

# Iowa Title Guaranty Update

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# Overview

- Industry Concerns
- Pre-Closing and Post-Closing Forms
- FY24 Budget/Market Update
- ITG Participant Transitions



# Title Industry Concerns



## Title Industry Concerns

- In 2022, Fannie Mae released their 3 year Equitable Housing Finance Plan (“EHFP”) in an effort to “advance greater equity in America’s housing finance system, its practices, and its outcomes.”
- As part of the EHFP, Fannie Mae changed the Selling Guide to allow an alternative to a title insurance policy—Attorney Opinion Letters. Freddie Mac soon followed suit.



# Title Industry Concerns

- The guides specify the requirements and limitations of the AOL exception:
  - Issued by an attorney licensed in the property's jurisdiction with malpractice insurance for title opinions
  - Needs to contain similar coverage to specific ALTA endorsements
  - Cannot be used on specific transactions
- Non-traditional AOL systems



# Title Industry Concerns

- In 2022, 45 loans were completed using an AOL through Fannie Mae.



# Title Industry Concerns

- In 2023, it was reported that Fannie Mae would start a pilot program to further its stated desire to reduce closing costs by waiving the title insurance requirement all together.
  - Supposedly occurring Q3 CY2023.
- No such plans have been announced by Freddie Mac.
  - “Freddie Mac will continue working with title insurers, their trade association and other industry stakeholders to look for ways to lower mortgage costs.”



# Pre-Closing and Post-Closing Forms







**PRE-CLOSING SEARCH CERTIFICATION**

SETTLEMENT AGENT: \_\_\_\_\_

ABSTRACT/REPORT NO.: \_\_\_\_\_

ABTRACTOR: \_\_\_\_\_

LOCAL ADDRESS: \_\_\_\_\_ COUNTY: \_\_\_\_\_

LEGAL DESCRIPTION: \_\_\_\_\_

\_\_\_\_\_

NAME(S) OF SELLER(S): \_\_\_\_\_

NAME(S) OF BUYER(S): \_\_\_\_\_

Check here if Buyer(s) not searched

DATE AND TIME OF PRIOR CONTINUATION: \_\_\_\_\_

EFFECTIVE DATE AND TIME OF THIS CERTIFICATION: \_\_\_\_\_

TAXES & SPECIAL ASSESSMENTS:

PARCEL NO: \_\_\_\_\_

1<sup>ST</sup> one-half \_\_\_\_\_ ; 2<sup>ND</sup> one-half \_\_\_\_\_

Special Assessments: \_\_\_\_\_

The undersigned, acting in its capacity as a participating abstractor for Iowa Title Guaranty (ITG), certifies that judgment and lien searches have been made against all parties and the appropriate records have been searched pursuant to ITG Minimum Abstract Standards and other guidelines, directives, and rules, as amended from time to time, and that no matters affecting the title to the above-described property have been filed between the effective date and time of the prior continuation and the date and time shown of this certification, except for the following (copies attached, if needed):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

This report is given solely for the purpose of issuance of a certificate by Iowa Title Guaranty, a division of the Iowa Finance Authority. No liability for errors or omissions will accrue to the benefit of any other person, firm, or corporation. This report is not a guaranty of title, or a statement as to the legal effect of any instrument of proceeding inspected.

BY: \_\_\_\_\_ (authorized signature)

PRINT NAME: \_\_\_\_\_

ITG#: \_\_\_\_\_



### POST-CLOSING SEARCH CERTIFICATION

SETTLEMENT AGENT: \_\_\_\_\_

ABSTRACT/REPORT NO.: \_\_\_\_\_

ABTRACTOR: \_\_\_\_\_

LOCAL ADDRESS: \_\_\_\_\_ COUNTY: \_\_\_\_\_

LEGAL DESCRIPTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAME(S) OF SELLER(S): \_\_\_\_\_

NAME(S) OF BUYER(S): \_\_\_\_\_

Check here if Buyer(s) not searched

DATE AND TIME OF PRIOR CONTINUATION: \_\_\_\_\_

EFFECTIVE DATE AND TIME OF THIS CERTIFICATION: \_\_\_\_\_

TAXES & SPECIAL ASSESSMENTS:

