

TITLE NEWS

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THE OFFICIAL PUBLICATION OF THE
AMERICAN LAND TITLE ASSOCIATION

"OUR 61st YEAR"



JUNE, 1968



A MESSAGE FROM THE CHAIRMAN OF THE ABSTRACTERS SECTION

JUNE, 1968

First, my thanks to President Al for giving the abstracters and title insurance agents billboard space for this month. Most of us are having a very busy and, I hope, prosperous year.

The Section is working hard on projects for the Portland convention such as the schools report and the insurance report.

As of now our do or die project is the second management conference. The first, in Dallas, was an outstanding success. One hundred title men and women voted it so. The second, in spite of the necessary changes in a few speakers, will present an equally star-studded line up.

Invitations and registration forms have been mailed to members in North and South Dakota, Minnesota, Iowa, Wisconsin, Illinois, Indiana, Ohio, West Virginia and Kentucky. Any one can come, however. Just write ALTA in Washington and the registration forms will be sent by return mail.

It is hoped these conferences can be continued next year in other locations in such form that the person in the small office who finds it difficult to shut down for even one day can get to a centrally located spot in a few hours and listen to the fine talent we have available in ALTA. This small office man is the fellow for whom the conferences are designed and timed.

These conferences are devilishly expensive to program, and we must have a good response to continue them. Our job is to give you the best speakers on the most vital subjects. This we can do, but to get anything in return you have got to be there.

See the inside front cover of the TITLE NEWS for February. The turn out from the mid-West at Chicago should be as good as at Dallas.

See you in Chicago on July 13th at the Marriott Motor Hotel!

Sincerely,

TITLE NEWS

THE OFFICIAL PUBLICATION OF THE
AMERICAN LAND TITLE ASSOCIATION

EDITORIAL OFFICE: Premier Bldg., 1725 Eye St., N.W., Washington, D.C. 20006 202-296-3671

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VOLUME 47
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1968

ON THE COVER: Raymond H. Lapin (center), President of the Federal National Mortgage Association, announces the results of FNMA's history-making venture into the free market. See story on page 5.

JAMES W. ROBINSON, *Editor*
MICHAEL B. GOODIN, *Assistant Editor*
and *Manager of Advertising*

INDIANA LAUNCHES LAND TITLE COURSE

MIDWEST ABSTRACTERS ASKED TO ASSIST IN STUDENT RECRUITING



A two-fold recruiting program to attract students to enroll in the Land Title Technology course is being launched by Vincennes University and the ILTA Student Recruiting Committee. The university is preparing brochures which will be distributed to high school counselors and abstracters. ILTA will solicit the help of all abstracters in Indiana and Illinois and as many as possible in other states. These abstracters are being asked to personally contact school counselors and the community generally to inform as many people as possible of the new college course. Announcements are being made to service and civic organizations and press releases are being prepared for local newspapers.

Members of the ILTA particularly are being asked to actively

search out prospective students. A minimum of twenty students is required for the program to be financially self-supporting without extensive subsidization by the association. A beginning has been made and a few students have been definitely lined up. More are needed. This is one of the most important accomplishments of ILTA and the title industry and it is up to the industry to make the most of it.

Vincennes University is an attractive school located in the most historic community in the midwest. It has complete facilities and a complete program, including a basketball team of national note. This college course can give a new status to the title business and many, many new opportunities for persons who are interested in a career in this field. It should provide a great attraction for those students who would like to complete a professional course in two years and graduate to waiting jobs.

For more information please contact:

Admissions Office
Vincennes University
Vincennes, Indiana 47591

or
H. R. Caniff, Jr.
Box 876
Indianapolis, Indiana 46206

Indiana Land Title Association Planning and Work Get Results

Karl S. Holwager, New Castle, President of ILTA, points with pride to the eight years of careful planning and hard work by the Indiana Land Title Association that have resulted in the establishment of formal college education for abstracters in Indiana. While the course is in no way limited to Indiana or Indiana students, the ILTA is justifiably proud to have accomplished in Indiana something that is all too rare in the nation's educational system.

In 1960, the ILTA started having district education meetings which became more formalized and improved each year. The ultimate goal was set then and committees and the officers of ILTA have been working constantly to realize the present program. After a careful consideration of several institutions of higher learning, it was determined that Vincennes University more nearly met the specifications and requirements of the association. It was already conducting a variety of business and industry-oriented technical courses, as well as standard college courses, and it provided a well-rounded campus life for its students. During the past year ILTA committees on Curriculum, Finance and Student Recruiting, in co-ordination with the officials of Vincennes University, worked out final detailed plans. An experienced title man was selected for instructor, a curriculum was developed and ILTA committed to underwrite the initial program financially.

Serving as instructor in the course will be Mr. Lloyd Shepard, Vincennes. He has been engaged in

the land title business for several years with the Knox County Abstract Company, Inc. He was formerly secretary-treasurer and plant manager of that company and now serves as a consultant. Shepard holds degrees from Indiana University and the United States Military Academy.

ILTA has long recognized the need for education in the title evidencing field to supply qualified young people for a rapidly growing industry. It is justifiably proud of being in the forefront of one of the most far-reaching developments in the title business.



2-Year Course at Vincennes University

A two-year Land Title Technology (Abstracting) course has been established by Vincennes University in cooperation with the Indiana Land Title Association. The program, the first of its kind in a junior college, will begin in September 1968 and successful graduates will receive an Associate in Applied Science Degree.

An Advisory Committee from the ILTA is assisting the University in the development and guidance of the course and the association will provide visiting-lecturers for

highly specialized areas of instruction. The curriculum was developed by the university and an ILTA committee.

During the first semester a three-hour course will cover the history, basis and uses of land titles; purposes of abstracts of title and of title insurance; and the development of the land title industry. Two courses in the second semester for a total of five hours will include the history, regulations and practices of land title insurance and property, description, principles and practices. During the second year a three-hour course will teach the make-up, maintenance and operations of a title plant, including off-campus field trips to inspect operating plants and offices of public record. A five-hour course in

the final year will include actual practice in title evidencing, more extensive field trips and visiting-lecturers.

In addition, during the first year, the student will take six hours of business law and four hours of real estate law. Other required courses are three hours of surveying and three hours of graphic engineering. The general education requirements of English, physical education, business and finance, science, social studies, mathematics and humanities will round out the curriculum.

This new program is a landmark in the title industry and an unequalled opportunity for the industry and for prospective students from throughout the nation.

A VALUABLE SALES TOOL



FIRST NATIONWIDE PRICES ESTABLISHED BY NEW FREE MARKET SYSTEM AT FNMA

For the first time in the Nation's mortgage credit history, nationwide prices for Government-backed mortgages on the secondary market have been set by competitive action, in a central place, representing the most up-to-date price information ever available.

This was reported at a press and industry briefing, May 7, by Raymond H. Lapin, President of the Federal National Mortgage Association, as he announced results of the first weekly auction under the dramatically new Free Market System for pricing mortgages through its secondary market operations.

"The tremendous response to FNMA's new pricing procedure is most gratifying and assures success of the new program," Mr. Lapin said. "It has now been demonstrated that a competitive pricing system is feasible and a practical method for use of the market and for Fannie Mae in controlling its resources."

He said that the average accepted prices were 91.69 for purchase of mortgages in the 90-day commitment period; 91.90 for the 180-day period; and 92.53 for one-year commitments. These averages compare with prices of 94 to 93 which prevailed under the fixed price system which ended May 3.

