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APRIL, 1955

NUMBER 4



# TITLE NEWS

*Official Publication of*

THE AMERICAN TITLE ASSOCIATION

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Volume XXXIV

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# EFFECTIVE HUMAN RELATIONS

DR. A. C. VAN DUSEN

*Vice-President and Director of Public Relations,  
Northwestern University, Evanston, Illinois*

Belatedly, for a variety of reasons, some beyond our control, we carry in this issue the inspiring address delivered to our National Convention last Fall by Dr. Van Dusen.

His manuscript refers to certain colored charts, many in cartoon style, to illustrate the points being made. It has not been found practical or possible to carry these within his article. But we have no doubt you will be able to form a mental picture of these cartoons by the word picture in Professor Van Dusen's manuscript, and their applicability to human relations; and to the entire field of greater accomplishments in management. In unmistakably clear language, Professor Van Dusen makes clear to management not only its privileges but also its responsibilities; and the fashion in which duties of management can be performed with efficiency; with a minimum of friction; and to serve not only in correcting present ills which might obtain within an organization, but also serve as a training program for future executive officers.

—J.E.S.

It is a real pleasure for me to have an opportunity to share a little time with you in this convention of the American Title Association. Since I am not an expert in the title field, I can relax and enjoy myself. May I say from the outset that the only interest I have in your business is the human relationships—those with which you are involved throughout each day.

Now when I face an audience such as this and I realize that your success, and most of you have been successful or you wouldn't be at this convention, has been largely dependent upon your effectiveness in human relationships, it is with considerable timidity that I speak to you on the subject of

human relations. My colleagues and I agree that there are a few fundamental principles that are important in relationships with people, and I would like to remind you of two or three. First, people are remarkably different from one another; second, people are remarkably alike one another; and third, "so what?"

Now the "so what" part is how can you put that knowledge of these differences and similarities to work in your everyday relationships as managers of people? I am aware that practically everyone here is a supervisor of some type, which means that you have one or more people dependent upon you for their actions.

I brought along a few cards to help



illustrate the principles we will discuss.

Even in this darkened room you can see that when differences in viewpoint between people become pretty strong, you have this type of phenomenon developing. Incidentally this is not intended to be a political speech; all we had in mind in drawing this cartoon was that some of the people you left at home are occasionally thought of as stubborn mules. And if the differences in the viewpoints between yourself and the other person get a little bit stronger, you sometimes use less polite terms in describing him.

But the strange thing about these differences among people is that those physical ones which are so apparent among us have little to do with successful relations. For example, if you look at the fellows on your right and your left, you know that there is very little chance that anyone will ever confuse you with them. Some of you are saying to yourself "Thank God". What we have in mind is that those physical differences are commonplace, but yet they seem to have little importance in how successful we are in dealing with one another. As a matter of fact it is almost exclusively in the area of how people feel toward people, and things, and issues; their attitudes and their viewpoints; that seem to be very important. How well they stay on the "same wave length" with others. And certainly when these differences in viewpoints are strong, we lose a lot of valuable time in our concern about the differences. When such differences exist in our organizations we are not realizing the full human potential that is at our command.

Since these differences and viewpoints are inevitable, how in the heck can we ever get on the same wave length? That is a good question. A little gimmick has been most helpful to me, and I recommend it to you for use with those people that are important to you. Life is too short to worry about having 100% successful relationships with everyone, and it will be tough enough to get along with those that really count with you.

But I assume that those people are pretty large in number and would include at least the people who work for you, the people with whom you work, the people with whom you live, and the people with whom you associate in the community. And when you start thinking in those terms you immediately realize that even when you restrict your concern to only those people that make a real difference to you, you have a major obligation.

As this kind of difference of viewpoint is bound to stand in our way, what can we do to minimize it? I would say that instead of seeing the fellow as a stubborn mule or brick wall, as it is so easy to do, we might substitute that concept for one of a filing cabinet. Now you don't have to have any more experiences with filing cabinets than I have had to recognize from the start that it is impossible to remove from a filing cabinet that which was never there in the first place. Now, put into personality terms, we see immediately that to find a response in the other fellow which is consistent with our own biases and viewpoints is almost an accident. Because we represent such completely different backgrounds of experience it is just about as unreasonable to expect the same viewpoint from two people as it is to expect two different kinds of chemicals combined with water to give the same product.

Anytime there is a possibility of human conflict it means that you have at least two elements to consider—yourself and the other fellow—and if you are going to look at the other fellow as a filing cabinet, you might just as well look at yourself as a filing cabinet, too. Then we have to ask ourselves, "Well, all right, are there common elements in those filing cabinets?" if we were only sensitive to them. If so, maybe our batting average of good relationships with people might be enhanced.

Here I take a rather cheerful view, because, if my colleagues are correct, there are a few common elements in those filing cabinets that are almost universal human characteristics. If



we improve our sensitivity just a little bit about these universal characteristics, our batting average of getting along with the other fellow should improve, whether he be a purchaser, client, or a loved one in our home. It ought to work the same with an older individual or a young person. Those common elements, I believe, are found in the area of things most people want in life. I am not here to moralize. But I think that if you would ask yourself and ask your friends confidentially what it is they want, and what causes them to do what they do, a shrewd analysis, I believe, would show that most of us have a number of desires, drives and needs in common.

Now, are there common wants and desires among all of us regardless of our position, salary level, or responsibility? I think there are, and I think that is where we find the similarities among people. The similarities you will find are among the basic motivations of man. I will suggest two or three "for instances," with no attempt at any exhaustive treatment. These are simple "for instances" of wants and needs which you and I have. If our wants were satisfied in our relationships with people, we would be more secure individuals and would feel personally worthwhile. Those two kinds of conditions seem to be very important to well-balanced people—the kind of people all of us like to have around us.

Let us take a look at an example or two of these needs. The first need that comes to my mind is the need for a little attention. Mr. Pettibone has mentioned a certain street in Chicago, North Clark Street, where you might see something like this exhibited if you went on a field trip. But if you should be doing some of your homework tonight and you see something like this walking down North Clark Street, I don't want you to say, "Aha, she needs some attention." Because she might need something else; I don't know.

But the point of this need is the fact that all of us would like to be liked for what we are instead of what we think we ought to be. If we can't

be liked just as we are and get that warm response from people that says "I am respected as an individual," then we are bound to do something, and what we do may be a form of adjustment which brings us more troubles in the eyes of the other fellow than we had in the beginning. The kind of behavior suggested by this cartoon is delinquent behavior. But there is no difference between the kinds of wants and desires of the delinquent and ourselves. The only difference is that he has hit upon solutions, or partial solutions, to his wants and needs that are not condoned completely by society. So before we look too far down our noses at the people whose behavior we do not exactly agree with, let's try thinking of their behavior in terms of differences in solutions to needs. These solutions have been learned in an attempt to get their needs satisfied. In the learning process they have hit upon solutions that are not quite so well condoned as our own.

Another need that all of us have is the need for a feeling that we belong. Now, how many of you have ever felt like that little fellow looks? Almost 100%. That leads me to believe that this group is fairly normal. I think these conditions are universal, and the point of this, of course, is that it is very, very important for all of us to feel that we intimately belong in the circles which are important to us—certainly in our homes. And isn't it wonderful to feel on the job that we are important persons in the total operation. How do we get that feeling? It is up to us to work it out. The fact is that the fellow who works for you and the fellow for whom you work will both tell you that at times they feel and look like that little fellow on the card. And when they feel that way, they are not very productive individuals. If you have supervisory capacity and responsibility, it is your task to see that most of the time the people who work for you have the feeling that is suggested by the larger individuals: that they feel they are 100% members of the team—that they are just as important as everyone else; to take advantage of



each chance to help them gain satisfactions for their needs for attention, for affection, and to belong. Such satisfactions all accrue to what we have popularly called a feeling of security. And you get that feeling of security if you have successful relationships with people, because it is only people who can bring satisfaction to these wants and desires. It is your customers, your clients, your business associations—they are the ones with whom you relate. If you relate in such a way that it is easy for them to bring you more satisfactions to these needs, you feel pretty sure of yourself. If you feel sure of yourself, that is wonderful, and you are an effective individual—you are the kind of person that others come to for counsel.

As another "for instance" of a different type of need—we all need a little recognition. Yet life is full of an abundance of opportunities to be taken for granted. When you do an above-standard job—and I don't mean just an ordinary job, but when you have knocked yourself out to turn in a good job—chances are that the people who are in a position to know what an excellent job you have done will say nothing. Why? Because they are busy people. If you have had your foot in your mouth for a long while, and they have been struggling with you to get your foot out of your mouth and you finally ring a bell and turn in a stellar performance, more likely they will say to themselves, "Thank heavens, now I can turn my attention to the things I should have been attending to for so long." Right at that very moment, mind you, they could have done you the most good by giving you a little pat on the back. So universal, I believe, is this opportunity to be taken for granted that most of us will be glad to have a little machine such as appears in this cartoon in the privacy of our own boudoir so that after particularly trying days we could go home, slink up to it and push the button and let it recharge our ego so we can face the world the next day.

Well, I shan't belabor these human wants and desires. I think we have

had enough of the "for instances" of the kinds of common everyday needs that you and I have—wants and desires that can be satisfied only through successful relationships with people. It doesn't cost anything. I don't know what else has been on this program, but I suspect that, as in most business men's conferences, you are concerned with how to make bigger profits, and you should be. Some of the things that have been suggested require investment of money. Well, if I have anything here today that is useful you can be sure that it doesn't cost you any money—it costs you some attention, it costs you some willingness to be sensitive to the wants and desires of other people, and it costs you the recognition that the great future of our economy lies in the untapped human resources at our command. You can't tap those resources if you have conflicts among people.

