

# TITLE NEWS

DO NOT REMOVE



**OFFICIAL PUBLICATION**

**AMERICAN TITLE ASSOCIATION**



*Now  
and  
Then*

VOLUME XXXVIII

OCTOBER, 1959

NUMBER 10

## THE PRESIDENT'S POSTSCRIPT



This is my swan song. A swan, as you know, is a big bird with a long neck. I think I fit the description—certainly I have stuck my neck out a long way on several occasions during the past year. Under any other circumstances I am sure I would have been beheaded long ago, but working with the grand group of people who make up the American Title Association, I still have my head and, far more important, as the year closes, I feel we have made real progress.

When you receive this issue of Title News our 1959 Annual Convention will be underway. It will mark two things: First, the culmination of this year's plans and activities. Second, and of real meaning to all of us, it will bring you new officers to work for you, new and better plans for the future, and a more closely-knit and effective organization as a result of your continuing interest and support, evidenced by your participation in association affairs.

The past year has been a wonderful one for Ann and me. We thank you from the bottom of our hearts for your support and your wonderful hospitality. We know you will do the same for Lloyd and Virginia and that under their leadership we will go on—more unified than ever before—to bigger and better things.

*Ernest J. Lobbert*



# TITLE NEWS

*The official publication of the American Title Association*

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OCTOBER, 1959

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## *Features*

The Future of Title Insurance.....	2
<i>Mack Tarpley</i>	
Relationship Between Lending Institutions and Title Company.....	7
<i>Raymond G. Willie</i>	
Standardization of Abstracting.....	10
<i>Dale C. Bermond</i>	
A Job Well Done.....	14
<i>Hard Working Officers Rest On Their Laurels</i>	
You Are A Bonafide Purchaser.....	18
<i>T. J. McDermott</i>	

## *Departments*

President's Postscript.....	Inside Front Cover
The Inside Story.....	3
Meeting Timetable .....	5
Guest Editorial .....	13
In the Association Spotlight.....	24
Letters .....	27
In Memoriam .....	28

# THE FUTURE

OF



# TITLE INSURANCE

*With becoming modesty, Mack Tarpley, vice-president of the Kansas City Insurance Title Company, whose message "The Future of Title Insurance," delivered to the Florida Land Title Association Convention was received with encouraging interest, disclaims any capabilities as a seer. His talk is presented here so that the readers of TITLE NEWS may judge for themselves.*

The subject which was suggested to me requires a prediction of sorts—somewhat in the nature of the work of the sportscaster who on Friday night tries to pick the winners of Saturday's football games. Inasmuch as I am away from home, and therefore qualify as an expert, I will proceed with my crystal gazing.

The basis of most predictions, other than those made after an hour or so in close association with bottled spirits, is past performance. Therefore, let us dwell a little on the history of title insurance as our form chart.

Title Insurance is new. I make this statement knowing full well that it was written well before the turn of the century, but also with full knowledge that only in the past 25 years has it come into widespread usage. There are still some parts of the country where the words "title insurance" get the same reception as

the word "Faubus" at a NAACP rally.

Until 25 years ago title insurance was basically a local operation. I mean by that a company wrote title insurance on properties in the city in which it was located, with an occasional foray into some other town in the state of its incorporation. These occasional instances were generally at the firm prodding of a good customer and were generally accompanied by a great deal of pomp and ceremony. An abstract was obtained by the title insurance company

## THE INSIDE STORY

Now and then, as our cover tells us, we are privileged to know and to work with a man who, by the life he has led, by the leadership he has provided, and by the character he has built, is an inspiration to all.

So, it is with pride that we dedicate this October issue, of TITLE NEWS, with its newly-designed cover, to William Gill, Sr., titleman extraordinary—now president of the Great Western Business Investment Company.

On Thursday, October 22, Bill Gill's speech to the 53rd Annual Convention, "Some of the Past—More of the Future," will be the high light of an action packed final session. Don't miss it!!!

Someone with a gift of expression far more eloquent than ours has defined our feelings toward Bill Gill (See page 23). We know that all A.T.A. members will join us in saying,

"Thanks, Bill"

into more of the smaller cities and towns throughout the country. Local companies began a statewide operation, some because of their geographical location an areawide operation, and a very few a basic national operation. This was accomplished by acquisition of record searching facilities for branch office operations, the appointment of abstracters and/or local title attorneys as agents and the appointment of local attorneys as approved examiners.

The rush was on, but then came World War II, a conflict in which I ably contributed to our country's glorious victory by seeing that a shore duty admiral's water carafe was always full and that he had a constant supply of pencils, rubber bands and paper clips. Personnel was taken from title insurance companies by the draft and by war industries, travel was restricted and Uncle Sam's title needs had priority, so the rush was slowed. Came the end of the war and every title company was swamped with business in the area in which it was already established, the war years had taken their toll of trained and qualified personnel. Expansion by title companies picked up, but at a slower pace.

from the local abstractor, and after making a chain sheet from the abstract, an attorney in the employ of the title company made a trip to the county seat and examined the records direct, also using such indices as were available in the recorder's office to double check the abstractor. In those states where there were no abstract plants, frequently examinations by two local practicing attorneys were required. This cumbersome and expensive procedure naturally discouraged the spread of title insurance beyond the large cities where title insurance companies were located.

A New York title insurance company, now gone down the drain because it also engaged in the practice of guaranteeing mortgages, was a pioneer in the spread of title insurance. It had approved attorneys scattered throughout the country who would examine titles and render their opinions to that company as the basis for title policies. Practically all of the policies so written were mortgagee policies. Generally speaking that company paid no agents commissions and had a minimum of expense in its so called national operation. The coverage afforded by its policies was minimum coverage by today's standards and its title insurance business prospered. However, came the black years of 1929 through 1935 and its mortgage business pulled the plug, opened the drain and down she went. After the failure, the general counsel of one of the largest life insurance companies was asked if the title policies of the failed company did not constitute so much worthless paper in his files. His answer was that he did not consider it as worthless, while the financial protection was gone, he had the best reading of titles possible for him to obtain. Remember that statement for we will again refer to it.

### Expansion

Upon the demise of the New York company, and most ably abetted by the passage of the National Housing Act, title insurance began to spread. The FHA insured lending program brought the major secondary lenders

At this time, about 1947, there were the state wide companies and some four or five so-called national companies, all operated by trained title personnel with their agents limited to bona fide title people. The bases for obtaining agents and customers were, a policy that was readily saleable in the money market, the service that could be given, and the personality of the individual. There was generally a fine spirit of cooperation and trust between all members of the title profession and their customers.

Starting about that time and gaining momentum as the years went by a change took place in the title industry. Each Friday afternoon I am convinced that the change has reached its peak, but by 9:00 o'clock A.M. the following Monday when I have finished reading my mail, I feel that my hopes on Friday had a touch of Pilyana about them. Let us not kid ourselves, the title business is not the same as it was, and I am not referring to scientific and procedural advances in title plants and title processing.

More and more title companies are coming into being and more companies are expanding or attempting to expand their operations to a national level, in both instances in my opinion laboring under the misguided impression that a fortune awaits them. More and greater coverage is being demanded by customers, and in many instances given to buy business, with no increase in premium to justify the necessary work or investigation to give the coverage and assume the risk. Persons with an interest in the transaction to be insured are starting title insurance companies or securing policy issuing agencies therefor. These are not trained and experienced title people but people whose primary interest lies in some other line of endeavor. You tell me what happens when the question of a \$25.00 commission as title insurance agent is placed against a brokerage fee of \$500.00.

