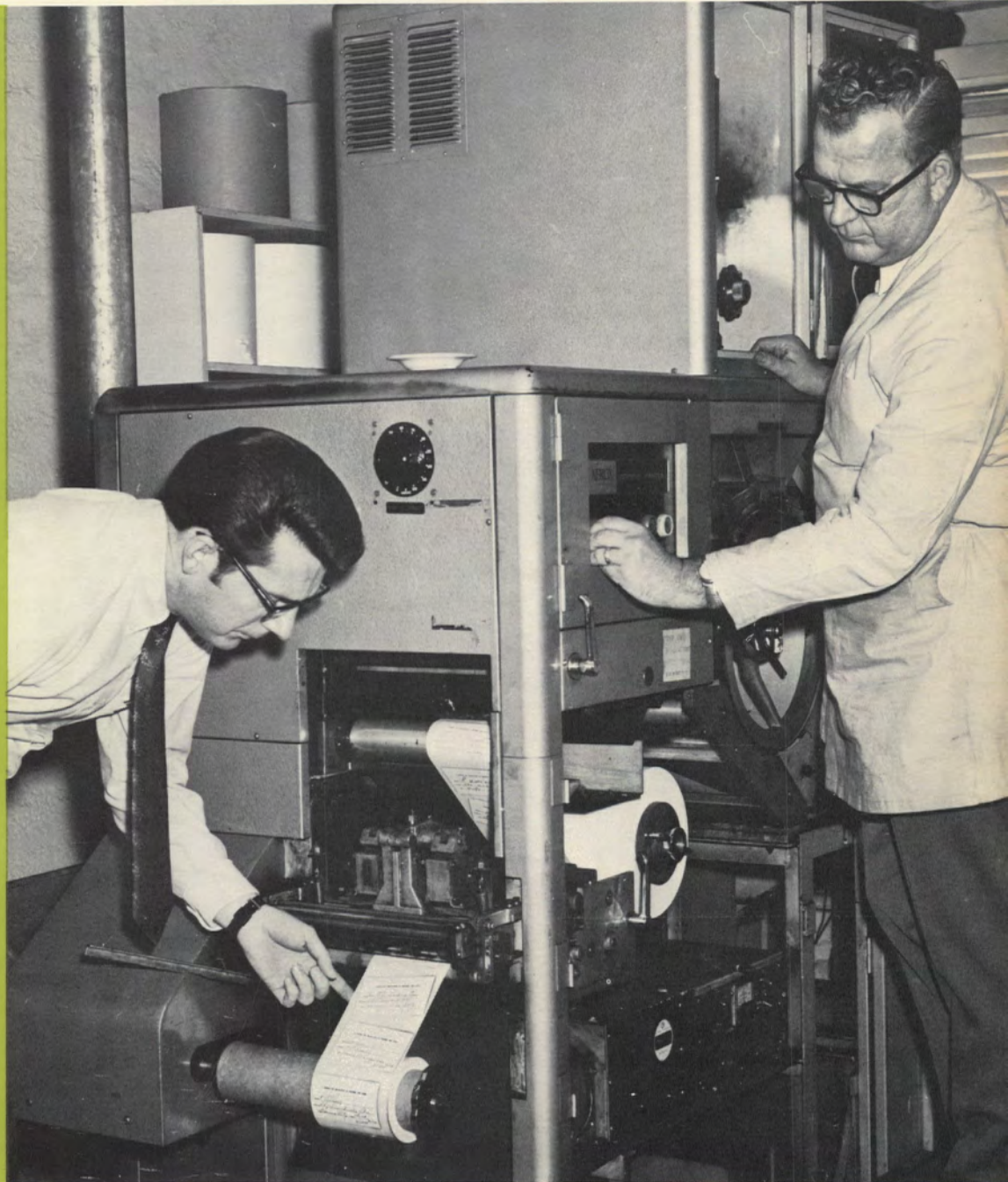


Title News

the official publication of the American Land Title Association



Profitable
Reproductions
At Mid-South

February, 1971



Executive Vice President's Message

FEBRUARY, 1971

Recent ALTA activity under the leadership of your officers and committee members has emphasized once again the increasing importance of a strong association approach to matters of national concern to the land title industry.

For example, as HUD and VA staff prepare to standardize, study, and possibly reduce closing costs in connection with federally guaranteed mortgages, the ALTA Research Committee is making its own study in this area. Accurate, unbiased land title industry information will be important here as HUD and VA report back to Congress in this matter under provisions of the Emergency Home Finance Act of 1970. Federal involvement in closing costs has possible implications for every title company regardless of size or location. Also coordinating in activity surrounding the ALTA closing costs study are the Association Executive Committee, Federal Legislative Action Committee, and Public Relations Committee.

Another item of current national concern is promotional action by the American Bar Association Special Committee on Lawyers Title Guaranty Funds to imply ABA endorsement of a national bar-related title assurance organization. ALTA Conferees of the ALTA-ABA national conference of lawyers, title insurance companies, and abstracters are working diligently to resolve this problem with ABA.

Elsewhere, more is being learned about a mutually productive relationship between lenders and title companies through the ongoing activity of the ALTA Liaison Committee with the Mortgage Bankers Association of America. Many land title underwriters are being helped by the dedicated work on ALTA policy forms by the Association Standard Title Insurance Forms Committee. And, ALTA member underwriters have been given an opportunity to submit their comments for consideration in development of forms for use by Federal National Mortgage Association in connection with Fannie Mae's participation in a secondary market for conventional mortgages.

The ALTA Directory Rules Committee is beginning an extremely important study to improve the Association's Directory. And, through the efforts of 1969-70 Association President Tom Holstein and the Committee on Improvement of Land Title Records, ALTA's position on the possibility of converting the nation to metric measurement has been made a part of the National Metric Study.

At present, the Research Committee also is occupied with separate claims studies involving abstracters and underwriters; an organizational makeup study of abstractor and agency operations; quarterly underwriter market surveys; and its annual study of underwriter NAIC Form 9 operational data. Information never before available in the land title industry is being produced by these efforts for external and internal ALTA use.

Among the most successful current ALTA activities is the work of the Public Relations Committee to improve public appreciation and understanding of the land title profession. Last year, the Committee's leadership resulted in ALTA messages on the importance of land title services being placed before an audience of millions in all 50 states—and this level of excellence is being continued in 1971. Radio, television, and publication media readily grant the ALTA messages "free" public service time or space because of concentration on a public education approach. Last year, ALTA radio spots featuring Lorne Greene of NBC Television's "Bonanza" were widely broadcast. The Association's 1971 radio spots will feature Senator John Sparkman of Alabama, chairman of the Senate Housing Subcommittee, and other celebrities to be announced soon. With the present consumer-oriented climate of national public opinion, the value of this exposure cannot be overemphasized.

