

Title News

the official publication of the American Land Title Association

DO NOT REMOVE



*Titlemen Honor
Congressman
Don Fuqua*

October, 1970



President's Message

OCTOBER, 1970

It has been somewhat of a chore to think up bright things to say on this page, at least one month in advance. This has been especially true during this past unpredictable year. But now that we come down to the wire for our Annual Convention, I must confess I will miss some of these privileges I have had. The most exciting part of the past four years has been the chance to meet and know literally hundreds and hundreds of Title People. Yes, the capitals were intentional. For truly, you are a special breed. There is no other Association than ALTA whose members compete so fiercely among themselves and maintain such a high level of integrity and deliver such excellent service to the public, some of whom will never know how well we serve them.

Hopefully we are now well into the "bottoming out" process and can look forward to a period of some profit, but the squeeze will be with some of us for a time yet.

But enough of the nostalgia and the pseudo-predictions. We have just put the finishing touches on a memorable ALTA Annual Convention. Dr. Peale, Eugene Gullledge from HUD, Oakley Hunter of FNMA, Robert Pease of MBA, Leon H. Keyserling the economist, H. Jackson Pontius of NAREB—what a guest speaker line-up! Small wonder I said to the fellow who wrote that he was "putting a few new shingles on his office roof while waiting for some one to bring in an abstract order":

"Put a second mortgage on the office or the old homestead and come to the Convention in New York. You will never regret it."

Our Convention committee has proved conclusively to us that New York has so much to offer—so many things you may never have a chance to see and do again.

Sincerely,

Thomas J. Holstein

TELETITLE COMPUTER SERVICE

WILL BE DEMONSTRATED AT

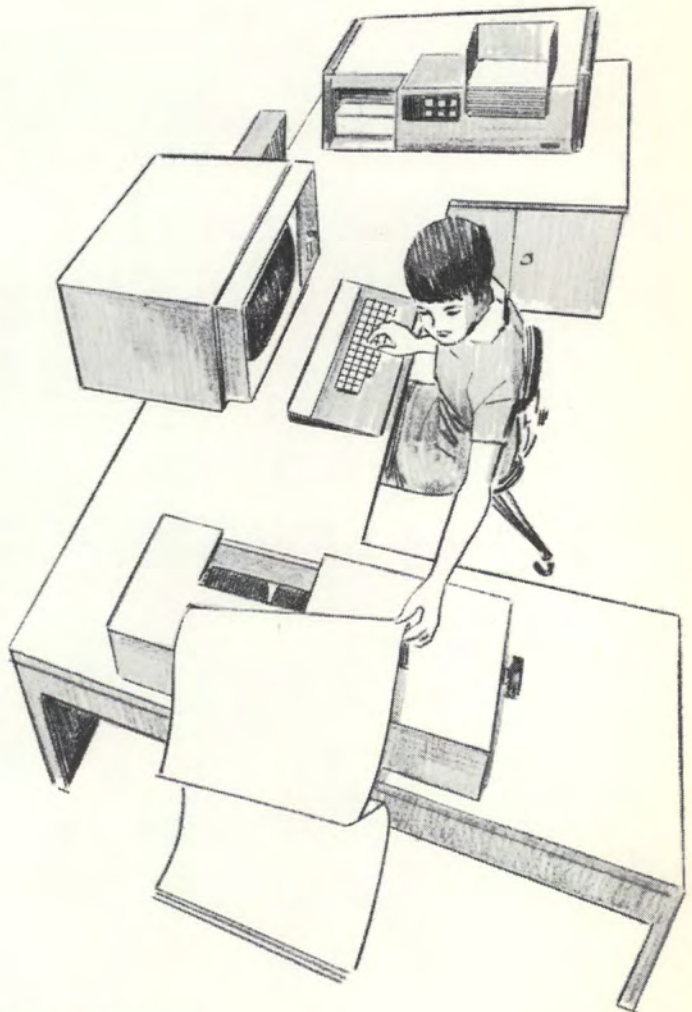
1970 ALTA CONVENTION

Initially, TELETITLE will provide a title plant search and daily update capability. Using terminals which will communicate with a computer facility, you can search your title plant and receive G.I. name chains and property title chains within seconds after your request is submitted.

Other capabilities to be offered by the TELETITLE service are: tax and assessment search, policy preparation, escrow and title company accounting, billing, and a variety of valuable management and customer service reports.

The TELETITLE service will be leased nationally to title companies. It will be flexible and can be tailored to meet your special operational requirements. Also, you need not commit yourself to subscribe to the TELETITLE service until you see it operate.

*For additional information, please contact
Stanton H. Wong, President*



HW SYSTEMS, Inc.

525 South Virgil Avenue
Los Angeles, Calif. 90005
Telephone: (213) 380-1196

HW Systems, Inc. is an independent computer system development company which specializes in providing management consulting and cost effective computer services to the land title industry.



Take Good Care of Your Chiefs and Indians

Employee insurance for your chiefs and Indians can be effectively scaled with versatile ALTA Group coverage.

Consider a recent expansion in the program's life insurance. Beginning in 1970, coverage

is available from \$4,000 up to \$40,000—to match the wampum levels of chiefs and Indians. Well-designed health insurance also can be tailored into an ALTA plan, to better protect your tribe against ris-

ing medical costs. The entire program offers insurance at low group rates.

Write us today for details about ALTA Group Insurance. It's good medicine.

ALTA Group Insurance Trust

1725 Eye Street, N.W.

Washington, D. C. 20006

Title News

the official publication of the American Land Title Association

Association Officers

President

Thomas J. Holstein
LaCrosse County Title Company
LaCrosse, Wisconsin

Vice President

Alvin W. Long
Chicago Title and Trust Company
Chicago, Illinois

Chairman, Finance Committee

Hale Warn
Title Insurance and Trust Company
Los Angeles, California

Treasurer

James G. Schmidt
Commonwealth Land Title
Insurance Company
Philadelphia, Pennsylvania

Chairman, Abstracters and Title Insurance Agents Section

John W. Warren
Albright Title and Trust Company
Newkirk, Oklahoma

Chairman, Title Insurance and Underwriters Section

James O. Hickman
Transamerica Title Insurance Company
Denver, Colorado

Association Staff

Executive Vice President

William J. McAuliffe, Jr.

