OFFICIAL PUBLICATION

AMERICAN TITLE ASSOCIATION

TITLE NEWS

VOLUME XXXII SEPTEMBER, 1953 NUMBER 9

TITLE NEWS

Official Publication of

THE AMERICAN TITLE ASSOCIATION

3608 Guardian Building — Detroit 26, Michigan

Volume XXXII September, 1953 Number 9

Table of Contents

GEORGE E. HARBERT

National President, American Title Association; President, DeKalb County Abstract Company, Sycamore, Illinois

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Volume XXXII September, 1953 Number 9

Officers 1953-54

President—GEORGE E. HARBERT ..... Sycamore, Ill.
President, DeKalb County Abstract Company

Vice-President—LAWRENCE R. ZERFING ..... Philadelphia, Pa.
President, Land Title Insurance Co.

Treasurer—WILLIAM GILL ..... Oklahoma City, Okla.
President, American-First Title & Trust Company

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BRIANT H. WELLS, JR. ..... Los Angeles, Calif.
Senior Vice-President, Title Insurance & Trust Co.

Exec. Vice-President—JAMES E. SHERIDAN ..... Detroit, Mich.
3608 Guardian Bldg.

Secretary—JOSEPH H. SMITH ..... Detroit, Mich.
3608 Guardian Bldg.

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The *President, Vice-President, Treasurer,* Chairman of Finance Committee, *Chairmen* of Sections, and

TERM EXPIRING 1954

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President, Title and Trust Company

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Chairman, Council of Past Presidents ..... Los Angeles, Calif.
Chairman of Board, Title Insurance & Trust Company

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Vice-President, The Title Guaranty Company

HAROLD F. McLERAN ..... Mt. Pleasant, Iowa

A. A. POIRIER ..... Harlowton, Mont.
President, Wheatland Abstract Company

GEORGE C. RAWLINGS ..... Richmond, Va.
Exec. Vice-President, Lawyers Title Insurance Corp.

WM. M. WEST ..... Philadelphia, Pa.
President, Commonwealth Title Co. of Philadelphia

TERM EXPIRING 1955

RALPH H. FOSTER ..... Seattle, Wash.
President, Washington Title Insurance Company

JOSEPH S. KNAPP, JR. ..... Baltimore, Md.
Vice-President, The Maryland Title Guarantee Co.

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MARVIN W. WALLACE ..... Kingman, Kans.
President, Cragun Abstract Company

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President, Land Title Guarantee & Trust Company

TERM EXPIRING 1956

O. M. YOUNG ..... Kansas City, Mo.
Vice-President, Kansas City Title Insurance Company

WILLIAM H. DEATLY ..... New York, New York
President, Title Guarantee & Trust Company

HAROLD A. PRESTON ..... Mt. Pleasant, Mich.
Owner, Isabella County Abstract Company

J. B. O'DOWD ..... Tucson, Ariz.
Exec. Vice-President, Tucson Title Insurance Company

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ABSTRACTERS SECTION

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Vice Chairman—ROY C. JOHNSON ..... Newkirk, Okla.
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Secretary—BURTON DOUGAN ..... Little Rock, Ark.
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Manager, Guarantee Abstract & Title Co.

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JOHN BLUE ..... Renesselear, Ind.
President, Jasper County Abstract Co.

ROLAND B. MILLER ..... Platte City, Mo.
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Vice-President, Chicago Title & Trust Co.

Vice Chairman—GEORGE B. GARBER ..... Seattle, Wash.
Exec. Vice-President, Washington Title Insurance Co.

Secretary—R. W. JORDAN, JR. ..... Richmond, Va.
Vice-President, Lawyers Title Insurance Corporation

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Vice-President, Home Title Guaranty Co.

STEWART MORRIS ..... Houston 2, Tex.
Vice-President, Stewart Title Guaranty Co.

LLOYD HUGHES ..... Denver 2, Colo.
Vice-President, Record Abstract & Title Insurance Co.

RUSSELL A. CLARK ..... Milwaukee 3, Wis.
Exec. Vice-President, Title Guaranty Co. of Wisconsin

OFFICERS
AFFILIATED STATE TITLE ASSOCIATIONS

AS OF SEPTEMBER 1, 1953

ARIZONA

President, L. A. Reneer, Tucson Title Insurance Company, Tucson
Secretary-Treasurer, F. E. Pettycrew, Arizona Title Gtee. & Trust Co., Phoenix

ARKANSAS

President, Earl Howard, National Abstract Company, Hot Springs
Secretary, Mrs. Sallie B. Caulder, Lonoke Real Estate & Abstract Co., Lonoke

CALIFORNIA

President, Floyd B. Cerini, Western Title Ins. & Gty. Co., San Francisco
Exec. Vice President, Richard E. Tuttle, 433 S. Spring St., Los Angeles
Secretary, Hazel Parker, 433 S. Spring St., Los Angeles

COLORADO

President, Clarence R. Hedlund, Hedlund Abstract Company, Hugo
Secretary, Lloyd Hughes, Record Abstract & Title Insurance Co., Denver

CONNECTICUT

President, Prentice T. Chase, Clark, Hall & Peck, New Haven
Secretary, Edward Traurig, Traurig & Traurig, 111 W. Main St., Waterbury

FLORIDA

President, J. E. Churchwell, Bay County Land & Abst. Co., Inc., Panama City
Secretary, Morton McDonald, The Abstract Corporation, DeLand

IDAHO

President, Lex H. Kunau, Cassia County Abstract Company, Burley
Secretary-Treasurer, Frank Sparks, Idaho Abstract & Title Co., Nampa

ILLINOIS

President, Henry W. Wulffe, Jr., Kankakee City Title & Trust Co., Kankakee
Secretary, John R. Parker, Logan County Title Company, Lincoln

INDIANA

President, John S. Blue, Jasper County Abstract Co., Rensselaer
Secretary, Paul J. Schuh, Stallard & Schuh, Lafayette

IOWA

President, A. O. Harstad, Iowa Title & Abstract Co., Cedar Rapids
Secretary, Don A. Hughes, Moore Abstract & Title Co., Cherokee

KANSAS

President, Robert G. Frederick, The C. W. Lynn Abstract Co., Inc., Salina
Secretary, Marvin W. Wallace, Cragun Abstract Co., Kingman

MICHIGAN

President, Harold A. Preston, Isabella County Abstract Co., Mt. Pleasant
Secretary, Clarence W. Dill, Burton Abstract & Title Company, Detroit
Treasurer, S. K. Riblet, Newaygo County Abstract Office, White Cloud

MINNESOTA

President, Melvin P. Soderberg, Consolidated Abstract Co., of Becker City, Detroit Lakes
Secretary-Treasurer, Walter Engman, The Consolidated Abst. Co., Duluth

MISSOURI

President, Roland B. Miller, Jr., Murdock & Newby Abstract Co., Platte City
Secretary, Mrs. Zettie Hubbard, Chariton County Abst. & Title Co., Keytesville

MONTANA

J. G. Higginson, Stillwater Abstract Co., Columbus
Secretary-Treasurer, Oscar J. Callant, Wheatland Abstract Co., Harlowton

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President, John Gumb, Jr., Dodge County Abst. Company, Fremont
Secretary, Carroll J. Reid, Weitzel Abstract Co., Albion

NEW JERSEY

President, Walter R. Morton, 16 Bartholdi Street, Jersey City
Secretary, V. Edward Allen, 55 May Street, New Brunswick

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President, Mrs. Linda Nye, San Juan Cty. Abstract & Title Co., Aztec
Secretary, Gordon Woods, Woods Title & Ins. Service, Farmington

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President, Coverly Fischer, Home Title Guaranty Co., New York
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Secretary-Treasurer, Marshall Cox, Land Title Gtee. & Trust Co., Cleveland

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Secretary, Wm. A. Jackson, Coates-Southwest Title Company, Oklahoma City
Treasurer, Wm. F. Johnson, Albright Title & Trust Company, Newkirk

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President, Neil O. Davidson, Jackson County Title & Abst. Co., Medford
Secretary, John M. Smeaton, Pacific Abst. Title Co., Portland

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Secretary, Carl P. Obermiller, Land Title Insurance Co., Philadelphia
Treasurer, T. F. Deady, Broad Street Trust Co., Philadelphia

SOUTH DAKOTA

President, Henry Halla, Halla Abstract Company, Tyndall
Secretary-Treasurer, Mrs. Sybil Houck, Potter Cty. Land & Abst. Co., Gettysburg

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President, E. H. Marsh, Real Estate Title Insurance Co., Knoxville
Secretary-Treasurer, James W. Adams, Union Planters Title Gty. Co., Memphis

TEXAS

President, Fred H. Timberlake, Service Abstract & Title Co., Lubbock
Secretary-Treasurer, Ethel M. McLeod, 1414 Texas Avenue, Lubbock

UTAH

President, L. B. Cardon, Cardon Abstract Co., Salt Lake City
Executive Secretary, J. Raymond Allred, Felt Bldg., Salt Lake City

WASHINGTON

President ,S. H. Schreiner, Schreiner Title Company, Yakima
Secretary-Treasurer, Wharton T. Funk, Lawyers Title Ins. Corp., Seattle

WISCONSIN

President, Russell A. Clark, Title Guaranty Co. of Wisconsin, Milwaukee
Secretary-Treasurer, A. J. Achten, Shawano Abstract Company, Shawano

WYOMING

President, George Adams, Buffalo Trust & Title Company, Buffalo
Secretary-Treasurer, Ruth H. Artist, Platte Cty. Pioneer Abst. Co., Wheatland

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Have YOU forwarded YOUR listing for

the Association 1954 Directory? ? ?

REPORT OF COMMITTEE ON ETHICS AND PRACTICES

To Annual Convention, American Title Association, Los Angeles, California
September 14-17, 1953

MORTIMER SMITH, *Chairman*
President, Oakland Title Insurance Co., Oakland, California

CODE OF ETHICS
The American Title Association

The foundation of the American heritage of personal Freedom is the widely allocated ownership and use of the land. Upon the furtherance of that heritage, depends the survival and growth of free institutions and of our civilization. The Land Title Profession is the instrumentality through which titles to land reach their highest accuracy and attain the widest distribution.

The Title Profession having become such a vital and integral part of our Country's economy, there are imposed on each member of the American Title Association obligations above and beyond those customarily required of participants in ordinary commercial pursuits and a code of ethics higher and purer than ordinarily considered acceptable in the market-place, to the fulfillment of which the Title Profession is dedicated. Each member of the American Title Association shall be ever zealous to maintain and improve the quality of service in his chosen calling, and shall assume personal responsibility for maintaining the highest possible standards of business practices, and to those purposes shall pledge observance and furtherance of the letter and spirit of the following Code of Ethics.

