TITLE NEWS

Official Publication

THE AMERICAN TITLE ASSOCIATION

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VOLUME XXX JULY, 1951 NUMBER 7

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Official Publication of

THE AMERICAN TITLE ASSOCIATION

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VOLUME XXX JULY, 1951 NUMBER 7

Evidencing of Titles

MORTON McDONALD

President, The Abstract Corporation
DeLand, Florida

This is another excellent paper on the general subject of Public Relations of acquainting the public with our services. It is written by Mr. Morton McDonald, of Deland, Florida, Vice-Chairman, Abstracters Section, American Title Association.

This address, written in running narrative form, graphically tells of the antiquity of some of our customs in the sale and mortgaging of real property. In interesting fashion, it relates the development of title evidencing beginning with Old Testament days and carrying down into our modern day of 1951.

It is the type of paper, plus some local color and modified to fit local conditions, which can be used before virtually all types of groups, beginning with those in allied industries and professions, such as the Real Estate Board, Bar, Building and Loan League, and extending into civic clubs.

Mr. McDonald and Mr. Dwyer (whose articles have appeared in recent issues) gladly extend to all members of the Association the use of their manuscripts, in whole or in part. In fact, they will be pleased that their preparation of these addresses will result in still further extensions of the task of telling the public who we are, and what we do; the job of acquainting the public with the story of titles and title evidencing—and the important part the title profession assumes in affording protection to the investing public.—Ed.

The transfer of real estate is as old as our civilization. From the time man saw the value of grazing lands, watering spots and shelters, it became apparent that there would be contracts faithfully performed and contracts fraudulently obtained; there would be wars, deaths and intrigues for land.

The Earliest Realty Transaction

The earliest record of a real estate transaction to my knowledge is found in the twenty-third chapter of Genesis. Quoting part of this 'And Abraham stood up from before his dead and spake unto the sons of Heth saying, 'I am a stranger and a sojourner with you, give me a possession of a burying place, with you that I may bury my dead out of my sight' "—and skipping a few verses, the passage continues—"If it be your mind that I should bury my dead here, make and entreat for me to Ephram the son of Zohar that he may give me the cave of Machpelah, which he hath, which is in the end of his field for as much money as it is worth he shall give it for a possession of a burying place amongst you; and Ephram the Hittite answering Abraham in the audience of the children of Heth saying, 'Nay, my Lord, hear me, the field I give thee and the cave that is therein I giveth thee". They talked a bit as to whether it should be bought or given and finally Ephram said "the land is worth 400 shekels of silver; what is that betwixt me and thee, but Abraham paying to Ephram the silver which he had named in the audience of the sons of Heth 400 shekels of silver current money with the merchant and the field of Ephram which was in Machpelah, which was before Mamre the field and cave which was therein and all the trees that were in the field that were in all the borders round about were made sure".

You will note that there was an audience or witnesses to this transaction; even though it was offered as a gift, Abraham insisted that he pay a money consideration and that he pay with the legal tender or the money of the land of that day. In obtaining the title to the land, Abraham apparently saw to it that he owned the cave with the possibility of minerals, all the timber and had it surveyed to make sure of the boundaries which is more than a lot of purchasers do today.

Loopholes Even Then

Fifteen hundred years before Christ in the ancient City of Nuzi, excavated in Mesopotamia during this century, it was against the law to sell the land, but some smart Nuzian attorney figured out a way to get around the statutes.

Land could be transferred from one relative to another, but it could not change hands outside of the family, so people who wanted to own real estate had themselves legally adopted by people who had it. The new relative received the tracts he coveted as a part of his "inheritance" and in turn made a cash "present" to his new papa which was really the price agreed upon for the land.

For Nuzi was a war-like city that raised its Army from its land owners who were automatically conscripted because they were land owners. Thus, the law providing against the sale of real estate sought to prevent the ownership of large areas of land by one person because this would cut down on the number of available warriors.

In Babylonia

Safeguards for holding real estate were highly developed in Babylonia, played an important part in this civilization for thousands of years, and were much more advanced than anything that has yet been found in Egypt.

Ancient Land Contract

The oldest land contract was probably written in Sumerian in 3000 B.C. The Sumerians were the early inhabitants of Babylonia, and the sys-

tem of private land tenure was firmly established at this early period when the buying, selling and donation of land was subject to fixed rules. A neat sundried tablet provides for the payment of so much copper for a field with a "supplementary" payment of so many loaves of bread, so much cloth, butter, and oil for the house "which has been built upon the field."

A thousand years later land contracts had become standard in form and property was sometimes sold on credit.

Assyria

Written in Assyrian after 2000 B.C., thousands of clay tablets, that lie wrapped in cotton in museums throughout the world, show that the "dotted line" was used freely in Babylonia, and that in those ancient civilizations every sale of land had to be written to be legal. Before people knew how to write, all contracts were necessarily oral and, for protection in case of dispute, witnesses were always present when a contract was made. After writing was invented, the written contract supplemented the word of witnesses who were still considered very important legally; and their signatures always appear. The practice of having witnesses to legal papers prepared today comes down from this period.

Form of Document

From 3000 B.C. down to the Christian era, the form of the documents transferring the land remained practically the same. First came a description of the land, its size and exact location; then the names of the seller and the buyer and a statement that the land in question had been sold. Usually the price was paid at once, but there are cases on record where the purchase was made on credit—this credit being a promise to pay written in the contract or made before witnesses. At the end of the contract was a note to the effect that the participants have corroborated the purchase by oath (similar to our oaths before notaries for legal papers); then followed the signatures and the names of witnesses.

In a Public Place

The contracts were written by professional scribes and copies were made (not carbons—but another clay tablet laboriously inscribed). One copy was kept in the temple or some other public place for future reference, and the other copy was retained by the buyer who filed it away in a jar in his home. The witnesses rolled their seals upon the tablets, and if they did not possess a seal, they made a mark on the tablets with the nail of the thumb. The tablets were baked primarily to prevent tampering with the content.

Fief Estate

The land was largely in the hands of the crown, the temples that correspond to the banks of today, and the great nobles or merchants who were landed proprietors. The land of the crown was almost entirely cultivated by the soldiers who were given a "fief-estate" in return for their services. "Fief-estates" could not be sold by the tenants. The temples often rented their land to farmers who paid their rent with a part of their harvests.

In 2500 B.C., a Babylonian king purchased some large tracts of land and had the transaction recorded in precise language on a large dark-green stone. It is worth noting that this king did not confiscate the land that he wanted, but bought it from the owners in a perfectly legal way, which shows how firmly established were the rights of private ownership so many centuries ago.

But the times were uncertain and all rulers were not respectors of old laws. Predatory kings seized land sold or given away before their reign and disregarded the clay contracts, witnesses and all. And casting around for some means to insure the ownership of land, these ingenious people filled their real estate documents with awful curses to fall on anyone seeking to set these contracts aside.

Wrath of the Gods

People were not afraid of much in those days, and the law could not always be enforced, especially by a poor man against a king who might covet his little plot of ground. But everyone—beggar and king alike—feared the wrath of the gods; and from 1700 B.C., contracts transferring the land throughout Babylonia called down leprosy, drought and famine in the name of the gods on "anyone whatsoever who shall take away these lands." The curses were written at the end of the contracts and usually ended with a clause establishing "these boundaries forever."

"Whensoever in later days," reads a stone inscription written in this period, "an agent, a governor, or a prefect, or a superintendent or an inspector, or any official whatsoever who shall rise up and be set over Bit-Khanbi and shall direct his mind to take away these lands, or shall lay claim to them, or cause a claim to be made to them, or shall take them away, or cause them to be taken away, or shall side with evil and shall return these lands to their province, or shall present them to a god or to the king—or to any other man—or because of the curse shall cause another to take them or shall cause another to remove this memorial-stone or shall cast it into a river or put it in a well, or destroy it with a stone, or hide it in a place where it cannot be seen, upon that man may Anu, Enlil, Ea, and Nin Makh, the great gods look with anger and may they curse him with an evil curse that cannot be loosened! May Sin, the light of the bright heaven, with leprosy that never departs clothe his whole body, so that he may not be clean until the day of his death, but must roam about like a wild ass outside the wall of his city.

May Gula, the mighty physician, the great lady, put a grievious sickness in his body—may Adad, the ruler of heaven and earth overwhelm his fields, so that there may spring up abundantly weeds in place of green herbs and thorns in place of grain. May Nabu, the exalted minister, appoint him days of scarcity and of drought as his destiny—His name, his seed, his offspring, his posterity, may they destroy in the mouth of widespread people."

One undertook something in breaking a realty contract in those days.

Neighbors

Owners or lessees of land had certain duties imposed by law so that no harm might come to adjoining property. For example, irrigation canals had to be kept in good condition so they would not overflow the neighboring estates. A man who violated this law had to pay for any damage that might result from this neglect. The law also provides that land owners or lessees must keep boundary walls in good condition.

In B. C. Days

About 1800 B.C., an ancient scribe drew up a lease which was duly executed and which contained the requirement that the lessor keep the house in repair, a provision found in most leases today. The tablet reads:

"The whole house which is owned jointly by Awel-Sin, the judge, and Ilushu-Ibni Sin-Ikisham, the scribe, has rented from (said) Awel-Sin and Ilushu-Ibni for one year. As the rent for one year he will pay five shekels of silver. He shall plaster the roof and strengthen the walls, the lessor will pay the expenses. As (the first) installment he has paid two shekels of silver."

There has been excavated a contract for a house lease for two years with part payment in advance and another where a contract provided that a field be given as security for money borrowed by its owner, the lender possessing the field until the loan is paid.

People today do not have to spend their time thinking up black curses to protect their real estate contracts; neither do they have to join another family and become cluttered up with inlaws, but in spite of their quaint and curious methods, the ancient Babylonians began the long process of safeguarding real estate that has made it valuable down through the centuries.

Thus, we get a short word picture of the transfers of real estate as far back as three thousand years B.C. I will not attempt to go into the various systems of transfers from the

early days of the Christian era to the settlement of America, even though there are many interesting items in history of the process and transfers of lands, but they would become monotonous and too long to attempt to relate the history here.

