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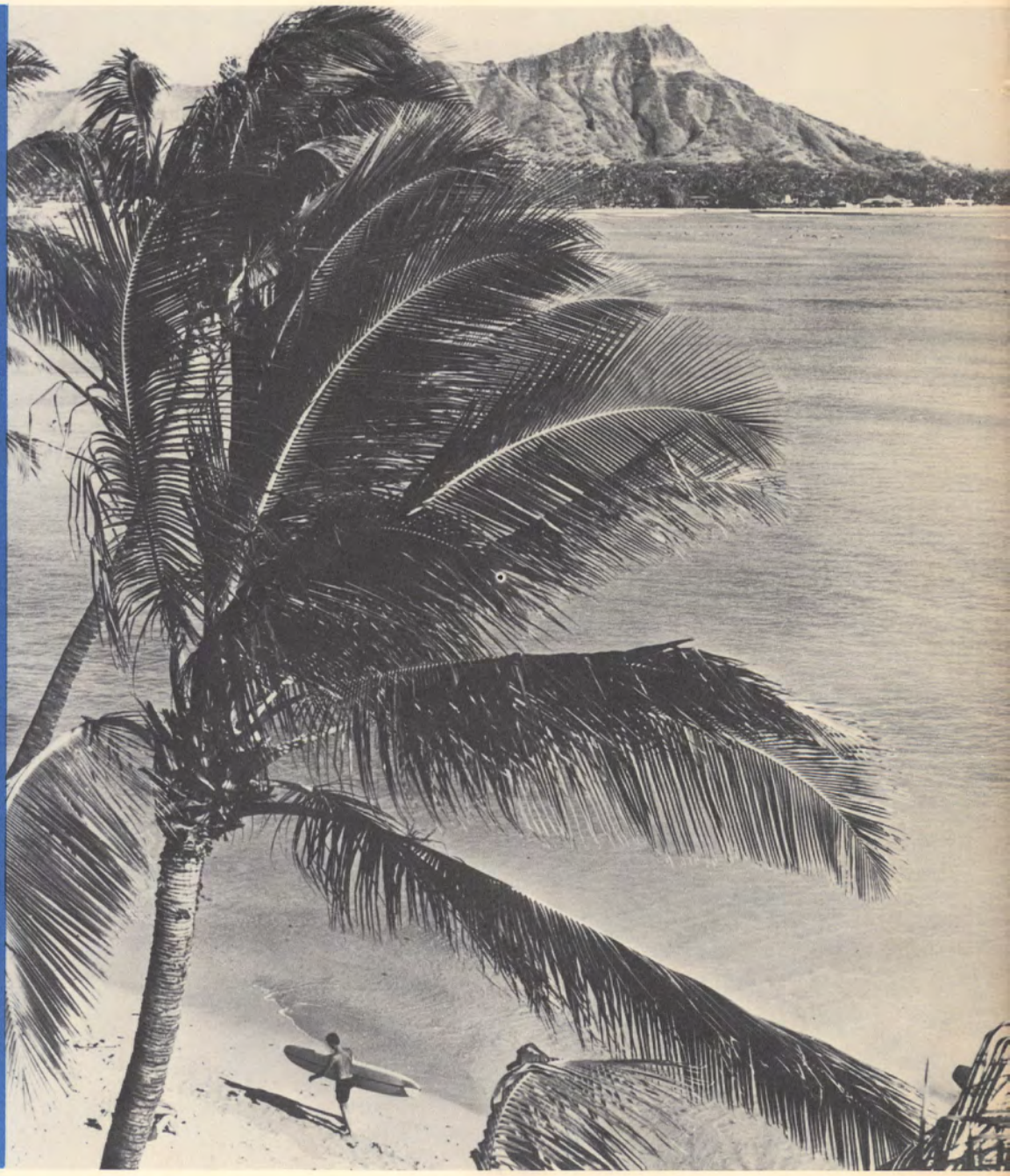
Title News

the official publication of the American Land Title Association



Post-Convention
Tour Registration
Deadline Near

July, 1973

A Message from the Chairman, Title Insurance and Underwriters Section

JULY, 1973

Vacation season is swinging into high gear. As each of us makes his plans to hie off to parts unknown for a well-deserved few weeks of "R & R", it is a particular pleasure to tell the newspaper delivery boy to cease and desist for a while. We have read in recent weeks that housing starts have fallen to an 18-month low and building permits to a two-year low. Although housing production is expected to remain at a respectable level in coming months, a continued decline in housing starts is anticipated. Rising interest rates will discourage borrowing, mortgage money is getting tighter, the spectre of HUD-VA regulation still looms in the future. Business expansion will not be as fast as it has been. There is political scandal in Washington. The stock market is down. In the face of such economic conditions, it might be well to reflect on our industry's potential for great success and to examine our own plans for bringing about a realization of that potential.

Our priorities must be re-established. Through an outstanding and highly effective effort on the part of our American Land Title Association, media acceptance of ALTA messages has made possible a continuing flow of accurate information for positive impact on public opinion. ALTA publicity releases have received impressive use, and the continued benefits of these and many other ALTA public relations activities will be felt for some time to come. Therefore, as we gratefully abandon the defensive position we have occupied while our attention was almost totally diverted toward dealing with our public image, we now turn our full attention toward the growth of our industry.

The success of any business or industry is directly related to creative, progressive thinking. Much can be said of the value of tradition and time-honored concepts; but we must retain only those features of tradition which would temper the vision and courage of innovation with the wisdom of experience, while laying aside the features which would restrict our approach and stultify our efforts toward growth and development in a complex and everchanging business climate. We must hold fast to the sound business principles and ethical practices which have made our industry great, while advancing new concepts which will make our future even more impressive than our past.

Although the economic climate is a vital factor in determining the success of any given enterprise, it is not the only factor. Even in the most adverse set of circumstances there is hidden an opportunity for achievement. It is good to see, as we look around us, that there is a new current of activity sweeping our industry through ALTA members who have rallied to become involved in these processes of creative endeavor. We are only just beginning to reap the benefits of this concerted effort, and the outlook for success is greater than ever before. Our continued support and involvement in the activities of our Association and our total commitment to carry through with its objectives will keep us abreast of current developments, and will certainly provide the realistic optimism needed to transform our creative ideas into action.