First

Governed by the laws, customs and usages of the respective Communities they serve, and with the realization that ready transferability results from accuracy and perfection of titles, members shall issue abstracts of title or policies of title insurance only after a complete and thorough investigation, founded on adequate records and learned examination thereof, and shall otherwise so conduct their business that the needs of their customers shall be of paramount importance.

Second

Every member shall obtain and justifiably hold a reputation for honesty and integrity, always standing sponsor for his work intellectually and financially.

Third

Ever striving to serve the owners of interests in real estate, members shall endeavor (a) to facilitate transfers of title, by elimination of delays and unnecessary exceptions and (b) to make their services available in a manner which will encourage transferability of title, provide adequately for obligations which they assume in connection therewith and afford a fair return on the value of services rendered and capital employed.

Fourth

Members shall support legislation throughout the country which is in the public interest and will unburden real estate from unnecessary restrictions and restraints on alienation.

Fifth

Members shall not engage in any practices detrimental to the public interest or to the continuing stability of the Title Profession.

Sixth

Members shall support the organization and development of affiliated state title associations founded and maintained upon the Principles set forth in this Code of Ethics.

Seventh

Any matter of an alleged violation of the principles set forth in this Code of Ethics may be submitted to

the Grievance Committee of the American Title Association.

On motion, duly seconded and carried unanimously, the Code was given approval by delegates attending the annual convention of 1953.

REPORT OF COMMITTEE ON CONSTITUTION AND BY-LAWS

JOHN J. O'DOWD, *Chairman*
President, Tucson Title Insurance Company, Tucson, Arizona

At the Mid-Winter Conference of the American Title Association, held in St. Louis, Missouri, February 27th, 1953, the Committee on Constitution and By-Laws, J. J. O'Dowd, of Tucson, Arizona, Chairman, presented certain proposals to amend the Constitution. These were approved by the Conference delegates. They were presented by Chairman O'Dowd and his Committee for final action at the 1953 Annual Convention of this Association, held in Los Angeles, California, in September. The proposals follow:

AMENDMENTS TO CONSTITUTION

Article III—Section 1, First Paragraph. To read as follows:

"The following persons, who shall have subscribed to the Code of Ethics of this Association and who shall have agreed to be governed at all times by its provisions, shall be eligible to active membership in this Association:

(Note: The words, "who shall have subscribed to the Code of Ethics of this Association and who shall have agreed to be governed at all times by its provisions," are to be added within Article III, Section 1, First Paragraph).

The following two amendments are new:

To Article VII — Section 3. Add paragraph:

At the same time the President shall appoint a Grievance Committee of not more than 5 members, one of which he shall designate as Chairman. The term of office of such committee shall be contemporaneous with that of the appointing president.

To Article VIII—Duties of officers and committees add Section 15 to read as follows:

Section 15. The Grievance Committee is charged with the duty and responsibility of receiving and investigating complaints of alleged member violations of the principles of the Code of Ethics. A complaint may be filed by another member or by any aggrieved party. The complained-of member shall be given notice of the complaint and full opportunity to refute the charges against him. The Chairman shall report the Committee's findings, with its recommendation to the Board of Governors, at its next meeting. The decision of the Board of Governors shall be final and binding upon the parties subject only to appeal therefrom to the next following annual convention meeting of the membership. No censure or expulsion shall be effective except upon a vote by two-thirds of the full membership of the Board and only after reasonable notice to the complained-of member and granting him the right to appear in person and present evidence in his defense.

Upon motion, duly seconded, the above were approved by the delegates attending the annual convention of 1953.

CONSTITUTION OF AMERICAN TITLE ASSOCIATION AS AMENDED

ARTICLE I—NAME

The name of this Association shall be the "American Title Association."

ARTICLE II—OBJECT

The purpose of this Association shall be to promote the acquaintance, mutual advantage and general welfare of its members by the interchange of ideas, and by protective, remedial or other measures to advance the common interests of its members and the general public in harmony with their respective rights, interests and duties.

ARTICLE III—MEMBERSHIP

"The following persons, who shall have subscribed to the Code of Ethics of this Association and who shall have agreed to be governed at all times by its provisions, shall be eligible to active membership in this Association:

(a) Any member in good standing of a state or regional title association. In order that its members may be eligible any regional association must comprise the whole or any part of two or more contiguous states, and none of its members in territory which is then included in an affiliated state association shall be eligible to membership in this Association by reason of membership in such regional association;

(b) Any person actively engaged in the title business in any part of the United States in which there is no affiliated state or regional title association who owns and operates a substantially complete abstract or title plant and has an established business reputation and responsibility;

(c) Any person admitted to practice law who shall be actively engaged in examining abstracts or other evidence of title and rendering opinions upon the title to real property or the validity of liens or encumbrances thereon;

(d) Any person qualified for membership under the provisions of Section 2 of this Article.

Section 2. In case a state or regional title association—

(a) shall make no provision for admission to membership therein of a person otherwise eligible to membership in this association; or

(b) having joined this Association shall thereafter fail to pay as herein provided annual dues for its members, thereby terminating membership in this Association of a person otherwise entitled thereto, such person may be admitted to membership in this Association upon presentation to the Executive Vice-President and approval by the Board of Governors of an application and payment of dues as herein provided.

Section 3. Any state or regional title association may affiliate with, and its members in good standing may join this Association upon filing with the Executive Vice-President an application signed by its President and Secretary, together with a list of such members, setting forth therein that the members so listed are eligible for membership in this Association under its Constitution and By-Laws. Members of the aplicant will pay direct to this Association annual dues, in accordance with the schedule set forth in Section 2 of Article V hereof, except in such cases as a state or regional association may wish to collect dues payable by its members to this Association and will remit such dues to national headquarters, when and as collected, but in no event later than July 1st of the current fiscal year; provided further that as to jurisdictions which elect to collect and to remit to national headquarters, as herein provided, all such affiliated state and regional title association shall, not later than February 1st, notify national headquarters of such intention. Upon approval by the Board of Governors of this Association, and payment of the dues, as provided in Section 2 of Article V hereof, such affiliation shall become

effective, and such members shall become active members of this Association; provided that no person shall be eligible for membership unless he holds a membership in a state or regional title association, affiliated with this Association, exists.

Section 4. Approval by the Board of Governors of this Association shall in all cases be a prerequisite to admission to active membership, and upon such approval of an application and payment of the requisite dues, the applicant shall become an active member of this Association.

Section 5. Honorary membership in this Association may, upon recommendation of the Board of Governors, be conferred at any convention meeting for distinguished and meritorious service rendered to this Association by any person not otherwise eligible to membership. No dues shall be required of an honorary member and he shall have no vote.

ARTICLE IV—SECTIONS

Section 1. The following sections of this Association are hereby established:

(a) Abstracters Section, which shall include all abstracters except those who, by reason of affiliation with a member of the Title Insurance Section, elect to join that Section;

(b) Title Insurance Section, which shall include all title insurance members, abstracters who elect under the provisions of the above paragraph to join this Section, and attorneys individually eligible for active membership under the provisions of this Constitution. On section matters each member shall vote only as a member of such section.

Section 2. Each section may adopt such by-laws and conduct such activities as are not inconsistent or in conflict with the constitution and by-laws of this Association.

Section 3. Administration of the affairs of each section shall be vested in an Executive Committee composed of seven members together with the President of this Association, ex-officio. On the first day of the annual section meeting held concurrently with the annual Convention of this Association the members of each sec-

tion shall elect a Chairman, Vice-Chairman, and Secretary which officers shall also be Chairman, Vice-Chairman, and Secretary, respectively, of the Executive Committee, and at the same time elect four other members of the Executive Committee. Such officers and members shall hold office for one year commencing with the ending of that annual section meeting and until their successors are elected and assume office.

ARTICLE V—DUES

Section 1. Each active member of this Association shall pay dues in accordance with the schedule set forth in Section 2 of this Article.

Section 2. Each affiliated state or regional title association shall classify its membership to accord with the schedule hereinafter set forth and certify such classification to this Association not later than December 1st for the year next ensuing. Subject to the Provisions of Article III, Section 3, members of such affiliated state or regional title associations desiring memberships in this Association shall pay annual dues to this Association upon the following schedule based upon the gross income of each such member from title services, as follows:

Re: Abstracters
Abstract Companies
Abstract and Title Companies
Title Insurance and Title Guaranty Companies

Gross Revenue of Member from Title Services

Annual		Dues
to	$ 20,000	$ 10.00
20,001 to	30,000	12.50
30,001 to	40,000	17.50
40,001 to	50,000	22.50
50,001 to	75,000	31.25
75,001 to	100,000	43.75
100,001 to	150,000	62.50
150,001 to	200,000	87.50
200,001 to	300,000	125.00
300,001 to	400,000	175.00
400,001 to	500,000	225.00
500,001 to	600,000	275.00
600,001 to	700,000	325.00
700,001 to	800,000	375.00
800,001 to	900,000	425.00
900,001 to	1,000,000	475.00

As to members whose gross income from title services exceed $1,000,000, the annual dues shall be increased $50.00 for each additional $100,000 of income in excess of $1,000,000.

Minimum Dues shall be:

	per year
For Abstracters	$ 10.00
For Title Ins. Companies	$100.00

Re: Attorney and Law Firm Memberships
(Examiners Section)

Provided, however, that in case of admission to membership in any affiliated state or regional title association of a person eligible to membership in this Association under provisions of Paragraph (c) of Section 1 of Article III, the dues shall be $10.00 per annum for an individual and $15.00 for a firm membership, and such members' names shall be listed in the Directory in the Examiners' Classification only.

Section 3. Should the Board of Governors determine that such action is desirable it may revise downward the dues schedule established by this article for any fiscal (calendar) year, and may establish for such fiscal year such a dues schedule as it may deem to be for the best interests of the Association and its members, or it may adopt such other means of raising funds for the purpose of the Association as to it may be deemed proper.

ARTICLE VI—MEETINGS

Section 1. This Association shall hold an annual convention meeting at such time and place as may be fixed at the preceding annual convention meeting or by the Board of Governors. The Association shall hold an annual business meeting which shall be known as Mid-Winter Conference at such time and place as may be fixed by such Board.

Section 2. Each section of this Association shall meet annually in connection with its convention meeting, but only during such periods as may be assigned therefor, or will not conflict with, the regular convention program.