Alienability

I do wish to follow briefly the history of the transfers in this country. Many of our practices and customs in the handling of title to real estate or to real property came to us from the English. Even today, there is no general law in England for the recording of deeds and other evidences of ownership in or claim upon land. In many parts of the British Isles, it is still the custom that the grantor shall pass to the grantee his ownership, title, deeds and other muniments of title. We early established in this country the recording system. We embarked upon and have consistently and faithfully held to a policy of free alienability of land, that is the right of freely holding the title to land and freely disposing, by sale or otherwise, our title to land.

The Land Act of 1785 stated that lands of the public domain shall be freely alienable. I cannot refrain from offering the comment that for so long a time as our present social order is accepted and for so long a time as we shall have "free enterprise" in "free America" the private ownership of real estate must ever be observed.

As shown in the previous part of this paper, a number of the deeds were recorded so to speak by filing same in the temple and through history we find a central filing place, but we do not find any compulsory act for evidence of title until the establishment of the colonies in North America. This is truly an American system.

In October of 1640, the general court of Massachusetts passed a general ordinance as follows:

Notice

"For avoiding all fraudulent conveyances, and that every man shall know what estate or interest other men may have in any houses, lands, or other hereditaments they are to deale in, it is, therefore, ordered, that after the end of this month no mortgage, bargaine, sale or graunt hereafter to bee made of any houses, lands, rents or other hereditaments shall bee of force against any other person except the graunter and his heirs, unless the same bee recorded, as is hereafter expressed."

The general rule is that an instrument when filed for record with the proper official at once becomes effective and imparts constructive notice of title, liens, etc., to all the public.

Evolution

Charles C. White of Ohio, one of the great legal lights of his state in real property law, has defined the business or profession of furnishing evidences of title to land in America as having gone through or now going through four stages or four practices for the transfer:

1. The pre-abstract stage;
2. The abstract and attorney stage;
3. The certificate of title or guaranteed title stage;
4. The title insurance stage.

In the pre-abstract stage, we find that the country was lightly traveled, land values were low and land was plentiful. Everyone in the community knew everyone else and if a transfer was made the community as a whole would witness the transaction and there was not a great necessity for proving titles.

As transfers became more frequent and values began to rise, it was customary for a prospective purchaser to employ an attorney usually one who specialized in real property transfers in his community to check the public records to determine that he was buying the proper piece of land from the proper parties. This attorney would also determine that there were no encumbrances of record, adversely affecting the title.

As business increased, attorneys began to specialize in chaining the title only, and then writing an opinion of the title. Still later, the chaining was done by one person or a group and the opinion was written by another person or group.

As most of you have not had a great deal of experience with an abstract of title or with attorney's opinions or other methods of transferring title to real estate, it might be of interest to give a short resume of the contents of an abstract and the process taken in preparing same.

Variety of Recordings

Some people often wonder why a person could not go to the Recorder's office, (in this state known as the County Clerk's office), and check a title without employing an expert to do this work. I believe you will be able to understand the reason for employing someone with experience when you realize the many items that must be checked.

A completed abstract of title is a complete history of all transfers of the real estate including any encumbrances thereon from the time the property was conveyed by the U. S. Government to the present time. In this state, (Florida) we have three basic titles.

1. The Spanish Grant, being grants of land granted to subjects of the King of Spain by the King during the time that Florida was in the possession of Spain. After the purchase of Florida by the U.S. these grants were investigated, surveyed and application made by the then owner for confirmation by the Congress of the U.S. So the first record we must get on the Spanish Grant is the Memorial and the Confirmation by the U. S. Congress. In many of these grants, the descriptions were vague and indefinite and in many cases inaccurate. This has caused much litigation in clearing these titles.

2. The second conveyance from the government, the U.S. Patent, issued by the U. S. Patent Office, to an individual who had settled and homesteaded the property and fulfilled certain obligations, or in some cases, a direct sale by the U. S. Government to certain land. Our state is divided, except for the grants, into sections, townships and ranges, as all other states, (except the original thirteen) in what is known as townships containing 36 square miles, each square mile being a section and numbered beginning with number 1 in the NE corner.

3. All swamp and overflow lands were patented by the U. S. Government to the State of Florida and deeded by the Trustees of the Internal Improvement Fund, which is the Governor and his Cabinet, to various purchasers.

There are a few exceptions to these three basic transfers in that all sections 16 were granted to the Board of Education for educational purposes.

Checking and Re-checking

From this origin a titleman then checks for any subdivisions within the described lands or more accurately receives the description of the property to be abstracted and checks backward to determine any subdivisions or changes back to the last descriptions.

All plats are shown to assist the examiner in determining the location of the property in question.

All deeds including warranties, quitclaims, guardian's deeds, administrator's deeds, executor's deeds, sheriff's or special master's and tax deeds are shown in the abstract. All mortgages and any assignment of said mortgages or partial releases or full satisfaction of same are shown.

All tax sales which would be sale of certificates denoting delinquent taxes and possible tax deeds if said lands were not redeemed would be shown. All liens for labor, material, city improvements, money judgments, against the parties as appear in the chain of title.

All probate matters including insanity proceedings, guardianship proceedings of minors or proceedings in connection with the death of any previous owner.

Intangible taxes which are now a lien on real estate if unpaid are also checked and shown.

Miscellaneous items such as affidavits, establishing various evidences of title, powers of attorney, divorces are also checked.

Chancery proceedings including quiet title suits, foreclosures of mortgages, foreclosures of liens and the like are also checked and shown.

As you will see, it would be impossible to check every item recorded in the Recorder's office each time an abstract is prepared. Legitimate title companies have prepared a system of records whereby a title can be checked with accuracy and speed without referring to every instrument of record each time the work is done. It takes much more preparation than an alphabet index since it is possible for persons to change their names either by Court order or by marriage whereby running an alphabet index would not divulge the necessary information.

The Record Only

After the abstract is prepared, many people think their title is good. The abstracter does not purport to say the title is good in any way. The abstract gives a history of the title and is used for one or two purposes; either to take to an attorney for examination to determine from that attorney's opinion whether or not the title is marketable, or to have the title company have its attorney examine in the same method and have the title company then issue a title policy or a title guaranty covering the property.

The first title insurance policy was written in Philadelphia about 1875. Prior to that time, all titles if properly handled were abstracted and examined by an attorney in private practice who rendered his opinion. Since the first writing of the title policy, title insurance has gradually grown and is still growing to the point that we predict that in another few years practically all real estate transfers will be handled with a title insurance policy.

Title Insurance

Many people do not seem to understand the difference between title insurance and an attorney's opinion. An attorney's opinion is exactly what it says. It is the opinion of that particular attorney as to the validity of the title he has examined. His opinion is just as good as his word, his financial standing and his ability. He does not purport to guarantee the title and has not in any way said so. You may also note that most attorneys begin by stating that they have based their opinion on the examination of the abstract presented them and the contents contained therein.

Title insurance is a guarantee that the title is good, subject to the exceptions as shown in said policy, and its regular conditions and stipulations.

This policy does not guarantee that the title is good from what is found of record or from what is determined by examining the abstract, but is good and so guaranteed with the backing of the company, issuing said policy. The company issuing said policy before writing the policy has employed competent counsel to examine the abstract of the title, (or its equivalent), and determine that so far as possible to do so the title is good. The insurance protects the purcaser both from errors and from omissions by the title company and by the examiner as well as protecting against matters not of record.

"Off the Record" Perils

It would be impossible to examine a title and determine that a deed or other instrument had been forged. The attorney examining such a title certainly would not be held liable,—yet the purchaser could lose his entire investment.

A title policy guarantees against forgery. Another example is an estate proceeding where the estate is probated, and the heirs listed and the attorney has examined thoroughly but an undisclosed heir appears in due time and claims his interest. This information would not be disclosed by the records. The attorney would not be liable and the title company would protect the purchase.

A deed signed under duress or while the person was drunk or incompetent or insane and not disclosed by the records is covered by title insurance, but cannot be covered by an attorney's examination.

A deed by a minor is covered by the insurance and cannot be covered by the attorney when the records do not disclose that said person is a minor.

A person may sign a deed as single and the records look clear when in fact this person had a spouse who was undisclosed at the time, and the spouse come in and claim her interest and collect from the title comany. If the title were insured, but collect from the owner if only examined by an attorney. This would certainly not be considered an attorney's error.

Maybe you think from these few examples that it could not happen to me. This is true in a large percentage of the cases, but suppose there is an error either in the evidence of title or in the opinion rendered, and this is possible even among the best of us. If it were an error by a reputable title company in all probability, it would be paid. If it were an error by a reputable attorney, I am sure he would go far to protect his good name by protecting his client. Life is uncertain, and although the corporation who prepared the title evidence may continue in business, the attorney who examined the title may be dead when the error is found; and, regardless of his ability and willingness after a certain period of time, there would be no recourse.

The evolution of title evidencing has been a steady process for centuries. The sale of real estate has become more involved throughout the history and in all probability the evolution will continue as involvement becomes more complicated; however, at the present time, it appears that the safest way to protect one's investment in real estate is through title insurance in a reputable title insurance company..

Title Examination Standards

Supplemental Report of Committee
Missouri Bar Association

To the Board of Governors
Of the Missouri Bar:

Exhibit "F" of the 1949-50 Title Examination Standards Committee report, published beginning Page 152, August, 1950 issue of the Missouri Bar Journal is a copy of a report on the Michigan "Marketable Record Title Law" prepared by Professor Willard L. Eckhardt, of the Law Faculty, Missouri University Law School, Columbia. This Committee considered the report of such interest and importance that it asked Professor Eckhardt to prepare a tentative draft of a possible Marketable Title Act for Missouri, patterned after the Michigan Law. Such a draft has now been completed, and is enclosed herewith.

The Committee requests that this supplemental report, including the tentative draft of the Act be accepted by the Board and referred to the 1950-51 Title Examination Standards Committee for consideration and recommendation.