Sincerely,

Robert C. Dawson

Robert C. Dawson

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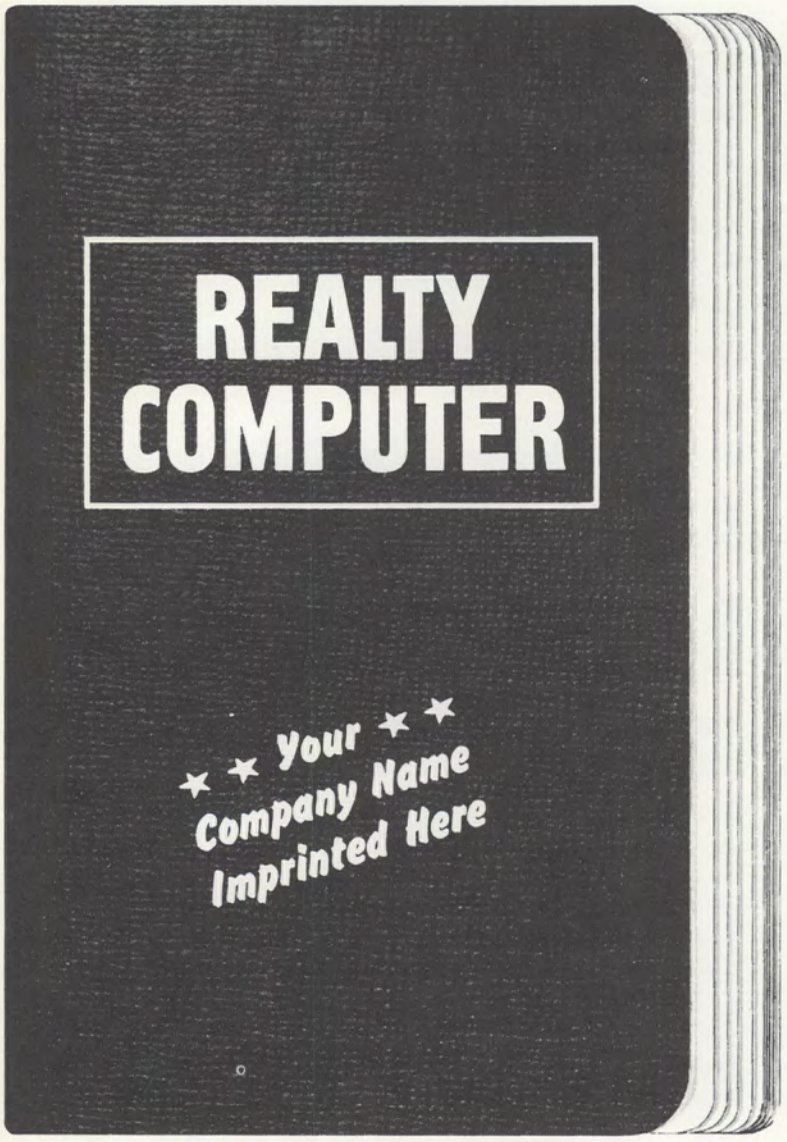

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This talented group wants to sing your praises

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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.

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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: Beautiful Waikiki Beach with Diamond Head in the background reminds that only a short time remains to register for ALTA's Post Convention Tour to Honolulu and the Out Islands. Reservations will be accepted only until August 1, 1973, with later reservations accepted only in event of availability. For further information contact: World Conferences, Inc., 733 15th St., N.W., Washington, D.C. 20005. (202) 347-6601

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Jefferson County Abstract Branch
St. Paul Title Insurance Corporation

Silent Partner of The Realtor

(Editor's note: This article is adapted from a speech delivered by the author before the Jefferson County (Missouri) Real Estate Board in May, 1973.)

* * *

It has been said that behind every successful man there is a woman. Now if I try to imply that there is something analogous about that relationship and that existing between a Realtor and his title company the hoots would be drowned out by the hollers. So I won't say that. However, and on the other hand, which are two favorite expressions of titlemen, there are many times when the title person can be instrumental in saving a deal which appears doomed to failure. However—there goes one of those expressions again—before I proceed to tell you how great we title people are and how thankful you should be that we are around to assist you, I'd like to tell you a story which unfortunately typifies some of the nit-picking title work I've seen in my day.

A broker was employed to assemble several small tracts for one purchaser who wanted a large acreage. The titles happened to be unusually involved and much additional information was required of the broker in order to complete the record. When the various purchases had been consummated, the broker invited the titlemen to a luncheon. They, as a matter of courtesy, called on him for a speech. He said that he had expected some such request and instead of making a speech he wanted to read a certificate of title he had written. It turned out to be a very apt satire of some of the certificates with which he had been struggling. This is the certificate he wrote.

> The So-and-So Title Company has examined, criticized and almost ruined, the title to the following property. Beginning at a ripple in the river, thence to a willow tree on the bank from which a white oak bears north by east, thence to a tin can in the prairie, thence to a road, thence to a sandbar, and thence back to where we started, including and excluding all accretions, catfish and tadpoles in said river. According to the records and six affidavits by people who didn't know anything about it, and two letters and a telegram, we hope the title is vested in John Johnson. We find however the wills of three people named John Johnson. You can take your pick. But don't bother if your Johnson is still alive. So far as we know, the title is free and clear except as follows: The taxes are paid if this land is what is described in Johnson's tax bills. Also a couple of the tax books are lost. If you can find them we will examine them. This certificate is based on the presumption that Richard Roe who owned above property in 1853 left no children other than the ten mentioned in his will. Also no adopted children although why he should want to adopt any more we don't know. On the margin of deed in book 555 page 210 we find this notation, "Be sure to get laundry". It will take two affidavits to get this off the title. We also find ten judgments against a John Johnson. From our swivel chair we cannot tell who these are against, but you have plenty of time to run all over the county to find out. P.S.—We advise that you buy some other land.

Now to the serious business at hand.

One of the handiest tools available to the title company in dealing with difficult title situations is the escrow. Properly used together with a title policy, it can save a deal. A few illustrations are in order to prove the point.

Oftentimes the title company will bring the title up to date and there will appear of record a judgment against the owner which would be a lien on all the real property of this person in the county wherein the judgment had been rendered. Now, unless the attorney for the judgment lien holder files a garnishment or execution proceedings to enforce the judgment, nothing will happen. That is, the judgment debtor will not be thrown

into prison as he would have been in the days of old until the debt was paid; but the judgment will repose on the records of the circuit court and as stated previously be picked up by the title company in the normal course of its title examination and reported as an encumbrance. Now, on at least one or more occasions we have run into that salty individual who will be damned if he will pay the judgment which appears against him. He will rant and rave, vilify the judge's decision and condemn the lien holder to perdition. While the title company can sympathize with this individual, they cannot leave the judgment off of their title evidence without good reason. This situation can be met by arranging with the debtor to deposit with the title company a sum representing the amount of the judgment, court costs, attorneys fees and a cushion so that if the lien holder does decide to enforce his judgment by way of an execution, the company is in position to pay off the judgment and protect the title to the real estate. If the company is not required to pay out, the money is returned to the judgment debtor at the expiration of the lien of the judgment. This same arrangement can be had in the case of a mechanic's lien.

I can name at least two individual lenders in the St. Louis area who when making a loan on real estate will not insert a prepayment privilege in their deed of trust and will insist on the loan continuing on to maturity even though a sale of the property is in the offing. Call this caprice, stubborness or what have you, but this is the way they are and if you want to borrow from them this is the way it has to be. Now in this case again with an escrow agreement, we will hold the amount of principal yet to be paid off plus interest and assure the new lender that it has a good first lien and issue a mortgage policy to that effect. As payments become due on the old deed of trust we make them, and everybody is happy.

One of the most common title problems we have today is the situation wherein an owner dies and his estate is being administered upon in the probate court. In this instance a title company will issue the preliminary commitment making numerous exceptions to such things as legacies mentioned in a will, will contest period, claims allowed

Author Brumfield

against the estate, statutory allowances to a surviving spouse or unmarried minor children, expenses of administration including court costs, taxes payable by the estate or due from the decedent and interests arising out of the administration of the estate. If a quick sale is wanted by the heirs without going through lengthy court proceedings, or if no provision was made in the will of the deceased authorizing the executor to sell, the impediments caused by the pending administration are real stumbling blocks. Your title company can assist in this problem by setting up an estate escrow wherein the net proceeds of the sale are held by the title company as escrowee during the pendency of the estate with specific authority from the beneficiaries of the estate to disburse such monies as are necessary to protect the title of the purchaser of the real estate. The proceeds are deposited in such bank or savings and loan association as designated by the beneficiaries and accrues interest. Upon final settlement of the estate, the proceeds are distributed in accordance with the instructions in the escrow agreement. The purchaser and/or lender in the meantime will be issued their policy or policies free from any exception pertaining to the pending estate. In some instances where the estate is being administered by a trust company, title insurance can be issued without setting up an estate escrow upon receipt of a letter from the trust company to the title company stating that the estate is solvent, that there are ample funds on hand to pay all expenses of the administration of the estate and that the title company will be held harmless to the extent of the sale price of the property.

