Title News

the official publication of the American Land Title Association

Secretary Lynn
And The 1974
Housing Outlook

March, 1974

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

MARCH 1974

It's an old cliche that the youth of today will of necessity be our leaders of tomorrow. This is as natural and logical a conclusion as can be drawn. As the night follows the day, or the day follows the night, this is a truism. The youth of any day is charged with the responsibility of gaining knowledge and experience, in order that he may be the leader of tomorrow.

So it is with our industry. But where in our industry do we find the prime ingredient—youth! Search our abstract companies. Search our title insurance agencies. You will find a minimum number of young people. What few you do find will be relegated to the clerical positions.

This is our mistake. Leaders of today—you must put some responsibility upon the shoulders of your younger employees. You must reward them with position and proper compensation. If you fail to do so, then they will move on into some field where they can reap their just rewards. When they do, they are no longer available for training to make them your successors.

Do not be jealous of the young man with initiative. Instead of fearing that he is going to take your place, train him so that he can. Keep him, so that he will.

Sincerely,

Philip D. McCulloch

ALTA action

With the arrival of spring, ALTA officers and staff are preparing for another round of visits to affiliated association conventions throughout the country. On April 18-20, President Robert C. Dawson is scheduled to represent ALTA at the annual meeting of the Oklahoma Land Title Association in Oklahoma City. Abstracters and Title Insurance Agents Section Chairman Philip D. McCulloch will represent the Association at the convention of the Texas Land Title Association scheduled for April 24-28 at the Hyatt Regency Hotel in Houston; President Dawson also will attend this meeting.

On May 5-7, Robert J. Jay, ALTA president-elect, will be the Association's representative to the convention of the Iowa Land Title Association in Amana, Iowa. Also scheduled for May are the meetings of the New Mexico Land Title Association (May 9-11) in Albuquerque and the South Dakota Land Title Association (May 31-June 1) in Sturgis, S.D., both of which McCulloch will attend as ALTA representative. Title Insurance and Underwriters Section Chairman Richard H. Howlett will attend the annual meetings of the Washington Land Title Association (May 9-11) in Vancouver; the Tennessee Land Title Association (May 31-June 1) which will be in Gatlinburg, Tenn.; and the California Land Title Association (May 22-24) in Coronado, Calif. President Dawson also will be present at the California meeting.

* * *

Ralph J. Marquis, an attorney, has been employed to direct a new state legislative reporting service for interested ALTA member companies who share related costs.

Marquis is a graduate of Ohio Northern University College of Law and has recently served as assistant general counsel for Insurance Services Office, a consolidation of rating bureaus, in New York City. In this capacity, he has been involved in legislative endeavor, in matters related to taxation, and in considerable research activity. Prior to joining Insurance Services, he practiced law in Cambridge and Senecaville, Ohio.

Offices for Marquis will be in Washington. Currently serving on the special ALTA Legislative Reporting Service Committee are Joseph D. Burke, executive vice president, Commonwealth Land Title Insurance Company, chairman; Robert Kratovil, vice president, Chicago Title Insurance Company; and Ray E. Sweat, senior vice president and senior title counsel, Pioneer National Title Insurance Company.

* * *

ALTA members and staff have contributed articles to recent special title insurance issues of *The Mortgage Banker,* a magazine published by the Mortgage Bankers Association of America, and *Realtor* magazine, official publication for four Realtor associations in the Washington, D.C. metropolitan area.

Authors for the special February issue of *The Mortgage Banker* include William J. McAuliffe, Jr., ALTA executive vice president; Marvin C. Bowling, Jr., vice president and counsel, Lawyers Title Insurance Corporation; Edward E. Sensor, vice president, Pioneer National Title Insurance Company; Olive Marrical, director of publications, First American Title Insurance Co.; Fred Fromhold, ALTA treasurer and president, Commonwealth Land Title Insurance Company; James W. Robinson, senior vice president, American Title Insurance Company; Robert S. Clark, vice president, Southwest Title Insurance Co.; George M. Houston, chairman of the board, Mid-South Title Company; Carloss Morris, president, Stewart Title Guaranty Company; and Anthony J. Stilo, president, USLIFE Title Insurance Company.