The Committee also recommends that this report be referred to the Trusts and Real Estate Law Committee for its consideration and recommendation.

For identification purposes, the tentative draft of the proposed Market-

able Title Act for Missouri is described as Exhibit "G" and is to be considered as a part of the 1949-50 report of the Committee.

The Title Examination Standards Committee desires to thank Professor Eckhardt for his expert handling of a difficult but potentially very valuable assignment in the field of real property title law.

Respectfully submitted,

H. H. Blair, Chairman, Kansas City.
George E. Phelps, Vice Chairman, Carthage.
1949-50 Title Examination Standards Committee.

EXHIBIT "G"

AN ACT to (title to be written later)

TABLE OF SECTIONS

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section 1. Popular title.—This act may be referred to as the "Marketable Title Act."

Section 2. Who shall have marketable title of record.—Any person having the legal capacity to own land in this state, who now has or hereafter has an unbroken chain of title of record to any interest in land for at least forty years, has or shall have a marketable title of record to such interest, subject only to the exceptions stated in section 3.

Such marketable title of record shall be held by such person and shall be taken by his successors in interest free and clear of any and all interests or claims whatsoever, of any nature whatever and however denominated, not excepted from the operation of this act by section 3, the existence of which depend in whole or in part upon any act, transaction, event, or omission, and all such interests and claims are hereby declared to be null and void and of no effect whatever at law or in equity.

Notice, actual or constructive, of such interests or claims shall not affect the operation of this act. The operation of this act shall not be affected by any disability or lack of knowledge of any claimant, or the fact that any claimant is a member on active duty of the armed forces of the United States, or the fact that a potential claimant is not ascertained or is not in existence, or the fact that said lands are given, granted, sequestered or appropriated to any pious or charitable use.

Section 3 Exclusions from the operation of this act.—Only the following interests or claims shall be excluded from the operation of this act:

(a) interests or claims which are created, acknowledged, or specifically referred to by the provisions or limitations contained in the record of the conveyances or other title transactions which are the essential links of such chain of title of record;

There is wide spread interest in the subject of Examinations of Titles, some interest in legislation of curative character, and much interest in adoption by the Bar of certain standards.

With specific reference to the last phase, this interest takes various form. In some jurisdictions, it is only county-wide, on a somewhat loose understanding between the attorneys of the county, or among those who specialize in Real Property Law, that certain standards are to be accepted. In some few spots, the action is on a statewide basis.

We are permitted to carry in "Title News" the proposals of the Committee on Title Examination Standards of the Missouri Bar Associations. Arrangements to this end were made for us by Mr. McCune Gill, of St. Louis, Past President, the American Title Association, President, Title Insurance Corporation of St. Louis, and long a distinguished member of the Missouri Bar Association.

To the Missouri Bar Association, we express our thanks. To Mr. Gill, who has served the title fraternity in many ways for many years, goes word of our deep appreciation.—Ed.

(b) interests or claims based wholly on some act, transaction, event, or omission from and after which not more than forty years have or hereafter shall have elapsed: provided, however, that if such act, transaction, event, or omission appears of record and constitutes constructive notice, the forty year period shall commence with the date the same appeared of record;

(c) interests or claims for which a notice of claim, as provided for in sections 6-9 of this act, is filed for record before the times therein specified;

(d) interests or claims of any person in the actual, open, notorious possession of the land;

(e) any easement or interest in the nature of an easement, the existence of which is clearly observable by physical evidences of its use; and

(f) any right, title, or interest in any land owned by the United States, or by this state or by any political subdivision, instrumentality, or agency thereof.

Section 4. Title transaction defined.—The term "title transaction" as used in this act means any transaction affecting title to land, and without limiting the generality of the foregoing, shall include title by direct conveyance, title by will or descent from any person who held title of record at the date of his death, title by decree or judgment of any court of competent jurisdiction, title by tax deed, and title by trustee's, referee's, guardian's, administrator's executor's commissioner's, sheriff's, or marshal's deed.

Section 5. Chain of title defined—what may constitute root of chain of title—two or more chains of title.—A person shall be deemed to have an unbroken chain of title of record to an interest in land, as such term is used in section 2, when the official public records affecting the land disclose a conveyance or other title transaction of record for at least forty years, which conveyance or other title transaction purports to create such interest in some other person, and other conveyances or other title transactions of record by which such purported interest has been transferred to the person first mentioned in this sentence, with nothing appearing of record after the record of such first conveyance or title transaction purporting to divest, in favor of some person outside said chain of title, such purported interest from such person or his immediate or remote predecessors in title.

A person also shall be deemed to have an unbroken chain of title of record to an interest in land when the official public records affecting the land disclose a conveyance or other title transactions of record for at least forty years, which conveyance or other title transaction purports to create such interest in such person, with nothing appearing of record thereafter purporting to divest such person of such purported interest.

Provided, however, that the conveyance or other title transaction of record for at least forty years which constitutes the root or first link of the chain of title may not be a quit claim deed, or title by descent, and may be title by will only where there is a devise particularly describing the land. Subsequent conveyances or other title transactions in the chain of title may be any conveyance or other title transaction.

Provided, further, that where the

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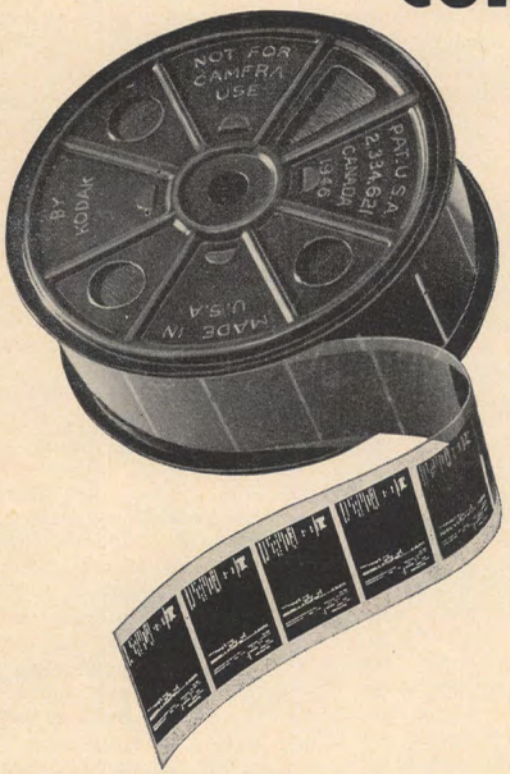

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official public records affecting such land disclose two or more persons each with an unbroken chain of title of record for at least forty years, this act shall operate, subject to the exceptions stated in section 3, in favor of such of the persons as is in the actual, open, and notorious possession of the land, and against all other claims and interests including those of such other person or persons. However, if no person is in the actual, open, and notorious possession of the land, this act shall not operate as between the persons each with an unbroken chain of title of record for at least forty years, but this act shall operate, subject to the exceptions stated in section 3, against all other claims and interests.

Section 6. Notice of claim—by whom filed—when required to be filed.—Any person having an interest in or claim against any land, or any other person acting on his behalf, may exclude such interest or claim from the operation of this act, by filing for record with the recorder of deeds of the country wherein the land is situated on or before December 31, 1952, or within forty years of the time of the act, transaction, event, or omission upon which in whole or in part the interest or claim is based, whichever date is later, a notice of claim in writing, acknowledged or proved in the manner conveyances or other instruments affecting land are required by law to be acknowledged or proved: provided, however, that if such act, transaction, event, or omission appears of record and constitutes constructive notice, the forty year period shall commence with the date the same appeared of record.

Section 7. What notice of claim shall include.—The notice of claim to be effective shall include:

(a) An accurate and full description of all the land affected by such notice which description shall be set forth in particular terms and not by general inclusions;

(b) the name and address of the claimant or of each claimant if there be more than one: provided, however, that if any claimant is not in existence or is otherwise unascertained it shall be sufficient as to his interest or claim to state with reasonable particularity how his identity may be ascertained in the future;

(c) the name or names of such of the present owners of record of the land as would bring the notice of claim within the chain of title and make the instrument discoverable by a search of the grantor index;

(d) a brief statement of the act, transaction, event, or omission upon which the claim is based, and if the act, transaction, event, or omission be of record, the office where recorded, and the date, volume, and page of recording.

Section 8. Notice of claim, how recorded and indexed.—The recorder of deeds of each county shall accept all such notices of claim, duly acknowledged or proved, presented to him which describe land located in the county in which he serves, and shall record and index the same in like manner as deeds of lands are required to be recorded and indexed, and each recorder shall be entitled to charge the same fees for the recording thereof as are charged for recording deeds. In indexing such notices of claim, the recorder shall enter as grantees the names of the claimants as they appear in the notice of claim and the recorder shall enter as grantors the names of the present owners of record of the land as they appear in the notice of claim. In the case of unidentified or unascertained claimants, the claim may be indexed in substantially the following form: (Name of parent, ancestor, etc.), unborn (children, issue) of; or in such other forms as reasonably meet the exigencies of the cases.

Section 9. Effective period for notice of claim—subsequent notices of claim.—Such notice of claim so filed for record shall exclude said interests or claims from the operation of this act only for a period of forty years from the filing thereof for record. Before a notice of claim expires at the end of said forty year period, a new notice of claim may be filed for record, and so on from time to time as long as any person filing such notice of claim deems it necessary, and each subsequent notice of claim shall exclude said interest or claim from the operation of this act for a period of forty years from the filing thereof for record. To be effective a new notice of claim shall contain the matters specified in section 7 as of the time when such new notice is filed for record.

Section 10. Interests or claims otherwise barred.—Nothing contained in this act shall be construed to affect any statute, decision, or rule, now existing or which may hereafter be enacted or adopted, whereby any interest or claim has been or will be extinguished, barred, or otherwise unenforceable or unprovable, and, without limiting the generality of the foregoing, nothing contained in this act shall be construed to affect the statutes of limitation, the doctrine of laches, the recording acts, the statutes of fraud, or the parol evidence rule and other rules of evidence.

Section 11. Other titles may be marketable titles of record.—Nothing contained in this act shall be construed to limit the term "Marketable title of record" to the marketable title of record as provided for in this act.