I have been waxing wise here, so it is about time I deflate my ego and weaken my case by telling another story which illustrates that we title people always cannot save the day. The titleman in this story had to throw in the towel. It goes like this:

> I have examined the title in seven parts covering the land which you are preparing to buy, and herewith report as follows:
>
> Don't buy the land. It has been my sorrow and burden to get involved in several horrible examples of title examiner's nightmares, but this alleged title is the worst. It is my private belief that you couldn't cure the defects in this title if you sued everybody from the Spanish government (who started this mess) on down to the present possessor of the land, who is there by virtue of a peculiar instrument optimistically designated as a "General Warranty Deed."
>
> In the first place, the field notes of the Spanish grant do not close; I do not think it possible to obtain a confirmation grant since the unpleasantness of 1898. In the second place, there were 19 heirs of the original grantee, and only three of them joined in the execution of the conveyance to the next party in this very rusty chain of title, which is a major defect in the first place. We might rely on limitation here, except that I am reliably informed nobody has succeeded in living on this land for a period of two years before dying of malnutrition.
>
> The land has been sold for taxes eight times in the past 40 years. The last purchaser sued the tax collector a month after he bought it for cancellation of the sale on the grounds of fraud and misrepresentation. Nobody has ever redeemed one of these tax sales; glad to get

Continued on page 11

Secondary Mortgage Market Behavior

Harris C. Friedman
Deputy Director
Office of Economic Research
Federal Home Loan Bank Board

(Editor's note: This article is adapted from a version that originally appeared in the Federal Home Loan Bank Board *Journal*.)

* * *

Markets in this country generally strive to perform under conditions of perfect competition. Most financial and nonfinancial markets fail to meet these rigid conditions. In 1961, Leo Grebler and Oliver Jones set out four standards that would need to be met in order to have what they would call an efficient secondary mortgage market.[1]

These were:

(1) the number of participants must be sufficiently large to make it impossible for any of them to influence the terms of the mortgage loans originated in the primary market or the going price of existing mortgages in the secondary market;

(2) the mortgage instrument must be standardized;

(3) there must be no barriers to the free movement of resources, including the entry requirements for market participants; and

(4) market participants must have perfect knowledge of existing, but not future, market conditions, including prices and terms.

These are fairly rigid requirements for any market, and in 1961 the secondary mortgage market in the United States was not even close to meeting these requirements. Now, in 1973, we can take another look at this market and assess its performance both in meeting the criteria and in serving the participants in the market and the housing consumer.

The market has come a long way in the 12 years since the publication of these standards. In fact, in 1972, more than $5 billion in mortgages were traded by the two largest market participants, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. Estimates indicate that the total volume of the secondary market in 1972 was approximately $25 billion. Volume of this magnitude represents a substantial record of growth. A look at the history of the secondary mortgage market reveals the magnitude of many of the hurdles that have been overcome to achieve this growth.

How It All Began

In 1934, concurrently with the creation of the FHA-mortgage insurance system, the Federal Government authorized national mortgage associations to be chartered to buy, hold, and sell insured mortgage loans which had been originated by primary lenders. This new entity was expected to encourage primary mortgage lenders to originate the new FHA mortgages. By 1948, when the authority was removed, no private institutions had been authorized. There are many reasons why the authority went unused, but the primary one was the low volume of FHA-mortgage loans originated during that period.

In 1935, the Reconstruction Finance Corporation Mortgage Company had been formed, with an initial $10 million revolving fund. This company was designed to make and refinance mortgages on apartments, hotels, and office buildings and to purchase existing FHA and VA mortgages. By the time of its demise in 1947, it had disbursed only $320 million for purchases of loans and $113 million for other purposes.

In 1938, the Federal Government

chartered the Federal National Mortgage Association to purchase eligible FHA-insured mortgages and to issue forward advance commitments for such purchases. The Association was started with a paid-in capital stock of $10 million, a surplus of $1 million, a $40 million subscription potential, and the permission to issue notes or bonds in an amount not exceeding 20 times its paid-in capital. By the end of its first year of operation, it held more than $80 million in FHA mortgages.

These organizations played a large part in the success of the FHA mortgage insurance program. Through 1940, Federal agencies had bought more than $240 million in FHA-insured loans and had sold another $32 million. These purchases represented more than 22 percent of the total amount of FHA recorded purchase transactions, and their outstanding portfolio equaled over 8 percent of the total volume of FHA mortgages held by all lenders.

As it became apparent that many of the proposals and solutions developed by Federal authorities for the mortgage market were not markedly successful, FNMA emerged as the sole "secondary market operation" of the Government. FNMA continued to purchase mortgages and occasionally to sell them, with its charter being changed periodically by Congress to meet the current needs of the mortgage market. Table 1 shows the volume of FNMA purchases in the mortgage market and compares it with the total mortgage market.

This arrangement proceeded for years, but as FNMA grew, it became apparent that new solutions would be needed. As a result, in 1968, FNMA's charter again was changed and the secondary market portion of the agency was "privatized." The special assistance function was maintained by the Government in a new organization called the Government National Mortgage Association, or GNMA. Privatization meant that FNMA was put on the market for sale and that the U.S. Treasury liquidated its holdings in its stock. FNMA is now a private corporation whose stock is sold on the New York Stock Exchange.

This arrangement, however, did not change the primary function of FNMA, which was to buy and sell FHA-insured and VA-guaranteed mortgages. In 1970, Congress decided not only that it was important to trade federally underwritten mortgages in the secondary market, but also that the trading of conventional mortgages was essential for the efficient operation of the mortgage market. As a result, FNMA was given authority in the Emergency Home Finance Act of 1970 to buy and sell conventional mortgages and the Federal Home Loan Mortgage Corporation (FHLMC) was created to buy and sell both conventional and federally underwritten mortgages. The FHLMC is wholly owned by the Federal Home Loan Banks and has authority to deal with any federally insured institution.

The first major obstacle to either corporation's trading in conventional markets was item No. (2) discussed above. Conventional mortgages lacked standardization. There were almost as many different conventional mortgage instruments as there are States and localities in the union. Both corporations set about

Table 1.
Federal National Mortgage Association Activity

Year	FNMA purchases of FHA/VA mortgages (millions)	FNMA purchases as percent of FHA/VA mortgages made (percent)	FNMA purchases as percent of net change in total residential mortgage debt outstanding (percent)
1950	$1,043.3	15.52	11.46
1951	677.1	11.05	8.57
1952	537.9	10.79	7.08
1953	542.5	9.67	6.62
1954	522.4	8.59	5.42
1955	411.5	3.99	3.09
1956	608.7	7.05	5.34
1957	1,096.0	16.59	12.18
1958	622.8	8.48	5.37
1959	1,907.4	20.11	12.63
1960	1,247.8	17.10	10.40
1961	624.4	8.30	4.37
1962	547.0	6.08	3.34
1963	171.0	1.81	0.90
1964	424.0	4.11	2.12
1965	913.0	8.53	4.83
1966	2,701.0	29.11	19.57
1967	2,260.0	22.75	14.04
1968	1,945.0	17.07	10.51
1969	4,120.0	32.94	20.10
1970	5,078.0	34.30	26.45
1971	3,573.9	17.94	[1]9.82
1972	3,644.3	[1]18.64	[1]7.70

[1]Preliminary.