In certain areas a portion of the risk premium is being paid to anyone sending business to a title insurance company, blithly considered a com-

mission because an agent's license is purchased for that person. In other areas increased commissions are being paid to policy issuing agents although there has been no increase in risk rate premiums on the National Rate basis since the 1930's. This is brought about by pressure from the agents, who generally speaking have no concept of the problems and expenses of the insuring company. No company operating on a national agency basis has been through the economic cycle of bust to boom to bust, and therefore has no actuarial experience to determine the sufficiency of its premium income per dollar of liability assumed.

Friction and distrust seem to have developed between and within the various segments of the title industry. This I can not understand, for while I am quick to admit that all of my competitors are Harry Truman's favorite word, I know they feel the same about me, so being of the same class, why shouldn't we work together in harmony and co-operation.

There are more ways of buying business than by outright payment therefor. One that seems to be showing signs of growth is the improper reporting of titles and the assumption of unwarranted risks. Remember the statement of the counsel for the insurance company in response to the question as to worthless paper. Let one large title insurance company fail for this reason and we may find that our house has fallen on our heads.

### Personal Predictions

So much for the history—now let us proceed with the prediction. First however, I would like it clearly understood: (1) That I am no more intelligent than the guy or gal on your right nor than the guy or gal on his or her left; (2) That I do not hold out the company which I represent as being lily white; and (3) that everything I have said or will hereafter say came out of my own fat head and does not represent the views of any company nor any group or segment of the title industry.

Prediction 1. Title insurance will be more widely accepted and used because:

- (1) It covers matters not covered by other forms of title evidence.
- (2) It offers a uniform and proper title reporting for investors operating over a wide area.
- (3) Informed abstracters are aiding and abetting the spread of title insurance.
- (4) Attorneys by recommending its usage and bar associations and segments thereof by forming title insurance companies recognize it as the best form of title evidence.

Prediction 2. The discord seemingly existing between and within the segments of the industry will be resolved largely through the efforts of the individual members of the industry, aided to a great degree by the American Title Associations and the various State Associations.

Prediction 3. Most of the now-title people now forming title insurance companies and agencies of title insurance companies will withdraw from the business because they will find it is not an easy way to a fast dollar and because of prediction number 4.

Prediction 4. Strict state regulation of title insurance is coming. The industry has not been able to regulate itself, so state regulation will come. This regulation will extend to the qualifying of companies, the protection of policy holders, the risk rate premium, the coverage afforded by the policy, but not the underwriting necessary to determine if the coverage may be given, the qualifications of agents, the approval of agency contracts so as to determine that the commission paid is sufficient to the agent but not detrimental to the insurer's financial stability, and like matters. Personally I will welcome such regulation if the title industry is given the opportunity of participating in its drafting and in educating the regulating official as to the title business.

Prediction 5. Everyone present wishes I would shut up and sit down. This one has come true.

## *Meeting Timetable*

**November 7, 1959**

Arizona Land Title Association  
Tucson Inn  
Tucson, Arizona

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**November 9 and 10, 1959**

Indiana Title Association  
Lincoln Hotel  
Indianapolis, Indiana

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**November 12, 13, 14, 1959**

Florida Land Title Association  
Fort Harrison Hotel  
Clearwater, Florida

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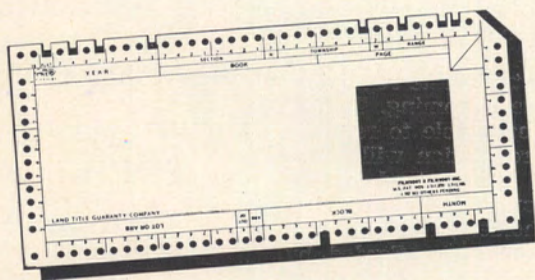
**February 16, 17 and 18, 1960**

Mid-Winter Conference  
American Title Association  
Riveria Hotel  
Las Vegas, Nevada

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# RELATIONSHIP

BETWEEN

## LENDING INSTITUTIONS

AND

## TITLE COMPANY

BY  
RAYMOND G. WILLIE

*It is with pleasure that we salute Wanda and Mark Eggertsen of the Utah Land Title Association. Beginning from scratch just a few months ago, their efforts have born fruit in the development of a fine publication "Utah Title News." We are happy to present here an article appearing in a recent issue of that publication.*

In the Utah mortgage lending field prior to 1940 title insurance policies as title evidence were used only in isolated transactions. In the short space of 20 years we have seen a complete reversal of this situation and at the present time few abstracts are acceptable to mortgage lenders. This transition has occurred as we all know, from the extensive use of the government guaranteed and insured loan and the requirements of the secondary market.

The functions of a title insurance company have grown to the extent that they are no longer a reporter on the status of the title but a true insurer of title. Title insurance companies have assumed duties formerly performed by the lender and we find that more and more the title company is becoming an important part of the lending transaction—even to the extent of operating in some cases, in the loan closing field. It, therefore, becomes increasingly important that the title insurance company be familiar with the lender's problems. In anticipating the needs of the lender, needless correspondence, wasted time and delayed clos-

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ings can be reduced considerably and in many cases avoided. The result would be better customer relations and a considerable reduction in the cost of doing business.

**Sec. 222.14—**

(e) The Commissioner will not object to title by reason of the following matters:—

(2) Easements for public utilities along one or more of the property lines and extending not more than 10 feet therefrom and for drainage or irrigation ditches along the **rear 10 feet** of the property, provided the exercise of the rights thereunder do

not interfere with any of the buildings or improvements located on the subject property;

(3) Easements for underground conduits which are in place and do not extend under any buildings on the subject property;

(4) Mutual easements for joint driveways constructed partly on the subject property and partly on adjoining property, provided the agreements creating such easements are of record;

(5) Encroachments on the subject property by improvements on adjoining property where such encroachments do not exceed one foot, provided such encroachments do not touch any building or interfere with the use of any improvements on the subject property;

(6) Encroachments on adjoining property by eaves and overhanging projections attached to improvements on subject property where such encroachments do not exceed one foot;

(7) Encroachments on adjoining property by hedges, wooden or wire fences belonging to subject property;

(8) Encroachments on adjoining property by driveways belonging to subject property where such encroachments do not exceed one foot, provided there exists a clearance of at least 8 feet between the buildings on the subject property and the property line affected by the encroachment;—

(10) Encroachments by garages or improvements other than those which are attached to or a portion of the main dwelling structure over easements for public utilities, provided such encroachments does not interfere with the use of the easement or the exercise of the rights of repair and maintenance in connection therewith.

(11) Violations of cost or set back restrictions which do not provide a penalty of reversion or forfeiture of title, or a lien for liquidated damages which may be superior to the lien of the insured mortgage. Violations of such restrictions which do provide for such penalties, provided such penalty rights have been duly released or subordinated to the lien of the insured mortgage, or provided a

policy of title insurance is furnished expressly insuring the Commissioner against loss by reason of such penalties.

The G. I. general waiver is very similar. Any of the above items may be set out in Schedule "B" of the title policy without difficulty. Any items not covered by the above general waiver must be cleared specifically with the FHA or VA to insure the lender that the title will be acceptable if the property is offered to the FHA Commissioner or the Adminis-



trator of Veteran's Affairs. In this category the exceptions in Schedule "B" should be examined carefully to determine if they can be eliminated with no risk to the title insurance company. For instance, some title policies frequently contain exceptions for an irrigation ditch across the front of the subject property. Careful inspection of the premises sometimes reveals that the irrigation ditch is in the street right-of-way and should not appear in the policy.