Section 12. Legislative purpose.—This act shall be construed to effect the legislative purpose of simplifying and facilitating land title transactions by allowing persons dealing with the record title owner to rely on the record title as shown by matters of record covering a period of not more than forty years prior to the date of such dealing.

Section 13. Severability.—The provisions of this act shall be severable, and if any section, subsection, sentence, clause, or word of this act is for any reason held to be invalid, such holding shall not affect the validity of the remaining portions hereof.

The Valuation Charge

FRANK W. THOMPSON

Owner and Manager of the Iola Abstract Company, Iola, Kansas, and Vice President of the Kansas Title Association

I have been asked to write an article concerning my experience in using the valuation charge. There have been a number of articles written concerning this charge which are undoubtedly more complete and conclusive than this will be. However, I am glad to pass on my limited experience in this field for whatever interest it might have for other abstracters contemplating the use of such a charge.

First, I would like to state that I operate what is commonly referred to as a small business. Allen County has a population of approximately 17,000 and the county seat town of Iola is about 7,500 population.

I initiated the valuation charge in my business in August, 1950 and so have had eight months experience with it at the time of writing this article.

Necessity

My decision to initiate this charge was based on two primary reasons. First, I felt some sort of a price raise was necessary and fair for the service I furnish the public as an abstracter of titles. Second, In studying the various charges used in the

abstract business and after talking to several other abstracters, including my two competitors, I decided that the valuation charge was fairest to me and to my customers.

This is the way the valuation charge works as used in my office.

How It Operated

A charge of 1/5 of 1% ($2.00 per thousand) of the assessed valuation as shown on the tax records in the office of the County Treasurer is made on all properties with an assessed valuation of $100.00 or more. No valuation charge is made on properties with an assessed valuation of less than $100.00. The maximum charge made in any case does not exceed $15.00, that is to say, that if the charge of 1/5 of 1% of the assessed valuation would exceed $15.00 the valuation charge is shown on the customer's statement as $15.00. The valuation charge is made against the same owner only once during the period of one year. If the valuation charge is made once and then within the period of one year the abstract comes back for additional work but there is no change in ownership no valuation charge is made. A valuation charge is made if there has been a change in the ownership or if one year has elapsed since the last certificate. Abstracters in Allen County honor each others valuation charge, that is, if when we receive an Abstract of Title which was last certified to by another abstracter which from the date of the certificate shows that a valuation charge was made or should have been made, no valuation charge is made unless the period of a year has expired or unless there is a change in ownership.

Right here, I want to make it clear that the valuation charge as used in my office is a separate and additional charge that has nothing to do with the other abstract charges. I still make my regular charge for entries, court work and certificate. The valuation charge is merely shown as a separate item on the customer's statement.

Results

Now to get down to what the valuation charge has meant in the way of financial return to my business. Based on eight months experience the valuation charge amounted to 20.5% of my total charges exclusive of recording fees, deed revenue, mortgage tax, etc. In other words, it increased my gross revenue from title services 20.5%. This amounted to an increase of approximately $2.70 per order.

Reaction of Public

Customer reaction to the valuation charge has been pleasing to me. I always itemize my statements. Most people never look at the itemized charges. I have received only one complaint and it was from a customer in another county. A number of customers have asked me about the charge and have agreed when I explained it that it is a fair charge.

I would explain that the charge was fair, that the properties having the higher valuation are the properties the abstracter is risking the most liability on and should pay accordingly. That if an abstracter, who by law works under bond, is to be financially responsible he must make some charge for that risk in order to be able to meet any claims that might arise.

I have been asked by out of State abstracters if I put a ceiling as to the amount of liability I will assume under the valuation charge system and, if so, if I amend my abstracter's certificate so that it contains language setting forth the amount of liability assumed. My answer to this is no. Under the Kansas law and court decisions I doubt very much if an Abstracter can limit his liability. However, in states where an abstracter can limit his liability, I think such a limitation would be a very practical consideration.

I picked a 1/5 of 1% of the assessed valuation as shown by the county treasurer's records as the basis of a valuation charge. Assessed valuations are very low in Allen County. I am not recommending that percentage. It so happened in my case that a 1/5 of 1% gives me the additional revenue I think I am entitled to as an abstracter. I may change that percentage if properties are reassessed or some other factor changes. Any person contemplating use of a valuation charge should use a percentage that fits his particular situation.

Make Your Own Studies

I don't care what fee anyone fixes as the surcharge based on valuation. I don't care whether they use the assessed valuation or the consideration in the instant transaction. I don't care if the valuation charge is combined with a time charge.. Whatever anyone adopts in the way of a percentage and rate of dollars per thousand of valuation is his business.

I am simply stating as a theory, as a principal, that in my judgment, it would be well for abstracters of the country to give favorable consideration to the idea of a valuation charge.

Documentary Stamp Taxes on Conveyances of Real Estate

The Chicago Title and Trust Company, by Mr. Paul W. Goodrich, Vice-President, permits us to publish in "Title News" its pamphlet on this subject.

This was printed as a 5¾ x 8¾ pamphlet and has been widely distributed by the Company.—Ed.

FOREWORD

The purpose of this booklet is to provide attorneys with a convenient source for quick reference concerning the ordinary questions which arise relating to documentary stamp taxes on conveyances of real estate.

Pertinent sections of the Internal Revenue Code (Title 26, U. S. Code); all of the Subpart G Regulations 71 of U. S. Treasury Department, Bureau of Internal Revenue, which deals with the taxation of conveyances of realty sold; one opinion of the General Counsel of the Bureau of Internal Revenue; one ruling of the Miscellaneous Tax Section of the Bureau of Internal Revenue and several citations to relevant decisions are included. No attempt has been made to deal with unusual or controversial situations. It is recommended that they be referred to the local Collector of Internal Revenue or the Commissioner of Internal Revenue in Washington.

Through use of a complete index and marginal references it is hoped that all ordinary questions may be quickly answered.

STAMP TAXES ON CONVEYANCES OF REALTY SOLD

THE LAW

(References are to the Internal Revenue Code)

Levy of the tax.

"I.R.C. 3480. IMPOSITION OF TAX. There shall be levied, collected, and paid, for and in respect of the several bonds and other documents, instruments, matters, and things mentioned and described in sections 3481 and 3482, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, are written or printed, the several taxes specified in such sections."

* * * *

Documents affected.

Property covered.

Minimum Consideration.

Rate of tax.

Instruments securing debts not taxed.

"I.R.C. 3482. CONVEYANCES. Deed, instrument, or writing, (unless deposited in escrow before April 1, 1932), whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds $100 and does not exceed $500, 55 cents; and for each additional $500 or fractional part thereof, 55 cents. This section shall not only apply to any instrument or writing given to secure a debt."

Other sections of Internal Revenue Code incorporated by reference.

"I.R.C. 3483. ADMINISTRATIVE PROVISIONS. Sections 1808 and 1809 of subchapter A of chapter 11 and subchapters B (I.R.C. 1815-1819), C (I.R.C. 1820-1823) and E (I.R.C. 1835-1838) of such chapter shall, insofar as applicable and not inconsistent with this chapter, be applicable in respect of the taxes imposed by this chapter."

"I.R.C. 1808. EXEMPTIONS. There shall not be taxed under this chapter—

(a), (b), (c), (d)—omitted, not here pertinent.

"(e) **Corporate Reorganizations and Reorganization of Railroads.**—The provisions of section 1801, 1802, and 1821 (b) of this chapter and the provisions of sections 3481 and 3482 of Chapter 31 shall not apply to the issuance, transfer or exchange of securities, or the making, delivery or filing of conveyances to make effective any plan of reorganization or adjustment—

Bankruptcy deeds.

"(1) confirmed under the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended,

Railroad reorganization deeds.

"(2) approved in an equity receivership proceeding in a court involving a railroad corporation, as defined in section 77 (m) of such Act, or

Equity receivership.

"(3) approved in an equity receivership proceeding in a court involving a corporation, as defined in section 106 (3) of such Act,

Time limit.

if the issuance, transfer, or exchange of securities, or the making, delivery or filing of instruments of transfer or conveyances, occurs within five years from the date of such confirmation or approval."

(f), (g)—omitted, not here pertinent.

"**I.R.C. 1809.** PAYMENT OF TAX.

Grantor liable for tax. "(a) BY WHOM PAID.—The tax imposed by this chapter shall be paid by any person who makes, signs, issues, sells, removes, consigns or ships any of the documents, instruments, matters, and things mentioned and described in sections 1801 to 1807, inclusive, or for whose use or benefit the same are made, signed, issued, sold, removed, consigned, or shipped. ....."

(b) METHOD OF PAYMENT.—(here omitted).

(Note: although I.R.C. 1809 does not cite I.R.C. 3482 which taxes deeds, I.R.C. 1809 is made applicable to deeds by I.R.C. 3483, above.)

I.R.C. 1815 - 1819 referred to in I.R.C. 3483 above, deal with the affixing; cancellation; supply and methods of safeguarding, of documentary stamps.

Penalties. **I.R.C. 1820 - 1823** referred to in I.R.C. 3483 above, deal with penalties and forfeitures in connection with various stamp taxes.

I.R.C. 1835 - 1838 referred to in I.R.C. 3483 above, deal with miscellaneous provisions such as records, statements and returns; rules and regulations; other laws applicable; and cross references in connection with various stamp taxes.

THE REGULATIONS

(References are to Subpart G of Treasury Regulations 71 and also to Part 113 of Title 26 Codification of Federal Regulations.)

What is taxed. "REG. 71, SEC. 113.80. SCOPE OF TAX.—Section 3482 imposes a tax upon deeds, instruments, or other writings (unless deposited in escrow before April 1, 1932), whereby realty sold is granted, assigned, transferred, conveyed to, or vested in, the purchaser or, at his direction, in any other person, when the consideration for, or value of, the interest or property conveyed, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds $100.

Transactions covered.

Minimum consideration.