"A combination of factors, including the newness of the program," Mr. Lapin said, "undoubtedly caused these prices to be as low as they were. However, we expect a substantial price hike when the Government raises interest rates on FHA-insured and VA-guaranteed mortgages as a result of the law being signed today."

Mr. Lapin said that mortgage originators submitted requests for Fannie Mae mortgage purchase commitments of \$173 million. A total of \$40 million was allotted.

"This enthusiastic response can be traced partly to the newness of the program and to the current uncertainty of the mortgage market," Mr. Lapin observed. "Those unsuccessful in obtaining commitments may submit offers again from week to week."

FNMA has allocated \$50 million for the second auction ending May 13. Mr. Lapin also announced today that Fannie Mae will allocate another \$50 million for the third auction. "We feel this first response was somewhat abnormal, so we're sticking to our \$50 million level for the next two weeks," he explained.

The Fannie Mae chief executive reported that the agency received 568 competitive offers for commit-

ments of \$169 million in mortgage purchase funds and 84 noncompetitive offers for \$4 million.

As will be done in each auction, the past week's allocation was prorated among the three commitment periods, and in proportion to amounts sought for each period and among individuals submitting offers in each period.

This was the apportionment of the week's \$40 million fund among the three commitment periods: 90-days, \$19.8 million; 180-days, \$18.2 million; and one year, \$2.4 million.

The new Free Market System—under which FNMA sets the volume of funds to be released and

the market sets the prices—is designed to strengthen the corporation's ability to provide home financing assistance. Under past practice, FNMA set prices and the market determined volume. FNMA's control of its resources under the new procedure will contribute importantly to its ability to remain in the market and provide needed liquidity.

The new system also will aid homebuilding through the issuance of one year commitments to purchase mortgages. These will enable builders to continue construction programs when private commitments are not available.

Weekly Report: Free Market System

(Opened: 5/6/68)

	Commitment Period			Total
	90-day	180-day	One-year	
ACCEPTED				
OFFERS:	120	59	8	187
Average price:	91.69	91.90	92.53	-x-
Amounts:	\$19,693	\$18,281	\$2,400	\$40,374
ALL OFFERS:	350	260	42	652
Price range:	90.00/96.50	89.99/99.00	91.70/97.00	-x-
Amounts:	\$81,623	\$80,554	\$11,245	\$173,422

(Dollars in thousands.)

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COMPUTERIZATION AND OTHER DEVELOPMENTS AFFECTING REAL ESTATE

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**By Albert B. Wolfe, Attorney
Boston, Massachusetts**

The year 1968 bids fair to be a most significant one in the continuing efforts to improve public land use control laws, public records of administrative and title data affecting land and laws minimizing risks in relying on such records. Possibilities of service by the Bar to the public in helping work out such improvements and in better meeting the needs of clients for protection in real estate transactions have never been more challenging.

The American Law Institute's project developing a Model Land Use and Land Planning Code is scheduled to have ready for submission to the Institute Council and, hopefully, its members, at their spring meetings, tentative drafts for major portions of such a Code. This work may provide a significant breakthrough toward a more rational and satisfactory order in this increasingly important field. It will be the continuing major concern of our Committee on Public Regulation of Land Use.

ABOUT THE AUTHOR



No person could be more qualified to write about developments affecting real estate than Albert B. Wolfe, prominent Boston attorney and author.

After receiving his law degree from Harvard in 1934, Mr. Wolfe became an associate with the law firm of Rackemann, Sawyer and Brewster in Boston and became a partner of the firm in 1940. He is currently First Vice Chairman of the American Bar Association Section of Real Property Probate and Trust Law and a member of the Advisory Committee, American Law Institute Public Control of Land Use and Land Planning Project.

The Association's House of Delegates at its midwinter meeting delegated to the Section authority in liaison with other sections concerned to negotiate with appropriate United States Government agencies in seeking procedural and statutory changes in administration of the constitutional power to regulate navigation (commonly referred to as the federal navigation servitude), so as to permit building construction along the waterfronts of our coastal and inland waterway cities on a basis that will assure compensation in case of future action revoking permits or moving harbor lines. Many shallow and filled areas where navigation is not really practical or likely to be required in the foreseeable future are exposed to this risk, and it is an unnecessary punitive impediment and blighting influence, preventing proper and needed development and redevelopment of such waterfronts. Chairman Polasky, in accordance with authority from the Section's Executive Committee at its midwinter meeting, is appointing a Special Committee to carry on this work, with Eugene J. Morris of New York as Chairman, and including John P. Turner of Chicago and Robert B. Krueger of Los Angeles.

Computerization of Land Records

The latest developments with perhaps the most far reaching long-term potential are in computerization of public land records. The printed Proceedings of the Tri-State Conference on A Comprehensive, Unified Land Data System (Culdata) held in Cincinnati about a year earlier were distributed in January, and are available from

the College of Law, University of Cincinnati, Cincinnati, Ohio 45221 (for \$5), as noted in the report of our Committee on Improvement of Land Title Records in the Fall issue of the *Journal*. Many aspects of computer potential are there explored, and particularly the problems of arriving at means of parcel identification and description sufficient to permit interchange of data on a regional and national basis. Work continues there on such problems, and fairly general agreement is developing on the need to proceed with data storage and retrieval on a parcel basis in places already having sufficient parcel plans, even if not adequate for such interchange, without wholesale surveys, and on pressing for more widespread use of state plane coordinate systems in new survey work.

For some years a growing number of cities and counties have been developing land data banks for use in building, zoning and health code administration, and in planning, maintained apart from title records by electronic data processing producing listings of data by parcel. Some are kept with banks of public data about persons, and cars and other personal property. Within the last year or so "third generation" equipment of very large capacity has become more generally available, with capability of retrieval on a random access basis, of aggregating and averaging data in a variety of ways and of handling a large volume of title data such as references to title sources, plans and subsequently recorded documents and key data about them. By the end of 1968 several extensive land data banks

may be maintained on equipment of such capability—in New York, Philadelphia, Washington, D. C., Hamilton County, Ohio (including Cincinnati), Alameda and Santa Clara Counties, California, and possibly elsewhere.

So far the main thrust of the data bank movement has been, quite properly, on facilitating governmental planning and decision making processes by affording information more up-to-date, more reliable and more responsive to the needs than has heretofore been feasible, and on saving of time of administrative personnel now engaged in routine interdepartment data exchange. However, such data can have great usefulness to private planners, mortgage lenders and real estate users, buyers, sellers and brokers, and if the input and output are programmed in such manner as best to serve the needs of mortgagees and buyers and permit sale of the output to cover the costs, not only would sale of the output help defray the not inconsiderable costs, but the ready availability and increased public use of the data should help assure corrections and reliability, and assist tax collections and code enforcement.

New York Experiment

In New York, a prototype demonstration was held in mid-January using data already maintained in machine processable form by various city offices on a sample area of some 2,500 parcels, consolidated in a disc Master Parcel File, and retrievable using equipment already maintained by their Bureau of Budget, by street address, lot and block number, or grid coordinates interchangeably, and with geo-

graphic search capability for aggregating and averaging data as needed. It is hoped to have such a Master File operable for all Manhattan's 100,000 or so parcels by year end, with a remote terminal for queries and visual display of output (including microfilm images) in the corporation counsel's office, then to add terminals for such purposes and for continuous updating and correction of data in various other offices, and to commence adding of title data.

In some other places consideration is being given to statewide programs sharing use of equipment and further handling of title data.

