

# TITLE NEWS

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The American Title Association

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DO NOT REMOVE

Vol. 3

JUNE, 1924

No. 5

## To New Orleans—By Boat, Train or Auto—Which?

*Convention City Easily Accessible by All Modes of Travel—Side Trips to Cuba, Panama, Central America*

There is probably no city in America any more accessible or easily reached than New Orleans, where the titlemen and women of the country will meet in their 18th Annual Convention next October 21-22-23 and 24.

This is because it is at one of the most southerly points in the country, a large city, and an important port. These things mean there are roads of all kinds leading to it. Railroads come into it from the north, east, west, northeast and northwest. Those living in the southeasterly and southwesterly parts of the country can reach it by a number of roads, Southern Pacific, Texas & Pacific, Louisville & Nashville and others. Those from the north and the northeast and northwest can probably make more direct connections by going to St. Louis and then taking the Illinois Central direct to the convention city. This later road is planning on a special train from St. Louis. It would be fine if a large crowd would take this special from there as it would give them a chance to become acquainted enroute, and a pleasant time could be had aboard train.

Another most enticing method of getting there is by boat. Steamers can be taken from New York and the trip is one of the most pleasant imaginable. Those of the United Fruit Company stop at Havana on the way. Side trips to Cuba, the Panama Canal, Honduras, Jamaica, Costa Rica, and all interesting places in the Bahamas, Central America, British West Indies and Cuba are possible at a low expense.

Full particulars of these trips, information, etc., both as to the water route to New Orleans and the ocean side-trips will be given in the July and August "Title News." Those desiring information immediately can secure same by writing to the United Fruit Co., Steamship Service, 281 Fifth Ave. New York or 321 St. Charles St., New Orleans.

This convention however provides

exceptional opportunities for a pleasant ocean trip at a minimum cost. The places to visit, too, are among the most beautiful and interesting in the world. All the islands of the Caribbean Sea and the countries of Central America hold a charm and fascination.

Full information will be given in later issues of the "News" as to road routes for those who want to drive and go by car. Many have signified their intention of driving, and the following suggested routes are given in advance. From all points north and west, take the well-known highways to Oklahoma City, Oklahoma, then to Texarkana, to Shreveport and on to New Orleans. Or go to Fort Worth and Dallas, Texas, over the routes from the north and west leading into these two Texas cities, then to Shreveport and on down, or to Houston from Fort Worth and Dallas, and to New Orleans from Houston via the Southern National Highway.

Those east of the Mississippi and from the north and northeast should reach Nashville, Chattanooga, or Memphis and then down by the Jefferson or the Jackson Highways.

The importance of this convention to titlemen cannot be overestimated and you are urged to make plans now to attend. The association has planned for years to hold a meeting in New Orleans, because it is a splendid convention city by reason of its accessibility, and especial interest. Everyone entertains a desire to at some time in his life be privileged to go to this southern and quaint city. Here is the opportunity and the privilege.

This particular convention appeals from a pleasure viewpoint. No finer trip presents itself in America, and after you get there there are many places to go, much to see.

It is practical and justified from a business standpoint. Those who have attended National Conventions of the Association are reluctant to ever miss another, and know their value from a

business standpoint in things learned and from getting acquainted with those in the business all over the country.

Those who have never attended a national meeting should go to this one by all means. They are guaranteed value received.

The season of the year is favorable. The weather will be fine for the trip, and the time of meeting is the most favorable of all in New Orleans.

Every effort has been made to make this the most comprehensive meeting yet held. Every attention has been given to detail—the time of meeting, the place of the sessions, the program, the entertainment and in fact everything that enters into a convention.

So begin to plan now on attending this convention. Come to New Orleans next fall.

### THIRD ANNUAL MEETING, PENNSYLVANIA ASSOCIATION A MOST INTERESTING SESSION.

The Third Annual Convention of the Pennsylvania Title Association ran true to form and followed the unusual high precedent set by the former meetings of the organization.

Everything was ideal for the success of the session, and the large crowd of over seventy attendants had a most pleasant time and refreshingly profitable two days. Atlantic City is an ideal place to meet and with the natural surroundings and atmosphere of that particular place and the splendid accommodations afforded by the Hotel Traymore the splendidly arranged program was conducted under most favorable conditions.

The talks were on subjects very pertinent to the interests of the title companies of the state, and the discussion after each brought out full details and information.

President Potter started the session with his usually interesting annual address, summing up the years work and giving many valuable suggestions for the future. He is particularly interested in the development of uniformity in practice and procedure, uniform title policies and further perfection of title insurance as the ultimate solution

of the present day title problems and solution of the now complex details.

A most admirable address was given by Edward H. Bonsall, Vice President of the Land Title & Trust Co., Philadelphia, on "Powers of Sale—Their Construction and Limitation."

Following this was another of equal interest by J. Willison Smith, President of the West End Trust Co., Philadelphia, on "Building Operations." The financing of building projects has gotten to be quite a well developed line of business with many title companies and Mr. Smith was especially well equipped to discuss this subject. He explained in detail the ways and procedure of handling such business.

Lee C. Beatty of the Pittsburgh Bar delivered an address on "Rights of Lot Owners in Streets on Plans" that will stand as an authority on this subject, always perplexing and troublesome to the title companies in the larger cities and particularly the older cities.

Franklin Spencer Edmons of the Philadelphia Bar and a member of the State Tax Commission talked on "Equalization of Taxation" and his discourse showed him to be without a peer in his knowledge of the subject. His talk was one of the most enlightening and interesting imaginable. Pennsylvania is giving much thought to its tax system, as many other states are, and the Pennsylvania Title Association has taken a keen interest in it.