Secretary

Michael B. Goodin

Director of Public Relations

Gary L. Garrity

Business Manager

David R. McLaughlin

Association General Counsel

Thomas S. Jackson
Jackson, Gray & Laskey
1828 L Street, N.W.
Washington, D.C. 20036

Features

'Operation Grassroots' Progresses 4

ALTA Research Indicates Firming
Trend in Underwriting Business 7

Settlement Cost Concerns Outlined
For Bankers in ALTA Article 8

Departments

President's Message Inside Front Cover

State Association Corner

Montana 9

New York 9

Ohio 10

Names in the News 11

Meeting Timetable 16

ON THE COVER: Congressman Don Fuqua of Florida (center) was the recipient of a special Award of Recognition September 26 at the Awards Dinner of the District of Columbia & Metropolitan Area Land Title Association in Washington. The award of the D.C. Association cited his "leadership as a member of the House Committee on the District of Columbia" in initiating legislation "to eliminate vexing and costly individual steps for removing clouds and defects in titles to land in the District." Also pictured are ALTA Executive Vice President William J. McAuliffe, Jr. (left), who presented the award, and Hubert A. Mitchell, D.C. Association president. It was the first award made under the ALTA award program for regional and state land title associations.

VOLUME 49, NUMBER 10, 1970

TITLE NEWS is published by American Land Title Association,
1828 L Street, N.W., Washington, D.C., 20036; (phone) 202-296-3671

GARY L. GARRITY, Editor

'Operation Grassroots' Progresses

A strong need for liaison with the federal government. Continuing emphasis on improvement of public understanding of land title industry services. Concentration on discussion of practical solutions to common problems, federal matters, and automation at ALTA national meetings. A growing influence of the title insurance method in the land title business. More concern with operational efficiency and better promotion techniques.

After completion of four ALTA staff regional visits to member abstracters and agents in 13 states, these observations stand out among those emerging in the Association's "Operation Grassroots". All the staff visits were made either by Michael B. Goodin or by this writer.

Since December, 1969, a total of 57 different title company operations have been visited in connection with the program, whose main purpose is to develop an up-to-date picture of needs and trends in the industry as viewed locally. Emphasis in the program has been placed on visiting with titlemen with whom there has been less chance to talk at ALTA national meetings. An effort was made to visit concerns in as wide an area as possible in the time available, which limited the number of visits that could be made in most locales. Findings have been reported to ALTA

officers for consideration in planning future Association activity.

Of the concerns visited, 53 are abstracter or agency operations of one kind or another. "Operation Grassroots" travel covered Florida, Texas, Oklahoma, Missouri, Kansas, North Dakota, Minnesota, Iowa, Arkansas, Colorado, Utah, Idaho, and Montana.

Titlemen at nearly all of the companies expressed approval of current ALTA liaison with the federal government and viewed this activity as important to the land title profession. Most of these members also cited the significance of the ALTA Public Relations Program now focused on improving public awareness and understanding of the land title industry and its services. Also mentioned by a number of members was appreciation for ALTA bulletins and *Title News*, liaison with other associations in the real estate industry, and regional seminars conducted by the Association Abstracters and Title Insurance Agents Section.

When asked what kind of subject matter would most interest them at ALTA national meetings, members frequently asked for practical group discussion of problems common to abstracters and agents. Automation and equipment also were repeatedly mentioned, as were presentations on federal matters of concern to abstracters and agents. Other subjects

listed include personnel topics such as salaries, benefits, recruiting, and training; trends in title insurance coverage; discussion of specific abstracter and underwriter losses; escrows; and agency problems.

A mixed outlook emerged when abstracters and agents were asked to predict their local 1970 business volume in comparison with 1969. In Florida, 10 predicted increases averaging 16 per cent; two anticipated decreases averaging 10 per cent; and one foresaw little change. In Texas, Oklahoma, Missouri, and Kansas, four predicted increases averaging 13 per cent; nine anticipated decreases averaging 15 per cent; and one foresaw little change. In North Dakota, Minnesota, Iowa, and Arkansas, three predicted increases averaging 7 per cent; seven anticipated decreases averaging 15 per cent; and three foresaw little change. In Colorado, Utah, Idaho, and Montana, six predicted increases averaging 10 per cent; two anticipated decreases averaging 37 per cent; and five foresaw little change.

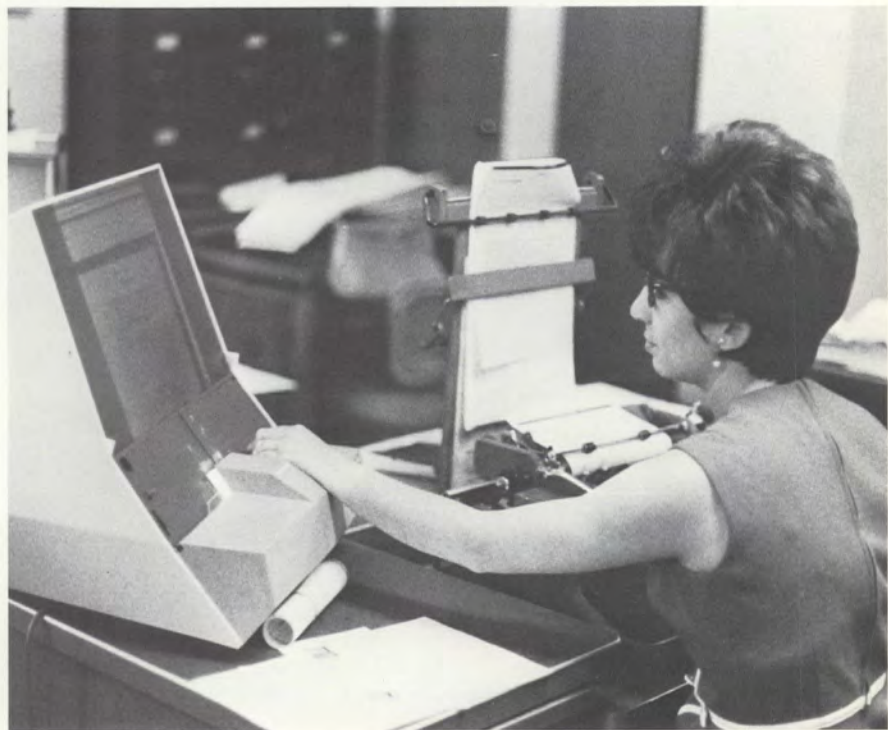
Most of the companies reported their 1969 operating expenses up in comparison with the preceding year. In Florida, 13 noted increases averaging 14 per cent. In Texas, Oklahoma, Missouri, and Kansas, eight noted increases averaging 7 per cent and two listed decreases averaging 6 per cent. In North Dakota, Minne-

sota, Iowa, and Arkansas, 12 noted increases averaging 10 per cent and one listed a decrease but did not specify the amount. In Colorado, Utah, Idaho, and Montana, seven noted increases averaging 11 per cent, three listed decreases averaging 20 per cent (primarily from not replacing personnel who left for other employment), and three reported little change. Inflation was the usual cause cited for increases—including rising salaries and cost of equipment and supplies.