Several aspects of these developments will need help from the Bar before service is undertaken to the public generally, such as:

(a) study of recording and record keeping legal authority with a view to statutory and ordinance changes needed, a beginning of which is now being undertaken by our Committee on Improvement of Land Title Records;

(b) review of legal aspects of errors in data and responsibilities therefor and ways to assure sufficient reliability without undue public burden;

(c) helping devise ways to assure that all transfers of title other than by deed are reflected in the master file, as by requiring or otherwise obtaining appropriate notice in case of probates, court orders and governmental actions making such transfers;

(d) helping devise ways to assure identity of parties to recorded instruments, particularly in cases of name duplications and variants, as by addition of other identifying numbers or data.

As experience develops in use of computerized public record data in real estate transactions, and is coupled with legislation reducing the risks in relying on the records, such as the recent Wisconsin statute described by Professor Rauschenbush elsewhere in this issue, and others that may be devised to take best advantage of such computerization, drastic reductions in time, risk and expense in real estate transactions may be possible. Although it is not likely that such records will include back title information in the reasonably foreseeable future, and neither records nor statutes can remove the needs to examine document copies or abstracts of what is disclosed nor for insurance against record errors and nonrecord risks, it now seems more possible to envision a day when public administrators can administer, brokers can evaluate and negotiate, lawyers can interpret and advise and draft papers, insurers can insure, all from a much better base of readily available facts. Support for such record improvements and statutes by both the Bar and insurers can well answer those who accuse them of being motivated by a vested interest in maintaining existing confusions.

For some months the American Bar Foundation and the National Conference of Commissioners on Uniform State Laws have had under consideration a research project in this area. Our Section's Executive Committee at its midwinter meeting recommended to them such a project "to analyze computerized indexing and processing of public tax land use control, title and other data needed for real estate transactions in representa-

tive localities, and make recommendations for procedures and priorities to facilitate better service by the Bar to the public in such transactions, and for changes in law to make computerized systems work more effectively and uniformly." They are doing some preliminary work, but it is too early to tell what help they may be able to give. The field has so many facets, and is developing so rapidly, that even definition of the most needed areas of research is difficult.

Our Executive Committee also authorized approaches to title insurance and surveying organizations for possible cooperative efforts in this area, and the American Land Title Association at its midwinter meeting authorized a committee to work with the Bar.

However these efforts may develop, the extent to which such computerization and statutory reduction of risks can improve service by the Bar to the public in real estate transactions will necessarily depend primarily on interest and support by the local bar associations. Only they can know local customs and needs sufficiently. Those in New York City and Cincinnati are now actively interested. If any Section members serve on or aware of state or local bar committees now concerned with such developments, we will appreciate their advising us so that appropriate liaison may be established.

Important New Title Statute

Chapter 274, Wisconsin Laws of 1967, which takes effect on July 1, 1968, is a significant and multifaceted statute of limitations cutting off, after varying periods, several possible claims which in the

past have posed troublesome title problems. So states Professor Walter B. Raushenbush of University of Wisconsin Law School, who prepared the following comment especially for the *Journal*.

The law says that such a purchaser takes and holds the interest purported to be conveyed to him free of any adverse claim dependent for its validity or priority upon:

(1) Nondelivery or conditional or revocable delivery of any recorded conveyance;

(2) Conveyance outside the record chain of title not identified by definite reference in an instrument of record in the chain;

(3) Unrecorded extension of interests expiring by lapse of time, if two years have elapsed after the expiration date of record, unless there is a recorded extension document;

(4) Nonidentity of persons in conveyances in the chain of title (including nonidentity by forgery), provided the persons appear in such conveyances under the identical names or reasonably close variants thereof and have so appeared for at least five years;

(5) Marital rights of a spouse where a recorded conveyance by the other spouse asserts he is single or fails to show marital status, and has appeared of record for five years;

(6) Lack of authority of officers, agents or fiduciaries after a conveyance by such has appeared of record for five years;

(7) Defects in judicial proceedings affecting real estate after the judgment or order has appeared of record for five years;

(8) Nonexistence, legal incapacity or incompetency of any purported person or entity, provided the conveyance affecting the real estate purports to have been duly executed by such person or entity and has appeared of record for five years;

(9) Defects in a tax deed which has been of record for five years;

(10) Any other interest of which no affirmative and express notice appears of record within 30 years.

The "notice" which deprives a purchaser of protection can come from the record chain of title (including items indexed in a publicly maintained tract index) or from affirmative notice, including that arising from use and occupancy of the real estate. Some important benefits of the statute are not available, however, as to unplatted vacant and unimproved land.

As the new law takes hold, attorneys' opinions of title should be easier to prepare and give better protection to purchasers. Maybe, Professor Raushenbush concludes, title insurance rates will even go down!

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STATUS—CONFLICT OF LAWS

By Maurice A. Silver, Esquire

Title Consultant, New Jersey Realty Title Insurance Company
Newark, New Jersey

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ABOUT THE AUTHOR

Maurice A. Silver, Title Consultant, New Jersey Realty Title Insurance Company, was graduated from the University of Virginia Law School in 1921, but was admitted to the bar of Virginia in 1920, a year before he was graduated. He was later admitted to the New Jersey bar in 1924. Mr. Silver was a member of the editorial staff of the Virginia Law Review.

He became associated with Fidelity Union Trust Company, Title Department, in 1923 and continued with the organization, which finally became New Jersey Realty Title Insurance Company, until his retirement in 1963. At that time he was senior Title Officer of the company and was asked to remain in the capacity of Title Consultant notwithstanding his retirement.

He has assisted in the editing of an early publication of New Jersey Realty Title Insurance Company's "Title News" and later its "Title Comments."

Mr. Silver is a member of the Real Property, Probate and Trust Law Section of the New Jersey Bar Association and has served as its Chairman.

The opening paragraph in *In re Estate of Spano*, 49 N.J. 263, 229 A.2 645, states the problem. "The question in this case is whether a child acknowledged by his natural father under Italian law is entitled to inherit his father's estate in New Jersey." The question is basically one of status and the law governing status, and so recognized by the Court.

The claimant to the estate of the intestate was born out of wedlock in Italy, but was supported by the putative father until his majority. The father migrated to Newark in 1915 and the son in 1940. In 1937, however, the father executed a document in compliance with the laws of Italy, and duly filed, acknowledging the son as his natural child. As a consequence the birth records in Italy were changed so that the name of the father was substituted. The father died seized of property, survived by no wife and no child other than the claimant.

The contest was between the natural son who argued that under the laws of Italy he attained legitimacy, and the administrator who resisted the claim. The Court held that the laws of Italy applied and that the acknowledgment based

upon such laws bestowed legitimacy upon the son. "It does not necessarily follow," said the Court, "that for one to be the acknowledged natural son of his father he must be such under the internal laws of the situs of the land to be inherited, for under New Jersey conflict of law rules, the status and relationship of a person to another person are fixed by the law of the state or country having jurisdiction to grant the status so claimed." Having stated the principle the Court held "that the acknowledgment of a child under the law of a jurisdiction which is the residence of the child at the time of the acknowledgment will be given the same effect as though such acknowledgment had been rendered and entered in this State."