Section 3. At a time designated by the Board of Governors at the annual

convention meeting, a joint meeting shall be held of the officers of this Association and of each affiliated state and regional title association.

ARTICLE VII—OFFICERS

Section 1. The active members in attendance at such annual convention meeting shall by ballot elect a President, Vice-President, Treasurer, and Chairman of the Finance Committee to serve for one year, and five members of the Board of Governors to serve three years. That the elective members of the Board of Governors be fifteen, five of whom shall be elected at each annual convention meeting for a term of three years commencing with the last day of the convention meeting during which they are elected, and continuing until their successors are elected and assume office. No member of the Board who shall have served a full term of three years shall be eligible to re-election or appointment to membership on this Board for a time or service commencing less than one year after expiration of his former term.

Section 2. The Board of Governors shall consist of the President, Vice-President, Treasurer, Chairman of the Finance Committee, Chairman of the Council of Past-Presidents, the retiring President for a term of one year, the Chairman of each Section and fifteen elective members. The Board shall appoint an Executive Vice-President and prescribe his duties, compensation and term of employment.

Section 3. The President shall within thirty days after his election appoint the following Committees, designating one member of each Committee so appointed as chairman: Judiciary, Co-operation, Membership and Organization, Legislative, Advertising and Publicity, Constitution and By-Laws and such other Committees as he may have been authorized to appoint by the Board of Governors or by the members at any convention, each to consist of such number of members as he shall deem advisable unless otherwise provided. The term of office of members of each of these Committees shall be contemporaneous with the term of office of the President by whom they are appointed.

At the same time the President shall appoint a Grievance Committee of not more than 5 members, one of which he shall designate as Chairman. The term of office of such committee shall be contemporaneous with that of the appointing president.

Section 4. Each of the officers named and each of the section officers, except the Executive Vice-President, Secretary and such other officer or officers as the Board may deem necessary, must be an active member or accredited representative of an active member of this Association and shall hold office for one year commencing with the last day of the convention meeting during which he is selected and until his successor has been selected and assumed office.

Section 5. There shall be a Finance Committee, composed of the Chairman of said Committee, elected as provided in Section 1 of this Article, and the President, Vice-President and Treasurer of this Association.

Section 6. There shall be an Executive Committee of this Association composed of the President, Vice-President, Treasurer and Chairman of the Finance Committee. The President shall act as the Chairman.

Section 7. There shall be a Council of Past-Presidents, composed of all past-presidents, the chairman of which shall be elected by the Council at each annual convention meeting and he shall be a member of the Board of Governors. The Council may elect such other officers as may be determined expedient and proper.

ARTICLE VIII—DUTIES OF OFFICERS

Section 1. The President shall be the executive head of this Association, a member ex-officio of all committees, including the Executive Committee of each section; and except as otherwise herein provided shall appoint all committees of this Association and preside at all meetings of this Association.

Section 2. The Vice-President shall perform the duties of the President in case of his absence or inability to

act and shall also be Chairman of the Board of Governors.

Section 3. The Executive Vice-President shall have charge of the Association office and correspondence, keep accurate record of all meetings, collect all monies due and remit the same to the Treasurer on or before the first day of each month following receipt thereof and perform such other duties as may be necessary for the proper conduct of the business of this Association.

Section 4. The Treasurer shall duly account for all monies of this Association received by him, and, subject to the control of the Board of Governors, perform such other financial duties as may be necessary for the proper conduct of the business of this Association.

Section 5. The Board of Governors shall have the care of the welfare of this Association and shall have authority to perform all acts or duties necessary for its benefit. It shall transact such business for this Association as shall arise between annual convention and business meetings and perform such other duties as shall be directed at any annual convention or business meeting. It shall have power to fill vacancies in the office of President, Vice-President, Treasurer, and Chairman of the Finance Committee, or among its own members, such appointees to hold office until the end of the next annual convention meeting and thereafter until their successors have been elected or appointed and have assumed office. No member of the Board of Governors shall be represented by a proxy at any of its meetings. A majority of the Board shall constitute a quorum.

Section 5-A. The Council of Past-Presidents when requested shall, and on its own motion may advise with and give counsel to the Board of Governors or any officer or committee on any measure deemed to advance the good of the Association, and shall report through its chairman at all meetings of the Board.

Section 6. The Finance Committee shall have general supervision of the finances of this Association. It shall present to the Board of Governors at the annual business meeting of officers of the Association a budget covering proposed expenditures for the ensuing fiscal year, and shall approve all expenditures of the Association.

Section 7. The Judiciary Committee shall investigate and annually report decisions rendered in federal and state courts of record relating to the duties, liabilities and responsibilities of abstracters and insurers of title to real property or liens and obligations thereon and other decisions relative to land titles. Such report shall cover the period which has elapsed since the last previous report.

Section 8. The Committee on Co-operation shall work and co-operate with such bodies as the American Bar Association, the National Association of Real Estate Boards, the United States Building and Loan League, the Mortgage Bankers Association of America and the Commissioners on Uniform State Laws, or with committees or authorized representatives from these of similar bodies for the purpose of securing uniform action by the several associations to promote good legislation, and to prevent bad legislation to the end that security of land titles and facility of their transfer may be attained in the highest possible degree.

Section 9. The duty of the Committee on Membership and Organization shall be to obtain new members of this Association and assist in the organization of state and regional title associations.

Section 10. The Legislative Committee shall consist of the Chairman and one member from each state and shall, subject to the approval of the Board of Governors, have power to act with regard to legislation pending before the Congress and any state legislature on matters affecting or relating to the interests of abstracters and title men and the title business generally and shall submit a report of such action at each annual convention meeting of the Association.

Section 11. The Committee on Advertising and Publicity shall consider and recommend to the Association

See It Now

NEW FILM...
"THE MODERN TITLE PLANT"

Shows you improved procedures for abstracting deeds, mortgages and other title documents

This new sound-slide film shows how a long established and well known title company operated before their plant was modernized . . . how the changeover was made . . . and how much faster and more economically they now operate. You'll see specific plant and production procedures. You'll hear and see how these benefits were attained.

Faster Service—Lower Costs—Greater Profits

"The Modern Title Plant" is especially timely in these days of higher operating costs. It points the way to a larger share of the available business through faster service, and at lower plant maintenance and production cost.

Title officials, bankers, realtors, attorneys . . . anyone who is interested in improved title company operation should see this film. To arrange a free showing for your group, just call the Remington Rand Business Equipment Center nearest you, or write to Remington Rand Inc., Room 1179, 315 Fourth Ave., N.Y. 10.

Remington Rand

PROFIT-BUILDING ***IDEAS*** FOR BUSINESS

ways and means of effectively advertising and publicising the title business, and securing a more widespread understanding and knowledge of the functions and purposes of Title Insurance and Abstract Companies.

Section 12. All motions and resolutions involving any change in, amendment to, or revision of the constitution and/or by-laws shall be referred to the Committee on Constitution and By-Laws. This Committee shall make a report at each annual convention meeting.

Section 13. At each annual convention meeting there shall be a Nominating Committee composed of the seven last past-presidents who shall be in attendance thereat.

It shall be the duty of this Committee to nominate candidates for the offices of President, Vice-President, Treasurer, Chairman of the Finance Committee, and five members of the Board of Governors provided for in Section 1 of Article VII of this Constitution. The report of this Nominating Committee shall be posted in a conspicuous place at the Convention Meeting by 6 o'clock p.m. on the second day of the Convention Meeting. Other nominations may be made for any of the offices above mentioned, provided the names of such nominees are posted in such conspicuous place at the Convention Meeting by 9 o'clock a.m. on the third day of the Convention Meeting, over the signatures of seven voting members in good standing in the Association, no two of whom shall be accredited from the same state. The report of the Nominating Committee shall be made on the floor of the Convention and such additional nominations, if any, shall be announced by the Chairman at the Sessions of the Convention Meeting.

The election of Officers and Governors shall be held on the last day of the convention meeting.

Nothing contained in this Section shall be construed to affect the election of officers or Executive Committees of either of the Sections of the Association.

Section 14. The above named officers, committees and Board shall perform such other duties as may be requested or directed by the active members at any annual convention meeting.

Section 15. The Grievance Committee is charged with the duty and responsibility of receiving and investigating complaints of alleged member violations of the principles of the Code of Ethics. A complaint may be filed by another member or by any aggrieved party. The complained-of-member shall be given notice of the complaint and full opportunity to refute the charges against him. The Chairman shall report the Committee's findings, with its recommendation to the Board of Governors, at its next meeting. The decision of the Board of Governors shall be final and binding upon the parties subject only to appeal therefrom to the next following annual convention meeting of the membership. No censure or expulsion shall be effective except upon a vote by two-thirds of the full membership of the Board and only after reasonable notice to the complained-of member and granting him the right to appear in person and present evidence in his defense.

ARTICLE IX—REPRESENTATION

Section 1. Each active member present or represented at any meeting of this Association shall have one vote. Each firm, partnership or corporate member shall select its accredited representatives. Each affiliated state or regional title association may send one or more delegates to each meeting of this Association or of any section thereof who may attend and participate in the deliberations and discussions at such meetings, but shall not have the right to vote upon any question considered at any such meeting.

ARTICLE X—FISCAL YEAR

Section 1. The fiscal year of this Association shall be the calendar year and any person who shall pay annual dues or membership fees in the manner herein prescribed shall be qualified as a member of this Association for the calendar year for which such payment is made.

ARTICLE XI—DEFINITION OF TERMS

Section 1. Whenever used in this constitution or in the By-Laws of this association or the By-Laws of any Section of this Association the words herein enumerated shall have and be given the meaning and effect herein defined:

(a) The word "person" or "member" shall be construed to mean and include any natural or artificial person or persons;

(b) The words "Accredited representative" shall be construed to mean and include any individual who is either a partner in a firm or partnership, an official of a corporation or an authorized employee of a firm, partnership or corporation which is an active member of this Association.

(c) The words "title association" shall be construed to mean any association, body or organization, incorporated or unincorporated, composed of persons eligible to active membership in this Association.

(d) The word "year" when used with reference to the term of office of any officer or member of a committee or board of this Association, shall be construed to mean and include the period of time which has elapsed or shall elapse between the last day of an annual convention meeting of this Association and the last day of the immediately following convention of this Association.

(e) The term "fiscal year" when used in this constitution shall be construed to mean the calendar year.