The Committees of the association had done some very good work. There is no limit to the results and good these various committees can perform. The report of the Committee on Uniform Policies and Rates, given by James P. Pinkerton, Title Officer, Industrial Trust, Title and Savings Co. of Philadelphia, was certainly commendable. It was replete with statements of existing conditions and suggestions for advancement which if followed would do wonders for the title companies of the state.

This Association has always taken an active interest in legislation and much regard is due Wayne P. Rambo, Market Street Title & Trust Co., Philadelphia, for his work as evidenced by the report of this committee given by him. It outlines a complete diagram or series of proposals of remedial and constructive legislation benefiting the title laws and system of the state.

The Annual Banquet was held the evening of the first day. Joseph H. Taulane formerly of the District Attorneys office and Albert L. Moise, of Philadelphia gave interesting talks.

A great compliment and signification of regard for John E. Potter was paid by the convention when they re-elected him for the third time as President of the Association. Mr. Potter well deserves the honor however, for he was instrumental in the organization of the association and has been very interested ever since. The same compliment was likewise extended to John R. Umsted, Vice President and Harry C. Bare Secretary in continuing them in office. John H. Clark of

the Delaware County Trust Co., Chester, was elected Treasurer.

This was an unusually fine convention and the committee who arranged it can well be satisfied with their efforts. John B. Waltz, Title Officer, Market Street Title & Trust Co., Philadelphia was Chairman of the Convention Committee.

Many ladies were present as an especial invitation had been extended to them.

#### "SOME OF THE ABTRACTER'S PROBLEMS AND OBVIOUS DUTIES."

By M. P. Bouslog, Union Title Guarantee Co., New Orleans, La.

The problems which most frequently occur, and those which affect us most, arise from local or individual conditions. And I shall endeavor to set forth and analyze some of these problems rather than to offer specific solutions; for solutions thereof depend upon local conditions and the abstractor's individuality.

The successful operation of an abstract business depends more upon the personality of the abstractor than upon any other single thing. By personality, I mean competency, temperament, ability and all those qualities which enable a man to attract and hold the respect of his community and the confidence of his clients by upright living, accurate work and efficient service. A successful abstract business, therefore, revolves around the individual abstractor in his equipment, his relations with the public and his employees, his attitude toward his competitor and his business policy. From these relationships there arises the abstractor's principal problems.

"The mission of every big idea is to simplify the complex." And this is especially true in its application to the work of the Title Men. There does not exist in this business life of ours any body of men who deal with more complex matters than do the abstractors. The very nature of their work is the essence of the complex, and the degree of the abstractor's success consists in the degree to which he is able to classify and systematize the various complexities with which he deals, and therefrom furnish information upon which the public may accurately and confidently rely.

Of course, the first problem the abstractor meets is in the construction of his plant. No one can rightfully claim a best system of plant construction for usually local conditions are such as to make necessary modifications of systems generally used.

The best advice as to plant construction is to adapt a system to the conditions as they may exist, and allow for an expansion to meet the changing conditions, as they may develop. The problems of maintenance of the plant will be greatly lessened by the kind of system employed and the foresight exercised in the building of the title plant.

Aside from the abstract plant, there must be considered the fact that more and more abstractors and abstract companies are coming to be regarded as semi-public and quasi financial institutions; and so it is necessary for them to supply themselves with modern offices, and modern office equipment to meet this growing conception in the minds of the public. And it is quite right and proper that this attitude of the public should be welcomed and encouraged by the title men as one of the means by which the business may be elevated to a higher plane and the unfit and the unworthy may be weeded out.

The principal elements of the public with which the abstractor comes in most frequent contact and out of which arise many of his problems are:

1. County officers. 2. Lawyers. 3. Real estate dealers. 4. The public at large.

Taking a cue from the slogan of the spiritual evangelist, I would suggest that the abstractor's first duty is to get right with the county officers. If you are right with the custodians of the public records, you have avoided a lot of trouble and many perplexing problems. And good relationships are easy to establish and maintain with county officers if you will, at the outset, show them that in return for the privileges you must of necessity ask, you can be of assistance to them personally and the public generally in preserving the records, correcting errors and in the scores of things in the public interest which all of you do every day. And I do not know of a more generous, courteous and uniformly considerate body of public servants than the officers in charge of public land records in the several States.

The abstractor has no better friend than the lawyer. And while you may some times chafe at and, perhaps, become irritated by his frequent calls for a little information; by his pertinent (perhaps seemingly impertinent) observations that arise not so much from a shortcoming in your abstract as from the condition of the record itself; by his calls for assistance in clearing titles to meet his objections, upon the assumption that you are the clearing house for all curative processes; by his reply to your monthly statements to the effect that he has not had time to collect your bill from his client; nevertheless, you must not forget that he is the source, directly or indirectly, of a large part of your business, and the relationship between you and him is quite reciprocal. Do not forget that once in a while you call upon him for a little free advice; and occasionally for his co-operation or assistance in perfecting a title; and that in matters of legislation, he can be of great service to the abstractor.

Of course, there yet exists a lawyer who still insists upon making his own abstracts, and towards him it is the abstractor's duty to continue his efforts to convince such that they are losing valuable time and prospective clients

in pursuing the making of abstracts and running considerable risk when made from public main indexes.

The test of an abstractor's patience comes in his relationship with a real estate broker. If you sometimes grow resentful at the impatience of the real estate broker who is disappointed if he does not get the abstract within the time he deems reasonable, and at a price which he deems proper; who frequently holds you responsible for imperfections in the title and for delays in perfecting errors therein; don't manifest your innermost feelings. Just bear in mind that the sole concern of the real estate broker most usually is to get his commission, which will not be available to him until the title is favorably passed; that the question of title is the last thing to be considered in effecting a sale of real estate after all the dickering and bickering has been gone through with and all parties brought into accord. Furthermore, the abstractor must remember that the real estate agents are generally big public spirited, optimistic boosters through whose energy and vision real estate activities are promoted, encouraged and carried on, and from whose successful operations the abstractor profits materially. It takes an active real estate market to enable the abstractor to operate profitably, and the real estate broker creates and develops that activity. Therefore, cultivate the real estate broker. He may not know it, but he is your friend.