The importance of this decision, we believe, is the Court's holding that the law of a jurisdiction "which is the residence of the child at the time of the acknowledgment" is the governing law. It has been our impression that the proper law in such cases was the law of the domicile of the putative father, and because of this impression we checked a few cases only to find a conflict in the Conflict of Laws. An Annotation on this subject in 73 A.L.R. @ page 956 (c) makes this categorical statement: "As a general rule, where the ground for the acquisition of status of legitimacy is an act other than marriage of the parents, such as the act of the father in acknowledging the child as his son, the question whether such an act will have the effect of legitimating the child will be determined by the law of the domicile of the father at the time of the performance of the act, to the exclusion of

any other law." Citing a number of cases. The proposition as stated is not without conflict. It is best set forth in a California case cited in Spano, *In re Lund's Estate*, 26 Cal.2 472, 159 P.2 643; said the Court: ". . . There is a wide and heterogeneous conflict in authority and theory as to what law governs the attainment of legitimacy. Support may be found for at least five different theories: (1) the law of the domicile of the father at the time of the birth of the child; (2) the law of the domicile of the father at the time of the legitimating acts; (3) the law of the place where the legitimating act occurred; (4) the law of the domicile of the child (of its mother) at birth; (5) the law of the situs of property, succession to which depends on the status of legitimacy in that jurisdiction."

Spano apparently comes to a different conclusion; not the laws of the domicile of the father, not the laws of the domicile of the child at birth, govern, but the law of the residence of the claimant "at the time he was acknowledged and thus, Italy had jurisdiction to affix the status of Santo."

In this case the domicile of the child at the time of birth and at the time of the acknowledgement was the same—Italy. Would the Court reach the same result if the laws of the domicile at birth and the laws of the domicile of the son at the time of acknowledgement were in conflict?

Of interest, but only passing interest, is a decision of a lower court in Pennsylvania coming to a conclusion diametrically opposite to that reached in Spano, on identical facts, even to the place of origin of the parties. In *re Scalabrelli's*

Estate, 39 Pa. D. & C. 434. Our Supreme Court was no doubt influenced by the modern tendency and the public policy of New Jersey to remove, where possible, the stigma and disadvantage of illegitimacy. The law in New Jersey is now determined—the law of the domicile (residence) of the child is the applicable law in such cases.

Here is another situation where the title attorney, in extracting proof of family histories, must exercise extreme care in a delicate family relationship.

The problem of status, as the Court in Spano stated, spreads in other relationships—adoption, for example, citing *Zanzonico v. Neeld*, 17 N.J. 490, 111 A.2 772. Whether an adoption takes place under the laws of a foreign country or of a sister state, its acceptance, when related to the laws of New Jersey for purposes of descent and distribution, is based upon the principle of comity and not necessarily under the "Full Faith and Credit Clause" of the Constitution. *Munson v. Johnston*, 16 N.J. 31, 106 A.2 1; *Zanzonico v. Neeld*, supra. This must be so since the question of descent and distribution is exclusively within the dictates of the laws of the State of the situs of the lands. Where the question is one purely of status we can perceive of no reason why the "Full Faith Clause" should not be applicable when that status is established in a sister state.

Zanzonico lays down two conditions which govern the recognition of foreign judgments in adoptions: "(1) that the foreign court had jurisdiction to fix the status of the child with respect to the adoptive parents, and (2) that the recogni-

tion of the foreign decree will not offend the public policy of our State." In TITLE COMMENTS in noting *Zanzonico v. Neeld*, we called attention to the enactment of R.S. 9:3-15 which provided that the judgment or decree of adoption in any state, territory or possession of the United States shall have the same effect as though such judgment or decree had been rendered and entered in this state. The Court in *Zanzonico* referred to this statute. Our attention was later called to the fact that this section was omitted in the Adoption Act of 1953. Whether the omission was by inadvertence or by design, we have not learned. We are of the opinion that it would serve a salutary purpose. Not only did it pronounce the policy of the State as stated in *Zanzonico*, and later *Stellmah v. Hunterdon Corp. G.L.F. Serv., Inc.*, 47 N.J. 163, 219 A.2 616, but it had the potential of removing some of the problems in the gray zone arising in foreign adoptions because of the absence of uniformity in these statutes. There is, for example, the question whether an adoptive child may inherit from the kindred of the adoptive parent. On this point the statutes differ and the decisions vary. It may be noted that the former statute, R.S.9:3-9, spelled out in some detail the extent and the limitations of the right to inherit. The children by birth and adoption inherit from and through each other. The current statute is condensed in R.S.9:3-30 b, but no doubt the right to inherit in such case would be upheld by inference. See *Stearns v. Allen*, 183 Mass. 404, 67 N.E. 349. This, however, is not our theme. The question in conflict

of laws is the proper applicable laws in a foreign adoption—the laws of the situs of the land or the law of the jurisdiction of adoption which may contain a prohibition to such inheritance.

Nickell v. Gall, 49 N.J. 186, 229 A.² 511, while not concerned with the subject of conflict of laws, does relate to adoption and the statute of Descent and Distribution. Adoption took place in 1926 under a statute and an adjudication of adoption severing all relation with the natural parents “excepting the right of inheritance.” R.S.9:3-7. And by the same section the right of inheritance from the adopted parent was bestowed upon the adopted child. In 1953 the Statute on adoption was modified, R.S.9:3-17 et seq., and under Sect. 30 the right to inherit from the natural parent was removed. In 1964 the natural parent died and the question was raised whether the law

under the statute at the time of the adoption or the law at the time of the death of the natural parent is to govern.

The Court held that rights of the adopted child under the statute at the time of the adoption established the right of inheritance; that the 1953 statute was not “aimed at changing the general laws of descent and distribution but was an adoption statute designed primarily to prescribe modern procedures for adoptions along with their familial incidents and consequences.” The Court found an affirmative intention on the part of the Legislature not to disturb the right acquired by the adoptee “established” under the prior statutes. The 1953 statute was prospective in its operation.

Quaere: If the adoption in 1926 had been a foreign adoption, what law would govern? If the foreign laws in 1926 were similar to those in New Jersey; if dissimilar?

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Forms Will Be Mailed Soon**

UTAH CONVENTION SKIS TO SUCCESS

Nestled in the shadows of towering mountains about 35 miles from downtown Salt Lake City there is an abandoned mining town called Park City, Utah. Perched precariously on a ledge of one of the mountain slopes, the C'est Bon Hotel (a ski lodge catering to the wealthy, the sports minded and the thrill seeker) was the scene of the 1968 Annual Convention of the Utah Land Title Association.

The Convention opened Thursday afternoon, April 18, with a golfing party at a nearby country club. The day's big event was an ice breaker reception and buffet supper sponsored by the local title insurance underwriting companies. Following the supper, a magnet (her name was Shirley—a most delectable entertainer) seemed to draw every conventioner to the Outrigger Room of the hotel where dancing, music and a lively floor show kept the Utah members hopping until the late hours.

The business portion of the program got under way Friday, April 19, under the smooth direction of Keith Elertson, President of the Utah Land Title Association.

The chief address Friday morning was a scholarly presentation by Oscar H. Beasley, Chief Counsel, First American Title Insurance & Trust Company, Santa Ana, California. Mr. Beasley's subject was "Subordination."

James W. Robinson, Secretary and Director of Public Relations, represented the American Land Title Association as the luncheon speaker.

"Finances" was the subject for discussion during the afternoon session with Gene Donovan, President of the Prudential Federal Savings and Loan Association, leading the discussion.

Utah members are in a rut—but what a pleasant state of confinement. Each year they ask C. J. McConville, Senior Vice President of the Title Insurance Co. of Minnesota, to serve as Master of Ceremonies at the Annual Banquet. "Mac," as usual, was superb.



