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THE ASSURED VIEWS THE TITLE POLICY

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Delivered to the 1954 Convention of New Jersey Title Insurance Association

It is recognized that in appearing as your speaker this evening, I am assuming what is known in the title industry as a "business risk." In accepting your gracious invitation I trust that any exposure to which I subject myself for these observations will be covered by the cloak of charity. I would like to take the liberty to draw upon my experiences in the title business and later in representing a life company in its real estate and mortgage investments.

Title insurance is affected with a public interest—it is a quasi public business. Because of this situation those engaged in it should fully recognize their responsibility in conducting their operation on a high scale and upon a sound basis. The individual in purchasing title insurance or lending its funds believes that it has purchased not only a contract of indemnity but also it is his understanding that the contract was issued only after qualified experts have assured themselves that the title is sound.

Power to Regulate

Title companies are under state supervision. This supervision has not as in certain other states extended to the regulation of rates, underwriting practices or policy forms. Under the McCarran Act 1945 the Federal Government is vested with the power to regulate insurance companies to the extent that the business is not regulated by state law.

The title insurance industry has come a long way since the dark days of 1933. The mortgage guarantee companies were unable to meet their mortgage guarantee obligations. These companies found it necessary to reorganize under Chapter 3 of Laws of 1934. As these companies were also in the title insurance business, public confidence was severely shaken. Some individuals dealing with a title company were wary and suspicious. Its operation was labeled a "racket." The mortgage guarantee business as it was known in those days was demonstrated to be unsound. The title operations continued. It was a long uphill fight to rebuild public confidence in title insurance as we know it today. The further education of the public is, of course, highly desirable and the industry, I know, will continue to be fully alert to the need to continue to build public confidence. Today we find that the industry has emerged into an era of prosperity and public acceptance. This happy state of affairs is no accident but rather the result of courage, integrity, hard work and vision. You have today an industry

of which you may well be proud. It fulfills a long-felt need in our economy. Its use is general except in a few states.

In Review

It would be well for a few moments to review the development of title evidence from the bulky abstract to the title policy. Abstracts continue to be the accepted form of title evidence in some western states, particularly in rural areas on farm mortgages; title insurance even in those states is making substantial progress by combining the use of the abstract as the basis for the issuance of insurance. In the late '20s we saw such a wide variety of policy forms and practices that it is not hard to understand why title insurance made slow progress. This lack of uniformity resulted in confusion in the mind of the customer. The industry was going through an era of growing pains. Life Insurance Counsel began to accept the title policy as an alternate to the abstract but indicated no preference. This was the first important advance gained in the use and acceptance of the title policy. A life insurance attorney in weighing the sufficiency of a title on a mortgage loan as set forth in a title report recognizes the saving in time and effort as compared to the abstract method. It was soon demonstrated that in addition to the insurance coverage, real estate investments could be closed without delay. As the title companies became familiar with the needs of the lender, the two groups worked harmoniously together.

Standardization

From the variety of title policy forms, standardization finally evolved. We have, as you know, today, the standard form loan policy, known as the ATA Revised Policy. This form is a familiar one to all experienced users of title insurance. It is no longer necessary to read the "fine print." That form is in use generally throughout the country with the exception of a few states such as Texas and Illinois. My comments apply with equal force to your operations under the Authorized Attorney Plan. Most attorneys are fully qualified to examine titles. The prudent title company operating on this basis formulates a sound program and assures itself that the attorney follows its instructions and regulations. Obviously these safeguards are essential to safe operation. Bear in mind that during these days of prosperity, claims arising out of errors or defects have a workout usually without loss. When times are not good, losses will come. It has always been so. It has been stated that in order to get a true picture of title loss experience and its ratio to premium income (a) is by applying the losses regardless of when paid back to the years in which the policy was issued, (b) the policies must have been outstanding for 20 years or more, and (c) the titles insured must have survived the acid test of deflated real estate values. Statistics are boring but it is in point to note that one company doing business on a national scale reported that on the policies issued in 1925 and 1926 the losses paid represented over 40% of the premium income for those years. These figures seem hard to believe but they come from an authoritative source. The ratio for ensuing years ranged from 20% as a low to 41% as a high. The importance of these figures is to emphasize that it is of the utmost importance for a company to build and maintain substantial reserves in excess of statutory requirements against the day of a tight real estate market or bad times. The net profit before taxes would have been helpful in adding to a voluntary reserve. High Federal income tax has prevented the use of these profits for that purpose. Reduction of the income taxes should offer the opportunity to build these reserves.

Badge of Good Title

The title policy represents the product of a complete examination. Implicit is the representation of the title insurer that based upon such examination it considers the title good and accordingly has issued its insurance. It is the badge of good title.

The title report should, of course,

represent the title company's considered position after weighing any questions involved. It is harmful to the prestige of a title company to be compelled to remove an exception in the title report if that question in the first instance is not justified —is not supported by the facts or the law. This is particularly true if the case or statutory law will support a contrary view. The time to weigh the propriety of an exception should be, in all instances, before the report is issued so that the title company can maintain its position with authority.

Absolute Integrity

The ideal title officer, in my opinion, among other things should maintain an open mind and be receptive to the other fellow's viewpoint. As to title exceptions, we never ask a title company to remove a proper exception. When we accept your policy, we accept your methods and rules. That attitude, I believe, applies to most attorneys and lending institutions accepting your policy. It is obviously of great importance that the title company maintain a policy of absolute integrity in all steps leading to the issuance of its insurance. The customer relies upon the "Service Purchased" as well as the insurance. Avoid the temptation to issue insurance on flimsy or incomplete information. The company that cuts corners or indulges in other questionable practices will not retain the confidence or respect of the public or of its customers. It performs a disservice not only to itself but to the industry. There should be adherence to conclusions properly arrived at. You owe a duty of complete reporting. Known defects should be reported. Any conditions affecting marketability should be disclosed. These observations may be grouped under the classification of sound underwriting. It is my firm belief that the companies doing business in this state for the most part live up to and practice sound underwriting.

Realistic Treatment

As to title exceptions, we recognize that there is an area of reasonableness, a so-called business risk, a consideration of the exposure and then the conclusion, soundly arrived at. In other words, a realistic treatment. A title reader is performing only part of his job by raising objections. It is just as important to find, if available, the solution to those objections which require knowledge or research of the law, experience, the know-how and practicality.

Known defects should always be reported; if it is a tax title even though marketability will be insured —should be reported.