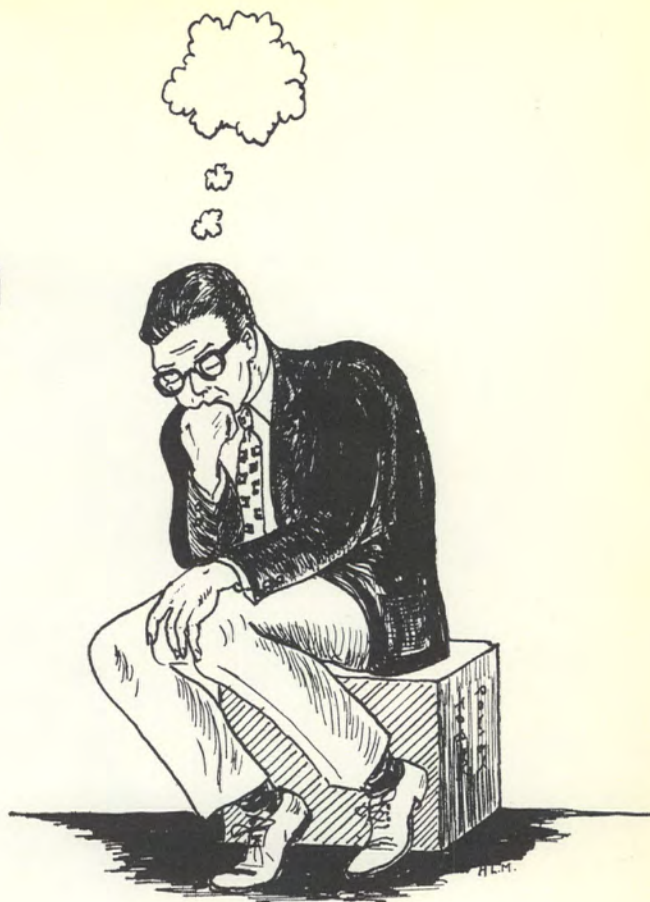
The foregoing ALTA activities, and others far too numerous to list here, dramatically illustrate that, in 1971, every title company in business has a substantial interest in national affairs. Through the exceptionally dedicated service of its officers and committee members—and through the participation and support of all Association members—ALTA with the assistance of an excellent staff will continue to provide the land title profession with the strong national organization so essential to effectively meeting the challenge of the seventies.

Sincerely yours,

William J. McAuliffe, Jr.

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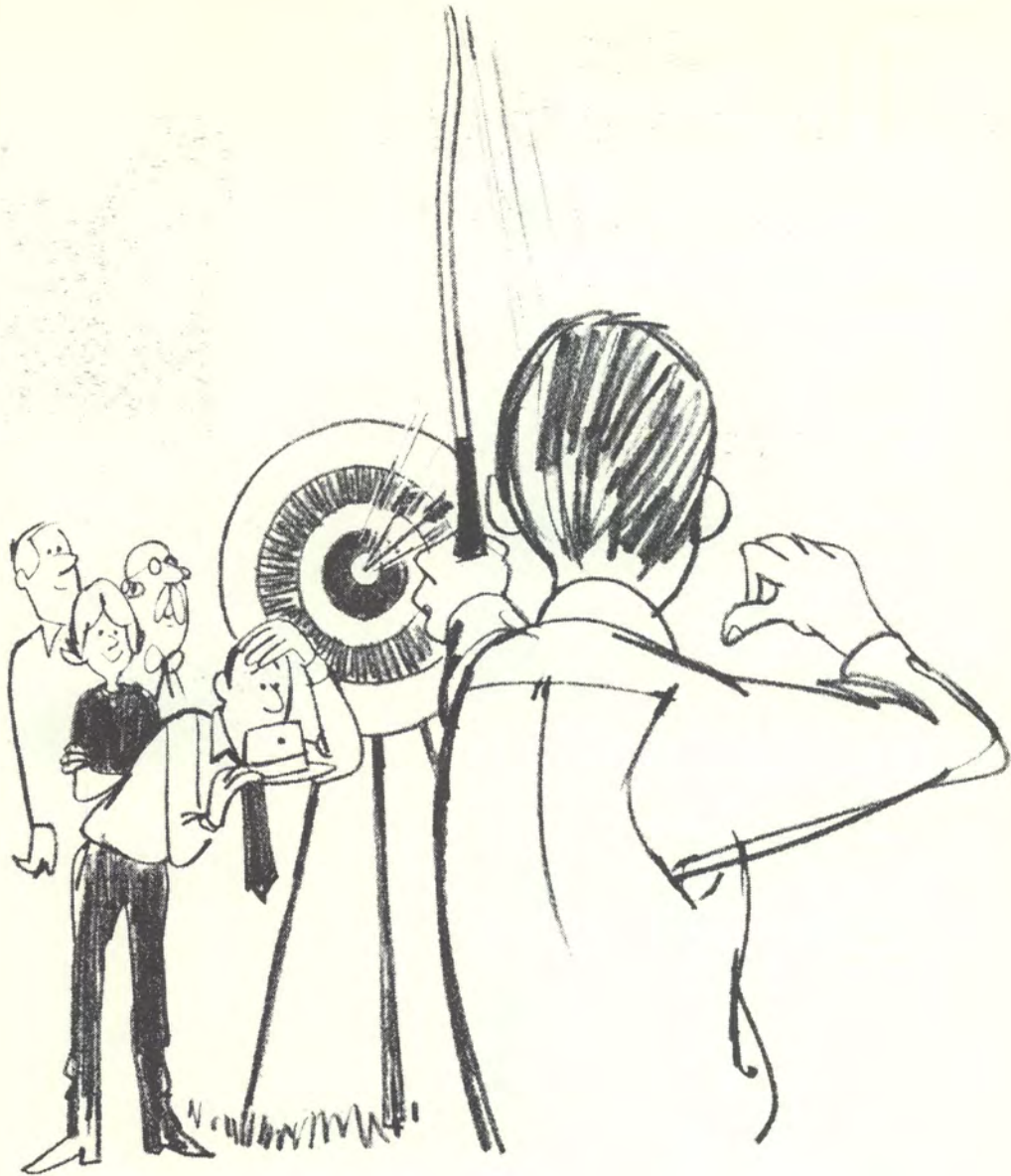
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the official publication of the American Land Title Association

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Features

The Housing Market—1971 4

Blueprint for Public Understanding 6

Reproductions Pay at Mid-South 8

Part II: ALTA Judiciary Committee Report 14

Departments

Executive Vice President's Message Inside Front Cover

State Association Corner

Wisconsin 10

Nebraska 10

Indiana 11

Names in the News 12

Meeting Timetable 16

ON THE COVER: Coley Graves, left, president of Mid-South Reproductions, profitable subsidiary of Mid-South Title Company, Memphis, checks hard copies being reproduced for a customer as Alton Smith, operator, watches. For the story on how Mid-South used its title company reproduction equipment to build a five-state diversification venture, please turn to page 8.