Correspondingly, a total of 24 companies in the 13 states reported making an increase in their abstracting service charges since 1968. A typical increase ranged in the neighborhood of 15 per cent when taken as an average.

A number of concerns, particularly in smaller communities, reported that they engage in business diversification to keep income at an acceptable level. Among diversification activities mentioned were real estate investment, real estate appraisals, casualty insurance agency, selling copies of documents, publishing and selling real estate statistical compilations, and affiliation with local savings and loan operations.

Among personnel matters most frequently mentioned, about half of the titlemen visited said it has been necessary to accelerate salary increases in recent years to retain qualified employees. Others mentioned problems in recruiting and training new employees. Regarding employee benefits, 26 companies reported offering health or life insurance, 22 have profit sharing or bonus plans, 10 provide pension plans, four offer work interruption insurance, two provide stock



Plant and equipment improvements encountered on a recent ALTA "Operation Grassroots" staff visit to western states include an electrical file storage unit in fire-proof vault at the Transamerica Title Insurance Company branch in Fort Collins, Colo. (above); and a 100 per cent microfilm plant serving three counties from the office of Helena Abstract & Title Co., Helena, Mont.

option plans, and one offers a mutual fund plan. In some instances, employee benefits are made possible through larger parent companies.

When asked about important changes they foresee in abstracting for the future, 36 titlemen said there will be a growing influence of the title insurance method in title company operations. More automation was mentioned by 18 members and more use of copy equipment by 16. Also cited were growing use of joint facilities and multi-county operations from a single office, and a trend in

certain areas toward state laws placing a time limit on land title evidence requirements.

Improvements in plant, equipment, and systems include recent addition of new microfilm or copy equipment by 27 concerns; file system improvements in nine offices; and addition of electronic automated equipment in eight locales. Among notable improvements encountered in the visits are a computerized takeoff service jointly owned by eight title companies; computer printout updating of title plant records; placing general index on elec-

tronic data processing cards; visible color tabs coded by type of entry for name index; placing general index on Soundex file in a small office, which has reduced information retrieval time by as much as 90 per cent; organizing one office to serve three counties; using small offset presses for printing various forms; setting up a teletype link with the courthouse; and jointly owned abstract plant and abstract storage facility.

Concerns visited reported spending an average of 7 per cent of their time and 3 per cent of their operating expense on public relations and promotion. While virtually all noted that personal contact and good service are essential in promoting business, members also reported a variety of other promotional activities. They include advertising in telephone book, newspaper, market control publications, civic or school publications, and through television and radio spots; and use of educational literature, tours and open house, giveaways, sound-slide presentation, speeches, news releases, forms printed for customers, and membership in local real estate industry and civic groups.

A number of effective promotional endeavors were reported by individual operations. Four titlemen said they found success in offering same-day service on routine title insurance policies; one of these, with automated typing equipment, often has such a policy ready by the time a customer drinks a cup of coffee at his office. One company benefited from an institutional radio spot suggesting that real estate owners bring in their abstracts for updating. Another has made customer gifts more effective by presenting them on individual customer birthdays instead of Christmas—and by sending a card to the same customers at the Yuletide season when gifts tend to accumulate. Still another has produced a television commercial adapted, with permission, from the ALTA film, "A Place Under the Sun". One titleman finds value in serving as secretary for the local Board of Realtors and multiple listing service—and in service on the city planning board. Another reports it worthwhile



Among plant and equipment improvements noted on a recent ALTA "Operation Grassroots" staff visit to western states are a 100 per cent microfilm plant system being used to update tract index at American Land Title Co., Rexburg, Idaho (top left); automated magnetic typing equipment that helps make it possible to turn out routine title insurance policies by the time a customer drinks a cup of coffee in the office of Security Abstract Company of Weld County, Colorado (top right); and a visible file general index that aids efficiency at Helena Abstract & Title Co., Helena, Mont. (below).

Continued on page 15

ALTA Research Indicates Firming Trend in Underwriting Business



*John E. Jensen
Senior Vice President
Chicago Title
And Trust Company*

(Editor's note: Author Jensen is chairman of the ALTA Research Committee.)

* * *

Statistical projections released by the ALTA Research Committee point to a firming trend in land title underwriting business in the final months of 1970. Gross revenue for the year still is expected to be below that of 1969—but by a narrower margin than predicted earlier.

A survey among 15 ALTA member underwriters representing about 63 per cent of the total underwriting volume of Association members has found 1970 first half gross revenue down 7.9 per cent from the same period last year. But income in the second half of 1970 is expected to bring gross revenue for the entire year to a point 2.9 per cent below that recorded by the same underwriters for 1969.

This somewhat improved outlook is a highlight of recently-released first half 1970 underwriter marketing statistics compiled by Michael B. Goodin of the Association staff in conjunction with the Research Committee. Nearly all underwriters in the land title industry are ALTA members.

The 2.9 per cent average dip in 1970 gross revenue is an improvement in comparison with an average 3.5 per cent percentage drop predicted for the year by the same underwriters following the first quarter of this year. Adding impact to the anticipated second half 1970 improve-

ment is a survey finding that second quarter gross revenue this year averaged 8.1 per cent below same period 1969.

Operating expense reported by participating underwriters averaged 2.8 per cent higher for the first half of 1970 than for same period last year.

After first quarter 1970, underwriters surveyed made the following percentage estimates of their gross revenue changes for the year in comparison with 1969: up 2, down 15, down 5, up 4, down 2, same both years, down 11, same both years, down 15, up 5, down 4, down 5, down 25, down 8½, down 33 1/3.

After the first two quarters 1970, the same underwriters in the same order made these percentage estimates of 1970 gross revenue changes in comparison with 1969: up 2, down 15, down 5, same both years, down 1, up 8, down 11, down 5, down 15, up 5, up 3, down 5, down 25, down 8½, down 25.

Comparing total year 1970 gross revenue projections made at the end of the first quarter with projections made for the year by the same underwriters at mid-year indicated higher anticipated revenue. Four underwriters at mid-year adjusted their projections to higher figures, two underwriters lowered their projections, and the remainder made no change in their predictions as of first quarter.