Mutual life insurance companies are trustees of its assets for policy holders. It is charged with high responsibility. Accordingly its investments, as are those of other lending institutions, regulated by statute. Mortgage loans must be a first lien on a marketable title. We lend on good titles which are evidenced by the title policy—not on defective titles, although such defects are insured against. The importance of an accurate appraisal of the sufficiency of title is evident. Recognition by title companies of its obligations to the customers which it serves should bring home forceably to the title companies the need for sound operation. These title policies accompanying mortgage loans aggregate a fabulous amount dollarwise. Life companies have confidence in your sound operation — fully rely upon your work. Rate cutting should not be tolerated. Such practice will inevitably result in damage to the Company which practices it and also harms the industry.

Maintain Confidence

The title company should always refuse to engage in those practices which would impair that confidence or betray the trust. It should be watchful of violations and should endeavor to dissuade an erring company. For example it should not without the investor's approval withhold part of a loan disbursement against outstanding liens or interest. There is one point also, which should be mentioned in passing, that is, the dating of the policy on the date of disbursement. Competent counsel will

insist upon the dating of the policy on the date of final disbursement. Some of your policies may go directly into the vaults of the private investor without prior examination by his counsel. It is of the utmost importance, I believe, in the maintenance of good public relations that in all cases, whether or not requested, you date your policy the date of final disbursement.

A current movement of value is the standardization of routine title exceptions. A committee of the American Title Association working in conjunction with representatives of life insurance companies has drafted forms of exceptions relating to restrictions, easements and other routine exceptions usually appearing in the policy. Such standardization with the approval by so-called secondary lenders will enable the original lender to close a loan with the assurance that the exceptions in the standard form will be acceptable when the loan is later assigned to the secondary lender. This is considered a signal improvement over the wide variety of text formerly employed by title companies.

Added Protection

Coinsurance and reinsurance on large investments fulfills a need for the investor. Where reinsurance is employed the contract now provides that it inures to the benefit of the insured; further that recovery in the hands of the primary insurer from the reinsurer is a trust fund earmarked for the benefit of the investor, not subject to rights of general creditors and the right of recovery not contingent upon the primary insurer's solvency. From my own experience we have found that this type of coverage is readily available because the forms, division of rates and procedures are set up and treaties made among the companies issuing that type of coverage. This represents an attractive form of protection to the investor and avoids the use of one company's policy in excess of its assets.

Insurance of construction loan advances on tract developments presents an extra hazard. There is always the risk of stoppage of construction because of the builder's inability to continue, with the appointment of a receiver and litigation on liens and priorities. Mechanic Lien Law insofar as it regulates construction loan advances is frequently difficult to adhere to and if not, the mortgage priority may be successfully attacked. If there is trouble it is apt to be big trouble, resulting in substantial loss to the insurer.

May I suggest that you give thought to the issuance of title insurance to a mortgagee which has taken an assignment of an existing lease as additional security for the loan. The extension of your coverage in this respect would be very desirable from the standpoint of the lender and the necessary safeguards set up to write the insurance upon sound underwriting standards. After all, a mortgagee taking title insurance as the evidence of title should properly receive assurances from the title insurer covering the validity of the assignment. The extension of your service and coverage in this respect would represent an added service by the title industry.

For Consideration

Another subject which should be given consideration at this time and before foreclosures become numerous is the service which the title company should be prepared to render by making its files available to meet questions in the backtitle (which almost never result in claims but frequently create a delay and nuisance if the information such as affidavits and other collateral information is not produced). There is of course nothing in your title policy which obligates you to furnish this service. However, the long range position should be to make this information readily available in order that the investor may not be delayed in either the foreclosure or the resale of the property. I am thinking in terms of perhaps 10 years hence when the authorized attorney's files may not be available. We know of the instance of a large savings bank which was exposed to this problem on the sale of foreclosed real estate.

Its mortgage loans had been supported by an attorney's certificate (which was the custom at that time). When it became necessary to supply the information it was not available because the attorney had died; his estate distributed and his title records not available. This proposal, I believe, should receive your considered study now and a program adopted against the day when the need may arise. There will be also the problem of making the files of authorized attorneys always available and some method should be devised to meet that problem.

Open End

All of us have heard of the Open End Mortgage. Its objective is sound, to provide to the home owner, mortgage credit on his existing loan generally for improvements or repairs. We are in the process of making a study of the law and practices in the several states. In New Jersey as in most states any later advance must be supported by a continuation search and satisfactory disposition of any intermediate liens or interest. It would be well for the title industry to devise a plan to provide the necessary title service on open end mortgages upon an agreed rate. The American Title Association has this subject on its agenda with the objective of ascertaining the views of the title insurance companies. It is urged that you formulate a procedure because the open end mortgage is certainly coming and you should be prepared to meet the demand for service.

JUDICIARY COMMITTEE, REPORT OF CHAIRMAN

F. W. AUDRAIN,
Counsel, Security Title Insurance Company, Los Angeles 14, California

To the Members of the Judiciary Committee and All Other Title Men:
Gentlemen:

The recent letters from Walter C. Schwab, Senior Title Officer of the Commonwealth Title Company of Philadelphia; Stanton W. Allison, Vice President of Commonwealth, Inc., Portland; and McCune Gill, President, Title Insurance Corporation of St. Louis, are before me and, I hope, are indicative that more may come.

Mr. Schwab calls our attention to United States vs. City of New Britain, 74 S. Ct., 367 (2-1-54) which, as he states, "deals with the perplexing question of priority of the United States statutory liens over state liens in the distribution of a fund raised by virtue of a foreclosure of a mortgage in a State court of Connecticut."

The Supreme Court, finding that the State Court did not correctly interpret the law relative to Federal tax liens remanded the matter back to the trial court. The Court held in substance that:

1. "The city gains no priority by the fact, that its liens are specific while the United States liens are general."

2. "Congress has failed to expressly provide for federal priority." (Unless debtor insolvent.)

3. "Liens such as attachment liens are inchoate until judgment."

4. "Fact that 26 U.S.C.A. 3672 makes federal lien invalid as to prior mortgagee, pledgee, purchaser or judgment creditor until notice recorded and fact that such a mortgage, etc., is inferior to state liens does not a fortiori make latter superior to federal liens. Congress intended federal liens to rank behind only kinds mentioned in 3672."

The Court declined to decide whether state taxes junior to federal liens which are paid by one holding a mortgage senior to the federal liens thereby partake of the mortgage's seniority.

A case on an insurance policy:

The title company found a lis pendens of record, but it also found that after the lis pendens was recorded, the plaintiff amended his complaint to change the action from one in contract to one in tort. Hence, the lis pendens did not give notice of the action predicated on tort and was not shown in the policy.