PARCEL NO.: \_\_\_\_\_  
1<sup>ST</sup> one-half \_\_\_\_\_; 2<sup>ND</sup> one-half \_\_\_\_\_  
Special Assessments: \_\_\_\_\_

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Deed filed \_\_\_\_\_ in Book/Page/Instrument No.: \_\_\_\_\_ at \_\_\_\_\_ AM/PM

Mortgage filed \_\_\_\_\_ in Book/Page/Instrument No.: \_\_\_\_\_ at \_\_\_\_\_ AM/PM

Assignment filed \_\_\_\_\_ in Book/Page/Instrument No.: \_\_\_\_\_

Release filed \_\_\_\_\_ in Book/Page/Instrument No.: \_\_\_\_\_

Other Matters: \_\_\_\_\_  
\_\_\_\_\_

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BY: \_\_\_\_\_ (authorized signature)

PRINT NAME: \_\_\_\_\_

ITG#: \_\_\_\_\_

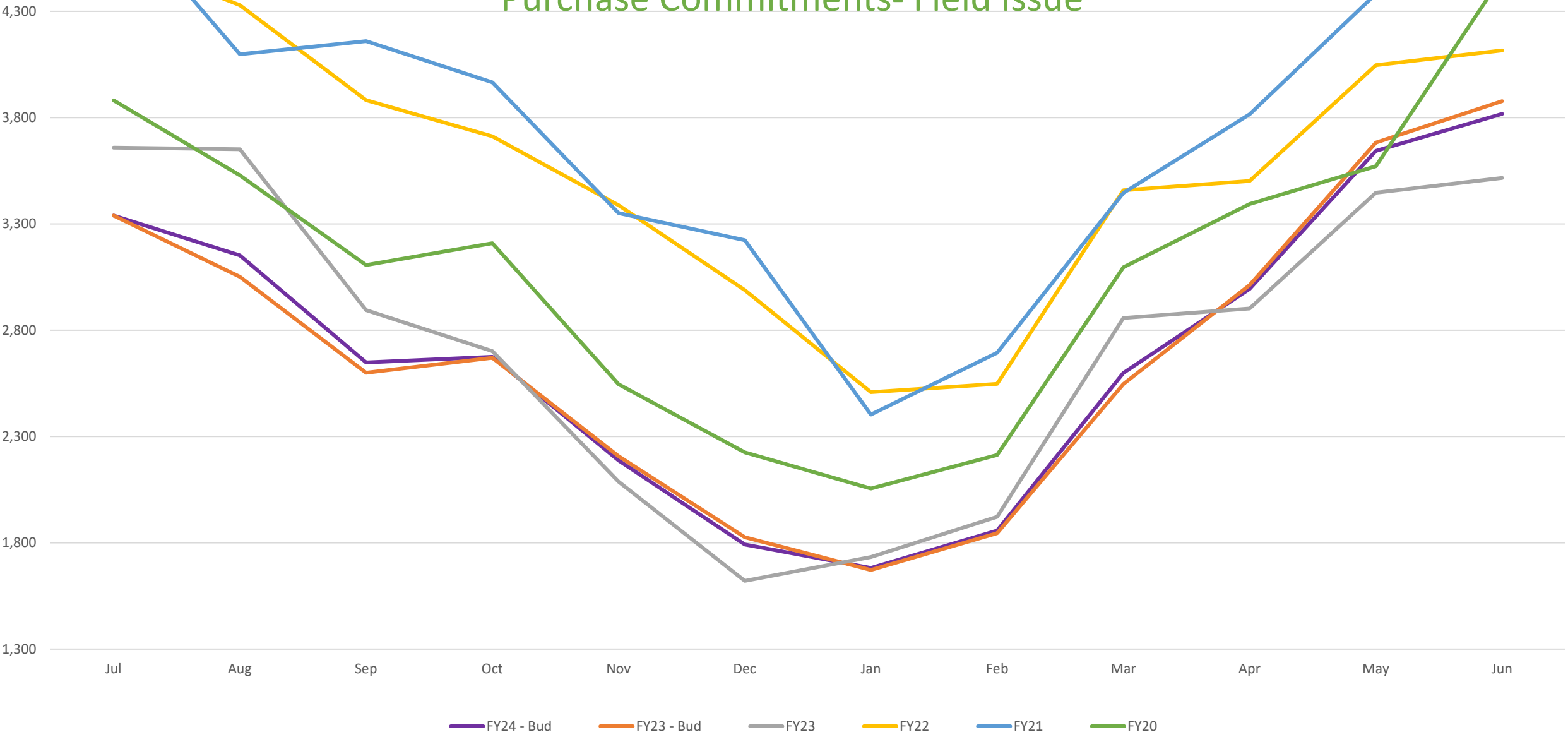
Revised 2023



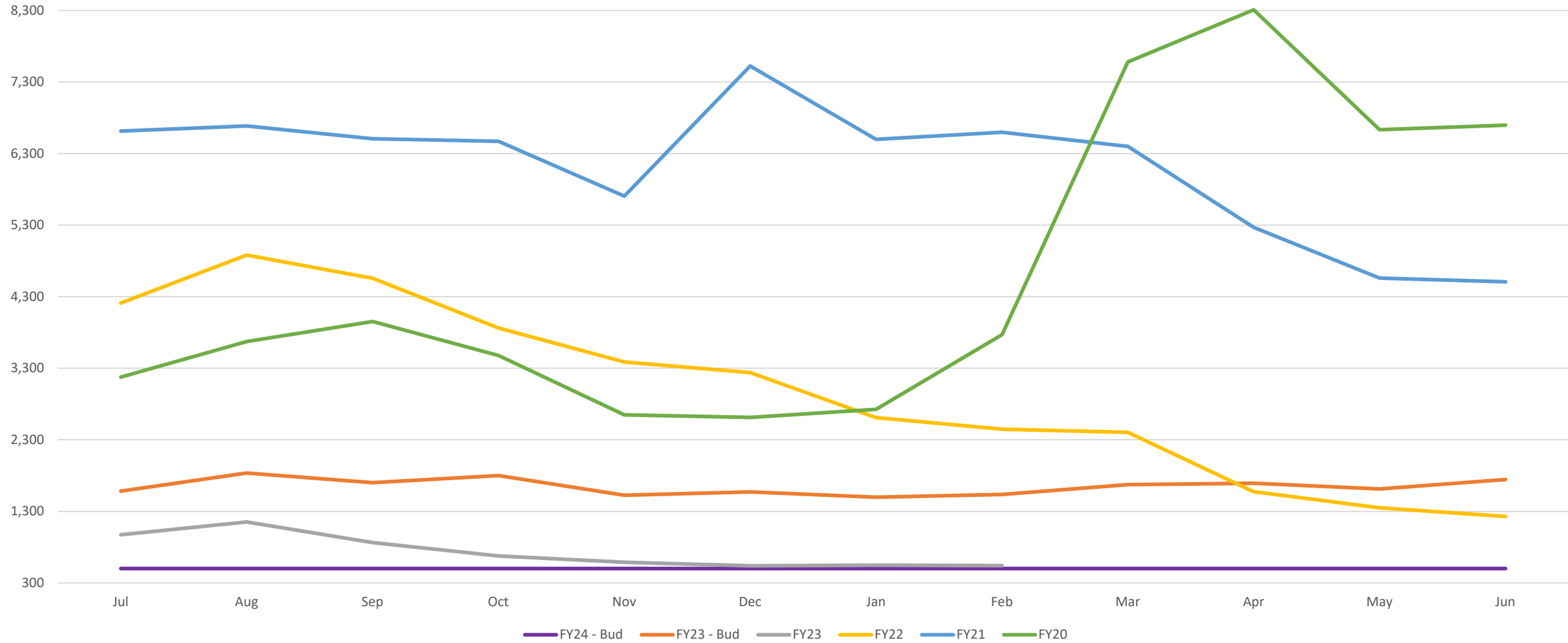
# FY 24 Budget and Market Projection



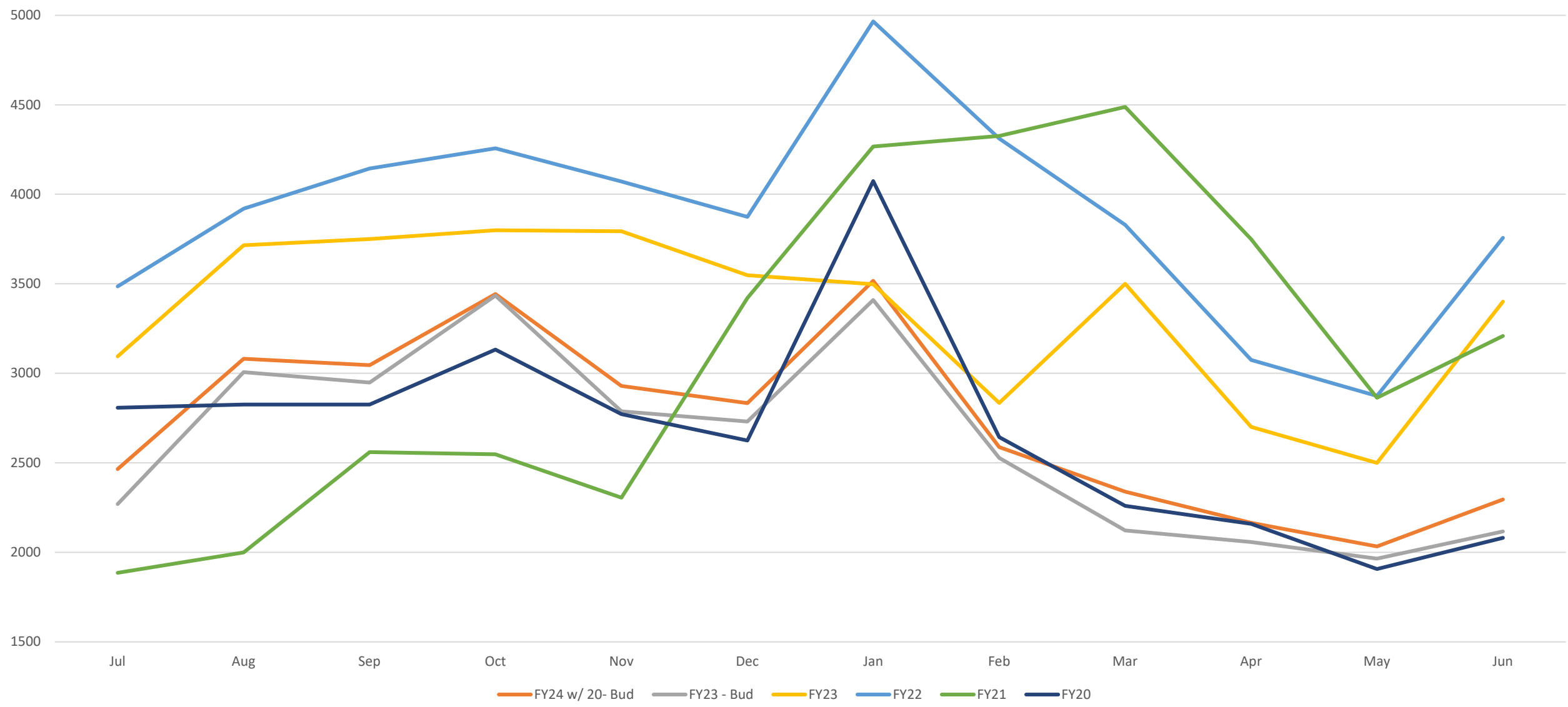
# Purchase Commitments- Field Issue



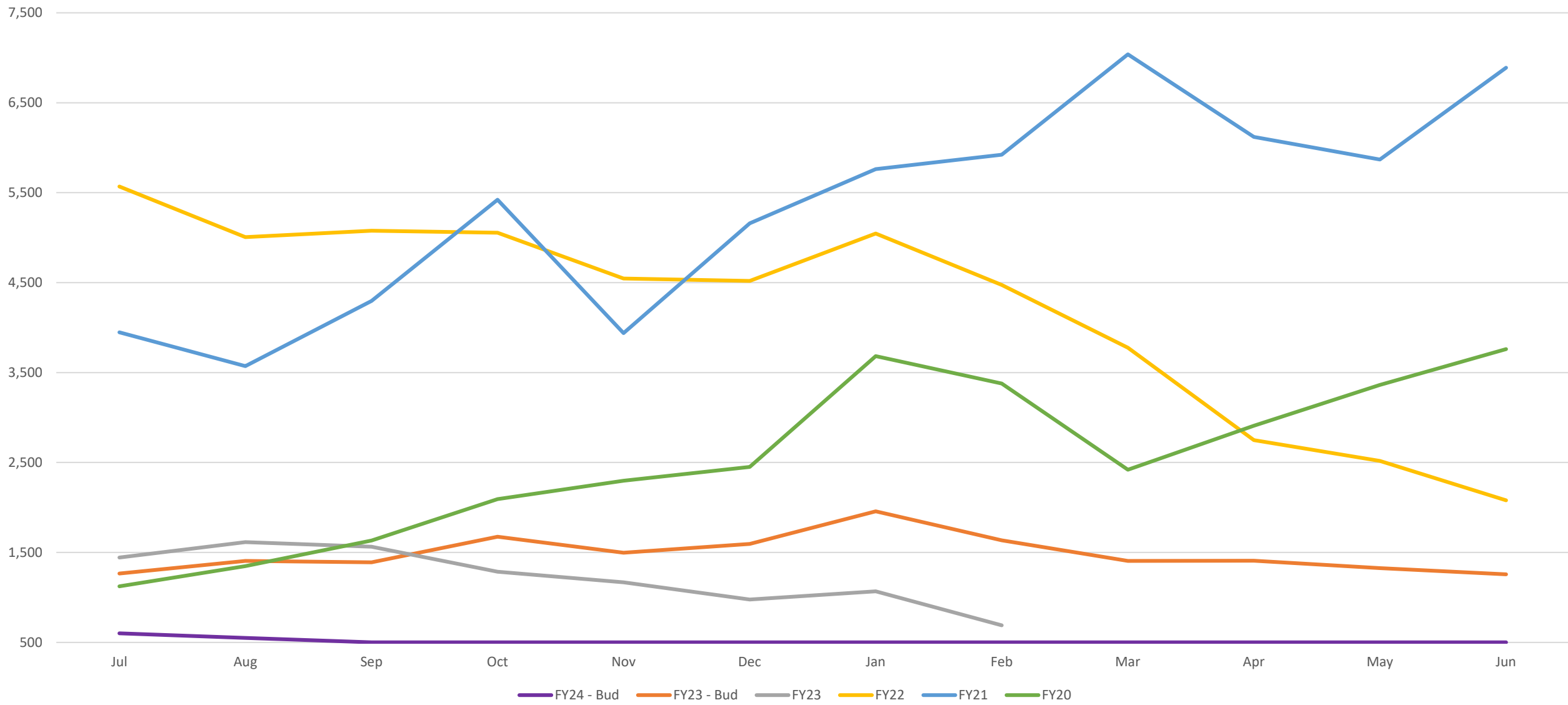
# Refinance Commitments- Field Issue



# Purchase Lender First Certs - Field Issue



# Refinance Lender First Certs - Field Issue



# ITG Market Projections

- For FY24, we are budgeting a roughly 25% decline in revenue, most coming from the refinance market.
- Projecting \$1 million to the housing assistance fund.





# ITG Participant Transitions



# ITG Participant Transitions

- In FY22, ITG partnered with 1,024 attorneys and 138 abstractors.
  - 1,204 partnerships with abstractors, attorneys, and independent closers.



## ITG Participant Transitions

- Paragraph 10(d) requires entity participants to obtain ITG's written approval when the participant is transferring all or a part of their assets or ownership of the entity.
- Depending on whether the sale of an entity participant is an asset or stock/membership sale, ITG will want to know different information.



# ITG Participant Transitions

- **Asset Sales**
  - Transaction Information (buyer, seller, closing date)
  - Review the purchase agreement to ensure no issues from ITG's perspective
  - Submission of a new ITG application



# ITG Participant Transitions

- **Stock/membership Sales**
  - Transaction Information (buyer, seller, closing date)
  - Users who should be added/removed to CAP
  - Updated E&O



# ITG Participant Transitions

- When is an ILTA Inspection required?
  - When the entity is entirely new.
  - When the title plant being transferred has not been inspected by the ILTA within the last 7 years.
  - When the participant is subject to a corrective action plan.







# QUESTIONS?



IOWA TITLE GUARANTY

A DIVISION OF IOWA FINANCE AUTHORITY