ALTA Director of Public Affairs, Gary L. Garrity helped the editor of the MBA magazine in planning this special issue.

Contributing to the *Realtor* magazine's special title insurance issue in January are Ralph C. Smith, senior vice president, Commonwealth; Samuel R. Gillman, president, Columbia Real Estate Title Insurance Company; John W. Underwood, vice president, Chicago Title Insurance Company; Stephen W. Prestegard, escrow administrator, Lawyers Title; and Frank W. Marsalek, executive vice president, Shenandoah Land Title Corporation.

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Features

Departments

ON THE COVER: Secretary of Housing and Urban Development James T. Lynn discusses the 1974 outlook for housing at the recent annual convention of the National Association of Home Builders. For his observations, please turn to page 4.

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GARY L. GARRITY, Editor *CAROL MATHES HALEY, Managing Editor*

James T. Lynn
Secretary of Housing and Urban Development

Housing Outlook: 1974

(Editor's note: The following remarks were prepared for delivery at the 1974 National Association of Home Builders Convention in Houston.)

* * *

For a great many of you, these are rough times. I could try to console you by making something of the fact that, in the decade of the 1960s, average housing starts did not even reach the one-and-a-half million mark. But it would just recall to your minds that old division of statisticians into three categories: liars, damned liars, and statisticians. You might even be tempted to add a fourth category—government officials with rose-tinted vision.

I don't want to play that game. It wouldn't be honest, and it wouldn't be productive. It wouldn't win me any new friends; it might even cost me those I have. And it would not help the home builders or the home buyers, two groups whose well-being is of great concern to me.

You have certainly done your part. Over the past few years, especially, you have proved again the capacity of the private sector to respond to the needs and demands of our people. Your flexibility and resourcefulness were shown in a spectacular way when you boosted residential construction from the 1970 level of 1,469,000 starts to the 1972 record of 2,378,500, a 62 per cent increase in just two years.

And it wasn't easy. To cite just two examples, first-rate craftsmen in sufficient numbers aren't easy to come by, and materials are sometimes impossible to buy at any price. But, to quote Colonel Pickering in *My Fair Lady*, "By George, you did it!"

On January 21, 1974, however—that's today—no one could fault many of you for asking yourself, "How did a nice guy like me get into a business like this? Here I am" (you might say) "with organization, people and investment geared to a market of two million-plus units a year, and suddenly the bottom drops out. What happened? And even more important, what will happen next?"

Before getting into a discussion of the problems and what can be done about them, I want to make something very clear: I do give a damn. I care about providing housing that will realize the dreams as well as meet the basic needs of our people. I care about the thousands upon thousands of jobs a healthy housing market can generate, both directly and indirectly. And I care about the fate of the home builders who make all this possible.

This isn't just my feeling. Let me read the message the President gave me last Thursday to deliver to you personally:

> "It is the firm belief of my Administration that the housing industry is a key factor in our national economy and the essential element in the ultimate attainment of the goal first established in the Housing Act of 1949: a decent home and a suitable living environment for every American family. In this spirit I greet the members of the National Association of Home Builders at your annual convention.
>
> "I am pleased that Secretary Lynn will be with you on this occasion to reaffirm first hand our sustained commitment to the objectives of my housing message of last September 19. We are more determined than ever to increase the availability of mortgage credit in the current market, to improve the overall credit picture for the long term and to find a sensible way to help meet the housing needs of families with low incomes.
>
> "The constant new developments affecting the housing situation make it imperative that we have the flexibility to deal with each new change. This flexibility will surely be most effectively achieved if we have a healthy housing industry. May your deliberations provide useful direction and incentive for your members to meet their challenge in this critical task."

He—and, in fact, everyone in the Administration who is involved in housing—recognizes that you face a host of problems. Among these most surely are: the money situation; inflation generally; for some, the suspension of the subsidy programs; environmental problems; "no-growth" policies; the energy crisis, my friend Bill Simon's domain; and last but not least, economic uncertainty. Now I can't cover all of these extensively today, but I will spend a fair amount of time on some and at least touch on the others.