"The tax is limited to conveyances of realty sold and does not apply to other conveyances. The tax accrues at the time the deed or other instrument of conveyance is delivered, irrespective of the time when the sale is made.

Date of tax accrual.

Escrows. "Deeds deposited in escrow become subject to the tax upon delivery to the grantee, unless deposited in escrow before April 1, 1932.

Effective date where subject to equity of redemption. "A conveyance of realty subject to an equity of redemption is taxable when made, not when the time for redemption expires.

Mortgages exempt. "The statute expressly exempts from the tax any instrument or writing, such as a mortgage, given to secure a debt."

"REG. 71, SEC. 113.81. DEFINITIONS.—As used hereinafter in this subpart—

Deed defined. "(a) The term 'deed' includes any instrument or writing whereby realty is assigned, transferred, conveyed to, or vested in, the purchaser or, at his direction, in any other person.

Sold, consideration, defined.

"(b) The term 'sold' imports transfer of title for a valuable consideration which may involve money or anything of value."

Tax rate.

"REG. 71, SEC. 113.82. RATE AND COMPUTATION OF TAX.—The rate of tax is 55 cents on each $500 or fractional part thereof of the net consideration paid for, or the net value of, the realty conveyed, that is, the gross consideration or gross value less, in either case, the amount of all liens or encumbrances on the realty existing before the sale and not removed thereby.

Net consideration.

Tax measured by net consideration.

"The tax is based upon the net consideration where it is definite in amount, or may be definitely determined.

Measure where consideration indefinite.

"The tax is based upon net value where the amount of the consideration is indefinite, or is left open to be fixed by future contingencies.

Liens, etc. not removed deducted.

Tax liens.

Liens placed in connection with sale.

Deferred payments.

"In determining the amount of the net consideration for, or net value of, the realty conveyed, only the amount of the liens and encumbrances on the property existing before the sale and not removed thereby may be deducted. Thus, for example, taxes or assessments which are liens on the property before the sale and are not paid at the time of sale are deductible. No deduction shall be made on account of any lien or encumbrance placed upon the property in connection with the sale, or by reason of deferred payments of the purchase price whether represented by notes or otherwise."

TAXABLE TRANSACTIONS.

"REG. 71, SEC. 113.83. CONVEYANCES SUBJECT TO TAX. — The following are examples where the tax applies:

Exchanges.

"(a) A conveyance of realty in exchange for other property; also the conveyance of the other property if it is realty.

Conveyances in consideration of maintenance.

"(b) A conveyance of realty in consideration of life maintenance. The tax is computed on the net value of the realty conveyed.

Conveyances in lieu of foreclosure.

"(c) A conveyance by a defaulting mortgagor to the mortgagee in consideration of the cancellation of the mortgage debt. The tax is computed on the amount of the mortgage debt plus unpaid accrued interest.

Masters', Sheriffs', Clerks', Bailiffs', Deeds.

"(d) Deeds given by masters in chancery, sheriffs, clerks of court, etc., for realty sold under foreclosure or execution. The tax is computed on the amount bid for the property plus the costs if paid by the purchaser, whether the purchaser is the mortgagee or judgment creditor, or any other person.

Conveyances to Building and Loan Associations.

"(e) Conveyances to or by building and loan associations. However, the tax does not apply to a conveyance of realty to a building and loan association for the purpose of securing a loan thereon, nor to the reconveyance of the realty to its owner as part of the loan transaction.

Conveyance in exchange for stock.

"(f) A conveyance of realty to a corporation in exchange for shares of its capital stock.

Conveyance in liquidation of corporation

"(g) A conveyance of realty by a corporation in liquidation or in dissolution to its shareholders subject to the debts of the corporation; however, if there are no corporate debts and the conveyance is made solely for the cancellation and retirement of the capital stock, the tax does not apply.

Timber, mining deeds.

"(h) Deeds to standing timber and to mines.

Conveyance of widow's estate.

Inchoate dower transfers not taxed.

"(i) In jurisdictions where common-law dower still exists, an instrument conveying the estate acquired by a widow upon assignment of dower. However, an instrument purporting to convey the inchoate right of dower of a wife, or the consummate right of dower of a widow prior to assignment of dower, is not subject to the tax. Where by statute dower has been abolished and in lieu thereof a different interest in the husband's real property conferred upon the wife, the taxability of an instrument purporting to convey such interest prior to its assignment must be determined by the nature of the wife's interest as fixed by the statutes and decisions of the jurisdiction in which the real estate is located.

Conveyance to or by U. S. A.

"(j) A conveyance of real estate sold to or by the United States of America."

(Note: For certain special types of conveyances subject to tax see also exceptions to conveyances not subject to tax, Sec. 113.84, (d), (g), and (j) hereafter.)

TRANSACTIONS NOT TAXABLE.

" REG. 71, SEC. 113.84. CONVEYANCES NOT SUBJECT TO TAX.—In addition to the various exemptions prescribed in section 1808 and the Bankruptcy Act as amended (as to which see Subpart J), the following are examples where the tax does not apply:

Mortgages, etc. Reconveyance on payment of debt.

"(a) The conveyance of realty to secure a debt; also the reconveyance of such realty upon payment of the debt.

Gifts and conveyances without consideration.

Conveyance to "straw man".

Certain Trustee's deeds.

"(b) Conveyances of realty without consideration and otherwise than in connection with a sale, including a deed conveying realty as a bona fide gift, although the deed may recite a consideration for the transfer, such as 'natural love and affection and $1,' 'desire to promote public welfare and $1,' or '$1 and other valuable consideration'; a gift of realty by a husband to his wife accomplished through the conveyance of the property for an ostensible consideration to a 'straw man' who immediately reconveys the property to the wife; and a deed to or by a trustee not pursuant to a sale.

Confirmatory deeds.

"(c) A deed to confirm title already vested in the grantee, such as a quitclaim deed to correct a flaw in title.

Executors' deeds in accordance with will.

Exception.

"(d A deed given by an executor in accordance with the terms of the will; however, if, by reason of a consideration passing between devisees, one of them takes a greater share in the realty than that to which he is entitled under the will, the deed given by the executor to convey such greater share is subject to a tax computed upon the amount of such consideration.

Deed from agent to principal.

"(e) A deed from an agent to his principal conveying real estate purchased for and with funds of the principal.

Options. Contract for sale.

"(f) An option for the purchase of real property or a contract for the sale of real property, if the contract does not vest legal title.

Partition deeds.

Exception.

"(g) Partition deeds, unless, for consideration, some of the parties take shares greater in value than their undivided interests, in which event a tax attaches to each deed conveying such greater share computed upon the consideration for the excess.

Certain burial sites.

"(h) Deeds to burial sites which do not convey title to land, but only a right to sepulture, to erect monuments, etc.

Leases

"(i) Ordinary leases of real property for a definite term of years.

Debtor's deed to trustee for benefit of creditors.

Exception.

"(j) A deed executed by a debtor conveying property to a trustee for the benefit of his creditors; however, when the trustee conveys such property to a creditor or sells it to any other person, the deed executed by him is taxable.

Certain deeds to and from receivers.

"(k) Conveyance to a receiver or realty included in the receivership assets, and reconveyance of such realty upon termination of the receivership.

Deeds to foreign real estate.

"(l) A deed conveying real estate situated in a foreign country."

Where stamps affixed.

Type of stamps used.

"REG. 71, SEC. 113.85. WHERE STAMPS SHALL BE AFFIXED.—Requisite stamps must be affixed to the deed, instrument, or other writing by which realty is conveyed. Ordinary documentary stamps shall be used for this purpose. For provisions relative to cancellation of stamps see section 113.133."

Cancellation of stamps.

"REG. 71, SEC. 113.133. CANCELLATION OF STAMPS.—A person using or affixing a stamp shall cancel it and so deface it as to render it unfit for reuse, by marking it with his initials and the day, month, and year when the affixing occurs. Such marking shall be made by writing or stamping in ink or by perforating with a machine or punch. In addition, unless a stamp of the value of 50 cents or more is cancelled by perforation, three parallel incisions shall be made lengthwise through the stamp with some sharp instrument after the stamp has been affixed. However, the stamp shall not be so defaced as to prevent ready determination of its denomination and genuineness."

RULINGS

Meaning of "lands, tenements or other realty."

When leases taxable.

"For the purpose of determining liability for the stamp tax imposed by section 3482, I.R.C., the phrase 'lands, tenements or other realty' embraces those interests which endure for a period of time, the termination of which is not fixed or ascertained by a specific number of years, such as an estate in fee simple, life estate, perpetual easement, etc., and those interests enduring for a fixed period of years but which, either by reason of the length of the term or the grant of a right to extend the term by renewal or otherwise, convey a bundle of rights approximating those of the class of interests first above mentioned. Thus, for example, a lease of real estate for 999 years, or a lease for 99 years renewable forever or for several succeeding terms is taxable. On the other hand, a lease for five years is not taxable even if the right is granted to renew it for several successive terms." (General Counsel Memoranda 23295, Cumulative Bulletin 1942-2, p. 271.)

See also.

Morrow v. Scofield
(C.C.A. 5th) 116 Fed. (2) 17
(cert. denied 313 U.S. 573)

Jones v. Magruder
(D.C. Md) 42 Fed Supp. 193

Deeds to or by State, political subdivision or corporate instrumentality.

" . . . conveyances of real property prior to May 1, 1950, made to or by a State or a political subdivision or corporate instrumentality thereof will not be subject to the documentary stamp tax imposed by Section 3482 of the Code, as amended. However, such conveyances made on and after May 1, 1950, will not be exempt from the tax imposed by that Section merely by reason of the governmental character of one of the parties to the transaction." (Misc. Taxes 40; 1950-13-13381).

PRIOR RATES

From 1924 until June 30, 1940 the rate was 50c for each $500 or part thereof. Since June 30, 1940, it has been 55c for each $500 or part thereof.

INDEX
(Re: Documentary Stamp Taxes)

The Title Business as I See It

BEN J. DRYMON

President, Abstract Company of Sarasota, Sarasota, Florida

I was a realtor in Sarasota for thirteen years prior to my entry into the Title business and, therefore, was a user of Title services. Because of this experience I could realize the value of good Title service. I could see the Title business from a different point of view; or, in other words, from "the other side of the fence."

