Title News

the official publication of the American Land Title Association

Millions See
ALTA Film
On Television

April, 1973

A Message from the Chairman, Abstracters and Title Insurance Agents Section

APRIL, 1973

The American Land Title Association is a vibrant, responsive organization composed of individuals like yourself, dedicated to your profession as title men and women. As you strive for accuracy and service based on complete records, experience and financial responsibility, ALTA works to achieve the national objectives of your industry.

Our profession, like every other, is continually changing. Legal concepts, judicial decisions, new investment ideas, and varying land uses such as rights above and below the surface are being utilized for many purposes (e.g. underground utilities, and gas storage, condominiums, air rights). These concepts, though not totally new, are expanding to all areas of the country and affect each of us. Look back 10 years ago at the use of the land in your county, look at it today, and then project it another 10 years in the future. You should see a remarkable change in each period.

Because of these concepts, and other innovations in land use, our customers are asking for more complete coverage in the abstracts we prepare. As abstracters-title agents we must compile, keep constantly up to date, and search additions to municipal, township, county and state records in order to supply the necessary data to issue the type of title policy demanded by today's mortgage lenders and investors.

The individual or corporation in the title business today cannot survive, or even exist, if he has not altered his approach, updated his plant, equipment and methods to keep pace with his customers.

He must realize that the growth areas, people and industry are spreading to what were once considered rural or outlying areas. The limited amount of land, increase in population, the need for more homes, apartments, and buildings and the mobility of Americans seeking business and recreation in winter, summer and all seasons are all factors.

We must attune ourselves to this new pattern. How can you do it?

First, listen to your customers to determine their real needs, and then try to give them the necessary service and information to solve their problems. You may have to compile additional records but you can also be devising systems and short-cuts.

Second, talk with other title people to see how they handle customers and problems. Attend your state and national title association meetings. Perhaps you "owe it" to yourself to attend, become better informed, gain new insights and become personally acquainted with others in the industry.

Third, remember that our very capable executive staff in Washington, D.C., ably headed by Bill McAuliffe, can help you or direct you to others to lend a helping hand.

The American Land Title Association is very involved, stands ready to assist you, and is your Association.

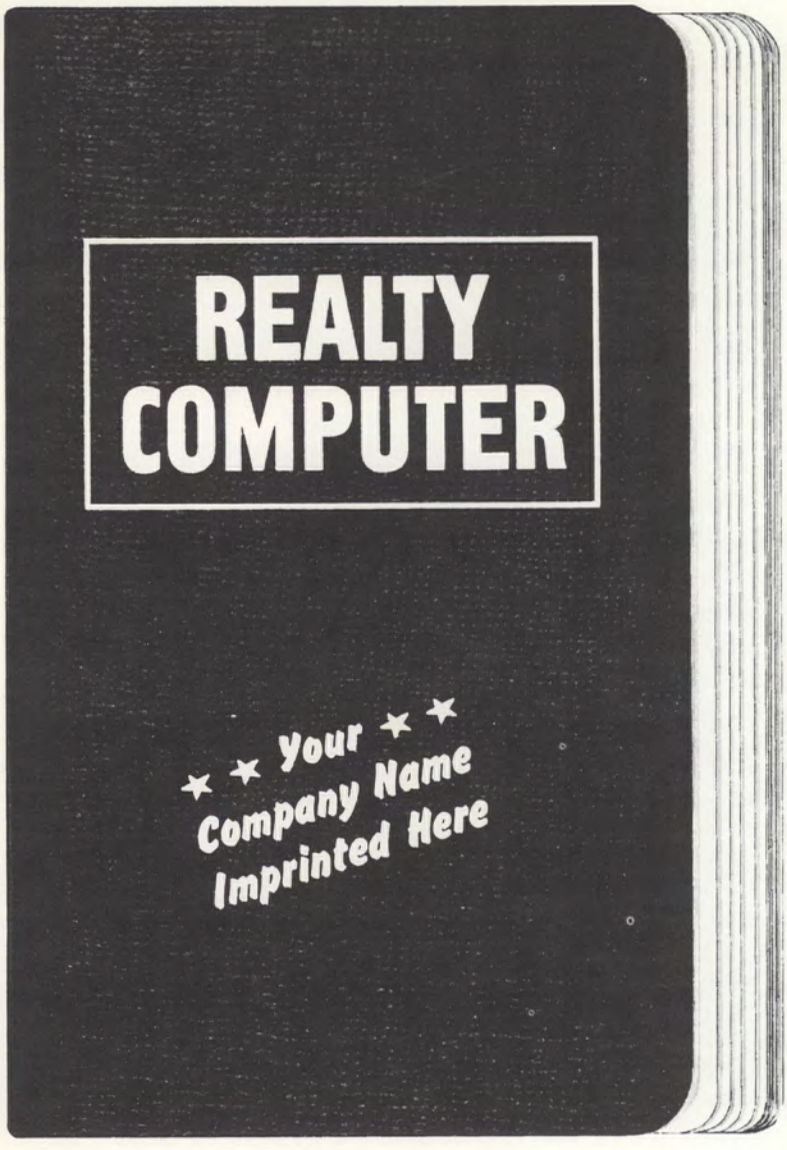
Sincerely,

Robert J. Jay

Robert J. Jay

FIRST MAJOR "BREAK-THROUGH" IN 25 YEARS IN REAL ESTATE TABLES!

NEW INTEREST RATES INCLUDED



Your NEW Hard-Working

GIFT FOR REALTORS!

Created by Realtors for Realtors

In addition to the conventional loan amortization payment tables, the New, 240-page *Realty Computer* provides, in shirt-pocket size, *thirty-eight tables* and checklists badly needed by real estate people in their daily transactions.

You owe yourself an appraisal of the *REALTY COMPUTER*—one of the finest professional fact-finders you have ever seen. Your clientele will be asking for it.

Write today for your complimentary copy

PROFESSIONAL PUBLISHING CORPORATION

122 PAUL DRIVE • SAN RAFAEL, CALIFORNIA 94903

This talented group wants to sing your praises

These talented performers are ready to sing the praises of your title company through local radio advertising. They're waiting—on tape—in the recently-introduced ALTA Do-It-Yourself Commercial Kit.

If you're an ALTA member, you can buy the kit—on a first come, first served basis—for $50 plus postage. Just write Gary Garrity in the ALTA Washington office. You'll be billed later.

What's in the kit? The singers, of course. On 7½ ips mono tape. Furnishing high quality contemporary music for a 20, a 30, and a 60-second commercial. Plus instructions and suggested copy for three different title company radio advertising approaches. For promoting use of local attorneys or real estate brokers. For establishing local identity for a title company executive. For promoting simultaneous issue and awareness of mortgagor title insurance. You decide which approach is best for your local need—or substitute another.

Here's how it works. First, order the kit. Then work out your radio advertising campaign with one or more local stations. Adapt the enclosed commercials to carry your message—or write your own. Have a local announcer—or other appropriate talent—record voice copy to link your message with the taped music. And—presto—you have a customized local radio campaign to strengthen your market identity.

What does the group sing? This jingle: "Who can ease all your worries . . . when you're buyin' a home . . . who can bring you protection . . . the title man can."

Better order now. They're doing your song.

American Land Title Association
1828 L Street, N.W.
Washington, D.C. 20036

Title News

the official publication of the American Land Title Association

Features

Departments

ON THE COVER: ALTA home buyer education television public service film announcements featuring celebrities are gaining wide visibility among an audience of millions from coast to coast. Additional millions are receiving similar ALTA educational messages on radio. In this typical view, film from the Association is threaded in the projection room of a local television station. For the story on this successful ALTA Public Relations Program effort to reach a nationwide audience of opinion leaders and home buyers through television and radio, please turn to page 7.