The insureds lost title through a complicated series of events, including the lawsuit, and alleged that the policy was incorrect because while the title company knew of the lis pendens it did not show this item in the policy. The Court found against this allegation. The case also includes discussion of the latitude a title insurer may exercise in showing or not showing matters as to which there could be a difference of opinion as to their legal effect.

Sala vs. Security Title Insurance Company, 27 Cal. 2d, 693.

Another case:

The plaintiff had a policy covering his $2,500.00 deed of trust. But for other reasons the policy was written for $18,000.00. After the insured took title via a trustee's deed after default and sale, he discovered a prior lease, which had not shown in the policy and which he alleged and the court found made his title valueless. So the argument was as to damages, found by the court to be $5,500.00.

The Court held "The proper measure of damages, a breach of duty under the contract being shown, is the amount which would compensate for all detriment proximately caused thereby."

Crain vs. Security Title Insurance Company, 6 CA 2d., 343.

Mr. Gill, supra, sends out a printed page of current case law about matters of interest to title men that you will find to be lucid and comprehensive in its scope.

Ever find someone in your company, perhaps an old hand about to walk into a bad risk, nearly identical to one that gave you some scares 10 or 15 years ago?

COMMITTEE ON TITLE INSURANCE STANDARD FORMS, —REPORT OF CHAIRMAN

BENJAMIN J. HENLEY, *President*
California Pacific Title Insurance Company, San Francisco

In Title News of December, 1952, commencing at page 144, is published the 1952 report of the Committee on Title Insurance Standard Forms. This report contains the A.T.A. Manual of Standard Exception Forms for Schedule B of the A.T.A. Standard Loan Policy as approved by the Committee on September 8, 1952. In that report the Committee informed the membership that:

"The Committee approved the forms with the understanding that their use, both by members of the association and their clients, would be optional. It is recognized that it is not within the province of any committee or of the association to impose upon association members the use of particular forms. Therefore the approved procedure was that the forms be distributed to members by the association and then if their use is requested of a particular member by any lender that member will decide whether it can comply with such request."

At the Mid-Winter meeting of the association at New Orleans Colonel

Charles Swezey delivered to Mr. R. M. Jordan, Jr., Vice President of Lawyers Title Insurance Company, for the Committee, letters addressed to Colonel Swezey by Mr. Andrew G. Holl, Assistant Counsel of The Mutual Benefit Life Insurance Company, Newark, New Jersey and Mr. W. R. Nethercut, Assistant Counsel for The Northwestern Mutual Life Insurance Company indicating their approval, with qualifications, of the exception forms. Colonel Swezey, at the same time, indicated the approval, with qualifications, of the New York Life Insurance Company. Mr. C. H. Bonnin, Associate General Counsel of Metropolitan Life Insurance Company, has likewise indicated approval of the forms, with qualifications, for his company.

While it is to be understood that this approval does not make the use of the forms a requirement of these companies, the Committee desires that the membership of the association be informed of the action taken by them. The instructions of the several companies are as follows:

NEW YORK LIFE INSURANCE COMPANY

The company states that except as noted, the use of the exception forms has its indorsement. The qualifications to its approval are as follows:

Exceptions 4.03 and 4.09—Easements

Full information should be submitted to the New York Life for approval before the correspondent closes the loan calling for these exceptions.

Exceptions 5.01 to 5.07, inclusive—Surveys and Encroachments

In each instance New York Life should be asked to consider and approve the exception before the loan is closed by the correspondent. A copy of the survey with a reading thereof should be submitted to New York Life at the time the request for approval is made.

Exceptions 6.01 and 6.02—Leases and Rights of Tenants in Possession

These forms are not acceptable to New York Life unless a copy of the lease is forwarded in advance of the closing and is approved by that company.

Exceptions 7.01 and 7.02—Mineral Rights

If these forms are to be used full information must be sent to New York Life in advance of the closing of the loan.

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

The Mutual Benefit Life Insurance Company approves the standard form of exceptions subject to the same qualifications as have been specified by New York Life Insurance Company and set forth above.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

The Northwestern Mutual Life Insurance Company approves the use of the forms with the following qualifications:

Exceptions 4.03, 4.06 and 4.09—Easements

4.03. A copy of the recorded instrument and a report as to the actual location of the easement should be submitted for Northwestern Life approval before the loan is closed.

4.06. On city loans, a copy of survey (or if none is available, a sketch and full report) must be submitted to Northwestern Life Home Office for approval before the loan is closed. This will not be required on residence loans.

4.09. A copy of the recorded instrument and a report as to the actual location of the easement should be submitted for Northwestern Life Home Office approval before the loan is closed.

Exceptions 5.01 to 5.07, inclusive—Surveys and Encroachments

5.01 to 5.03, inclusive. Copy of survey must be submitted to Home Office of Northwestern Life for approval before the loan is closed.

5.04 to 5.07, inclusive. Sketch of encroachment, together with full report, must be submitted to Northwestern Life Home Office for approval before loan is closed.

Exceptions 6.01 and 6.02—Leases and Rights of Tenants in Possession

Copy of lease must be submitted to Northwestern Life Home Office and approved by Company before loan is closed.

Exceptions 7.01 and 7.02—Mineral Rights

Copy of lease and full information as to development and production should be furnished Northwestern Life Home Office for consideration before loan is closed.

METROPOLITAN LIFE INSURANCE COMPANY

Metropolitan Life has no objection to the present form of the proposed uniform decimal exceptions for mortgage title insurance policies. Although in some cases (Sec. 4.03 and 4.09 for example) they would demand a more complete presentation of the facts than is disclosed by the exception before agreeing to make a loan.

The fact that other lenders have not communicated to the association their approval of the exception forms is no indication that others will not approve and use them. However, except for the four life insurance companies named above, no express approval of the use of the forms has come to the attention of the Committee to this date.

Letters from other life insurance companies indicate that they are giving the exception forms consideration and it is probable that approval by some of them will be received before too long.

A TITLE—WHAT IS IT?

THOMAS F. McCARTNEY
Blaine County Abstract Co., Chinook, Montana

The other day I ran across an outline of a talk which we have given at different times to classes at our local school to help them understand land surveys, A Title—What Is It? and what an Abstract is. I believe that a couple of the excerpts from this talk will act as good reminders of what those in the Title profession have been doing. I have found that after doing a certain thing so long it comes natural, and you never stop to think of the reasons for doing it that way. As for the newcomers the following definitions may help them understand why they have to type so many of those Gosh-awful instruments.

A TITLE—WHAT IS IT?