First and foremost among your problems has been money. For a while, the problem of the shortage of construction and mortgage loan money at practically any price. Money flowed out of the savings and loan associations. Now that it's flowing back in—for example, S&Ls gained $3.1 billion in deposits in December—the shortage of funds for lending has been easing, but interest rates on home loans are still considerably above those of a year ago—in most cases more than 100 basis points.

The economic gurus look into their crystal balls or computers and predict that although interest rates on long-term debt (which includes mortgages, of course) may come down somewhat in the months ahead, they will not come down much. So be it—I don't envy those who have to make their livings making such predictions—but I am firmly convinced that HUD should set an example for the rest of the market wherever it can.

Accordingly, I am pleased to announce, on behalf of myself and Don Johnson, the head of the Veterans Administration, that effective tomorrow the maximum interest rate for FHA-insured and VA-guaranteed loans is being reduced from 8-½ per cent to 8-¼ per cent. And I assure you that if market adjustments to the new 8-¼ per cent ceiling and the interest rate outlook in the period ahead appear to make further reduction feasible, we'll do it without hesitation. My objective is to have FHA "lead a little."

Frankly, as the President points out in his September message on housing, the law should be amended to let the FHA and VA rates float and eliminate "points," the prepaid interest that actually hurts the buyer and certainly doesn't benefit the seller. But as long as we must operate under the present archaic system requiring the FHA and the VA to guess constantly as to what markets will do and peg an interest rate, I'll do my best to make it work.

Let me move on to Tandem. You will recall that in his message last fall President Nixon announced a revived GNMA Tandem Plan to provide assured financing on FHA and VA insured loans bearing an 8-½ per cent stated interest rate for up to 100,000 units of new residential construction. We haven't done much business under that program. But the slow response proved an important point: the then shortage of funds for residential lending was only a part of the problem. Tandem assured the funds. But at the 8-½ per cent rate, there were relatively few takers. This says to me that through Tandem we've got to offer a better interest rate—substantially better.

Therefore, I am even more pleased to announce that effective tomorrow a revised and expanded Tandem Plan will authorize GNMA to commit up to $6.6 billion to purchase at 96 FHA and VA-insured mortgages on 200,000 units of newly-constructed single and multifamily dwellings, bearing a stated interest rate of 7-¾ per cent.

I don't have to tell you what a significant commitment this is . . . There will be real punishment on resale of these mortgages by GNMA if the mortgage money trends are the wrong way. Given the present slump in the housing market, however, we have little choice. It makes sense, and it must be done, both to help the home builder and the home buyer alike.

How effective will this new program be? I hope, I expect, indeed I am convinced that it will do substantial good. If Congress were to act promptly to remove some related constraints on the statute books, the new Tandem Plan could be assured of success. I am referring to the FHA ceiling on mortgage amounts and the loan-to-equity ratio limits. These provisions, however well advised they were when the law was last changed in 1968, just aren't realistic in 1974. As the President's September housing message states, these limits must be increased immediately.

What else can be done on this interest problem? For the months immediately ahead, I think the answer is "not much," but over the long term, "a lot." The key is to give housing funds a competitive edge against other demands for long-term money.

How do we do it?

One proposal would give depositors in savings and loan associations a tax break on interest earned. But this would only increase the reliance of housing on one sector of the financial market.

Don't get me wrong. Over the years, the S&Ls have done a good job of providing funds for housing; their health and growth are vital to the home buyer and the housing industry. And the President's proposals for financial institution reform aim to ensure that health and growth, including certain needed flexibility in making construction loans and achieving financial balance.

But what I want to see—and what I know all of you want to see—are effective ways of tapping every long-term credit source available, particularly when money is tight. That means opening a competitive wedge in all markets, not just with the savings and loan depositor.

The mortgage interest tax credit proposed to the Congress by the President would do just that. Under this proposal, the larger the proportion of total assets invested in residential mortgages, the higher the tax credit, up to 3-½ per cent when the mortgage proportion of the assets reaches 70 per cent. If, for example, a bank already holds 8 per cent of its total assets in residential mortgages, an increase of only 2 per cent will give the bank a 1-½ per cent tax credit on the entire 10 per cent, which results in a significantly higher yield on the incremental investment. That's quite an incentive.