VOLUME 52, NUMBER 4, 1973

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 *CAROL MATHES HALEY, Managing Editor*

James E. Murray
Senior Vice President and General Counsel
Federal National Mortgage Association

The Secondary Mortgage Market: Its Challenges And Opportunities

(Editor's note: This article is adapted from a speech prepared for delivery at the 1973 ALTA Mid-Winter Conference in Phoenix.)

* * *

This is a period of dynamic change for the housing industry and for the lenders who finance housing. The moratorium placed on interest subsidy payments under Sections 235 and 236 of the National Housing Act signals the beginning of a transitional period in which consideration will be given to the various means of providing subsidies to the portion of our population that cannot afford housing at market prices. Suggested changes are numerous and wide-ranging. Some local governments are considering the use of revenue sharing funds to provide housing subsidies. State housing finance agencies have expanded their activities, making below-market rate loans with funds acquired by issuing tax-free bonds. The use of federal direct loans has been suggested, as have housing allowances included in public assistance payments. In addition, industry representatives have recalled the historic benefits of the FHA programs and have urged their retention in some form.

I have been asked to speak today on the role of title insurance in the national secondary mortgage market, a topic of much more certainty. For regardless of the means which are adopted for providing housing subsidies to those families which require them, I believe that an increasing number of home loans, subsidized and unsubsidized, will be made within the framework of a developing national mortgage market. And I believe that the title insurance industry will continue to play an important role in meeting the requirements of secondary mortgage market lenders.

Origins of FHA and FNMA, Creation of National Mortgage Market

Before examining actions taken by the Federal National Mortgage Association (FNMA) to create a secondary market for conventional loans, under authority granted it by the Emergency Home Finance Act of 1970, I would like to discuss the origination and development of FNMA. An understanding of FNMA's background is essential in order to understand how the corporation's role in supplying funds from the capital markets to the mortgage market is fulfilled and perhaps to appreciate more the progress which has been made in the housing finance industry during the last three decades.

FNMA had its inception in the efforts of the federal government to combat the effects of the depression of the 1930s. In response to the stagnation of the housing industry, Congress in 1934 enacted the National Housing Act. Although it was generally believed that there would be little difficulty in establishing the acceptability of FHA-insured mortgages, many mortgage lenders would have little to do with these mortgages. Increased mortgage lending also was restricted because many private financial institutions had reached the limit of their lending powers for home construction. Although Title III of the National Housing Act authorized the establishment of national mortgage associations which were to be chartered and regulated by the Federal Housing Administrator, no such companies were formed. In February, 1938, the Reconstruction Finance Corporation (RFC) organized an association which later was named the Federal National Mortgage Association. The Association was directed to establish a market for the purchase and sale of first mortgages insured by FHA and to facilitate the construction and financing of rental and private housing by making direct loans insured by FHA.

In comparison with its present portfolio, FNMA's purchases during its early years were minimal. Its early activities, however, were instrumental in establishing a market for government-guaranteed loans so that the corporation, along with insurance companies and savings banks, was able to meet the demands of capital-poor areas during the building boom years of the late 40s and early 50s.

During the period from 1938 through 1954, FNMA operated with funds bor-

rowed from the United States Treasury. During the 1950s many proposals for the formation of a privately financed secondary market facility were considered and in 1954 Congress enacted a new charter which substantially changed FNMA's organization and operations. One part of the corporation, capitalized by preferred stock issued to the government and common stock issued to private investors, was authorized to conduct the corporation's secondary mortgage market operations, the purchase and sale of mortgages at market prices, principally with funds borrowed from private sources through the issuance of short-term discount notes and longer-term debentures. The other part of the corporation operated the special assistance (i.e., subsidized loan) and management and liquidation functions, almost entirely financed with funds obtained from the federal treasury.

In 1968, Congress severed the functions that had been performed by FNMA and created two separate organizations, a "new" FNMA which continues to operate the secondary market operations, and the Government National Mortgage Association (GNMA), which performs the special assistance and management and liquidation functions. The "new" FNMA, described as a "government-sponsored private corporation" and "private corporation with a public purpose" was a unique creature, but in light of the creation of Comsat, the Postal Service, the Student Loan Marketing Association and many state housing finance agencies, FNMA may be said to serve as a model for future ventures by the public and private sectors. FNMA has grown and prospered in the 18 years since enactment of its Charter Act and now is listed by *Forbes* magazine as the nation's sixth largest corporation in terms of assets, with assets in excess of $20 billion.

Characteristics of Secondary Market

I have reviewed FNMA's history and its growth as background to a discussion of some of the characteristics of the secondary market and the role played by title insurance. The goal of the secondary market simply stated is to assure that sufficient capital is available for housing and to meet the need

Author Murray

for such capital on a national basis. Many people are aware of FNMA's role as a stopgap lender, obtaining funds from the capital markets during periods in which the more attractive yields of corporate bonds divert funds from the savings institutions. A less dramatic function of the secondary market is shifting funds from capital-surplus areas to regions in which these funds are in short supply.

What are some of the prerequisites of this secondary market? The first is liquidity, that is, the ability of a lender to immediately sell loans in its portfolio when the need arises. Prior to the establishment of the FHA, few investments were more illiquid then a residential mortgage. The typical loan involved a lender who was acquainted with the neighborhood in which the property was located and who had formed an impression of the market acceptability of the structure itself. The borrower often was a customer of the lender or of another bank on whose judgment the lender could rely. The lender may have made other loans in the area so that an independent appraisal may not have been required. Finally, officers of the lending institution may have had personal relationships with the borrower which would override underwriting considerations. It is not difficult to understand why the typical mortgage loan was not marketable in the next city, much less across the country.

The FHA mortgage insurance certificate, statutorily incontestable, gave the secondary lender security. In the event of default the lender could look to the government instead of to the property and to the creditor. FHA also provided a degree of standardization in its mortgage instruments which enabled a secondary lender to be assured that a valid lien had been created and that the property had been appraised and the borrower's credit approved under established guidelines. FHA did not relieve the lender of all responsibilities; it is still required in most instances to liquidate the security and to provide FHA with marketable title.

As a leading lender, FNMA determined as early as the late 1940's that the secondary market required title insurance as evidence of marketable title. Again the differences between localized lending and the national secondary market are apparent. For the local lender, a certificate of title issued by lender's counsel may be acceptable. The secondary market lender can neither compile local title records nor evaluate the competency of title attorneys for the many areas in which it purchases loans. The interdependence of title insurance and secondary market lending is demonstrated by the fact that the area which is most resistant to title insurance, New England, is a capital-surplus area which has shown the least interest in FNMA's programs.

Recent Developments in the Secondary Market

I now would like to discuss briefly some recent developments in the secondary market. FNMA began purchasing conventional mortgages in February, 1972. For a number of reasons, including heavy inflows into the savings institutions, initial response was limited.

Recently, FNMA has made a number of changes in its conventional loan program to make that program more attractive. On November 6, 1972, it raised the maximum loan-to-value ratio for conventional loans from 90 per cent to 95 per cent, but required that the yield for loans with loan-to-value ratios in excess of 90 per cent be ¼ per cent higher than the yield for commitments obtained in FNMA's auctions of con-

ventional loan commitments. On February 6, 1973, this requirement was eliminated. FNMA also extended the use of its "convertible standby" commitments to conventional loans. Under the convertible commitment, the FNMA seller (mortgage originator) has the option of delivering mortgages within twelve months from the issuance of the commitment at the yield established by FNMA, or converting such commitment to a four-month commitment, in which case yields will be the average yield of the last FNMA auction preceeding the date of conversion. As a result of these recent changes, interest in the conventional program has increased beginning with auctions conducted in early 1973. FNMA issued commitments totaling $138 million on offers of $206 million in the first three auctions of 1973 as compared with a commitment of $51.9 million on offers of $93.6 million in the first three auctions of the conventional program last year. In addition, FNMA has issued $206 million of conventional "convertible standby" commitments in 1973.