Mark and Wanda Eggertsen
as the Annual Convention of
in Park City, Utah.





Surrounded by happy conventioners
Utah Land Title Association opens



SPECIAL ANNOUNCEMENT FOR ALTA MEMBERS IN KENTUCKY, ILLINOIS, INDIANA, IOWA, MINNESOTA, NORTH DAKOTA, OHIO, SOUTH DAKOTA, WEST VIRGINIA, AND WISCONSIN!

Would you like to discuss and solve problems confronting you in your business with experts in the industry—with a minimum amount of time spent away from your office?

The Regional Meeting held April 6th in Dallas was an overwhelming success, with members in attendance expressing the hope that additional seminars would be held. Now, by popular demand, Tom Holstein, Chairman of the Abstracters and Title Insurance Agents Section, has arranged for an equally outstanding meeting to be held in Chicago, July 13th, at the new Marriott Motor Hotel. The program is aimed at solving the basic problems of the small and medium-size abstracters and title insurance agents. All ALTA members are urged to attend however.

The low registration fee of \$20.00 includes the cost of lunch and printed material. Here is just part of what is in store for you:

On Friday, July 12th, register at the new Chicago Marriott Motor Hotel. On your own for dinner.

Saturday, July 13th will begin with registration at 8:00 a.m. Topics to be discussed will include "Improving Your Managerial Effectiveness," "Basic Techniques of Public Relations," "Creative Selling," "Relations With the Bar," "Relationship of Agents and Underwriters," "Modern Machinery for the Small Office." Professor Sheldon R. Wagner, one of America's top authorities on management and personnel, will be just one of the experts participating in the meeting.

This is *your* chance to really take part in that phase of the Association's activity which is most important to you.

**SEND YOUR REQUEST FOR HOTEL RESERVATIONS NOW TO:
THE AMERICAN LAND TITLE ASSOCIATION, 1725 EYE
STREET, N.W.: WASHINGTON, D.C. 20006. SEE YOU IN
CHICAGO!**



DID IT REALLY HAPPEN IN WASHINGTON?

By

Michael B. Goodin, Business Manager
American Land Title Association
Washington, D.C.

The newspaper and television reports of the past two summers covering the riot situations in our cities left me with the same disbelief and despair that most Americans doubtless feel. Each time a city would erupt into violence, one thought would cross my mind—it will never happen in Washington, D.C., not in our nation's capital. Suddenly, on the evening of April 4th, the first reports of Dr. Martin Luther King's assassination shocked the country. This senseless tragedy triggered a series of events from which the country will not soon recover. The death of this non-violent man brought forth the very thing that Dr. King wanted least of all—violence of the highest degree.

Initially, that cool, rainy evening of April 4th, Washington residents were confused and dismayed at the

reports. As the realization of the assassination was confirmed, small crowds of angry citizens began to gather on the streets of the city. At first, the small bands went from store to store, demanding that they close in deference to Dr. King's memory. The first shattering of glass sparked a series of broken windows and small fires began to dot the depressed areas of the city. Looting during the first hours following the assassination was not widespread and by early morning an uneasy quiet settled over the city. Washington officials proclaimed that the worst might be over.

However, with the daylight of Friday, April 5th, came the first signs that the trouble was just beginning. The frustrated emotions of the previous evening burst forth once again. Fires were being set

so rapidly that Washington's valiant firemen could not keep pace with the fleeing arsonists. By mid-afternoon, looting became so widespread that policemen could maintain no semblance of order.

Individuals comprising Washington's work force—government and commercial—were asked to return to their homes as quickly and calmly as possible at 2:00 p.m. Thousands of people rushed to their cars to flee to suburban Virginia and Maryland and to their homes in the outer districts of Washington. The faces of the people in the street told the story. Everyone wore a worried look that afternoon; everyone was overwrought with anxiety for his family, his city, and his home. Some wondered if their homes would still be there, for no one knew how widespread the destruction would become.

My home is in Falls Church, Virginia, and is normally a 45 minute bus ride from ALTA's national headquarters. As I left the office to walk to 18th and Constitution Avenues to catch my bus, I could feel the tension in the air. Small groups of young people had gathered on the corners of every intersection I passed as if they were waiting for something to happen. It seemed as though we were abandoning the city to them.

By this time, approximately 3:30 p.m., a monumental traffic tie-up had developed. After reaching my bus stop and surveying the hopeless traffic situation. I decided to walk to Fort Myer, an army base across the Potomac River. From there I could call my wife to make sure that my family was safe. I started the long walk to Memorial Bridge and as I passed the Lincoln Mem-

orial, I recalled the civil rights march of 1963. Standing on the steps of the Memorial, Dr. Martin Luther King had addressed a throng of 100,000 people, advocating nonviolence as the only road to equal rights in this country. I was there that day, in uniform, to help safeguard the city against any disorders that might develop. Fortunately, thanks mainly to Dr. King's leadership, the march was peaceful and highly successful. Five years later, without his leadership, Washington was burning.

I was now away from the city at a distance great enough to turn around and view the great clouds of black smoke rising over the center of Washington. The air was strangely calm, with no breeze to disseminate the smoke and the clouds hung ominously on the horizon.

As I neared the end of Memorial Bridge, the first of a stream of regular army trucks came across. The trucks carried troops from the "Old Guard" regiment stationed at Fort Myer. The troops were in full battle dress, gas masks strapped to their sides, M-14 rifles with bayonets pointing skyward and helmet liners glistening in the late afternoon sun. It was at that moment, watching those trucks whisk by, that the full seriousness of the situation struck me. I also realized that if federal troops were being rushed into Washington to regain order, then my reserve unit in the District of Columbia National Guard would soon be activated to assist in any way possible.

I ran the rest of the way to Fort Myer, found a telephone booth, and after several attempts (the telephone circuits were overloaded)

reached my wife. She informed me that no disorders had broken out in the suburbs, and that radio reports concerning the riot situation were confused. My reserve unit had not been activated according to reports at that time. Since the suburbs appeared to be quiet, my wife drove to Fort Myer to pick me up. Three hours after leaving Washington I finally arrived home—only to find that the Secretary of Defense had federalized the D.C. National Guard and I was to report to the Armory as soon as possible.

After plotting the course to the Armory that I could drive without going through the streets that were hardest hit by the disorders, I somewhat reluctantly drove back to Washington and reached my destination without incident. Some of my fellow reservists were not so fortunate. Several Guardsmen had broken windshields in their cars and some were stopped by mobs that were roaming the streets by this time. Although some were detained for as long as thirty minutes and received quite a bit of verbal harassment, no one was hurt.

The riots of past summers in some of our major cities had prompted the military and civilian authorities in Washington to formulate plans that would hopefully contain any disorders that might develop quickly and without bloodshed. These plans included a curfew which was to be put into effect by the Mayor, disbursement of troops to all sectors of the city to back up the police force and fire department, and discontinuance of fire arms and liquor sales. The Mayor ordered the plans into effect at 4:30 p.m. He had previously requested the presence of federal troops in a

message to President Johnson at 2:00 p.m.

Because of this advance planning, I knew primarily what my duties would be and the area of the city to which I would be assigned. Although my reserve unit has a medical mission in time of combat, we had been thoroughly trained to handle rioting, with special emphasis on mob control.

After being issued standard riot materials—consisting of tear gas grenades, rifle, bayonet, ammunition pouches and steel helmet, I was immediately dispatched by jeep to patrol an area of Washington that was in the midst of turmoil.