Such a tax credit would also apply to pools of mortgages put together in the private sector. With the credit, such pools would have a substantial advantage in issuing their notes in the secondary market.

I know it sounds complicated. But it should work. Incidentally, it's not cheap. Preliminary estimates indicate that even if mortgages do not rise above the level of, say, 1972, the subsidy involved, in lost revenues to the Treasury would be near $200 million, and the potential revenue loss is much more.

Moreover, the whole scheme would function without government bureaucrats. I can't say the same for other

Continued on page 12

John B. Wilkie, President
Lawyers Title of Arizona

Second Abstracter—Agent Study Completed

(Editor's note: Author Wilkie recently served as chairman of the Organization and Claims Committee, ALTA Abstracters and Title Insurance Agents Section.)

* * *

The second study of the organizational and financial composition of ALTA member abstracters and/or title insurance agents reveals that 61 per cent of the members participating in the project employ fewer than five persons and 35 per cent received gross income of less than $25,000 in 1972. These figures are the result of the second questionnaire mailed to the membership in January of 1973, to which 44 per cent of the membership responded.

In 1971, 67 per cent of the participants employed fewer than five persons and 45 per cent of those in the study grossed less than $25,000.

The study project began in January 1971, when a questionnaire developed by the Abstracters and Title Insurance Agents Section's Organization and Claims Committee was mailed to each of the 1,840 ALTA member abstracters and/or agents. In order to gain optimum response from members, the questionnaire requested general information which required respondents to indicate by check mark answers applicable to their particular operation. Members were also advised they were not required to identify their companies or to answer any portion of the questionnaire they preferred to leave blank.

In addition to the areas covered by the 1971 survey, the 1973 survey requested information relating to the population of the county in which the respondent operates and losses paid during the calendar year of 1972. The responses reveal that 71 per cent of the members answering these questions are located in counties with a population of less than 50,000 persons, and 96 per cent are in counties with a population less than 500,000.

Twenty-four per cent of the respondents reported payment of losses during 1972. Of these, 36 per cent were abstract-related with the average loss incurred being $735; 43 per cent were title insurance-related with the average loss incurred being $2,388; and 21 per cent were escrow or closing related with the average loss incurred being $1,925. It should be emphasized that these figures reflect only those operations completing that portion of the questionnaire requesting loss data.

The only two areas where the 1973 survey showed appreciable changes from the 1971 survey were the decrease in both the number of respondents whose net taxable income was less than $25,000, and in the respondents who carried errors and omission insurance in an amount less than $10,000. It is premature to attempt to draw any trends from these two reports; however, there does appear to be a general trend toward a larger number of employees and higher income among abstracters and/or agents—at least as of January, 1973. Complete data developed by the committee, including a comparison of the 1971 and 1973 surveys, accompanies this commentary.


Author Wilkie

The Section Organization and Claims Committee has recommended to the Association that the survey be continued on a bi-annual basis; thus plans are for the next questionnaire to be mailed in January, 1975.

The continued cooperation of ALTA member abstracters and/or agents has provided the Association officers and staff with significant data which is of considerable value in answering questions about the industry—and which also is helpful to members comparing their individual operations to the industry as a whole.

Acknowledgement for a job well done is due members of the Section Organization and Claims Committee and to ALTA Research Director Michael B. Goodin. Members of the Committee for 1973 were William R. Barnes, Jr., Pioneer National Title Insurance Company, Southfield, Mich.; J. W. Bartram, American Title Company, Houston; Robert G. Frederick, C.W. Lynn Abstract Company, Inc., Salina, Kans.; William F. Galvin, Guarantee Abstract Company, St. Petersburg, Fla.; and William T. D. Holstein, LaCrosse County Title Company, LaCross, Wis.