A volume might be written dealing with the relationship between the abstractor and the general public. In his position toward the public the abstractor might be called a missionary for bringing about wide spread knowledge of the basic principles and laws governing land tenure; the manner in which the title to real estate is transferred; the importance of proper conveyancing; the safeguard which proper legal procedure gives to the investment in real estate. Those of us engaged in title work know that not one person in fifty is conversant with the manner of, and the reasons for the proper evidencing of title to real estate. Why any deed is not wholly sufficient; why the owner should suffer from the mistakes in conveyancing or in the handling of Court proceedings; why recordation is necessary; why an abstract and a legal opinion are required or desirable; how charges for title work are based; how titles are protected by constitutional provisions; these are some of the many things involved in the transfer of real estate about which the great mass of people know nothing; and, knowing nothing, they are easily impressed with the arguments of agitators, so called reformers, and others in favor of panaceas offered to cure the grievances from which all are prone to recognize to have suffered.

It would require only a small amount of time and slight expense to spread the gospel of your work. Join your local civic and business organiza-

tions—The Board of Trade, Rotary, Kiwanis, Lions and similar bodies. Every fellow has a chance in those clubs to tell the other fellow just what he does and how and why. The interchange of ideas and knowledge of the older fellow's business is spread by such association.

A few talks made to the high school classes in your home communities on the subject of how title to real estate is held and transferred, will impart information to your customers of the future upon a subject which they have gained no knowledge up to that time.

When farmer Smith comes to town to record his deed or pay his taxes, bring him to **your office** and show him how your abstract system works and how it safeguards his titles and, incidentally, give him a few points of educational value about your business to think over.

And now we come to discuss our competitor. Perhaps we have been at times too prone to cuss at him rather than to discuss with him. Happily, the abstract business along with all business, has felt the increasing effect of the modern view point of business ethics predicated upon the application of the Golden Rule to business conduct and commercial transactions. More and more we recognize our competitor as our brother, equally honest and deserving of success as are we. Of course, we all face local conditions in the solving of the problems resulting from competition, but he who goes about his work according to his competitor that same consideration which he demands for himself, who does his work well and renders the best service, will in the end have the least competition.

If your competitor be of the kind we are wont to call "The Curbstoner," do not condemn him. If he is honest, efficient and a good business getter, you can use him to your own advantage, and no doubt to his betterment, right in your own plant. He would probably make you a most able helper. Talk it over with him. If he is of the opposite kind, he cannot long survive in the business world today.

But there is one competitor whom the good abstractor with capital and experience invested in his own business, is justified in condemning and warranted in fighting. That is the County owned abstract plant. These plants are subsidized by the tax payer's money ostensibly to save the land owner expense in handling his real estate transactions, but the initial cost and the subsequent cost of maintenance are such as to be financially a loss upon the large majority of individual tax payers, with no corresponding benefit in reduction of title costs. They sometimes benefit a few office holders, politically, and few individuals professionally. The plants are usually compiled by untrained and inexperienced clerical forces chosen for their political influence and thus maintained, and, consequently they are neither dependable nor accurate.

And now we come to a business policy.

The principal factors to consider are: 1. Cost of service. 2. Charges for service.

The first and absolutely necessary thing to ascertain is what it costs to turn out an abstract. In this day every well regulated and successful business works upon a cost system by which the cost of production and selling its product or service has been definitely ascertained. The abstract business is no exception to the rule.

Commissions should be considered either as increased overhead or as rebates and discounts, and as such should be computed when arriving at your costs, if you decide to allow them.

Generally speaking, there are three different plans of fixing charges for abstracts: first, per item; second, per page; third, per valuation.

Manifestly the adoption and strict application of the schedule of charges based solely upon any one of these plans, frequently works a hardship either upon the customer or the abstractor.

I must confess that I always felt a twinge of conscience whenever, adhering to our usual charge per item or per page, I charged fifty dollars for a complete abstract to a lot worth from one to one hundred dollars to five hundred dollars; and likewise have I felt incensed to charge but fifty dollars for a complete abstract to a business block worth one hundred thousand dollars. A system of charges which makes possible such an unfair discrimination should be changed.

If we base our charges for abstracts upon a system which places a heavy burden of cost upon cheap properties we retard rather than help the transfer of such properties. Many people rather than pay the high cost for abstracts of cheap properties, will just take a chance without an abstract. Thus we probably lose a lot of business we might get were the prices of abstracts on such character of property commensurate with the value of the property. As professional men, we should use every means to facilitate transfers, to remove rather than raise obstacles to the quick turn over of all classes of real estate.

Since the trend of court decisions is to hold the abstractor liable in damages for any mistake or error made by him through which any one relying upon the correctness of his abstract, may suffer loss, no matter how qualified or limited the abstractor may make his certificate, it is evident that some system of charges more equitable than those now employed must eventually be worked out and established.

Where the histories of titles are ancient, and the abstracts voluminous, and as a consequence, costs of abstracts under the usual schedules are prohibitive, title insurance, is a logical solution.

In some cities and large counties the areas have been zoned according to the size of the abstract to properties there-

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The Hall Abstract Company

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JUNE, 1924.

in and the frequency of the orders emanating therefrom as ascertained from the Title Company's experience. In these zones flat charges are made for base abstracts and then page or item rates for continuations therefrom.