Most of you are aware of the problems encountered by FNMA and the Federal Home Loan Mortgage Corporation in drafting their mortgage instruments. In my speech at your midwinter meeting in 1971 in San Diego, I outlined some of the problems we encountered in seeking standardization of these forms. There are a few points I believe need emphasizing. First, the experience of FHA forms insured as first liens by title companies and sold throughout the nation was invaluable. Although FNMA received comments from hundreds of lenders, the majority were directed to items related to the lender's yield. Lenders intended to look to title companies to insure the efficacy of the instruments in securing their interests. Secondly, I would like to thank the title companies for the assistance which they rendered. Finally, it should be noted that substantial uniformity among the forms for the various jurisdictions was obtained, and uniformity between the FNMA and FHLMC forms should be realized in the future. The primary differences between the FNMA and FHLMC forms, prepayment penalties and the due-on-sale clause, are examples of the differing needs of local and secondary market lenders. As an institution whose portfolio is measured in the billions and whose debt is financed over a relatively long term, FNMA did not consider these provisions to be essential. These considerations were not present for the typical savings institution. In recognition of the differing needs of lenders, FNMA recently announced that it would purchase loans originated on FHLMC forms provided the originating lender has notified the borrower that while FNMA holds the borrower's loan it would not require a prepayment penalty or enforce the due-on-sale provision.

In addition to the note and security instruments, advances have been made in attaining uniformity for other mortgage instruments. In cooperation with the appraisal societies, FNMA prepared an appraisal form which has been approved by FHLMC. It also prepared forms used to verify employment and bank deposits. If a secondary market for conventional loans is to expand, the use of standardized instruments such as those developed by FNMA is essential to assure investors that loans have been originated under generally acceptable underwriting criteria.

FNMA is preparing programs permitting the purchase of conventional mortgages covering individual condominium units and units located in Planned Unit Developments. In view of the nationwide interest in this type of ownership, we expect the rapid development of a secondary market for these loans.

For condominium units, FNMA will require an endorsement to the mortgagee's title insurance policy which will provide that: (1) FNMA's mortgage interest is a first lien on a unit which has been validly created under applicable enabling statutes, and (2) real estate taxes are assessed and lienable only as against individual units together with their individual interests in the common elements, and not as against the project as a whole. Much remains to be done in acquiring uniformity in condominium documentation. At present, the expense of examination usually has resulted in loans for all units in a condominium project, even those resold, being held by one lender. FNMA believes that the gradual establishment of uniform requirements, both legal and underwriting, will expand the market for condominium loans, and I will discuss later how title companies can be of assistance. For PUD unit loans, FNMA will require, in addition to normal title coverage, evidence of lien-free ownership of the common elements by the homeowners' association.

FNMA next intends to begin work on its conventional multifamily program, which will require the development of forms and underwriting standards. The corporation also is exploring methods of cooperating with the state housing finance agencies. The development of these programs and increased conventional single-family loan purchases, coupled with the moratorium on federal subsidies, are expected to decrease the percentage of FNMA's portfolio represented by subsidized mortgages.

Expanded Title Insurance Coverage

Having reviewed recent advances in the secondary market and acknowledged the role of title insurers, I would like to move on to new areas of coverage, which might be called the "outer limits" of title insurance. I realize that some of my proposals will be considered by many to be outside the scope of traditional coverage. In presenting them I ask you to consider the needs of the secondary lender, his unfamiliarity with local law and custom and the costs incurred in examining loan documents. What are some of the opportunities presented to title insurance companies?

1. Expanded coverage for condominium loans. The requirements of FNMA's program are divided into underwriting standards and protections granted to the mortgagee by the applicable statute, the master deed and other condominium documents. Examples of the latter in addition to those covered by the endorsement FNMA intends to require are: (a) the mortgagee's written approval of abandonment of the condominium, partition and a change in the unit owners' percentage interests in the common elements; (b) notice given the mortgagee of default in the unit mortgagor's obligations under the condominium documentation and

Continued on page 13

ALTA Radio, TV Spots Reach Millions in 1973

Early this year, a package of ALTA public service film announcements arrived in the mail at WTOP-TV, Washington, D.C. Featured on the 16 mm color sound film are messages calling public attention to the importance of learning about home buying and land title protection before completing a real estate purchase.

The ALTA film, along with public service announcements from other organizations, were checked in by WTOP-TV staff for screening and evaluation. Within a short time, the group of film offerings was reviewed. Some were found acceptable for public service telecasting by the station and some were not. Station personnel determined that the ALTA announcements would be telecast by WTOP-TV in the public interest.

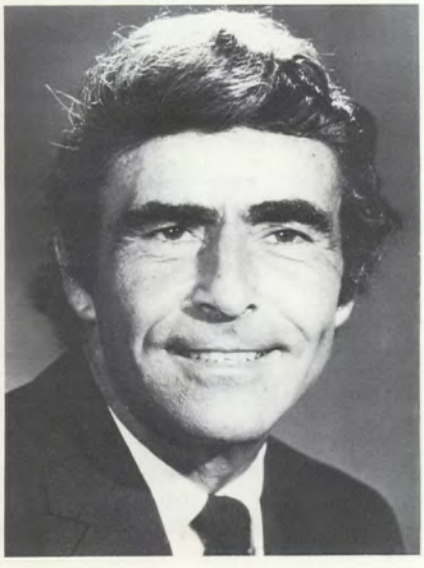
Featured in separate 30-second announcements comprising the ALTA package are Ted Knight of CBS Television's, "The Mary Tyler Moore Show"; Bob Reed of ABC Television's, "The Brady Bunch"; and Rod Serling of NBC Television's, "Night Gallery". During their spots the three stars suggest finding out the details on home buying in advance—and writing ALTA for free home buyer guidelines.

After screening and acceptance, the ALTA film was logged into the WTOP-TV program schedule for use in free air time donated by the station as a public service. Soon the ALTA film messages—enhanced by three celebrities contributing their talents without charge—were reaching thousands of viewers in the Washington area.

During the first three months of 1973, similar procedures took place at more than 180 stations across the nation as the ALTA announcements were telecast to an audience numbering in the millions. Once again, the importance of television's role in public information had been demonstrated through an activity of the ALTA Public Relations Program.

Recognizing that the home buying public is an ever-changing audience, ALTA public relations endeavor includes television and radio material released at strategically-timed intervals through the year. Besides the previously-mentioned television celebrity film announcements, ALTA home buyer education television slide announcements are sent out in the early spring. Contained in the slide announcement package are slides featuring cartoon art work for telecasting and accompanying public service scripts read on the air by local announcers. In addition, ALTA produces two 60-

Use of ALTA home buyer education television public service slide announcements includes their projection with station equipment (left) as an announcer in another part of the studio reads copy. Another effective part of ALTA home buyer education is use of pre-recorded radio public service announcements featuring celebrities, which are broadcast by stations from coast to coast (typified by the photograph at right).



second television public service film clips for distribution in late spring and early fall, respectively. Each clip features a mini-drama using live actors to emphasize certain aspects of home buying and land title protection. And, ALTA in the spring distributes a package of home buyer education public service radio announcements for use in time donated by stations; these also feature celebrities donating their talents.

Station acceptance of ALTA television and radio messages is excellent. The related effort by celebrities, stations, and ALTA produces a significant increase in public awareness regarding preparation and precaution before home buying.

Starring on the 1973 ALTA home buyer education radio announcements distributed this spring to more than 5,500 stations from coast to coast are: Edward Asner, winner of an Emmy Award for his television performance on "The Mary Tyler Moore Show"; Linda Crystal, highly talented television actress who duplicates her announcement in English and in Spanish to meet the need of Spanish language stations; and Tex Williams, veteran western music star whose distinctive voice is heard on an announcement designed for country and western music stations—and on one other spot.

