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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-26-09

SPONSOR Stewart LAST UPDATED \_\_\_\_\_ HJM 48

SHORT TITLE PRC Study of Iowa Title Guaranty System SB \_\_\_\_\_

ANALYST Lucero

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Minimal			Non-Recurring	General Fund and Insurance Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 48 requests that the Public Regulation Commission (PRC) study how a system similar to the Iowa title guaranty system could be implemented in New Mexico. The PRC is requested to report its findings and recommendations to the Mortgage Finance Authority Act oversight committee of the Legislature by November 30, 2009.

### FISCAL IMPLICATIONS

Implementing the directives contained in this bill would have a minimal administrative impact including staff time and appropriate supporting resources to.

### OTHER SUBSTANTIVE ISSUES

The Iowa Legislature created Title Guaranty, a division of the Iowa Finance Authority, to provide guarantees of Iowa real property titles, facilitate mortgage lenders' participation in the secondary market and to help assure the integrity of Iowa's land-title system. The division is totally self-supporting...

Title Guaranty offers commitments, certificates, and endorsements that provide low cost title protection for real estate located in Iowa. Coverage is based on an abstract and attorney title opinion. Once a participating abstractor prepares an abstract, a participating attorney reviews and then issues a title opinion or Title Guaranty Commitment. All Title Guaranty commitments, certificates and endorsements are issued using the industry standard ALTA forms. For a

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residential transaction, coverage up to \$500,000 is \$110 and an additional \$1 per thousand over \$500,000 to refinance or for a second mortgage, the premium is \$90 for coverage up to \$500,000.

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