VOLUME 50, NUMBER 2, 1971

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, CAROLYN E. CAPPS, Assistant Editor

*Everett C. Spelman, President
Mortgage Bankers Association of America*

The Housing Market—1971

Residential construction promises to be the strongest performer in the private economy during 1971. Housing starts are expected to show an increase of about 15 per cent, bringing the year's total to 1.65 million units, but softening demand may produce overbuilding in selected local markets. When the projected activity is translated into dollar value and rising costs are added to the gain in physical volume, housing construction will post a 20 per cent gain over the dollars spent for housing in 1970. Thus, residential construction will move from about \$29.5 billion in 1970 to \$35.5 billion in 1971. Without attempting to minimize the projected \$6 billion increase, it is small when contrasted with other anticipated increases for the coming year. For example, there will be a \$12 billion rise in state and local government expenditures; \$21 billion is the forecast increase for personal consumption expenditures for services; and \$16 billion for personal expenditures on non-durable goods.

The gain in residential construction will represent less than 10 per cent of the overall gain of \$67 billion in gross national product expected in 1971, even though the percentage growth in residential construction will nearly triple the seven per cent gain in GNP.

The climb in overall economic activity to \$1,045 billion (1 trillion and 45 billion dollars) would be very satisfactory if all of this dollar increase

were the measure of activity. Unfortunately, about half of it will represent inflation, leaving an increase in physical activity of about 3.5 per cent. This is approximately the growth in labor force plus the normal gain in productivity. Consequently, the unemployment level will remain above 5.5 per cent throughout most of the year. Clearly, the readjustment and the recovery in the economy will not be completed by the end of 1971. However, progress will have been made during the year.

The Influence of Federal Policy

In the face of an overall shortfall in

economic growth during 1971, both the Administration and Congress are pushing for a fiscal policy that is far more stimulating to the economy. Government programs in housing are geared to provide a boom in production of housing units during 1971. Federal housing policymakers proclaim programs to increase the production of shelter to offset the distance we lag behind housing goals established by the 1968 Housing Act. Many devices are being used.

In the credit area, the new powers granted to the Federal National Mortgage Association will be used for acquisition of as much as \$500 million in conventional loans during 1971. The Federal Home Loan Bank System expects to continue subsidizing the interest rate charged on bank advances to savings and loan associations. The Home Loan Bank System's objective is to induce an actual increase in association borrowing from Home Loan Banks in contrast to the usual declines during other business cycles.

The recently established Federal Home Loan Mortgage Corporation (known variously as Freddy Mac or Homely Mac) is committed to purchase \$200 million in FHA and VA loans from their constituent savings and loan associations. They also plan to purchase another \$1 billion of FHA and VA loans, and \$500 million of conventional mortgage loans during 1971.



Author Spelman

Projected production in the Farmers Home Administration and the Department of Housing and Urban Development proposes to increase the number of subsidized housing starts from 350,000 for 1970 to 440,000 in 1971. This will be more than 25 per cent of the year's housing starts. In contrast, throughout the first half of the decade of the 1960's the proportion of government assisted housing starts never reached 5 per cent.

Need for Caution

There is unquestionably a great need for more housing production. However, the projected Federal effort is designed to make housing production in a single year conform to a predetermined goal which originally was just an objective to be worked toward over an entire decade. Aside from its mechanistic approach to the housing market, such great emphasis on government stimulus to housing and home finance has many dangers. We are reasonably certain that savings flows to thrift institutions will remain at record levels throughout 1971, but we must remember our last experience with the business cycle and high levels of savings flows which occurred at the beginning of the decade of 1960's. At that time, mortgage lenders significantly reduced their lending criteria in order to maintain loan volume and portfolio yields. In some cases, campaigns were mounted to increase lending activity through re-financing higher yield loans held by other investors. Furthermore, during the first half of the decade of the 1960's, many local areas found that builders had overbuilt their housing market.

At the beginning of 1971, some of these same local housing markets have already seen supply beginning to out-run demand. If it turns out that government policy generates higher vacancy levels, then additional strains will be placed on the market for existing housing with sharp declines on the value of older buildings and an increase in the abandonment of some structures. Abandonment of uneconomic structures is a phenomenon on the increase in our major cities.

Foreclosure and delinquency rates could also be affected, if housing pro-

duction continues to be stimulated while basic economic demand slips during the current business cycle. Thus, policymakers face a serious dilemma in working toward a production goal rather than a goal of adequate shelter.

Decisions to use government economic policy to stimulate the economy at an even faster rate could contribute to serious distortions in the allocation of credit and capital in the economy. Despite the debate over fiscal and monetary methods to apply in the present business cycle, it has followed a relatively shallow curve downward and must be described as the mildest of the post-World War II recessions. A corollary to this is that, under normal circumstances, the recovery during 1971 would be expected to be mild. Thus, the recession will likely be characterized by a rather long and relatively flat bottom.

Interest Patterns

The interest rate pattern will be determined primarily by the degree of expansion in monetary policy during 1971. Already the rapid expansion in the money supply, including time deposits, during 1970 has tumbled short-term interest rates by more than 3 percentage points and in the closing months of the year has brought long-term bond rates down more than one percentage point.

The slow response of yields on mortgages and long-term bonds reflects the high levels of demand for long-term funds. Even with savings flows to thrift institutions reaching record levels late in the year, mortgage yields follow their traditional lag behind movements in short-term rates and, in addition were pushed up by the high levels of long-term bond yields. In the case of long-term securities, the seemingly inexhaustible demand increased nearly as fast as the expansion in the supply of investment capital. Only when the Federal Reserve began direct purchase of long-term government bonds in late November did long-term rates begin to respond fully to the easing of monetary policy.

Looking at 1971, we find three separate money markets featured. Short-term interest rates will continue their

dramatic response to easy monetary policy and decline an additional percentage point or two before being turned around once monetary policy tightens again. The single-family mortgage market will follow an independent course just as it has during the past two years. Single-family mortgage interest rates will doubtlessly be pulled down by the anticipated high levels of savings flows to thrift institutions coupled with substantial amounts of support to the mortgage market by government agencies. Special intervention, including high levels of government agency purchases of mortgages and new government programs, have kept single-family mortgage yields at bargain levels in the past two years in contrast with other interest rates on long-term financing. We can expect this trend to continue in 1971, further supplemented with surplus savings funds in local areas in even wider discrepancies between local mortgage yields and long-term credit markets. During 1971, mortgage yields will drop by more than a full percentage point in areas with ample savings flows.