When it becomes necessary to make an exception in Schedule "B" such as an irrigation ditch on the property other than the **rear 10 feet** or a pole line easement other than along the lot lines, care should be taken to eliminate all generalities.

The FHA and VA will refuse to waive the easement unless its specific location in relation to the improvements is determined. Many times we find a recorded easement for a power line that by its terms affect an entire quarter section of the property. In the use of this easement the Power Company follows a well defined route and usually the

lines have been in use a number of years. It would seem that such exceptions should be specifically eliminated from Schedule "B" if any inspection of the premises discloses that they do not cross the particular lot in question.

The above FHA general waiver is not necessarily exclusive of all other general waivers. It is possible to obtain a general waiver from the FHA or VA regarding local conditions. The various sewer districts in Salt Lake County could come under this category. To accomplish this, however, the exact wording as set up by the various title companies should be standardized so that the waiver may cover policies written by all the Companies. Our builders are moving further out into areas which were formerly farm land, creating the problem of numerous irrigation ditches and water rights. It is conceivable that the Utah Land Title Association could standardize an exception to cover most irrigation ditches that would be satisfactory to the FHA. The title insurance company would have to certify in the exception that the irrigation ditch does not interfere with any of the improvements on the subject property nor prevent its use for residential purposes. The Nevada title companies have in a similar manner obtained a general waiver for mineral reservations in the State of Nevada.

The Utah Land Title Association could further cut down the work load for themselves as well as the lender by standardizing and publishing the numerous endorsements required by the secondary market and Federal National Mortgage Association. In ordering the title policy the lender could specify a particular endorsement number to meet the needs of the lender, thus eliminating special consideration each time the situation arises.

A lender should never ask the title insurance company to take undue risks or violate sound underwriting practices. However, title insurance companies should always be conscious of the fact that the Mortgagee policy is written for a determinable

number of years and the chances are remote that any but a very few will be foreclosed and ripen into an Owner's policy.

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### HOW "THEY" GOT A START IN LIFE . . .

Someone has made a survey of a thousand successful men to learn how they got their start in life. These men are not mere money-makers, but they are men who have made the world a better place by their work. This is how they got their start:

Three hundred started as farmers' sons.

Two hundred sold or carried newspapers.

Two hundred started as messenger boys.

One hundred began as printers' apprentices.

One hundred started working in factories.

Fifty began at the bottom of railroad work.

Fifty, only fifty out of a thousand, had well-to-do parents to give them a start.

It is well to remember that a lazy person did not invent the telephone. And a lazy person did not learn to control steam. And a lazy person did not discover the power of gasoline, nor learn how to harness the great Niagara Falls.

The men who have accomplished most in the world were persons who had ambition as a goal and worked long and hard to attain it.

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### JOIN 'EM

One merchant whose business always remained small boasted that he concentrated on his own business, never joined any associations or attended conventions.

"Those other fellows don't get any of my good ideas," he said firmly.

Another merchant, whose father started life as a pack peddler, built his store into a multi-million-dollar institution.

"My business never really started to grow," this man said, "until I began to go out and exchange ideas with other merchants."

# STANDARDIZATION OF ABSTRACTING

BY DALE C. BERMOND

We have often wondered what was meant when we heard people talking about "Standardization." Thanks to Dale C. Bermond we now know. We feel sure that you will enjoy reading this timely article which is reprinted here with permission of the Editor of Missouri Titlegram.

Standardization in abstracting and uniformity in Abstracters' certificates are two often used words in the vocabulary of those of us whose work consists largely of the professional handling of real estate transactions. If we were writing a dictionary most of us might agree upon several definitions of the words. Perhaps the most familiar one for "Standard" would be that which is set up by authority as an accepted or established rule or model, and for "Uniformity" that which always has the same unvarying form, fashion or degree.

But assuming that 100% of us can agree upon a dictionary definition of these words, what good have we accomplished if we then disagree upon how the definitions apply to the preparation and certification of a particular abstract.

All of us believe we are "reasonable" men, but in the eyes of someone else who also thinks that he is a reasonable man, we may be entirely unreasonable.

An abstract is that which comprises or concentrates in itself the essential qualities of a larger thing or things. It seems to me that it is obviously inconsistent with common sense to show copies of all conveyances and other instruments of record in compiling an abstract, as do a few of the abstracters in this state. All that is needed is the date, parties, filing date, book and page description, signatures and acknowledgments and every special clause

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or condition of any kind or nature, other than the covenants of general warranty and quit claim, which appear in any of the instruments.

While it is not necessary that there be standardization of abstracting or that abstracters' certificates be uniform in the sense of being identical, I would not be faithful to my own convictions if I did not urge members of the Missouri Title Association to seize the opportunity to render a beneficial and constructive service to the public and to the Bar, by considering the establishment of standardization of abstracting throughout Missouri, as to the form and contents of abstracts and the adoption of a uniform certificate on a state-wide voluntary basis. The importance and value of undertaking a plan effective to bring about uniformity, practicability and good sense in abstracting, title examina-

tions and opinions cannot be overestimated. As more people come in professional contact with abstracters and lawyers in connection with real estate transactions, public opinion of those professions rests in a large measure upon the uniformity, the sanity and the fairness with which we conduct our abstracting and title examinations.

There are all kinds and types of abstracts in Missouri and the mid-west. Some of the abstracts submitted to me for examination, mainly for The Mutual Benefit Life Insurance Company, (For which Company I examined most of its titles for its mortgage loan investments in Missouri, Kansas and Nebraska for the past 40 years) are merely outlines or chains of title, little more than an index or list of the matters appearing of record. Others are virtual copies of everything on the public records. The former is, of course, too little. The latter, too much. What the examiner needs, and all he needs or desires is an abstract of the essential and intrinsic facts and information on record sufficient to base an intelligent opinion on the title.

#### **State Wide Standardization**

No matter how useful such undertaking may be at the local level, the full advantages of such organized efforts toward standardization cannot be realized without the establishment of a state-wide system. It is true that some abstracting problems may be inherent to particular localities, but the bulk of all of the problems are present, and the answers be the same all over any one state.

There is greater standardization of abstracting and of certificates in Kansas and Nebraska than in Missouri. There, a uniform certificate is practically universal and a more and more standard form of abstracting is being adopted. As a result, those of us who examine titles in all three states have to concede that title examinations in those states is expedited and speeded by the knowledge of the form of abstracting, and the contents of the certificate.

It is at once apparent at a glance whether the certificate is the adopted uniform one, and if it is we already know its contents so we do not need to carefully read and consider it. Likewise, if the method of abstracting is in the standard form, we know at once where to look for the elements and fundamental features that are important, essential and indispensable to constitute an ideal and perfect instrument or proceeding.

#### **Careful Examination**

Any consideration of the practicality and effect of standards for abstracting and title examining must begin with an examination of some of the reasons for the proclivity of reasonable men in these learned professions descending to a plane of meticulousness when they compile and examine real estate titles. Before prescribing a remedy, the reason for it should be scrutinized. There are several causes of the problems in relation to the cure afforded by a system of standardization in compiling and examining titles as was revealed and disclosed in the consideration and eventual adoption of Title Examination Standards by and for the Missouri Bar, similar action of which has followed in some fifteen states.

One of those causes is the development in some few title examiners and abstracters of an obsession for flaw finding. With them it becomes a fascinating game. In this category we find the most unmanageable "Fly-speckers". But there are always two sides to a real estate transaction. The game of "Fly-specking" soon loses some of its interest if the rest of the Board of the Title Association agrees upon, and then insists upon certain standards which point to the "Fly-specker" as the rule breaker.