So much for the differences among people, and similarities. Let us turn to the "so what."

What I had in mind about the "so what" was our obligation as managers of men to provide conditions whereby the subordinates in an organization have an opportunity every day to taste the satisfactions of security and the feeling of personal worth. I believe that there are no such things as formulas for maintaining such conditions but there are principles. The principles can be adapted to whatever situation you have.

First, I think if a person is to feel fairly secure as a subordinate, he must have a feeling that his boss is not breathing down his neck. I can tell by the smiles on your faces that this phenomenon is not unknown to you. It does not necessarily suggest that the boss-man distrusts his subordinate, but that the boss-man sometimes has great difficulty in really delegating responsibility. A good boss-man knows the answers, and it is quite a strain on one's personality to develop habits which will permit another individual to make mistakes often enough so that he becomes proficient in executing the responsibilities that have been delegated to him. But the subordinate must have the



opportunity if he is to learn to eventually serve the cause and serve the boss well.

Another kind of condition, which is important I think, is for the subordinate to know at least in which direction he is shooting. Now even in this day of sophisticated management, I frequently see things that lead me to believe that the obvious is overlooked. Often people are assigned responsibilities with little orientation in terms of what they are expected to do. Therefore, they are left at sea, almost as if they were wearing blinders, and not knowing in what direction they are supposed to be working. Now, why is it important and how does that tie into the situation of those basic motives that we talked about a moment ago? How is it possible for a fellow in this sort of a fix ever to produce in such a way that he would be justified in receiving commendation from his boss-man? The very thing that would make him try the hardest because of the ineptness and lack of instruction as to what is expected of him, makes it very difficult for him to ever obtain satisfaction.

Another kind of condition which is terribly important is the fore-warning of conditions that are going to be important to the subordinate. Just as in the case of the little automobile and the safety signs of the highway that give you enough fore-warning of an approaching curve so that you can take your foot off the accelerator. I saw a cartoon in the paper recently of a large office with a lot of cubicles along the walls. In the center was a switchboard. On the side of the switchboard operator's desk was a little sign which read, "For 50c a week I will ring your phone when the boss starts in your direction."

Each of us has experienced the value of two seconds fore-warning under certain kinds of circumstances, and certainly a fore-warning is appropriate when it is possible. If you don't get a fore-warning when you feel that you should have, how can you feel very secure in the relationships within the organization in which you work?

Another kind of condition which contributes to that feeling of security is consistent discipline. Now you know most of us love baseball and we may have strong prejudices about what a particular pitcher has done in terms of whether he tossed a ball or a strike; but so long as we feel reasonably sure that the umpire has called it correctly, we are willing to go along even if our team loses. However, if the umpire seems to call all balls strikes and vice versa, it is certainly an upsetting experience.

So it is with people who have to be corrected by their superiors. When a subordinate has done something wrong he has to be corrected if he is ever to learn the right way. But I do not have to stress that because all of us are sure to remember that. I would like to stress the other side of this two-edged sword of discipline. The other side to this discipline is "strong backing" when the individual is right. Now all of my learned colleagues tell me, and I have demonstrated this to my own satisfaction, at least in my own experimental work, that people can change their viewpoints, can modify their attitudes, can develop new habit patterns, new types of work skills, methods, etc., under conditions of strong approval, much more readily than they ever can under an atmosphere of threat or correction. Don't misunderstand me. I am not saying that when an individual has committed an error you should not correct him; you have to. But for heaven's sake, when the fellow has done an above-standard performance, let him know then that you recognize it, because it is under such a condition that people try all the harder to do a better job. We are ready to roll up our sleeves, go back to work, and do an even better job. And it is when we are taken for granted that we want to have that little slapping machine. Actually it doesn't work that way; we must get our satisfactions from other people, and we are the people to give a little satisfaction to others.

Now let us take a look at a few of the other conditions which are important both to making an indi-



vidual feel sure of himself and also personally worthwhile. If you are in an organization where your superiors operate as if you were a marionette to be dangled at the end of strings and all they do is punch buttons and you follow through, you know how much you feel a really important part of that organization.. You must have the opportunity to help work out the solutions of problems with which you will be concerned. Now how do you do it? Well, I would say at least one thing: that when you should be consulted, you are consulted. The clever manager of men is the one who interprets his role as that of not having all the good ideas. He realizes that his responsibility is to see that all the good ideas in his organization are discovered and that proper recognition is given to them. When the boss-man calls you in and you are asked, "Joe, how do you think we ought to tackle this problem," and you finally get that problem to execute, it also becomes your problem and not just the boss'. We all like to have such a feeling.

We all like also to have the feeling that we have the opportunity to wear the long pants when we are ready for them. That simply means that we like to have responsibilities that are due us.

Now this is a very delicate proposition. If you give an individual more responsibility than he is ready for, he may blow his stack. If, on the other hand, he is kept down the line until he is adequately prepared and ready to assume more responsibility, he is equally frustrated. Now I don't think that you have to be a psychiatrist or a psychologist to judge when an individual is ready for responsibility. Incidentally, I recently heard that a psychologist is simply a psychiatrist who has dropped the payments on his couch. But I don't think you have to have X-ray vision or any supernatural powers to be sensitive enough to tell when an individual is ready for more responsibility than he has, or when he has more than he can handle.

It does require the desire to want to make the right decision.

And, finally, I think of this condition which is important. The subordinate must understand that when he is in conflict and at loggerheads with his immediate superior, he and his superior can go arm-in-arm to the court of higher appeal with the conviction that an honest attempt at a fair decision will be made at that level. In my observations in companies where this really happens, where this opportunity really exists, I don't know of an instance where it was abused. But in the companies that are organized in such a way that the subordinates feel that it doesn't make any difference if they are 100% right, the man over them has got the screws on them, and it just doesn't make any difference, then thousands, literally thousands, of hours are dissipated uselessly in griping and in grumbling.

In summary, we have said that people are remarkably alike one another, and those similarities are usually found in the basic motives of man. We have concluded that we want to feel physically well off, and beyond that to feel fairly sure of ourselves and personally worthwhile. We said that increased sensitivity to those principles might improve our batting average as managers of men if we recognize that all of us have essentially the same needs and desires to be satisfied. And I think it may have been implied, as we developed the presentation, that the principle of human reciprocity is pretty sound. The best way in the world to feel like you belong, that you are appreciated, that people really like you, is to give the people who are in a position to make you feel that way the same kind of feelings. Such satisfactions are just as important to them. And that gets very close to a basic Christian tenet that can be summed up by the Golden Rule. The principle set forth in the Golden Rule is quite compatible with a scientific analysis of human relationships.



# THE STATE OF THE CONSTRUCTION MARKET

M. W. WATSON, *Chairman*

*Construction and Civic Development Department Committee  
Chamber of Commerce of the United States, Washington 6. D.C.*

Construction activity has entered its tenth year of continuous expansion since the end of World War II. Never before has there been so long a period of uninterrupted growth. New houses are being started at an extraordinary rate for this time of year; contract awards generally are in larger volume than a year ago; and expenditures for new work are at unprecedented seasonal highs. Money is flowing into building investment at unprecedented levels and is still copiously available for new projects. At the same time, costs remain fairly stable.

This is a bright picture. In fact, the picture is so bright that many are finding it difficult to believe it can be true, or that, being true, it can last. Such apprehension is not new. Throughout the postwar period, skeptics have been highly vocal in their expectancy of disaster, the pinnacle of pessimism being reached last year when a prominent British economist, Colin Clark, predicted for us a 60 per cent drop in construction activity.

While no one presently is so confident of doom as the authority just cited, there is nevertheless a growing atmosphere of concern in top circles here. Since the construction market is peculiarly vulnerable to official action, it is well for industry people themselves to get as good a view of the situation as they can, so that official action — if such is contemplated—may be taken in the light of considered private opinion.

## **Focus of Concern—the Housing Situation**

The main concern is with the high volume of new residential building and the huge outflow of mortgage funds that has made this volume possible. The concern is of a diverse sort: that the home mortgage debt structure—now at around \$75 billion outstanding—is becoming top-heavy;

that the present rate of investment will outrun the increase in savings available for investment; that the demand for houses is being saturated; that, with the present rate of building, costs may rise to the choke-off point; that, as one Congressional witness put it, the vitality of construction puts it out of pace with the stagnation of the rest of the economy. In short, some people fear that house-building will be held down by the forces now bearing, or soon to bear, upon it; and some fear that it won't.

Before attempting to evaluate the bases for these attitudes, it is necessary to point out that much of the flurry of apprehension results from hasty projections of short-run statistics. By the end of the year, practically all analysts were agreed that there would be in 1955 as many or more houses than in 1954—that is, between 1.2 and 1.3 million family dwelling units. In other words, another year of healthy expansion was considered to be in prospect.

Seasonally adjusted annual rates, as calculated by the Bureau of Labor Statistics on estimates of new dwelling units started in November, December and January, have been above that volume. Therefore, it is concluded that the new year's activity is likely to run much in excess of what now seem the moderate forecasts of last fall.

There are two reasons for not jumping abruptly to this conclusion. One is that the moderate temperature and lack of precipitation through January made the winter up to that time unusually favorable to the continuance of construction. The expected seasonal slow-down therefore has not occurred. The second reason is that the calculation for seasonally adjusted annual rates does not, and by the very nature of the industry cannot, have the precision ascribed to it. All



that safely can be said is that the open winter to date has permitted the year to get off to a good start and that the prospect is not only for expansion, but possibly for somewhat greater expansion than forecast 3 to 5 months ago.