Composition and Financial Make-Up of Abstracter and/or Title Insurance Agent ALTA Members

Note: 1973 and 1971 Survey Results are Applicable to the Operations of Member Participants for the Calendar Years 1972 and 1970

Classification by Type of Operation

	% of Total Respondents 1971 Survey	1973 Survey	Change Registered	% When Respondents Not Answering This Question Are Excluded 1971 Survey	1973 Survey	Change Registered
Sole Proprietorship	21%	23%	+2%	22%	23%	+1%
Partnership	12%	11%	−1%	13%	11%	−2%
Corporation	48%	50%	+2%	49%	51%	+2%
Corporation, Subchapter S	15%	15%	None	15%	15%	None
Other (not specifically identified)	1%	—	−1%	1%	—	−1%
Did not answer question	3%	1%	−2%			

Classification by Abstracter, Title Insurance Agent, or Both

	1971 Survey	1973 Survey	Change Registered	1971 Survey	1973 Survey	Change Registered
Abstracter Only	18%	18%	None	19%	18%	−1%
Title Insurance Agent Only	6%	8%	+2%	6%	9%	+3%
Both Abstracter and Title Insurance Agent	72%	71%	−1%	75%	73%	−2%
Did not answer question	4%	3%	−1%			

Classification by Number of Persons Employed

	1971 Survey	1973 Survey	Change Registered	1971 Survey	1973 Survey	Change Registered
Less than 5 employees	67%	61%	−6%	69%	62%	−7%
5-10 employees	19%	20%	+1%	20%	21%	+1%
10-20 employees	6%	9%	+3%	6%	10%	+4%
20-40 employees	3%	4%	+1%	3%	4%	+1%
More than 40 employees	1%	3%	+2%	2%	3%	+1%
Did not answer question	4%	3%	−1%			

Specific number of employees reported by those companies having more than 40 persons in their employ in 1973: 41, 42, 42, 42, 45, 46, 47, 52, 52, 55, 56, 58, 60, 60, 70, 71, 74, 77, 85, 132, 162

*Classification by Population of County in which Reporting Companies Do Business**

	% of Total Respondents 1973 Survey	% When Respondents Not Answering This Question Are Excluded 1973 Survey
Less than 50,000 persons	60%	71%
50,000 to 100,000 persons	9%	10%
100,000 to 250,000 persons	8%	10%
250,000 to 500,000 persons	4%	5%
500,000 to 1,000,000 persons	3%	3%
Over 1,000,000 persons	1%	1%
Did not answer question	15%	

*Population data not requested in 1971 survey.

Classification by Capital & Net Worth of Operation

	% of Total Respondents 1971 Survey	1973 Survey	Change Registered	% When Respondents Not Answering This Question Are Excluded 1971 Survey	1973 Survey	Change Registered
Less than $25,000	32%	27%	−5%	36%	30%	−6%
$25,000-$100,000	41%	42%	+1%	47%	47%	None
$100,000-$250,000	10%	13%	+3%	11%	15%	+4%
Over $250,000	6%	8%	+2%	6%	8%	+2%
Did not answer question	11%	10%	−1%			

Classification by Gross Income Received in 1970 and 1972 (Agents reported income net of remittance to underwriter)

	% of Total Respondents			% When Respondents Not Answering This Question Are Excluded		
	1971 Survey	1973 Survey	Change Registered	1971 Survey	1973 Survey	Change Registered
Less than $25,000	45%	35%	−10%	49%	38%	−11%
$25,000-$100,000	35%	37%	+2%	39%	41%	+2%
$100,000-$300,000	8%	12%	+4%	9%	14%	+5%
$300,000-$500,000	2%	3%	+1%	2%	4%	+2%
Over $500,000	1%	3%	+2%	1%	3%	+2%
Did not answer question	9%	10%	+1%			

Statutory Bonds Requirement

	1971 Survey	1973 Survey	Change Registered	1971 Survey	1973 Survey	Change Registered
Bonds are required in state	43%	47%	+4%	50%	53%	+3%
Bonds are not required in state	42%	42%	None	50%	47%	−3%
Did not answer question	15%	11%	−4%			

The following amounts were reported by those respondents indicating bonds were required in their states:

