

**Senate File 527 - Introduced**

SENATE FILE 527  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 313)

**A BILL FOR**

1 An Act relating to evidence of title by state banks and credit  
2 unions for certain loans.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 524.905, Code 2019, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 5. *Evidence of title.* State banks,  
4 when loaning for the purposes of acquisition or refinance  
5 of acquisition when a new mortgage, deed of trust, or other  
6 similar instrument is filed, may evidence title with any of the  
7 following:

8 a. A written legal opinion prepared by an attorney admitted  
9 to practice law in the state where the real property is  
10 located.

11 b. A title guaranty certificate issued by the title guaranty  
12 division of the Iowa finance authority.

13 c. A commercial title insurance policy describing any liens  
14 and insuring title to the real property and the validity and  
15 enforceability of the mortgage, deed of trust, or other similar  
16 instrument as a lien on the real property.

17 Sec. 2. Section 533.315, Code 2019, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 12. *Evidence of title.* State credit  
20 unions, when loaning for the purposes of acquisition or  
21 refinance of acquisition when a new mortgage, deed of trust, or  
22 other similar instrument is filed, may evidence title with any  
23 of the following:

24 a. A written legal opinion prepared by an attorney admitted  
25 to practice law in the state where the real property is  
26 located.

27 b. A title guaranty certificate issued by the title guaranty  
28 division of the Iowa finance authority.

29 c. A commercial title insurance policy describing any liens  
30 and insuring title to the real property and the validity and  
31 enforceability of the mortgage, deed of trust, or other similar  
32 instrument as a lien on the real property.

33

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with  
35 the explanation's substance by the members of the general assembly.

1 This bill provides that state banks and state credit unions,  
2 when loaning for the purposes of acquisition or refinance  
3 of acquisition when a new mortgage, deed, or other similar  
4 instrument is filed, may evidence title with a written legal  
5 opinion from an attorney admitted to practice law in the state  
6 where the property is located, a title guaranty certificate  
7 issued by the title guaranty division of the Iowa finance  
8 authority, or a commercial title insurance policy insuring  
9 title to the property and the validity of the new instrument as  
10 a lien on the property.