ARTICLE XII—AMENDMENT OR REVISION

Section 1. Motions or Resolutions for amendment or revision of the Constitution and By-Laws may be offered at any mid-winter conference or annual convention, by a vote of two-thirds of the active members in attendance and voting there. Notice of such proposed amendments or revisions shall be sent to each member of the Association by the Executive Vice-President not less than thirty days prior to such next annual convention meeting and posted in a conspicuous place at such next annual convention meeting by twelve o'clock Noon on the second day of such meeting.

Section 2. This Association may determine to incorporate by a vote of two-thirds of the active members in attendance and voting thereon at any annual convention meeting.

Section 3. Unless otherwise specifically provided therein no amendment or revision of this constitution or any part thereof shall affect or change the term or tenure of office or the power or authority of any officer or any member of any committee or board of this Association previously elected or appointed or the functions and powers of any such officer, committee, board or council.

Have YOU forwarded YOUR listing for

the Association 1954 Directory? ? ?

REPORT OF COMMITTEE ON DIRECTORY LISTINGS AND PUBLICATIONS

(1953 Convention)

MORTIMER SMITH, *Chairman*
President, Oakland Title Insurance Company, Oakland, California

At the annual convention of The American Title Association held in 1952, the Board of Governors authorized the appointment of a Committee on Directory Listings and Publications. Subsequently that Committee was appointed by President Dwyer, consisting of Mr. Earl C. Glasson, Mr. J. W. Goodloe, Mr. Donald B. Graham, Mr. George C. Rawlings and Mr. Mortimer Smith, Chairman. This Committee has reviewed the subject matter assigned to it and submits this report.

A few years ago, the Board of Governors of The American Title Association adopted and distributed to the Membership, four fundamental rules concerning directory listings. They are the following numbered 1 to 4, inclusive:

1. The present practice of listing all title insurance companies furnishing policies of title insurance on properties in each state and District of Columbia with a key or code number designating agents or representatives of such companies in each state or District of Columbia shall be continued, provided that the only agents or representatives listed must be members of the state title association if there is one; or if there is no state title association, such agents or representatives shall hold direct membership in The American Title Association.
2. In any state wherein there is a state title association any nonresident title insurance company which is a member of the state association shall be entitled to all listing privileges provided by such state title association for its members. It is the consensus of opinion of the Board of Governors that there shall be no listing permitted among the state title association group unless such companies shall hold a membership in the state title association.
3. That with respect to all states or District of Columbia wherein there is a state title association, there shall be no listing of members in that state other than members of the state association and that there shall not be, in connection with such state, any listing of any member whether title insurance company, abstracter, or attorney holding direct membership in The American Title Association.
4. Any title insurance company which qualifies in any state or District of Columbia where there is no state title association shall be entitled to one listing to cover its own main office in that state or District of Columbia. No title insurance company shall be permitted to list the name of any agent not a member of the state title association.

Also, at the time, the Association's National Headquarters at Detroit pursuant to instructions from the Executive Committee, augmented those four fundamental rules by distributing the further following information as to their application:

1. In any state where there is an affiliated state title association a member company is entitled to a listing in the county alphabetical list for each office in such state covering which office it holds a membership in such affiliated state title association.
2. In cases where a title insurance company is not a member of the

state title association but is admitted to do business in that state, its agents or representatives (holding membership in such affiliated state title association and The American Title Association) may indicate by key or symbol they write title insurance for that company. The name and address of the title insurance company is carried at the top of the county alphabetical list in the following phrase, "Furnish policies of title insurance of the ABC Title Insurance Company, New Detroit, Ohio."

3. In any state where there is no affiliated state title association a member title insurance company is entitled to listing in the county alphabetical list for each bona-fide branch office staffed by its employees regularly on the payroll of such title insurance company.

4. In any state where there is an affiliated state title association in which a member title insurance company engaging in regional or national title insurance underwriting does not hold a membership in such state title association, such company is not entitled to a listing in the county alphabetical list. However, any of its agents or representatives who hold membership in such affiliated state title association and The American Title Association may indicate by key or symbol he (it) furnishes title insurance for that company. The name and address of that title insurance company is carried at the top of the county alphabetical list in the phrase specified in number two above.

5. In any state where there is no affiliated state title association any agent or representative of a title insurance company who holds a direct membership in The American Title Association may indicate by key or symbol he (it) furnishes title insurance of that company. The name and address of such title insurance company is carried at the top of the county alphabetical list in the phrase specified in number two above.

Your Committee recommends that the foregoing four fundamental rules together with the information as to their application be combined and that as to the combined statements, after certain supplementations, they be presented as hereinafter set forth and followed as the Rules and Regulations for directory listings.

RULES AND REGULATIONS

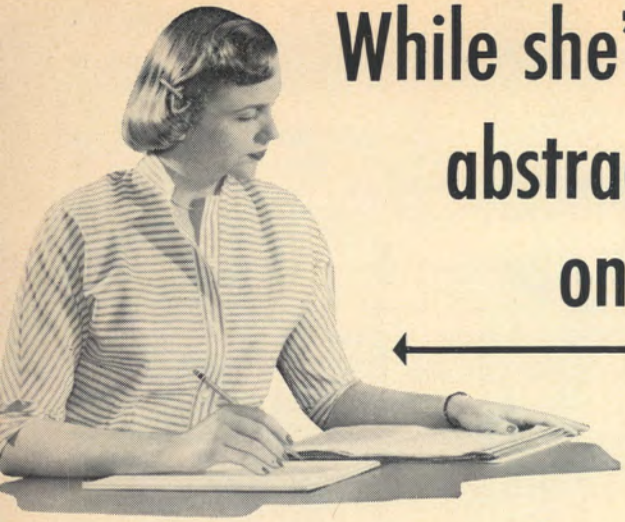
1. A listing is a designation of a person, corporation, partnership, or firm which is a member in good standing of The American Title Association, which under the Constitution and By-Laws of such Association and under these Rules and Regulations is entitled to such designation in the published Membership Directory of The American Title Association. Subject to all of these Rules and Regulations, a listing entitles the publication of the following information for each listing:

A. Name of person, corporation, partnership or firm.
B. Street address, if any, city, county and state.
C. Statement of whether company makes abstracts, writes or furnishes guarantees or title insurance or all of such forms of title evidence.
D. Capital, surplus and reserves of title insurance companies.
E. Names and titles of officers.

2. State as herein used shall include the states and territories of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

3. The Membership Directory shall publish such general information concerning The American Title Association as the Board of Governors of The Association may from time to time prescribe; and shall list the members of the Association under states, with the names of the states alphabetically arranged and with the listings of the members set forth as provided in these Rules and Regulations under an alphabetical county presentation.

4. Immediately following the



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name of the state, there shall appear the names of all title insurance companies, members of the Association who are duly authorized to do business in such state and whose policies are furnished either through bonafide branch offices holding membership in each such designated state title association or through duly authorized agents or representatives holding membership in each such designated state title association, together with an identifying code letter-number to which letter-number reference may be made in the county alphabetical listings under the particular state. Immediately following such names of such title insurance companies the membership listings under an alphabetical county presentation for the particular state shall appear.

5. All title insurance company members furnishing policies of title insurance on properties in any state may be listed as provided in Section 4 of these Rules and Regulations with a key or code letter-number designating duly authorized agents or representatives of such companies, provided that the only such agents or representatives listed must be members of the affiliated state title association if there is one; or if there is no affiliated state title association, such agents or representatives shall hold direct membership in The American Title Association.

6. With respect to all states wherein there is a state title association, there shall be no listing of members as doing business in such state excepting such listing as is provided for under Sections 4 and 5 of these Rules and Regulations unless such members are members in good standing in that state title Association; and all members of a state title association which members also are members of The American Title Association, whether resident or non-resident in such state, shall be entitled to all the listing privileges provided by such state title association.

Directory copy as prepared in National Headquarters based upon listings information set by member companies shall be submitted to the affected state title association for approval. In the event any dispute with respect to any such listing shall be presented by such affected state title association, such dispute shall be investigated and settled by the Grievance Committee of The American Title Association after such Committee shall have received the advice and counsel of such affected state title association.

7. No member shall be listed, excepting as provided for in Sections 4 and 5 of these Rules and Regulations, in and under any state list as doing business in such state unless and until such member is a member of that state title association, if a state title association exists, even though that member who is not a member of that state title association holds a direct membership in The American Title Association.

8. No member shall be permitted to list and there shall not be listed the name of any agent or representative in any state unless such agent or representative is a member of The American Title Association and such agency or representation is duly authorized by the member principal.

Directory copy as prepared in National Headquarters based upon listings submitted by member authorized agents or representatives shall be submitted to member principals of such agents or representatives and have the approval of such member principals.

9. Any member which qualifies to do business in any state where there is no state title association shall be entitled to list its bonafide Branch Offices in that state, whether such member be resident or non-resident.

Directory copy as prepared in National Headquarters setting forth the proposed listings under this Section 9 shall be submitted to any member whose Branch Offices are sought to be listed, for the approval of such member.

10. In connection with all of these Rules and Regulations, a bonafide branch office is defined as one owned, operated and controlled by the person, corporation, partnership or firm listed, staffed by his or its employees,

of such person, corporation, partnership or firm as listed.

11. In connection with all of these Rules and Regulations, state title association is defined as being a state title association affiliated with The American Title Association.

12. All of these Rules and Regulations shall be subject to the Constitution and By-Laws of The American Title Association and shall be interpreted in accordance with the Code of Ethics of such Association, and the Grievance Committee of The American Title Association shall have the power and responsibility of receiving and investigating complaints of alleged violations of these rules and regulations, after which investigation, such Committee shall report thereon to the Board of Governors of The American Title Association.

Your Committee realizes that the foregoing Rules and Regulations are not perfect. They are, however, workable to the degree that the Members of The American Title Association understand them, abide by them, and co-operate with one another in bringing about their fair interpretation.

Naturally, the preparation of this report has come about only through considerable and considerate examination and study of the Directory, itself. Your Committee feels that again it should stress to all of the Membership that the widest possible distribution of the Directory is of utmost importance. That distribution is now well over fifteen thousand copies a year.

Through and by the Membership of The American Title Association the Directory distribution should be **FIFTY THOUSAND** copies a year!

Upon motion duly seconded, the foregoing rules and regulations were approved by the delegates attending the Annual Convention of 1953.

Have YOU forwarded YOUR listing for the Association 1954 Directory? ? ?