Mixed Movement

The mortgage market is once again becoming fragmented. Yields on large income-property loans will be tied to the corporate bond yields while single-family mortgage yields will follow an independent course. Local areas with large supplies of savings but relatively modest demand will tend to have mortgage interest rates well below the national market level. Other areas still favored by high levels of housing demand, exceeding growth in local savings, will find mortgage yields closer to the national market. But within this pattern, significant variations in yields will exist among types of lenders, types of loans, and types of property. Continued large flows of savings into thrift institutions will bring their mortgage rates below the yield requirements of the FNMA auction commitments. Furthermore, initial purchases by the new Federal Home Loan Mortgage Corporation have already undercut FNMA on mortgage yields, and

Continued on page 13

H. Randolph Farmer
Director of Public Relations and Advertising
Lawyers Title Insurance Corporation

Blueprint for Public Understanding

(Editor's note: Author Farmer is chairman of the ALTA Public Relations Committee.)

* * *

In December, 1970, members of the ALTA Public Relations Committee met to consider and approve a document of great importance to improving public awareness and understanding of the land title profession.

This written statement is called "A Continuing Public Relations Program In Support of American Land Title Association Member Capabilities And Title Insurance Marketing." Its wording provides the philosophical foundation and operational blueprint for the successful national ALTA Public Relations Program.

The draft approved by the Committee in December now is being followed as the 1971 Association Public Relations Program is implemented at the national level. Much of 1971 Program activity continues a highly effective approach used by ALTA last year: presenting information on the importance of land title services as part of a home buyer education message. During 1970, this type of communication resulted in "free" press, radio, and television exposure for ALTA that reached an audience of millions in all 50 states.

In addition to continuing the kinds of messages that have proved successful, the 1971 ALTA Program encompasses new forms of activity to extend its scope even further. Exam-



Author Farmer

ples are a home buyer education film for nationwide television distribution and a new booklet that will cover purchasing a home in today's dramatically-changing real estate market.

Members of the Committee and ALTA staff work hard throughout the year to see that points contained in the document become helpful public relations action. Besides myself, Committee members include Francis E. O'Connor, Chicago Title and Trust Company, vice chairman; Marvin C. Diefendorf, Title Insurance and Trust Company; James W. Robinson, American Title Insurance Company; William L. Robinson, Burton Abstract and

Title Company; Edward S. Schmidt, Commonwealth Land Title Insurance Company; and William Thurman, Rattikin Title Company. Rounding out the team that makes an effective ALTA public relations effort possible are William J. McAuliffe, Jr., and Gary L. Garrity of the Association staff.

Following their deliberations and subsequent approval of the written statement in December, Committee members agreed that the language of the document should be published in *Title News* so that all Association members could become better informed on where ALTA stands on the public relations front. The full text of the document follows. We think you will find it interesting and worthwhile reading.

A Continuing Public Relations Program in Support of ALTA Member Capabilities and Title Insurance Marketing

Objectives

- I. To increase awareness among target audiences of the excellent abstracting and title insurance services of American Land Title Association members and the concern of ALTA members with protection of the public interest. To call more attention to the modest cost of ALTA member services, and to emphasize the importance of those services to protect ownership and invest-

ment in real estate. The target audiences are:

- a. Home buyers
 - b. Legislators, regulators, and other opinion leaders
 - c. Attorneys
 - d. Officers of mortgage lending organizations
 - e. Real estate brokers
 - f. Home builders and developers
- II. To increase awareness among home buyers of the need for title insurance in safeguarding real estate ownership, and to help home buyers become more aware of the difference between mortgage lender's and owner's title insurance, through a program of information and education.
- III. To increase general public awareness of the great interest of American Land Title Association members in the success of this nation's free enterprise system as evidenced by its dedication to the protection of real property rights.
- IV. To keep American Land Title Association members informed on significant developments that affect the land title industry.
- V. To prevent, repel, and defend against threats or attacks upon the land title industry.

Strategies

- I. Communicate to the target audiences that American Land Title Association abstracting and title insurance organizations offer excellent, reliable service at modest cost—and that this service is of great importance to the safe ownership of real estate. Emphasize member capabilities and title insurance through a coordinated network of communications techniques including print advertising, publicity in widespread electronic and print media, public service printed matter, awards, slide presentations, films, exhibits, and special publications.
- II. Contact leading molders of public opinion to develop a favorable climate for presentation of the American Land Title Association member story.
- III. Communicate information through *Title News*, newsletters,

and other internal channels that will keep American Land Title Association members informed on developments that affect the land title industry.

- IV. Motivate American Land Title Association members to a greater awareness of the opportunities in public relations and advertising in their own communities.

Rationale

The home buying public is recognized as the prime target of the public relations effort of the American Land Title Association. The substantial number of real estate transactions each year points to ever-changing audiences that must be informed again and again of title insurance—and of the excellent services American Land Title Association abstracting and title insurance organizations provide to help safeguard investment in ownership of land. In addition, there is strong need for legislators, regulators, and other opinion leaders to better understand the importance of land title services to the public. And, there is a continuous need to encourage important segments of the real estate industry (attorneys, mortgage lenders, real estate brokers, home builders and developers) to recommend title insurance to home buyers. Under the farsighted leadership of its Public Relations Committee, American Land Title Association has for years conducted effective communications activity to reach the previously-named target audiences. Continuing and expanding this communications activity through a coordinated public relations program will reach more areas of the target audiences at strategically-timed intervals.

Interest in title insurance and in the capabilities of American Land Title Association abstracting and title insurance organizations will continue to grow as programmed communications reach the target audiences. The resulting climate will contribute to a favorable marketing atmosphere for the land title industry.

Constant vigilance and public relations preparedness by American Land Title Association members are necessary to guard against misconceptions and misinformation that can lead to

threats or attacks against the land title industry.

A comprehensive program of public education is indicated.

Action

1. Contact leading molders of public opinion to build a favorable climate for American Land Title Association communications, and to encourage favorable publicity on title insurance.
2. Develop mat features for suburban newspapers.
3. Develop *Editor's Digest* articles.
4. Develop "Title Topics" cartoons.
5. Develop public service radio spots and television public service slide announcements.
6. Continue efforts to develop publicity for newspapers, magazines, radio, and television.
7. Continue distribution of film, "A Place Under the Sun."
8. Continue institutional advertising program.
9. Continue an annual ALTA state and regional title association model awards program (award recipients can include: real estate brokers, mortgage lending organization employees, etc.), recognizing outstanding dedication to the protection of real property rights (ALTA provides publicity application guidelines); such awards also can be presented on a regional and/or national basis when warranted.
10. Continue the annual American Land Title Association Home Buyer Education editorial awards program.
11. Develop an updated home buyer education publication that includes the story of the nation's land title industry and of title insurance.
12. Develop and maintain a network to supply a continuing flow of fresh and meaningful title insurance information to American Land Title Association members for use in communications material.
13. Develop and distribute public service television film clips.
14. Develop a home buyer education film for television distribution.

Reproductions Pay at Mid-South

The problem was as plain as the two rooms full of copying machines and microfilming equipment. For five days a week, eight hours a day, the place was humming. The rest of the time, on nights and weekends, expensive machinery was sitting idle.