Most important of the cases of overmeticulous abstracting and title examination is fear. The fear may be of two sorts—First, we may be afraid of ourselves, lacking confidence in our own ability or judgment as to what is a proper conclusion on some point—Second, we may be afraid of what the next abstracter

or examiner will require. It is from this latter type of fear that a vicious circle arises. No abstractor or examiner wants his reputation injured by having the next abstractor or title examiner call attention to something, however non-meritorious, that he has overlooked or disregarded. Unless some means of escape are provided, the type or pattern for abstracting and title examination will tend to be established in any community by those who raise the most objections irrespective of their triviality or lack of merit. Standardization is the most obvious cure for this. Fear that our own judgment may be wrong is quickly dispelled if we can find our particular question already answered in a standard upon which our fellow abstractors and examiners, including recognized specialists, have agreed as a rule of practice. General agreement upon a standard with reference to a particular question determines in advance what the attitude of the next examiner will be, or should be, on the same question. It is not even necessary that the agreement be unanimous as long as it represents the considered judgment of a respectable majority. In any human situation there will always be some nonconformists. The laws against crime have not stopped crimes, but that is no reason to repeal the laws. As far as that few is concerned, nothing may have been gained by the adoption of standardization, but certainly nothing will be lost. The adoption of a standard simply means that we who consider ourselves reasonable men agree in advance that we will not disagree in the future on the particular point stated.

If such a project is undertaken, here are few suggestions on setting it up and following it through:

1. In constituting the committee to handle the selection of the problems and the formulating of the Standards, several factors should be observed.

- (a) It should be geographically distributed so that no considerable portion of the state is without representation.

- (b) It should include the best and most widely recognized and experienced title men who can be drafted to serve.
- (c) It should be set up on a permanent basis with a plan of some kind of rotation which will preserve continuation but assure new life occasionally.
- (d) It should be large enough to be representative, but small enough to meet occasionally and work efficiently. In my opinion, the ideal size would be somewhere between five and ten members.

2. When the committee is formed it should decide upon the pattern which will be used in composing the Standards, and that pattern should be followed consistently.

3. The Committee's first recommendations should include a rather substantial number of proposed standards, because interest will not be aroused and the possibilities and potential value of the plan cannot be appreciated if the first step is too short. Furthermore, the first recommendations should exclude problems upon which there may be any substantial differences of opinion—not just in the committee, but among the Association generally or geographically. The plan will be dead before it begins if you start off arguing instead of agreeing; and the first recommendations should include as many as possible of the annoyingly minor questions which are constantly and frequently arising in everyday abstracting.

4. The proposed recommendations should be published or somehow circulated to the entire Association in advance, to allow time for study be-

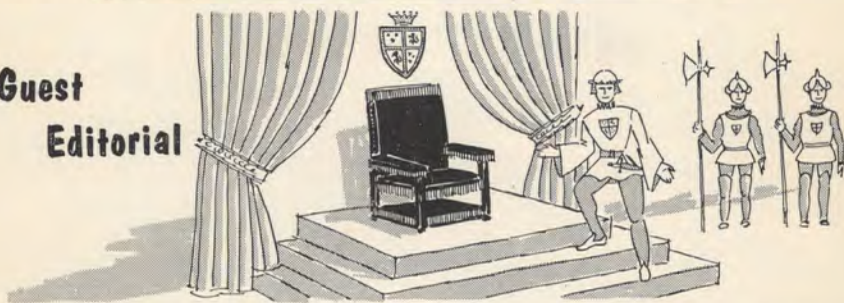


fore the meeting at which the adoption takes place.

5. When the Standards are adopted they should be published in final form and circulated as widely as possible so as to educate the entire Association to make regular use of them. They should be printed or mimeographed in booklet or note

book form such as the standard size loose-leaf note book form which affords flexibility in making revisions or additions. And finally, the members of the Association should be always urged to submit their actual problems to the Committee so that the work may be founded on as broad a base as possible.

## Guest Editorial



Without the friendship and cooperation of the related professional groups serving the real estate buying public, the real estate title industry would find it difficult indeed to continue the progress that has marked the abstracting and title insurance business in this country. Leaders from among the realtors, the lending institutions, the homebuilders and the American Bar Association, have been invited to express themselves in the pages of **TITLE NEWS**. We are proud and happy to present here a message from Eugene P. Conser, Executive vice-president of the National Association of Real Estate Boards.

"Under all is the land" is the basic concept of the Realtor as expressed in his Code of Ethics.

Realtors recognize that the value of land to any interested owner is only that which the title gives.

One reason for the remarkable expansion of title insurance, which is so widely misunderstood by so many people, has been due to the recommendation made by Realtors that the owner's newly-acquired interest in property be protected by title insurance. The Realtor usually is the "key man" in serving the best interests of his client.

Our work in this respect has been rewarding as long as we could have confidence in the institutions which issue the policies that we suggest to clients. Thus

the close working relationship between Realtors and the units which comprise the American Title Association has contributed to the improvement in the status of the Realtor. Your companies, almost without exception, take an active interest in the work of our local real estate boards throughout the country and assist them in their educational programs and in furthering their many activities.

This friendly relationship should always exist as long as both our organizations work to guard zealously the protection of the right to private ownership of property by serving faithfully the citizens who choose to invest in real estate.

Eugene P. Conser



# A JOB W







# ELL DONE





**ARTHUR REPERT**

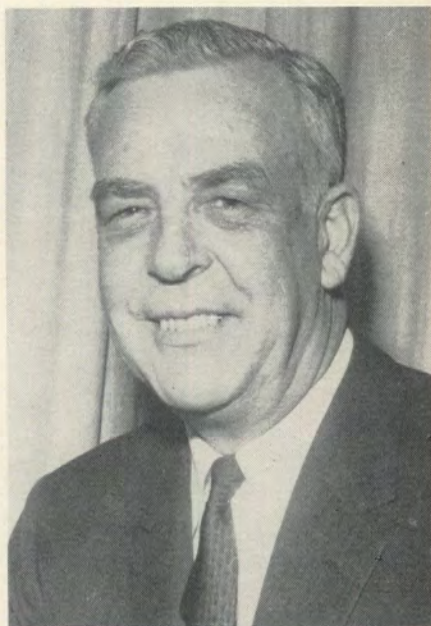
and the Chairman of the Finance Committee for the time and energy they have devoted to managing the affairs of the Association. Arthur Reppert, Chairman of the Abstracting Section, will if re-elected, take his place as member of the executive committee following the Annual Convention.

Mortimer Smith, Vice-president of the California Pacific Title Insurance Co., whose interest in the national organization has never wavered, has served faithfully as watch dog over the Association's finances.

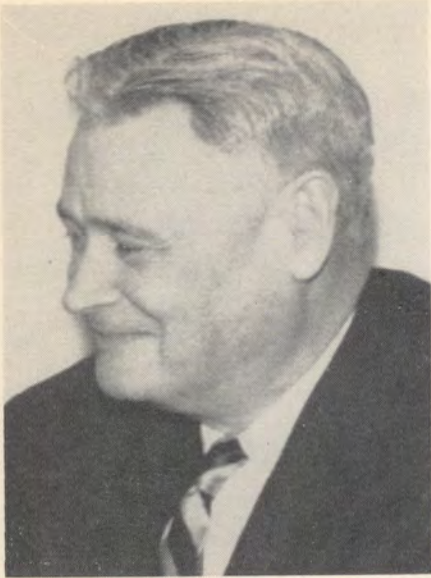
It was not entirely in a spirit of levity that President Ernest Loebbecke remarked at the mid-winter conference that he now understood why so many men were eager to be "past" president of the national organization, for the task of guiding the destinies of the American Title Association requires a devotion to duty that leaves little time for any other activities.