FUNCTIONS OF HOME OFFICE COUNSEL OF LIFE INSURANCE COMPANIES IN THE ACQUISITION AND SERVICING OF MORTGAGE INVESTMENTS

C. H. BONNIN
Assistant General Counsel
Metropolitan Life Insurance Company
New York, New York

Since 1936 the amount invested by life insurance companies in mortgages has steadily increased with only one small set-back in 1945. The pace of this increase has been accelerating rapidly since 1946 so that by 1951, the last year for which we have figures, the aggregate amount of mortgage investments was almost 13 billion dollars more than in 1942. Also since 1946 mortgages have constituted an increasingly larger proportion of assets of life insurance companies, rising from 14.8 per cent of total assets in 1942 to 28.3 per cent in 1951.

Of course, this increase reflects the changing economic conditions throughout the country, where a great expansion in building of both residential and business structures has been going on since the war. There is abundant evidence that the demand for such construction is not yet satisfied, and that the present importance of mortgages will continue.

However, this is not a new found importance among investments by American life insurance companies. Indeed, up until the last depression they were never less than 30 per cent of the total assets of insurance companies, and during the late nineteen twenties over 40 per cent of the investments of such companies were mortgage loans. Experience has shown that faith in such investments has not been misplaced. Even in the business depression of the nineteen thirties when a tremendous number of mortgages had to be foreclosed many companies experienced no ultimate overall loss of principal invested in mortgage loans.

In order that the contribution of home office counsel to this result may be better understood, we shall undertake to outline the functions of home office counsel in the acquisition and servicing of such mortgage investments. While the method of operation of our respective companies may differ in detail, we are all confronted with the same basic legal problems. Home office counsel deals with questions ranging from agency to zoning ordinances even if his company makes loans only in the state of its domicile or limits its investments to a particular type of security. Where loans are made throughout the United States and Canada and securities range from large business properties to small individual homes, the number of problems is greatly increased. Complexity has been added with the advent of FHA and GI loans and the making of loans on leasehold estates.

How then are these mortgage investments acquired? First, and, no doubt, common to all of our companies is the direct loan in which funds are advanced directly to the borrower and the company is named as mortgagee in the loan documents. Such loans are closed directly by home office counsel or by a competent attorney or title company selected by him and acting under his express instructions. This procedure customarily is used in making loans of considerable size. Such loans form a very important part of a company's mortgage portfolio and from their nature require special attention. In many instances home office counsel is a party to the negotiations between the applicant for such a loan and the business representative of his insurance company. He is thus able to suggest means and methods for achieving the objectives of each party.

An example of the type of problem

which might arise at such conferences is the question of long term leases affecting the security. Counsel must be sure that his company is protected against any prejudicial modification, or termination of such leases. He must ascertain what the position of his company would be in the event it became the landlord. Would the obligations become so burdensome that the investment might be jeopardized? He must also protect his company against the right of tenants to alter and remodel. Tenants have been known to renovate buildings to fit their plan of operation: tear down walls, transfer utilities to adjoining buildings and arrange for access to upper stories in the subject properties through an adjoining building. The insurance company might find it impossible to operate such properties if acquired through foreclosure. Many of the well established business firms have their own form of lease, which is to their advantage, and they strongly resist any proposal to change it. It often requires a great deal of study and work on the part of counsel to effect compromises which will satisfy the tenant and, at the same time, protect his company as mortgagee.

In closing direct loans, it is the duty of home office counsel to assure himself of the identity of the parties, arrange for the title searches, prepare the necessary documents, conduct the closing, collect the recording charges, mortgage taxes and federal taxes where required, and arrange for the recordation of the papers. Where corporations are the borrowers a copy of the charter, a copy of the by-laws, stockholders' consents where appropriate, and board of directors' resolutions must be required. If the building on the premises offered as security has been recently constructed, altered or repaired, he must protect against the possibility of mechanics' and materialmen's liens. Title reports must be checked to make certain that the necessary priority is obtained and that the legal description covers the security. The survey must show no overlappings or encroachments which might affect the marketability of title.

Closing a loan directly through home office counsel tends to keep down the cost to the borrower. It helps to establish a friendly relationship, which may aid in the retention of the investment. Then too, problems arising at the closing can in most cases be promptly resolved so that the transaction may be expedited.

Obviously, it would not only be impractical but impossible for home office counsel to devote such attention to the myriad small loans which find their way into his company's portfolio, and which in the aggregate form a very important part thereof. In order to procure such loans in quantities, agreements are made for their purchase with established mortgage lenders in various localities. We shall hereinafter refer, for the sake of brevity, to such lenders as "correspondents" and to the mortgages purchased from them as "correspondent loans." It is one of the functions of home office counsel to prepare the basic agreement between his company and the correspondent for the acquisition of such loans and their subsequent servicing by the correspondent. He must approve the attorneys whose opinions of title may be submitted by the correspondent, also any title company whose policies may be furnished in lieu of such opinions.

In connection with agreements made with correspondents, the problem of interim financing whereby a correspondent obtains additional funds becomes important. Counsel must make certain that no interest prejudicial to his company is acquired by the agency furnishing such interim financing.

When a correspondent loan reaches the home office, it is to all intents and purposes, a completed package. Much of the work which counsel would have performed on the loan had it been direct has already been done. Counsel can thus handle a great number of such loans by having them examined in the first instance by specially trained clerks. This largely

limits his work in connection therewith to resolving any legal problems disclosed by such examination. In order to assure the prompt purchase of such loans from the correspondent and to minimize so far as possible the number which might otherwise be found unsatisfactory, home office counsel approves all forms which the correspondent uses, except those furnished by the FHA or VA. He also advises the correspondent constantly as to any new requirements occasioned either by changing laws in the correspondent's territory or by changes in, or additions to, pertinent Federal regulations.

While normally after counsel has approved the disbursement of a loan, his services are no longer required until the loan is satisfied, nevertheless, there are problems which may from time to time require his attention.

Frequently the company is requested to accept a new obligor in substitution of the original borrower. In such instances, counsel must prepare the agreement of substitution and make certain that the security itself is in no way released. He also must assure himself that by this substitution he does not lose the protection of title insurance or the guarantee or insurance of a governmental agency.

A request for a partial release may create special problems. Adequate consideration or consent may be required in cases where there is a junior lienor to avoid a partial or total loss of priority. It must be remembered, too, that if a title company has insured the loan, its right of subrogation must not be adversely affected.

Always a matter of concern is a condemnation proceeding involving the property which is the security for a mortgage investment. Normally mortgages spell out quite carefully what shall be done with any awards received as a result of condemnation proceedings but the very institution of such proceedings creates problems for home office counsel. Most important, he must make certain that proper orders are entered providing for the application of the award to reduction of the mortgage indebtedness.

When fire or other hazards, for which there is insurance, damages the security, home office counsel must see that the proceeds are applied in accordance with the terms of the mortgage either to the reduction of the mortgage indebtedness or to the repair or rebuilding of the damaged property free of mechanics' and materialmen's liens.

Modification of a mortgage investment or extension of the term thereof is frequently sought by the owners of mortgaged properties. It is the duty of the counsel to prepare the necessary instruments, inquire into the status of the title, and complete the transaction. Such problems as a rule are not particularly difficult although on occasions modifications and extensions become complex and require a great deal of study. If there is a new owner, and it is desirable to retain the personal obligation of the original obligor, it is necessary to procure his consent to the change. It is advisable to obtain the consent of junior lienors to the extension of the paramount lien, lest they obtain the right to pay off the loan during the extended term. If a loan is insured or guaranteed by a Federal agency, counsel must satisfy himself that the desired change will not violate any regulation by reason of which such insurance or guarantee might be lost.

When a mortgagor becomes a voluntary or involuntary bankrupt, counsel must make certain that his company is protected in the proceeding as a secured creditor. If the borrower previously has declared the premises to be a homestead, the premises are not subject to being sold in the bankruptcy proceedings. Then too, it may be possible, if the bankrupt has little equity in the property, to get the other creditors to consent to the entry of an order of disclaimer. Such an order, if entered, will release the premises from the jurisdiction of the bankruptcy court, and the mortgagee may then commence foreclosure proceedings. Where a sale cannot be avoided the

bankruptcy court may, and usually does, order the premises sold subject to the mortgage. It may, however, order a parcel sold free of the mortgage lien. The likelihood that the latter course will be followed increases with the equity of the mortgagor in the premises. The purpose of ordering such a sale is to obtain a surplus over the mortgage debt which will be available for general creditors. The danger is that the sale may not realize enough to cover the mortgage indebtedness unless the mortgagee is there to protect himself against such eventuality. Moreover, if the mortgagee is the successful bidder he must be prepared to pay cash. The mortgage debt cannot be used as an offset as in the case of a foreclosure sale.

We now come to the functions of home office counsel in those cases where a default other than bankruptcy occurs. During the last depression the number of such cases increased tremendously and foreclosures became for a time the major activity of counsel. At present, small home loans provide the bulk of the foreclosures. Usually a considerable amount of time and effort has been expended to save the investment before legal action is commenced. Unless the borrower is a chronic delinquent it is much better to save a loan than to foreclose the mortgage, as management of acquired properties and the sale thereof are expensive and present many problems.

Nevertheless, some cases appear hopeless and are referred to home office counsel for legal action. If the VA or the FHA is involved, required notices must be given to the agency involved and all other regulations must be complied with to obtain the benefit of the guaranty or insurance. It should be noted that under the National Housing Act, as amended,[1] certain FHA loans (those insured under Sections 207 and 213 of Title 2, Section 608 of Title 6, Section 803 of Title 8, and Section 908 of Title 9) may be assigned to the commissioner in lieu of foreclosure. This is important in areas where foreclosure costs are unusually high or where, for example, as in the State of Washington, an excise tax is imposed on conveyances. In such instance it may prove desirable to assign the loan to the commissioner rather than to foreclose it.

Counsel selects the local attorney who will handle the foreclosure and advises him of the company's policy, covering every contingency from the minimum requirements for reinstatement to the amount which should be bid if the case proceeds to sale. Special instructions may be necessary in many situations as, for example, where the borrower, because he is in military service, is entitled to the protection of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended.[2] The existence of a Federal tax lien may dictate that an equity foreclosure be brought even though state practice provides for a sale under a power contained in the security instrument. This follows because a Federal tax lien, even though attaching subsequent to the mortgage, is not extinguished by a sale under such power.

[1] U. S. Code, tit. 12, §1701—et seq.
[2] U. S. Code, tit. 50, §501—et seq.

