Guaranty to be issued. Liability under the Closing Protection Letter shall be coextensive with liability under the Certificate to be issued in connection with a transaction such that payments under the terms of the Closing Protection Letter shall reduce by the same amount the liability under the Title Guaranty Certificate and payment under the Title Guaranty Certificate shall reduce the liability under the terms of this Closing Protection Letter.

The protection offered herein will continue until canceled by written notice from the Division. The scope and effect of this letter is limited to a single transaction which is the closing on the Commitment referenced in the caption. Any previously issued Closing Protection Letter is hereby canceled.

Title Guaranty Division

By: _____

Title Guaranty Division Director



Gap Coverage Rider

Commitment Number:

Coverage hereunder and the Effective Date hereof shall be extended up to and including the recording of the deed and/or mortgage of the Proposed Guaranteed(s) identified in Schedule A hereof.

This Rider is issued as part of the Commitment. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Commitment, (ii) modify any prior endorsements, (iii) extend the Date of Commitment, or (iv) increase the Amount of Coverage. To the extent a provision of the Commitment or a previous endorsement is inconsistent with an express provision of this Rider, this Rider controls. Otherwise, this Rider is subject to all of the terms and provisions of the Commitment and of any prior endorsements.



Closing Protection Letter Indemnity Agreement

This Agreement is made the ____ day of _____, 20__ by and between _____ (DIVISION CLOSER) (“Indemnitor”) and the Title Guaranty Division (“Division”) for all acts and omissions by Indemnitor.

The Division may agree to issue Closing Protection Letters to lenders at the request of the Indemnitor;

The Division has agreed to assume liability under Closing Protection Letters at the request of Indemnitor, but only on the express condition that Indemnitor execute this Indemnity Agreement, and in reliance on the express warranty of Indemnitor that Indemnitor has such a material interest in the issuance of the Closing Protection Letters as to empower Indemnitor to enter into and be bound by this Indemnity Agreement.

The parties agree as follows:

1. Indemnification by Indemnitor. Indemnitor shall indemnify the Division against any and all liability, loss, damage, or expense of any kind whatsoever that the Division may suffer in consequence of claims under the Closing Protection Letters or any renewal thereof or substitute therefore and in connection with the enforcement of this Indemnity Agreement, including but not limited to, all attorneys' fees, collection fees, investigation fees, court costs, and all other costs and expenses, whether direct or indirect, incurred in the payment, compromise, attempted compromise, trial, appeal, or arbitration of claims arising under the Closing Protection Letters, incurred in attempts to recover losses sustained on claims arising under the Closing Protection Letters or incurred in the enforcement of this Indemnity Agreement. The indemnity

provided for herein applies only to Closing Protection Letters wherein Indemnitor is the designated division closer.

2. Payment of Claims and Defense of Actions. It shall be the sole right and responsibility of the Division to determine in good faith whether claims on which the Division may be or become liable under the Closing Protection Letters shall be paid, compromised, defended, tried, appealed, or arbitrated, and the amount, if any, to be paid. The Indemnitor is under no obligation to defend any actions or proceedings brought against the Division in connection with the subject matter of this Agreement; provided, however, that nothing contained herein shall be so construed as to relieve Indemnitor of any liability otherwise imposed by this Indemnity Agreement or by law with respect to costs and expenses incurred by the Division in good faith in connection with such actions or proceedings.

3. Reimbursement By Indemnitor. Indemnitor shall pay to the Division all sums due under this Indemnity Agreement within thirty (30) days after demand therefore is made by the Division. A demand under the preceding sentence shall be made in writing and served upon the Indemnitor either (a) personally, or (b) by sending the demand by United States first class mail, postage prepaid to the Indemnitor at (insert address) in which event the demand shall be deemed to have been served at the time it was mailed.

4. Severability. If any clause, phrase, provision, or portion of this Indemnity Agreement or the application thereof to any person or circumstances shall be invalid, or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Indemnity Agreement.

5. Miscellaneous.

(a) The Division may make or consent to any amendment to the Closing Protection Letters, including, but not limited to, the issuance of a substitute therefore, or renewal thereof.

(b) This indemnity Agreement shall in no event be so construed as to require the Division to issue any Closing Protection Letter, nor any substitution, renewal, or alterations thereof, nor shall it be so construed as to deprive the Division of the right to withdraw any previously issued Closing Protection Letter at any time.

(c) Nothing herein shall be so construed as to require the Division to exhaust any remedies it may have against any other party as a pre-condition to making a demand under or bringing suit on this Indemnity Agreement.

(d) Section or paragraph headings are inserted herein only for convenience or reference and shall not be considered in the construction of any provision hereof.

6. Binding Effect. The terms of this Indemnity Agreement shall bind and inure to the benefit of the parties and their heirs, legal representatives, successors, and assigns.