The quarterly marketing survey is a continuing project of the Research Committee.

William J. McAuliffe, Jr.
ALTA Executive Vice President

Settlement Cost Concerns Outlined For Bankers in ALTA Article

(Editor's note: This article bylined by ALTA Executive Vice President William J. McAuliffe, Jr., was submitted in response to a request from *American Banker* for publication in an American Bankers Association 1970 Convention issue, and is reprinted with the permission of that newspaper.)

* * *

By mid-1971, a relatively unheralded provision of the federal Emergency Home Finance Act of 1970 is expected to become considerably more familiar to lenders and others in the real estate industry.

Under this portion of the Act, the Secretary of Housing and Urban Development and the Administrator of Veterans Affairs are directed to prescribe standards for mortgage loan settlement costs related to housing affected by the National Housing Act and Chapter 37, United States Code. In addition, the Secretary and the Administrator are ordered to undertake a joint study of settlement costs and—by July, 1971—recommend to Congress legislative and administrative actions that should be taken to reduce these costs and standardize them for all geographic areas.

The segment of the Act calling for standardization and possible reduction of settlement costs was framed

in Congress despite a lack of adequate evidence that such charges are too high nationally in terms of service rendered. This suggests interesting times ahead for those in the real estate industry.

One of the few studies on settlement costs published by the federal government indicates that these charges are not excessive. "Loan Closing Costs on Single-Family Homes in Six Metropolitan Areas", a limited

study printed in 1965 by Housing and Home Finance Agency, examined such costs in areas including Chicago, Indianapolis, Newark, St. Louis, St. Paul, and San Antonio. In its conclusion, this study reports that settlement costs "are not, in the typical case, exorbitant" and goes on to add that a substantial majority of borrowers interviewed in connection with the study had no complaint about such costs.

An element that promises to make national consideration of settlement costs a challenge is their wide variance from place to place in accordance with local law, custom, and other conditions. Defining such costs for purposes of a nation-wide study is problematical. In the HHFA-published study mentioned previously, settlement costs were grouped into these categories: title insurance; other title-related costs; attorney fees; property survey; service charge; other lender services; recording fee; state and local taxes (other than real property taxes); all other. Differences of opinion are not uncommon regarding which settlement-related charges should be included in a study. Settlement costs may mean one thing to a researcher, and another to a home



Author McAuliffe

Continued on page 15



Montana Presidency To Don C. Smith

Don C. Smith, Abstract Guaranty Co., Billings, was elected Montana Land Title Association president at its 62nd annual convention in Billings August 13-15.

Also elected were Richard G. Mitchell, Security Abstract & Loan Co., Miles City, vice president; and Glenn F. Kenney, Helena Abstract & Title Co., Helena, secretary-treasurer.

Speakers for the convention included Gareld Krieg, attorney, Billings, "How a Title Examiner is Affected by the New Corporation Code"; Orien R. Gossett, Intermoun-

tain Planners, Inc., Billings, "Planning—Needs for Montana"; Thomas J. Holstein, LaCrosse, Wis., ALTA president, "A Report from Washington"; ALTA Single Form Policy panel discussion (Glen Cox, The Title

Insurance Co., Boise, Idaho; William Noel, Pioneer National Title Insurance Company, Seattle; Thomas Sullivan, Chicago Title Insurance Company, Denver; and Don Waddick, Title Insurance Company of Minnesota, Minneapolis, panelists).

New York State Land Title Association Elects Thomas Pearson President

The New York State Land Title Association elected Thomas Pearson 1970-71 president at its annual convention at Lake Placid July 19-22.

Pearson is executive vice president and a director of Security Title and Guaranty Company. He recently was elected chairman of the board for

District-Realty Title Insurance Corporation, Washington, D.C.

He previously has served as NYSLTA treasurer; chairman, title insurance section; and vice president, southern section. Pearson is a past president of the New York and Connecticut boards of title underwriters.



Pictured here at left is Thomas Pearson, who has been elected 1970-71 president of the New York State Land Title Association. In the other photograph, taken at the Association's 1970 Convention, are, starting

at left and reading clockwise, John P. Walsh, Mrs. Richard Kennedy, Richard Kennedy, NYSLTA Executive Vice President Edward T. Brown, ALTA Executive Vice President William J. McAuliffe, Jr., and Mrs. Brown.

New York Board Headed by Albert

John A. Albert, vice president and secretary, Inter-County Title Guaranty and Mortgage Company, has been elected 1970-71 president of the New York Board of Title Underwriters.

Alvah Rogers, Jr., vice president and chief executive officer, Chicago Title and Trust Company, was elected vice president; Seymour Fischman, president, Security Title & Guaranty Company, was elected alternate vice president; and T. Richard Kennedy, Donovan, Donovan, Maloof and Walsh, was elected secretary-treasurer.

Titlemen, Attorneys Attend Ohio Seminar

An attendance of approximately 175 recently was reported for the Ohio Land Title Association fifth annual seminar for title examiners and practicing attorneys in Columbus.

Joseph Dzurilla, OLTA president, said speakers included the following:

Sherman Hollander, Ohio Title Corporation, Cleveland, "Service by Registered and Certified Mail—The Long-Arm Statute"; James C. Klusemeyer, Title Insurance Company of Minnesota, Cincinnati, "Streets:

Dedication and Vacation"; Malcolm B. Romey, attorney, Toledo, "Construction and Open-End Mortgages"; Dwight Shipley, Lawyers Title Insurance Corporation, Columbus, "Mortgages: Foreclosure in State and Federal Courts"; Robley J. Simpson, Land Title Guarantee and Trust Company, Cleveland, "Interests in Land"; Robert T. Williams, Ohio Title, Cleveland, "Sales in Probate Court: Land Sales and Sales Under Power in Will".

USLIFE Acquisition Of Dallas Title Set

USLIFE Corporation (New York, Midwest and Pacific Stock Exchanges) has reached agreement in principle to acquire Dallas Title and Guaranty Company, land title underwriter located in Dallas, Texas.

The announcement of the acquisition was made in New York by Gordon E. Crosby, Jr., chairman and president of USLIFE Corporation and Jack E. Crozier, chief executive officer of Dallas Title and Guaranty Company. The acquisition is subject to the approval of regulatory authorities.

Under terms of the proposed agreement, USLIFE would acquire 100 per cent of the issued and outstanding common shares of Dallas Title and

Guaranty in exchange for 225,000 shares of USLIFE common stock.