On the preceding page are pictured the executive committee; the "first team"; the President; the Vice-president; and the Board of Governors in action. Our hats off to them for a job well done!

We pay a special tribute to the section Chairmen, the Treasurer,



**MORTIMER SMITH**



**JOSEPH S. KNAPP, JR.**

ment of ATA activities. It is easy to be misled by his Will Rogers type of homespun philosophy and easy manner, but those who have worked closely with him know that he doesn't miss a trick.

And don't be misled into thinking that serving as an officer under Ernest Loebbecke is an honorary position with little or no work involved. At committee meetings, conventions, mid-winter conferences or just industry get-togethers, 7:30 breakfasts and midnight business sessions are the rule rather than the exception. We hope that all these fine officers will recognize the sincerity with which the Association staff says, "Many thanks."

With writers cramp and wrinkles around the eyes, Joe Knapp, Jr., Executive Vice-president of the Maryland Title Guarantee Company, continues to sign checks and scan monthly financial statements. Administering the income and expenses of a \$130,000 operation, is no easy task and the men who are willing to set aside their other important matters to serve their industry in this manner deserve a great deal of credit.

Evidencing the same qualities of leadership that has characterized his entire business life, George Rawlings, President of the Lawyers Title Insurance Corporation of Virginia, has thrown himself wholeheartedly into the manage-



**GEORGE RAWLINGS**

# YOU ARE A BONAFIDE PURCHASER



BY  
**T. J. McDERMOTT,**

**Author of Deskbook on Land Titles and Land Law**

When you enjoy reading a good tale, you put yourself to some extent in the place of a character in the story. The enjoyment you get from title work is increased if you likewise put yourself in the place of the bona fide purchaser. You actually represent him. The system in this country for determining who own certain real estate is based upon the principle that a purchaser has knowledge of all matters affecting the ownership, if those matters are properly recorded. You stand in the shoes of the purchaser in ascertaining those matters of which he knows in contemplation of law, but of which he is entirely ignorant in fact. In applying this idea, a title problem is sometimes clarified by asking, "Do I want to buy the land notwithstanding this irregularity?" Another application of this idea is that you are not merely a titleman craving an official's permission to use the books in his custody; it may be said that the official's position was created for the purpose of furnishing records for use by you, in your capacity as representative of the bona fide purchaser.

Much of the confusion about title problems, as well as about many other problems, is caused by a failure to clearly state the problem or to define the terms used. A bona fide purchaser is frequently called an innocent purchaser for value. We shall be more definite and say that he is a person who buys land without notice of an adverse right and who pays a consideration bearing a substantial relation to the land value. A mortgagee is treated as a bona fide purchaser as he simply pays for a lien instead of for the title. We assume the payment of value, so our business in life is to see that we do know the matters of title which the law says that we know.

The recording laws have been developed through many years for our protection as bona fide purchasers. That protection is the basis of the title industry. Let us take a look at some of these laws.

## **Recording Statutes**

One of our recording statutes provides that, until filed for record, instruments for the conveyance or encumbrance of lands shall be deemed

fraudulent as to a subsequent bona fide purchaser having no knowledge of the former instrument at the time of his purchase. This statute expresses and implements the theory of our recording system.

When we speak of recording with reference to the time it is effective, we always mean the time of filing for record. A recorded instrument is effective for all purposes from the time it is properly filed for record.

An instrument is not entitled to record if the statutes make no provision for recording it or if it is not executed according to law. Recording has no legal effect if the instrument is not entitled to record, yet it may be actual notice. A defectively executed instrument is valid between the parties but no one wishes to issue insurance or a guarantee on a mortgage with one witness when the recording is of no effect.

#### **Constructive Notice**

The effect of the various recording statutes is to give constructive notice to all persons dealing with the land of recorded instruments in the chain of title. This notice includes knowledge of present encumbrances which are entitled to record and recorded during the ownership of the person under whom the claim is made. When a person has constructive notice of a fact, he is conclusively presumed to have knowledge of that fact. Therefore, the effect of such notice is the same as the effect of actual notice.

A chain of title is the series of successive transfers. An instrument not in the chain of title is not constructive notice. This rule applies to a deed from a person not in the chain of title and to a deed recorded before or after the period of the grantor's ownership as disclosed by the chain. Such a deed is known as a stray, wild or interloping conveyance. Nevertheless, we may have actual notice of the deed especially when using a title plant, and the surrounding circumstances may be sufficient to make the title defective.

Matters properly recorded are constructive notice although not noted in the public indexes. Yet, (plant workers take notice) an omission or

error in the title plant indexes does not help anyone concerned.

#### **Actual Notice**

When we find a fact which may affect the title, it behooves us to sit up and take actual notice. The recording acts do not protect a purchaser against claims of which he has actual notice.

A purchaser is treated in law as having actual knowledge of facts which would have been disclosed by an inquiry reasonably required. An investigation outside the record is necessary only to the extent reasonably required under the circumstances. Thus, the possession of a husband with his wife does not require inquiry as to his rights when the record title is in the wife.

#### **Recitals**

We have seen that, under the doctrine of constructive notice, a bona fide purchaser has knowledge of recorded instruments; it follows that he is presumed to know the entire contents of all the deeds. References to outstanding claims and other recitals in deeds are therefore binding on anyone dealing with the land. For example, mention in a deed of an easement is the equivalent of actual notice even though the easement is not recorded. Every part of all the links in the chain must be scrutinized especially since modern courts tend to consider all parts of a deed in construing its meaning and in determining its effect.

#### **Claims Enforceable Without Notice**

Some claims are valid and enforceable against a bona fide purchaser even though he paid an adequate consideration in good faith without either constructive or actual notice of the claims. Protection against such claims is the function of a title insurance policy as compared to a title guarantee. We must bring such claims to light, if possible, in order to protect both the purchaser and the insuring company even though the known facts are not sufficient to constitute actual notice or constructive notice. This explains some of the additional requirements in cases of insurance.

Some of the circumstances under

which such claims may arise are: marital status incorrectly given; undisclosed heir; mental incompetence; minority; delivery of deed after death or without authority; title by adverse possession; alteration of instruments; expired power of attorney; impersonation; mechanics liens; erroneous description; encroachment; fraud; false affidavits; special assessments; certain taxes and statutory liens; lack of jurisdiction; governmental regulations; forgery.

### **Torrens System**

All bets are off when we come to a registered title, that is to say, the torrens system has its own rules. We do not propose to discuss these rules. What I have said or may say about adverse possession, constructive notice, rights of bona fide purchasers and other matters, does not generally apply to registered titles. The system is in extensive use in comparatively few counties in this country.

### **Adverse Possession**

Title can be acquired by adverse possession for twenty-one years if the owner has a cause of action against the adverse possessor during that period. When such owner is a minor, of unsound mind, or imprisoned at the beginning of the period, he has until at least ten years after his disability is removed in which to oust the adverse possessor. The rules of adverse possession also apply generally to the acquisition of an easement on the land of another person.

Title by adverse possession is not marketable nor insurable unless it is of such long duration as to eliminate the reasonable possibility of successful attack. A period of adverse possession sufficient for a marketable title can be arbitrarily fixed as indicated by a title standard of Ohio State Bar Association fixing 65 years as sufficient basis for an opinion on title.

It should be kept in mind that the period for title by adverse possession does not commence until a cause of action accrues. Thus, the period does not begin against a wife claiming dower until the death of her husband, nor against a remainderman who has

no right to sue during the existence of the life estate, nor against the owner of a possibility of reverter until the event occurs which causes the title to revert to the original grantor or his heirs.