In order to properly adjust the charge, there should be in the first place, a fixed charge for the clerical work in connection with the preparing of the abstracts, and in addition, there should be a further charge made proportionate to the value of the property involved and to the liability assumed. Here again we are met by the governing influence of local conditions in any scheme to re-arrange the abstractor's charges upon such a proposed basis.

At the annual convention of the American Association of Title Men held at Cedar Point, Ohio, in 1913, there were proposed and recommended to the several States, fifteen separate subjects upon which uniform laws might be drafted and adopted through the several States, with a view to simplifying land titles and making the tenure of real estate more secure.

The endorsement of these proposals was at once the most constructive and the most ambitious piece of work that the American Association of Title Men has undertaken. It has not yet been

disclosed with what measure of success the movement thus launched has met. But the success of this plan means more to the Title Men of this country than they have yet realized and more than the great majority of men foresee. It is much easier to take complacently the attitude of "Let us Alone" toward matters of legislation than to bestir ourselves to active effort to bring about the necessary changes and to apply remedies to conditions than foster discontent.

"An honest confession is good for the soul." Under the laws existing in most of the states, the transferring or mortgaging of real estate is accomplished by laws and customs and in the legal forms and verbiage a century or more old. Few changes have been wrought therein since the days of the steam boat and the pony express; since the days of the quill pen and the expert scrivener; since the days when six figures representing the value involved in the transaction created consternation. Today with distance annihilated, with machines to rapidly record and transcribe, with millions commonplace and billions nothing unusual, modern business demands and its necessities are calling for a simplification of the laws and procedure governing the evidencing and tenure of title to real estate. True alternations in basic laws and customs affecting judicial procedure or vested rights, such as those that exist in land, must of necessity come slowly. Yet everywhere from real estate owners and brokers, investment bankers, lawyers, publicists, and politicians, we hear the demand for something better than the old system which has carried us thus far.

It is my conception that it is the duty of the title men of this nation individually, and collectively through their respective State organizations and the American Association of Title Men, to meet this insistent demand by formulating a plan and backing an active and incessant campaign to secure.

1. A thorough revision of the laws of real property.
2. A simplification and shortening of procedure surrounding the transfer of real estate, the drawing and executing of deeds, and the evidencing of title to real estate.
3. A uniformity of laws in the various States affecting and controlling real estate titles.

And this to the end that costs may be reduced, time shortened and greater certainty secured in the examination of land titles; thereby effecting a standardization of title examination, lessening the possibilities of errors, increasing the public confidence in titles and making land and land securities more easily negotiable and more liquid.

In the fifteen proposals above referred to; and through others which will be added, most important of which is the adoption in every State of a comprehensive title confirmation law, commonly referred to as a "title

laundry statute" and by the use of which any title could be cleared up and a new start made with the title absolutely established of record against all the world; in these constructive measures and their enactment into law, the title men are given an opportunity to perform a lasting public service and meet a public duty to perform which they are most eminently qualified, and performing which, will bring to them a gratitude of posterity.

And after all, reverting to those things which concern our individual business success, I can only offer a solution in the one word "Service."

If you improve your plant; if you modernize your system; if you simplify your methods; if you improve your service. The installation of new furniture, the beautifying of the office interior, a furnishing of conveniences for employees make for better service; the affiliation with civic and business organizations in your home town, the enrolling with the State and National organizations of title men, broadens your vision and enables you to render better service; and from all of these there is bound to come to you that reward which compensates you for good service rendered.

The Torrens system cannot displace you if you give proper service. Your competitor cannot compete with you if you give superior service. Hostile public opinion cannot long rage against you if you give adequate service.

## FEDERAL LIEN BILL UP AGAIN.

The bill sponsored by Henry R. Chittick, providing that the United States can be made a party defendant in an action in Federal and State Courts in certain actions affecting title to real property has been presented to this session of Congress.

It is Senate Bill No. 2183, introduced in that branch by Mr. Copeland of New York, and House Bill No. 6197, introduced there by Mr. Graham of Pennsylvania.

The bill is similar to the one introduced in the last session of Congress and provides that the United States may be made a party defendant in the same manner as a private person in any action for the foreclosure of a mortgage, other lien upon real property, or for partition of real property, or in any action in any other manner affecting the title to real property, wherein the United States have, claim to have or may have a lien on such real property.

This is a bill highly important to owners, investors, or those interested in real property and should be passed.

Mr. Chittick has given this matter a great deal of attention for sometime now and should be commended upon his efforts in behalf of securing this piece of legislation.

"No person was ever honored for what he received. Honor has been the reward for what he gave."—[President Calvin Coolidge.

**"CERTIFICATE OF TITLE."**

By McCune Gill, Vice President and  
Title Officer, Title Guarantee Co.,  
St. Louis, Mo.

A Certificate of Title is a form of title assurance intermediate between an opinion and a guarantee. A certificate is similar to the opinion of an attorney in being a report as to what is shown in the abstract of title.

The certificate differs, however, from a mere opinion in that the company issuing it will make good any loss because of errors it has made either of fact or of law. In this particular the certificate or statement of title resembles a complete guaranty or title insurance.

In fact such certificates are sometimes called limited guaranties or record insurance. And this brings out the difference between certificates and full insurance or guaranty, which is that certificates, like lawyers opinions, cover only the title as disclosed of record in the offices of the Recorder, Collector and Court Clerk, and do not protect the purchaser or lender against defects not apparent of record.

These hidden defects include forgery, false statements in deeds, minority or insanity of parties, fraudulent releases, overruling of court decisions and the like.

Certificates of title are very popular in certain localities, for example in St. Louis and in certain parts of California and other states. They cost less than complete protection, because the hazard of hidden defects is not assured by the company. They are also economical because repeated examinations of the same abstract are avoided.