Generally speaking, a title is the evidence of one's right or of the extent of his interest, the means whereby the owner is enabled to assert or maintain his possession.

Therefore to prove title, it became necessary for owners to preserve each instrument affecting his real estate. (Instruments were lost, stolen or destroyed.)

This brought about the recording system.

Purpose of Recording:

1. To preserve the instruments of title and the evidence of their voluntary execution.

2. To give the public notice of the change of ownerships of property or the existence of liens thereon.

WHAT IS AN ABSTRACT?

An Abstract may be defined as a "compilation, a synopsis, or a statement of all recorded facts which in any material way affect the title to the property abstracted." Such facts are usually arranged chronologically, and are intended to show the origin of the title, including all subsequent transactions of any nature, and showing of any pending suits, liens, judgments, unpaid taxes and special assessments for improvements. Sometimes instruments are shown for reference only.

The PURPOSE of the Abstract is to afford the prospective buyer, or mortgagee, a speedy, convenient and safe method of ascertaining the conditions of the title. By its use the purchaser or attorney may see the exact condition of the title as disclosed by the record, without having to make a specific inspection of the original instruments; or without making a lengthy search of the various records where information concerning the title is found.

REAL ESTATE TITLES

WALTER G. HUBER

President, Nebraska Title Association; Attorney and Abstracter, Blair, Nebraska

Delivered to Convention of Nebraska County Clerks and Registers of Deeds

It is a distinct pleasure for me to appear on your program. I had an inkling of this when at the Nebraska Title Association State Convention in October when John Wozab of Ord, one of our past presidents who was slated to appear before you, asked that he be excused due to the uncertainty of the weather, and this was confirmed later by a telephone call from your gracious president, Walter Loeschler. I'll confess that I started to prepare slightly for it a month ago, but I am still wondering where the ensuing month has gone as the first thing I knew it was time for me to be here.

Incidentally, I invite any of you in the neighborhood of Fairbury to visit our state convention to be held there this fall on October 8th since Mr. Wozab is the new chairman of the Title Business Exhibits Committee and will no doubt, with the help of his committee, have some real educational displays covering our industry, which is the business of writing title insurance and the profession of compiling abstracts of title.

In order to fully understand any title, we should take that title back to its source. With that in mind, I turned to the generally recognized authority on all law—Blackstone—and in Book II, citing Genesis 1:28, he states, "the Creator gave to man 'Dominion over all the earth, and over the fish of the sea, and over the fowl of the air, and over every living thing that moveth upon the earth'." However, when we check the Biblical source, we find that Blackstone was wrong, as it states that God, after having created man, told him "to replenish the earth, and subdue it; and have dominion over the fish of the sea, and over the fowl of the air, and over every living thing that moveth upon the earth." It does not say "have dominion over the earth," so there is no passage of title from the Creator to Mankind as stated by Blackstone, but as far as we know, none has ever questioned the gap. It may be of interest to mention that the earliest known historical reference to land transfer is set out in the twenty-third chapter of Genesis.

Chain of Title

Perhaps those of us in the Louisiana Territory can trace the title to our real estate back to the Creator in another manner. This tract was acquired by the United States Government in 1803 by purchase from France under the Louisiana Purchase. France acquired the land by conquest

as a result of a successful war with Spain. Spain acquired possession of the land by virtue of the fact that a young Genoese sailor in her service by the name of Christopher Columbus on October 12, 1492, discovered it and claimed it for Spain, having received his authority to make the voyage and discovery from Ferdinand and Isabella, the king and queen of Spain. They, in turn, received their authority for sponsoring the voyage from the Pope of Rome, and the latter got his authority by virtue of the fact that he is said to be the Vicar of Christ on Earth. Christ received his authority by reason of being the Son and Heir Apparent of God, Who made Louisiana.

Incidentally, at least one landowner in the mountainous country received a much more liberal allowance on behalf of the U.S. Surveyor who laid out his tract than our Nebraska landowners. This was near Cimarron, New Mexico, and he was supposed to have 300,000 acres. The surveyor was in the process of laying it out, when suddenly a man rode up on horseback all out of breath, saying that the Indians were coming on a raid. The distance to the mountains being very deceptive, the surveyor thought that he was safe in describing the boundaries of the tract as certain mountains ahead in each direction. When it was actually measured out later, the owner had 1,500,000 acres of land!

Statutes

Getting down to my specific contribution today, I'd like to discuss real estate titles as specifically affected by our Nebraska statutes on real property. I'm doing this for two reasons. First, because so much of the subject of what we call "Real Estate Titles" stems from these statutes. Second, because I frankly hope that it will stimulate us in understanding our c o m m o n meeting grounds as we go about our daily work. As we go through the subject matter today, I believe you will be struck by the comparatively recent origin of many of our statutes and by the attempts to eliminate technicality and uncertainty in an effort to expedite the transfer of real estate.

Let us then take a look at Chapter 76 of our statutes, entitled "Real Property," which has six articles.

The first article is the "Uniform Property Act," effective August 24, 1941, the sixth anniversary of my wedding date. Though of very recent origin, Nebraska was the first state to pass this law. Its purpose was to abolish anachronisms in the law and out-of-date characteristics, to correct mistakes, to improve the laws' usefulness to society, and to restate existing remedial statutes by improvements in language.

Here are a few high spots on this article. In the first place, it set up that the provisions of the act applied to corporations unless the context indicated a more limited application, which was important since it is certainly obvious that all rules as to property certainly ought to be definitely established to apply to corporations as well as to natural persons in view of the business done by the former today.

Future Interests

The fact further provided that you can convey an interest to begin in the future even though at the time that you convey this you are not sure that you will ever get that interest because it is contingent upon the happening of some event. Other statutes provide that we recognize the creation of future interests, so this law sets out the inevitable conclusion that they should be transferable. Of course, the grantee only gets what you acquire.

The next provision of the act is that a future interest is subject to the liens of credits, which just carries out our theory that courts should have the power to compel all unexempt property of debtor to be used for the payment of his debts.

The next provision of this act is that any conveyance which would be effective as a conveyance when the property is in possession of the grantor is effective as a conveyance of his interest when he is out of possession. This is based upon the reasoning that

the conveyor should be able to convey whatever interest he has whether he is in or out of possession.

The act then abolishes ancient common law fee tail and fee simple conditional titles, which simply got us into a maze of technicalities, and says that these are all fee simple titles. You are familiar with the latter if you have ever seen an attorney's opinion on an abstract calling attention to ownership in fee simple, as it is the sort of title which simply means that you own the entire interest.

