



THOMAS J. MILLER  
ATTORNEY GENERAL

## Department of Justice

CONSUMER PROTECTION DIVISION

ADDRESS REPLY TO:  
HOOVER BLDG., SECOND FLOOR  
1300 EAST WALNUT  
DES MOINES, IOWA 50319  
515/281-5926

January 17, 1986

Dear

You recently requested that we send you a copy of a 1979 Attorney General's opinion on title insurance. (Op.Att'y Gen. #79-12-5[L].)

As you know, the opinion states that it is not unlawful for lending institutions to purchase title insurance out of the State of Iowa on property located within the State. The opinion also stated, however, that such title insurance did not satisfy requirements in the 1979 Iowa Code for proof of first or prior lien status of mortgages held by Iowa lending institutions.

The state bank shall obtain a written opinion by an attorney admitted to practice in Iowa stating that the mortgage, deed of trust or similar instrument is a first lien on the real property.

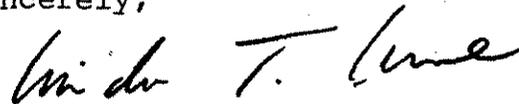
Iowa Code § 524.905(5)(f) (1979). The language of § 524.905(5)(f) referred to above is no longer part of the Iowa banking law. Subsequent to the 1979 opinion, § 524.905(5)(f) was repealed and in 1983 it was replaced with § 524.905(4) on the "marketability" of title (copy enclosed). As we discussed in our phone conversation, the Iowa Consumer Credit Code permits a creditor to make an "additional charge" for title insurance on consumer loans secured by an interest in land. § 537.2501(1)(e)(1).

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However, the insurance laws of Iowa, § 515.48(10), prohibit the sale of title insurance in Iowa.

This letter is merely informational and is not intended to address any inconsistencies or conflicts among the various statutory provisions in question.

Sincerely,



LINDA THOMAS LOWE  
Assistant Attorney General

cf

Enclosures:

§ 537.2501(1)(e)(1)  
§ 515.48(10)  
§ 524.905(4)  
Op.Att'yGen. #79-12-5