Source: FNMA; Federal Reserve Bulletin; Economic Report of the President (January 1973).

Table 2. Housing Starts and Residential Mortgages

Year	Housing starts (thousands)	Net change in residential mortgages (billions)
1961	1,311	$14.3
1962	1,459	16.4
1963	1,603	18.9
1964	1,529	19.9
1965	1,473	19.0
1966	1,165	13.9
1967	1,292	16.0
1968	1,508	18.8
1969	1,467	20.4
1970	1,434	19.2
1971	2,052	[1]36.5
1972	2,356	[1]47.3

[1]Preliminary.

Sources: Federal Reserve Bulletin: Department of Commerce.

developing a standard mortgage document and, although the two documents differ in some respects, both corporations have been successful in evolving a standard mortgage document for use in the secondary market. The documents have been well accepted and are being used by lenders, both for mortgages to be sold and for mortgages to be held in their portfolios.

Current Developments

In order to start operations as soon as possible, FHLMC started buying and selling participations in conventional mortgages soon after it was created. This enabled the Corporation to deal in conventionals without having the standardized document finalized. This program has been highly successful, with a total of $500 million in participations bought and $400 million in participations sold through 1972. The method of purchasing and selling participations allows the Mortgage Corporation to buy on any mortgage document because the originator keeps at least 15 percent of the package of mortgages. When FHLMC sells participations in blocks of mortgages, it guarantees the payment of principal and the timely payment of interest on these instruments. This quasi-governmental guarantee has tended to make the mortgages highly marketable. Although the program is very similar to the action of S&L's in buying and selling participations among themselves, the intervention by FHLMC allows much larger blocks to be traded and provides an informational service to both buyers and sellers. The advent of this type of transaction increased the level of participation sales by S&L's to a record $2.4 billion in 1972.

An additional secondary market activity was started by the Government through GNMA. GNMA now allows lenders to create pools of FHA-VA mortgages and issue securities against these pools. GNMA guarantees the securities which can be of two types—pass throughs or bonds. The pass throughs give the investor a cash flow identical to that of the mortgage pool; e.g., principal and interest payments are passed through to the investor. The bond-type securities offer the investor straight bond-type interest payments. While many lenders have offered GNMA pass throughs, only FHLMC and FNMA have issued GNMA-backed bonds. At the end of 1972, there were $5.8 billion in pass-through securities outstanding. This activity represents another source of funds for the mortgage market.

Another major development in the home-financing area that has grown rapidly over the last decade and has had a marked influence on the operations of the secondary mortgage market has been private mortgage insurance. The use of this insurance has greatly increased the marketability of conventional loans since buyers can now buy such a loan with confidence that risk exposure is much lower than it otherwise would have been. The legislation creating the Federal Home Loan Mortgage Corporation and allowing Fannie Mae to buy conventional mortgages explicitly states that any portion above a 75-percent loan-to-value ratio on a conventional loan purchased by either corporation must be privately insured.

This provision has opened up the trading market to many more mortgages. Not only has this activity been healthful for the secondary market and the lenders involved, but with the possibility of selling high loan-to-value loans, most lending institutions have been more willing to make these types of loans. As a result, home buyers who previously have not been able to get a mortgage are finding that financing is much more readily available. This increased marketability is similar to that which occurred upon the creation of FHA-

Continued on page 14

Table 3. Housing Starts by Quarter

(In thousands)

Year and quarter	Housing starts at seasonally adjusted annual rates
1964	
January-March	1,649
April-June	1,488
July-September	1,529
October-December	1,498
1965	
January-March	1,406
April-June	1,468
July-September	1,481
October-December	1,523
1966	
January-March	1,381
April-June	1,270
July-September	1,084
October-December	931
1967	
January-March	1,082
April-June	1,214
July-September	1,397
October-December	1,446
1968	
January-March	1,455
April-June	1,456
July-September	1,521
October-December	1,582
1969	
January-March	1,678
April-June	1,545
July-September	1,411
October-December	1,312
1970	
January-March	1,265
April-June	1,302
July-September	1,479
October-December	1,718
1971	
January-March	1,847
April-June	2,002
July-September	2,113
October-December	2,241
1972	
January-March	2,513
April-June	2,263
July-September	2,367
October-December	2,409

Source: Department of Commerce.

[1]*The Secondary Mortgage Market, It's Purpose, Performance and Potential* by Oliver Jones and Leo Grebler, 1961, Real Estate Research Program, UCLA.

Part IV: 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, March and April, 1973, issues of *Title News*.)

* * *

MORTGAGES AND LIENS

(Continued)

Estes v. Republic Nat'l Bank, 462 S. W. 2d 273 (Tex. 1970)

E, who borrowed $30,000 from a bank, giving as security a deed of trust of 396 acres, then sold the land to G, subject to the $30,000 note. When G tendered payment of the unpaid principal amount, pursuant to prepayment terms of the note, the bank refused to release the deed of trust because it claimed E owed the bank an additional $570,000 and, according to the terms of the trust deed, the instrument was security for this debt as well. The deed of trust contained a "dragnet" clause making it security for all other debts of E to the bank.

Held: Since G admitted he never read the terms of the deed of trust, he could not show that this provision had been inserted in the deed of trust by mutual mistake. A claimed agreement between E and the bank limiting the deed of trust as security only for the $30,000 debt was, therefore, meaningless.

Irving Lumber Co. v. Alltex Mortgage Co., 468 S. W. 2d 341 (Tex. 1971)

Merit Homes purchased several residential lots with money borrowed from Alltex (as part of a larger sum borrowed). Merit gave Alltex a note and a deed of trust on the subject lots to secure the note payment. Merit defaulted, and Alltex foreclosed its deed of trust, purchasing the lots at foreclosure sale. Irving claimed it had furnished labor and materials for the construction of homes for Merit and that its resulting mechanic's lien was not affected by the foreclosure sale. Irving contended that it had an oral contract with Merit to furnish labor and material prior to the date when Merit acquired title, though no delivery of materials was made or construction begun until after he acquired title.

Held: The mechanic's lien could not antedate the ownership of Merit in the property and the priority of a security interest is not determined on the date of the "inception" of an agreement between the contractor and a prospective owner. The title to the lots passed to Merit burdened by the deed of trust and security interest of Alltex in the same manner as if a prior owner had conveyed a partial interest before Merit acquired its ownership in the lots. At least to the extent of the purchase money advanced, a superior title was held by Alltex. That superior title was secured by the deed of trust, and foreclosure and sale thereunder were effective to cut off any inferior lien on the land.

Decision caused legislature to amend the mechanic's lien law within a matter of days to overturn this result.

Ramsey v. Peoples Trust & Savings Bank, 264 N. E. 2d 111 (Ind. 1970)

A no lien contract under Indiana law does not affect labor, material or machinery supplied prior to the time that the contract is filed with the recorder. Subcontractor moved his machinery to the site of the construction. Prior to the use of the machinery, owner and principal contractor properly executed, recorded and posted in compliance with Indiana law, a no lien contract. Thereafter, subcontractor performed work. Subcontractor filed to foreclose mechanic's lien.