Management of Mid-South Title Company, Memphis, was concerned.

The title company had become the mid-south area's largest in 19 years, largely because it turned out work fast and accurately. All the machines were

needed to do the job. But they were a large investment and were being utilized less than one-third of the time available.

Why not a copy service?, someone suggested to Mid-South President George Houston. Although the idea was unusual for a title company, it seemed to have merit. There weren't many copy services around in 1965, and so the field was wide open.

So the reproductions department, somewhat gingerly, waded in.

Now in its fifth year, the venture

has become Mid-South Reproductions, Inc., a five-state business which in its last half year grossed 850 per cent more than in its first six months of existence. The subsidiary currently even includes a multi-state microfilm dealership.

Houston sees the operation as a natural progression in the title business. "It took a lot of reproduction equipment for us to reach our goal of having the most complete records and service available in our area to serve our abstract and title insurance customers better," he said. "With the formation of Mid-South Reproductions, our equipment now helps provide another service, and it has become a profitable diversification instead of a necessary machinery liability."

Incorporated in 1966, the new concern took small ads on business pages of local newspapers and in the classified section of the telephone directory. Coley Graves, who had served as supervisor of the department, began traveling to solicit accounts. Customers would drop in, bringing everything reproducible from old deeds to engineering drawings.

As business picked up, a problem soon became apparent. Requirements of Mid-South Title were naturally of first importance. Yet, customers couldn't wait, either. "We established a system of giving top priority to title company work," Graves recalls. "But since much of our copy work is done



George Houston, president of Mid-South Title, looks at a document on a Xerox Microprinter being operated by Thomas A. Griffin, secretary of the reproduction arm.

at night, we found we could process the work on schedule."

Thomas A. Griffin served as the first president of the reproduction arm, but his other duties as a vice president of the title company required a shift in management. Graves, who had been secretary, was named president and Griffin took over the secretary's position. James L. Boren, Jr., executive vice president of Mid-South Title, is Reproductions vice president.

Houston, a major stockholder, said profits are largely plowed back into the corporation since the equipment used by the corporation is expensive and requires a substantial investment.

Mid-South Reproductions became a film dealer as a matter of necessity. Griffin explains how it happened: "We were trying to buy film wholesale and we'd heard some great reports on a particular brand of film, but in 1968, when we wanted it, there wasn't a dealer in our area. We finally contacted a distributor and learned we'd have to become a dealer to buy the film in large quantities. So now we're a dealer for microfilm in a three-state area. This allows us to sell film to other businesses who do their own microfilming and to offer developing services if they want them."

The concern also is exploring the possibilities of becoming a dealer in microfilm photography equipment.

The business has grown despite what has developed into a highly competitive field. Houston says, "The major reasons are that we can accomplish our work more rapidly than others in this field, and we can do it with accuracy and at a competitive price."

The concern is cautious in discussing its clients. "Some sensitive information is included in the data we must process," Graves said, adding that strict security precautions must be adhered to in many cases.

Business grew through referrals, as well as solicitations. In one instance, a Memphis customer related his satisfaction to an affiliate elsewhere in Tennessee and he, in turn, passed the word along to an associate in another state. As a result, a customer with industries in five surrounding states now does business with the firm.

Reproduction of records often be-



Different microfilm cameras are used for different jobs at Mid-South. Brenda Wilson, left, photographs a record book, while Kathy Albonetti "shoots" a stack of cards.

comes extremely complex, particularly when a client has a large number to be processed. One customer, for example, is located in St. Louis. The film crew reports to the company after the office has closed for the day. Equipment is set up and thousands of images are recorded before the office opens the next morning. There is no interruption of regular office routines. Sequence is a critical factor, so film must be carefully labeled to keep it in order. Returning to Memphis, another employee runs the film through an automated developer, continually checking it to verify sequence. After copies are produced, these, in turn, are used for making hard copies for day-to-day use in the St. Louis office. The microfilm itself may be stored as a permanent record.

Current equipment includes two Copyflo printers, two Xerox 914 copiers, a Xerox 2400 copier, a Xerox microprinter, and two 3-M reader-printers. The original photographic darkroom still is maintained. Use of additional microfilm duplicating equipment is under investigation.

"I'm personally very proud of the operation," says Houston. "It certainly turned into more than just an economy measure. Our staff, with an average of 10 years experience, has the technical knowledge for every conceivable use to which we can put the equipment. Our reproductions arm is growing right along with the parent company. It has a great future ahead for it."

Commonwealth Titlemen Deliver Lectures

Chris G. Papazickos, assistant vice president and associate general counsel, Commonwealth Land Title Insurance Company, recently was a guest lecturer at Montgomery County Community College, Conshohocken, Pa., where he discussed title insurance during a real estate class.

William W. Rice, III, title officer and manager of Commonwealth's Ardmore (Pa.) office, was a guest lecturer on the Pennsylvania State University King of Prussia campus. He spoke on preparation and workings of the settlement during a real estate and sales class.



Zerwick Elected To Wisconsin Helm

Otto Zerwick, president, Abstract and Title Associates, Inc., Madison, was elected president of Wisconsin Title Association at its annual convention in Appleton.

Also elected were Nic S. Hoyer, president, Wisconsin Title Service Company, Inc., Milwaukee, vice president; and James J. Vance, secretary and treasurer, Jefferson County Abstract Co., Inc., Jefferson, secretary-treasurer.

Speakers for the convention included Clark Moeller, "Importance

of County Planning"; Roy Anderson, "Historical Aspects of Chains of Title"; Alvin W. Long, ALTA president, "Recent Developments of the National Organization"; and Otto Bytof, president, Wisconsin Realtors, "Legislation Affecting the Real Estate Business". Members also participated in round table discussions.

Thomas J. Holstein, 1967-70 ALTA president, and president, LaCrosse, County Title Company, LaCrosse, Wis., was presented a barometer and a silver bowl in recognition of his service to WTA and ALTA.



Officers elected at the Wisconsin Title Association convention are: front row, from left: Al Achten, immediate past president; Otto Zerwick, president; Nic Hoyer, vice president. Second row, from left: John Duffy, Frank Kekow, John Hutson, all directors; James Vance, secretary-treasurer; and David Duchac, director.

Nebraska Group Honors Attorneys

The Nebraska Land Title Association honored two Lincoln attorneys for excellence in the protection of real property rights during ceremonies at its 1970 annual convention in Lincoln.

The awards, presented by NLTA in conjunction with the ALTA Model Award Program, were presented to Herman Ginsburg and Willis R. Hecht.

Ginsburg, a lecturer at the University of Nebraska College of Law on

conveyancing and land titles, is the author of the Nebraska Uniform Property Act.

Hecht is an annual lecturer on real estate titles at NLTA schools.

The awards were presented by

ALTA Vice President John W. Warren of Albright Title and Trust Company, Newkirk, Oklahoma.