The requirements for effective adverse possession (for example, that it must be without the permission of the true owner) are necessarily not of record. Generally speaking, a title by adverse possession can be satisfactorily established only by a proper judgment of the court.

### **Deeds**

Of course, deeds are the most common links in the chains of title upon which all of us, either directly or indirectly, expend our labor.

The interpretation, operation and execution of a deed for land in Ohio are governed by the laws of this state. A deed executed in another state in conformity with the laws thereof is valid as to land here only because the laws of this state so provide. In this connection we should see whether the foreign execution fails to comply with the law of either state as when it meets only part of the requirements in one state and only part of the requirements in the other state.

A curative act provides that certain defects are cured when a deed shall have been of record for more than twenty-one years. The more important of these defects are: omission of the name of owner's spouse from the body of the deed; failure to be properly witnessed; acknowledgment not being on the same sheet of paper as the deed; execution individually by a fiduciary; and execution by a dissolved corporation.

A signature by the grantor affixing his mark is fully effective. A party to a deed is not qualified to be a witness. The spouse of the grantee may be a witness.

The grantee of a deed must be in existence when the grant is made although it is not required that he be competent. An unincorporated association can acquire or convey a legal title only by virtue of express statutory provision.

Alteration of a deed in a material respect after it has been delivered

does not change the title and rights of the parties, even when altered with their consent. Many rules of law, such as this one, are not enforced in litigation if a court in the exercise of its equitable jurisdiction finds that they should not be enforced. Thus, the conduct of a party in altering a deed may prevent him from claiming the benefit of the rule. This is known as estoppel and we are ordinarily concerned with it only when there is a judgment or petition for the relief.

### **Deeds to Trustees**

By statute, the word "trustee", or "agent" or the like, after a grantee's name in a deed or mortgage does not give notice of a trust or agency. The statute applies only when a trust is not otherwise disclosed of record. When the statute applies a release of dower should be required from such grantee's spouse, if any, upon the following conveyance.

### **Quitclaim Deeds**

A quitclaim deed conveys all the title of the grantor. A warranty deed does not convey any more than he has. A difference to be noted in the operation of a deed of general warranty is that the grantor is estopped from asserting an after-acquired interest adverse to the grant; while, as a rule, a quitclaim deed affects only the interest then owned by the grantor. Some of the cases make a distinction, as to the rights of a bona fide purchaser, in favor of a deed purporting to convey the real estate as compared to a deed purporting to convey the grantor's interest. The fact of a quitclaim deed in the chain of title is taken into consideration by the experienced examiner, together with the other known facts, in deciding whether they add up to a doubtful title.

These deeds, like all matters of title, must be scrutinized; for example, a grant of "an undivided half of all my right, title and interest in the following described premises" conveys only half as much as a grant of "all my right, title and interest in an undivided half of the following described premises".

### **Survivor Deeds**

The Ohio State Bar Association has adopted the following standard:

Problem A:

What language creates an estate with right of survivorship?

Standard A:

"Where the operative words of a deed clearly express an intention to create the right of survivorship, such expressed intention will be given effect and the survivor will take by force of the terms of the grant. Upon the death of the other grantee or grantees, the survivor acquires the entire estate, subject to the charge of inheritance taxes.

"A conveyance is not sufficient to create an estate with right of survivorship when 'to A or B'; 'to A or B, their heirs and assignee'; 'to A or B, his or her heirs and assigns'; 'to A and B or the survivor'; or the like."

If one of the grantees dies, the manner of showing the death of record and the matter of inheritance taxes should be investigated.

I shall read some of these standards from time to time and ask your indulgence, if you are familiar with them, in view of my labors as chairman of the Association subcommittee which prepared them.

The legal effect of a deed from the grantor to himself and another person is doubtful. When this occurs in a survivorship deed the doubt is sufficient to make the title unmarketable in the survivor.

### **Dates**

The Ohio State Bar Association Standard is as follows:

Problem:

Shall errors or omissions in the dates of instruments or acknowledgments be considered defects?

Standard:

"No."

### **Acknowledgments**

The statutes provide who are qualified to take acknowledgments. The cases say that a party is disqualified but that the spouse of the grantee is not disqualified. Special provision is made for acknowledgments by members of the armed forces; two witnesses are necessary for these deeds.

The certifying officer must generally act within the county for which he is commissioned. An attorney at law or court reporter may be commissioned for the state.

Absence of the officer's seal does not invalidate the acknowledgment. A certificate of authority and conformity, when the deed is executed out of the state is not essential.

Legal presumptions favor the conclusiveness of the facts shown in the certificate of acknowledgment, and substantial compliance with the statutes is sufficient. An acknowledgment is invalid when it is not clearly shown who acknowledged or when not certified by an authorized officer.

An acknowledgment with a substantial defect on its face is not effective against the rights of a bona fide purchaser.

### **Delivery**

Delivery of a deed is the act which makes it operative. Since the facts constituting this act do not appear of record, we must give special attention to any evidence of record indicating an absence of the requirement. Delivery is accomplished by the grantor's intention to make it presently effective and a manual handing over is not essential. Acceptance by the grantee is necessary to effectiveness but is presumed, especially when beneficial to the grantee.

A court presumes that delivery was on the date of the execution but this presumption is easily rebuttable. Titlemen assume prima facie that delivery was not earlier than the date of execution and not later than the date of recording.

When it appears that the grantor died before a deed was recorded, a doubt as to delivery arises which may make the title defective.

Escrows are not an exception to the prima facie assumption that encumbrances against either the grantee's interest or the grantor's interest may attach to the property during the period the deed is unrecorded. In so far as the validity of the deed is concerned, it can take effect from the

date of delivery to the escrow depository, so that the subsequent death or insanity does not invalidate the deed. Proof of the consummation of a true escrow must be sufficiently shown in such a case.

### **Conclusion**

I hope I have not bored you by reciting things you know. We go to church on Sunday, not to learn something new, but because it is well to be reminded of what we know. So, my excuse is that it is well to be reminded of fundamentals in our profession, lest we forget to practice what we know.

Since my talk is called a lecture, I intend to really lecture you for a moment before closing. As a result of all the rules and exceptions to rules we must be continually on the alert to discover facts presenting the possibility that there is an outstanding adverse interest in the land. Call us title detectives if you like, not forgetting that the job is to find the records making the title good as well as making it bad. An idea is prevalent that a title officer does the telling on a title question, but it can be said that the only facts he knows are those the examiner tells him. The title officer may fail to make the correct decision from the facts presented; we must nevertheless bear with him because, while the battle cannot be won when each soldier follows his own notions, it can be won in spite of the officer failing to make the best decisions.

In mentioning some of the pitfalls of examining I am not trying to make you apprehensive. Whether it is well to worry depends upon your definition of worry. Don't take a concern to bed with you. On the other hand, the primary requisite for a good examiner is accuracy, that is, carefulness. A person learned in real property law is impossible as an examiner if he does not exercise care in his searching.

A good examiner must learn enough title law to know a defect or a problem when he sees one. He does not report a common irregularity which is not a title defect. He



does take exception to facts making a title defective or questionable. Digging in the books always yields an answer or enough of an answer upon which to base a decision. So, an examiner does not need to know all the best answers; but all is lost if he is not careful enough or does not learn

enough to recognize a title question when he meets one.

The only way that I can be sure that my remarks interest you is to respond to your questions. Subject to the discretion of our master of ceremonies, I shall be glad to give you my answers to some questions.