When an original tract is sub-divided into lots, the company makes a certificate to the whole tract and in future examinations commences at the date of subdivision. In this way the price of a certificate can be kept down to practically the cost of an attorneys opinion, and no charge is made for compiling the abstract. Such abstract is of course retained by the company and not turned over to the land owner.

Notwithstanding the seeming advantage of certificates of title their use is not to be encouraged, because of the fact that the public usually mistakes the protection afforded and fails to appreciate the risk of loss until it actually happens.

Certificates are undesirable from the land owners standpoint not only because there is no protection from defects not of record, but also because there is no liability to subsequent owners and none after the usual period of limitation on ordinary contracts which is usually five years.

Title companies in many communities refuse to issue certificates or limited guaranties.

A certificate (or statement, or limited guaranty) is customarily of two sheets of paper in a document cover,

the first sheet being a plat of the property, and the second the certificate proper.

The following sample form will illustrate the arrangement of the certificate:

T-161357 X  
No. 28668

**CERTIFICATE OF TITLE.**

**THE TITLE GUARANTY TRUST COMPANY HAS EXAMINED  
THE TITLE TO THE FOLLOWING DESCRIBED PROPERTY SITUATED IN THE  
CITY OF ST. LOUIS, STATE OF MISSOURI. TO WIT:**

Part of Lot 3 of SUBDIVISION OF J. V. PRATHER'S ESTATE in Block 4628-North of the City of St. Louis, fronting 84 feet 7-1/4 inches on the East line of McCausland Avenue by a depth Eastwardly of 107 feet. Bounded North by Waldemar Avenue.

According to the St. Louis City Records, the fee simple title to said property is vested in:-

INDIA A. THOMPSON.

free and clear of liens, except as follows, to-wit:-

DEED OF TRUST executed by Bruce A. Thompson and India A. Thompson, his wife to William S. Campbell, trustee for E. Schupp, dated June 21, 1923 and recorded June 25, 1923, Daily No. 23, to secure \$4,000.00 with interest in 7 notes of even date being 1 principal note for \$4,000.00 payable 3 years after date and 6 semi-annual interest notes each for \$120.00.

Principal note identified.

DEED OF TRUST executed by Bruce A. Thompson and India A. Thompson, his wife to William S. Campbell, trustee for E. Schupp, dated June 21, 1923 and recorded June 25, 1923, Daily No. 24, to secure \$4,000.00 with interest in 7 notes of even date; being 1 principal note for \$4,000.00 payable 3 years after date and 6 semi-annual interest notes each for \$120.00.

Principal note identified.

No opinion is expressed as to the priority of the above two Deeds of Trust.

GENERAL TAXES for 1923 and 1924, a lien.

SPECIAL TAXES: Street sprinkling for 1923, a lien.

NONE others reported on books in Comptroller's Office, that are a lien.

JUDGMENTS: NONE.

MECHANICS' LIENS: NONE.

ATTACHMENTS: NONE.

RESTRICTIONS as per deed recorded in book 3831 page 407.

AGREEMENT to connect with and repair sewer on east part of above lot according to deed recorded in book 3756 page 296.

IN WITNESS WHEREOF, The TITLE GUARANTY TRUST COMPANY has caused this certificate to be signed by its Vice-President, attested by its Assistant-Secretary and its corporate seal to be hereunto affixed, this 3rd day of July, 1923.

Attest:-

Assistant-Secretary.

Examiner."

TITLE GUARANTY TRUST COMPANY.

By,

Vice-President.

# Make Your Plans NOW

to Attend the

## 18th Annual Convention, at New Orleans

October 21-22-23-24, 1924

## Abstracts of Land Titles—Their Use and Preparation

*This is the fifth of a series of articles or courses of instruction on the use and preparation of abstracts.*

(Owing to lack of space, the installment of this series was omitted from the May "News." This one continues the series from the one in the April issue, dealing with suggestions for plants or indexes for abstract officers, and which stopped with suggestions for plats to be attached to abstracts.)

Have them made on tracing cloth, on a scale of 200 feet to the inch and of every townsite, addition and regularly surveyed or platted piece of ground in the county. Blue prints can be made from the tracing at small cost and copies attached to the abstracts. They should be put on every new abstract made and on continuations when requested. From \$1.00 to \$3.00 can be charged for them.

Duplication of effort and retracing of steps and work is very prevalent in many offices. Copies should be kept of every set of court proceedings and of new abstracts made and filed where they can be found. Many offices keep carbon copies of all continuations and every bit of work done. That is for each individual to decide but certainly copies should be kept of all new abstracts.

A file should be had for the title to every townsite and addition from the patent to the plat, and also of any tract where there is a title to a certain point and then a division and this used in many abstracts. When orders are received for them all that is necessary is to copy them.

**REDUCE DUPLICATION OF EFFORT AND UNNECESSARY SEARCHING TO A MINIMUM.** Once you "dig out" a thing, or work it out, have it available and at your fingers ends in the office.

The old fashioned way of making and keeping a set of abstract books up to date was to take a complete take off, bring them to the office and post complete on the index. The complete take off is recommended for the average office and where it is possible to maintain one at not too much expense, but the index form of the numerical for posting can be a very simple affair taking neither much time or expense in maintaining. Show the Grantor and Grantee; Nature of Instrument; Date Filed (this date alone is given because of it being the most valuable one in locating "lost" places of record, or finding it when some mistake has been made); Book and Page of "Take-off" Record (this should be noted because you can turn to the complete office record in your take-off book when all the information of an instrument is wanted); Book and Page of Record; Description of Land.