I got into the Title business by accident. I left home one morning with no thought of owning a Title Plant. During the day I found that our main Abstract Company was to be sold to some speculators. Realizing the effect that type operator of the Title business would have on my real estate business, I became very interested. When I went home that night I was in the Title business—Definitely! And right then my Title troubles began — and there were plenty of them! I began at once to find out what my troubles were. I found the following:

1. The Abstract Company building in bad physical condition.
2. Duplicate—and badly arranged —records.
3. Very poor furnishings, fixtures and equipment.
4. Twenty-three employees, with not very good Employee-Employer relationship.
5. Very poor public relations, due to the attitude "the public be damned."
6. Poor service.
7. Bar rate for Title Insurance examinations.
8. Competition.

To Start

We started immediately to do something. By visiting other Title Plants in the State, I found that methods and procedure in the different Title Plants were as varied as women's hats! I do want to say that while visiting the Title Plants I was received by all in a cordial manner; but I want to pay especial tribute to the late Henry Wilder, of Orlando, and the late Oscar Gilbart, of St. Petersburg. Both of these men were particularly nice to me and gave me of their time and advice, which I shall long remember.

I then attended the Florida Title Association meeting in Daytona Beach, and from that meeting I acquired information and ideas that were valuable and of great assistance to me in my troubles. I decided then and there that I would attend All State Title meetings in the future, and attend—at least—the next meeting of the American Title Association. Since that date, we have been represented at all State and National meetings. Just one idea at the National meeting, put into use, has paid my expenses to all National meetings since then.

Cole of Ethics

At both State and National meetings I found we had a "Code of Ethics." I wonder if the members of this Association have read it, and how many follow its precepts. I want to read you Paragraph No. One:

> "FIRST:—We believe that the foundation of success in business is embodied in the idea of service, and that Title Men should consider first, the needs of their customers, and second, the remuneration to be considered."

I would change this in that I would say: First, the needs of the customer; second, the welfare of the employees; and third, the remuneration to be considered.

I would also like to read Paragraph No. Six to you:

> "SIXTH:—We believe that every Title Man should have a lively and loyal interest in all that relates to the civic welfare of his community, and that he should join and support the local civic commercial bodies."

Another idea that has paid off was given us at a meeting of the National Association by our Executive Vice-President, Jim Sheridan. He said: "You owners and managers of abstract and title plants should go often to your desk, lean back in your chair, put your feet on the window sill and THINK. In other words, be an executive once "in a while." And, by the way, the definition of an executive is a man who can convince his wife that he should hire a beautiful secretary because she has had experience! In any event, Jim Sheridan's advice is good, and I recommend it to all. I also recommend that you all take a vital interest in our State and National Association and attend the conventions.

Improvements

After five years in the Title business, I can report that:

1. We have remodeled, repaired and painted our building inside and out.
2. Installed fluorescent lighting throughout.
3. Put in air-and sound-conditioning.
4. New filing cabinets and some new furnishings.
5. Electric typewriters.
6. Hospitalization Insurance for all employees and group life insurance optional.

All of this has improved employee-employer relationship and to prove it we are doing more business with eleven employees than we did with twenty-three!

A Customer

Our attitude is that we are complimented when a customer comes in our door. And What is a Customer?

"A customer is the most important person ever in this office or store, or factory, either in person or by mail. A customer is not dependent on us. We are dependent on him. A customer is not an interruption of our work; he is the purpose of it. We are not doing him a favor by serving him; he is doing us a favor by giving us an opportunity to do so. A customer is not an outsider to our business; he is part of it. A customer is not a cold statistic—a name on a filing card or a ledger sheet. He is a flesh-and-blood human being, with biases, prejudices, feelings and emotions like our own. A customer is not someone to argue with. Nobody ever won an argument with a customer. A customer is a person who brings us his wants. It's our job to fill them profitably—to him and to ourselves."

Due to this attitude, our public relations have definitely improved and we encourage our employees to take part and hold office in civic, veteran and community affairs—and use our office for their committee meetings.

We still have our competition. However, we do not mind competition as long as it is fair competition . . . I've been used to competition all of my adult life and I will take my chances on that!

We still have bar rate for Title Insurance examinations and can't do much about that at this time. However, we have the best of relationships with our attorneys and they are some of our best customers.

We are in fine condition, BUT—I want to read a story told by Bill Gill, of Oklahoma:

"An old Negro preacher was somewhat disgusted with his quite dormant congregation. One morning he could stand it no longer and decided to talk rather plainly to the members of his flock. 'Brethren and Sisters,' he said, 'Dis is about de no goodiness bunch of Niggers I'se ever seen. Sister Jones was gonna clean the church carpet, BUT something happens and it ain't got cleaned. Deacon Smith was to have fire wood here dis morning—he didn't BUT he mint well—de choir leader promised a beautiful anthem BUT he got a bad cold—all I ever hear from you Niggers is BUT—BUT—BUT. If dis

congregation don't git religin, day is all going to hell on dair BUTS.'"

Is Legislation the Answer?

Most of us have complete Title Plants, compiled at great expense, but we are getting competition from curbstoners, and ten-year plants, and some examining attorneys are accepting them as evidence of Title. I do not know the answer—unless it is legislation. A great number of States have legislation controlling entry into the Title business, among them Montana, Colorado and Oklahoma. In most of these States, before you can enter the Title business, you make application to the Abstract Commission or Comptroller. Before you are permitted to operate, you must first have all the records taken off and posted, pass an examination as to qualification, and post a bond for your liability.

I know this Association has considered such a law in Florida. I can see no particular harm and many advantages. Compare A Title Company to a Bank in a community. I think one is just as necessary as the other and perform comparable responsible duties. They have a Banking Act. A man, because he has some money, can't just rent an office and start a Bank. At present, a man can start an Abstract and Title office with a desk, typewriter, and a desire to receive a few dollars—even at the expense of established competition companies by cutting prices.

So, compare your own office with that of the Bank in your community, and if your office does not occupy the same position in appearance, in dignity, and reliability, you should, at once, do something about it!

Let's all give the officers of our Title Association our cooperation and go forward—and do something about it!

That is how I see the Title Business.

Last Will and Testament of Herman Oberweiss, Offered for Probate at the June Term, 1934 of Anderson County, Texas

(This is a copy of the will actually filed and probated)

i am writing of my will mineself that dam lawyir want he should have to much money he ask to many answers about the famly. first thing i want i dont want my brother oscar to get a dam thing i got he is a mumer he done me out of fortie dollars foreteen years since.

i want it that hulda my sister she gets the north sixtie akers of at where i am homing it now i bet she dont get that loafer husband of heres to brake twentie akers next plowing the gonoph work. She cant have it if she lets oscar live on it i should have it back if she does.

tell moma that six hundret dollars she been looking for for ten years is berried from the backhouse behind about ten feet down she better let little frederick do the digging and cout it when it comes up.

paster lucknitz can have three hundret dollars if he kisses the book he dont preach no more dumhead taks about politiks. he should a roof put on the metinghouse with and the elders should the bills look at.

moma should the rest get but i want it that adolph should tell her what not she should do so no more slick irishers sell her vakum cleaners they noise like hell and a broom dont cost so much.

i want it that mine brother adolph be my exeter and i want it that the judge should please make adolph plenty bond put up and watch him like hell adolph is a good business man but only a dumph would trust him with a busted pfennig.

i want dam sure that schliemiel oscar dont nothing et tell adolph he can have a hundret dollars if he prove judge oscar dont get nothing. that dam sure fix oscar.

HERMAN OBERWEISS.

Federal Housing Administration

Provisions of Various Titles Thereof

Charts setting forth primary provisions for the insurance of loans authorized under the National Housing Act as Amended and FHA administrative Rules and Regulations as of January 12, 1951 (Rents, Values, Mortgage Limits, etc. subject to Underwriting Considerations).

TITLE I, Classes 1 and 2

TITLE I, Section 8

TITLE II, Section 203

TITLE II, Section 207

TITLE II, Section 213

TITLE VI, Section 609

TITLE VI, Section 610

TITLE VI, Section 611

TITLE VII,

TITLE VIII,

TITLE I, Classes 1 & 2, Sec. 8

(1) Title and Section of the Act	(2) Purpose of Authorization	(3) Type of Constr. (Urban or Rural Non-farm Unless Specified Otherwise)	(4) Min. No. Fam. Units per Ins. Contract	(5) † Amount Insurable	(6) † Loan-Value Ratio
Class 1(a)	Finance repair, alteration or improvement upon or in connection with existing structures	All Types (farm and non-farm)	None	$2,500 Max. net proceeds each loan	At least 10% of cost of improvements required as cash down payment
Class 1(b)	Finance alteration, repair, improvement, or conversion of existing structures	2-family or more intended use (farm and non-farm)	2	$10,000 Max. net proceeds each loan	As for Class 1(a)
Class 2(a)	Finance new construction for other than residential or agricultural use	Non-residential and non-farm	None	$3,000 Max. net proceeds each loan	As for Class 1(a)
Class 2(b)	Finance new non-residential farm constr.	Non-residential farm	None	$3,000 Max. net proceeds each loan	As for Class 1(a)
Sec. 8	Finance new construction for owner-occupancy. or sale	1-family (Farm & Non-farm)	1	$4750, Owner occupant $4250, Operative Builder	95% Owner Occupant 85% Operative Builder, or as limited by credit controls (see tables below), whichever is the lesser

† Column 5, 6 and 7 may vary for Alaska and territories and possessions outside continental U. S.