Another problem arises because it is the practice of a number of lending institutions, including many primary lenders serving as insurance company correspondents, to have an officer or an employee of their firm named as trustee in the deed of trust. A trustee's sale conducted by such individual may be subject to attack.[3] It may be advisable in such circumstances to appoint a substitute trustee, choosing for the purpose a member of a local law firm.[4]

In the case of VA loans guaranteed under Section 501 of the Servicemen's Readjustment Act of 1944, as amended, the mortgagee may file its claim either before foreclosure is commenced or after foreclosure is completed. In view of the large number of reinstatements, it has been found more economical in most cases to follow the latter method. Even though under state law the debt may be extinguished, the VA will honor a claim made after the foreclosure.

Additional problems arise in con-

nection with combination FHA-VA loans, the VA portions of which are guaranteed 100%. While the mortgagee may, on default, file his claim for guaranty and assign the second mortgage to the VA prior to the foreclosure, this method results in unnecessary expense when reinstatement occurs. In lieu thereof, the mortgagee may either foreclose both mortgages in a single action or it may foreclose the first mortgage alone before filing a claim on the second. The first two alternatives present no unusual legal problems but the third one, foreclosing the first mortgage while continuing to hold the second, especially in a state where foreclosure by court action is obligatory, is another matter. Should the mortgagee join itself as a party defendant to eliminate the second lien? And should the VA, as a guarantor of the second mortgage, be joined as a party defendant in the foreclosure? The answers vary in different jurisdictions and no general rule can be given.

A particularly interesting problem, from counsel's point of view, arises when the borrower desires to reinstate a combination loan after the second mortgage has been assigned to the VA and the loan guaranty certificate has been cancelled. The VA has offered, in such cases, to reassign the mortgage. However, there is no authority in the Act, or in the law of guaranty generally, so far as we are aware, for the revival of a guaranty after a claim under it has been paid. We have deemed it inadvisable to accept a reassignment.

[3] See Mills v. Building and Loan Association, 6 S.E. 2d 549 (N.C. 1940).

[4] See Dillingham v. Gardner, 13 S.E. 2d 478 (N.C. 1941).

In former years, after a loan had been foreclosed and the property had been acquired, no further action was required of counsel until such time as a sale of the premises had been agreed upon and counsel was directed to arrange conveyance of the property. The sale did not always end the company's interest in the property because frequently it took the form of a contract of sale with conversion privileges which in turn would require the preparation of a purchase money mortgage and a deed at some later time. Today, under the insurance contract in all FHA cases, and under the guaranty (at the VA's option) in GI cases the mortgagee may immediately convey such acquired properties to the respective agencies.

In FHA cases counsel must initiate the transfer of the premises to the commissioner in exchange for debentures; in VA cases, where the VA has offered to take the property by establishing a credit figure, counsel must follow the procedures established for conveying properties to the Administrator of Veteran's Affairs. In both cases, counsel must furnish appropriate notifications, obtain and furnish accountings, title evidence and receipts, and must make arrangements for the transfer of title itself. In exceptional cases the company may receive a cash offer from a third party which exceeds the amount obtainable in debentures and certificate of claim from the FHA and in such cases it is up to counsel to make arrangements for the sale and conveyance to such third party.

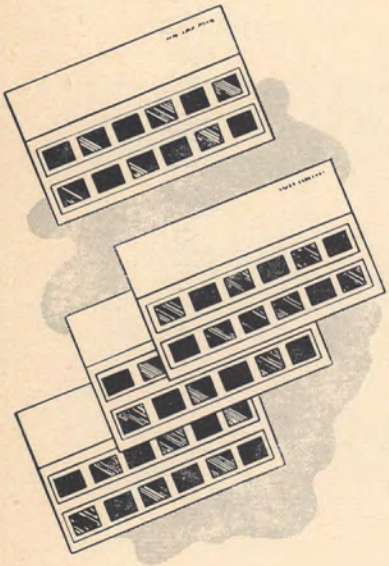
Fortunately, the percentage of loans foreclosed is very small. If the mortgage has run its full term or if the mortgagor avails himself of a prepayment privilege which may have been granted, counsel prepares the satisfaction, discharge, or release thereof. Parenthetically, it is to be noted that the courts are recognizing the fact that the lenders have a vested right to the retention of their investment to its maturity and that a prepayment penalty is legally chargeable.[5] Also in connection with satisfactions, it is to be noted that, in the State of New York, the borrower has a right to require an assignment of the mortgage rather than a satisfaction unless, however, the mortgagee also holds another mortgage on the same property.[6]

[5] Feldman v. Kings Highway Savings Bank, 278 App. Div. 589 (2d Dept.—1951), aff'd, 303 N.Y. 675 (1951).

[6] N.Y. Real Prop. Law §275.

So far we have considered problems which confront home office counsel

Above all . . . ECONOMY!



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with respect to the acquiring and servicing of individual loans. We shall now turn to problems of a more general nature.

In determining the legality for investment of any loan, attention must first be given to the insurance law of the state of the company's domicile; secondly, to the laws of the state wherein the security is located. Since there is a constant outpouring of new statutes and new decisions by legislatures and courts, it is a task of considerable magnitude for counsel merely to keep abreast of those changes in the law. In addition, he must interpret their effect and give timely advice when changes in procedures appear necessary. We have particularly in mind a situation which arose in the State of Georgia where it was held that the particular method used to obtain loans subjected one insurance company to a tax on intangibles. [7]

Today more than ever before the legislatures of the various states are seeking additional sources of revenue and new laws are constantly being proposed which, if passed, might be the determining factor as to whether it would be advisable for an insurance company to continue making or acquiring mortgage investments in such states.

The functions of the home office counsel are not confined solely to their own company as is evidenced by the work done on title policies. Formerly abstracts of title were generally furnished. The reading of abstracts was a most onerous task and, where possible, counsel sought to obtain title policies. As more and more title companies were formed throughout the country, each with its own form of policy and its own conditions and exceptions in limitation of its liability, it became obvious that some standardization was necessary if any advantage was to be gained over abstracts. Home office counsel of various insurance companies worked with the title companies to produce the first standard form of title policy which would surmount this difficulty. This was the life insurance company or L.I.C. form. Further improvements resulted in the adoption of the American Title Association form of mortgage policy, and still later in the A.T.A. revised form of mortgage policy which is now generally recognized as the standard form. While the policy form has been standardized, there is still great disparity in the language used by the various title companies in setting up their exceptions to title. To minimize the work of the title companies in preparing their policies and the work of counsel in examining them, a program now has been inaugurated under the joint chairmanship of Col. Chas. M. Swezey, assistant general counsel of New York Life Insurance Company, representing home office counsel of the life insurance companies, and Mr. Benjamin J. Henley, president of the California Pacific Title Insurance Company of San Francisco, representing the title companies, to devise uniform exceptions. No doubt many of you here are familiar with this work and have contributed to it.

[7] Suttles v. Northwestern Mutual Life Insurance Company, 19 S.E. 2d 396 (Ga. 1942).

The services rendered by home office counsel in this field extend beyond the few subjects we have been able to present in this short survey. Counsel's greatest value to his company is perhaps his constant availability for consultation by the business representatives in resolving the day to day problems incident to the operation of a sound mortgage investment program. In this relationship, as in all others, counsel must bear in mind that he is first and foremost a lawyer. Even in his intra-company relationships, he must give the same kind of impartial, unbiased advice he would render if he were not an employee, for he remains under an obligation to observe always the high standards of his profession and to maintain its dignity and integrity.

In the foregoing discussion we have endeavored to review, in a general way, the legal problems which beset home office counsel in the acquisition and servicing of mortgage investments. It is reasonable to assume that

mortgages will continue to play an important role in the investment programs of our companies. As new and more varied methods of mortgage financing are developed, the part played by counsel will become of even greater importance. It is hoped that those of you engaged in this field of activity will have benefited from this discussion of our common problems; it is further hoped that those who are not so engaged will have obtained an increased appreciation of its importance.

LIMITING THE LIABILITY OF THE ABSTRACTER

T. HENRY HUTCHINSON
Goss & Hutchinson, Attorneys at Law, Boulder, Colorado.

In considering how an abstracter may limit his liability for errors, omissions and mistakes, it is first necessary to consider the scope and nature of this liability. The first question with regard to the scope of liability is, "To whom does the liability extend?" Generally, an abstracter's liability is based upon contract, wherein it is implied that the abstracter agrees to use that skill and care required of a reasonably prudent abstracter. When the abstracter breaches this contract the Courts have based his liability on a theory of negligent performance of such contract. Consequently, the Courts state that, in absence of certain exceptions, liability extends only to those persons who stand in privity of contract with the abstracter.

The Employer

The first and most common person standing under this relationship of privity of contract is one whom we term the employer. The employer is the person who either directly orders the new abstract or presents one previously prepared for continuation. Another situation where privity of contract exists is where an agent acts for an undisclosed principal and contracts with the abstracter. In this case, the privity of contract extends to this undisclosed principal even though at the time of performance the identity of such person is unknown. A third situation arises where the contract is entered into between the abstracter and the employer for the benefit of a named and known third party. In this case, the Courts find that the privity of contract extends to this third person on the basis of a third party beneficiary contract.

Cause of Action

Many states have enacted statutes doing away with this privity of contract theory by specifically stating that the abstracter is liable to **ANY** person who is injured or damaged due to reliance upon a defective abstract. It appears, however, that **CHAPTER 2, SECTION 6, COLORADO STATUTE ANNOTATED,** doesnot so extend this liability. The Colorado statute states that the required bond shall run to **ANY PERSON WHO HAS A CAUSE OF ACTION** on account of his error. In other words, the Colorado statute limits the liability to persons who **HAVE** a cause of action, but does **NOT** extend it **TO ANY PERSON WHO IS INJURED** because of such error regardless of whether or not he had a cause of action at common law.

"For How Long?"

A second question to be considered with regard to the nature of liability is, "How long does the liability exist?" Since the liability is based on the theory of breach of contract and since Colorado has a six-year statute of limitations with regard to breach of contract actions, the important question has to do with **WHEN** the statute begins to run. Generally

speaking, the statute runs as of the date of delivery of the abstract, since this is the instant when the implied contract, as defined above, is breached. However, some authorities infer that the statute does not run until the abstract has been examined. In order to rationalize these two approaches, it appears that unless the abstract is examined an unreasonable time after delivery then the statute does not run until such examination. It further appears that each case would probably be decided on the particular facts presented.

Where there is shown an intentional and fraudulent act to have been performed by the abstracter the Courts rule that liability for this intentional act is based upon **FRAUD** rather than breach of contract. Consequently, where fraud is the basis of liability the statute of limitations does not begin to run until the injury or damage occurs.

"How Much?"