### **How Much Money Will Be Available?**

At a rate of activity at or not much above that of 1954, there should be no scarcity of money for financing construction. Growth in all the major sources of mortgage funds will assure that. Moreover, growth will be substantially greater than in 1954. Savings and loan associations can be expected to add about \$700 million; life insurance companies, \$750 million; mutual savings banks, \$300 million, in excess of their increase in assets during 1954. All in all, the investment market should have about \$1.75 billion more new funds from these sources in 1955 than in 1954.

Most of this excess should be available for the mortgage market. The reason for this is simply that the demand for institutional funds for other purposes is not likely to grow proportionately. The probability is that the amount of new corporate issues is likely to be less than during 1954 and that new long-term Treasury bonds are likely to be low in volume; but in any case, the spectacular growth of trustee pension funds promises to be more than sufficient to absorb any unexpected expansion of these types of investments.

If one assumes that every 100,000 new houses will require about \$1 billion of mortgage funds, it would appear that we might be able to go beyond 1954's figure of 1,200,800 new privately financed houses by as much as 150,000, and still allow for the financing needs of other private building without straining our resources—that is to say, without putting any serious upward pressure on interest rates over the year as a whole.

### **The Current Interest Rate Situation**

During the past several months, as construction has steadily expanded and recovery has revived demand for bank funds, the general structure of

interest rates has moved slightly upward. This movement has apparently had an effect on the mortgage market along with the rest, since the most recent reports to the Federal Reserve Board suggest that discounts on VA mortgages are somewhat higher and more prevalent than a few months back, a rate of 2 to 2½ points being fairly common.

The tightening of the money market reflected in these movements has often been taken to be in accord with, if not actually induced by, Federal Reserve policy, and many have expected that more positive steps would soon be taken by the monetary authorities. However, the care taken by the Treasury to offer a long-term issue in a manner calculated to have the least possible impact on the private investment market and the Federal Reserve's recent change from a net selling to net buying position in the short-term bond market certainly give the impression that steps to restrict the market are not contemplated for the immediate future.

If the rate of new building activity, however, should continue to move greatly ahead of the forecasts, at least a temporary money stringency could develop, bringing higher rates (or greater discounts) and greater selectivity on the part of lenders. If this should occur, its effect would be a deferred one, since the present large volume of advance commitments by life insurance companies and the large mutuals, plus the anticipated outlays of savings and loan associations, are such that the financing requirements for the first half of the year are already undoubtedly pretty well taken care of.

With the present stiffly competitive building situation, a tightening of money rates might well exercise some restraint on volume during the second half of the year and thus tend to keep the year's total more in line with the forecasts than a continuation of present rates of activity would indicate.

### **Restraining Forces in the Market**

The cost of money is not the only force that may act to keep the volume



of building within a moderate rate of expansion. There is already at least a hint of shortages of certain key materials. Building materials prices have been creeping upward since last June, with some reflection in building costs—a fact fairly well concealed from the public by stiff competition among contractors and sub-contractors, especially for nonresidential building.

The unusually high rate of off-season activity could increase price movements, while expected wage increases later in the spring may add to cost beyond what can be absorbed by contractors. Unless the threat of war becomes more imminent than at present, it is unlikely that a rise in costs would meet with the same kind of response that it did in 1950. Today, buyers of houses are in a much easier position to defer purchasing than at that time, while other construction demands are also much less pressing. Chances are that any marked rise in prices charged for construction would now put a brake on the market rather than, as in 1950, start a wave of buying out of fear of inflation or artificial curtailment by government action.

In housebuilding, even stronger restraining forces are produced by the growing difficulties that builders are having in obtaining suitable land and that cities are having in providing additions to their water supply and sewerage systems. In many places the suburban push now seems to have resulted in a shortage of land that is serviced, or might easily be serviced, with the necessary complement of public utilities. Builders thus face increased prices for sites favored by existing installations or delays waiting for extensions. Both situations could slow down the rate of production.

The task of providing utilities, moreover, is now becoming a tougher one than that of merely increasing the lengths of water mains and sewers. Sources of water, filtering and pumping facilities, and storage reservoirs show up as inadequate for current and pending growth. The same situation is often true of sewage treatment facilities. Especially significant is the fact that these difficulties

are greatest in the areas—especially in the west—where demand is greatest and, consequently, where the inhibitive impact will be most noticeable on national as well as local totals.

Although cities are rapidly increasing expenditures for water and sewage services, the relatively slow rate at which they can do so will nevertheless act as a drag on suburban expansion.

### **“Don't Be Afraid of Prosperity”**

The strong way in which the year has begun shows that construction demand, after weathering a recession in general business, has lost none of its vitality. On the whole the prospect is for even a better year than had been forecast. That this should be taken as a cause for alarm rather than for pleasure and confidence can be interpreted only as a lack of faith in our system to provide its own adjustments against excesses. This bulletin has attempted to show that such self-adjusting forces are present and appear to be already at work.

The other fears, that the housing market may already be nearing saturation and that mortgage debt may have become top-heavy, also seem much exaggerated. Certainly no striking evidence of saturation has yet appeared. Although for several years we have been building houses in larger numbers than we have been adding households, such evidence as we have does not point to any disturbing increase in vacancies. Apparently large amounts of housing is being destroyed by changes in urban streets and freeways, while thousands of makeshift conversions are being withdrawn from the market as prosperity permits families to upgrade their living standards.

Personal debt, particularly home mortgage debt, while at an all-time high, is much lower in relation to either national or personal income than it averaged in the 1920s and 1930s. According to a recent analysis of the Chase National Bank, low-income families are not heavily burdened with debt, while the debt of middle-income families is well within



their ability to pay. Mortgage delinquencies are gratifyingly low and show no tendency to rise.

The present situation calls for congratulation rather than apprehension.

In words attributed to Federal Reserve Chairman William McC. Martin in an interview with U.S. News and World Report, "Don't be afraid of prosperity."

## TITLE SEARCHINGS MORE THAN JUST ANOTHER EXPENSE

By BERNARD F. AGNELLI

*Staff Writer, Bergen Evening Record, Hackensack, New Jersey*

It does not take a great public relations department of a great title company to get desirable publicity, the type of publicity which better informs the public on the intricacies of our profession and the need for our services; and thus become publicity which inures to the benefit of our profession.

We are indebted to Mr. John Czingili, of Fair Lawn, New Jersey, a valued member of our Association, for ending this article to us; and we express our thank to the *Bergen Evening Record*, Hackensack, New Jersey, for permission to reproduce the article, together with photographs, as these appeared in the magazine section of that publication.

—Ed.

Are you sure that you own that plot on which your dream house is now standing? How can you be certain that no long-lost claimants or heirs of former owners will turn up to recover their land?

Chances are that such questions don't bother you, for when you bought your property you plunked down \$50 or \$60 for some mysterious rigmarole called a title search and promptly forgot all about it in your understandable desire to move right into your cottage for two—or three, or four, or more.

If you're like a good many property owners, you probably considered the title search just another expense to be borne before you officially became the squire of that 70x100 manor.

Title searching, though, is more than just another item on a lawyer's bill. In Bergen County, where 72,085 documents were filed with the County Clerk in 1953, title examinations kept about 100 men busy in the search vault of the administration building in Hackensack.

Deputy County Clerk Fulton R.

Hardman outlined for us in a general way the work of the title examiner. Charles Bieber, himself a title searcher since 1912, talked with us about the business in which he said, "A man has only his time, his knowledge and his accuracy to sell."

Any conveyance of land is recorded with the County Clerk. In 1953 these records amounted to 24,552 deeds and 19,310 mortgages. Although these figures represent something of a boom, they are a comedown from 1950 when 27,999 deeds were registered.

The Clerk's office, before filing the original documents or photostats of them, makes a summary or abstract to be sent to the local tax assessor. The deeds, mortgages, and other instruments now in the search vault fill some 7,000 volumes — each 675 pages long.

To wade through this mass of legal paper and find the rightful owners of any bit of property in the County is the job of the title searcher.

Hardman explained that the title search is to assure a prospective buyer that the property he is interested



in can be legally sold and that there are no judgments or tax liens against the property.

If the title examiner finds a clear title, the buyer and seller close their deal. According to State law, the title is clear if it has been searched back 60 years and no flaws are found.

A bank today won't lend money on a mortgage unless a clear title has been established. Although the title searcher can get a clear title from the records, he cannot guarantee that the deeds he is examining are legal and valid—although, of course, they usually are.

To protect a purchaser against loss due to hidden defects such as unrecorded documents, forgeries, deeds by incompetent persons, or irregularities in the execution of documents, title insurance companies have been organized.

The insurance company handles any litigation which may arise from faulty or illegal documents.

The title examiner usually establishes a clear title by finding a warranty deed (a deed guaranteed by the seller who is liable for damages if it turns out that he had no right to sell) going back 60 years. However,



Photostats of deeds, mortgages or original documents fill some 7,000 volumes. Experts wade through this mass of legal paper to clear titles.

the searcher often must trace the many transfers of a piece of property to an owner of 100 or 150 years ago.

The reason for this is that frequently a warranty deed will appear dated 55 or 56 years ago, thus leaving the searcher a 4- or 5-year gap to account for under the State law. Establishing a clear title for these few years often results in the examination of the documents for the previous century.

In his attempt to establish a clear title, the examiner often has recourse to the records of the surrogate. If a property owner died without selling his property to anyone (and thus making a deed available for inspection), it usually turns out that he left it to a relative—and the surrogate's office will have that information in its files of wills.

To aid the title searcher, the County Clerk keeps two indexes for the filed documents—one listing the seller, the other the buyer. These hefty indexes alone total 338 volumes.