The act also abolishes the rule in Shelley's Case, which had been used to defeat the grantor's intention prior to its passage. If you convey to A for life with a remainder to the heirs of A, which under the rule in Shelley's Case gave A the entire title, now A actually gets a life estate and the heirs get the remainder, which is certainly your intention. In an actual case in my law office where M got a life estate under a will with the remainder to the heirs of his body under the old law, to avoid tying up the land for 1000 years or as long as the blood line kept up, we had to use a devise by means of which he and his wife conveyed to my stenographer, which had to be after he had children born and before he died, and my stenographer conveyed back to him to give him a marketable title. Today, he would have a life estate under the will and his heirs clearly would have the remainder. This would carry out the true intent of the testator, besides saving the time and expense of geting a quiet title action decree and recording it in our office, which had to be done in the example given.

Another section provides that a husband or wife can convey the real estate to the two of them without first having to deed to a third person and have that person deed it to the spouses. Prior to this statute the fiction was used due to the common law rule that you couldn't be both a grantor and a grantee in a deed. This was always a hard thing to explain to clients and necessitated an extra deed in your office.

Deeds and Conveyances

The next section allows you to convey land to your spouse the same as you could if he or she was not your spouse, and that you have the same rights in it as in any other property that the spouse might acquire. That is, in the case of her death, if you occupied it as a home, you would have homestead rights in it and, irrespective of this, you would have a right to all or a portion of it if you were the survivor and it was not passed elsewhere under a will that you elected to abide by.

Article 2 of the chapter on real property covers "Conveyances," and I believe that most of you are more or less familiar with it. Did you know, however, that if you get a warranty deed you can immediately sue upon it if you surrender possession to someone with a better title or if you have to buy him off to keep possession, and that this runs with the land and someone to whom you transfer it may bring the same action you could have brought if trouble later shows up when this person gets the title?

Did you know that if you convey by regular warranty deed something you do not own that when you do acquire it that the title goes to your grantee, unless you got it later through a judicial or tax sale upon execution against the buyer or his assigns or for taxes becoming due after date of his conveyance?

Consideration

Did you know that all deeds, mortgages and conveyances shall truly state the actual consideration for the transfer, except that where the actual consideration does not exceed $100, this sum or any less sum may be stated as the consideration in the instrument, and that any grantor who fails to obey these provisions shall be deemed guilty of a misdemeanor and shall be subject to a fine of from $10 to $500, in spite of the fact that in many counties it is still customary to show a consideration of $1 on deeds and then show revenue stamps thereon which indicate a consideration of more than $100?

Did you know that if a deed is not properly acknowledged, as, for example, if conveyance is by or to a building and loan association, insurance company, or cooperative credit union or credit union, and the notary public is a director or elected officer, you have no obligation to receive it for record, and, of course, its recording is not notice to subsequent purchasers in good faith?

Did you know that this article still provides for marginal releases of mortgages, one of the things that makes it harder for an abstracter to search titles from a certain date rather than looking for a recorded release, but that the legislature in 1940 saw fit to cut out the fee for such a release and by failing to so provide, apparently under settled principles of law, you are supposed to do this gratis?

This article contains a number of "curative acts," which has the effect of reducing your work load by waiving a number of flaws in recorded instruments filed off record for a certain number of years.

Perhaps the most important part of this article, from the standpoint of easing title transfers and eliminating a lot of quiet title actions especially, is the Marketable Title Act passed in 1947. Under this act there can be a complete break in the title. For example, if the patent is to A and nothing more appears in the title except a deed from B to C recorded more than twenty-three years ago, and C files an affidavit that he is now in possession, C will be deemed to have a marketable title. Lest we get too enthusiastic about the effect of filing such affidavits, with which all of you are familiar, which set out that the party is the record title holder to certain described real estate and that he is in possession of the real estate, we must remember that there are certain things that the act does not apply to. (1) One of these would be the rights of a lessor to claim possession on the expiration of his tenant's lease, which means that the tenant would be in possession for him and thus C would not be in possession in the example given. (2) Another would be the rights of a remainderman upon the expiration of any life estate or trust created before the recording of the deed of conveyance to C. (3) Another would be the rights founded upon any mortgage, trust deed, or contract for sale of lands which is not barred by the Statute of Limitations. (4) Another would be conditions subsequent contained in any deed, that is, a condition occurring after the deed was given to the one that you are claiming against which would give another party the right to the land, and finally, it can't affect any interest of the State of Nebraska or the United States in the land.

Better Title

Article 3 of the Act relates to occupants and claimants, which simply is a means to allow one who is evicted by the holder of a better title to be reimbursed for valuable and lasting improvements and taxes paid whether in actual possession or not if he can show a plain and connected title derived from the records of some public office, from the United States, or from this state. It also covers anyone who has derived title from such a person and means that the one holding the better title must do the paying to get his title quieted and to get possession if the claimant is in possession, or he can demand of the claimant the value of the real estate without the improvements by tendering a warranty deed to the occupant.

Article 4 of the Act relates to real property escheating to the state if there is a failure of heirs, which seldom happens, and prohibits aliens and corporations not incorporated under the laws of the State of Nebraska from owning real estate unless they have liens upon the real estate, in which event they have the duty of selling the land within ten years after title is perfected in them. Just recently I had an interesting case on that, wherein the land in another county was given under the will probated in our county to the relatives for life and then to the Christian Science Church, which caused the statute to

come into play. The church, after the death of the life tenants, sold the property to a bona fide purchaser before any effort was made by the state or the heirs to acquire the property. In my opinion, relying upon some language in a recent decision of our Supreme Court, the conveyance was good, but the attorney for the insurance company, who was passing the loan for the purchaser and who is now Assistant Attorney General of the U.S. in charge of the Lands Division, thought otherwise, so we proceeded to get deeds from the heirs of the deceased and their heirs and to prove that they were the heirs and their heirs by proper court proceedings. To show the impact of the world upon real estate titles in Nebraska, there is a question in my mind under the United Nations Charter as to whether or not the provision prohibiting aliens from owning real estate is still valid. Formerly this law did not apply to land within the corporate limits, and it was amended in the last session of the legislature so that it would not apply to land within three miles of a corporate limit to allow outstate corporations in on the industrial development just west of Omaha.

Abstracters

Article 5 pertains to abstracters. All of the members of our association outside of title insurance companies are actively engaged in the abstracting of titles. Some of them also write title insurance, which is simply issued as a protection against hidden defects in real estate titles such as forgeries, instruments made by persons under age or incompetent although the record does not show this, the possibility of a will being discovered and probated, and the like.