(7)	(8)	(9)	(10)	(11)	(12)	(13)
MAXIMUM LIMITS				Insurance of Construct. Advances Permitted	FHA Approval Prior to Constr. Necessary	Fees: (a) Applic. & Commit. (b) Separate Inspec. fee
† Term of Loan	Interest Rate	Insurance Premium	Initial Service Charge			
3 yrs. 32 days subject to Regulation W	$5 discount per $100 face amt. per year	3/4% per annum of proceeds of loan (included in discount rate)	None (except certain fees when note is secured by lien)	Not Applicable	Not Applicable	None
7 yrs. 32 days subject to Regulation "W" & "X"	$5 discount per $100 face amt. per yr. if $2500 or less. $4 discount per $100 face amt. per yr. if in excess of $2500	3/4% per annum of proceeds of loan; 1/2% per annum on loans over $2500 (included in discount rate)	As for Class 1(a)	Not Applicable	Not Applicable	None
3 yrs. 32 days	$5 discount per $100 face amount per year	3/4% per annum of proceeds of loan. (included in discount rate)	As for Class 1(a)	Not Applicable	Not Applicable	None
7 yrs. 32 days; or, if secured by first lien 15 yrs. 32 days	$5 discount per $100 face amt. per yr. $3.50 discount per $100 face amt. per yr. if maturity is over 7 yrs. 32 days	3/4% per annum of proceeds of loan; 1/2% per annum if maturity exceeds 7 yrs. (included in discount rate)	As for Class 1(a)	Not Applicable	Not Applicable	None
20 years from date of insurance unless mortgage is $5800 or less and acquisition cost $7000 or less in which event, 25 years	4 1/4%	1/2%	1% unless mortgagee makes both construction loan and permanent loan; 2 1/2 % if mortgagee makes both construction loan and permanent loan	No	Yes	$20 for existing construction; $45 for proposed construction (excess over $20 refundable under conditions prescribed in Administrative Rules)

▲ Tables Referred to in Column 6 above

Acquisition Cost* Per Family Unit	Maximum Loan Per Family Unit Individual Mortgagors	Maximum Loan Per Family Unit Operative Builders
Not more than $5,000	90% of acquisition cost	85% of F.H.A. valuation
More than $5,000 but not more than $9,000	$4,500 plus 65% of excess of acquisition cost over $5,000	$4,250 plus 60% of excess over $5,000
More than $9,000 but not more than $15,000	$7,100 plus 60% of excess of acquisition cost over $9,000	$6,650 plus 55% of excess over $9,000
More than $15,000 but not more than $20,000	$10,700 plus 20% of excess of acquisition cost over $15,000	$9,950 plus 15% of excess over $15,000
More than $20,000 but not more than $24,250	$11,700 plus 10% of excess of acquisition cost over $20,000	$10,700 plus 5% of excess over $20,000
Over $24,250	50% of acquisition cost	45% of F.H.A. valuation

*When acquisition cost is not determinable as in operative builder cases, individuals building for themselves, without definite contracts, and in refinancing transactions, valuation will be used in lieu of acquisition cost.

TITLE II, Sec. 203

(1) Title and section of the Act	(2) Purpose of Authorization	(3) Type of Constr. (Urban or Rural Non-farm Unless Specified Otherwise)	(4) Min. No. Fam. Units per Ins. Contract	(5) †Amount Insurable	(6) †Loan-Value Ratio
Sec. 203b2(A)	Finance proposed or existing dwellings	1- 4-family	1	$14,000 1-family $16,000 2-family $20,500 3-family $25,000 4-family	80% or as limited by credit controls (see tables below), whichever is lesser
Sec. 203b2(C)	Finance dwellings for owner-occupant borrowers only	1-family	1	$9,450	95% of 1st $7000 plus 70% in excess of $7000 or as limited by credit controls (see tables below), whichever is lesser
Sec. 203b2(D)	Finance dwellings for owner-occupants and operative builders	1-family	1	Owner-occupant borrower $6650 1 or 2-bedroom 7600 3-bedroom 8550 4-bedroom Operative-builder borrower $5950 1 or 2-bedroom 6800 3-bedroom 7650 4-bedroom	95% for Owner-Occupant borrower 85% for Operative Builder borrower or as limited by credit controls (see tables below), whichever is lesser
Sec. 203d	Finance farm property; 15% of loan to be used for construction of new improvements, alteration or repair	1- 4-family (Farm)	1 proposed or existing	As for Sec. 203b2(A), (C) or (D)	As for 203b2(A), (C) or (D)

† Column 5, 6 and 7 may vary for Alaska and territories and possessions outside continental U. S.

(7)	(8)	(9)	(10)	(11)	(12)	(13)
MAXIMUM LIMITS				Insurance of Construct. Advances Permitted	FHA Approval Prior to Constr. Necessary	Fees: (a) Applic. & Commit. (b) Separate Inspec. fee
†Term of Loan	Interest Rate	Insurance Premium	Initial Service Charge			
For one and two family dwellings, 20 years unless approved for insurance prior to beginning of construction and mortgage is $5800 or less and acquisition cost is $7000 or less, in which event, 25 years. For three and four family dwellings, 25 years if approved for insurance prior to beginning of construction.	4 1/4 %	1/2 %	1% unless mortgagee makes both construction loan and permanent loan; 2 1/2% if mortgagee makes both construction loan and permanent loan	No	No, unless term is in excess of 20 years	$20 for existing construction; $45 for proposed construction (excess over $20 refundable under conditions prescribed in Administrative Rules)
As for single family dwelling under 203b2(A)	4 1/4 %	1/2 %	As for 203b2(A)	No	Yes	As for 203b2(A)
20 years from date of insurance unless mortgage is $5800 or less and acquisition cost $7000 or less, in which event, 25 years	4 1/4 %	1/2 %	As for 203b2(A)	No	Yes	As for 203b2(A)
As for 203b2(A), (C) or (D)	4 1/4 %	1/2 %	As for 203b2(A)	No	As for 203b2(A), (C) or (D)	As for 203b2(A)

▲ Tables Referred to in Column 6 above

Acquisition Cost* Per Family Unit	Maximum Loan Per Family Unit Individual Mortgagors	Maximum Loan Per Family Unit Operative Builders
Not more than $5,000	90% of acquisition cost	85% of F.H.A. valuation
More than $5,000 but nor more than $9,000	$4,500 plus 65% of excess of acquisition cost over $5,000	$4,250 plus 60% of excess over $5,000
More than $9,000 but not more than $15,000	$7,100 plus 60% of excess of acquisition cost over $9,000	$6,650 plus 55% of excess over $9,000
More than $15,000 but not more than $20,000	$10,700 plus 20% of excess of acquisition cost over $15,000	$9,950 plus 15% of excess over $15,000
More than $20,000 but not more than $24,250	$11,700 plus 10% of excess of acquisition cost over $20,000	$10,700 plus 5% of excess over $20,000
Over $24,250	50% of acquisition cost	45% of F.H.A. valuation

*When acquisition cost is not determinable as in operative builder cases, individuals building for themselves, without definite contracts, and in refinancing transactions, valuation will be used in lieu of acquisition cost

TITLE II, Secs. 207 & 213

(1) Title and section of the Act	(2) Purpose of Authorization	(3) Type of Constr. (Urban or Rural Non-farm Unless Specified Otherwise)	(4) Min. No. Fam. Units Per Ins. Contract	(5) † Amount Insurable	(6) † Loan-Value Ratio
Sec. 207*	Finance Proposed or Rehabilitation Rental Housing (a) Private Corp. (b) Public Bodies	Detached, semi-detached, row or multi-family	12	$5,000,000 Private Corp. $50,000,000 Public Bodies $8100 per unit of 4 1/2 or more rooms av. or $7200 per unit of less than 4 1/2 rooms av.**	83% of first $7000 per family unit plus 53% in excess of $7000 per family unit
Sec. 213 Project Management Type	Finance proposed construction of non-profit cooperatives or rehabilitation of existing structures by non-profit cooperatives. Occupancy restricted to members	Detached, semi-detached, row, or multi-family	12	$5,000,000 $8100 per family unit if 4 1/2 rms. av. per unit. $7200 per family unit if less than 4 1/2 rms av. per unit. $1800 per room. Higher limits to veterans	83% of replacement cost Higher limits to veterans
Sec. 213 Project Sales Type	Finance proposed constr. of non-profit cooperatives for sale to members	Single family detached, semi-detached or row	12	Not to exceed greater of (a) a sum computed on separate mtge. for ea. dwelling equal to total of max. mtge. amounts meeting requirements of Sec. 203(b)(2)(A), (C) or (D), or (b) amt. computed as under Management Type project	90% of replacement cost or as limited by credit controls (see tables below), whichever is lesser Higher limits to veterans
Sec. 213 Individual Sales Type	Finance individual mortgage on property released from Project Sales Type Mortgage	1-family	1	Unpaid balance of project mtge. allocable to the individual prop.	Unpaid balance of project mtge. allocable to the individual prop.

† Column 5, 6 and 7 may vary for Alaska and territories and possessions outside continental U. S.

** Nor more than cost of improvements on site.

* No discrimination against families with children.

(7)	(8)	(9)	(10)	(11)	(12)	(13)
MAXIMUM LIMITS				Insurance of Construct. Advances Permitted	FHA Approval Prior to Constr. Necessary	Fees: (a) Applic. & Commit. (b) Separate Inspec. fee
† Term of Loan	Interest Rate	Insurance Premium	Initial Service Charge			
Satisfactory to Commissioner; 2 1/2 % min. level prin. payment	4%	1/2 %	1 1/2 %	Yes	Yes	(a) $3 per $1000; (b) $5 per $1000
40 years	4%	1/2 %	1 1/2 %	Yes	Yes	(a) $3 per $1000; (b) $5 per $1000
20 years from date of insurance unless average mortgage amount per unit is $5800 or less and average amount of acquisition cost is $7000 or less, in which event, 25 years	4%	1/2 %	1 1/2 %	Yes	Yes	(a) $3 per $1000; (b) $5 per $1000
20 years from date of insurance, or unexpired term of project mortgage at time of release, whichever is the lesser, unless the individual mortgage is for $5800 or less and acquisition cost of individual property is $7000 or less, in which event term may be 25 years or unexpired term of project mortgage at time of release, whichever is the lesser	4%	1/2 %	1% or $20, whichever is greater	No	Yes	(a) None (b) None

▲ Tables Referred to in Column 6 above

Acquisition Cost* per Family Unit	Maximum Loan per Family Unit Individual Mortgagors	Maximum Loan per Family Unit Operative Builders
Not more than $5,000	90% of acquisition cost	85% of F.H.A. valuation
More than $5,000 but not more than $9,000	$4,500 plus 65% of excess of acquisition cost over $5,000	$4,250 plus 60% of excess over $5,000
More than $9,000 but not more than $15,000	$7,100 plus 60% of excess of acquisition cost over $9,000	$6,650 plus 55% of excess over $9,000
More than $15,000 but not more than $20,000	$10,700 plus 20% of excess of acquisition cost over $15,000	$9,950 plus 15% of excess over $15,000
More than $20,000 but not more than $24,250	$11,700 plus 10% of excess of acquisition cost over $20,000	$10,700 plus 5% of excess over $20,000
Over $24,250	50% of acquisition cost	45% of F.H.A. valuation

*When acquisition cost is not determinable as in operative builder cases, individuals building for themselves, without definite contracts, and in refinancing transactions, valuation will be used in lieu of acquisition cost.

