



Guidelines for Submitting an Intent to Build a Title Plant

PURPOSE

Iowa Title Guaranty (ITG) recognizes that the 40-year title plant is the preferred method of providing title evidence for the purpose of issuing Commitments and Certificates. However, ITG is tasked with weighing the benefits of the traditional title plant with other alternatives to ensure that buyers and lenders have access to high-quality certificates, rapid service, and a competitive price. Iowa Code §16.91(5)(b) allows the ITG Board of Directors (“Division”) to waive the up-to-date title plant requirements under certain conditions.

POLICY

Iowa Title Guaranty may authorize an abstractor to prepare abstracts without an up-to-date title plant provided the abstractor is building or intends to build an up-to-date title plant within three years. An abstractor seeking such authorization should submit to Iowa Title Guaranty an Intent to Build a Title Plant containing the following items for consideration:

1. Name of abstract company or individual;
2. Submitter’s name and contact information including business address, telephone and email address;
3. The county or counties for which the title plant will be built;
4. A business plan, which includes a description of how abstracting will be accomplished prior to the completion of the title plant;
5. A factual basis to support a conclusion that an up-to-date title plant will be built within three years
6. A time line for completion of the title plant; and
7. A description of the applicant’s abstracting experience.

Submissions may be delivered to ITG via email at titleguaranty@iowafinance.com. The submission must be complete and include all of the items listed in Iowa Administrative Code 265—9.7(1) (b) in order for Iowa Title Guaranty to proceed to review. For questions about the submission contents, contact Matthew Rousseau at 515-725-4985 or email at matthew.rousseau@iowafinance.com.

RELATED CITATIONS

Iowa Law:

16.91.5.a.(2): Additionally, each participating abstractor is required 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 abstracts are prepared for real property titles guaranteed by the division. The tract indices shall contain a reference to all instruments affecting the real estate which are recorded in the office of the county recorder, and shall commence not less than forty years prior to the date the abstractor commences participation in the Iowa title guaranty program. However, a participating attorney providing abstract services continuously from November 12, 1986, to the date of application, either personally or through persons under the attorney’s supervision and control is exempt from the requirements of this subparagraph.

16.91.5.b.: The division may waive the requirements of this subsection pursuant to an application of an attorney or abstractor which shows that the requirements impose a hardship to the attorney or abstractor and that the waiver clearly is in the public interest or is absolutely necessary to ensure availability of title guaranties throughout the state.



Iowa Administrative Code (rules)

265—9.7(16) Services offered.

9.7(1) Abstracting. Abstracts utilized for division purposes must be prepared by a participating abstractor.

(1) *Title plant.* A participating abstractor shall own and maintain, or lease and use, a title plant including tract indices for each county in which that participating abstractor prepares abstracts for division purposes, unless exempt under paragraph 9.7(1)(c) or authorized under paragraph 9.7(1)(d) Each of the tract indices shall be designated to encompass a geographical area of not more than one block in the case of platted real estate, nor more than one 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 the tract indices shall commence not less than 40 years prior to the effective date of the abstractor's participation in the title guaranty program. A government-maintained and -controlled database is not considered a title plant for division purposes.

(2) *Intent to build title plant.* The division may authorize an abstractor that is building or that intends to build a title plant to prepare abstracts for use by the division, upon review of the following:

1. The abstractor's business plan;
2. Evidence that a title plant will be built for a specific county or counties within three years;
3. A time line for completion of the title plant; and
4. A description of the applicant's abstracting experience.