The curfew had helped dramatically to clear the streets of Washingtonians who were not intent on destruction and looting. Those individuals who remained on the streets were either engaged in rampant looting — or, strangely enough, were curiosity seekers. Our orders were to detain looters until proper arrest could be made by police officers. The usual verbal threats were made against us each time a looter was encountered, but no physical attacks were attempted. We were under strict orders to use force only if absolutely required—and then only if we were attacked or had to use force to protect innocent parties.

Some looters could not be thwarted in their attempts to take home anything that was in reach of a broken store window. If they were fortunate enough to escape arrest a first time, they would come back again. It was not unusual to see two men attempting to carry a color television set to a waiting car. Women could be seen running down the street clutching firmly onto en-

tire racks of dresses taken from ransacked department stores. One man who was arrested, although of very slight build, was caught carrying six expensive men's suits—all size fifty.

Favorite targets for the looters seemed to be the liquor stores, the clothing stores, and appliance shops. Grocery stores were left without a can or package on their shelves.

Fires gutted entire city blocks. Firemen, protected from sniper fire by troops, went from building to building, heroically attempting to save the city from going up in flames.

Troops from around the country began to flood into Washington—the 82nd Airborne (many Vietnam veterans), Marines from Virginia, helicopter brigades from Maryland. At one point, there were over 12,000 troops either in the city or held in reserve at Andrews Air Force Base, Maryland.

As troop reinforcements arrived, the looting began to subside. After 24 hours, there were only occasional outbreaks — all quickly quelled. The fires continued, however, and sirens continued to be heard every five minutes.

After patrolling for nearly 26 hours, we were relieved for eight hours to try to get some rest. My comrades and I found that sleep did not come easily. We had seen too many disturbing and heartbreaking events to suddenly relax. I shall never forget that 26 hour period in my life.

In the early morning darkness of Sunday, April 7th, I once again went on patrol through the streets. This time I was to spend eight hours in the back seat of a police squad car. The fires for the most

part were out. The thick smoke of the previous night was almost gone. Occasional sniper fire could still be heard. As I passed the charred rubble of block after block, I could not help but compare pictures that I had seen of post-war Berlin, after years of bombing, with some areas of Washington after 36 hours of rioting.

The worst was over. Now, with the dawn of a new day, came the saddest part of all. Now came the feeding and caring for the hundreds of homeless, hungry, innocent victims that were scarred by this tragedy.

Now, too, came the waiting—the waiting to see if it would happen again. The slightest incident in the days that followed might cause the city to explode as it had before. Day after day dragged by; the tension although remaining, began to ease. The curfew was shortened each day. Life in Washington slowly edged back to near normalcy.

The troops continued to patrol the streets. An air of friendliness developed between the once belligerent citizens and the soldiers that were protecting them. Now they were glad that we were there so that there would be no more fires and that order would once again prevail. The rapport that developed was the greatest indicator that the tension was almost gone.

On April 17th, 12 days after the rioting had begun, I was released to return home. As I was driving past the Capital building, once surrounded by troops and machine gun placements, I somehow felt a sense of relief that the building was still there. Once again I asked myself the question, "Did it really happen in Washington?"

LETTERS



COMMONWEALTH LAND
TITLE INSURANCE COMPANY
1510 WALNUT STREET, PHILADELPHIA, PA. 19102

May 10, 1968

Mr. James W. Robinson, Secretary
American Land Title Association
1725 Eye Street, N.W.
Washington, D.C. 20006

Dear Jim:

One day last week, I received a telephone call from a Mr. Paul McCarthy, one of our officers at our title plant. He told me how pleased he was to report that he had been at a Rotary Club meeting where the scheduled speaker failed to appear. It just happened that he had in his pocket a transcript of the talk that your headquarters had prepared for use by our title men which I had reproduced and distributed to everyone of our corporate officers.

He volunteered, was accepted and was complimented, not only for his extemporaneous ability, but also for the excellence of his presentation. We hope that this little story pleases you even more than it pleases us, because you are the one to enjoy the satisfaction, knowing that your efforts have produced the desired results.

Sincerely,

Edward S. Schmidt
Secretary and
Asst. Vice President

ESS/mtd

ESCROW FOR EVERYMAN

By Tom O'Connell, Director of Public Relations, Pioneer National Title Insurance Company, Seattle, Washington

Reprinted with permission of The PNTI Message Newsletter

ABOUT THE AUTHOR



Tom O'Connell joined Title Insurance and Trust Company when he graduated from high school and, with the exception of a four year stint in the Navy, has been with the same company or affiliate companies for twenty-eight years. He progressed through various jobs as title searcher, title officer, customer relations representative, director of advertising and publications and in July 1962, was transferred to Pioneer National Title Insurance Company and was elected an assistant vice president and manager of public and personnel relations. In January 1964, he was elected a vice president and took on the additional responsibility of training director of the company. Presently, he is manager of business development. He attended Loyola University and the University of Southern California at night, majoring in business administration and advertising. He has written many articles for leading magazines and co-authored a book titled "Successful Customer Relations."

Generally speaking, an Escrow is an arrangement wherein two or more parties who have entered into a contract with each to buy, sell or exchange a property, engage an independent third party called the Escrow or Escrow Holder to see that the parties complete their contract obligations under appropriate Escrow Instructions.

The services of the escrow holder vary according to instructions from the parties, but may include: Receiving and holding all funds and documents; Clearing and obtaining a Policy of Title Insurance, guaranteeing the buyer's "Ownership Rights" to the property; Clearing all liens and encumbrances of record; Delivering and recording all Notes, Mortgages, Deeds of Trust, Real Estate Contracts, Deeds, Bills of Sale and other documents; Securing beneficiary statements from holders of loans of record; Prorating Taxes, Insurance and Rentals; Adjusting interest on any encumbrances of record; Securing demands and paying off existing loans; Providing Notary Service; Having documents recorded; Issuing settlement statements to both buyers and sellers; Distributing

Funds and Documents; Retaining copies of all Escrows on file for a period of 10 years, for the convenience and future reference of all parties.

Obviously, this is no "Do it yourself project," even if one knew how, when and where to proceed. It requires an experienced, efficient, bonded and licensed organization.

Entering Into An Escrow

It is customary for sellers and buyers to come to the escrow with the Realtor who is making the sale, and give their instructions to the escrow holder.

Sellers should deposit their deed or other contract or conveyance; their insurance policy their latest tax statement; their loan payment book, or a receipt form if there is a loan of record; and, in the case of rental property, they should have accurate records of the amounts and dates rents are paid and the names of tenants.

Buyers should bring the agreed deposit provided in the contract or earnest money agreement. The deposit is made in escrow at its inception, and the balance of the funds are paid at the time agreed upon before closing. When a broker is employed to handle the transaction, the deposit is usually made with the broker, and he will make arrangements for the deposit in escrow.

The deposit is necessary because of the expenses the escrow holder always incurs in connection with the deal. Valuable time can be saved by guaranteeing these expenses and authorizing the escrow holder to secure title reports, demands and beneficiary statements, regardless of other conditions of

the escrow.

When all parties in the deal meet with the escrow holder, having brought all parties and the deposit, a definite understanding about all phases of the escrow *must* be arrived at and escrow papers signed. When the escrow instructions have been executed, the escrow holder is bound by them, as are all parties concerned. The escrow holder cannot make *any* changes or deviate in any manner from the terms thereof, unless amended instructions *in writing* are signed by all parties to the escrow. One party alone *cannot* change the instructions or the terms set out in the instructions.

