

From the Director

As 2011 is now upon us, it's a good time to reflect on our past successes and also look forward to what this new year will bring. As I mentioned in our fall newsletter, 2011 marks the 25th anniversary of Title Guaranty.



Loyd Ogle, Director

A high point of 2010 was the transfer of over \$2.3 million to Iowa Finance Authority (IFA) housing programs for low-to-moderate income home buyers. As we enter our 25th anniversary year, we are also approaching another milestone. We are nearing \$50 million in transfers for IFA's affordable housing programs, funds which are cycled back to stimulate the real estate market in Iowa.

2010 was certainly a year of success for Title Guaranty. Despite the ongoing struggles of the housing market, we enjoyed one of the highest volume, revenue and market share years in our history. Many of the market based reforms that we have put in place, such as a streamlined non-purchase product we introduced a few years ago, have allowed us to offer a lower cost, efficient title process to meet the needs of lenders dealing with high volume demand and homeowners working to restructure their current mortgage while keeping costs low.

Utilizing the advantages of online technology, more than 90% of all Title Guaranty Commitments and Certificates were issued by our

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Title Guaranty On The Move

Only in Iowa

Each year our annual conference is built around a theme appropriate to the content of the event. For the past two years, we've used the same theme – Only in Iowa. We chose the theme in recognition of the fact that in Iowa we do have a unique title system, a system that protects lenders, home owners and the Iowa land title system. While several other states use an abstract system similar to ours, Iowa is the only state with a state run title underwriter – Title Guaranty. Iowa's abstract, attorney opinion and Title Guaranty Certificate offer exceptionally reliable title coverage for secondary market as well as portfolio loans.

Like other title underwriters, Title Guaranty must maintain adequate reserves to pay future claims, and submit quarterly financial reports to Demotech – the rating agency that reviews the financial stability of the title insurance industry. Demotech has developed a system of "Financial Stability Ratings" based on the ability of a title underwriter to remain financially stable under a variety of economic scenarios. Secondary market investors typically require proof that a title insurer has an acceptable rating before accepting their title product. We are proud that our rating is A' (A-prime)

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Only in Iowa
Building on a Tradition of Quality

Titles Guaranty – Legislative Initiatives

Since its inception, Title Guaranty has been a resource for policymakers regarding the real estate industry in Iowa. Whether providing relevant data, introducing bills or supporting legislation sponsored by other organizations, we have made a point of working with the real estate industry to create a better system for Iowans.

A few of the noteworthy recent initiatives in the last 25 years include:

- SF 335 (1999) established the Mortgage Release Certificate program, authorizing Title Guaranty to record satisfactions of paid in full but not released mortgages.
- HF2373 (2000) established the Title Guaranty Closing Protection Letter system, allowing Iowa real estate attorneys and abstractors to offer full service closings for their lender clients.
- HF 332 (2005) added Title Guaranty participating abstractors as allowed users of the mortgage release program.
- HF754 (2005) clarified when a borrower was required to sign a homestead rights waiver. This came in response to a court ruling that could have invalidated many mortgages on Iowa real estate, held by local and national lenders.
- SF 400 (2007) increased the dollar amount of mortgages that could be released through the Mortgage Release Certificate Program.
- SF 2136 (2008) moved Title Guaranty interest on reserves and real estate brokers trust account interest to housing programs within the Iowa Finance Authority to its Housing Trust Fund. That Fund is used for the development and preservation of affordable housing.
- SF 2117 (2008) Title Guaranty legislation to amend the Closing Protection Letter program to allow independent closers to participate in the program
- SF 364 (2008) Title Guaranty supported pro-consumer legislation that improved the mortgage foreclosure process, allowed for borrower rescission of foreclosure prior to the loss of their home in a sheriff sale, and required that a mortgage mediation notice be given to borrowers prior to the filing of a foreclosure action.
- SF 465 (2009) was supported by Title Guaranty to limit the bulk sale of the recorder's records sought after by out-of-state companies.



- HF 2282 (2010) simplified the clearance of judgment liens against real estate
- SF 2348 (2010) license and regulate real estate closing companies.

We are proud of our past successes and look forward to a continued working relationship with policy makers at the State Capitol, and the real estate industry to maintain a quality land title transfer system in Iowa.

From the Director *continued from page 1*

partners in the field – providing lenders with local service from their local business partners. Owner's coverage has now increased from approximately 4% to nearly 50% of all purchase transactions. We are pleased to offer this additional coverage to Iowa homeowners with no additional premium. Protecting Iowa real property titles is the core business of Title Guaranty.