Held: Since subcontractor did not use the machinery prior to the compliance with the provisions of the no lien contract statute, subcontractor was not entitled to mechanic's lien.

Case of first impression.

Sapenter v. Dreyco Inc. 326 F. Supp. 871 (E. D. La. 1971)

To avoid foreclosure of an apartment building the owner gave a mortgage on his home to secure payment of the arrears of the apartment mortgage. In a suit to foreclose the mortgage on his home he claimed that the mortgagee had not made the disclosures required by Truth-in-Lending.

Held: The mortgage on the mortgagor's home comes within the express exemption of the statute "credit transactions involving . . . credit for business or commercial purposes. . . ." The mortgage in question was a transaction to finance the business of owning and renting real estate for a profit. It, therefore, fell squarely within the exemption. Whether or not a particular credit transaction is a consumer credit transaction depends upon the reason for which the debtor obtains credit, not the nature of the collateral he puts up. Consumer credit is credit which the debtor will use for personal, family, household or agricultural purposes. Thus, a mortgage on one's home to secure a home improvement loan is a consumer credit transaction subject to Truth-in-Lending. But a mortgage on one's home to finance one's business is not.

Standard Savings & Loan Assn. v. Evans, 178 S. E. 2d 145 (S. C. 1970)

First mortgagee brought action against mortgagor, the United States as second mortgagee and other creditors to foreclose mortgage. The plaintiff sought judgment for the amount due under the note and first mortgage along with attorney's fees. The United States claimed a mortgage lien against the property pursuant to its second mortgage and asserted it was a prior claim superior to that for attorney's fee provided for in the first mortgage of the plaintiff.

Held: First mortgagee's attorney's fee incurred in foreclosure action had priority over second mortgage lien of the United States acquired through a Small Business Administration Loan.

Prior to 1966, the federal common law rule was that the attorney's fee of a first mortgage holder did not take priority over a

governmental lien unless the fee had become choate. However, the court found that Public Law No. 89-719 changed the common law in this respect. The statute referred to actually changed the priorities involving tax liens. However, the court reasoned that the collection of taxes is basic to the operation and very existence of the Federal Government. It could see no justifiable reason for it to adopt a rule more stringent than that deemed necessary by the Congress in the important field of taxation.

Cooper v. Commonwealth Title of Arizona, 15 Ariz. App. 560, 489 P. 2d 1262 (1971)

Where the "Affidavit of Unknown Resident" in a foreclosure proceeding was a printed form with the names of the defendants typed in and it in no way supported findings that a diligent search had been made to ascertain the whereabouts of said defendants, and the affidavit of the process server merely stated, "inspection of the subject premises revealed to be vacant" and failed to indicate what records had been checked or whether an attempt had been made to determine if the mortgagor had left a forwarding address, such affidavits were false in that due diligence was not actually used, and the foreclosure judgment was void on its face for lack of jurisdiction.

Clark v. Equitable Life Assurance Society, 281 Atl. 2d 488 (Del 1971)

Where a mortgagor offered to pay real estate taxes before commencement of the mortgage foreclosure suit but did not pay them either before or after suit was commenced because he was told that such payment would not stop the foreclosure, such an offer with respect to the right permitting acceleration of installments because of nonpayment of taxes was equivalent to actual payment as of the date of the offer and defeated the right to foreclose.

The Baltimore Life Insurance Company v. Harn, 15 Ariz. App. 78, 486 P. 2d 190 (1971)

Action by the assignee of a mortgage to accelerate and to foreclose the same. The mortgage contained a provision which permitted acceleration in the event that the mortgagor conveyed title to all or to any portion of the mortgaged property. The court held that acceleration clauses are bargained for elements of notes and mortgages but since the action is an equitable proceeding, it is not enough to merely allege that the acceleration clause has been violated, and absent allegations that the purpose of the clause is in some respect being circumvented or that the mortgagee's security is jeopardized, a plaintiff cannot be entitled to equitable relief.

Pegram West, Inc. v. Homes, Inc., 12 NC App. 519 (1971)

In this case the issue of priority between a mechanic's lien and a "purchase money" deed of trust was litigated. Plaintiff commenced delivering materials on January 8, 1969. The purchaser, Hiatt Homes, Inc., defaulted in payment and the plaintiff filed a notice of claim of lien and filed suit to perfect the lien, both in a timely manner.

Hiatt Homes, Inc. acquired the land by deed dated December 9, 1968, recorded January 17, 1969. Hiatt Homes, Inc. also executed a deed of trust on January 16, 1969, to defendant, but this deed of trust was not recorded until January 27, 1969.

The court held that the mechanic's lien had priority under the theory that the doctrine of instantaneous seisin required both the deed and the deed of trust be executed, delivered, and recorded as part of the same transaction. Since there was a time interval of 11 days between the recording of the deed and the deed of trust, these instruments were not recorded as part of the same transaction.

Defendant further contended that Hiatt did not acquire title until January 16, and that it was impossible for plaintiff's lien to attach until Hiatt acquired title. However, the court discountenanced this contention as the evidence tended to show that plaintiff furnished additional materials on January 23, four days before the defendant's deed of trust was recorded.

Huggins v. Dement, 13 N. C. App. 673

In this case plaintiff, grantor of a deed of trust, instituted suit against defendant trustee alleging that the defendant did not give him personal, actual notice of the foreclosure sale under the power of sale in the deed of trust.

The court of appeals held in favor of the defendant and held specifically that in the absence of a contractual duty to do so under the terms of the deed of trust, there is no statutory duty for a trustee to give actual notice of a foreclosure sale to a debtor. Compliance with GS 45-21.17(b) and GS 45-21.29(b) is sufficient, and all statutory provisions are by operation of law incorporated within the terms of deeds of trust. Complying with the general statutes and the terms of the deed of trust is the extent of the duty of the trustee in handling a foreclosure sale.

Silverstein v. United States, 424 Fed. 2d 1148 (Ariz. 1970)
United States v. Overman, 424 Fed. 2d 1142 (1970 Wash.)

These are companion cases, one arising in Arizona and one in Washington, where in each case a taxpayer husband had incurred tax liability prior to marriage and the subsequent acquisition of community property. The question in both cases was whether the tax lien in favor of the United States could be enforced against the community property. Held, for the United States, although in both states the state law exempts community property from the prenuptial debts of one spouse. The court held that state law is not binding on the United States to prevent or hinder collection of taxes. The holding of the court can be summarized as follows:

(1) The tax lien in favor of the United States can be enforced against the taxpayer's one-half interest in the community property.

(2) Pursuant to foreclosure proceedings the whole community property can be sold, thus subjecting the non-taxpayer spouse to an involuntary conversion, such spouse being entitled to just compensation, from the proceeds, for the "taking."

(3) The doctrine of marshalling of assets cannot be invoked to require the United States to proceed first against the taxpayer's separate property.

Comment: This appears to be a case of special significance in community property states, but the holdings in Nos. 2 and 3 above would apparently be significant also in other states where the taxpayer holds property in some form of joint ownership other than community property, as for example joint tenancy, tenancy in common, tenancy by the entireties, etc.

U.S. v. City of New Britain, 347 U.S. 81; *City of New Brunswick v. U.S.,* 276 U.S. 547.

Issue: Does a federal lien take priority over subsequent local tax liens?

Held: It does not.

Federal tax liens were in 1966 declared to be inferior to liens for local taxes "of general application levied by any taxing authority based upon the value of (real) property." 26 U. S. C., paragraph 6323(b) (6) (A). Plaintiff contends that the fact that Congress has expressly waived federal priority in the area of its taxing power—where its claim to sovereign priority is certainly of the highest order—is immaterial to the question of whether there has been an implied waiver in areas where the federal government's claim arises from its activities of a more private nature.