### Steps in Making an Abstract.

With the above system, the process

of making an abstract would be something as follows: Slips or blank form for deeds, mortgages, assignments, releases and other instruments can be printed, mimeographed, or multigraphed on cheap paper for the purpose of making a pencil abstract. As much of the information as desired can be noted on these forms directly from the abstract books and take-offs. They can then be taken to the records, checked, additions, changes or corrections made as needed, and then brought back to the office to be written up. This eliminates the writing up at the court house, need for the abstracter to have typewriters and use space in the register's office and reduces the amount of work necessary to be done at the court house.

Every instrument should be checked with the record before being written up on the abstract because records are changed, incorrectly recorded, marginal notations made on them and many other things done, as an abstract is supposed to show the record as it was at the time of the making of the abstract.

### Card Index Systems.

Much has been tried and put into use in card index systems. They have their disadvantages as well as advantages. The biggest point in their favor is that they are both a take off and the numerical index in one operation, as the take off can be made on a card and the card filed in its place according to the land, thereby eliminating the posting of numerical indexes. This makes them most desirable in cases where a new plant is being built and speed in getting ready to open for business is the watchword. They are also most excellent, if not superior for tracts or metes and bounds descriptions. As an example, here is a quarter section of land as yet undivided and with 20 transfers on it. It is divided into smaller parts. The title to the intact quarter can be kept by itself as a complete unit and that chain called tract and another set of cards started is sold off. New cards can be made for the chain made by this division and they can be called tract No. 2. Later 5 acres is sold out of the forty acre tract and another set of cards started for the chain to the 5 acres and called No. 3. Other divisions are made and a new set of cards started for each. Then when an abstract is wanted for a tract, say the first 5 acre one, all that is necessary to get the complete title is to pull the cards for 1, 2 and 3.

The main objection to the card system is that in spite of everything, some of them will become lost or misplaced. A whole plant composed of the card system would be an intricate affair and require the constant care and exclusive

operation only by experienced filing clerks.

With this rather general outline of an abstract plant, especial emphasis is now made upon a few points of special importance. The first is the matter of a miscellaneous index, or the key to the many various instruments, such as affidavits, powers of attorneys, contracts and agreements, general conveyances and the like. Practically every title is based to some extent, either large or almost entirely on affidavits and other miscellaneous instruments.

All affidavits, powers of attorney, certificates relative to appointment of executors, etc., contracts, leases, agreements of all kinds, and other such things should be copied in full on an abstract. This means that the abstracter should have a full copy of such instruments as recorded. Either they should be taken in full by the take-off clerk, or else arrangements made with the recorder to get carbon copies if possible when copied into the county miscellaneous record which in most cases now is a loose leaf book. It is highly important that the abstracter have these full copies in his office both for reference and to expedite the preparation of abstracts. This is becoming more desirable because the abstracter is finding it more and more necessary to do as large amount as possible of the actual writing up of abstracts in his own office rather than in the usual unsatisfactory quarters and working room of the county recorders.

But the most important of all is the posting on the index so that they may be found. As time goes on and titles become more complicated it becomes more difficult to secure affidavits, etc., relative to things way back in the title. Thus every affidavit secured is more valuable each year. A special miscellaneous index should be provided. This should be loose leaf, arranged alphabetically with a further sub-division as to vowels. The indexing should be against the party about whom the explanation or statement of facts is made. For instance an affidavit identifying Joseph E. Bostick and J. E. Bostick should be indexed under the "o" column in the B's. Then a space or part of a line provided showing for what purpose the affidavit is presented, which in this case should be noted as "iden. Joseph E.—J. E. Bostick."

A further space or part of a line should be provided for a description of the property, which should appear in every properly prepared affidavit. The mere explanation of the purpose of the affidavit is not sufficient but the land involved should be described. Then there should be a ruling for the book and page of record and an additional one for the date of filing.

Too much emphasis cannot be placed upon having notations of the book and page of record and the date of filing for these two facts enable one to find almost any instrument even though

there may be other discrepancies making its location of record difficult.

Do not be afraid of indexing such matters too carefully or too many times. For instance in the case of a certificate that John Foley was the duly appointed and qualified executor of the estate of George Foster, index under Foley as the executor, and also under Foster as that estate having Foley for the Executor.

Another valuable record is that of Powers of Attorney, and this should likewise be indexed alphabetically and sub-divided under vowels. Here again cross indexing should be used, and if Tom Smith gives a power to Henry Jones, index under Smith as giving the power to Jones, and under Jones as being the attorney of Smith.

Every office should keep copies of all new abstracts and these filed for future use and reference. It is surprising how many times these copies can be referred to and used. They should be filed away and there are two very good schemes for this. One is to have a file for each township or survey and file them in order as to sections or surveys. Abstracts for city properties can likewise be filed under a file for each townsite, addition to townsite, etc. These are easily found under their respective files and this has been found to be a very good way. The main advantage of this method is that all your abstracts for a particular survey, section, addition, etc., are all together in one place. Some notation should be made on the index or abstract book at the notation of the index corresponding to the last entry on the filed copy that an abstract has been made to that point and is on file.

The other way of filing copies of abstracts is the one most generally used and that is by number. Most companies keep an order book or reception record and number each abstract or order. Then they are filed in order by number, and a notation made on the index at the entry corresponding to the last entry on the copy that there is an abstract made to that place, being No.....

Likewise copies should be made and kept of all court proceedings, both civil and probate. The civil should be indexed under the same scheme as used in the Clerk of the Courts office, usually being listed under the name of the first defendant.

A complete set of abstracts of court proceedings as made from time to time is one of the most valuable parts of an abstract office, both for information and as a money maker. A surprisingly large number of copies of them will be called for from time to time and it is a simple matter to just copy them off the office records.