An important provision of this article, as far as abstracters are concerned, is the one that provides that when the proper $10,000 bond is filed with the county judge the abstracter is entitled to a certificate which is to remain valid as long as he maintains proper sureties upon his bond, and the possession of such valid certificate at the date of the issuance of any abstract shall entitle such abstract of title, certified to and issued by the abstracter, to be received in all courts as prima facie evidence of the existence of the record of deeds, mortgages, or other instruments, conveyances, or liens affecting the real estate mentions in the abstract, and that such record is as described in the abstract. I know of a case in our county where a lawsuit was settled by the judge appointing two lawyers to examine the abstract of title and tell him what it showed as to record title.

Article 6 relates to standards of examination of abstracts of title. These were formulated by the real estate section of the state bar association to enable an attorney to pass a title without always being plagued by the next examiner raising objections to things that should properly be passed and to have the attorneys recognized as using due care if they followed the applicable standard or standards of title. The thought behind them was that the courts would consider that they represented the best considered judgment of experienced real estate lawyers if disputes came up relative to any alleged flaws covered by them. It cannot be guaranteed, however, that if a standard purports to cover a certain flaw that the subsequent mortgagee or purchaser will accept the title without question. This was vividly brought home to me in the Christian Science Church case where I felt that I did have a standard on my side, but it has certainly expedited transfers of titles. For example, if we find a man got title as Geo. Jones and conveyed as George Jones, we are allowed to pass the title, and the same is true if he got it as G. Jones and conveyed as George Jones where there is nothing of record to indicate that he is not one and the same person.

Eminent Domain

Article 7 of the Act, which is the last article, sets up a very much needed uniform Eminent Domain Statute, passed by our legislature in 1949. In brief, the procedure is now the same for condemning land for any legal entity, including the state and any governmental or political

subdivision; the condemnor and condemnee must have failed to agree with respect to the acquisition of the land; whereupon a petition is filed in every case in the county court, the county judge appoints the three appraisers, they make the award and upon its deposit the county judge prepares a certified copy thereof and transmits it to the office of the register of deeds. The law provides for entrance after negotiations have failed and for appeal in the event that either party is dissatisfied with the award.

Much Remains

I would have liked to have had the time to discuss with you other aspects of real estate titles, such as acquiring title by adverse possession over a ten-year period; descent and distribution of property either under or without a will; district court actions relating to quiet title actions; sale of land by getting a license if this is necessary by the personal representative, called the executor or the administrator of an estate to sell the land to pay debts, or by the guardian or conservator of an inform, incompetent, minor, or spendthrift, or by the referee if the owners cannot agree to sell voluntarily, by the sheriff as a result of tax forclosure or foreclosure of a mortgage or upon execution based upon a judgment; all of which would result in a new transfer, but I'm afraid it would not allow for other more interesting items on the program and would not do justice to any of them.

I hope you have gained as much from this effort as I have.

FABLE OF THE WILD ASSES

Because it seems to have a direct and vital bearing on sales methods as practiced every now and then in this and other states, we reprint herewith the classic which continues to get better with age:

At the beginning of things, when the world was young, the donkey was esteemed . . . as the wisest of animals.

The good Sheik El-Sta-Shun-Air owned a great herd of these sagacious beasts, which was the pride and joy of his life.

Other Sheiks came . . . to listen and marvel at the wisdom of the herd. At such a time, came the Prophet himself—most learned and wise of all the sons of the East. With much glowing pride, El-Sta-Shun-Air led him out to the herd and said:

"Behold, O Prophet, the wise and talented asses, converse with them . . . see if they are not verily, wiser than forty trees full of owls."

Then the Prophet addressed the asses. "Let us test your wisdom," said he. "Answer me this question: What should an ass require for a three day's journey?"

And they made reply: "For a three day's journey, O Prophet, any ass should require six bundles of hay and three bags of dates."

"Very good," quoth the Prophet. "That soundeth like a fair and proper price." Whereupon El-Sta-Shun-Air broke into loud chuckles and said, "Did I not tell you they are passing wise?"

The Prophet answered, "Wait," and again addressed the asses. "I have one for you," he said, "three day's journey but I will not give you six bundles of hay and three bags of dates for making it. Let him who will go for less stand forth." And behold, they all stood forth and began to talk at once. One would go for six bundles of hay and one bag of dates, until finally, one especially long-eared ass agreed to go for one bundle of hay.

Then spoke the Prophet: "Fool," quoth he, "you cannot even live for three days on one bundle of hay, much less profit from the journey."

"True," replied the long-eared one, "but I wanted the order."

And from that far-off day to this, asses have been known as fools, and price cutters have been known as asses.

FEDERAL LIENS

ROBERT W. DIX

Vice President, New Jersey Realty Title Insurance Company, Newark, New Jersey

Section 3670 (26 U. S. C. 3670) of the Code provides that any tax due the United States shall be a lien upon all real estate of the delinquent. Section 3672 provides that this lien is not valid as to mortgagees, pledgees, purchasers or judgment creditors unless notice is filed in the County recording office (R. S. 46:16-13).

It should be noted, however, that the lien is effective without filing against all except those in the above class. For example, a materialman who extends credit to a builder may find his lien under the New Jersey Mechanics' Lien Act is subordinate to the Government's unrecorded lien for income tax, social security and withholding taxes owed by the builder.

Section 3671 provides that the lien shall continue until the liability is satisfied or becomes unenforceable by lapse of time. This is qualified by Section 276 which states that the tax may be collected (a) for six years after the date of assessment or (b) prior to the expiration of any extension of the statutory period agreed upon in writing by the Commissioner and the taxpayer.

The joker in the question as to how far back one must search is reflected in the Federal District Court decision in Drake v. Dollman, 29 F. Supp. 179 where it was held that a lien for a deficiency due from a taxpayer was effective against real estate purchased by a third party more than six years after the assessment of the tax but within the **unrecorded** extension of time for collection agreed upon by the taxpayer and the Collector in connection with an offer in compromise.

Hence, a thorough title search should extend back over a longer period than six years in order to cover the possibility of an **unrecorded** extension of the lien.

The **Estate Tax Lien** does not depend upon recordation for priority to private liens. The lien arises at the time of death and the only case where property may be passed free of the estate tax lien is where the property is sold by the person inheriting or otherwise receiving it to a bona fide purchaser for value, in which case that particular property is divested of the lien and a like lien then attaches to the remaining property of the transferor. But this exception is limited to the case where payment has been made of the full amount of tax as determined pursuant to a request of the executor for discharge from personal liability under Section 825 (A) of the code.