New officers elected at the convention are Ross Druliner, Jr., attorney and registered abstractor, Benkelman,

president; James R. Ganz, owner, A. C. Wittera Abstract Company, Kearney, vice president; and Norris G. Leamer, president, Leamer Abstract Company, South Sioux City, secretary-treasurer.



Nebraska Land Title Association, in conjunction with the ALTA Model Award Program, has honored two Lincoln attorneys for their excellence in the protection of real property rights. In the photographs, Herman Ginsburg, lecturer at the University of Nebraska College of Law and author of the Nebraska Uniform Property Act, is shown at left after receiving his award. At left, in the center photograph, Willis R. Hecht, attorney, receives an award from ALTA Vice President John W. Warren during the 1970 NLTA Convention. Ross Druliner, right, registered abstractor and attorney from Benkelman, is the 1970-71 NLTA president.

Indiana Association Elects 1970-71 Officers

Officers of the Indiana Land Title Association are, from left: Charles Jones, second vice president; Waldo Beebe, president; Joe H. Burgess, first vice president; John W. Tagge, secretary-treasurer. In the accompanying photograph, members of ILTA gather for their convention's annual banquet at the Indianapolis Hilton.



names
names
names
names in the news



SCHMIDT



FROMHOLD



BURKE



McMACKIN



MORGENROTH

Commonwealth Land Title Insurance Company has announced the election of **Fred B. Fromhold** to president, chief administrative officer, and member of the board of directors. **James G. Schmidt** will continue as chairman of the board and chief executive officer.

Prior to his election, Fromhold was executive vice president in charge of organization and development of the company's national title division. He holds executive positions or serves as

director of most of Commonwealth's subsidiaries.

Commonwealth also has announced the elections of **Joseph D. Burke**, **Robert F. McMackin**, and **Irving Morgenroth**, all of Philadelphia, to senior vice presidents.

* * *



WOLYNEC



PRINCE

Allan L. Wolyneec has been appointed assistant counsel of Chicago Title Insurance Company.

Alan N. Prince, formerly training officer—personnel and public relations for Chicago Title and Trust Company, has been appointed vice president and manager of Chicago Title's Peoria County Division office.

* * *

Edward P. Stevenson, Jr., has been appointed senior title officer and manager of Chelsea Title and Guaranty Company's new Salem, N.J., branch office.

* * *



GIRARD

Bob Girard has been appointed office manager of Title Insurance Com-

pany of Oregon, Portland, and will be responsible for Multnomah County plant operations.

* * *

First American Title Guaranty Company has announced the following promotions: **Carl E. Cookson**, vice president in charge of all branch operations in Alameda County (Calif.), and **Clifford E. Warner, Jr.**, vice president in charge of marketing in Alameda and Santa Clara counties.

* * *



BYRD



KLOSTERMEYER



TALIAFERRO



J. PARKER



K. PARKER



ROACHE



ROSENBAUM



BURKHART

Lawyer's Title Insurance Corporation has announced the following promotions of home office personnel: **Bruce L. Byrd**, associate counsel—claims; **Frederick H. Klostermeyer** and **Harry T. Taliaferro, Jr.**, assistant counsels—claims; **Joseph M. Parker, Jr.**, assistant counsel; **Kendall P. Parker**, assistant vice president—personnel.

Lawyers Title also has announced the elections of **Bernard E. Roache**, Washington, D.C., and **Manuel Rosenbaum**, Detroit, to assistant vice presidents—sales; and **Mrs. Dorris M. Burkhardt**, Reno, to title officer.

HOUSING MARKET—Continued from page 5

the Federal Home Loan Bank System has subsidized most advances to savings and loan associations at rates below their costs for funds. These developments tend to fragment the mortgage market and to isolate its operations from the national capital markets to the detriment of a properly functioning mechanism for allocating capital to various sectors of the economy.

Components of Growth

Mobile homes are a definite factor in today's housing market and should be counted in any projection. When shipments of over 400,000 mobile homes are added to the 1971 housing starts projection, total shelter production will rise to between 2.0 and 2.15 million units, a new record, according to MBA's Research Department. The bulk of the increase in starts will be in apartment construction with a new record of 750,000 units. Single-family starts will reach 900,000, nearly equal to the average of the decade of the

1960's. The bulk of the movement of young adults, born during the post-war baby boom, from apartments to single-family housing will not fully be felt until the mid-point of the decade of the 1970's.

Factors that Condition the Market

The availability of funds in the 1970 money markets and the mortgage market will present little problem. Competition for funds during the year will remain strong, though far less acute than during the past two years. Interest rates will remain as high or higher than at any recent level prior to 1969. For housing, the major question in 1971 will be demand. Constantly rising costs have induced many families to make do with existing housing, while some individuals have decided to return to live with parents or find someone with whom to share the rising rental costs. These factors coupled with slower migration, reduce housing demand.

For the first time since the mid-1960's, we have a real possibility of overbuilding in the midst of sagging housing demand in selected local areas around the nation. One of the paradoxes of 1971 will be the weakness developing in housing demand at the

same time that vacancy rates remain relatively low. The low vacancy rate will be a function of construction costs that are rising more rapidly than income, rather than symptomatic of demand outrunning supply. If costs are rising rapidly, demand must be strong enough to produce substantial increases in rent levels or housing prices before it becomes economically feasible to construct new buildings. At such a time the vacancy figures understate the total amount of shelter that could be absorbed by the market, since buildings that have been withdrawn from the market do not count as part of the vacancy data. Yet, in many markets, the rising costs, shifting demand and inability to raise rents have made numerous buildings unprofitable.

The housing market should move into 1971 cautiously, aware that the danger in the current trend toward proliferation of government credit programs to treat economic problems can lead to serious distortions in the allocation of credit and capital in the economy. With the housing and mortgage finance industries, 1971 will be a banner year, but government efforts to stimulate production and lending activity may create their own distortions.



ALTA President Alvin W. Long, president of Chicago Title and Trust Company (standing, second from left), was photographed for *Chicagoland's Real Estate Advertiser* with this group of National Association of Real Estate Boards past presidents during the 1970 NAREB Convention in Chicago last November. Also surrounding Don Sheridan in the picture are, from left, Tom Seay, Arthur P. Wilcox, Daniel F. Sheehan, Sr., Henry G. Waltemade, and Richard B. Morris.

Part II: ALTA Judiciary Committee Report

(Editor's note: Members of the ALTA Judiciary Committee have submitted over 400 cases to Chairman John S. Osborn, Jr., executive vice president and general counsel, Louisville Title Insurance Company, for consideration in the preparation of the annual Committee report. Chairman Osborn reports that 81 cases have been chosen from this number for the report. The first installment may be found in the December, 1970, *Title News*.)