A complete file should be kept of abstracts to townsites, additions from the Patent to the Plat and special titles. As the many abstracts out on additions,

townsites, etc., are examined from time to time, requirements for affidavits and other points made, and are put on record, copies of them may be put into each file of the various special titles here mentioned, and thus the file will always be complete, and abstracts can be made from it by merely copying.

However, let a suggestion be made here that the use of carbon copies be discouraged. They are unsatisfactory to the customer, he knows you did not do the actual work but are using an old carbon which you have had on file, and does not relish the idea of paying full price. The universal discard of carbon abstracts would also do much to eliminate the growing fad for "copy" abstracts or making of new ones by copying some old one and furnishing it at a reduced price.

The use of carbon copies are only justifiable when an order has been received for two or more at the same time for abstracts of the identical title.

Plats are another most important and essential part of every title office. In fact the well regulated office cannot have too many plats. An accurate description, and a diagram or plat of the land involved is most essential and examiners are calling for plats more and more. In fact, no abstract is complete without one, and no present day abstractor should make an abstract and not put a plat on it.

In sectionized countries, the office should have copies of the original government surveys of the entire county showing the acreage of each section. Plats are absolutely necessary in those counties and states not platted into sections, townships, etc., but having survey systems.

The abstractor of today should be on the constant lookout for a copy of every plat available. They will be found most valuable.

#### AN EXPLANATION

In a previous issue (March) of Title News, in the article on "Abstracts of Land Titles, Their Use and the Making of Them" a statement was made that "The word 'Transcript' of court proceedings is used for as will be shown later, copies of court proceedings are not an evidence of good technique on the abstractor's part and a desire or request for them by an examiner is a sign of provincialism on his."

Although stated in this particular article that an explanation of the reason for the statement would be made later, some inquiries have been made of the Editor as to just what was meant, so the author of the series makes the following explanation at the present time:

"An abstract of title properly made should only contain a transcript of a court proceeding and not page after page of copies of the various papers, items, etc., in a case. Certain of the papers such as journal entries, and others, should be set out in full, but certainly not every one of them.

"A great deal of space will be de-

voted later in the series to the making of abstract or transcripts of court proceedings, and an explanation had been planned on being given then as to why they should be briefed and not copied.

"However, since there have been requests for an explanation of the statement in the March number the following is given.

"First, the sentence as printed is probably not as clear as it should have been. Therefore this may be substituted: 'Copies of court proceedings are either an evidence of lack of good technique on the abstractor's part or provincialism on the part of an examiner in wanting or requesting them.'

"Lack of good technique on the part of the abstractor, because anyone can copy them; it takes skill and knowledge to abstract them. There is no more necessity for copying every paper in a case than there is for making full copies of all deeds, mortgages, etc., for a chain of title. No competent broad minded examiner wants to wade through a mass of copies of a case UNLESS he feels the abstractor is not proficient enough in his work to properly and correctly abstract a court case. If, however, the abstractor cannot properly prepare a transcript of the case, he is justified in wanting full copies of every bit in order that he may properly judge the proceeding.

"On the other hand, if the abstractor is capable of preparing them, knows how and does the job justice, then an examiner who insists in having full copies of them might just as well ask for full copies of all the instruments, or else should examine the abstract by taking it to the court house, turning to each instrument as noted on the abstract and scrutinizing the complete instrument as shown of record."

#### REAL ESTATE ASSOCIATION COLLECTING DATA ON INSTRUMENTS RECORDED.

The Research Department of the National Association of Real Estate Boards is endeavoring to collect data from 100 principal and typical cities of the United States showing the number of deeds and mortgages filed by months over a period of years since 1916.

From these it will prepare graphs showing the various cycles of real estate movements during that time and it should be most interesting and valuable information.

It will help to show the causes of depression and activities of the past and enable to forecast future development.

One of these has already been prepared and is for the city of Cleveland, covering the period from 1910 to 1923.

It is interesting to note that the number of mortgages filed increases and decreases with the number of deeds, the lines being almost parallel a good part of the time.

1917 shows a rise with a sudden drop in late 1917 to early 1918. There was a big rise through the summer months with the deeds greatly exceeding the mortgages.

The big jump was in 1919 when the deeds increased from the 2,000 line to the 5,200 line staying there until the spring of 1920 with a drop down to the 2,500 line in the early part of 1921.

It has been gradually climbing ever since and reached the 4,500 line in 1923, almost to the big mark of 1919.

One of the most interesting points is that periods of financial stringency are plainly shown. The only times the number of mortgages exceeded the deeds was in 1916, when they were greater for a few months in the middle of the year; again in 1917 when they

exceeded the deeds for about two months in the spring, and lately when they have been far in the lead of the deeds all during 1922 and 1923.

The Real Estate Association has asked the title companies in some of the cities to help them secure this data. Let us hope we can be of some assistance to them.

This work is under the most efficient direction of Ernest M. Fisher, Assistant Executive Secretary and Director of Research and Education, National Association of Real Estate Boards, Consumers Building, Chicago.

## THE MISCELLANEOUS INDEX

*Being a review of interesting matters presented to the Secretary's office*

The Pennsylvania Title Association Convention this year was reported fully in "Money & Commerce," a most excellent magazine published in Pittsburgh, and devoted to finance, realty, insurance and industry. The publication has reported all the former conventions of that association and it is an excellent medium for the write up of such meetings.

This is a fine spirit on the part of the publishers and they are to be commended on their interest and co-operation.

A mighty nice memento of the Pennsylvania meeting was distributed by S. H. McKee of the Title Guaranty Co., Pittsburgh. It was an artists proof engraving of the picture, "Flaw in the Title."

The ladies were remembered too at the banquet, and each of them present given a handsome leather pocket-book as a favor from the Real Estate Title Insurance Co., Philadelphia, the "Parent" company of title insurance.