An idea of the impact made possible through station use of ALTA announcements can be obtained by reading through the following list of cities, each being the location of at least one station that telecast the Knight-Reed-Serling film spots. In some of the cities, more than one station used these announcements. Not all cities where the announcements were seen are in the list since some stations do not advise ALTA regarding use.

Alabama—Dothan

Alaska—Anchorage, Fairbanks

Continued on page 14

Celebrities featured on 1973 ALTA television and radio home buyer education announcements are shown here. At left, from top to bottom, are Ted Knight, Bob Reed, and Rod Serling, each starring on a 30-second television film announcement. At right, from top to bottom, are Linda Crystal, Edward Asner, and Tex Williams, who contribute their talents on this year's ALTA public service radio announcements.

Part III: ALTA Judiciary Committee Report

(Editor's note: Members of the ALTA Judiciary Committee have submitted over 500 cases to Chairman John S. Osborn, Jr., of the Louisville law firm of Tarrant, Combs, Blackwell & Bullitt, for consideration in the preparation of the annual Committee report. Chairman Osborn reports that 116 cases have been chosen for the report. For previous installments of the report, please see the February and March, 1973, issues of *Title News.)*

* * *

EMINENT DOMAIN

State of New Jersey v. Mehlman, 118 N. J. Super. 587, 289 A. 2d 539 (N. J. 1972)

It was decided that in a highway condemnation proceeding, an attempt to determine a fair market value for vacant land by capitalizing income expected to be realized from buildings not yet built, without considering the variables involved in building, financing, operating, and leasing such buildings, was improper. The court refused to determine what method should be used for appraisal of the fair market value at the time of the taking, but remanded the case because the method used by the court below was unreasonable under the above criteria.

Surety Savings & Loan Asso. v. State, 54 Wis. 2d 438 (1972)

While compensation is required if a property right is so impaired as to amount to a taking of land by, for example, denying all access thereto, injury to property resulting from the exercise of state police power, such as designation of a highway as a controlled-access highway, does not entitle a landowner to compensation because direct access to a controlled-access highway is denied, where other access is given or otherwise exists.

Gawin v. Redevelopment Authority of Milwaukee, 53 Wis. 2d 380, 190 N. W. 2d 201 (1971)

Sec. 269.25, Stats., was applicable to condemnees' circuit court appeal from an award in the instant condemnation proceeding, the record revealing that their attorney of record withdrew from the case almost five years after the filing of the appeal, that no substitution was ordered until shortly prior to a hearing of a motion to dismiss the appeal (which had not been brought to trial), and which motion was made more than five years after the date the appeal was filed, no evidence being proffered justifying the undue delay or excusing the neglect of their former attorney.

DePaul v. Kauffman, 441 Pa. 386, 272 A. 2d 500 (1971)

In this case a group of apartment building owners brought suit challenging the constitutionality of the Pennsylvania Rent Withholding Act (Act of January 24, 1966 P. L. 1965 as amended - 35 P. S. Secs. 1700-1 et seq.) The Supreme Court in affirming the decision of the lower court held that the act in question was not an unconstitutional delegation of legislative authority to the Philadelphia Department of Licenses and Inspections which has the duty of determining what is or is not "fit for human habitation" nor was the term so lacking in specificity as to render the act void for vagueness. Finally, the court held that the act did not work an arbitrary nor unreasonable taking of a landlord's property without due process of law nor did it impair the obligation of contracts.

IMPROVEMENTS

Peters v. Archambault, 1972 Mass. Adv. Sh. 221

Bill in equity to compel removal of a portion of Archambault's home encroaching on Peters's land. Title to both lots had been registered under the Torrens system. Neither title certificate recited rights in favor of Archambault's lot over Peters's lot. Total area of Peters's lot was 4900 square feet, and encroachment covered 465 square feet, projecting 15 feet 3 inches into its 50 foot width. Archambault's home had been built in 1946 and bought in 1954 and Peters bought his lot in 1966 and discovered the encroachment by a new survey. The trial court ordered the encroachment removed and Archambault appealed.

Decree for removal was affirmed pursuant to majority opinion by Cutter, J, with a rare dissent by Tauro, C. J. The majority opinion stated that a land-owner was ordinarily entitled to injunctive relief in other than "exceptional" cases, that here the encroachment greatly increased the congestion of the lot, and stressed the importance of protection of registered land to a greater extent than land unregistered.

The dissenting opinion considered the instant case in the "exceptional" category, stressed the plaintiff's voluntary purchase and actual notice and the burden which removal would cast on the defendant, insisted that denial of an injunction could not impair Peters's registered title, and suggested instead that the boundaries be corrected to conform to the location of the house upon some payment by Archambault to Peters.

LANDLORD AND TENANT - LEASES

Raponotti v. Burnt-Mil Arms, Inc., 273 A. 2d 372 (N. J. 1971)

The owner of an apartment building provided a swimming pool for the tenants without additional charge. No lifeguard or safety equipment was provided and a sign stated "private" and "swim at your own risk." One of the tenants had a pool party with outside guests with the owner's permission. One of the guests drowned.

Held: The pool was operated "indirectly" for profit and was "a public pool" within the meaning of the New Jersey statute even though the general public was excluded. Consequently, the jury should have been charged

that they could infer negligence from a violation of the statute.

A similar statute in California has been interpreted in the same manner. See Lucas v. Hesperia Golf and Country Club, 63 Cal. Rptr. 189 (1967)

Point E. Man. Corp. v. Point E. One Condominium Corp., 258 So. 2d 322 (Fla. App. 3rd DCA - 1972)

Association brought suit against management corportion seeking cancellation of contract and for cancellation of lease inter alia.

Held that management contracts invalid, declaring them to be in violation of the Condominium Act, and the leases were valid.

Both management contracts and leases were made prior to sale of any units. The leases were of direct benefit to purchasers but the association under the Condominium Act (and usually under Declaration of Condominium) is charged with management duties, which they may contract for if they choose. However, in this instance the management contracts were of such long duration the court felt the association had been effectively deprived of control.

A concurring opinion specifically points out that although the management contracts in question are invalid it is because of the specific terms and duration and is not to say all such contracts are invalid.

Cardona v. Eden Realty Co., Inc., 118 N. J. Super. 381, 288 A. 2d 34 (N. J. 1972)

A tenant in a multi-tenant tenement building sued for injuries sustained in a fall in the building's stairway. The defendant-landlord defended on the grounds that the tenant had received a lease at a reduced rate in consideration for renting the apartment "as is" and for a clause in the lease which exculpated the landlord from any acts of negligence Even though the tenant had an option to eliminate the exculpatory clause upon the payment of an additional two dollars rental per month, the court upheld the lower court's judgment for the tenant. The court found that the landlord and the tenant were in unequal bargaining positions, weighted oppressively in favor of the landlord. Thus, the court ruled the exculpatory clause contrary to public policy and unenforceable.

MARKETABLE TITLE ACTS

Hiddleston v. Nebraska Jewish Education Soc., 186 Neb. 786 (1971)

Action to enforce a right of reverter upon the termination of a fee simple determinable. The defendants demurred, arguing that the possibility of reverter had been extinguished by statute which purports to bar all possibilities of reverter and rights of reentry after 30 years from the date of the creation of the condition or possibility of reverter. The issue involved was the question of the constitutionality of the statute.

Held: The statute was constitutional. Accordingly, the possibility of reverter could not be enforced.

The court pointed out that similar statutes had been held unconstitutional in Florida and in New York, but that, on the other hand, the Supreme Court of Illinois had sustained such a statute. The Nebraska court was of the opinion that the statute was reasonable and was intended to increase the utility of land and marketability of titles.