TITLE GUARANTY DIVISION
A DIVISION OF THE IOWA FINANCE AUTHORITY

BY: _____(Title Guaranty Director)

BY: _____
AUTHORIZED SIGNATURE FOR PARTICIPATING ATTORNEY/ABTRACTOR

Subscribed and sworn to before me, a Notary Public in and for said County and State, this
____ day of _____, 20____ .

Notary Public

Article VIII: Rates

Premiums are computed in accordance with Board-approved rates. The basic rates are minimum charges applicable to routine residential transactions and cover only the cost of the risk for title coverage.

The cost of services or other products provided by the Field Issuer or other party in connection with the real estate transaction are not included in the basic rates. No Field Issuer in the Program shall charge or receive any portion of the fee for the Certificates or the fee for any other product or service offered by the Division. The following rates apply to Division- or Field Issuer-issued Commitments, Certificates, and Endorsements.

Section 8.01 Basic Rates – Residential

FREE Owner Certificate

Homebuyers who meet certain criteria and who purchase property on or after April 1, 2007, are eligible for a free Owner Certificate when it is issued concurrently with a Lender Certificate. Free owner's coverage will be available for properties used as a primary residence valued at \$500,000.00 or less, when issued on 2006 ALTA forms.

Coverage Amount for Owner Certificate

An Owner Certificate will not be issued for less than the sale price of the property and in no event for less than the full value of the real property.

Coverage Amount for Lender Certificate

A Lender Certificate usually cannot be issued for an amount less than the full mortgage amount. There is an exception: When the real property covered in the Certificate represents only a part of the security for the loan and the balance of the security is personal property, the Certificate shall be written in the amount of the loan applicable to the real property. The lender shall furnish a statement to the Field Issuer or to the Division as to such values.

Residential Premium Rates Form Attached

Residential Premium Rates

Coverage	Pricing
Lender's coverage up to and including \$500,000	\$110.00
Lender's coverage over \$500,000 up to and including \$1,000,000	\$110 plus \$1 per \$1,000 over \$500,000 (round UP to nearest \$1,000)
Additional concurrent Certificates (2 nd mortgage, etc.)	\$25.00
Owner's Coverage – Primary Residence up to and including \$500,000 (Issued in conjunction with Lender's Certificate)	Available at No Charge*
Owner's Coverage – Not primary residence, up to and including \$500,000 (Issued in conjunction with Lender's Certificate)	\$25.00
Owner's Coverage – No Lender coverage	\$110 plus \$1 per \$1,000 over over \$500,000 (round UP to nearest \$1,000)
Owner's Coverage – over \$500,000 with Lender Coverage	First Certificate based on higher coverage amount, second Certificate \$25.00
Refinance or Non-Purchase Transaction up to and including \$500,000	\$90.00
Over \$500,000 please add	\$1 per \$1,000 over \$500,000
Lender or Owner Coverage exceeding \$1,000,000	Call for Quote
Commitments	No Charge
Certified copies of Certificates	\$15.00

*Purchase transactions closing on or after April 1, 2007 issued on ALTA 2006 forms only

Lender Endorsements

Title	Price
Comprehensive 1	No Charge
EPA (ALTA 8.1-06)	No Charge
Location (ALTA 22-06)	No Charge
Variable Rate Mortgage (ALTA 6-06)	No Charge
Endorsement Against Loss – Liens	No Charge

Additional residential endorsements are available for Owners and Lenders at \$15.00 each (see Web site for details and requirements)

For Additional Information contact us:

**Title Guaranty Division
Iowa Finance Authority
2015 Grand Avenue
Des Moines, IA 50312**

Help Desk: 515.725.HELP (4357) Toll Free: 800.432.7230 Fax: 515.725.4901
www.iowaFinanceAuthority.gov/titleguaranty

Section 8.02 Basic Rates – Non-Residential

Non-Residential Premium Rates – Effective 1-1-2006

Coverage Amount	Cost
Basic rate for coverage amounts \$0.01 - \$110,000.00	\$110.00 (minimum premium)
Basic rate for coverage amounts \$110,000.01 - \$500,000.00	\$1.00 per \$1,000.00 (round all amounts up to the nearest \$1,000.00)
Basic rate for coverage amounts greater than \$500,000.00 (Coverage over \$500,000.00 requires a Commitment pre-approved by the Division)	Call Title Guaranty for quote (800) 843-0201
Basic rate for coverage when both owner and lender certificates are purchased concurrently	<u>Larger certificate:</u> \$1.00 per \$1,000.00 up to \$500,000.00 or quoted amount (\$110.00 minimum; round all amounts up to the nearest \$1,000.00) <u>Additional certificate(s):</u> \$35.00 each
Commitments	No Charge
Duplicate Certificates	\$15.00 each
Endorsements for coverage of \$500,000.00 or less	\$30.00 per endorsement

Section 8.03 Mortgage Release Program

The fee for a routine mortgage release certificate application is \$30.00. This fee covers the cost of processing and researching the request, mailing any required notice, and recording the Certificate of Release with the County Recorder. If the Request for Certificate of Release is submitted in conjunction with a Title Guaranty Rapid Certificate file, this fee is waived.