After enactment of the Federal Tax Lien Act of 1966, the Court of Appeals for the Fifth Circuit indicated that the "first in time" rule need no longer be rigidly applied. *Connecticut Mutual Life Insurance Co. v. Carter,* 446 F. 2d 136 (5th Cir.), cert. denied, 404 U.S. 857, 92 S. Ct. 104, 30 L. Ed. 2d 98 (1971). Through the Farmers Home Administration (FHA), the federal government held a second mortgage on a Florida citrus farm as security for the extension of agricultural credit. The FHA took the second mortgage aware that the Connecticut Mutual Life Insurance Company held a prior mortgage on the property requiring payment of attorneys' fees by the mortgagor in the event of default on the underlying obligation. The FHA contended that its claim was superior to the lien for attorneys' fees on the grounds that, since the amount of attorneys' fees was not choate (specific and certain) when the FHA mortgage attached, the non-federal lien was not "first in time."

This argument was rejected on the grounds that the Federal Tax Lien Act of 1966 had substantially altered the common law rule.

(Mortgages and liens — to be continued)

PARTNER—Continued from page 5

rid of it no doubt.

On January 1, 1905, a gentleman, who appears suddenly out of nowhere, by the name of _____ _____, executed a quit-claim deed, containing a general warranty of title to one _____ _____. _____, the prolific old goat, died, leaving two wives and 17 children, the legitimacy of two of them being severely contested. He actually left two wives, and it appears never to have been legally adjudicated who he done wrong by. Each one of the ladies passed away in the hope of a glorious resurrection and left a will devising this land to her respective brats. A shooting match between two sets of claimants seems to have assisted the title slightly by reducing their number to six and substituting 11 sets of descendants. One of the prevalent causes of defect in this title seems to be the amorous proclivities and utter disregard of consequences prevailing in the neighborhood.

You can buy the land if you wish, but there are a dozen other people with as good a title as you will get.

Missouri has the reputation of having one of the toughest mechanics' lien laws in the nation. In effect, it gives subcontractors and material suppliers priority over the interest of the construction lender and the owner. St. Paul Title over the years has developed a construction loan disbursing program for residential, commercial and industrial projects through its construction disbursing division which relieves the lender of the burdensome task of watching over the progress of construction and disbursing and provides him with a one-stop service giving title insurance protection against mechanics' liens and with completion guarantee to the lender.

Before our construction disbursing division will accept a case, a comprehensive analysis is made of the project. A set of plans, specifications and costs breakdown must be furnished our engineering staff, which reviews them to determine their completeness and sufficiency of construction cost. In addition an investigation is made as to the stability and reputation of the contractor. After this has been accomplished and everything appears to be in order, a construction and disbursing escrow agreement is entered into by the construction lender, general contractor, property owner and St. Paul Title as escrowee. This agreement sets up the ground rules by which we will administer the funds to be disbursed and sets forth the obligations of all parties. Then, after the construction loan has been formally closed and construction started on the project, the loan proceeds are disbursed periodically in accordance with the agreement and procedures devised over the years. Outside of our being committed to eventually issue a title policy insuring against mechanics' liens, another plus item for the lender is our obligation to cause the project to be completed in substantial compliance with the plans and specifications or assume the lender's position by purchasing his note and mortgage.

Prior to preparing my talk I had made up my mind that I would not touch on the subject of tax titles. If there is one area where our magic wand is ineffective, this is it. However, after I had almost completed my notes my conscience got the better of me, and I relented.

There is no pat answer or formula which I can give you concerning when a tax title can or cannot be insured. I can only talk in generalities and state that each case must be judged upon its own merits. If a sufficient amount of time has elapsed, an affidavit by the party holding under a tax title claiming adverse possession might be sufficient to induce us to insure. Perhaps you might be able to luck out and obtain deeds from the party or parties in title at the time of sale. However, a quiet title suit often is the only answer. In any event, don't despair. Maybe it can be worked out.

In addition to working with you in solving knotty title problems, your title company can assist you in the normal everyday problems that confront you such as providing information as to ownerships, legal descriptions, easements and rights of way encumbering the land, tax assessment, conditions and restrictions, etc. Use your title company. That's what its there for.

In conclusion, I'm going to read you a will which has been frequently reprinted in title magazines. It is said to be authentic although it probably is merely synthetic, that is, composed of various clauses gleaned from actual wills. It runs something like this.

> I am writing of mine will myneself. First I want it that mine brother Oscar don't get nothing. He is a loafer and never paid me back the $10 I loan him. To the pastor I give $200 to fix the roof of the church but the deacons should the bills look at. The $600 mama couldn't find is buried in back of the house. Freddie should dig it up but watch him when he finds it. Mama should the rest get, but mine brother William should be trustee. Don't let mama buy a vacuum cleaner. They make noise like hell and a broom don't cost so much. Please, judge, make William plenty bond put up. He is a good business man but I wouldn't trust him with a penny. I will give William $100 if he fix it so Oscar don't get nothing. That damsure fix Oscar.

Thank you for your time and indulgence.

Southwest Expands

Southwest Title Insurance Co. has qualified to write title insurance in Missouri.

The company is qualified in 25 states and the District of Columbia.

TIM Acquires Baldwin

Title Insurance Company of Mobile, Ala., has recently acquired the Baldwin County Abstract Company.

Formed in 1903, Title Insurance is the oldest land title underwriting company in Alabama and is also qualified to do business in Mississippi.

Harold C. Goubil, president of Title Insurance, has announced that Baldwin County Abstract will operate as an affiliate complementing the corporation's present operations in Baldwin County. Paul and Sidney Teter, former owners of Baldwin Abstract, will serve as consultants.

names in the news

Lawyers Title Insurance Corporation has named **Jack H. Johns** vice president, Denver; **Carl F. Ferguson** Indiana state manager; **William R. Connor** Cleveland branch manager; **George W. Klag** Akron branch manager; **Robert P. Calamari** Bridgeport (Conn.) branch manager and **C. Everett Royal, Jr.,** manager of the Atlanta national division office.

* * *

Roy P. Hill, Jr., has been named chairman of the board of directors of the Title Guaranty Company of Wyoming, Inc. He will also continue to act as president.

* * *

Paul Jarschauer has been elected vice president, sales, of the USLIFE Title Insurance Company of New York.

* * *

Title Insurance Company of Minnesota has announced the following promotions: **Robert Swift, Richard Solie** and **Robert Manuele** to vice president; **James Dodson** to controller; **James Kramer** and **Stan Bjorklund** to assistant vice president; **Midge Combs, Lois Larson, Bernice Smith, Bertha Tapper** and **Judy Weidenbach** to assistant secretary; and **Norm Johnson, Hazel Lindsley** and **Bobbi Van Horne** to escrow officer.

Transamerica Title Insurance Co. has elected **Jerrel L. Guerino** assistant counsel-underwriting, San Francisco; **Dennis Murphy** manager of operations, Oakland; **John B. Eakin, Jr.** manager of operations, Bakersfield; **Ray G. Rosenburg** operations manager, Santa Ana; **William L. Mitchell, Philip G. Burney, Ronald H. Jacobs,** and **Bernard L. Beck** regional counsels in Colorado; **James Laffoon** manager of operations, Jefferson County (Colo.) and **John C. Mulvihill** counsel, Colorado operations.