The exchange also would include the acquisition by USLIFE of nine wholly owned subsidiaries of Dallas Title and Guaranty Company including those in Phoenix, Albuquerque, Houston, San Antonio, Corpus Christi and Austin, and stock interests in various other title operations including Titles, Inc., of Denver.

Dallas Title and Guaranty reported net income of \$271,934 for the year ending December 31, 1969, and shareholders' equity of approximately \$5,273,727 on that date.

The acquisition, together with Inter-County Title Guaranty and Mortgage Company of New York, a wholly owned subsidiary of USLIFE, provides USLIFE Corporation with title insurance capacity in 34 states, the Bahamas and the District of Columbia.

Rosenberg Named PLTA Executive

Moses K. Rosenberg, Harrisburg, Pa., attorney, has been appointed executive vice president of the Pennsylvania Land Title Association and general manager of the Pennsylvania Title Association Rating Bureau.

He replaces Gordon M. Burlingame, Sr., also ALTA immediate past president, who died August 18.



Shown presenting talks at the Ohio Land Title Association fifth annual seminar for title examiners and practicing attorneys are, from left,

James C. Klusemeyer; Robley J. Simpson; and Dwight J. Shipley. An attendance of approximately 175 was reported at the affair.

names
 names in the news
 names
 names



LARSON

St. Paul Title Insurance Corporation has promoted **William A. Larson** to regional manager for western Missouri, Nebraska, Kansas, and Oklahoma.

* * *



ELOWSKY



PARKS

Lawyers Title Insurance Corporation has announced the promotion of **Lowell P. Elowsky** to manager of its Saginaw, Mich., branch; and **Richard A. Parks** to manager of its Crown Point, Ind., branch.

* * *

Title Insurance Company of Min-

nesota has announced the following promotions: **Don Still**, Houston, manager, Texas-New Mexico operations, to vice president; **Carl White**, Atlanta branch manager, to assistant vice president.

* * *



FALLON

Thomas J. Fallon has joined West Jersey Title and Guaranty Company, Camden, N.J., as assistant vice president.

* * *



WONG

Roland Wong has been named



CAMPBELL

manager of Pioneer National Title Insurance Company East Multnomah County (Ore.) office, replacing **Irvin A. Campbell**, who retires after more than 20 years with the company.

* * *



MILLER

Jimmy H. Miller has been named Texas state manager of Standard Title Insurance Company, Dallas.

* * *



GUNTHER

Gary W. Gunther has been appointed assistant vice president-finance for First American Title Insurance Company, Santa Ana, Calif.

Mistake an Issue In Court Decision

ALTA General Counsel Thomas S. Jackson has reported to *Title News* a case decided July 20 by the District of Columbia Court of Appeals, noting the decision as an item of interest to the land title industry. He cites the issue as: When can a title company recover back money paid out in error in a settlement—error of law vs. mistake of fact.

In the case (*Curtis vs. District-Realty Title Insurance Corporation*), a company was hired by an individual to renovate two properties in the District of Columbia. Estimated cost of the project was \$14,000 and payment was to be on a cost plus basis. A dispute later arose between company and individual when the cost rose substantially over the estimate, with the individual charging the company's bills were not properly substantiated.

At about the same time the dispute arose, the individual arranged to re-finance the two properties through a bank with settlement to be made at a title company office. Before funds held by the title company could be disbursed, it was necessary for the individual to secure releases of liens on the two properties. The individual agreed with the renovating company to pay \$3,800 in return for release of liens from the renovating company

and its subcontractors. On the back of the individual's check was the notation: "For release of liens on properties . . . balance of \$2,908.33 subject to audit." (Emphasis supplied.) When the releases were delivered to the title company a few days later, a partial distribution of the escrowed loan funds was made as directed by the individual. At settlement, the individual's accountant requested the settlement officer to "hold up" a check to the renovating company in the increased amount of \$3,522.82 for "a few days" as "the figure might change." (Two later bills sent to the individual by the renovating company increased the sum in dispute, as noted on the back of the individual's check, to this amount.)

After about six months, the renovating company inquired of the title company assistant vice president in charge of settlements concerning the withheld payment of \$3,522.82. After examining the file and discovering a "stale" check drawn to the renovating company in the amount of \$3,522.82, the assistant vice president concluded that disbursement of this check had been overlooked by the settlement clerk and had a new check drawn and gave it to the renovating company.

The individual later discovered the title company had disbursed the sum and demanded payment to him of an identical amount. After consulting with the settlement officer, who had

left the title company after the original transaction, the assistant vice president learned of the instruction given by the individual's accountant. The company later paid the individual and initiated legal action against the renovating company to recover the amount.

The District of Columbia Court of General Sessions concluded that these funds, which were being held in escrow, were paid by mistake to the renovating company; and that having later paid the same amount to the individual on demand, the title company had paid the amount twice and, consequently, was "out of its own pocket" the amount of \$3,522.82. Judgment was entered for the title company on the ground the funds were disbursed due to mistake and the renovating company appealed.

The District of Columbia Court of Appeals affirmed judgment, holding that the assistant vice president in releasing the check was unaware of the existence of a dispute and that the case involves a mistake of fact—and in no sense a mistake of law as the renovating company contends.

Inter-County Search Aids Restoration

Initial searching by Inter-County Title Guaranty and Mortgage Company has authenticated that the site of a \$10 million hotel/office complex



Members of the ALTA Standard Title Insurance Accounting Committee and the Council of Executive Accountants met in Bal Harbour, Fla., in August to discuss National Association of Insurance Commissioners Form No. 9, possible changes therein, and other matters. Beginning at right at the table farthest from camera and reading clockwise are

William J. McAuliffe, Jr.; Joseph J. Hurley; Carlyle G. Schumann; Richard A. Krause; Joseph Verba; J. M. Dodson; J. K. Higdon; Edward L. Bowen; Richard S. Norseth; H. H. Lumley; Leroy F. King; Harold T. Johnson; H. James Sheetz; Romey L. Hall; Hans Roderich; Richard E. Fox; Ervin W. Beal.

in Hempstead, L.I., N.Y., includes a home formerly occupied by Peter Cooper, renowned 19th century inventor credited with designing and building the first steam locomotive in America.

According to Inter-County, there was initial doubt that the Cooper house actually was located on one of the 26 parcels forming the construction site until company searchers located the original deed—which was not part of county records but was found in the Cooper Union Library.

As a result of the verification, Nassau County now is interested in the structure for its Old Bethpage Village Restoration, a project of the County Historical Museum.