We look forward to working with you, our partners, in the coming year. My best wishes for a successful 2011.

Loyd W. Ogle, Esq.
Director

Commercial Services

This year marked some important milestones for the Title Guaranty Commercial Division. Our revenue is up nearly 50% again this year and still growing. We continue to see a steady increase in the number of closings we conduct, and demand for our escrow and disbursement services remains strong. Our relationship with our reinsurance partner has proven beneficial and we are confident we'll continue to provide a high quality title product with the security and stability of a national underwriter behind us.

Our portfolio continues to grow. Over the last year, we've provided commercial title services on a wide range of transactions, including universities, schools, hospitals, retail, wind farms, ethanol plants, churches, multi-family housing projects and office and urban developments.

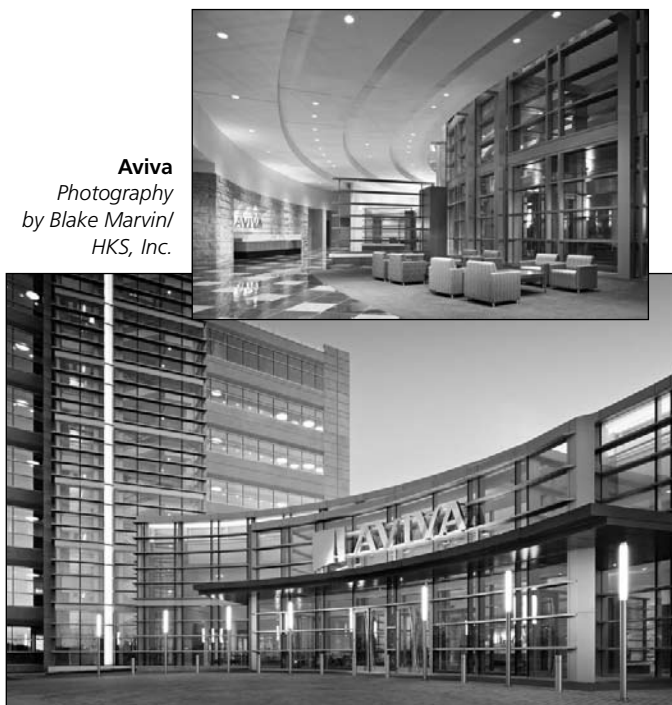
One of the highlights during 2010 was our work on the new national headquarters for Aviva, USA. We were pleased to be involved in a transaction so important to the City of West Des Moines and the State of Iowa. The \$150 million project, Title Guaranty's largest ever, is located at the corner of Jordan Creek parkway and Mills Civic Parkway and boasts 360,000 square feet designed in accordance with Leadership in Energy and environmental Design (LEED) guidelines. More than 1,300 employees and contractors work at the new U.S. operations headquarters. The building features more than 80 conference rooms with motion-sensor light,

renewable woods, high efficiency ventilation systems, Iowa limestone and a pond system that collects rainwater runoff. In addition, more than 90% of employees have direct access to natural light. Workers can control air flow at their own work stations and enjoy a state-of-the-art fitness center and walking trails overlooking a waterscape and wooded area

Over the last year, Title Guaranty provided commercial title services on a wide range of transactions,

Title Guaranty was entrusted to provide lender's coverage as well as closing and construction disbursement services. We worked closely with attorneys at the Nyemaster Law Firm, including Antonio Colacino and James Wine. Iowa Title Company in Dallas County provided the abstracting services.

As our portfolio grows, so does our expertise and level of service. We hope you will consider Title Guaranty for your commercial title needs. For more information, please visit our Web site www.TitleGuarantyCommercial.com or contact Matt Veldey at matthew.veldey@iowa.gov or Becky Petersen at becky.petersen@iowa.gov.



Aviva
Photography
by Blake Marvin/
HKS, Inc.



Iowa Finance Authority – Board of Directors

The Iowa Finance Authority's (IFA) mission is to finance, administer, advance and preserve affordable housing and to promote community and economic development for Iowans. Like Title Guaranty, IFA is a self-supporting public agency.

As a Division of the Iowa Finance Authority, Title Guaranty works very closely with IFA staff as well as the IFA Board of Directors. We provide legal assistance on a range of areas including the closings of multi-million dollar real estate transactions. IFA provides accounting support and other services, thereby keeping our administrative costs low.

The IFA Board of Directors is made up of nine members who are appointed by the governor. IFA Board members have a variety of industry backgrounds, including: community and housing development, housing finance, real estate, low-income and minority family advocacy and business.