MINES AND MINERALS

Kirk v. Smith, 253 So. 2d 492 (Fla. 1971)

Question: Where the State of Florida conveys property and retains mineral reservations, and the fee simple or surface owner fails to pay county ad valorem taxes, will a subsequent tax deed without reservations extinguish and cancel the mineral rights of the state?

The court found that when the conveyance is made prior to 1957, the date of enactment of F. S. 193.481 (formerly 193.221), providing for separate taxation of the surface and subsurface interests when they have been separated, the governing statute is F. S. 211.14 which provides "All . . . sales of lands for nonpayment of ad valorem taxes shall include the sub-surface oil and gas and mineral interests." Therefore, since the state granted to the county the right to enforce payment of ad valorem taxes by sale of the property without reservation of any interest therein, such tax deed vests in the grantee a new and independent title.

It should be noted the result may be otherwise when the tax deed is made subsequent to 1957. The argument that the state's interest is not subject to taxation and thus not subject to foreclosure by tax deed may prevail.

MORTGAGES AND LIENS

Ratner v. Chemical Bank New York Trust Company, DC N. Y., Feb. 14, 1972

Maintenance of a class action was denied in a case involving a potential $13 million recovery by cardholders who had received billing statements on their credit card accounts which did not comply with the disclosure requirements of Truth-in-Lending.

In an earlier order, the United States District Court, Southern District of New York, determined that the defendant bank had violated Truth-in-Lending when it failed to disclose a "nominal annual percentage rate" of finance charge on its monthly credit card billing statements in instances when no actual finance charge was imposed.

In this subsequent order, the court determined that there was no affirmative need or justification for a class proceeding in the circumstances of the case. The allowance of the thousands of minimum recoveries sought by plaintiff for the class would carry to an absurd and stultifying extreme, and be inconsistent with, the specific individual remedy prescribed by Congress as the means of private enforcement of Truth-in-Lending.

Overmyer v. Frick, (U. S. Sup. Ct. Feb. 24, 1972), 31 L. Ed. 2d 124

A cognovit note in a contract is not, per se, violative of the due process provisions of the Fourteenth Amendment. Fact situations, however, will determine whether a debtor, by his execution of a cognovit note, voluntarily, intelligently, and knowingly waived his due process rights to notice and hearing.

The U. S. Supreme Court upheld the refusal of the Ohio Court of Appeals to vacate a judgment confessed against the appellant. Looking to the fact that the appellant was a corporation with much experience with contracts and notes, that the note was executed only after the appellant had become delinquent on an earlier contract, and that the opportunity had been afforded, pursuant to Ohio law, to have the confessed judgment opened, the Supreme Court determined that the appellant had not been rendered defenseless by any unwitting waiver of due process rights.

The Supreme Court noted, however, that the decision is not to be taken as controlling precedent for other cases. In other situations, such as adhesion contracts, great disparity in bargaining power, or lack of consideration for the cognovit provision, the legal consequences might be different.

Swarb v. Lennox, (U. S. Sup. Ct. Feb. 24, 1972), 405 U. S. 191

The Pennsylvania rules and statutes governing confessions of judgment are not unconstitutional on their face, since, under appropriate circumstances, a debtor may be held to have effectively and legally waived his due process rights.

The U. S. Supreme Court affirmed a United States District Court, Eastern District of Pennsylvania decision which held the Pennsylvania confession of judgment procedure unconstitutional as to debtors with annual incomes of under $10,000, but which denied relief to proposed class members with incomes $10,000 and over.

Appeal was taken on the question of the lower court's limitation of the class to be granted relief. A finding of error in this limitation would have been, in effect, a blanket declaration of unconstitutionality of all cognovit notes. Since such a holding would run contrary to the Supreme Court's finding in the companion Overmyer case (see above) that cognovit notes are not unconstitutional per se, the decision was affirmed.

The court was careful to note that this decision is not to be construed as an approval of the entire Pennsylvania cognovit procedure, particularly in view of the limited scope of the appeal.

La Sala v. American Savings & Loan Association, Sup. 97 Cal. Rptr. 849 (1971)

The borrowers brought a class action against their lender for a declaration of the invalidity of defendant's form of deed of trust permitting defendant to accelerate the indebtedness if the borrower executes a junior encumbrance on the secured property (due-on-encumbrance clause). The named plaintiffs had encumbered their property with a

junior encumbrance and the defendant, after notifying plaintiffs of its right to accelerate and after first offering to waive its right to accelerate in return for a cash consideration and increase in the rate of interest, offered to waive enforcement of the clause as to them. The Supreme Court held that the receipt by the class representative of all the individual benefits he seeks in the complaint does not mechanically render the plaintiff unfit per se to continue to represent the class. Whether the named plaintiffs would fairly and adequately protect the class was an issue resting in the discretion of the trial court. If the trial court concluded that plaintiffs could no longer suitably represent the class, then the court should at least afford the plaintiffs the opportunity to amend their complaint to redefine the class, or to add new individual plaintiffs, or both, in order to establish a suitable representative. If, after the court has thus extended an opportunity to amend, the class still lacks a suitable representative the court should not dismiss the action without first notifying the members of the class. The Supreme Court further stated that controversies involving widely used contracts of adhesion, such as trust deeds, present ideal cases for class adjudication.

The court said that a due-on-encumbrance clause is not per se an illegal restraint upon alienation. However, enforcement of that clause by accelerating the indebtedness unlawfully restrains alienation whenever the borrower's execution of a junior encumbrance does not endanger the lender's security. The court could not resolve the issue merely by examination of the pleadings and declarations before it on appeal from the trial court's dismissal of the action on the narrow ground that the named plaintiffs no longer represented the class.

The court was of the view that a due-on-sale clause did not constitute an unlawful restraint on alienation. A sale of property usually divests the borrower-vendor of any interest in that property, and involves the transfer of possession, with responsibility for maintenance and upkeep, to the vendee. The lender's security may be endangered through waste or poor credit with the consequence that the due-on-sale clause, designed to thwart such acts without the lender's consent, is reasonable and therefore does not constitute an unlawful restraint on alienation.

Holstein v. Adams, 194 N. W. 2d 216 (Neb. 1972)

A mortgagor in a foreclosure proceeding is not entitled to personal service of the published notice of sale. The requirement of notice is satisfied by publication. (Sec. 25-520.01, R. R. S. 1943)

Junction Bit & Tool Co. v. Village Apartments, Inc., 262 So. 2d 659 (S. C. Fla. 1972)

Foreclosure action on mortgage brought after obtaining a judgment on the note is not barred if judgment is unsatisfied.

In this the Supreme Court receded from an earlier decision (*State et rel. Teague v. Harrison*, 190 So. 2d 483 (1939) where it was stated that action on the note was an election of remedies. Here the court said "an unsatisfied judgment does not constitute a remedy."

In Re Penn Central Transportation Company, 341 F. Supp. 815 (E. D. Pa. 1972)

This case concerned property rights relinguished by the trustees of the debtor railroad company and liens upon such property. A predecessor of the railroad had retained an easement on a railroad spur in Massachusetts in conjunction with the conveyance of the balance of specified realty to the local transportation authority. Subsequently, the railroad agreed to release the authority from its obligation to rebuild track which it had removed from the easement and from its obligation to restore the easement, in consideration for a sum of money. Mortgages held by indenture trustees had become liens after the original conveyance, but prior to the release. The trustees of the railroad claimed that the monies received from the release should be made available for general operating purposes because the liens were upon an easement which was by its terms terminable should the railroad suspend local service. The indenture trustees claimed that the funds should go to them, for the release was a sale of the easement which was subject to their mortgage liens. The court ruled for the indenture trustees, not because the release was a sale of the easement, but because the covenant to restore the easement was an interest running with the land. When the railroad disposed of this interest in realty for valuable consideration, the liens attached to the proceeds.