* * *

Seventeen persons have been elected to office by the boards of directors of Title Insurance and Trust and Pioneer


Johns


Ferguson


Connor


Klag


Calamari


Royal


Jarschauer


Swift


Solie


Manuele


Dodson


Guerino


Murphy


Eakin


Rosenburg


Mitchell


Burney


Jacobs


Beck


Laffoon

National Title Insurance.

Elected to office in TI were: controller, **Frank E. Giovinazzo**; senior vice president, **Robert E. Vanderlip**; vice presidents: **William E. Barbour**, division counsel, central western division; **William J. Fitzpatrick,** associate general counsel; **Jack D. Fritz,** assistant manager, underwriting practices department; **Gene D. Merlo,** manager, sales and marketing administration, Los Angeles division; **Robert G. Sether,** manager, investment department; assistant vice presidents: **A. A. Arbini,** senior advisory title officer, central western division counsel's office; **Verne Rodgers,** underwriting practices analyst.

Elected to office in PNTI were: controller, **Frank J. Giovinazzo;** senior vice president, **Robert E. Vanderlip;** vice presidents: **William J. Fitzpatrick,** associate general counsel; **Jack D. Fritz,** assistant manager, underwriting practices department; **Robert G. Sether,** manager, investment department; assistant vice presidents: **S. James Cherry,** area manager, State of Georgia; **Verne Rodgers,** underwriting practices analyst; **William F. Truex,** manager, Monmouth County branch, New Jersey.

The board of directors of TICOR has elected **Charles L. Coffman,** senior vice president and treasurer and **Robert A. Sena,** assistant treasurer. **Coffman** and **Sena** also were elected treasurer and assistant treasurer, respectively, of two TICOR title insurance subsidiaries, Title Insurance and Trust and Pioneer National Title Insurance.

Mulvihill

Coffman

Sena

Commonwealth Develops New Ad Campaign

In a new advertising campaign, Commonwealth Land Title Insurance Company takes a frank look at the price of housing today and gives seven reasons "why you should buy now".

Utilizing 1,000 line newspaper ads and one-minute radio spots, the new Commonwealth campaign discusses the price of housing and what it means to the average family. "Let's not kid anybody," says the copy. "Prices are at an all-time high. If you're the average family looking to make a move, it may appear that prices for what you want are completely out of reach at this time," the copy continues.

Copy then goes on to explain the reasons not to postpone a new home purchase. It cites, for example, inflation. Noting that the average person can't control the price of food and clothing, copy points out that "when you buy a house, your monthly payment for mortgage principal and interest becomes fixed for the next 20 to 30 years, depending on the term of your mortgage."

Other reasons given for not delaying the purchase of a home are the investment factor, the availability of mortgage money at comparatively attractive rates (with little prospect for a decrease in interest rates), increased building costs for new homes, and the "push-pull factor". The latter notes that "higher costs push up the price of new housing" which, "in turn, pulls up the value of existing houses".

Because the real estate market is "more complex today than at any time in recent history", Commonwealth urges prospective buyers and sellers to use the services of a professional real estate broker. "A trained professional real estate broker can guide both the buyer and seller to realistic pricing in today's market," the copy concludes.

Backing up the newspaper and radio campaign, Commonwealth is making reprints of the newspaper ads available to real estate brokers in the area for direct mail purposes. In addition, posters reprinting the ad and the seven reasons to buy now are also available to brokers.

The campaign was prepared by the Philadelphia office of Albert Frank-Guenther Law, Inc.

Lawyers Title Qualifies In Territory of Guam

Lawyers Title Insurance Corporation has qualified to do business in the territory of Guam and has appointed Lawyers Title and Escrow Co., Tamuning, as its first agent.

Lawyers Title also recently opened a national division office in Norwalk, Conn., with Janet A. Alpert, national accounts administrator, in charge.

William Villars (above), assistant vice president and manager of American Title's new Boynton Beach, Fla., office, is joined by a Continental model as he greets visitors at an open house. During the evening, a drawing was held in which Realtor Harvey E. Oyer won an authentic Minuteman rifle. An open house also was held recently to commemorate the opening of American's Orlando branch office.

SECONDARY—Continued from page 8

mortgage insurance.

In a similar vein, the Federal Home Loan Bank Board regulation allowing Federal savings and loan associations to make 95-percent conventional loans has opened up both the mortgage market to many more borrowers and the secondary market to many more loans. There has been a dramatic growth in high loan-to-value loans since the Board allowed the origination of 95-percent loans. Data from the new Federal Home Loan Bank Board Mortgage Interest Rate Survey indicate that approximately 15 percent of loans currently being originated by major lenders have a loan-to-value ratio of over 90 percent.

These developments have not only increased the magnitude of the Federal portion of the secondary mortgage market, but have greatly enhanced the strictly private operation of the secondary mortgage market as well. Data for 1972 show that purchases in the secondary market skyrocketed to approximately $25 billion. Since Fannie Mae and the Federal Home Loan Mortgage Corporation were involved in only $5 billion of this, it can be seen that the private market was showing considerable strength during this period.

Whether or not there are further innovations in the mortgage market, it is fairly certain that these innovations will involve the secondary market in some way and probably will be developed and implemented by participants in this market. One such innovation is a futures market for mortgages. If, in fact, a futures market is created, it will be a part of the secondary market and should greatly enhance the marketability of mortgages.

Another concept being considered today is that of providing electronic quotations on prices and terms in the secondary market as described in the FHLBB *Journal*, February 1973. When this concept reaches fruition, we will see the development of a much more efficient secondary market because most participants in it will have immediate access to needed information, as indicated in item 2. These and other innovations are likely to produce dramatic changes in the mortgage market during the next several years.

Market Performance

At the end of 1966, there were $264 billion in residential mortgages outstanding. By the end of 1972, this number reached over $410 billion. This is a growth of approximately $150 billion in 6 years, or a compounded growth rate of 7.5 percent. In comparison, during that same time period, total corporate debt outstanding rose by only $110 billion. These figures are cited to demonstrate the magnitude of the residential mortgage market and to show the potential volume of its dealings. During these same years, Fannie Mae purchased $20.6 billion of FHA/VA mortgages and sold $572 million in mortgages. Thus, FNMA purchased approximately 13 percent of the net change in mortgages outstanding during that time. If we looked at the percentage of FHA/VA-underwritten mortgages purchased by FNMA it would be a much higher number—roughly 30 percent. (See table 1.) This figure gives us an idea of the impact that the secondary market has on the mortgage market. In addition, the Federal Home Loan Mortgage Corporation purchased $2.4 billion in mortgages and sold $650 million of them in its first 2¼ years of activity in 1970, 1971, and 1972.

These figures show the extent of the massive mortgage purchasing by the two quasi-Government agencies that are the primary large intermediaries in the secondary mortgage market. Estimates of the volume of private transactions in the secondary market place this activity at a total of $32 billion in 1971 and 1972. These data furnish proof that the secondary mortgage market is playing an extremely large role in the residential mortgage area—a role that is most likely to continue in the future. The major question is, what has this meant for the American consumer with regard to mortgage availability and mortgage interest rates?

The next section of this article analyzes these questions.

Effects on the Mortgage Market

Many studies have indicated that the prime factor in the residential housing market is that of credit availability. When credit becomes available, we not only see housing starts maintained at sufficient levels to meet housing demand, but we also see many transactions in the market for existing homes. When credit dries up, both the transactions in the used home market and housing starts slow to a crawl. For years, the $64 question has been, how do we keep credit flowing into the mortgage market during periods of monetary stringency? This question has not been answered fully, but the advent of a strong secondary market can help and has helped this cause somewhat over the last few years.