Aside from designing and building *Tom Thumb*, the first steam engine—which was the size of a modern hand-car—Cooper is credited with pioneering with the Bessemer steel process in America; building the largest blast furnace in the country during that century; assisting in laying the first Atlantic cable; and establishing Cooper Union, a free institution of higher learning devoted to art and science. He was honored by Britain for his contributions to the steel industry in 1879, and was the presidential candidate of the Greenback Party in 1876.

Because of the historical significance to the Old Bethpage Village, the Cooper House has been moved approximately 12 miles to a Restoration area and hotel foundations now are on its former site.

The hotel/office complex is part of a 69.4 acre urban renewal project that also will include a 250,000-square-foot shopping center. It will be further developed to include three apartment buildings.

Arizona Title Makes Residential Study

A report on the first residential sales survey of the east Maricopa County (Ariz.) area, containing factual information about single-family and town house subdivisions, has been released by Arizona Title Insurance

and Trust Company, with principal offices in Phoenix.

Included in the study are 20 developments in the Mesa, Tempe, Scottsdale and East Phoenix sections. The samplings represent over 50 per cent of the major activity in this marketing area, according to William G. Was, Arizona Title president.

The findings disclose that, among 15 single-family subdivisions, less than 5 per cent of completed houses remain unsold. The total number of unsold homes under construction or in pre-construction stages amounts to some 21 per cent. Overall sales average is 2.4 houses per week.

The Arizona Title report was compiled by the marketing research department of the company's parent firm, First American Title Insurance Company, Santa Ana, California.

American Publishes Brochure in Spanish

American Title Insurance Company has produced an easy-to-read, easy-

to-understand brochure in Spanish to aid Latin Americans who are seeking to buy homes or other property in this country.

The pamphlet covers all aspects of title insurance.

"The nature and value of title insurance is obscure to many, and this may be especially true of those from other countries where the concept of land ownership is very different from the American tradition," American Title President Jay R. Schwartz said in announcing the publication. "Also, title insurance is new to those from many countries, since it is a form of insurance developed in the United States and available in few other countries."

Large Policy Issued

A \$28 million owner's policy—one of the largest ever written in the Fort Wayne, Ind., area—recently was issued by Kuhne & Company, Inc., to Joslyn Stainless Steel on a Fort Wayne factory.



Graduation ceremonies were held in the board room of The Title Guarantee Company, New York City, for those who completed the first title examiners and readers course offered by New York University. A number of title companies in the area sponsored employees who completed the course, which began in fall, 1969. Lecturers for the course included Daniel S. Chorne and Henry Fury, counsel, respectively, for Title Guarantee Company and Chicago Title Insurance Company. Shown at head table, from left, are David T. Griffith, Jr., Title Guarantee Company president; Dean D. Philipps and Professor Norman Weinberg of NYU; and Jennings Mahran, Commonwealth Land Title Insurance Company. Titlemen in the area serve on an advisory council for the course.

Mortgage Firm-S&L Business Expanding

The pace of relationship between mortgage banking firms and savings and loan associations has shifted into a higher gear, according to the Mortgage Bankers Association of America.

Last year, researchers at MBA reported that \$1.464 billion worth of mortgages, which mortgage firms originated, were sold to savings and loan associations in 1968. This compared with an estimated \$0.7 billion for the previous year. A large propor-

tion of the loans also were serviced for the S & L's by the mortgage concerns. This accelerating trend has been reaffirmed in a report recently released by the United States Savings and Loan League.

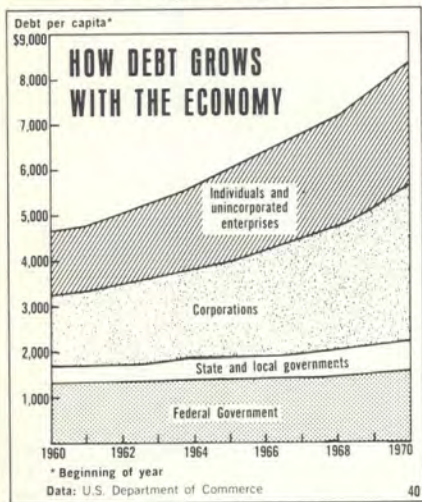
The study, prepared under the direction of Harold L. Jenkins, director of the League's Marketing Services, says that 360 S & L's purchased \$1.517 billion in mortgages from mortgage bankers during 1968 and 1969—nearly double the amount purchased from any other single industry source.

Translation Published By First American

First American Title Insurance Company has produced a second foreign language version of its title insurance brochure for persons wishing to buy property in the United States. After introducing a version in Spanish, First American then published the piece of literature in Japanese. In English, Spanish, or Japanese, it outlines basic escrow procedures and discusses title insurance coverage.

Translating the material into Japanese were two officials of the Bank of Tokyo of California, Gardena branch: Yasuo Yoshizawa, vice president and manager, and Joe N. Hashima, assistant vice president and assistant manager. Donald G. Taylor, vice president and manager of First American's Torrance branch, worked with the two men on the publication.

It's your ECONOMY



By **Carl H. Madden**, Chief Economist
Chamber of Commerce
of the United States

As our economy grows, so does the volume of debt (credit) incurred by borrowers who put these funds to various business, government and consumer uses, thereby stimulating spending, employment, and economic activity. Over the past decade this debt total almost doubled, reaching \$1.7 trillion at the start of 1970—twice our current national income. Corporations have been the heaviest borrowers, followed by individuals and noncorporate business, the Federal Government, and state and local government, in that order. On a per capita basis corporate debt stood at \$3,387; individual and noncorporate debt was \$2,716; federal debt amounted to \$1,565, and state and local government debt equalled \$648 for a grand total of \$8,316 for every man, woman and child in the country.

Schramm Relocates To Los Angeles

Richard J. Schramm, western regional vice president, Chicago Title Insurance Company, has moved his office from Chicago to the firm's Los Angeles quarters. He is in charge of the company's title operations in California, Arizona, Colorado, Hawaii, Idaho, Montana, Nevada, Utah, and Wyoming, and the Canadian provinces of Alberta, British Columbia, and Saskatchewan.

Schramm joined Chicago Title and Trust Company in 1954, was appointed assistant secretary in 1962, and assistant vice president in 1964. In 1965, he was transferred to CTI as manager of its Indianapolis office, was elected vice president in 1966, and assumed responsibility for the western region in 1969.

Smith To Address Apartment Session

Ralph C. Smith, president, Commonwealth Land Title Company, Washington, D. C., has been scheduled to address the National Association of Home Builders International Apartment Conference—planned for October 4 through 7 in Washington.