Hallman v. Hospital & Welf. Bd. of Hillsborough Co., 262 So. 2d 669 (S. C. Fla. 1972)

Suit by hospital and welfare board against wife and husband to recover on note signed by wife upon husband's discharge from hospital. Held that provision of statute enacted under old constitution requiring writing "executed according to the law respecting conveyances by married women" in order to hold wife's separate property liable for husband's debt was repealed by new constitution section providing:

> "There shall be no distinction between married women and married men in the holding, control, disposition, or encumbering of their property . . . . "

Thus judgment on the note signed by the wife could be levied against her separate property.

Hurdy v. Russo, 118 N. J. Super. 114, 286 A. 2d 717 (Super. Ct. App. Div. 1972)

The plaintiff held bonds secured by second mortgages on realty. Upon foreclosure of the first mortgage and sheriff's sale of the property, the plaintiff brought suit against the defendant, obligor on the bonds, which resulted in a summary judgment for the plaintiff. On appeal, the court affirmed, rejecting the defendant's claim that the fair market value of the property originally covered by the mortgages be deducted from the balance due to the plaintiff. The court ruled that once the security is extinguished by foreclosure of a prior mortgage, the mortgagee cannot look to the collateral to satisfy the debt, for the collateral no longer exists.

J. I. Kislak Mortgage Corp. of Delaware v. William Mathews Builder, Inc., 287 A. 2d 686 (Del. Super. Ct. 1972)

Plaintiff brought an action to foreclose on a construction mortgage given by the defendant. A sub-contractor intervened, claiming priority for its mechanic's liens. The court granted the intervenor's motion for summary judgment, holding that although plaintiff's mortgage was recorded prior to the time that the intervenor's mechanic's lien attached (when work commenced or materials first supplied), the plaintiff had the option as to whether to make further progress payments and did so with the knowledge that the intervenor's mechanic's liens had attached. Thus, to the extent of those further advances, the mortgage lien was held inferior to the mechanic's lien.

Charles H. Weaks and wife, Helen J. Weaks v. Gary T. Gress and wife, Barbara J. Gress, 474 S. W. 2d 424 (Supreme Court of Tennessee - 1971)

Husband and wife conveyed their real estate owned by them by the entirety with full warranties as being free from encumbrances at a time when there was in existence a judgment lien against the husband only. Purchasers brought action against sellers for breach of covenant by reason of the fact that the property was encumbered by the judgment lien and sellers defended with the argument heretofore valid in Tennessee that the judgment lien against one spouse did not attach on property owned by the entirety and because the interest of one individual spouse in the property is only an expectancy. The Supreme Court held that inasmuch as the right of the individual spouse is transferable it constitutes an equitable right in the property and is subject to any lien against the individual spouse. Therefore the lien attached, the covenant of clear title was breached, and claim for damages will lie.

In remanding the case the Supreme Court went even further and directed the lower court to explore the question whether also the seller's wife breached the covenant against encumbrances, in which case she would also be liable and her individual property subject to a lien and execution.

This case is a complete reversal of the previous opinion of the Supreme Court, which was as quoted above and decided "respectable authority to the contrary." In following up two prior decisions making the interest of a spouse in real estate owned by the entirety transferable, it now designates such right as an equitable right in property and not just an expectancy, which is not a transferable right, and thereby making not only the interest of the spouse against whom the judgment was rendered subject to its lien, but keeping the other spouse, whose interest is free and clear from liens, from warranting title to the property as being free from encumbrances.

Landlord and tenant leases — to be continued

names in the news

Joseph D. Burke, executive vice president, has been elected a member of the board of directors of Commonwealth Land Title Insurance Company. Commonwealth also announced two promotions in its Lancaster office: **Barbara Ann Monyer** to assistant vice president and title officer and **Ralph E. Albright** to assistant title officer.

* * *

Robert C. Dawson, ALTA Title Insurance and Underwriters Section chairman and president of Lawyers Title Insurance Corporation, has been elected a director of The Life Insurance Company of Virginia.

* * *

Lawyers Title Insurance Corporation has elected **Garland G. Donleavy** manager of its Hartford (Conn.) office and **Raymond E. Johansen,** manager of its Ventura (Calif.) office.

Lawyers Title Insurance Corporation has named **F. Spencer Cosby, Jr.,** as head of its recently-opened National Division office in Houston, which is the tenth office of that division operated by the company across the nation. **Robert S. DeLangie** has been named manager of the company's San Jose (Calif.) branch office.

* * *

Title Insurance and Trust Company has promoted **Neil F. Barton,** title processing manager, and **David B. King,** marketing representative of the western region, to vice presidents; **Harold Arman,** senior associate counsel, to senior division counsel; **Robert L. Byrne,** personnel services supervisor, to manager of the Elko county operations; **Byron Benson** to vice president and manager responsible for operations of the central, north, east and west districts of Los Angeles; and **Basil Jackson, Warner Harrah,** and **Donald J. Coyle** to district managers.

BURKE

MONYER

* * *

Louisville Title of Arizona has named **H. C. Ritenbaugh** vice president and manager, and **Tom Funicello** chief title officer and assistant secretary.

ALBRIGHT

DONLEAVY

* * *

Fidelity Title Insurance Company has elected **William G. Hanschmidt** vice president and manager, and **Larry C. Fulton** assistant vice president and regional counsel, in its newly-opened Denver office.

JOHANSEN

HANSCHMIDT

* * *

Sonoma County Abstract Bureau has announced several promotions: **Fred W. Due** to senior vice president, **Donald A. Due** and **Mark J. Cohen** to vice presidents, and **John W. Frederick** to title department manager.

* * *

The Title Insurance Corporation of Pennsylvania has named **Warren R. Strouse** title officer.

FULTON

STROUSE

* * *

Donald L. Marr has been elected vice president and manager of the Wayne, Oakland, and Macomb County operations of Pioneer National Title Insurance Company.

Victor C. Vesco has joined the National Department of Mid-South Title Co., as an associate of **W. J. Gallagher,** vice president in charge of agent service. His duties as a field representative will take him throughout Arkansas, Mississippi, and areas of Tennessee outside Shelby County.

* * *

Ted Bond and **John Leonardi, Jr.,** recently opened Mid America Title Company, a new title and escrow company serving the Lake County (Ill.) area.

* * *

Vance N. Caskey, vice president, has been elected a director and member of the executive committee of District-Realty Title Insurance Corporation.

* * *

Stewart Title Guaranty Company has announced the appointment of **Robert G. Clements,** former manager of the Oak Cliff branch office, to manager of the Galveston County operations.

* * *

Curt Gustafson has been named manager of the Colorado operations for Transamerica Title Insurance Company.

* * *

The TI Corporation has named **Robert E. Vanderlip** senior vice president in charge of organization planning and development and **Robert G. Rove** associate general counsel.

* * *

Pioneer National Title Insurance has promoted **John de Sheplo** to the position of vice president and **James J. Ronan** to the position of assistant vice president.

* * *

Raymond G. Adams has been appointed sales manager of the southern region, Los Angeles county, Security Title Insurance Company.

* * *

Warren J. Pease has purchased Bend (Ore.) Abstract Company following his retirement as vice president and division manager for a national title insurance concern. Pease has spent 43 years in the land title industry. Plans are to change the name of the acquired concern to Bend Title Company and continue operations in its present location. The company was purchased from **Jesse** and **Velma Yardley.**


BOND


LEONARDI


CASKEY


CLEMENTS


GUSTAFSON


VANDERLIP


ROVE


ADAMS


PEASE


YARDLEY


LANIGAN


HALEY

* * *

The Title Guarantee Company, Baltimore, has named **Thomas C. Carlin,** assistant secretary; **Louis C. Jira,** assistant secretary; and **Loretta P. Fryer,** assistant secretary and treasurer.