When the record lapses, which doesn't happen often, there are old atlases and maps to refer to. These are 75 or 100 years old and show the names of persons who for all practical purposes, may be considered original owners.

The original owners had parcels containing many acres. When these were divided among relatives, then subdivided, sold, cut up, and finally diced into today's familiar house-size plot, the need for title searchers arose.

None of the title specialists lugging weighty tomes through the search vault today are County employees. All are in business for themselves or for a title company. The last official searcher, Romeo T. Leviness, died about 30 years ago.

Before taking a brief look at the work of a veteran title searcher, we want to mention one more point about the records of the County Clerk. According to Hardman, they are valuable indicators of economic trends in the County.

He finds that there are no seasons in the mortgage and deed business. People in the County are buying property at a steady clip and completing



their mortgage payments at the rate of 95 to 100 every day.

In the last year there was not one sheriff's sale of foreclosed property. Of the 285 foreclosures made (and remember that 19,130 mortgages were granted), none reached the point where the sheriff had to step in and take over.

To get back to the main thread of our story:

As we looked, on a busy Monday afternoon, at the 44 title examiners in the search vault scribbling on legalized sheets of yellow paper, we noticed two men who weren't doing any scribbling at all. They were examining a map one of them had worked out.

A white-haired man was explaining the map to an associate and telling him of a particularly arduous search he was just completing.

After edging our way into their conversation, we introduced ourselves to graying Charles Bieber, whose 42 years on the job probably make him the dean of the County's title examiners.

The map, he told us, was the result of a particularly complicated search which he has been conducting since April. He was trying to trace the lineage of a parcel for which, apparently, there were no deeds.

By doing searches on a dozen adjacent and nearby parcels, he was able to discover the exact boundaries of the plot he was interested in. He then found that it was mentioned in two deeds, one of which has disappeared, and in a number of wills. He hopes he's got a clear title now, in spite of the missing deed.

In contrast to this 6-month search Bieber said the usual search requires a mere 3 or 4 days.

When a person dies and leaves an estate consisting mainly of land holdings which may have to be sold, the title searcher is called upon to do a time-consuming job.

Examining the deeds of the property from one estate may take a month and require references to 100 or more volumes of deeds. One deed from the William Walter Phelps es-

tate mentioned 170 tracts—each one of which had to be searched.

Bieber explained that independent title searchers like himself are hired by lawyers and banks at fees averaging \$40 to \$50 a search. An unusually difficult job may bring \$75 to \$150, although such fees are rare.

One of the consolations of his job, he said, is that an independent searcher has little or no overhead to worry about. The County supplies the search vault and that's all the office a searcher needs. There are seven desks for the clerical assistant whom the prosperous title examiner may be able to hire.

Although the top title experts are those with many years' experience, anyone could set himself up in the title searching business.

No licenses are required, no college courses needed. The records are there for anyone to inspect—all you have to find would be a few clients. But don't rush out to the administration building because unless you could get an experienced searcher to take you under his wing for a few years, you wouldn't get too many customers.

The veteran title searchers have been trying for some years now to get the Legislature to pass a law which would provide licensing for searchers with 5 years' experience.



**Title searcher is shown checking a title in one of the many huge volumes of documents filed in the vault.**



The names of licensed title examiners would be incorporated into a directory to be used by out-of-County lawyers who might want a title searched here. So far, the measure has been defeated steadily by the lawmakers.

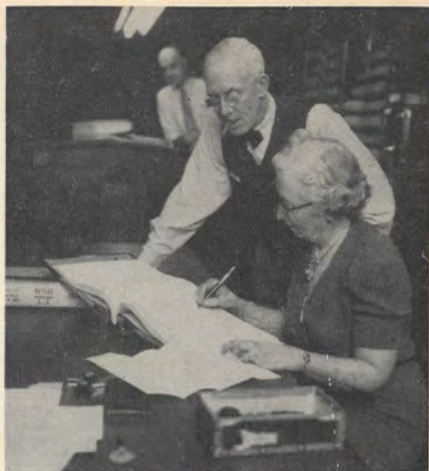
During his long career, Bieber has made a number of lengthy and intricate searches.

For the industrial tract in South Hackensack (the home of Buitoni Foods, Tension Envelope, and Union Carbon and Carbide among others) he spent 4 months tracking down deeds and traveling to New York, Brooklyn, and Connecticut looking for the descendants of families mentioned in the documents.

Back in 1926, the State Highway Department hired him to search the titles for every parcel of land along the proposed right of way Route 9W—from Fort Lee to the State line. He admitted, however, that the highway agency sent him a couple of assistants for that one.

To give us some idea of the varied history of a single lot, Bieber showed us an inch-thick stack of papers connected with a search he had just finished.

The piece of land in question belonged to a whole string of individuals from 1850 until 1936, when it was conveyed to a real estate development firm. A year later the property was deeded to the Borough of Fair Lawn, which in turn sold it to another developer. The land now belongs to a home owner in Radburn.



**Searcher's job is eased somewhat by checking indexes of filed documents maintained for this purpose by County Clerk's staff.**

Since he started in the title business, Bieber has made only one mistake which got him into trouble. He failed to discover a mortgage covering some property whose title he was searching. He was sued and had to make good. Since then he, like most title examiners, has carried insurance against such mishaps.

Bieber still enjoys his work. With documents piling up in the County Clerk's vaults, and with property changing hands daily, he finds that there are new questions to answer every day, and new problems to solve.



# PHOTOGRAPHIC RECORDING

DAVID E. FURNALL

*Attorney-at-Law, Mt. Vernon, Illinois*

At long last the Board of Supervisors of Jefferson County, Illinois, authorized, and we now have in operation one of the finest photostating-recording systems in the State of Illinois. But few Southern Illinois counties have taken this progressive step and the problems inherent to the manual copying of instruments for recording are still prevalent.

The two principal problems of the recorder are time and accuracy. Photostating saves much time and the accuracy cannot be improved upon. An incidental benefit of photostating appears to be economy.

When our circuit clerk, Mr. Jerry Gott, was elected to office, he was new to the work and he found that recording at that time was a week or more late. The sudden influx of work continued after he took office with the result that recording became as much as six weeks late. (Due to an "oil boom," Saline County is now about four weeks behind in recording.) The delay in recording continued until the photostat machine was installed in 1954. Since then, in spite of increased recording, it is kept to date.

The efficiency of the system is demonstrated by the fact that before the photostat was installed, the circuit clerk remitted to the County, \$2900 in 1952 and \$2300 in 1953. In 1954, after making a payment of \$2650 on the equipment, he paid over \$5400 to the County. There was exceptional work done in 1954; the recording fee of one group of instruments alone was approximately \$1500.

Some of the difficulties encountered in the annual copying of records can be illustrated by several examples encountered by the writer.

In 1938 or 1939, The Central Illinois Abstract Company, at Louisville, Illinois, began to build its plant by taking microphotos of the County records. An abstract prepared by about 1941 contained a warranty deed

conveying land to "Mary Doe." A notation on the bottom of the page read something like this: "Our microphoto of the record of the above deed shows that the grantee in the above deed was 'Mary Doe and her bodily heirs but we have abstracted the deed as it now appears of record.'"

In Jefferson County there is a record of a deed to "Mary Doe" followed by a smudge of indelible ink. A photograph of the record, made with filters, reveals that this deed, as originally recorded, named "Mary Doe and her bodily heirs" as grantee.

In Macoupin County, Illinois, many acres of coal were sold along about 1910. The deeds used were printed forms which conveyed the "coal and other minerals," underlying the land. Some of the land owners were cautious enough to have inserted in the original deeds, usually in ink, the words, "except oil and gas." In order to facilitate recording, the Recorder had a book printed containing the same form as that of the deeds, and when a deed was recorded which contained the words "except oil and gas," the Recorder properly inserted the words in ink. It has been reported that a number of the records now show such an exception although the original deeds did not reveal it. Whether or not this is true, it well illustrates how the records might easily have been altered.

There are also innocent variations of instruments made in recording. A standard form of mineral deed contains a provision that the grantee shall receive "an undivided interest in and to all bonuses, rents, royalties, and other benefits." When one landowner sold an interest in the minerals underlying his land, he wanted to continue to receive all delay rentals which might be paid under the terms of an oil and gas lease covering the land. Upon agreement with the grantee of the deed, a line was drawn



through the words "rents". The owner of the oil and gas lease received a certified copy of the deed, in which the quoted clause read, "an undivided interest in and to all bonuses, royalties and other benefits." Upon examination of the instrument, the lessee paid a part of the delay rentals to the original land owner and a part to the grantee in the deed. The land owner immediately declared the lease to be forfeited for non-payment of delay rentals. Quite a controversy resulted which was resolved only when it was decided that the land would not be productive of oil and gas. However, if in the recording of the deed, the recorder had reflected in the record that the word "rents" had been deleted, there would probably have been no difficulty.

Occasionally there will appear of record two deeds which in all respects are identical except as to the date of filing for record. If each of these deeds convey, for example, a one-fourth interest in the land, it is impossible for the abstractor or examiner to determine if two identical deeds were executed on the same date and a total of one-half interest thereby conveyed, or if the same deed was twice recorded. It is very rare that the Recorder notes on his record that a deed has been re-recorded.

Then of course there is the human aptness to err in recording. The same trouble that you and I have in copying anything, let alone complicated legal descriptions. There also exists the difficulty in correctly deciphering some of the instruments presented for recording. Even some typewritten instruments are blurred beyond legibility.

It is surprising that there has not been a great deal of litigation concerning errors in recording and sub-

sequent alteration of the recorded records, but actually there has been but little.