TITLE VI, Secs. 609, 610 & 611

(1) Title and section of the Act	(2) Purpose of Authorization	(3) Type of Constr. (Urban or Rural Non-farm Unless Specified Otherwise)	(4) Min. No. Fam. Units per Ins. Contract	(5) †Amount Insurable	(6) †Loan-Value Ratio
Sec. 609 Type A	Finance manufacture of housing for which binding contracts to purchase are assigned as security; security substitution permitted	All types residential	None established	According to needs of individual manufacturers	85% of necessary current cost of manufacture (exclusive of profit)
Sec. 609 Type B	Short-term financing to purchasers for part payment of deliveries; Available with Type A only	All types residential	None established	75% of purchase price	75% of purchase price
Sec. 610 (Under Sec. 603)*	Finance sale by U. S. Gov't. of housing acquired or constructed under Public Laws 9, 73, 353, 781 & 849, as amended, so-called "Greenbelt Towns", "TVA villages", and first resales	1- 7-family	1	None	90% or as limited by credit controls (see tables below), whichever is lesser
Sec. 610 (Under Sec. 608)**	As for 610 under 603 (Release clause provisions pursuant to Commissioner consent)	8 units or more	8	$5,000,000	83% of first $7000 per family unit plus 53% in excess of $7000 per family unit
Sec. 611 Project Mortgage*	Finance operative builder's construction for sale; blanket mortgage covers cost of fabrication or erection (release clause provisions)	1-family	25	$5950 1 or 2-bedroom 6800 3-bedroom 7650 4-bedroom	85% or as limited by credit controls (see tables below), whichever is lesser
Sec. 611 Individual Mortgage*	Finance the sale of individual dwelling upon release from the project mortgage	1-family	1	Owner-Occupant borrower $6650 1 or 2-bedroom 7600 3-bedroom 8550 4-bedroom To Builder - unpaid balance of project mortgage allocable to individual property	95% for owner-occupant borrower or as limited by credit controls (see tables below), whichever is lesser Builder - unpaid balance of project mortgage allocable to individual property

† Column 5, 6 and 7 may vary for Alaska and territories and possessions outside continental U. S.

*Veteran's preference.

**Veteran's preference and no discrimination against families with children.

(7)	(8)	(9)	(10)	(11)	(12)	(13)
MAXIMUM LIMITS				Insurance of Construct. Advances Permitted	FHA Approval Prior to Constr. Necessary	Fees: (a) Applic. & Commit. (b) Separate Inspec. fee
†Term of Loan	Interest Rate	Insurance Premium	Initial Service Charge			
1 yr. from date of note (may be refinanced and extended 1 yr.)	4%	1% of original principal	Not Applicable	Not Applicable	Not Applicable	$3 per $1000 plus $1.50 per $1000 for substituted security
180 days from date of delivery	4%	1/2 % of original principal	Not Applicable	Not Applicable	Not Applicable	None
For one and two family units, 20 years from date of insurance unless mortgage is $5800 or less and acquisition cost $7000 or less, in which event, 25 years. For 3 or more family units, 25 years.	4 1/4 %	1/2 %	1% or $20, whichever is greater	No	No	(a) $20 (b) None
25 years	4%	1/2 %	1%	No	No	(a) $3 per $1000 (b) None
2% initial prin. curtail on level annuity	4%	1/2 %	1 1/2 %	Yes	Yes	(a) $3 per $1000 (b) $5 per $1000
Owner-occupant - 20 years from date of insurance unless mortgage is $5800 or less and acquisition cost $7000 or less in which event, 25 years, or if to builder mortgagor unexpired term of blanket mortgage	Owner-occupant 4 1/4 % Builder-mortgagor 4%	1/2%	1% or $20 whichever is greater	No	Yes	(a) $20 (b) None

▲ Tables Referred to in Column 6 above

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Not more than $5,000	90% of acquisition cost	85% of F.H.A. valuation
More than $5,000 but not more than $9,000	$4,500 plus 65% of excess of acquisition cost over $5,000	$4,250 plus 60% of excess over $5,000
More than $9,000 but not more than $15,000	$7,100 plus 60% of excess of acquisition cost over $9,000	$6,650 plus 55% of excess over $9,000
More than $15,000 but not more than $20,000	$10,700 plus 20% of excess of acquisition cost over $15,000	$9,950 plus 15% of excess over $15,000
More than $20,000 but not more than $24,250	$11,700 plus 10% of excess of acquisition cost over $20,000	$10,700 plus 5% of excess over $20,000
Over $24,250	50% of acquisition cost	45% of F.H.A. valuation

*When acquisition cost is not determinable as in operative builder cases, individuals building for themselves, without definite contracts, and in refinancing transactions, valuation will be used in lieu of acquisition cost.

TITLE VII

(1) Title and section of the Act	(2) Purpose of Authorization	(3) Type of Constr. (Urban or Rural Non-farm Unless Specified Otherwise)	(4) Min. No. Fam. Units per Ins. Contract	(5) † Amount Insurable	(6) † Loan-Value Ratio
	Insure Yield on total equity investment in rental housing for families of moderate income - rents limited to $100 average and $120 max. per unit	Rental units plus such other stores, offices, community buildings, etc. satisfactory to the Commissioner as a necessary part of the project	25	(a) Minimum annual amortization charge of 2% on ostab. investment. (b) An insured annual return of 2 3/4 % on the outstanding investment.	No mortgage liens permitted on developments covered by contract.

TITLE VIII

*	Finance production of rental housing for military personnel upon certification of need by Secretary of Defense	Detached, semi-detached, row or multi-family	8	$5,000,000; $8100 per unit ($9000 when single-family det)	90% of replacement cost

† Columns 5, 6 and 7 may vary for Alaska and territories and possessions outside continental U. S.

* Occupancy preference to civilian or military personnel of Army, Navy, Marine Corps or Air Force, including Government contractors' employees.

TITLE VII

(7)	(8)	(9)	(10)	(11)	(12)	(13)
MAXIMUM LIMITS				Insurance of Construct. Advances Permitted	FHA Approval Prior to Constr. Necessary	Fees: (a) Applic. & Commit. (b) Separate Inspec. fee
† Term of Loan	Interest Rate	Insurance Premium	Initial Service Charge			
Until the outstanding investment amounts to not more than 10% of the established investment	No interest Min. annual return 3 1/2 % (insured annual return 2 3/4) of outstanding invest. plus 2% min. amortization of estab. investment	1/2% of the outstanding investment	None	Not Applicable	Yes	(a) $3 per $1000 (b) $2 per $1000

TITLE VIII

Satisfactory to the Commissioner 2 1/2 % min. level prin. payment or 1 1/2 % initial curtail on level annuity	4%	1/2 %	1 1/2 %	Yes	Yes	(a) $3 per $1000 (b) $5 per $1000

Code of Ethics

FIRST:—We believe that the foundation of success in business is embodied in the idea of service, and that Title Men should consider first, the needs of their customers, and second the remuneration to be considered.

SECOND:—Accuracy being essential in the examination of titles, Title Men should so arrange their records as to eliminate the possibility of mistakes.

THIRD:—Ever striving to elevate the title business to a plane of the highest standing in the business and professional world, the Title Man will always stand sponsor for his work and make good any loss, occasioned by his error, without invoking legal technicalities as a defense.

FOURTH:—The examination of title being to a large extent a personal undertaking, Title Men should at all times remember that fact, and endeavor to obtain and hold a reputation for honesty, promptness and accuracy.

FIFTH:—The principal part of business coming from real estate dealers, lenders of money and lawyers, it is obvious that relations with these men should at all times be friendly. To further this friendship we declare ourselves willing to aid them in all ways possible in meeting and solving the problems that confront them.

SIXTH:—We believe that every Title Man should have a lively and loyal interest in all that relates to the civic welfare of his community, and that he should join and support the local civic commercial bodies.

LAND TITLE COURSE
REVISED

We urge you favorably entertain the idea of purchasing extra copies of the July (1950) issue of "Title News," containing "The Land Title Course, Revised," edited by Mr. William Gill, Sr. They are priced at $2.00 per copy.

Members have found numerous uses for extra copies, among these being:

1. Copy for employees presently employed in all capacities, from executive officers to apprentice employees.
2. Copy for all new employees, particularly those who show promise.
3. Copy, with compliments of the firm, to counsel and employees of mortgage departments of banks, mortgage bankers, building and loan associations, trust companies and other financial institutions.
4. Faculty of law schools, business administration schools in universities, graduating classes of high schools.
5. Life insurance company counsel domiciled and/or lending in areas serviced by member title insurance/title guaranty and abstract firms of the Association.
6. Attorneys specializing in real property law.
7. State and regional officers of federal departments and agencies interested in land and land titles.
8. Land and legal departments of oil and pipe line companies, lease brokers, chain stores, real estate dealers, etc.
9. Officers of departments of the state—Attorney General, Highway Department, etc.

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American Title Association

3608 Guardian Building Detroit 26, Michigan

NOW

WHILE WE HAVE THEM IN STOCK