Table 2 shows housing starts and net changes in outstanding residential mortgages annually for the last 12 years. The latest major downturn in housing in 1969-70 was not nearly as severe as the 1966 downturn. It cannot be said that this change in behavior was caused only by secondary market activities, since there also was massive lending by the Federal Home Loan Banks to savings and loan associations during this period. We do see, however, that effective nonfinancial institution sources of credit can change the cyclical nature of the housing market. If we project the same percentage decreases from peak to trough for the 1966 downturn to the 1969 downtown, we see that housing starts would have reached a level of 1.1 million for 1970. Instead, they remained at the 1.4 million level. On a quarterly basis this is even more dramatic with the quarterly housing start figures shown in table 3. Starts would have reached a seasonally adjusted annual rate of 938,000 units in the first quarter of 1970 had the 1966 decline prevailed. Instead, they were at a 1,265,000 unit level.

Both FNMA and FHLMC are designed to attract funds from the capital markets and make them available for the residential mortgage market. By doing this they allow consumers the access to funds for mortgages that previously had been available only to large corporations. The preceding data indicate that this function has been performed fairly successfully.

We cannot claim such success in the area of mortgage interest rates which reached extremely high levels in 1970. It can be argued that this was caused by the efficient operation of the market. Whereas, in 1966, money was not available at any "reasonable" price, in 1969 and 1970, even though the mortgage rate reached 8.50 percent, people willing or having the wherewithal to pay this

mortgage rate were able to get credit. One can ask the question which is worse—no credit or credit at a high price? The marginal home buyer who has sufficient income to buy presumably would rather see a high price for credit than no credit at all.

In addition to periods of credit stringency when Federal intervention was necessary, the *private* secondary market also has performed admirably during periods of ease. In 1971-72, when savings institutions were flush with funds, they were able to buy mortgages from other originators such as mortgage bankers and from FNMA and FHLMC. This capability kept these enormous quantities of funds in the mortgage market and had the additional effect of adding to the downturn in mortgage interest rates.

Thus, secondary mortgage markets in the United States have come a long way since the Grebler-Jones analysis of 1961.

I think we can safely say that we have met their criteria (1) and (2), are close to solving item (3), and that (4) is partially solved with many proposals near implementation to completely solve the problem.

I think that, given the fact that in 1961 none of these criteria were met, we have made real progress in 12 short years. This is not to say that the secondary mortgage market is now perfect and that there is no room for improvement, but it does indicate that a great deal of progress has been made and that, with continued efforts on the part of the institutions involved and the Federal Government, we can see an extremely efficient market developing in the next few years.

As noted earlier, two largest undivided participants in the market, FNMA and FHLMC, have accounted for a large part of the transactions in the secondary market over the last few years and their participation increases during periods of credit stringency.

With new developments in the market and better use of information, however, the percentage of participation by these two organizations in the secondary market will probably fall rather than grow as time goes on. This is in accord with the principle that Government intervention should only be used when the private sector, because of adverse circumstances, cannot operate efficiently in a given sector.

Even though the lending powers of S&L's have been greatly liberalized in the last few years, we still have a long way to go before Government intervention can be abandoned in the mortgage market. As a result, the secondary market operations of FNMA and FHLMC will be needed for some time to come. During the next round of rising interest rates and low liquidity, we can expect these two organizations, as well as the Federal Home Loan Banks, to actively support the mortgage market.

The major benefit to be derived from an efficient secondary mortgage market will accrue to the home buyer. The major reason a market of this type should exist is to make credit available to home buyers at the lowest possible price. The evidence presented here has shown that secondary market operations have produced credit availability to home buyers where this credit might not otherwise have been available. And while the price has not always seemed reasonable, it has actually been just that, given credit market conditions of the time.

Secondary mortgage markets with both public and private participation are here to stay and will probably play an ever-increasing role in the provision of credit to the residential housing market.

Francis Beggs Elected ILTA President

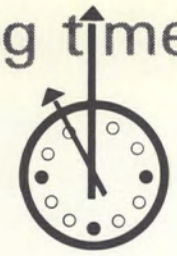
Francis J. Beggs, Benton County Title Co., Vinton, was elected president of the Iowa Land Title Association at its seventieth annual convention. The meeting was held in Des Moines.

John Henderson, Black Hawk County Abstract Co., Waterloo, was elected first vice president. Newly elected regional vice presidents are Mary Skiver, The Title Company, Inc., Sibley; D.R. Peasley, Clayton County Abstract Company, Elkader; and Howard Arntzen, Linn County Abstract Company, Cedar Rapids.

Guest speakers included William J. McAuliffe, Jr., executive vice president, ALTA; Paul Moser, Jr., attorney, St. Paul Insurance Companies; and Richard A. Stewart, attorney, Washington County Abstract Co., Washington, Iowa.

Pictured above is Francis J. Beggs, newly elected president of ILTA (left) with retiring president Philip J. Brennan. In the lower picture, newly-elected ILTA officers include (left to right) President Beggs, John Henderson, vice president, and Mary Skiver and D. R. Peasley, regional vice presidents.

meeting timetable



1973

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
Westward Ho Motel
Grand Forks, North Dakota

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

September 20-22, 1973
Nebraska Land Title Association
Villager Motel
Lincoln, Nebraska

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 26-27, 1973
Carolinas Land Title Association
Foxfire Inn
Pinehurst, North Carolina

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

November 2-3, 1973
Land Title Association of Arizona
Francisco Grande Hotel and Motor Inn
Casa Grande, Arizona

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.

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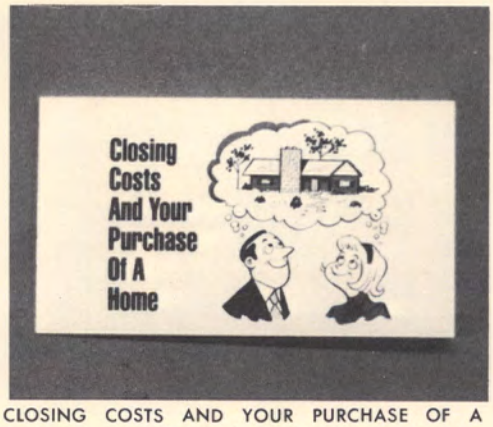

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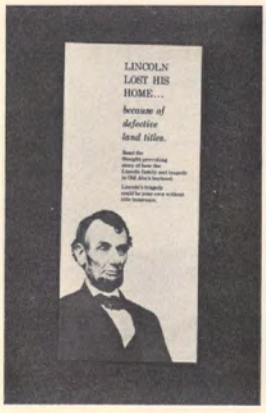

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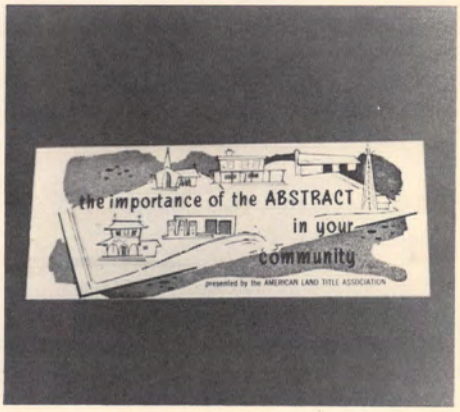

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