The **Gift Tax Lien** likewise requires no recordation and attaches to all gifts for ten years from the time the gift is made, Sec. 1009. The donee is liable for the unpaid tax. However, a bona fide purchaser from the donee for an adequate and full consideration acquires the property divested of the lien but the lien then attaches to all other property of the donee including after-acquired property. Hence, for protection against such unrecorded liens, the adequacy of the consideration for any conveyances within the past ten years should be checked.

TAX FACTS

The $274.5 billion national debt averages $6,008 per family. The annual interest on this debt amounts to 144 tax dollars per family.

U.S. Chamber of Commerce

POCKET PLANT?

Advances in microfilming technique may someday bring into common use a vest-pocket microfilmer and a microfilm telephone book about the size of a cigarette case, so says George L. McCarthy, inventor of modern microfilming.

"14" POINT PROGRAM

Every state, whether it be a title insurance state or an abstract state, should adopt as a part of its program the program known as the "14" point program. This has been approved by many states, and the American Title Association.

Copies of the program may be obtained from the office of the American Title Association, and they are briefly, as follows:

"Fourteen Point Program"
(Revised)

1.—Adopt an adequate dues schedule, preferably on a sliding scale, based on the amount of abstract and title business done.

2.—Make membership in the American Title Association compulsory by including the National dues with State Association dues.

3.—Attempt to attain more uniform and more stringent qualifications for membership in State Associations.

4.—Have a Planning Committee as one of the standing Committees of the Association.

5.—Have at least one State Association Officer at each ATA Mid-Winter meeting, and at each ATA National Convention.

6.—Have at least one National Officer at each State Convention.

7.—Adopt a Uniform Certificate for certification of abstracts and Standard Forms for abstracting and give benefits therefrom as much publicity as possible.

8.—Organize the Past Presidents of the Association into a special group to counsel with and serve the Association.

9.—Divide the State into Districts or Regions and hold at least one District or Regional meeting in each annually.

10.—Issue a monthly State Bulletin in which State Court reports are briefed, carrying news items and articles of interest to the membership.

11.—Invite constructive criticism of the customs and practices of abstracters by the Creation of a Public Relations, or similar committee, whose duty it will be to contact associations of Realtors, Mortgage Companies, Building and Loan Associations, Bankers, Bar Associations, Oil Companies, Lease and Royalty Associations, Federal Land Bank Officers, and others using the product of the abstracter, to explain the purpose, the objects and benefits of a State Association.

12.—Sponsor an educational program in each county in which as often as possible local speakers will appear before the various civic and professional groups to discuss the title business or some phases thereof.

13.—Make available to State Association members leaflets bearing the State Association imprint, bearing the member's name if desired, for distribution to his customers, explanatory of the abstract business and of the State Association's membership requirements and qualifications.

14.—Make available to all employees of members of State Associations, a title course covering all phases of abstracting.

OIL ROYALTY

The following conversion table pertains to land owners royalty and its equivalent in mineral acres.

PERCENTAGE OF ROYALTY CONVERTED TO ROYALTY OR EQUIVALENT MINERAL ACRES

(Based on Usual 1/8th or 12½% Royalty)

Royalty= Percent	of 1 acre	of 40 acres	of 80 acres	of 100 acres	of 160 acres	of 320 acres	of 640 acres
¼ of 1%	0.02	0.8	1.6	2	3.2	6.4	12.8
½ of 1%	0.04	1.6	3.2	4	6.4	12.8	25.6
1%	0.08	3.2	6.4	8	12.8	25.6	51.2
1½%	0.12	4.8	9.6	12	19.2	38.4	76.8
2%	0.16	6.4	12.8	16	25.6	51.2	102.4
2½%	0.20	8.0	16.0	20	32.0	64.0	128.0
3%	0.24	9.6	19.2	24	38.4	76.8	153.6
3½%	0.28	11.2	22.4	28	44.8	89.6	179.2
4%	0.32	12.8	25.6	32	51.2	102.4	204.8
4½%	0.36	14.4	28.8	36	57.6	115.2	230.4
5%	0.40	16.0	32.0	40	64.0	128.0	256.0
5½%	0.44	17.6	35.2	44	70.4	140.8	281.6
6%	0.48	19.2	38.4	48	76.8	153.6	307.2
6¼%	0.50	20.0	40.0	50	80.0	160.0	320.0
6½%	0.52	20.8	41.6	52	83.2	166.4	332.8

NOW I KNOW ABOUT ABSTRACTERS

My personal knowledge of abstracters was, for many years, limited to two general facts: 1—I knew there were such things; and 2—I knew they usually had their offices on the second floor of a building.

Just why there were such creatures and what they did, I hadn't more than the haziest idea. They were as mysterious to me as — well, as a prestidigitator.

And then, a couple of years ago, I bought a lot on which to build a house. That, as you may remember, was back in the days when a person could do such a thing and not stir up any more fuss than the clacking of neighborly tongues over how soon the bank would own the property.

I learned about abstracters from that experience.

More to It

Trusting soul that I was, I thought when I bought a lot I bought a lot and that was that. Now I know that when a person buys a lot he also opens himself to the possibility, yea, the probability of having to climb a flight of stairs and face an abstracter in his own lair. Out in the glare of the noon-day sunshine on Main Street an abstracter is just another human being, so to speak. He can be greeted or he can be ignored, depending upon whether he happens to be dodging into his stairway or whether he is standing right out in the open and letting his shadow fall where it may, unafraid as a groundhog at midnight.

Well, as I was saying, I bought a lot and the right to see an abstracter. I climbed those stairs and I walked down a hall, turned to my left, and there, sure enough, was a glass door with a sign that informed me in no abstract manner that an abstracter lurked within. Mustering my courage, I turned the knob—and walked in.

Friendly Fellow

Just as friendly as those other second-story men, the physician, the dentist, and the attorney, the abstracter said, "Hello." I said "Hello," just to put ourselves on a common footing. Some way or other, I let him know what I had done and what I wanted. He didn't seem any more perturbed over the situation than I would have been in my own office had someone confronted me with the events leading up to a news story.

With a sigh of relief, I left the den-office, I mean—with the promise that everything would be taken care of—at a stipulation depending largely upon how many other folks had once decided that the lot I had bought would be the ideal spot for a house and then grown potatoes on it instead. The whole thing was in the abstracter's hands and he could worry about it, for all I cared.

Amazing Document

In due time, a day or two or three, my abstracter telephones me that he (mysteriously as life itself) had performed his work and my abstract was ready. Again I climbed that flight of stairs, went down that hall, turned that knob, and confronted the abstracter—who shoved a fat envelope at me to open. Inside was the most amazing document one could imagine. It dated back, as I recall, to a few years this side of the Second Crusade, mixed in a little of the history of Pochantas and the Old Oregon Trail, and came right down to the day before yesterday, telling every little detail about my lot, almost to who had cut across it on his way to the corner grocery store and the hour of the day he did it.