Smith has been asked to address an October 6 meeting of established builders of single family homes who now are entering the apartment construction field. His topic: "Title Insurance, The Closing, And Legal Services Involving Apartment Financing."

William Rogers, Sr., Titleman, Dies

Word has been received of the death of William C. Rogers, Sr., president of the Security Title Guarantee Corporation of Baltimore.

A graduate of the University of Maryland law school, he was active in community affairs and was the first chairman of the Maryland Human Relations Commission.

Chelsea Title Branch Into New Quarters

The Newark, N.J., branch of Lawyers-Clinton Division, The Chelsea Title and Guaranty Company, has moved into new facilities at 800 Broad Street, Newark.

Chelsea Title now maintains over 30 branch offices and agencies throughout the state.

New Market Area For Lawyers Title

Lawyers Title Insurance Corporation has qualified to do business in the U.S. Virgin Islands and has appointed Antilles Title Company in St. Thomas as its first agent.

It is reported that other Lawyers Title agency operations will be established in the future to meet the growing demand for title insurance services in the Islands.

American Title Buys St. Petersburg Agent

American Title Insurance Company has announced purchase of the title plant and other assets of its agent, Central Title Company, St. Petersburg, Fla.

The St. Petersburg concern will continue operations at the same location as American Title's Central Title Division. Robert P. Craig has been named vice president and chief executive officer of the division. R. J. Haynsworth, founder of Central Title, has been retained as a consultant.

Pontius Assumes Duties at NAREB

H. Jackson Pontius has assumed duties as executive vice president of the National Association of Real Estate Boards, succeeding Eugene P. Conser, who for the past 15 years was chief staff executive officer of the 92,000-member association.

Pontius has been in association work for more than 24 years—21 of which were spent with the California Real Estate Association. Shortly after he joined CREA, Pontius worked on a series of educational and sales conferences that later developed into a model educational program for real estate groups in other states. In 1955, he was promoted to executive vice-president and, under his direction, the

California association grew in membership, educational attainments, and public acceptance. He also worked to upgrade California licensing requirements for real estate brokers and salesmen.

Pontius has served as a member of the University of California President's Real Estate Advisory Committee; the Real Estate Commissioner's Real Estate Education and Research Advisory Committee; Governor Reagan's Building and Construction Industry Task Force; and in March, 1967, was honored as "Citizen of the Year" by the Apartment Association of Los Angeles County for outstanding work in the real estate field.

As NAREB chief staff executive, Pontius will direct activities of the association with headquarters in Chicago, but will spend part of his time in Washington, D.C. working with the NAREB public affairs operation.

'GRASSROOTS'—continued from page 6

to serve on the city council, and added he currently is a candidate for county commissioner.

In addition to requesting that the ALTA Public Relations Program be continued nationally, members visited also mentioned finding helpful assistance in the Association's *Public Relations Bulletin*; in ALTA material sent to members for local use, such as model speeches, educational literature, and ad reprints; and in professional public relations counseling by ALTA staff, as now furnished to Association members upon request.

Among national or state legislative changes mentioned as desirable by those visited are action to enable public records to be self-purging as to title evidence requirements after a specified time period; to simplify mechanic's lien laws; to reduce the amount of paperwork in title evidencing; to regulate title insurance at the state level; to allow omission of un-foreclosed mortgages prior to a certain date in compiling abstracts; to define title plant requirements; to rescind current usury limits; to standardize certification of deeds; to establish estate procedures; to revise or eliminate present federal truth-in-lending law; to place state bar fund under

authority of state insurance commissioner; to implement a National Association of Insurance Commissioners model title insurance code in states; to safeguard against undesirable settlement cost legislation or regulation by the federal government; to keep title insurance from being made transferable; and to make errors and omissions insurance mandatory at the state level and have it replace existing abstractor financial bond requirements.

Members participating in "Operation Grassroots" have made it possible for a new degree of insight to be obtained into land title industry needs and trends as defined locally by those engaged in abstracting and agency operations. The sincere appreciation of ALTA officers, members, and staff is extended to those at concerns visited for their gracious hospitality and excellent assistance.

ALTA ARTICLE—continued from page 8

buyer who tends to view them as the total amount of money he must pay (exclusive of principal and interest) to receive title to real estate.

In reviewing the current concern about settlement costs, the thought emerges that public education offers one alternative to less effective service through unwise regulation. This point seems supported by the majority of home buyers who did not consider settlement costs excessive in the HHFA study quoted earlier. Understanding, it seems, holds the key to better acceptance of settlement-related services rendered for the public good.

Recognizing that settlement costs often come as a shock to the uninformed home buyer already financially strained in a real estate purchase, American Land Title Association engages in a national public education effort to encourage becoming informed on local closing costs ahead of purchase. A basic educational tool in this work is a simplified guidebook that generally explains the nature of settlement costs and suggests that the buyer make an advance check into specific settlement charges he will need to pay in his area. Free copies of this booklet may be obtained by writing the Association at 1828 L

Street, N.W., Washington, D.C., 20036.

While considering settlement costs, it should be remembered that you usually get what you pay for. Standardization or reduction could mean inadequate services for the lender or investor. For example, abstract and title insurance companies presently offer a level of capability that makes it possible for lenders and investors to quickly determine marketability of land titles—and complete real estate transactions expeditiously. A reduction in these services, brought by a forced lowering of charges in a time of inflation, would work against public need for greater land title security and quick, orderly real estate transfers. Additional examples doubtlessly can be cited by other segments of the real estate industry.

With the exact dimension of HUD-VA settlement costs activity unknown at present, it is possible only to speculate on what considerations may be included under the Act. One possible area of endeavor that would benefit lenders and investors would be an examination of possible conflicts of interest in settlement-related services.

An example of a conflict-related problem area is found in recently-adopted regulations of the Federal

Home Loan Bank Board that permit service corporations of insured savings and loan associations to engage in abstracting and insurance agency operation (presumably including title insurance). This type of regulation would permit situations where a savings and loan association serving as lender in a transaction also could influence marketability of title through provision of title services. Such activity would deprive other parties involved of title evidencing and insuring by a disinterested organization.

Other significant conflict of interest problems could be readily defined as part of a federal study of settlement-related services and the charges for them.