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# GREATNESS

It is difficult, if not impossible, to define greatness in the abstract. But when the word is made flesh and you see a truly great man—what is he like?

The essential marks are not to be confused with the counterfeit signs that are uncritically accepted as authentic by the mob-minded.

The external evidences—affluence, popularity, prominence, power, dress, brass and braid—may beguile the unwary and the naive; but not the discerning and the wise. The latter know that they must look within to discover the great man's style, the quality of his spirit, his master motives.

It is not so much what he wears, as his way of life; not how many bonds he possesses, but the beliefs he expresses in his behavior; not his contacts, but his conduct; not the quantity of his charities, but the quality of his character.

He thinks clearly, he speaks intelligently, he lives simply.

He feels with the people but does not follow them. He maintains his independence of thought, no matter what public opinion may be.

He is teachable and will learn even from little children. He is open-hearted, unafraid and hospitable to all human beings, despising none.

He is poised, not easily perturbed, and seems to possess such power as comes only from deep trust in the

cosmic spiritual forces. He is not impatient. He always has time.

His ethics are affirmative and of the future, not traditional and of the past, nor conventional and of the present.

Devoid of vanity, he seeks no praise and is never offended. He always has more than he thinks he deserves.

He lives in a certain self-sufficient security, so that praise or blame does not seem to reach him. Yet his immunity is not cold and remote, but warm and welcoming, for he is keenly alive to human relationships and influences. He loves. He cares. He suffers. He laughs. All of the simple, strong qualities of the healthy, normal should shine in him, with no pettiness, envy or fear.

He cares not for what you have, your money or position, but only for what you are; and if he likes you it will be not at all for anything you do, say or pay, but for you as a person.

He is neither driven nor deceived by those two arrant imposters, success and failure; he treats them both the same.

Love, cheer, faith and hope abound in him, for these are always the by-products or greatness. And when you love him, you yourself become great; for there can be no greatness that is not the cause of greatness in others.

DR. H. H. CRANE, Minister Emeritus,  
Central Methodist Church,  
Detroit, Michigan



**IN THE  
ASSOCIATION  
SPOTLIGHT**

## Ralph Horine to Retire

Ralph L. Horine, president of Pioneer Title Insurance Co., announced his plans to retire as president and chief executive officer of the company on Nov. 1.

Horine stated that at that time he will become chairman of the board and he will recommend to the directors that Warren J. Pease be elected president of the company.

Horine has spent 40 years in the title profession, 37 of which have been with Pioneer Title. Joining the company in 1922, he has served as escrow officer, escrow supervisor, assistant secretary, vice president, executive vice president and member of the board of directors.

### ELECTED PRESIDENT

He was elected president of Pioneer in February, 1957. He has been active in both the American Title Assn. and the California Land Title Assn., serving as president of the latter organization in 1954-55.

Active in civic affairs, Horine has served as foreman of the County Grand Jury, vice chairman and coordinator of the Defense Council and member of the board of directors of the San Bernardino Chamber of Commerce. He is a former president of the Board of Water Commissioners and of the National Orange Show. He has also served on many fundraising campaigns, including the Red Cross,

the Community Chest and other civic endeavors.

### MORE LEISURE

Horine stated that upon his retirement, he plans to continue his interest in the company but expects to have more leisure time for travel and participation in civic and community endeavors.

Pease also is a veteran title man of 29 years experience in the business. He began his career in 1930 at the home office of Title Insurance and Trust Co. In January 1954, he was transferred to Riverside and named president of the Riverside Title Co.

Upon its merger into Pioneer Title Insurance Co. in January, 1958, he became a member of Pioneer's board of directors and was elected its first vice president.

In December, 1958, he came into Pioneer's home office and has been serving as manager of its Title Processing Department in San Bernardino.

## Going Up

Martin J. Quigley has been named vice president of Realty Title Insurance Co., Leo M. Bernstein, chairman of the firm's Board of Directors, announced yesterday.

Mr. Quigley, a Washington native who has been in the title and mortgage business for more than 35 years, organized and headed the Mutual Title Co. which was acquired last month by Realty Title.

## New M. B. A. President

B. B. Bass, president of the American Mortgage and Investment Company, Oklahoma City, was elected president of the Mortgage Bankers Association of America for the coming year, succeeding Walter C. Nelson, president, Eberhardt Company, Minneapolis. Robert Tharpe, president, Tharpe & Brooks, Inc., Atlanta, was elected vice president, and Carton S. Stallard, president, Jersey Mortgage Company, Elizabeth, N.J., was named second vice president. George H. Dovenmuehle, president, Dovenmuehle, Inc., Chicago, was re-elected treasurer. Elections were this morning at the annual business meeting of the Association holding its 46th annual Convention here at Hotel Commodore.

Elected to the board of governors were Robert M. Morgan, The Boston Five Cents Savings Bank, Boston; H. Bruce Thompson, Colonial Mortgage Service Company, Upper Darby, Pennsylvania; Jay F. Zook, Jay F. Zook, Inc., Cleveland; R. C. Larson, C. A. Larson Investment Co., Beverly Hills, Calif.; Clarence A. Hardesty, Carroll Mortgage Co., Seattle; James W. Rouse, James W. Rouse & Company, Inc., Baltimore; William F. Keesler, First National Bank of Boston, Boston; and Addison C. Pond, National Life Insurance Co., Montpelier, Vermont.

Elected associate governors at large were Thomas W. Christy, Dollar Savings Bank, New York; John D. Yates, Stockton, Whatley, Davin & Company, Jacksonville, Fla.; Samuel C. Ennis, Samuel C. Ennis and Company, Inc., Hammond, Indiana; John M. McGill, Equitable Life Insurance Company of Iowa, Des Moines; C. A. Bacon, Mortgage Investments Co., Denver and Albert L. Buchner, Commonwealth, Inc., Portland, Oregon.

Elected regional vice presidents were Harry Held, The Bowery Savings Bank, New York; Charles C. Cameron, Cameron-Brown Company, Raleigh, N.C.; H. Duff Vilm, H. Duff Vilm Mortgage Co., Indianapolis; Frank R. Shugrue, Bankers Life In-

surance Co. of Nebraska, Lincoln; Paul J. Vollmar, Jr., Realty Mortgage & Investment Company, Albuquerque; Kenneth J. Morford, Burwell & Morford, Seattle and C. C. DeWitt, Jr., East Bay Mortgage Service Co., Oakland, Calif.

Mr. Bass served as Association vice president this year and has been a member of the board of governors. In 1956 he was given the MBA Distinguished Service Award and he has been a frequent lecturer at the MBA School of Mortgage Banking. He served as president of Oklahoma Mortgage Association and Oklahoma City Building Owners and Managers Association and has been a director of the Real Estate Board, Society of Residential Appraisers and Downtown Kiwanis Club in Oklahoma City as well as the Oklahoma County Red Cross. His entire career has been in mortgage banking, real estate and property management since graduating from the University of Oklahoma in 1928.

He was active in the 45th Infantry Division prior to World War II and was called to active duty in 1940. He



**B. B. BASS**

graduated from the Battery Officers Course at Ft. Sill and the Army Command and General Staff School at Ft. Leavenworth in 1941. During the war he was chief of the Eighth Army Corps Anti-Tank section and secretary of the General Staff Sixth Army under Gen. Walter Krueger. In March, 1943 he went overseas with the Sixth Army Headquarters and served in Australia, New Guinea, the Philippines and Japan. He was twice awarded the Bronze Star as well as the Legion of Merit and was promoted to Lieutenant Colonel in 1942 and Colonel in 1944.