Fred P. Condit, Vice President of the Title Guarantee & Trust Co., New York, and Vice President of the American Title Association, was chosen President of the Bond & Mortgage Co., the guaranteed mortgage department of the Title Co.

The Title Guarantee & Trust Co. has just taken over the new quarters and additional room made possible by the thirteen story addition adjacent to the original office.

The mortgage department occupies the ground floor of the new building. The company has in addition installed a modern safe deposit department.

A title company in New York desires to employ men capable of examining titles to real property. Men who are well equipped, not necessarily members of the Bar but experienced title men and who would be interested are requested to write to the Executive Secretary, giving experience, references and salary expected.

A feature of the Texas Association meeting held last month was a contest on six five minute papers on the subject of "How to Increase the Revenue from Our Title Plants and How to Render Better Service."

The prize was won by Mildred A. Vogel, of the Stewart Title Company's Office at El Paso.

This is another accomplishment for Miss Vogel, and those present at the Omaha Convention last year and who heard her fine paper on "Why I Am An Abstractor" will not be surprised that she was the victor in this contest.

Her prize winning paper will be printed in the "News" in an early issue.

The May 19th issue of the "San Francisco Chronicle" contains an article by Donzel Storey on the functions of a title company. It shows particularly how the arrangement of the title companies in the cities with the inland companies in furnishing insurance and other title service through local abstract companies expedites and safeguards the closing of real estate deals.

Title insurance has become universal throughout the state due to the arrangement mentioned above and the opening of branch offices by many of the city companies. In this pioneer movement, California is opening the way and testing methods of making title insurance popular and available all over a state.

A directory of the Texas Association issued some few years ago contained the following very true paragraph: "When real estate is bought, the purchaser should be more interested in the title than in the land itself. The land only represents so much dirt that may be bought at a dollar a load. The title represents the right to occupy without molestation, and the right to sell, alienate and devise by will—in short, the right to possession and enjoyment,

The monthly publication of the Alabama Title & Trust Co., Birmingham, Ala., carried the following sad but true statement in a recent issue:

"Nobody orders an abstract until the day after they must have it. As abstractors we accept the situation philosophically. We know that buyers cannot be reformed. We try to make deliveries when promised."

## WANT ADS

Information about the following can be had by writing the Executive Secretary. Refer to division, and number of ad.

### POSITION WANTED—FEMALE.

EXPERT STENOGRAPHER WITH OVER two years' experience in abstract offices, Minnesota, the Dakotas. Good references. Desires to locate immediately and expresses no preference of location. (10)

FIFTEEN YEARS' EXPERIENCE IN ALL branches of the abstract business, having charge of office. Worked in California and Michigan. Would be interested in buying interest. (11)

YOUNG LADY, THOROUGHLY UNDERSTANDS all branches abstract business, has had full charge and management of office for some time. Excellent qualifications. (12)

### POSITION WANTED—MALE.

NINE YEARS' EXPERIENCE, MARRIED, and has excellent references to ability as abstractor. (1)

GRADUATE OF BOSTON LAW SCHOOL; 30 years of age and has had 5 years experience in title work. Most excellent recommendations. (2)

SEVERAL YEARS' EXPERIENCE IN COLORADO and Arizona, and capable of taking charge of plant. Prefers something in Colorado or Kansas. (3)

YOUNG MAN, ATTORNEY, HAS HAD EXPERIENCE as examiner and searcher with title company in large city. Desires to locate in Western or Mid-western city of 25,000 to 50,000 inhabitants, and would become financially interested. (4)

FORTY-FIVE YEARS OF AGE, OVER 20 years' experience as abstractor, and attorney, now in north desires to locate in the West or Southwest. This party has exceptional qualification for one seeking manager or one to take charge of plant. (5)

ATTORNEY ENGAGED IN TITLE WORK desires to purchase interest in abstract plant in Middle West, and devote entire time to it. (6)

MISSOURI ATTORNEY, DESIRES TO BUY an interest or secure position with a title company in that state. (7)

### PLANTS FOR SALE.

(Where Address is Given, Write Direct to Party Concerned.)

ABSTRACT AND INSURANCE BUSINESS, established 40 years, only set in county, good city and county in Eastern Nebraska. Write Elmer F. Robinson, Hartington, Nebr.

LATIMER COUNTY ABSTRACT CO., WILBURTON, Okla., for sale at a bargain. Write J. E. Little, care above company, Wilburton, Okla.

OPPORTUNITY. ANYONE WANTING TO locate and purchase abstract plant in the coming country of the southwest, write Wilson Abstract Co., Lubbock, Texas.

ONLY ABSTRACT BUSINESS IN LARGE live stock and agricultural county in Colorado for sale. Write F. C. Hitchcock, North Park Abstract & Security Co., Walden, Colo.

COMPLETE SET OF BOOKS AND FIXTURES, general insurance and loan agency. Priced right—terms. Write Rains Abstract Co., Van Buren, Ark.

ABSTRACT BUSINESS IN GOOD CENTRAL Iowa town. Owner desires to retire. (1)

ONLY SET OF BOOKS AND BUSINESS IN Missouri town and county of 17,000 population. (2)

UP TO DATE AND COMPLETE PLANT IN Oklahoma county with nice size county seat town. Owner forced to retire account health. Will sell on easy terms, or partnership with energetic young man. (3)

GOOD PLANT IN ONE OF THE BEST Cities in Arkansas. For sale at a bargain. (4)

PLANT AND ONLY BUSINESS IN SMALL yet thrifty Kansas town and county. Town population, 840, county 20,000. Good business and a very complete plant. Price \$12,000 which includes stone building used as office. Bank will help finance. (5)