If federal consideration of settlement costs is to properly serve the public interest, every effort should be made to see that it is based on thorough understanding of services concerned. Offers to cooperate from all areas of the real estate industry will enhance the opportunity for a comprehensive and valid federal study.

meeting timetable



M. Edwin Prud'homme & Associates
*Management Consultants for the
Land Title Industry*

Time & Motion Studies
Employer-Employee Programs
Public Relations Projects
Staff Training Programs
Profit Motivation Methods
Plant Appraisals & Evaluation

401 Page Building
Austin, Texas 78701
Tel.: (512) 477-1416

October 14-15-16-17, 1970
ANNUAL CONVENTION
American Land Title Association
Waldorf-Astoria Hotel
New York City, New York

October 22-23, 1970
Dixie Land Title Association
Broadwater Beach Hotel
Biloxi, Mississippi

October 22-23, 1970
Nebraska Land Title Association
Lincoln, Nebraska

October 23-24, 1970
Nevada Land Title Association
Riviera Hotel
Las Vegas, Nevada

October 25-26-27, 1970
Indiana Land Title Association
Indianapolis Hilton
Indianapolis, Indiana

November 6-7, 1970
Land Title Association of Arizona
Ramada Inn
Tucson, Arizona

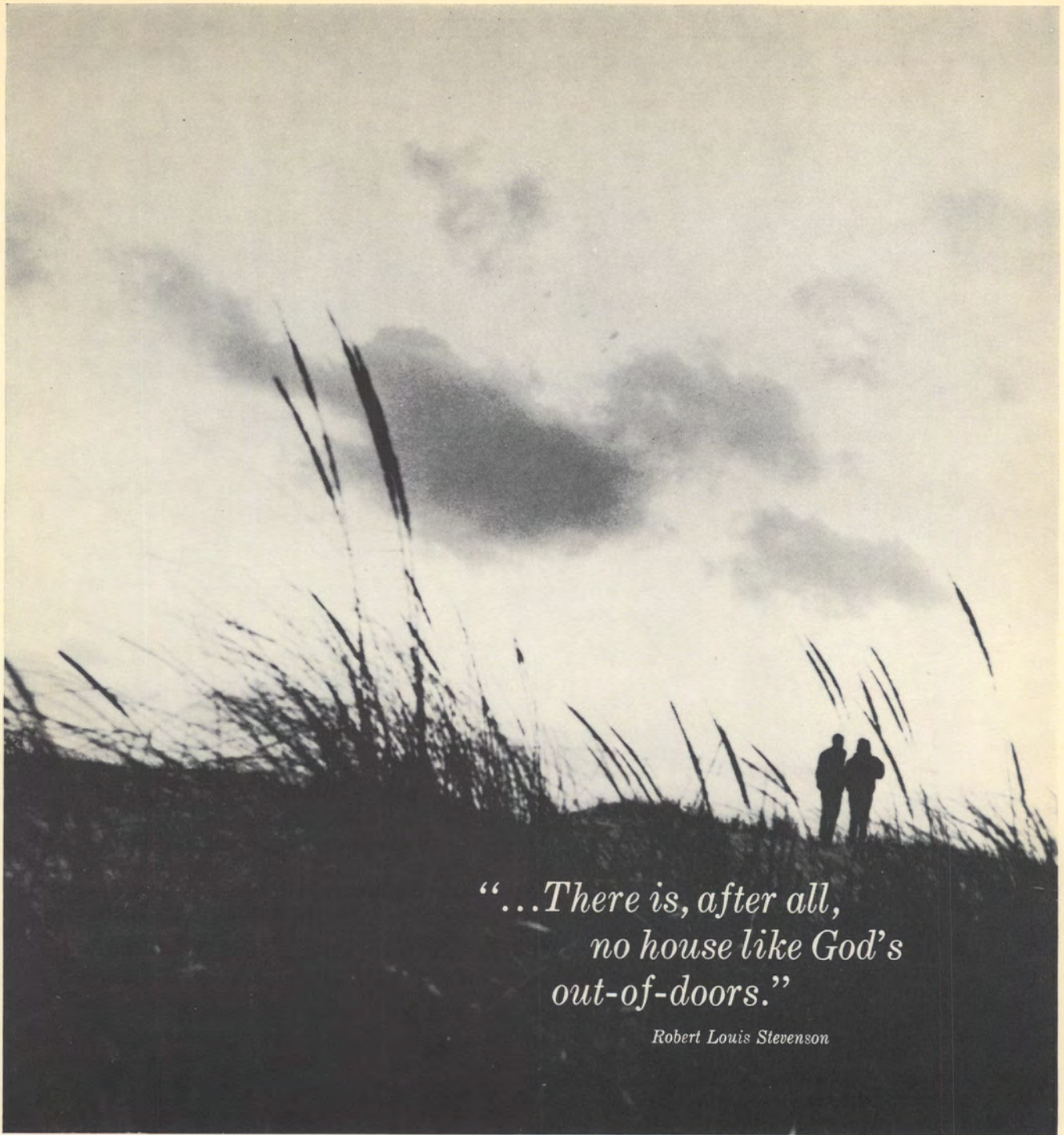
November 19-20-21, 1970
Florida Land Title Association
Robert Meyer Motor Inn
Orlando, Florida

December 2, 1970
Louisiana Land Title Association
Royal Orleans
New Orleans, Louisiana

1971
March 3-4-5, 1971
ALTA Mid-Winter Conference
San Diego, California

October 3-4-5-6, 1971
ALTA Annual Convention
Statler Hilton
Detroit, Michigan

GENUINE Engraved Stationery **FREE DIES AND PROOFS**
LETTERHEADS
\$23.00 FOR 1000
BUSINESS CARDS 1000 FOR 19.00
BUSINESS ANNOUNCEMENTS 500 FOR 37.00
RUBBER STAMPS - 90¢ PER LINE - OVER 3 1/2" \$1.40 PER LINE
NOTARY OR CORP. SEALS - HAND OR DESK \$8.95
Write for FREE PROOF TODAY
DEWBERRY ENGRAVING CO. | **WORLD'S LARGEST ENGRAVER**
3201 So. 4th AVE., BIRMINGHAM, ALA. 35222



*"...There is, after all,
no house like God's
out-of-doors."*

Robert Louis Stevenson

Land has inspired man throughout the ages. Commonwealth Land Title Insurance safeguards his right to its ownership . . . and protects his investment in it.



COMMONWEALTH LAND
Title Insurance Company

1510 Walnut Street • Philadelphia, Pa. 19102 • Phone: (215) WA 3-0400
Title Insurance since 1876 • Assets in Excess of \$30,000,000
Operating in 42 states, the District of Columbia, Puerto Rico and the Virgin Islands
through Commonwealth, its subsidiaries and agents

American Land Title Association