* * *

EASEMENTS

Garza v. Grayson, 467 P. 2d 960 (Oregon, 1970)

Gadeholt owned lots 579 and 580 in a subdivision. Gadeholt conveyed lot 579 to plaintiffs on June 28, 1963, and made no mention of an easement. Gadeholt conveyed lot 580, which adjoined lot 579, to defendant's predecessors in title. The deed contained the following reservation:

"Reserving, however, an easement for public utility purpose over and across the northeasterly five feet of the above described property, constituting a strip five feet in width laying adjacent to the northeast boundary of the above described tract and extending from Blue Heron Road to the most easterly corner of said tract."

At the time of transfer of these lots, neither were served by a sewer, but the city was in the process of providing a sewer system. Plaintiffs sought a declaratory judgment establishing the existence of an easement over defendants' land for the construction of a sewer service line serving plaintiffs' adjoining land. The trial court found for the plaintiff.

The court affirmed the decision of the trial court. In doing so, the court disregarded a rule adopted in most jurisdictions that in a deed creating an estate in one person, the grantor cannot reserve an easement or other interest in a third person, and adopted a rule set out in 5 Restatement of the Law of Property, Section 472, page 2966 (1944), as follows: "By a single instrument of conveyance, there may be created an estate in land in one person and an easement in another." The decision weighed heavily upon the testimony of the grantor of his purpose and intent.

College Inns of America, Inc., v. Cully, 460 P. 2d 360 (Oregon, 1969)

Plaintiff, College Inns of America, Inc., and defendant acquired property abutting on an easement created for vehicular and pedestrian traffic which was created for the benefit of the abutting property owners. Plaintiff acquired other property adjacent to its abutting lot and constructed a large dormitory facility on its entire property. A small part of the dormitory building rests on plaintiff's lot which abuts the easement.

Plaintiff attempted to use the easement for moving garbage trucks and heavy equipment from a public street along the easement to the non-dominant property to which the easement is not appurtenant. Defendant blocked plaintiff's use of the easement and the plaintiff brought suit to restrain the defendant from interfering with plaintiff's use.

The court held for defendant, stating: It is well established law that "a right of way appurtenant to the land conveyed cannot be used by the owner of the dominant tenement to pass to or from other land adjacent to

or beyond that to which the easement is appurtenant."

Owen v. Briscoe, 453 S. W. 2d 287 (Tex. 1970)

This was a seller's action for specific performance.

Seller and buyer had entered into a contract of sale and purchase of a service station. At the time the contract was executed there was a highway easement covering 1,600 square feet out of 12,500 square feet. The contract did not mention the easement. There was no evidence that the buyer knew of the existence of the easement. At the time of the contract, the easement was occupied by a driveway and was not physically visible or notorious.

The trial court found for seller and the court of civil appeals affirmed. The supreme court reversed and rendered judgment for the buyer.

The court held that the easement was not such as would escape the covenant to convey free and clear of encumbrances and the encumbered area represented a substantial shortage in the area described in the contract.

Weigel v. Cooper, 245 Ark. 912, 436 S. W. 2d 85 (1969)

This was a suit to assert an easement by prescription in the public over a road which had undergone some deviations caused by the owner from the route which originally was used.

Held: Slight deviations from the accustomed route do not have the effect of destroying a claim to prescriptive right. Where the owner of land over which a road extends changes the route for his own convenience, and the public continues the use of the highway as changed, the public right therein does not become extinguished, but continues in the highway as changed.

Spring City Foundry Co. v. Carey, 434 Pa. 193 (1969)

An individual property owner owned property on which was located a driveway leading from an adjoining street, Hall Street, to the property owner's garage. Directly across the street from the property owner's driveway were the loading and unloading

facilities for a foundry. Hall Street is a narrow, dead-end street and, consequently, when trucks make pickups or deliveries at the foundry, they block Hall Street and sometimes project into the property owner's driveway where they remain throughout the loading procedure. The property owner by various stratagems tried to force the foundry company to discontinue using his driveway. The company filed a complaint in equity seeking an injunction to enjoin interference with the use of the driveway and damages. The property owner filed an answer and counterclaim seeking to enjoin the company from trespassing on his land.

Held: The foundry company acquired an easement by prescription which had ripened into a legal right prior to the property owner's acquisition of his property. The improper blocking of the street by the company bore no direct relationship to any equitable relations between the parties and was collateral to the question of whether an easement by prescription had been acquired by the company.

EMINENT DOMAIN

City of Cleveland v. Hurwitz, 19 Ohio Misc. 184 (1969)

The city of Cleveland prepared an urban renewal plan covering 1,633 acres in 1960. There were several changes in the plan and numerous delays in acquiring the land, much of which is still in the acquisition stage. The subject properties as well as the entire neighborhood have depreciated greatly between the time of announcement of the plan and the time of appropriation—years later. The city wished to pay compensation based upon the value of the properties as of the time of the actual taking while the owners insisted upon a higher value based upon the worth of the premises at the time of the announcement of the urban renewal project.

Held: When a city announces its intention to acquire certain properties for an urban renewal project and fails to proceed with appropriation for several years, during which time various actions of the city and its failure to provide adequate services to the

area have the natural and probable consequence of causing the property to deteriorate at an accelerated pace which would not have happened but for the project, the city must pay for their value prior to the occurrence of these effects.

Eminent Domain Section To Be Continued

New Institute Offers Land Title Education

The opening this year of a Land Title Institute that offers educational courses and seminars to title company employees and executives has been announced by Hart McKillop, who retired December 31 as a senior vice president for Lawyers Title Insurance Corporation.

During his career with Lawyers Title, McKillop headed the company's employee education activities and obtained broad experience that he has utilized in founding the institute.

Educational programs of the institute are being offered at three levels. A Basic Course and an Advanced General Course are designed to, on a correspondence school basis, provide employees with practical knowledge in a relatively short time period. Seminars run two and one half days each and are attended by selected employees in convenient locales around the nation.

Subject headings for the Basic Course include history of your company; what is a title; differences between real and personal property; how titles are created; nature of a chain of title; possible defects in a chain of title; how title losses occur; necessity of land title assurance; early features of land title assurance; recording laws—their purpose and effect; public records—their structure and form; title examinations—methods and procedures; title plants—structures and use; the abstract—its development and forms; abstract plants—their various structures; glossary; title insurance—its origin, nature, and effect; method of issuance—approved attorneys, agencies; title insurance policy forms—binders, owners, mortgagee, lessee

forms; policy coverages—surveys, marketability, defense of claims; basic principles of title underwriting; escrow and closing operations; reading and understanding land descriptions.

Content of the Advanced General Course includes inception and development of title assurance; your company—its origin and scope of operation; the title insurance industry; industry associations; title searching and abstracting; abstract and title plants; title examinations—opinions and certificates; approved attorney system; rate structures—systems and philosophies; development of title insurance contract; policy forms—types and functions; policy coverage; co-insurance and re-insurance; title underwriting concepts and principles; risk limitations; insurance of easements and rights-of-way; standardization efforts; public relations; advertising; business development; federal agencies; trade associations; adjusting claims; liability of approved attorneys; liability of abstracters; management problems.