In the case of *Merrick vs Wallace* 19 Ill. 486, it was held that "a party performs his duty by leaving his deed for record with the proper officer." The mistakes or faults of the officer do not affect his (the recording party) rights. Further, that "an alteration of a public record cannot deprive an innocent party (in this case the grantee in the deed) of the benefit of it, as originally made." The case of *Nattinger vs. Ware*, 41 Ill. 245, also held that the grantee in a deed is none the less protected because of a recording of the deed with a misdescription of the premises. In both of these cases the original deed was correct and an error was made in recording. These are to be distinguished from errors in description existing in the original deed.

The record of a plat, altered after it was recorded, "would remain, in a legal point of view, just as it was when it was copied upon the records of the county." *Lee vs. Town of Mound Station*, 118 Ill. 304. In the case of *City of Peoria vs. Central National Bank*, 224 Ill. 43, the court found that some 66 years after a plat was recorded, the original plat was found in the recorder's office, compared with the recorded plat and it was found that the word "street" had been omitted in recording, so the Recorder corrected the omission. The Supreme Court held that the Recorder was not "justified" in altering the plat. Because of the many benefits derived from photostatic recording, it would behoove the abstractors in those counties which do not have it, to urge its installation. Then perhaps in another fifty years it will be reasonably safe to rely upon the records.



# GUIDE TO OFFICE MACHINERY FOR ABSTRACT AND TITLE CO. OFFICERS

Prepared for American Title Association by

LEONARD F. FISH

*President, Dane County Title Co., Madison, Wis.*

Code to Approximate Price Range	Note: Order of Listing Manufacturers' Names has no bearing on rating of equipment.
1. Under \$50	4. \$300- \$600
2. \$50 -\$100	5. \$600-\$1,000
3. \$100-\$300	6. Over\$1,000

List of names not guaranteed complete for any particular type of machine.

## A. Customer Service Department

TYPE OF MACHINE AND PRICE RANGE	MANUFACTURER	LOCATION
Comb. Cash Register and Adding Machine (3 and 4)	R. C. Allen Bus. Machines Regna Cash Register Smith-Corona Burroughs Corporation Clary Multiplier Corp.	Grand Rapids, Mich. New York City Syracuse, N.Y. Detroit, Mich. San Gabriel, Calif.
Counter Register (1 and 2)	Hano Company Moore Uarco Standard Register Egry Register Co.	Holyoke, Mass. Niagara Falls, N.Y. Chicago, Ill. Dayton, O. Dayton, O.
Electric Pencil Sharpener (1)	Stile-Craft Mfg.	St. Louis, Mo.
Mail Opener (1 and 2)	Pitney-Bowes Wilson Jones Co. Bircher Co.	Stamford, Conn. Chicago, Ill. Rochester, N.Y.
Postage Meters (2 to 5)	Pitney-Bowes	Stamford, Conn.
Postage Scale (1 and 2)	Pitney-Bowes Pelouze Mfg. Co.	Stamford, Conn. Evanston, Ill.
Microfilm Readers (3 to 5)	Filmsort Recordak Diebold Remington-Rand Burroughs	Pearl River, N.Y. New York City Canton, O. New York City Detroit, Mich.

## B. Abstract Preparation Department

Collators (1 to 5)	Thomas Collators Evans Specialty Co. Reproduction Products Co.	New York City Richmond, Va. Detroit, Mich.
Calculators (3 to 5)	Facit Inc. Olivetti Monroe Calc. Machine Co. Friden Calc. Machine Co. Remington-Rand Co. Marchant Underwood Corp.	New York City New York City Orange, N.J. San Leandro, Calif. New York City Oakland, Calif. New York City



<b>TYPE OF MACHINE AND PRICE RANGE</b>	<b>MANUFACTURER</b>	<b>LOCATION</b>
Plastic Binders (1 and 2)	Burroughs Corp.	Detroit, Mich.
	Barrett Adding Mach. Div.	Philadelphia, Pa.
	General Binding Corp.	Chicago, Ill.
Electric Typewriters (4 and 5)  (Flexowriter)	Tauber Plastics Inc.	New York City
	Royal Typewriter Co.	New York City
	Remington-Rand Co.	New York City
	Internat'l Bus. Mach. Co.	New York City
	Underwood Corp.	New York City
Automatic Typewriters (5 and 6)	Commercial Controls	Rochester, N.Y.
	Robotyper Corp.	Hendersonville, N.C.
	American Auto. Type. Co.	Chicago, Ill.

### **C—Title Records Department**

Electric Eraser (1)	Barber-Colman Co.	Rockford, Ill.
Microfilm Aperature Cards and Pockets (3 to 20 cents each)	Envofile Incorporated (Filmdex)	Madison, Wis.
	Filmsort	Pearl River, N.Y.
Rotating Files (1 to 6)	Remington-Rand	New York City
	Watson-Mfg. Co. (Rol-dex)	Jamestown, N.Y.
	Wheeldex Simpla Products	New York City
	Diebold Corp.	Canton, O.
	Zephyr American Corp. (Rolodex)	New York City
	Revo-File Co.	Freeport, N.Y.
Map Holders (swinging) (2 and 3)	Multiplex Display Fixt. Co.	St. Louis, Mo.
Drafting Machines (3)	Univeral Drafting Machine Corp.	Cleveland, O.
Visible Files (2 to 5)	Acme Visible Records	Crozet, Va.
	Remington-Rand (Kardex)	New York City
	Victor	Detroit, Mich.
	Globe-Wernicke	Cincinnati, O.

### **D. Accounting Department**

Bookkeeping Machines (5 and 6)	National Cash Register Co.	Dayton, O.
	Burroughs Corp.	Detroit, Mich.
	Remington-Rand Corp.	New York City
	Underwood Corp.	New York City
Adding Machines (3 to 5)	Victor Adding Machine Co.	Detroit, Mich.
	Remington-Rand Co.	New York City
	Odhner Div., Facit Corp.	San Francisco, Cal.
	Clary Multiplier Corp.	San Gabriel, Calif.
	Regna Cash Register	New York City
	Allen Business Machines	Grand Rapids, Mich.
	Smith-Corona	Syracuse, N.Y.
National Cash Register	Dayton, O.	
Addressing Machine (2 to 6)	Weber Addressing Mach. Co.	Mt. Prospect, Ill.
	Elliott Addressing Machine	Cambridge, Mass.
	Addressograph-Multigraph Corp.	Cleveland, O.



<b>TYPE OF MACHINE AND PRICE RANGE</b>	<b>MANUFACTURER</b>	<b>LOCATION</b>
Ledger Trays (1 to 3)	Le Febure Corp. Remington-Rand Corp.	Cedar Rapids, Ia. New York City
Check Protectors & Signers (2 to 4)	Todd Co. Cummins-Chicago Corp.	Rochester, N.Y. Chicago, Ill.
Punch Card Machine (4 to 6)	Internat'l Bus. Machines McBee Co. Remington-Rand Underwood Corp. Powers-Samas House	New York City New York City New York City New York City London, England
<b>E. Copy and Printing Department</b>		
Quick Photo Copy (2 to 4)	Recordak (Verifax) Winchester (Faxcoa) Remington-Rand (Transcopy) American Photo Copy (Apeco) Chas. Bruning Co. (Copyflex) Copy Craft, Inc. (Photorapid) General Photo Products (Exact-photo) Hunter Photo Copyist (Heccowik) Copease Co. Times Facsimile Corp. (Stenofax) Ozalid (Bambino) Minn. Mining & Mfg. Co. (Thermo-Fax) Photostat Corp. Cormac Industries	Rochester, N.Y. River Edge, N.J. New York City  Chicago, Ill. Chicago, Ill. New York City Chatham, N.J. Syracuse, N.Y. New York City New York City Johnson City, N.Y. St. Paul, Minn.  Rochester, N.Y. New York City
Regular Photo Copy and Contact Printers (4 to 6)	Photostat Corp. Haloid Co. Hunter Photo Copyist Remington-Rand Chas. Bruning Co. Ozalid Corp. Peck and Harvey	Rochester, N.Y. Rochester, N.Y. Syracuse, N.Y. New York City Chicago, Ill. Johnson City, N.Y. Chicago, Ill. Newark, N.J.
Composing Typewriter (4 and 5)	R. C. Coxhead (Vari-Typer)	Newark, N.J.
Duplicators (3 to 6)	Ditto Incorporated Addressograph-Multigraph Heyer Corp. Duplicopy Co. Xerox (Haloid Corp.) Speed-O-Print A. B. Dick Co. Old Town Corp. Davidson Corp. Standard Duplicating Mach.	Chicago, Ill. Cleveland, O. Chicago, Ill. Chicago, Ill. Rochester, N.Y. Chicago, Ill. Chicago, Ill. New York City Chicago, Ill. Everett, Mass.
Microfilm Cameras (4 to 6)	Recordak Corp. Remington-Rand Burroughs Diebold Corp.	New York City New York City Detroit, Mich. Canton, O.



**TYPE OF MACHINE  
AND PRICE RANGE**

**MANUFACTURER**

**LOCATION**

Microfilm Processors  
(3 to 6)

Recordak Corp.  
Diebold Corp.  
Morse Instrument Co.  
Nikor Products Co.  
Remington-Rand  
Burroughs  
Calumet Mfg. Co.  
Micro Record Corp.

New York City  
Canton, O.  
Hudson, O.  
Springfield, Mass.  
New York City  
Detroit, Mich.  
Chicago, Ill.  
New York City

Print Dryers  
(4 and 5)

Peck and Harvey Co.  
Pako Corp.