The IFA board of directors works in cooperation with the Title Guaranty board of directors. The IFA board approves Title Guaranty administrative rules on the recommendation of the TGD board, in addition to accepting fund transfers for IFA's affordable housing program.

For more information regarding IFA programs and services, please visit our website at www.IowaFinanceAuthority.gov.



Back row, left to right: Wilfred Johnson (Waterloo), Virginia Bordwell (Washington), Carmela Brown, Treasurer (Des Moines), Douglas Walter, Vice Chair (Bettendorf). Front row, left to right: Darlys Baum (Burlington), Heather Armstrong (Cedar Rapids), David Erickson (Des Moines), Roger Caudron, Chair (Sioux City). Not pictured: Steve Adams (Red Oak),

Introducing David Jamison

David D. Jamison, former Story County Treasurer, (1995-2010) was recently named Director of the Iowa Finance Authority. Dave is an Iowa native, US Marine Corps veteran and a graduate of Iowa State University, where he received a BBA in Management. He also holds a Finance Master certificate



David Jamison, Director

from the National Association of County Collectors, Treasurers and Finance Officers (NACCTFO) through the University of Missouri – St. Louis.

While Treasurer, Dave was President of the Iowa State County Treasurers Association, Co-chair of the ISCTA Web site Task Force that established the IowaTreasurers.org Web site for all 99 county treasurers, and Chair of the Education Committee for NACCTFO.

We congratulate Dave on his appointment and look forward to working with him.

Save the Date!

**Title Guaranty Annual Conference
November 3, 2011
Downtown Des Moines Marriott
700 Grand Avenue
Des Moines, IA**

Watch for more information!



Our 25th Year

2010

Total Premium = \$70million
700,000th Certificate issued

2008

Total Premium = \$60million
600,000th Certificate issued

2006

- 500,000th Certificate issued
- Closing Protection Letters
- New Pricing
- Non-Purchase Product
- Transfers to housing programs reach \$40 million

2003

Mortgage Release Program implemented

1995

- 100,000th Certificate issued
- \$8 Billion in coverage

1990

10,000th Certificate issued

1987

58 Certificates Issued

2009

Transfers to housing = \$45million
Field Issue = 90%

2007

- Free Owner's Certificates
- 2006 ALTA Forms adopted
- Commercial Services Depart. introduced

2005

- Market-oriented business model adopted
- Rapid Certificate Program

2000

Transfers to housing programs = \$20 million

1993

Transfers to housing programs = \$5 million

1988

\$300K in profit to housing programs

1985

Legislature creates Title Guaranty

Title Guaranty Board of Directors

The Title Guaranty Board comprises five members appointed by the Governor of Iowa and approved by the Senate, the director of Title Guaranty serving as an ex officio member, and secretary. Membership includes an attorney, abstractor, real estate broker, mortgage lender and a representative of the housing development industry. Each member is appointed for a term of six (6) years. Board meetings are held quarterly

The Title Guaranty Board is responsible for oversight of the issuance of Title Guaranty Certificates, including approval of the Title Guaranty Manual and consideration of applications for waivers of the statutory requirements for participation in the Title Guaranty program.

Current members of the Title Guaranty Board are **Deb Petersen**, attorney /developer – Council Bluffs; **Tim Reilly**, abstractor – Waterloo; **Surasee Rodari**, mortgage lender – Des Moines; **Patricia Schneider**, real estate broker – Des Moines and **Mitch Taylor**, attorney/developer – Burlington.

Board meeting schedules, agendas and minutes are available on the Title Guaranty Web site under the "About Title Guaranty" tab.



From Left: Pat Schneider, Timothy Reilly, Surasee Rodari, Deborah Petersen, Loyd Ogle, Mitchell Taylor



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Only in Iowa *continued from page 1*

which means “Unsurpassed financial stability related to withstanding a general economic downturn.” Unlike other title underwriters, Title Guaranty is operated as a “profit neutral” business. We establish premiums in an amount to cover operating costs, pay current claims and hold reserves for future claims. If there is any amount over and above those requirements, it is transferred to the Iowa Finance Authority for the benefit of low-to-moderate home buyers. The organization is totally self-funded and receives no money from the state tax payers. We are pleased that since inception, we have transferred nearly \$50 million to IFA homeownership programs.

Only in Iowa do lenders, investors and homebuyers have the advantage of low cost title protection that safeguards their investment while helping Iowans achieve their dream of home ownership.