* * *

John P. Lanigan of Hampton Bays has been elected assistant vice president of Metropolitan Title Guaranty Company, Carle Place, N.Y.

* * *

Mrs. Carol Mathes Haley has joined the ALTA staff in Washington, D.C., as public relations associate and managing editor of *Title News.* She most recently was associated with Project HOPE, where her responsibilities included fund raising activity and writing. Earlier, she was a development writer for Emory University, Atlanta; public affairs manager and editor for the DeKalb, Georgia, Chamber of Commerce; and editor and feature writer for Southern Bell Telephone in Atlanta.

SECONDARY MARKET—continued from page 6

an opportunity to correct the default; and (c) that a unit is not subject to unreasonable restraints upon alienation. In the future, instead of a time-consuming examination by the mortgagee, I envision amendments to condominium statutes to attain greater uniformity, the adoption of model documents and, finally, the issuance of standard endorsements to the mortgagee policy insuring the lender that all of its requirements (other than underwriting) have been met.

2. Flood plains. At such time as the federal government has prepared maps of high risk flood areas, could title companies insure

that the mortgaged property does not lie within such areas?

3. Many states have enacted or are considering the enactment of so-called environmental protection acts requiring filing of environmental impact statements for certain types of projects—could insurance be obtained that the project being financed by the insured would not require such a statement?

4. The FHA has published in its regulations a list of unobjectionable title exceptions. FNMA has included a similar list in its Conventional Selling Contract Supplement. Our experience has shown that the inclusion of certain types of title exceptions in the mortgagee's policy often results in unnecessary correspondence between FNMA and the originating lender and delay in purchase of a loan. A proposal had been made by one company, which I do not think has been implemented, to issue an endorsement to the mortgagee's policy insuring against loss or damage sustained by a refusal to accept title in connection with a future FHA insurance claim resulting from existence as of the date of the policy of such matters as restrictive covenants, easements affecting the land, encroachments and outstanding oil, gas and mineral rights. Such an endorsement would be very useful. At present, for government and conventional loans, FNMA's lay examiners must seek advice from staff counsel (who often must obtain additional information from the originating lender) when generally-worded exceptions appear in the mortgagee's policy. The use of the proposed endorsement in most cases would relieve sellers of the obligation of obtaining waiver letters from FHA and issuing certifications, and in those cases where the endorsement would exclude certain matters, FNMA's lay examiner and the originating lender would be alerted to the possibility that waiver letters would be required, either from FHA or from FNMA (for the conventional program). I urge that consideration be given to adopting such an endorsement.

5. Usury. I am aware of the reluctance of companies to grant any coverage in this area but I believe that very limited coverage may in some instances be appropriate. An example is the usury statute in the state of Michigan. In eliminating the limitation on maximum interest rates for most lenders, the legislature banned all other charges including the imposition of an origination fee. The effect was to largely eliminate the origination of conventional loans by Michigan mortgage bankers for sale in the secondary market. We have been advised that two title insurance companies are willing to insure the originating lender and its assignees that if the insured issues the borrower a commitment using a letter approved by the companies and the commitment period is not less than 30 days and the lender collects a non-returnable fee, the loan will not be rendered usurious by the imposition of such a fee.

These are a few of the types of extended coverage which I believe title insurance companies should consider granting. As I stated in the beginning of my talk, these are changing times for the housing industry. I believe you will agree that change is not restricted to policy questions and that recently enacted statutes such as truth-in-lending and consumer protection laws and decisions rendered by the courts potentially have increased the risks incurred by lenders, both in the origination of loans and in liquidation upon default. Too often the reaction of some title insurance companies to such changes is a hastily worded addition to the list of exceptions in Schedule B. Although in some instances this can be the only response, I urge you to look for additional means of serving the industry and invite you to submit your proposals to FNMA for our consideration. I believe that the development of an extensive secondary market for conventional residential loans and the $70 billion market which will be opened presents a significant opportunity for expansion of the mutually-necessary relationship between secondary market lenders and your industry.

RADIO, TV—continued from page 8

Arizona—Tucson

Arkansas—El Dorado, Ft. Smith, Little Rock

California—Chico, El Centro, Fresno, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Diego, San Francisco

Colorado—Colorado Springs, Grand Junction, Sterling

Connecticut—Hartford, Waterbury

Florida—Fort Myers, Jacksonville, Miami, Pensacola, St. Petersburg, Tallahassee, West Palm Beach

Georgia—Atlanta, Augusta, Savannah

Hawaii—Honolulu

Idaho—Lewiston

Illinois—Chicago, Harrisburg, Rockford, Rock Island

Indiana—Elkhart, Indianapolis, Lafayette, Terre Haute

Iowa—Ames, Cedar Rapids, Davenport, Ottumwa, Sioux City

Kansas—Copeland, Ensign, Great Bend, Topeka

Kentucky—Lexington, Livingston, Louisville

Louisiana—Alexandria, Baton Rouge, New Orleans, Shreveport

Maine—Bangor

Maryland—Baltimore

Massachusetts—Boston, New Bedford, Springfield, Worcester

Minnesota—Duluth, Mankato, Minneapolis

Michigan—Flint, Port Huron, Traverse City

Mississippi—Columbus, Greenwood, Jackson

Missouri—Columbia, Jefferson City, Joplin, St. Louis

Montana—Butte, Kalispell, Missoula

Nebraska—Albion, Grand Island, Kearney, Scottsbluff

Nevada—Las Vegas, Reno

New Mexico—Roswell

New York—Binghampton, Buffalo, New York City, Plattsburgh, Rochester, Schenectady, Utica

North Carolina—Asheville, Hickory, Washington, Wilmington

North Dakota—Fargo, Williston

Ohio—Akron, Cincinnati, Dayton, Lima, Parma, Toledo

Oklahoma—Oklahoma City

Oregon—Eugene, Klamath Falls, Portland

Pennsylvania—Altoona, Erie, Philadelphia, Pittsburgh, York

South Carolina—Columbia

South Dakota—Aberdeen, Sioux Falls

Tennessee—Jackson, Knoxville

Texas—Austin, Beaumont, Dallas, Houston, Laredo, Lufkin, San Antonio, Sherman, Temple, Waco, Weslaco, Wichita Falls

Utah—Salt Lake City

Vermont—Burlington

Virginia—Hampton, Harrisonburg, Portsmouth, Richmond, Roanoke

Washington—Spokane, Yakima

West Virginia—Bridgeport, Huntington, Parkersburg

Wisconsin—LaCrosse, Milwaukee, Rhinelander

Wyoming—Casper, Cheyenne

Commonwealth Campaign Cited

An award-winning Commonwealth Land Title Insurance Company radio and direct mail advertising campaign is the subject of a full-page article in a recent issue of *RAB Creative Newsletter,* published by the Radio Advertising Bureau, Inc.

The campaign last year won top honors in the multi-media division of the district American Advertising Federation "ADDY" competition covering New York, New Jersey, Pennsylvania, Delaware and Maryland.

In his *RAB* article, the author, Joseph T. Greenwald of Albert Frank-Guenther Law, Inc., Commonwealth's agency, writes: "Is it possible, in one minute, to educate the public about such serious subjects as what services real estate brokers provide to earn their commissions and why home buyers need title insurance protection—and do it humorously?

"Commonwealth Land Title Insurance Company of Philadelphia thinks it is. And so do the brokers," Mr. Greenwald, continues.

The Commonwealth campaign is a satire of the old-time radio "soap operas" and is entitled, "John's Other House." Each one-minute spot is a capsulized radio drama, complete with organ music, which continues from commercial to commercial in telling of "one man's valiant struggle to sell his house himself".

Each sequence concentrates on one particular service that real estate brokers provide for sellers, such as helping to set the right price, arranging financing, screening prospects and selling the property quickly. According to Greenwald, this is accomplished by showing the frustrations encountered by the drama's long-suffering hero, John, who is trying to do the job himself.