Chicago, Ill.  
Minneapolis, Minn.

Print Washer  
(3 and 4)

Pako Corp.  
Eastman Kodak  
Burke and James

Minneapolis, Minn.  
Rochester, N.Y.  
Chicago, Ill.

**F. General Office Machine**

Numbering Machines  
(1)

Bates  
W. A. Force & Co.

Orange, N.J.  
Brooklyn, N.Y.

Staplers  
(1 to 3)

Bates  
Staplex Co. (Automatic)

Orange, N.J.  
New York City

Dictating Machines  
(3 or 4)

Edison  
Dupli-Voice  
Dictaphone Corp.  
Soundscriber Corp.  
Gray Audograph  
Webster-Chicago Corp.

West Orange, N.J.  
Algonquin, Ill.  
New York City  
New Haven, Conn.  
Hartford, Conn.  
Chicago, Ill.

Time Recorders  
(2 to 4)

Internat'l Bus. Machines  
Calculagraph Co. (elapsed)  
Simplex Time Recorder Co.  
Cincinnati Time Recorder  
Co.

New York City  
Harrison, N.J.  
Gardner, Mass.

Inter-Communications  
(2 to 4)

Kellogg Switchboard &  
Supply  
Executone Inc.  
Telautigraph Corp.  
(Telescriber)  
Private Tele-Communica-  
tion (Amplical)  
Thomas A. Edison, Inc.  
Talk-a-Phone Co.

Cincinnati, O.  
Chicago, Ill.  
New York City  
New York City  
Chicago, Ill.  
West Orange, N.J.  
Chicago, Ill.

Telephone Amplifiers

Almy-Haydn-Maxwell  
(Conversaphone)  
Special Devices Inc.  
(Fonadek)

Marblehead, Mass.  
Boston, Mass.

Paper Shredders  
(2 to 4)

L. R. Wallace Co.  
Shredmaster Corp.  
Industrial Shredder &  
Cutter

Pasadena, Calif.  
Brooklyn, N.Y.

Inserting Machine  
(3 and 4)

Printing Devices, Inc.

Salem, O.  
Melrose Park, Ill.

Mechanical Lifts

Sedgwick Machine Works  
S. Heller Elevator Co.

New York City  
Milwaukee, Wis.

NOTE: For more definite address of manufacturers, consult your local office equipment firm, classified sections of telephone books, or write to "Office Magazine," 270 Madison Ave., New York 16, N.Y.



# ABSTRACTS, SOMETHING EXTRA

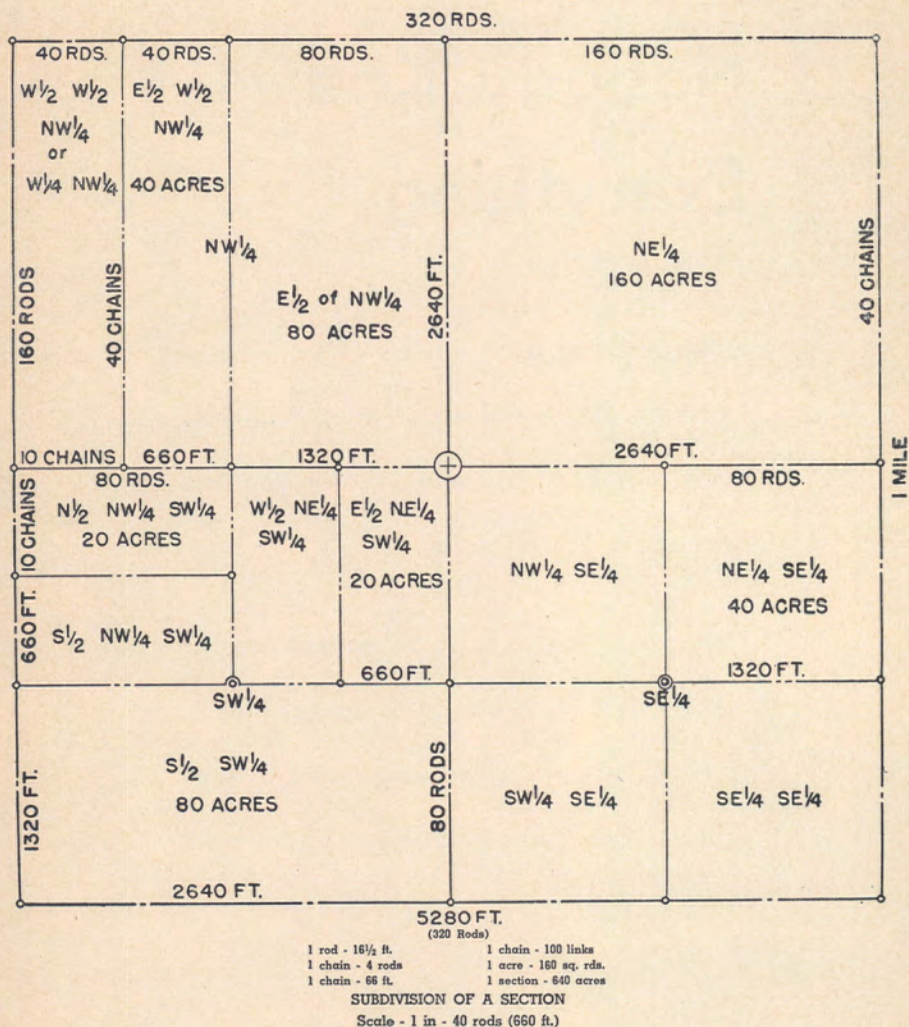


Table printed on the inside (front) Abstract cover of Fond du Lac County Abstract Co., Fond du Lac, Wis. Actual size is 9" x 11 $\frac{1}{2}$ ".



# Nobody Knows Everything

No one has a corner on effective advertising. But a roll up of advertising by many members, big and little, urban and rural, benefits all members.

A great big exhibit of advertising of many members is bound to contain ideas you can use—just as your exhibit aids others. New rules and regulations make it easier than ever to enter this year.

***Enter Our National  
Advertising Contest***



# RULES OF 1955 NATIONAL ADVERTISING CONTEST OF THE ATA

WARREN THOMPSON

*Chairman, Committee on Advertising and Publicity, American Title Association  
Public Relations Officer, Chicago Title & Trust Company, Chicago, Illinois*

## (Revised 1955)

1. Advertising to be entered in the contest shall be mounted ready for display **by the member company**, in the following form:

All material must be attached to uniform cardboard or illustration board panels of standard 30"x40" size. The name of the company must be clearly indicated on the top of each panel. The contest classification (see classifications [a] to [g] below) in which the material falls must also be clearly indicated on each panel. As many panels as desired may be prepared and entered.

All material should be mounted in the actual size and form in which it was or will be used. Only exception to the use of these 30"x40" panels should be in the instance of such things as window displays, home show displays, or other advertising materials which may be too large or heavy to be thus mounted; such material may be entered as a separate display under a specified classification but must be submitted and displayed in the physical form that it was, or will be, actually used.

2. The only additional information required beyond the designation of contest classification on the panels would be such data, if you consider it necessary, that might help the judges to understand **how** the advertising was used. Such data should be in the form of type-writer copy and should be mounted on the panels adjacent to the advertising itself.

It is not necessary to supply any data concerning cost, time of advertising, circulation or results, nor is it necessary to indicate

whether advertising agency counsel was used.

3. All entries must be shipped **prepaid** to the Statler Hotel, Cleveland, Ohio, marked "Attention of: Carl F. Ferguson, Hold for American Title Association Convention." Ship in time to arrive in Cleveland not later than September 15, 1955.
4. By letter, prior to September 15, 1955, all companies entering the contest must inform Carl F. Ferguson, Lawyers Title Insurance Corporation, 39 Public Square Building, Cleveland 13, Ohio, of the number of panels being shipped as well as approximate shape and size of any other special displays being entered in the contest that will not be mounted on standard panels.
5. Factors considered in making the awards will include content, character, originality, appearance and general effectiveness of the advertising.  
A five-man judging committee will vote on the material submitted and determine the contest winners. The committee will consist of three title men (including the Chairman of the Advertising and Publicity Committee); an advertising art director; and an advertising agency representative.
6. The contest is divided into the following classifications: (A member company may enter one, several, or all classifications.)

- a) **Newspaper and Magazine Advertising:** Either proofs or actual advertisements clipped from the publication may be mounted, but material must be the same size as actually published.
- b) **Direct Mail:** Booklets, pamphlets, series of letters, blotters,



series of other printed messages, etc.

Mount actual copy of booklet or other material in a manner that permits inspection of inside pages.

Indicate adjacent to samples nature of mailing list used—(lawyers, mortgage institutions, etc.)