In the event that any conflicting demands are made on the escrow, the escrow holder may, at his discretion, stop all action until mutual instructions in writing are given to the escrow, relating to the matters in dispute. He may file an interpleader action in the appropriate court and take no further action on the escrow until the court adjudicates the matter. In such a court action, the parties to the action would be liable for any attorney's fees and court costs.

Delays In Escrow Proceedings

Many apparently insignificant items, such as pro-rations of taxes or transfer of insurance, can cause considerable delay in closing an escrow. Wherever possible, all such matters should be clearly defined in the escrow instructions in order to avoid possible delays and misunderstandings.

Perhaps a deal is contingent upon securing a new loan; this often holds up the escrow for several days. Only when the loan is con-

firmed can the escrow proceed, unless the escrow holder has prior instructions from all parties to proceed regardless.

If there are any matters upon which the escrow is conditioned, they should be clearly understood and defined for the sake of avoiding delays and misunderstandings in the future. The escrow holder should be given clear and concise information in order to enable him to render satisfactory service.

At times, the escrow holder may appear overly particular; this is not actually the case. It is for the protection of all parties. He is endeavoring to avoid future problems

that might further delay the escrow.

When an escrow is handled by mail, the parties receiving the documents should be careful to sign all papers correctly and secure a Notary's signature where required. Failure to complete documents promptly and accurately can cause extended delays.

It is impossible to cover all phases and facets of escrow transactions in a limited space. If a buyer or seller always deals only with professionals, though, he can be sure of qualified protection, and will have any of his questions answered and dealt with, accordingly.

COPIES OF ALTA STATEMENT TO ABA BOARD OF GOVERNORS NOW AVAILABLE

Last October, Thomas S. Jackson, the attorney for the American Land Title Association, submitted to the American Bar Association Board of Governors a seventeen-page "Statement in Opposition to Action by the Board of Governors to Sponsor a National Title Insurance Company." A number of members of the ALTA have requested copies of this statement. Accordingly, the statement has been reprinted and copies are now available from ALTA headquarters for \$1.00 plus postage.

THE CURRENT PRESSURES ON INTERNAL CREDIT



By John J. Lyman, Vice President
Security Title Insurance Company
Los Angeles, California

The forces and pressures activated by William McChesney Martin and the Board of Governors of the Federal Reserve Board with the intent of slowing down an inflationary and overheated economy, continues to affect both the availability and cost of money. Starting in January of 1966, the Federal Reserve Board invoked a continued series of increases in both the commercial bank reserve requirements and in the interest rate for banks rediscounting their paper. As was expected, these changes had the immediate effect of tightening up money and materially increasing its cost at the basic source of our internal credit structure. This particular type of pressure is not a panacea, but is basically a palliative.

To make controls work effectively in our credit structure, it is generally conceded by economists that a tripod of changes must be

effected to support a sound and strong new basis of controls. One leg of this tripod is the controls already mentioned and in effect. The second leg consists of an increase in income taxes, both corporate and personal, designed to drain off the surplus money flows within the economy, and direct that area of spending to, hopefully, make constructive changes in our social and physical problem areas. The third, and equally vital supporting leg for the long range success of these pressures, is a genuine sustained attempt on the part of all governmental bodies—Federal, State and Municipal—at all levels, to drastically reduce expenditures and manpower in order to achieve and hold to a balanced budget for all governmental agencies based solely on the projections for the current fiscal year.

Because of political and ideological pressures, neither of the last two legs have been created, and the resultant chaotic condition of the cost of money is because we have let all of the load for corrective discipline fall on the one existing leg of monetary credit controls. This, in turn, has resulted in the traumatic credit “crunch” occur-

ring in August of 1966 and continuing with little relief through most of 1967.

With only one control applied so far, it is increasingly difficult for trained economists to project the future trend as to supply and costs, either short or long-range; however, the following changes are definitely noted in the existing sources of mortgage credit as these changes do and will affect real estate, real estate brokers, developers and builders. The commercial banks have, and quite properly so, oriented the thrust of their current lending program to short term credits. The tremendous promotion and growth of bank credit cards, the advertising programs aimed at securing automobile paper, and other similar programs instituted by many of the California commercial banks, indicate their intention to devote the bulk of their new investments to short term operations in order to permit them to operate more profitably with the interest changes. There have been spasmodic purchases of blocks of FHA and VA, and a continued interest in interim financing; but the long term construction financing has still been left for ultimate portfolio holding to the savings and loans, life insurance and mutual savings bank investors. The resulting slowdown of housing starts due to the increased cost and scarcity of mortgage credit, coupled with the peaking out of a two or three year period of overbuilding in many areas, resulting in a supply that far exceeded the demand, continues to haunt both the demographers and the land planners.

While immigration continues at a somewhat decelerated rate from the early 1960's, it is the consensus

of all students of population trends and building patterns that we are currently underbuilding our market and demand to the point that if the current rate continues we will be in a position of acute shortage of sufficient housing units by 1970. The savings and loans, recovering rapidly from the pressures of withdrawal by many major depositors for more attractive yields in other fields, have apparently leveled off and some are even making slight gains of deposits over withdrawals, or, at worst, holding their own. They are back in the mortgage market but are approaching new housing and subdivision building with an understandably high degree of caution. Except for possible resale, savings and loan have little or no interest in creating insured loans because the fixed legal yield does not permit them to compete successfully over the long holding periods. As a result, their current demands are in the areas of conventional single family homes with a scattering of apartments and an occasional commercial project.

Successful builders are re-evaluating their sources of credit and are going ahead in those areas where they can establish a definite market, and with a construction and development cost that they can support until the completion of the project.

FHA continues to be trapped in a legally fixed interest rate competing with a free market. Discounts on both FHA and VA loans range anywhere from six to nine points to bring their fixed yield in line competitively with other types of investment operating in a free market.

The insurance companies, in their current lending and investment

programs, appear to have retreated entirely from the conventional single family house loan market. The great bulk of their drive in mortgage investment is toward large multi-family units and the larger commercial and industrial developments. They quite frankly state that they are looking for yields of 7% or better in most of these areas, and that they want the project or development to be backed by strong, acceptable credits and valid leases. In addition to this, this source of mortgage investment funds is now seeking to develop, in addition to the higher yields, some form of built-in inflation protection. In many cases this may take the form of a percentage participation in the actual project or stock ownership or overage percentage, coupled with strong clauses in the note precluding any early prepayment or refinancing of the transaction. These participations may also take the form of an overriding percentage in the income stream, stock ownership in a corporate holding company, or even an outright investment on the lender's part in a specific portion of the equity above the loan. Developers of these types of properties are becoming quickly educated to this much more sophisticated approach to increase the lender's mortgage yields than has been the lender's policy over the previous twenty years of investment.

What of the future? The continued pressure of the foreign holders of our dollars, who are now demanding gold instead of U.S. dollars, the unresolved and untenable situation in which we find ourselves in Viet Nam, plus the continued and repetitive deficit budget spending at all levels of government,

pose the three greatest threats to a return to a stable and valid monetary pattern for the future.