Mr. Tharpe is a native of Georgia and began his career in the insurance field in Atlanta, later becoming associated with the Metropolitan Life Insurance Company in its mortgage loan department. During the war he was in the Navy and was discharged with the rank of Lieutenant Commander. He was one of fifty applicants selected from a group of 7,000 to attend the Naval War College, where he graduated and served on the staff of the Chief of Naval Air Training. In 1947, with J. L. Brooks, Jr., he organized Tharpe & Brooks. He has served on various Association committees and in 1958 was awarded the Association's Distinguished Service Award. He is a graduate of the Georgia Institute of Technology, where he played tackle position on the football team for three years. He was selected by the Associated Press All-Southeastern Conference for tackle for the 1933 season and was named on AP's All-American honor roll.

### Stallard

Mr. Stallard is a graduate of Brown University and a former trustee of the school's University Fund. He has been active in educational work pertaining to the mortgage and real estate fields and has served as instructor of Upsala College in East Orange and Rutgers University Extension Division. He is a former president of the Mortgage Bankers Association in New Jersey and is a member of the American Institute of Real Estate Appraisers and Institute of Real Estate Management. He is also a trustee of the Mortgage Bank-

ers Association of New Jersey Educational Foundation.

## Changes Hands

The controlling interest in one of St. Petersburg's largest title abstract companies changed hands recently when Robert V. Workman, on behalf of himself and other officers, bought controlling interest of Guarantee Abstract Company from Lawrence W. Baynard, Sr. and L. W. Baynard, Jr. The amount paid for the stock was not disclosed.

Organized in 1922 by its first president, C. E. Chambers, the senior Baynard took control of the company in 1939 when he bought a majority stock from C. E. Lowe.

Its primary business is to obtain abstracts of title, a brief and record of the chain of title for a property. It is also engaged in title insurance, safety deposit box rental and holding of escrow money.

On March 11 the firm was qualified by the State Insurance Commission to underwrite title insurance. It is the only local organization certified as underwriters.

"We are not in this underwriting field at present, but it is perhaps part of our plans for the future," Workman said.

## F. H. A. Dilemma

Following the action of the Senate to sustain the President's second veto of housing legislation, Walter C. Nelson, President of the Mortgage Bankers Association of America, called for immediate action by Congress to avoid a shut-down of FHA activity.

"FHA's authority to continue to insure home mortgage loans is virtually exhausted," Nelson said, "and its authority to insure home improvement loans definitely expires on September 30. Failure to maintain these operations will bring hardship to numerous home buyers and home owners of small means. It will seriously curtail building activity and might undermine the present promising business recovery.

"Disagreement over other aspects

of the legislation," Nelson urged, "should not be permitted to jeopardize the continuation of these self-sustaining and non-controversial programs which mean so much to the American people."

## New Owner

Dave Crenshaw, who has operated the Iowa Title Co. for 35 years, has sold the business to his son, Grant H. Crenshaw, effective Tuesday. Grant worked in the firm while attending Roosevelt High School and Drake University and until October, 1955, when he joined the Western Mutual Insurance Co. He has resigned that position to take over the title company. Dave Crenshaw is acting postmaster and a former member of the water board.



Mr. Joseph A. Hoskins  
Hoskins, King, Springer and  
McGannon  
Kansas City, Missouri

Dear Sir:

May I hasten to congratulate you on the excellent and good sound American sense exhibited in your talk on taxes before the Real Estate Board of Kansas City. I have just finished this article as run in the August issue of "Title News." If only there were enough people in the United States who felt as you do, and were willing to do something about it, I feel sure that our economic future would know no bounds. Unfortunately, I have become rather downhearted over our prospects since apparently so few seem to care—everyone is too interested in government aid programs of one sort or another.

I hope that copies of this article will reach our Congressmen in Washington, as well as the U.S. Treasurer and other appropriate officials. I will undertake sending a copy to the Congressional Action Committee on Taxation of the U.S. Chamber of Commerce, and the Committee on Taxation of the N.A.M. In a way the message is so simple that it frightens one to think that our "representatives?" cannot understand it. If they do understand it as they should, why then do we continue to have a tax program so diametrically opposed to these principles.

Sincerely yours,  
Charles W. Mickle

## A Flush of Title Losses

Dear Sirs:

I am writing in regards to my Insurance Policy No. 9-991. Recently the toilet tank burst and I had to install a new toilet (Refer to Plumbing Bill. I'm not too familiar with this policy, and would appreciate it very much if you would inform me as soon as possible if my policy covers such damages. Thanking you, I am sincerely yours

Franklin D. Tycholis  
111 E. 8th North St.  
Mountain Home, Idaho

### Can You Remember Names?

From both a business and social standpoint, it is important to remember names. What can be more embarrassing than to meet a person to whom you have been introduced, but whose name has slipped your mind? Here are five rules that may help you to remember names:

(1) When introduced make certain that you have heard the name correctly.

(2) Repeat the person's name as often as possible as you stand talking to him.

(3) Learn as much about him as you can and study his features.

(4) Mentally associate the name with something.

(5) Later in the day test your memory of the name.

# In Memoriam



## Maclin F. Smith Passes Away

Maclin F. Smith, father of ATA's Board of Governors' member, died September 9, of a heart attack.

President of Title Guarantee and Trust Co. at the time of his death, he had been an active business, civic and religious leader.

A lifetime resident of Birmingham and a member of a pioneer family here, he was the son of Arthur W. Smith and the former Mary Sloss.

He was educated in Birmingham public schools and the Virginia Military Institute, where he was a member of the Sigma Nu Fraternity, and was graduated from the University of Alabama Law School.

After practicing law here for a few years, he became vice president and trust officer of the Birmingham Trust and Savings Co.

He became president of the Title Guarantee and Trust Co. in 1943 and had held that position for the past 16 years.

His many civic offices included at different times president of the YMCA, chairman of the Jefferson County Red Cross and president of the Alabama Bankers Assn.

He also was active as a member of the Committee of 199, the Rotary Club, the Birmingham Country Club, Mountain Brook Club and The Club.

For many years he was leader in the Methodist Church, formerly as superintendent and teacher of Sunday school at First Methodist, and later at Highlands Methodist, where he was a member of the Board of Stewards at the time of his death.

## From the Birmingham News

A whole community suffers when it loses a citizen who has done as much for it as Maclin F. Smith has done for Birmingham, but with the loss there is the knowledge that the contributions of a man like Mr. Smith are not of a momentary or passing nature. Rather, they are the products of a lifelong dedication to fellow man, the spirit upon which the solid foundations of a community must be built.

Mr. Smith, as president of Title Guarantee and Trust Company, was active in business affairs. But he also made it a practice to devote a great part of his busy schedule to widespread civic and religious interests. He served at various times as president of the YMCA, chairman of the Jefferson County Red Cross and member of the Committee of 100, as well as holding offices in the Methodist Church.

It is from the example of men like Mr. Smith, a lifelong resident of Birmingham, that the rest of us may take heart and face our future as individuals and as a community with the confidence which he always radiated.

## FREEDOM

THE IDEAL of freedom is not a fanciful myth. It is thoroughly attainable in a practical way. And it will be more readily attainable if we quit regarding those we wish to convert as either masses or classes, and recognize the individual person as the fountainhead of good, of energy, of all that is creative.

Henry Grady Weaver,

## TELL IT TO BEES

According to the theory of aerodynamics, the bumblebee is unable to fly. This is because the size, weight, and shape of his body in relation to the total wingspread make flying impossible. **But the bumblebee, being ignorant of these scientific truths, goes ahead and flies anyway!**

# DO IT YOURSELF

## BUT

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