- c) **Publicity:** Mount actual clippings from newspapers or periodicals as published.
  - d) **Radio and Television:** Use photographs, sample scripts, and adequate typewritten information mounted on the panel to provide the judges with reasonable knowledge of the nature of the program, its frequency, and general objective of radio or television advertising.
  - e) **House Organ or Company Publication:** Mount at least four issues of each publication so that inside pages can be inspected; indicate whether for employees or external distribution; if external, indicate nature of mailing list.
  - f) **Posters, Billboards, Window Displays, Signs and Exhibits:** Enter the actual exhibits or displays in the form used, or, if size makes this impractical, mount photographs of the exhibit or displays on the standard panels, with adequate typewritten information mounted on the panel to provide the judges with reasonable knowledge of the nature of the display and the location or event at which it was used.
  - g) **Miscellaneous Advertising: Novelties, gifts, calendars, etc.** Mount samples on panels, with sufficient information to provide judges with an understanding of how these novelties are used for advertising purposes.
7. **PRIZES**—Prizes will be awarded at the Annual Banquet of the National Convention. The prizes will be as follows:
- A. A Grand Prize for the most effective total advertising program of the year carried on by any abstract, title or title insurance company in the Association. This trophy will be a perpetual trophy and will be held by the winning company through the following year. The company's name will be inscribed on the trophy and the company will also receive a plaque or certificate which it may retain permanently, as evidence of having received the award.
  - B. Four Capital Prizes, consisting of bronze plaques to be held permanently by the winners, for the best single advertisement or series of advertisements produced during the year, by:
    1. An Abstract Company whose county of domicile has a population of not more than 100,000.
    2. An Abstract Company whose county of domicile has a population of over 100,000.
    3. A Title Insurance Company whose combined capital and surplus total not more than \$3,000,000.
    4. A Title Insurance Company whose combined capital and surplus total more than \$3,000,000.
  - C. Certificates of Merit will be awarded to Abstract Companies and Title Insurance Companies in each of the four categories specified above which place second and third in the contest for the Capital Prizes.
  - D. Certificates of Merit will be awarded to the Abstract Companies and Title Insurance Companies in each of the four categories specified above which place first, second and third in the contest classifications described in Section 6 (b) to (g).
8. No panels or other exhibits entered in this contest will be returned unless the member company specifically requests that this be done.



# TITLE INSURERS IN CLOVER

(Reprinted from "Business Week" of March 5, 1955)

The construction boom is not the private preserve of the mortgage money lenders and the builders. A much less-known branch of the industry—the realty title guarantee (or insurance) companies—also saw the volume of its business soar last year. And it looks for more of the same in 1955.

All over the country, title guarantee companies had their biggest year in 1954. Generally, the pattern was pretty much like New York state, where the dollar volume of title insurance written by in-state companies was 18% above 1953, with premiums up 15%.

## Home Building

The title guarantee business has been boosted by the vigor felt in all types of construction, but it's the residential part that has given the mightiest shove. And, with another 1-million-plus starts expected for 1955, the title people are looking for another record of their own.

Big lenders generally refuse to issue a mortgage on property unless the title is guaranteed. Housing experts sound the obvious warning against buying houses without having the title searched; many of them recommend having the title insured as well.

## Reefs and Shoals

Proponents of title insurance cite a long list of perils from which it shields both the home buyer and the mortgage lender:

- Hidden liens, notable mechanics' liens, that may have been slapped on the property unbeknownst to buyer and lender.
- Errors in the public records that might crop up later to cloud the title.
- Frauds connected with the record.
- Ownership claims made later on behalf of minor kin of the seller.
- Secret marriages, which might give rise to claims by the spouse or other heirs.

- Claims by relatives of the seller based on charges that he was insane at the time of the sale.

Plenty of "horror" stories are cited to back the advice that the homeowner should take out insurance on his title to what is usually the biggest purchase of his life.

Daniel Boone is the favorite historical example. The great frontiersman thought he had carved himself an estate of thousands of acres in the wilderness of what is now Kentucky. But faulty title deprived him of every acre; Congress had to pass a special bill giving him a spot on which to pass his last years.

## Recording

The right to hold land with a clear title in what is now the U.S. dates to earliest colonial days. In 1620, immediately after the Pilgrims landed in Massachusetts, they set a public office for recording the ownership and transfer of real property. Other colonies soon followed suit.

In earliest days, the buyer's lawyer simply went to the recording office and checked the title. Later, as villages developed into towns, and towns into cities, and as property laws multiplied, the job of searching urban titles became far more complicated.

## Abstracts

Indeed, it became so complicated that many busy lawyers got tired of the whole thing. As more of them dragged their feet at doing the work, a new type of business came into being: the abstracters. First as individuals and then as companies, the abstracters simply marked out a given area and did studies of all the property in it. At the recording offices, they copied all documents relating to each piece of property. Then, when a customer asked for data on a given property, the abstracter prepared its complete history—its mortgages, deeds, judgments, probate proceedings, and the chronology of owners.

The abstracters, of course, keep a



continuing check on their chosen areas, so that up-to-date reports can be produced at once.

The reports turned out by the abstractors were sold to lawyers acting in real estate transactions. On their data, the lawyers based their opinions of the soundness of the title.

### Imperfections

Despite all the care of the abstractors and the lawyers, there was an ever-present possibility of error or omission in the public records. It was to fill this potential void that the title guaranty companies came into being. In effect, after studying a title, they were prepared to insure its authenticity against subsequently-discovered slips.

The first title guarantee company was chartered in Philadelphia in 1876. Similar outfits were set up in Chicago and New York about 10 years later; today there are more than 150 companies in the United States that insure titles.

Not all states have title guarantee companies. In Connecticut, titles are searched by the lawyer for the buyer. In Iowa, it's illegal to set up a company for insuring titles. In Chicago,

the title insurance business is growing, but in downstate Illinois, transfers are usually made without title guarantee.

### Urban

In general, the title guarantee companies do their biggest business in the large cities. Interest in their services wanes steadily as you move closer to rural areas. In the deep weeds, there are still tracts held under the so-called "trunk titles." The family owning a piece of property has kept all documents relating to it stuffed in a trunk in the attic. With each new transfer, a new deed is added to the collection, and the whole bundle is passed on to the buyer. Sometimes, not a deed in the whole collection has been officially recorded.

The West Coast is the citadel of title guarantees. In California, a very high percentage of all titles are insured. Demand for similar guarantees has been rising in the East, particularly around New York City where a great deal of mortgage financing is handled by the big life insurance companies, savings banks, and savings and loan associations. Generally these institutions demand a guaranteed title.

## DEED OF TRUST

McCUNE GILL

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Many deeds of trust are now written to secure not only the amount of the note but also any future advances of money made to the borrower. These are sometimes called "open end" mortgages. Several questions arise as to these deeds of trust. Are the future advances accrued by the deed of trust? Are the future advances a lien prior to subsequent liens when the making of the advances is obligatory on the lender? Are the future advances a lien prior to subsequent liens when the making of the advances is discretionary with the lender? Is it necessary that the holder of the first mortgage receive actual

notice of the subsequent lien or is the record of the subsequent lien sufficient to gain priority of the subsequent lien over the advance? Is it necessary for the lender to have his certificate of title or title policy continued to the date of the advance to ascertain whether any lien, such as a second deed of trust, a judgment or a mechanic's lien has been placed of record subsequent to the recording of the first deed of trust but before the date of the making of the advance?

There are only a few decisions or statutes in Missouri as to the effect of a deed of trust securing future advances. In one case there was a



deed of trust securing a note of \$2625 and also securing any demands which might be paid by the Mortgagee as endorser for the Mortgagor. These actually aggregated some \$700 which amount was not known or stated when the mortgage was executed. The court held that the advances of \$700 were secured by the mortgage and that the mortgage could be foreclosed if such advances were not repaid. *Foster v. Reynolds*, 38 Mo. 553 (1866).

Another case holds that a chattel mortgage to a bank to secure a loan of \$2360 and all sums thereafter advanced by the bank to pay for goods purchased is valid as to such future advances. *Smith v. Wilson*, 63 Mo. App 326 (1895).

In order for future advances to be secured by a deed of trust there must be a provision in the deed of trust to that effect and a future verbal agreement will not obtain priority over a subsequent deed of trust. *Grady v. O'Reilly*, 116 Mo. 346 (1893).

In one case the deed of trust secured a note for \$50,000 part of which was disbursed immediately and the balance four months later. It was held that even though this might be considered to be a future advance the entire amount was secured by the deed of trust as between the parties and constituted a valid consideration. *In re: Metalcraft*, 31 Fed. Supp 194 (Mo 1940).

If the record of a deed of trust states that it is for \$200 although the original shows \$400, a purchaser is charged with notice only to the extent of \$200. *Terrell v. Andrew*, 44 Mo. 309 (1869).

A deed of trust secured a certain note plus any amounts paid by the lender to pay any prior encumbrance. He paid various bills for construction that would have been prior liens if mechanics liens had been filed and perfected by suit. The court held that these were not prior encumbrances under the deed of trust and hence that a second deed of trust was superior to such payments. *Realty v. Washington*, 63 SW 2nd 167 (1933).

A chattel mortgage will cover future advances if it so states but not

otherwise. *Jacques v. Goggin*, 245 SW 2nd 904. (1952).

As to savings and loan associations incorporated under Missouri law, an Act was passed in 1946 which provides that such an association shall have power to make advances to protect its security superior to intervening liens, and additional loans not exceeding \$1000 to improve a home and to make further advances to the extent provided in the deed of trust. Acts 1945—1578 Section 67.

Because of the fact that many of the questions in connection with deeds of trust securing future advances have not been answered by the Missouri courts, it will be of interest to consult general texts on the subject based on decisions in other states.

It is almost universally held that the future advances are secured by the deed of trust, as between the parties to the deed of trust and even though the amounts to be advanced and the time within which the advances are to be made are not stated in the deed of trust. The acceptance of such an advance will bind the owner of the property. 41 C.J. 462, 525, 59 C.J.S. 176, *Jones on Mortgages*, 8th edition, 447, *Tiffany on Real Property* 3rd Ed 1463, *American Law of Property* 16.72.

Most of the decisions held that where the lender obligates himself to make the advances, he cannot refuse to do so even though subsequent liens have appeared and that such advances are superior to the subsequent liens, if the amounts of the advances to be made are stated in the deed of trust. If the amounts to be advanced are not stated in the deed of trust, the subsequent lien holder could contend that he had no notice as to such amounts. 41 C.J. 463, 526, 59 C.J.S. 230, *Jones* 454, *American Law Pro.* 16.75. *Thompson Real Property*, 4932.