Seminars are available in Management Training, Sales Training, and Personnel Selection.

Additional information may be obtained by writing Land Title Institute, P. O. Box No. 9125, Winter Haven, Florida 33880.

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meeting timetable



1971

March 3-5, 1971

ALTA Mid-Winter Conference
Hotel Del Coronado
Coronado, California

April 29-May 1, 1971

Oklahoma Land Title Association
Camelot Inn
Tulsa, Oklahoma

April 29-May 1, 1971

Texas Land Title Association
Holiday Inn
El Paso, Texas

May 2-4, 1971

Iowa Land Title Association
Hyatt House
Des Moines, Iowa

May 6-8, 1971

Arkansas Land Title Association
Sheraton-Little Rock Motor Hotel
Little Rock, Arkansas

May 13-16, 1971

Washington Land Title Association
Salishan Lodge
Gleneden, Oregon

May 20-22, 1971

New Mexico Land Title Association
Palms Motor Hotel
Las Cruces, New Mexico

May 20-21, 1971

Utah Land Title Association
Tri-Arc Travelodge
Salt Lake City, Utah

May 21-22, 1971

California Land Title Association
San Jose Hyatt House
San Jose, California

June 4-5, 1971

South Dakota Title Association
Sioux Falls, South Dakota

June 5-8, 1971

Pennsylvania Land Title Association
Pocono Manor Inn
Pocono Manor, Pennsylvania

June 10-12, 1971

Land Title Association of Colorado
Ramada Inn
Pueblo, Colorado

June 23-25, 1971

Illinois Land Title Association
Drake Hotel
Chicago, Illinois

June 23-26, 1971

Michigan Land Title Association
Boyne Highlands
Harbor Springs, Michigan

June 24-26, 1971

Oregon Land Title Association
Bowman's Golf & Country Club
Wemme, Oregon

June 24-27, 1971

Wyoming Land Title Association
Idaho Land Title Association
Ponderosa Inn
Burley, Idaho

June 30-July 3, 1971

New York State Land Title Association
The Otesaga
Cooperstown, New York

July 8-10, 1971

New Jersey Land Title Association
Seaview Country Club
Absecon, New Jersey

August 12-14, 1971

Montana Land Title Association
Florence Hotel
Missoula, Montana

August 26-28, 1971

Minnesota Land Title Association
St. Paul Hilton
St. Paul, Minnesota

September 15-17, 1971

Nebraska Title Association
Villager Motel
Lincoln, Nebraska

September 17-19, 1971

Missouri Land Title Association
Downtown Holiday Inn
Kansas City, Missouri

September 17-18, 1971

North Dakota Land Title Association
Tumbleweed Motel
Jamestown, North Dakota

September 17-18, 1971

Wisconsin Title Association
Racine Motor Inn
Racine, Wisconsin

September 23-25, 1971

Ohio Land Title Association
Sheraton-Columbus Motor Hotel
Columbus, Ohio

September 24-25, 1971

Kansas Land Title Association
Holiday Inn Towers
Kansas City, Kansas

October 3-6, 1971

ALTA Annual Convention
Statler Hilton Hotel
Detroit, Michigan

October 24-26, 1971

Indiana Land Title Association
Indianapolis Hilton
Indianapolis, Indiana

1972

March 1-2-3, 1972

ALTA Mid-Winter Conference
Regency Hyatt House
Atlanta, Georgia

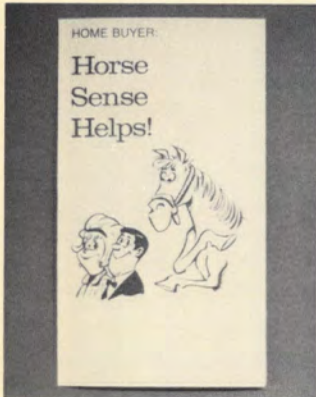
October 1-2-3-4, 1972

ALTA Annual Convention
Astroworld Complex
Houston, Texas

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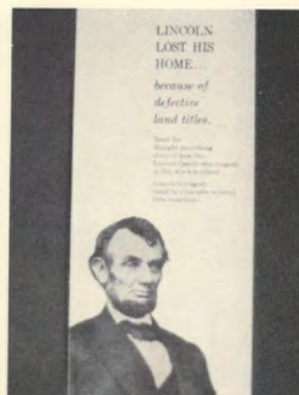
CLOSING COSTS AND YOUR PURCHASE OF A HOME. A guidebook for home buyer use in learning about local closing costs. Gives general pointers on purchasing a home and discusses typical settlement sheet items including land title services. 1-11 dozen, \$2.25 per dozen; 12 or more dozen, \$2.00 per dozen.



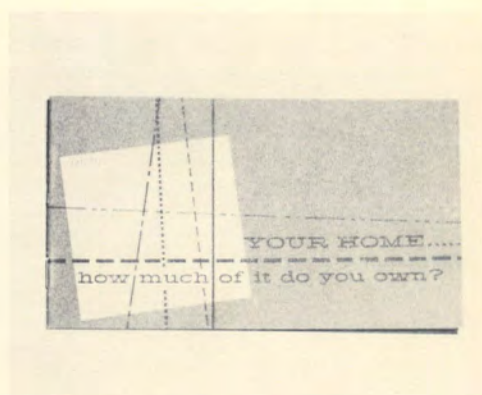
AMERICAN LAND TITLE ASSOCIATION ANSWERS SOME IMPORTANT QUESTIONS ABOUT THE TITLE TO YOUR HOME. Includes the story of the land title industry. \$11.00 per 100 copies of the booklet.



HOW FHA HELPS THE HOME BUYER. This public education folder was developed in cooperation with FHA and basically explains FHA-insured mortgages and land title services. \$5.50 per 100 copies.



LINCOLN LOST HIS HOME . . . BECAUSE OF DEFECTIVE LAND TITLES . . . A memorable example of the need for land title protection is described in this folder. \$5.00 per 100 copies is the cost for this publication.



YOUR HOME . . . HOW MUCH OF IT DO YOU OWN? An imaginative booklet that explains the importance of secure home ownership and land title protection for the layman. Includes a mythical story of a home-buying family called the Myopias and uses clever illustrations to emphasize important points. \$13.00 per 100 copies.

(CENTER) PERSPECTIVE: AMERICA'S LAND TITLE INDUSTRY. A collection of six articles by experts that comprehensively explain the land title industry and its services. This attractive booklet is available at 35 cents per copy for 1-48 copies and 30 cents per copy for 49 or more copies. (RIGHT) THE AWARD-WINNING ALTA FILM, "A PLACE UNDER THE SUN." Eye-catching color animation and an excellent script bring the story of the land title industry and its services to life in this highly-praised 21-minute sound film. Prints may be obtained for \$135.00 each.



American Land Title Association