A third consideration presented with regard to the nature of liability is, "How much must be paid as a result of an error or mistake?" Damages are restricted to those that are a **DIRECT RESULT** of the particular error or mistake complained of. Furthermore, the damages must have been sustained due to a **RELIANCE** upon the abstract. In addition, the party injured is under a duty to mitigate his damages. The injured party cannot remain silent after the error is disclosed, but rather, he must act affirmatively in order to protect himself and thereby reduce the damages. It is my feeling, without definite case authority in support, that the Courts when given a certain factual situation would apply a limit to damages based upon those that were reasonably foreseeable by the parties at the time the contract was entered into. This limitation based on foreseeability of damages is a general rule of contract law and thus should apply in such cases.

Horizontal

The first method of limiting liability, which method is well known to all abstracters, is what I shall term a "horizontal limitation." This limitation sets forth and defines "How far the liability shall extend." This limitation is evidenced in the certificate by statements as to what records have been searched, what records have not been searched, and such other matters as what names under the Transcript of Judgment Book have been checked. Such a horizontal limitation also sets forth the time limit covered for the last previous record search. It must be pointed out that, while the Courts recognize this type of limitation, they are emphatic in demanding a clear and definite statement in the certificate before granting protection thereunder.

Vertical

The other method of limitation is the "vertical limitation" of liability. In this case, the limitation sets forth and defines "How high the liability will go." Such a limitation places a monetary limit for damages resulting from errors or defects. Since the furnishing of an abstract is performance under an implied contract and since the certificate is a part of such contract, it is reasonable to see that the contract can be modified by means of statements in the certificate with regard to the amount of liability. Therefore, a statement in the certificate setting forth, in dollars and cents or some other definite valuation figure, the upper limit of liability under such certificate is a **MUST** for any abstracter. If such a method is used and the employer or other party is unsatisfied with the extent of liability, this limit might be increased upon payment of an additional certificate fee. In this way, the abstracter knows the full extent of his liability and, if called upon to increase his limits of liability, has the right to be compensated for such increase. Another, and more common, method of limiting liability is through the use of abstracter's liability insurance. However, this insurance is expensive and in addition it is impossible ever to determine how much insurance is necessary. If the loss is many times the amount of insurance carried, the experience gained is of no benefit,

since the abstracter is ruined financially and thus unable to continue in business.

A Recommendation

Perhaps the best method for limiting liability, especially where an extremely large risk is involved, is to recommend title insurance to the customer. In this situation, if the employer is unsatisfied with the limit of liability set forth in the certificate, then the suggestion should be made that he obtain title insurance covering his property and for the amount that he desires. This not only furnishes protection to the abstracter, but also furnishes more adequate protection to the customer. It must be remembered that it does the customer no good to have a judgment against the abstracter for $250,000 when the abstracter's net worth is only $150,000. Therefore, title insurance in such cases reduces the risk to all parties involved, and furnishes adequate protection to the customer at only a slightly higher cost.

Consider the Problem

This problem of limiting liability is one that should be considered by every abstracter. It is a problem that is as much a part of his daily business as is daily posting or proof reading the take-off. It is something that can involve large amounts of money and thus should be given long and serious consideration. It is something that cannot be limited entirely by contract and thus should include some form of insurance as outlined above. Most certainly the solution to this problem should have its start in the abstracter's office in the form of a limitation in the certificate.

REPORT OF JUDICIARY COMMITTEE

RALPH H. FOSTER, Chairman
President, Washington Title Insurance Company, Seattle, Washington.

Revenue Stamps

Stamps on deed are ordinarily to be paid for by grantor but where U. S. is grantor they must be paid for by grantee. Endler v. U. S., 110 Fed. Supp. 945.

(From "Title Decisions" by McCune Gill, St. Louis, Mo.).

* * *

Easements

An easement is either "appurtenant" or "in gross." An appendant or appurtenant easement must inhere in the land, concern the premises, have one terminus on the land of the party claiming it, and be essentially necessary to the enjoyment thereof. It attaches to, and passes with, the dominant tenement as an appurtenance thereof. An easement, or right of way, in gross is a mere personal privilege to the owner of the land and incapable of transfer by him, and is not, therefore, assignable or inheritable. Shia v. Pendergrass, 72 S.E. 2d 699.

(From South Carolina Title News).

Wills

Where a testator bequeathed property to "each of my then living grandchildren, whether born prior or subsequent to my decease," there is a presumption, in the absence of any language in the will to the contrary, that the testator intended only the blood children of his children to partake of his bounty. The use of the word "born" was the controlling factor in this decision. Third National Bank vs. Davidson, 157 O. S. 355.

(Reported by Thomas J. McDermott, Mansfield, Ohio).

* * *

Words and Phrases

A California District Court of Appeal in rejecting the authority of two cases cited by appellant said "Both cases were written before the days of open plumbing and are no longer authority." Bauer v. Curtis, 254 Pac. 2d 931. Dated August 15, 1953.

(Respectfully submitted, Ralph H. Foster, Chairman).

WELFARE CONCEPTS SLOW UP HOUSING CREDIT

NORMAN P. MASON

Chairman, Construction and Civic Development Department Committee, Chamber of Commerce of the United States, Washington, D.C.

The government housing agencies in providing mortgage credit on the basis of welfare considerations have neither advanced the general welfare nor increased the availability of private mortgage funds. As a consequence of applying conditions as to interest rate and other features of the loan transaction that are not in accord with the prevailing market situation, house building is threatened with a serious loss of credit support and a decline in building volume at the most crucial time of the year.

The dependence of house building on mortgage credit is so great that any shortage of mortgage funds is bound to produce an interruption in building activity. This principle, fully acknowledged as it is, would not warrant restating if recent events had not shown up a widespread misunderstanding of the credit operation in a private economy which in itself has been largely responsible for the present shortage of funds for Federal Housing Administration and Veterans' Administration mortgages.

The purpose of this bulletin is to point out the nature of this misunderstanding, to reveal its effects, and to suggest the ways in which it can be cleared up.

How Government Has Tried to Improve the Flow of Mortgage Funds

The importance of maintaining a supply of mortgage funds in some relationship to the potential housing demand has been recognized by the federal government for more than 20 years; and a number of agencies have been set up during the last two decades for the express purpose of increasing and steadying the availability of mortgage money.

These agencies, well-known to all in the businesses of building and mortgage financing, are: The Home Loan Bank System, the Federal Housing Administration, the Federal National Mortgage Association, and the Loan and Guaranty Service of the Veterans' Administration.

In each case the function of the governmental agency was intended to be auxiliary to normal private lending activities. With the Home Loan Bank System, the purpose was to give local lending institutions a source of reserve credit, which would help to stabilize their operations and maintain a reasonable degree of liquidity. With Federal Housing Administration and Veterans' Administration, the objective was to broaden the availability of private mortgage funds by insuring or guaranteeing lenders against loss. With Federal National Mortgage Association, the aim was to provide a facility for buying insured or guaranteed mortgages when and where funds from other sources were temporarily scarce.

The idea in each case was to make the private mortgage market work more broadly, more steadily, and with greater confidence. It was to help get more funds into the market, keep them there, and to make them available to more people. It was, above all, not to interfere with but to facilitate the operation of the private mortgage market.

The Veterans' Administration Program Was Intended to Be a Marketable Program

This basic approach was as true of the veterans' guaranteed loan system as of the other programs. The underlying thesis of the Veterans' Administration system was that, because servicemen had been deprived of earning and saving power for a number of years, it was justifiable to take steps to remove the disadvantage which they would suffer by being unable to meet the normal down-payment requirement. The provision for what might be as high as 100 percent loans was, therefore, less a proposal to give a veteran a special benefit

than it was to prevent him from suffering a special disability.

There was no indication in the original legislation that, beyond this feature, the veteran was to receive different treatment from other borrowers. The maximum permissible interest rate specified in the law (following the example of the Federal Housing Administration statute), although only 4 percent, was at the time clearly a market rate, since Federal Housing Administration loans at that rate were selling at a premium and non-insured loans were being widely made at 4 percent or even lower.

How the Government Has Blocked Its Own Objectives

Over the years in which the government agencies have been in operation, a considerable departure from the original point of view has taken place.

Instead of the simple motion of facilitating the operation of a private market, the idea grew up that the government, through its insurance device, was providing special benefits for lenders, on account of which certain concessions should be made. It also began to be considered both proper and possible to set up special programs to encourage the kinds of operations that the government thought desirable and to impose on the market the terms under which the operations should be carried on. As an example of this we now have special Federal Housing Administration facilities for low-priced houses, houses in defense areas, houses on military installations, cooperatives, prefabricated houses, etc., until the whole set-up has become so complex that none but the most informed official can tell what can be done and what can't. Moreover, in cases where, for one reason or another, the market did not take to any of these special features, Federal National Mortgage Association has been diverted from its original purpose to support the unmarketable programs.

This trend away from keeping Federal Housing Administration as a simple instrumentality for insuring mortgages toward making it a device for accomplishing numerous special aims became especially evident after Federal Housing Administration was incorporated in the Housing and Home Finance Agency with public housing (distinctly a non-market operation). As the trend continued, more and more effort was made to make interest rates suit the supposed need of the borrower rather than the requirement of the lender and to overcome the details of lending and building operations on the theory that the borrower had to be protected from an assumedly avaricious and unscrupulous industry.

This increasing paternalism became even more characteristic of the Veterans' Administration program. It seemed to be taken as a settled principle that the veteran borrower was so ignorant and incompetent that, unless the government protected him as to price, manner of construction, mortgage interest, and other aspects of the transaction, he would inevitably be preyed upon by those with whom he dealt.

This caricature of the building-lending operation, which has become the accepted government view of what characteristically goes on, has created serious impediments to the use of the government devices. Both builders and lenders are exposed to cumbersome, protracted and costly procedures, numerous petty annoyances, and unascertainable risks, which alone frequently prove to be drawbacks to participation in the government programs. When on top of this an effort is made to substitute official judgment of what interest rates ought to be for the determination of interest by the bidding of borrowers in the market place, the impediment may become absolute.

The government can successfully control the interest rate on mortgage loans only when it rigidly controls the price at which money will be offered for all types of investments. As pointed out in our previous bulletin, the government did attempt to impose a form of price control on the whole money market until, by the

spring of 1951, a free money market has been gradually restored in every area except that of insured-guaranteed financing. Here the theory persists that the Congress of an administrative agency can pin-point an acceptable interest rate—a feat that the Treasury itself has been unable to accomplish.