John's wife, Blanche, consistently urges him to stop fumbling the task and call in a professional real estate broker. In the course of each dialogue, she brings out the particular service a broker would have provided to avoid John's latest blunder.

At the same time, Commonwealth promotes title insurance protection for new buyers. At the close of each commercial, as the announcer raises the inevitable questions that need answering in the "next episode", the last question deals with title insurance. For example: "And what about title insurance? Will the new buyer protect himself from the hidden dangers lurking in John's house?"

After the initial spots were broadcast, each broker received an envelope labeled, "John and Blanche are here." Inside was a record containing the series of commercials, and information about the campaign as well as the broadcast schedule. Office posters also were provided.

The campaign is designed to focus public attention on the professional services of the real estate broker during the peak home buying season. After broadcast of the commercials and the mailing, a survey conducted by the ad agency indicated favorable reaction among local brokers. In the survey, 80 per cent of brokers in the target area were shown to be aware a title company is promoting their services; 55 per cent correctly identified Commonwealth Land Title as the company responsible for the program and 48 per cent correctly identified the media—direct mail and radio—used in the promotion.

meeting timetable

1973

March 30-31, 1973
Florida Land Title Association Mid-Year Meeting
Hilton Hotel
Tallahassee, Florida

April 12-14, 1973
Arkansas Land Title Association
Fayetteville, Arkansas

April 13-15, 1973
Oklahoma Land Title Association
Camelot Inn
Tulsa, Oklahoma

May 3-5, 1973
Texas Land Title Association
Camino Real Hotel
Mexico City, Mexico

May 6-8, 1973
Iowa Land Title Association
Hyatt House
Des Moines, Iowa

May 10-12, 1973
New Mexico Land Title Association
Airport Marina Hotel
Albuquerque, New Mexico

May 10-12, 1973
Washington Land Title Association
Evergreen Inn
Olympia, Washington

May 23-25, 1973
California Land Title Association
Newporter Inn
Newport Beach, California

June 3-5, 1973
Pennsylvania Land Title Association
Host Corral
Lancaster, Pennsylvania

June 7-10, 1973
New England Land Title Association
Stratton Mountain Inn
Stratton Mountain, Vermont

June 8-9, 1973
South Dakota Land Title Association
Holiday Inn
Mitchell, South Dakota

June 14-16, 1973
Idaho, Montana and Wyoming Land Title Associations
Pink Garter Plaza
Jackson, Wyoming

June 20-22, 1973
Illinois Land Title Association
Drake Hotel
Chicago, Illinois

June 21-23, 1973
Colorado and Utah Land Title Associations
Manor Vail
Vail, Colorado

June 21-23, 1973
Oregon Land Title Association
Ka-Nee-Tah Lodge
Warm Springs, Oregon

June 24-26, 1973
Michigan Land Title Association
Hidden Valley
Gaylord, Michigan

July 12-14, 1973
New Jersey Land Title Association
Seaview Country Club
Absecon, New Jersey

August 6-9, 1973
American Bar Association Annual Meeting
Sheraton-Park Hotel
Washington, D.C.

August 22-25, 1973
New York State Land Title Association
Whiteface Inn
Lake Placid, New York

August 23-25, 1973
Minnesota Land Title Association
Quadna Mountain Lodge
Hill City, Minnesota

August 24-25, 1973
Kansas Land Title Association
Wichita Holiday Plaza
Wichita, Kansas

September 6-8, 1973
Ohio Land Title Association
Salt Fork Lodge
Cambridge, Ohio

September 13-14, 1973
Wisconsin Land Title Association, Inc.
The Dome Resort
Marinette, Wisconsin

September 13-15, 1973
North Dakota Land Title Association
Villager Motel
Lincoln, Nebraska

September 14-16, 1973
Missouri Land Title Association
Hotel Muehlebach
Kansas City, Missouri

September 30-October 4, 1973
ALTA Annual Convention
Century Plaza
Los Angeles, California

October 22-24, 1973
Mortgage Bankers Association of America
New York Hilton, and the Americana
New York, New York

October 28-30, 1973
Indiana Land Title Association
Atkinson Hotel
Indianapolis, Indiana

November 7-10, 1973
Dixie Land Title Association
Sheraton-Biloxi
Biloxi, Mississippi

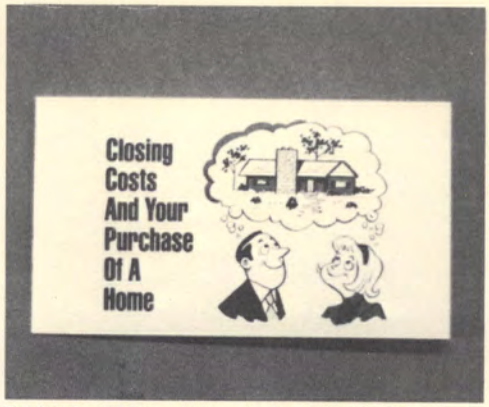
November 9-15, 1973
National Association of Real Estate Boards
Sheraton Park, and Hilton Hotels
Washington, D.C.

Tell Your Story More Effectively

. . . with these ALTA Educational Aids

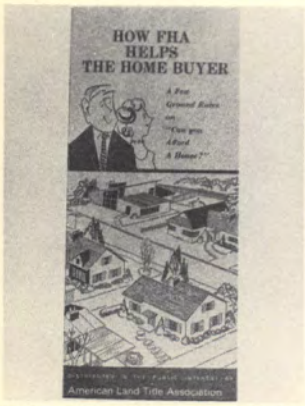
(All orders plus postage; write Business Manager, ALTA, 1828 L Street, N.W., Washington, D.C. 20036)

HOME BUYER: HORSE SENSE HELPS! A concisely-worded direct mail piece that quickly outlines title company services. 1-11 dozen, 65 cents per dozen; 12 or more dozen, 50 cents per dozen; designed to fit in a No. 10 envelope.

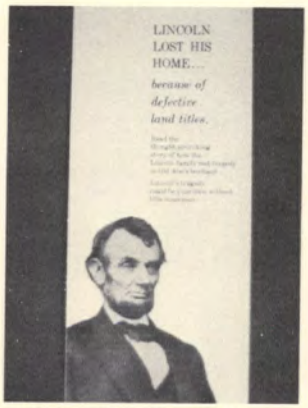


CLOSING COSTS AND YOUR PURCHASE OF A HOME. A guidebook for home buyer use in learning about local closing costs. Gives general pointers on purchasing a home and discusses typical settlement sheet items including land title services. 1-11 dozen, $2.25 per dozen; 12 or more dozen, $2.00 per dozen.

AMERICAN LAND TITLE ASSOCIATION ANSWERS SOME IMPORTANT QUESTIONS ABOUT THE TITLE TO YOUR HOME. Includes the story of the land title industry. $16.00 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.

THE IMPORTANCE OF THE ABSTRACT IN YOUR COMMUNITY. An effectively illustrated booklet that uses art work from the award-winning ALTA film, "A Place Under The Sun", to tell about land title defects and the role of the abstract in land title protection. Room for imprinting on back cover. $12.00 per 100 copies.

(RIGHT) BLUEPRINT FOR HOME BUYING. Illustrated booklet contains consumer guidelines on important aspects of home buying. Explains roles of various professionals including broker, attorney and titleman. $18.00 per hundred copies, 20 cents each on 99 or fewer copies. (RIGHT) ALTA FULL-LENGTH FILMS: "BLUEPRINT FOR HOME BUYING." Colorful animated 16 mm. sound film, 14 minutes long, with guidance on home selection, financing, settlement. Basis for popular booklet mentioned above. $95 per print. "A PLACE UNDER THE SUN." Award winning 21 minute animated 16 mm. color sound film tells the story of the land title industry and its services. $135 per print.

American Land Title Association