I was both amazed and amused. With such detailed knowledge of my lot I felt safe from every trespasser, every invader, every little thing. The lot was mine and I could prove it.

I could flash that abstract under anyone's nose who doubted it—and waggle it.

A Cloud—A Shadow

But—that was not the end. I felt safe from everyone, but I found it was not. When I presented the abstract proudly to my lending company, I found that it had an attorney, also with an office on a second floor. In a day or two he telephoned me and related that way back when, someone's grandfather had somehow done something or other about my lot and placed a very faint cloud over my title. My own abstracter had told me about that but had asserted that the sunshine of time and circumstances, as well as the district court had chased the shadow away. What to do? What to do? The lending agency wouldn't lend to build the house without an okay from its attorney and I could build a house without money. I felt faint. Then I had a happy thought. I pitted my abstracter against the company's attorney, just to see what happened. It did, but in whose office, on what second floor they met and how much fur flew I never learned. But, working as mysteriously as before, my abstracter came to me, neither bloody nor bowed, but with the lending company's attorney's okay.

Now I Know

So I got my money, I built my house, and I rented myself a safety deposit box to put my abstract in.

And now, as I loll in an easy chair in my new house, I can tell the world that I know all about abstracters and abstracting.

—Montana Take-Off

PERSONALS

JOSEPH H. SMITH

Secretary, American Title Association, Detroit

• **JOHN B. WALTZ,** former Executive Vice President of Commonwealth Title Company of Philadelphia, has been elected as new President of the Company. He succeeds former President, **WILLIAM M. WEST,** who has been elected Chairman of the Board of Directors. Mr. West is member of Board of Governors of ATA.

• The title fraternity was grieved to learn of the death of **THOMAS H. HUBBARD,** husband of **MRS. ZETTIE HUBBARD,** Secretary of the Missouri Title Association. Mr. Hubbard, a former county clerk and respected business man of Keytesville, Missouri, is also survived by one daughter, Sally Lynn Hubbard.

• The Union Title Company, Indianapolis, Indiana, announces that **ROBERT W. STOCKWELL,** President of Indiana Title Association, is new Vice President of the company. He formerly served firm as Director of State Title Insurance and will continue in this capacity.

• Vice President **DOUGLAS D. PATERSON,** of Security Title Insurance Company, Los Angeles, California, has been appointed Manager of the company's San Diego office. He will continue as a general Vice President of the company and as member of the Board of Directors.

• **JOHN BLUE,** President of Jasper County Abstract Company, Rensselaer, Indiana, has been appointed Secretary of the Rensselaer Building Loan and Savings Association.

• In Los Angeles, California, Title Insurance and Trust Company announces that production is under way to complete their institutional motion picture presently entitled, "This Is My Land." The film will seek to explain the facts about home ownership, title services, and the benefits of title insurance. T.I.'s film committee is composed of **CARROLL WEST,** Vice President, **W. W. ROBINSON,** Vice President, **ROBERT A. BRANT,** Vice President and Secretary, **M. B. OGDEN,** Vice President and Chief Title Officer, and **THOMAS E. McKNIGHT.**

• **EDWARD J. EISENMAN,** President, Kansas City Title Insurance Company, Kansas City, Missouri, announces the appointment of **ROSS C. ROACH** to head the firm's newly-created advertising department.

• **A. F. SOUCHERAY, JR.,** President, St. Paul Abstract and Title Guarantee Company, St. Paul, Minnesota, announces the new quarters of the company at 24 E. Fourth St.

• **BUDD BURNIE,** President, Oregon Land Title Association, is now First Vice President and Manager of Pacific Title Insurance Company, Portland.

• At the recent convention of the Oklahoma Title Association, **STEWART J. ROBERTSON,** Vice President, American-First Title & Trust Company, Oklahoma City, was elected President. **WILLIAM A. JACKSON,** Vice President, Coates-Southwest Title Company, Oklahoma City, was re-elected Secretary and **WILLIAM F. JOHNSON,** Albright Title & Trust Company, Newkirk, was again chosen as Treasurer.

• In Detroit, Michigan, **FRANK I. KENNEDY,** President of the Abstract & Title Guarantee Company announced the promotion of **WALLACE A. COLWELL** to Vice President of the firm. He was former Assistant Vice President.

IMPORTANT ASSOCIATION EVENTS

Date	Meeting	Where to Be Held
May 5-6-7	Illinois Title Association Convention	Springfield, Illinois Lincoln Hotel
May 10-11	Arkansas Title Association Convention	Hot Springs, Ark. Majestic Hotel
May 24-25	Iowa Title Association Convention	Cedar Rapids, Iowa Roosevelt Hotel
May 27-28-29	California Land Title Association Convention	San Francisco, Calif. Palace Hotel
May 27-28	ATA Atlantic Seaboard Conference Title Insurance Executives	Atlantic City, N.J. Traymore Hotel
May 28-29	Pennsylvania Title Association Convention	Atlantic City, N.J. Traymore Hotel
June 4-5	Idaho Title Association Convention	Lewiston, Idaho Lewis & Clark Hotel
June 24-25-26	Colorado Title Association Convention	Glenwood Springs, Colo. Hotel Colorado
June 24-25-26	Michigan Title Association Convention	Traverse City, Mich. Park Hotel
Sept. 8-9-10-11	American Title Association National Convention	Chicago, Illinois Edgewater Beach Hotel
Sept. 17-18	North Dakota Title Association Convention	Williston, No. Dakota
Oct. 3-4	Kansas Title Association Convention	Hutchinson, Kansas Baker Hotel
Oct. 4-5	New York State Title Assn. Convention	Lake Placid, New York
Oct. 7-8-9	Nebraska Title Association Convention	Fairbury, Neb. Mary-Etta Hotel
Oct. 7-8-9	Oregon and Washington Land Title Associations—Joint Convention	Tacoma, Washington Winthrop Hotel
Oct. 10-11-12	Missouri Title Association Convention	Jefferson City, Missouri Hotel Missouri
Oct. 21-22-23	Wisconsin Title Association Convention	Delevan, Wisconsin Lake Lawn Lodge

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.

Note for Your Calendar . . .

AMERICAN TITLE ASSOCIATION

48th ANNUAL CONVENTION

September 8, 9, 10, 11

EDGEWATER BEACH HOTEL

CHICAGO, ILLINOIS