It would appear to this writer that our first obligation, credit wise, is to put our internal fiscal house in order. We must be prepared to pay the piper for creating and augmenting the almost unexplainable situation of having operated on a continued and rising national deficit over the past twenty years or more, which will probably be recorded as one of the largest and longest sustained eras of economic prosperity in the history of modern man. We must recapture a sound basis of fiscal spending in that we must accept the precept that we cannot spend for social betterment more monies than we have coming in. This is a luxury our world or internal financial reputation can no longer afford in the eyes of our creditors. Hopefully, a solution of the Viet Nam action, a sound and realistic approach to our governmental fiscal budgeting, and a current approach to our housing unit requirements based upon capitalizing on some of the overbuilding mistakes we made in the early part of this decade, could result in an almost miraculous recovery resulting again in a surplus of lendable funds. As soon as this surplus builds up, money costs and money availability will both begin to ease and again we would have the mortgage investors competing for loans and using as some of the tools the cost of money and equity to value amounts to secure the business.

We still have one of the most vibrant and vital economies the world has ever known. All we have to do now is to give it a chance to survive.

NAMES IN THE NEWS

James J. Egan, Jr., has been named Vice President and Manager of Chelsea Title and Guaranty Company's Lawyers - Clinton Division located at 15 Market Street, Newark, New Jersey.



* * *

Inter-County Title Guaranty and Mortgage Company, New York City, announced recently a realignment of its top management. **Thomas H. Quinn**, President, becomes Chairman of the Board and Chief Executive Officer, and **Herbert J. Smith**, Executive Vice President, succeeds Mr. Quinn as President.



QUINN



SMITH

John W. Finger remains as Chairman of the Executive Committee, **Gustave S. Klestinec**, a

Vice President, retains his post as Treasurer, and **John A. Albert**, another Vice President, remains as Inter-County Secretary. **Frank J. Kroemer** recently joined Inter-County's management team as Vice President and Controller.

* * *

David T. Griffith, Jr., Vice President of Pioneer National Title Insurance Company, Los Angeles, has been transferred to the New York office of the Title Guarantee Company. Mr. Griffith will report directly to **Herman Berniker**, President of that company.



GRIFFITH

Edward R. Tinsley of the Washington Title Division office of Pioneer National Title Insurance Company in Seattle, has been selected to succeed Griffith as an Administrative Assistant to the President of PNTI. Tinsley will make his headquarters at the Los Angeles home office.



TINSLEY

Morris L. Strauch, Attorney and Assistant Secretary-Treasurer of Commerce Title Guaranty Company, Memphis, Tennessee, for the past several years, has been elected Secretary - Treasurer and a Director of the Company.



Strauch

Mrs. Rosemary Horton, with Commerce Title Guaranty Company since 1946, has been elected Assistant Secretary-Treasurer.



Horton

* * *

M. R. McRae, Executive Secretary - Treasurer of the Florida Land Title Association, retired March 30th after nearly 15 years service as an officer of the Association. **Mr. Peter Guarisco**, Attorney, of Tallahassee has been appointed to fill the office of Executive Secretary-Treasurer.



McRae

Mr. McRae was employed by the former Abstract Company of Sarasota and retired from that company in 1961, assuming the full time duties of Executive Secretary for the FLTA until his retirement in March.

At the recent FLTA mid-year meeting in Orlando, Mr. McRae and his wife, Edna were presented

with a resolution of appreciation and a color television set.

* * *

Plans for a quarter of a million dollar expansion and modernization project for its Milwaukee office at 734 North 4th Street have been announced by the Chicago Title Insurance Company, Title Guaranty Company of Wisconsin Division.

The building program, which has been started, will involve renovation of both the exterior and interior of the downtown building, according to **Harold A. Lenicheck**, divisional President of Chicago Title.



Place

Fred R. Place, Chairman Emeritus of the Ohio Title Corporation, Cleveland, was recently awarded Honorary Life Membership in the Columbus Board of Realtors. The presentation was made in the form of a resolution by the Board, along with a gold life membership card.



Carlin

Miss May B. Carlin, Chief Conveyancer for West Jersey Title and Guaranty Company, Camden, New Jersey, retired April 26, 1968, after over 62 years of continuous service to the company. President Frank J. McDonough, in presenting Miss Carlin with a check from the company, commented that "she has spent more time in the title insurance field than any other living person."



PATTI



CRONIN



MUTTART

James G. Schmidt, President of Commonwealth Land Title Insurance Company, has announced the following promotions: **Joseph J. Patti, Jr.**, to Assistant Vice President and Title Officer; **Charles I. Cronin, Jr.**, to Title Officer; **William L. Muttart, Jr.**, and **John P. Rapp** to Assistant Title Officer.

Mr. Patti is responsible for the management of the Camden, New Jersey, Branch Office. He joined the company in 1950 and has a broad experience in title plant and settlement work. Patti is well-known in the area as a member of the Boards of Realtors of Camden, Gloucester and Burlington Counties, and the Home Builders League of South Jersey.

Mr. Cronin is the manager of the branch office in Glenside, Pennsylvania. He began his employment with the company in August 1946, immediately following his discharge from military service. Cronin is a charter member of the Rotary Club of Glenside.

Mr. Muttart is a graduate of Penn State University and the Villanova Law School. He joined the company in October, 1965, and

is assigned to the legal department at the main office. Muttart is a member of the Philadelphia and Pennsylvania Bar.

Mr. Rapp joined the company in October, 1967, and is assigned to the title examination department at the Media plant. He is a graduate of Ursinus College. He received a B.S. Degree and his law degree from Temple University Law School. Rapp is a member of the Philadelphia, Pennsylvania and the American Bar Associations.

RAPP





MEETING TIMETABLE



June 7-8, 1968

South Dakota Land Title Association
Hickory House, Huron

June 19-20-21, 1968

Illinois Land Title Association
Bel Air East Hotel
St. Louis, Missouri

June 26-27-28-29, 1968

Michigan Land Title Association
Boyne Highlands, Harbor Springs

June 27-28-29, 1968

Land Title Association of Colorado
Wort Hotel
Jackson, Wyoming

June 27-28, 1968

New Jersey Land Title Association
Seaview Country Club, Absecon

June 27-28-29, 1968

Wyoming Land Title Association
Wort Hotel, Jackson

July 14-15-16-17, 1968

New York State Land Title Association
The Greenbrier
White Sulphur Springs, West Virginia

August 15-16-17, 1968

Montana Land Title Association
Jorgenson Holiday Inn, Helena

August 22-23-24, 1968

Minnesota Land Title Association
Germain Hotel, St. Cloud

September 12-13-14, 1968

New Mexico Land Title Association
Holiday Inn, Gallup

September 12-13-14, 1968

North Dakota Title Association
Holiday Inn, Bismarck

September 13-14, 1968

Kansas Land Title Association
Salina Hilton Inn, Salina

September 13-14-15, 1968

Missouri Land Title Association
Colony Motor Hotel
Clayton, Missouri

September 29-30-October 1-2, 1968

ANNUAL CONVENTION
American Land Title Association
Hilton-Portland Hotel
Portland, Oregon

October 2, 1968

Oregon Land Title Association
Hilton-Portland Hotel
Portland, Oregon

October 24-25, 1968

Dixie Land Title Association
Parliament House
Birmingham, Alabama

October 24-25-26, 1968

Ohio Title Association
Commodore Perry Hotel, Toledo

October 24-25-26, 1968

Florida Land Title Association
Hollywood

October 24-25-26, 1968

Wisconsin Title Association
Pfister Hotel, Milwaukee

October 24-25-26, 1968

Nebraska Land Title Association
Holiday Inn of Kearney
Kearney, Nebraska

October 27-28-29, 1968

Indiana Land Title Association
Stouffers Inn, Indianapolis

November 1-2, 1968

Arizona Land Title Association
Valley Ho Hotel, Scottsdale

American Land Title Association

