



IOWA TITLE GUARANTY
A DIVISION OF IOWA FINANCE AUTHORITY

March 30, 2023

Iowa Title Guaranty Compliance Snippets

The Iowa Title Guaranty (ITG) team is pleased to provide our participants with a monthly reminder to conduct a simple routine compliance check-up. Please review and share these compliance snippets with your staff. If you would like additional information about a subject, a reference and link to the ITG manual from which the information was acquired has been provided. As always, please contact us if you have any questions.

ABSTRACTING

ITG requires participating abstractors to perform searches of the Mechanic's Notice and Lien Registry ("MNL") and show any active postings related to the guaranteed real property, including, but not limited to, commencement of work notices, preliminary notices, mechanic's liens, satisfactions, and withdrawals. MNL searches must be performed for all preliminary, pre-closing, post-closing, and final abstracting products.



[ITG Program Overview Manual](#)

Page 28, Paragraph 3 (a)

TITLE EXAMINATION

When rendering a final title opinion, if an unresolved title objection remains which adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Guaranteed Mortgage on the Title to the Land, the participating attorney must show the objection along with a requirement as to how to clear the encumbrance or defect. The final title opinion must clearly indicate that the titleholders' interest and/or guaranteed mortgage, as applicable, is/are subject to the defect until record resolution is complete.



[ITG Program Overview Manual](#)

Pages 29; Paragraph 2 (c)(ii)

COMMITMENT ISSUANCE

If a Form 900 report shows that one or more record titleholders acquired title by virtue of a deed for less than full value, the Form 900 report may not be used in the production of an ITG commitment. For example: when an owner adds a child as a titleholder via a quit claim deed without consideration, the transaction is ineligible for a Form 900 and full abstracting is required. There are two limited exceptions to this Form 900 ineligibility rule which are outlined in ITG's Form 900/901 Manual.



[ITG Form 900/901 Manual](#)

Page 2, NO Column (Title Vesting)

CERTIFICATE ISSUANCE

Iowa Code § 16.91 and the ITG participation agreement provide that a field issuer shall only issue a certificate or endorsement when it is based upon a final abstract continuation, Form 901, or post-closing search (as applicable) prepared by a participating abstractor and a final title opinion or attorney certification (as applicable) prepared by a participating attorney.



[ITG Program Overview Manual](#)

Page 40, Paragraph 6 (1)(a)(i-ii)

CLOSING PROTECTION LETTER

Pursuant to Iowa Code § 655.1, if a mortgage secures a revolving line of credit, future advances, or other future obligations, the mortgagee is not required to file a satisfaction upon payment in full unless the mortgagor makes a written request to the mortgagee that the mortgage be released. Accordingly, when submitting payment in full for these types of mortgages, the closer is required to deliver a borrower signed request to close the account and release the mortgage to the lender. If payment is made via wire, then the closer must separately deliver the borrower signed request to the lender. ITG recommends that closers implement a uniform policy to send a borrower signed request with all lender payoffs and retain a copy along with proof of delivery.



[ITG Closing Protection Letter Manual](#)

Page 13, Paragraph 7 (a)

DOCUMENT DOUBLE CHECK

Mortgage Payoff Statement:

- **LENDER NAME:** Name of the lender supplying the payoff.
- **PROPERTY DESCRIPTION:** Street address or legal description matching the subject property.
- **UNPAID BALANCE:** The total amount required to

- be paid to release the mortgage.
- **GOOD THROUGH DATE:** The date through which the payoff amount is calculated.
- **STATEMENT OF INTENT TO RELEASE:** Release fee collection or statement that the mortgage will be released upon payment in full.
- **PAYMENT ADDRESS:** Street address to send payment to or other specific instructions for remitting payment.



[ITG Mortgage Release Certificate Manual](#)

Page 2, Application (1) (a-e)

Please contact the [Iowa Title Guaranty team](#) with any questions.

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