Where the Damage Is Done

The insured-guaranteed loan programs have been most popular with life insurance companies and banks—in other words, the general investment institutions whose policies are most directly influenced by changes in money rates. They have been much less so with savings and loan associations, which have never participated heavily in the Federal Housing Administration program and which since 1947 have been somewhat reducing the proportion of their total loans held in Veterans' Administration guaranteed mortgages. Dealing mainly in the area of conventional lending, where the Home Loan Bank Board has wisely not attempted to regulate interest rates, charges, or appraisal and inspection practices, savings and loan associations have continued to provide funds for a growing share of the total home mortgage market (about 38 percent at present).

The principal impact of the government's misguided paternalism has, therefore, been on the part of the mortgage market that is dependent on the general investment institutions. Because in the past these institutions have been willing to commit funds for Federal Housing Administration and Veterans' Administration mortgages in large amounts, they have provided the kind of money needed by the merchant building organizations which cater to the mass demand for houses. No other institutions have been able to serve this purpose in a comparable degree. Consequently, when life insurance company and bank investment is diverted from mortgage lending by an interest rate frozen at a sub-market level, it is the great mass of small-income home buyers concentrated in metropolitan areas that is most adversely affected.

The end result of the government's efforts to control the details of the home-building and mortgage lending process is to set up a discriminatory situation in which the very people that the government effort was intended to benefit are the ones that are hurt.

What Are the Remedies?

Since the trouble is due to the effort to control one element of an otherwise free economy, the only solution is to free this element also. The insured and guaranteed systems—if they are to be continued—should be continued only for the important functions for which they were first designed. They should again become auxiliaries to the market, not instruments for attempting to coerce the market. They should be operated within the framework of a market economy and not be used in an effort to change the characteristics of the economy. The paternalistic view that the builder and lender must be watched and regulated and the borrower protected by government at every step should be discarded. The building and financing institution, the builder, lender and borrower can, and should, assume the same responsibilities and resort to the same remedies that they do in other private transactions.

In order to accomplish these aims, a number of changes are required in the present set-up. Some of the important ones are stated below:

1. The effort to control interest rates should be abandoned and all such regulation left to the usury laws of the states. This move would make possible the operation of the guaranteed-insured programs at all times in competition with other types of investment. It would also greatly stimulate the flow of funds into remote and underserviced areas. Reliance may be placed on the inherent advantages of the government guarantee to keep the rates on these loans in a favorable relationship to those on conventional mortgage loans.

2. The Federal Housing Admin-

istration system should be greatly simplified so as to avoid the multiplicity of systems which have been set up on the theory that government has the wisdom to determine what types of operations are most needed and has the responsibility for influencing the flow of funds in those directions.

3. Federal Housing Administration and Veterans' Administration should limit their appraisal and inspection operations to the extent needed to provide a reasonable minimization of their own risks. They should not assume, or be forced to assume, the responsibility for detailed protection of the borrower or for guidance and supervision of the practices of builders and lenders. The essence of a private transaction is the responsibility of the parties to look out for their proper interests. Greater reliance should therefore be placed on the local administrative agencies and the courts for maintaining standards and avoiding fraud. The ultimate savings to the borrower and the greater availability of funds that would result from these proposals should more than offset any benefit to be obtained from the elaborate procedures now being followed.

4. The cumbrousness of current procedures should be further reduced by combining the field operations of the Federal Housing Administration and Veterans' Administration. The present duplication of the processing functions of these agencies involves unnecessary cost to the government, the builder and the borrower, without contributing any benefit that would not exist with a combined system.

5. The control of the policies of the government agencies dealing directly or indirectly with private credit transactions should be divorced from that of the agencies designed strictly for welfare, non-market operations such as subsidized housing and other relief measures. The present union under Housing and Home Finance Agency of credit and welfare functions tends to pervert the credit functions and to impair the effectiveness of the agencies designed to facilitate the operation of the private market.

The effecting of these changes would constitute important steps in establishing the new Administration's sound money policy in the field of home mortgage finance. They should have the support of all public-spirited citizens.

I Am a Rush Job

I am a RUSH job. You have heard of me.
I belong to no particular age. Men have always hurried.
I prod all human endeavor.
Men believe me necessary; but falsely.
I rush today because I was planned yesterday.
I demand excessive concentration and energy.
I over-ride obstacles; but at great expense.
I illustrate the old saying: "Haste makes Waste."
My path is strewn with the evils of mistakes, disappointments—and OVERTIME.
Accuracy and quality give way to speed.
Ruthlessly I RUSH on and on.
I am a RUSH job. You have heard of me.

Iowa Title News.

READ "TITLE NEWS"

By William O. Finley, Oskaloosa, Kans.

How many of you are taking the necessary few minutes each month to read your American Title Association's official monthly publication—Title News?

Those of you who are not reading this splendid publication are certainly missing the boat.

How often have you heard it said that there are too few available guides and aids for the little man? The Title News is definitely one answer to this complaint.

The publications for the last five or six months have been especially good. The March issue alone contained fifteen articles and features, all of which should be of interest to any person in the title profession. Morton McDonald's article entitled, "Liberty or Security" is a masterpiece and would well stand printing in every newspaper in America.

Jim Sheriden, as escrows, descriptions, name indices, public relations, advertising, oil abstracting, and many more, all of interest and importance to the small abstracter as well as to the title insurance executive, have been well covered in the Title News in the past few months.

If all you A. T. A. members who have been passing up the Title News will develop the habit of reading this publication, I am certain that a number of you will look to your national organization with renewed interest and enthusiasm.

To all abstracters who for one reason or another have never become members of the American Title Association I will say that to me the Title News alone is well worth the yearly membership fee.

—The Kansas Abstracter.

PERSONALS

JOSEPH H. SMITH

Secretary, American Title Association, Detroit

• At convention of Colorado Title Association, members elected CLARENCE R. HEDLUND, Manager and Owner, Hedlund Abstract Co., Hugo, as new President. LLOYD HUGHES, Vice-President, Record Abstract & Title Insurance Co., Denver, was re-elected Secretary.

• Newly elected President of Montana Title Association is J. G. HIGGINSON, Secretary, Stillwater Abstract Co., Columbus. OSCAR J. CALLANT, Secretary, Wheatland Abstract Co. continues as Secretary-Treasurer.

• A new name, new home and new address have been announced by AMERICAN-FIRST TITLE & TRUST CO., now at 219-21 Northwest First St., Oklahoma City, Oklahoma. WILLIAM GILL, SR., Past President and present Treasurer of ATA is President. He was Executive Vice-President of American First Trust Co., and LT. GEN. RAY McLAIN, formerly President of American-First Trust Co. is now Chairman of the Board of the reorganized firm.

• HOWARD H. ROLAPP, President, The Security Title Insurance Co., Los Angeles, California, has announced the election of three new Vice-Presidents. They are DANIEL MALE, oft he Mariposa office in Fresno, CLIFF BROCK of the Fresno Title Guaranty Office and KENNETH B. ZACHARIAS of Merced.

• EDWARD B. JULIBER joins the staff of Phoenix Title & Trust Co., Phoenix Arizona as new Vice-Presi-

dent in charge of customer relations. He was formerly President of American Institute of Foreing Trade.

• HARVEY HUMPHREY, Vice-President, Title Insurance & Trust Co., Los Angeles, California, Immediate Past President of California Land Title Association and Chairman of Committee on Advertising and Publicity of ATA for 5 years was named to Board of Traffic Commissioners of City of Los Angeles by Mayor Norris Poulson.

• The Land Title Bank & Trust Co., Philadelphia, Pennsylvania, has new name. Now known as LAND TITLE INSURANCE COMPANY with LAWRENCE P. ZERFING heading newly named firm as President. Mr. Zerfing is Vice-President of ATA and was formerly Chairman of Title Insurance Section.

IMPORTANT ASSOCIATION EVENTS

Oct. 5-6	New York State Title Association	White Face Inn Lake Placid
Oct. 5-6	Missouri Title Association	Hotel Philips Kansas City
Oct. 9-10	Wisconsin Title Association	Mead Hotel Wisconsin Rapids
Oct. 9-10	Nebraska Title Association	Blackstone Hotel Omaha, Neb.
Oct. 11-12	Kansas City Title Association	Jayhawk Hotel Topeka
Oct. 17	Arizona Land Title Association Convention	El Conquistador Hotel Tucson
Oct. 25-26-27	Ohio Title Association Convention	Hotel Hollanden Cleveland
Oct. 26-27	Indiana Title Association Convention	Hotel Lincoln Indianapolis
Oct. 29-30-31	Oregon & Washington Land Title Associations Convention (Joint)	Multonmah Hotel Portland
Nov. 5-6-7	Florida Title Association Convention	San Juan Hotel Orlando, Florida
Nov. 9-13	Mortgage Bankers Association Convention	Miami, Florida

ROLL OF HONOR

Past Presidents of the American Title Association

1.	1907-08	W. W. Skinner	Santa Ana, Calif.
2.	1908-09	A. T. Hastings	Spokane, Wash.
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4.	1910-11	Lee C. Gates	Los Angeles, Calif.
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6.	1912-13	John T. Kenney	Elkhorn, Wis.
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19.	1925-26	Henry J. Fehrman	New York, N.Y.
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26.	1932-33	Stuart O'Melveny	Los Angeles, Calif.
27.	1933-34	Arthur C. Marriott	Chicago, Ill.
28.	1934-35	Benjamin J. Henley	San Francisco, Calif.
29.	1935-36	Henry R. Robins	Philadelphia, Pa.
30.	1936-37	McCune Gill	St. Louis, Mo.
31.	1937-38	William Gill	Oklahoma City, Okla.
32.	1938-39	Porter Bruck	Los Angeles, Calif.
33.	1939-40	Jack Rattikin	Fort Worth, Texas
34.	1940-41	Charlton L. Hall	Seattle, Wash.
35.	1941-42	Charles H. Buck	Baltimore, Maryland
36.	1942-43	E. B. Southworth	Crown Point, Ind.
37.	1943-44	Thos. G. Morton	San Francisco, Calif.
38.	1944-45	H. Laurie Smith	Richmond, Va.
39.	1945-46	A. W. Suelzer	Fort Wayne, Ind.
40.	1946-47	J. J. O'Dowd	Tucson, Ariz.
41.	1947-48	Kenneth E. Rice	Chicago, Ill.
42.	1948-49	Frank I. Kennedy	Detroit, Mich.
43.	1949-50	Earl C. Glasson	Waterloo, Iowa
44.	1950-51	Mortimer Smith	Oakland, Calif.
45.	1951-52	Joseph T. Meredith	Muncie, Ind.
46.	1952-53	Edward T. Dwyer	Portland, Oregon