However, where the making of the future advances is discretionary with the lender it is usually held that a subsequent lien appearing after the date of the deed of trust but before the date of the advancement will be superior to the deed of trust as to



such advancement, subject to certain requirements as to notice to the holder of the deed of trust. 41 C.J. 526, 59 C.J.S. 230, Jones 452 to 456, American Law Pro. 16.74, Thompson 4934.

There is considerable diversity of opinion as to whether there must be notice to the holder of the deed of trust by the subsequent lien holder in order for him to obtain priority over the advancement and whether such notice must be actual notice or merely notice by placing the subsequent lien of record. 41 C.J. 527, 557, 59 C.J.S. 250, 251, Tiffany, 1464, Jones 452, 454, American Law Pro. 16.74.

In view of the above, the holder of a deed of trust which provides for later advances should certainly have the records examined before making such an advance in order to ascertain whether there are junior deeds of trust, judgments, mechanics liens or other liens of record after the date of his deeds of trust. In the event that such a subsequent lien is found of record the holder of the deed of trust will be justified in refusing to make the advancement, because of the doubt as to the priorities of the deed of trust and the subsequent lien. Jones 456, American Law Prop. 16.74.

## MORTGAGE VOID

The Stewart Title Guaranty Co., with offices in various cities of Texas, publishes "Titlegram," a bi-monthly publication for its employees and, as regards certain issues, for distribution otherwise, particularly to attorneys, realty operators and mortgage men. Each issue contains a short article relating to claims and losses where title is involved. They are short and to the point. The staff of the company uses these advantageously in selling owners' policies, and increases in owners' policies to the market value of the property. Two such articles are carried here below as illustrations of what other title insurance companies could do in their respective publications.

J.E.S.

A woman changed her mind about her marital status, after she had signed a mortgage on her home. Her change of mind spelled trouble for the holder of the mortgage, in an interesting case in Stewart's files.

Mrs. Elizabeth Smith\* is a middle-aged woman. About five years ago she moved to a certain city and bought a home. She paid cash for the property and her deed stated that she was a widow.

After living in the house for several years, Mrs. Smith decided it needed a new roof, and she also decided to repaint the outside and repaper the inside of the house.

Since she did not have the cash to

pay for these improvements, she arranged to borrow the money from John Brown\* and agreed to put up her home as security. Mr. Brown looked over the property and decided it was adequate security. He asked Mrs. Smith if she was married, and she stated that she was single. No one was living with her in the home.

Mr. Brown therefore loaned Mrs. Smith the sum she needed and took her note and deed of trust, each reciting that she was single. At that time, Mr. Brown took out a Stewart's Mortgagee's Title policy to protect his lien.

Mrs. Smith had made several payments on her note when she became ill. She was unable to continue monthly payments. After repeated demands for payment, Mr. Brown had the trustee foreclose on her property

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\*Names used in this case history are fictitious.



under the power of sale contained in the deed of trust, and bid the property in at the trustee's sale.

But Mrs. Smith filed suit to set aside the foreclosure and to cancel the deed of trust, stating that she was a married woman when the note and deed of trust were signed. The property was her homestead, she claimed, and therefore the deed of trust was void and she was not liable on the note.

Mr. Brown notified Stewart's of the filing of the lawsuit, and Stewart's

immediately retained legal counsel to defend him and to advise him of his rights.

The suit is still pending. Under the terms of his Stewart's policy, Mr. Brown is fully protected against loss on his loan up to the face amount of the policy. In addition, Stewart's will pay attorney's fees and court costs.

This is another instance of the protection afforded a lender by a Mortgagee's Title policy, against unforeseen developments which can endanger the validity of his lien.

## BALANCE DUE

In a large Texas city, newlyweds John and Mary Doe bought a lot on which to build a home. They paid the full purchase price in cash to Dick Smith, who sold them the lot, and received their deed.

The young couple took out an Owner's Title Policy issued by Stewart Title Guaranty Company.

Now ready to build their home, they borrowed money to finance part of the cost of construction. They obtained a loan from Mrs. Margaret Brown, a widow, who took out a Stewart's Mortgagee Title Policy, insuring the validity of her first lien upon the property.

The Does then had the face amount of their Owner's Title Policy increased to cover the cost of the improvements.

A year after the newlyweds had moved into their new home, a former owner of the property, Harry Jones, appeared on the scene. An elderly man, Mr. Jones claimed he had not been paid the full purchase price of

the property when he sold it to Dick Smith.

He filed suit against both the young couple and Dick Smith to recover the unpaid balance, and also to impress a lien on the property for the balance he claimed was due.

Stewart Title Guaranty Company immediately retained competent legal counsel to defend the law suit and advise the Does and Mrs. Brown of their rights.

Because the young couple had obtained a Stewart's Owner's Title Policy to cover the cost of the improvements as well as the cost of the lot, they were fully protected against Mr. Jones' claim. Under the terms of their policy, Stewart's is obligated to pay court costs, attorneys' fees and other costs incurred in the trial of the case, as well as any loss suffered by the Does up to the face amount of the policy.

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# REPORT OF JUDICIARY COMMITTEE, AMERICAN TITLE ASSOCIATION

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*Counsel, Security Title Insurance Co., Los Angeles, California*

There is a growing body of writing relative to federal tax liens, their enforcement, collection and status as regards other liens, such as the tax liens of other political agencies and private liens.

As to income tax liens and their status after senior private liens, most title men are now too well informed on this subject to warrant use of these pages for much further comment.

For counsel who desire to make notes of some of the pertinent articles on the subject, you are referred to

Title News—ATA June, 1953

Vol. 41 California Law Review, page 250.

Vol. 63 Yale Law Review No. 7 (1954)

Vol. Virginia Law Review 107 (January, 1955)

Federal Tax liens (How to go about obtaining their release)—Bruce M. Jones, Associate Counsel, Security Title Insurance Company, Los Angeles, Proceedings of the California Land Title Association, 1954.

Title examinations and Federal tax liens.

Vol. 55, Michigan Law Review 393 (Jan. 1955)

United States vs. Acri, 75 S. Ct. 239 (January 10, 1955). (The case involves the relative priority between an attachment lien and U.S. lien. Similar to U.S. vs. Security Trust & Savings Ban, 71 S. Ct. 111)

United States vs. Liverpool & London etc., 75 St. Ct. 247 (January, 1955).

It will be immediately apparent to even a casual observer after looking at this material that the subject is pretty much one for lawyers for the

abstractors and title insurance companies.

Persons interested in this subject will obtain more from a study of these materials than from further attempt to summarize the contents of these articles, since they are substantially the summation of the effect of statutes and cases, which is all there is upon which to predicate the discussion.

What is most important for title men is to distill out of all this discussion a basic knowledge of the theory and operation of these federal tax laws and how to write evidences of title that correctly reflect the effect of these liens.

**"Assignment for Benefit of Creditors"**  
Mortgages given in relation thereto and U.S. tax liens later filed.

The case of UNITED STATES vs. GARGILL, 218 Fed., 2d., 556 (1-18-15-Mass.) considers a claim by the United States that its tax lien which was recorded subsequent to a prior recorded mortgage nevertheless had priority, on the assertion that the mortgage was in fact an assignment for the benefit of creditor.

The case discusses the character of the particular mortgage, the circumstances under which it was given and concluded that the mortgage was within the meaning of Section 3672 of the International Revenue Code and that the government's tax lien was subordinate thereto.

Title men do know that some security paper does, in fact, represent a part of a program by a creditor group to work out a debtor's affairs and if subsequently a Federal tax lien is recorded, the discussion found in the case could be relevant to the rights of encumbrancers as against the government and how title counsel would advise.

## COMING EVENTS

DATE	MEETING	WHERE TO BE HELD
May 8-9-10	Iowa Title Association	Savery Hotel Des Moines, Iowa
May 15-16-17	Arkansas Land Title Association	Marion Hotel Little Rock, Arkansas
May 20-21	Tennessee Title Association	Read House Chattanooga, Tennessee
May 27-28	Pennsylvania Title Association	Claridge Hotel Atlantic City, N. Jersey
June 8-9-10	Illinois Title Association	Drake Hotel Chicago, Illinois
June 10-11	Idaho Title Association	Bannock Hotel Pocatello, Idaho
June 15-18	Oregon Land Title Association	Eugene Hotel Eugene, Oregon
June 19-20-21	Colorado Title Association	Colorado Hotel Glenwood Springs, Colo.
June 23-24-25	Michigan Title Association	Hidden Valley Ski Club Gaylord, Michigan
June 27 28-29	California Land Title Association	Hotel del Coronado Coronado, California
Sept. 2-3-4	Washington Land Title Association	Davenport Hotel Spokane, Washington
Sept. 9-10	North Dakota Title Association	Fargo, North Dakota
Sept. 10-13	New York State Title Association	Lake George Sagamore, New York
Sept. 25-29	National Convention—American Title Association	Statler Hotel Cleveland, Ohio
Oct. 9-10	Kansas Title Association	Allis Hotel Wichita, Kansas
Oct. 13-14-15	Wisconsin Title Association	Northernaire, Wisconsin
Oct. 31-Nov. 1	Missouri Title Association	Statler Hotel St. Louis, Missouri
Nov. 6-7-8	Ohio Title Association	Cincinnati, Ohio

### OTHER MEETINGS OF INTEREST

Aug. 22-26	American Bar Association Convention	Bellevue-Stratford Hotel Philadelphia, Pa.
Oct. 31- Nov. 1-2-3	Mortgage Bankers Association of America	Statler Hotel Los Angeles, California