	1971 Survey	1973 Survey	Change Registered
Under $5,000	4%	2%	−2%
$ 5,000-$10,000	71%	56%	−15%
$10,000-$15,000	5%	16%	+11%
$15,000-$20,000	11%	3%	−8%
$20,000-$30,000	4%	12%	+8%
Over $30,000	5%	11%	+6%

Regulation of Abstract Charges

	% of Total Respondents			% When Respondents Not Answering This Question Are Excluded		
	1971 Survey	1973 Survey	Change Registered	1971 Survey	1973 Survey	Change Registered
Abstract charges are regulated in state	16%	18%	+2%	19%	20%	+1%
Abstract charges are not regulated in state	71%	72%	+1%	81%	80%	−1%
Did not answer question	13%	10%	−3%			

Maintenance of Complete or Partial Plants or Use of Courthouse Records

	Total Respondents		
	1971 Survey	1973 Survey	Change Registered
A complete plant is maintained	70%	70%	None
A partial plant is maintained	10%	10%	None
Courthouse records are used	20%	20%	None

Of those respondents indicating that they had partial plants in 1971, 29 reported the number of years covered. These ranged from 3 years to 147 years and averaged 40 years.
Of those respondents indicating that they had partial plants in 1973, 41 reported the number of years covered. These ranged from 4 years to 75 years and averaged 30 years.

Errors and Omission Insurance Coverage

	% of Total Respondents			% When Respondents Not Answering This Question Are Excluded		
	1971 Survey	1973 Survey	Change Registered	1971 Survey	1973 Survey	Change Registered
Errors and Omission insurance is carried	76%	81%	+5%	78%	83%	+5%
Errors and Omission Insurance is not carried	22%	16%	−6%	22%	17%	−5%
Did not answer question	2%	3%	+1%			

The following amounts of Errors and Omission Insurance coverage were reported by those respondents indicating that they carry such insurance:

	1971 Survey	1973 Survey	Change Registered
Less than $10,000	8%	1%	−7%
$10,000-$20,000	7%	6%	−1%
$20,000-$30,000	14%	14%	None
$30,000-$40,000	2%	1%	−1%
$40,000-$50,000	25%	2%	−23%
$50,000-$100,000	36%	57%	+21%
Over $100,000	8%	19%	+11%

Percentage of Gross Income Derived from Abstracts, Title Insurance, and Other Sources

	Total Respondents		
	1971 Survey	1973 Survey	Change Registered
Abstracts	61%	58%	−3%
Title Insurance	28%	32%	+4%
Other Sources	11%	10%	−1%

Classification by Net Taxable Income Received

	% of Total Respondents			% When Respondents Not Answering This Question Are Excluded		
	1971 Survey	1973 Survey	Change Registered	1971 Survey	1973 Survey	Change Registered
Less than $25,000	71%	61%	−10%	80%	68%	−12%
$25,000-$100,000	16%	24%	+8%	18%	27%	+9%
Over $100,000	1%	5%	+4%	2%	5%	+3%
Did not answer question	12%	10%	−2%			

Classification by Book Value of Abstract Plant

	% of Total Respondents			% When Respondents Not Answering This Question Are Excluded		
	1971 Survey	1973 Survey	Change Registered	1971 Survey	1972 Survey	Change Registered
Less than $5,000	6%	3%	−3%	12%	5%	−7%
$5,000-$10,000	6%	5%	−1%	12%	8%	−4%
$10,000-$15,000	4%	7%	+3%	8%	11%	+3%
$15,000-$25,000	8%	8%	None	16%	14%	−2%
$25,000-$50,000	13%	16%	+3%	25%	27%	+2%
$50,000-$100,000	9%	12%	+3%	19%	21%	+2%
Over $100,000	4%	8%	+4%	8%	14%	+6%
Did not answer question	50%	41%	−9%			

*Losses Paid During 1972**

24% of the respondents reported payment of losses during 1972. Of those respondents reporting losses,

A) 36% were abstract related, with the average loss incurred being $735.00

B) 43% were title insurance related, with the average loss incurred being $2,388.00

C) 21% were escrow or closing related, with the average loss incurred being $1,925.00

*Loss data not requested in 1971 survey.

Southwest Consolidates National Operations

Southwest Title Insurance Co. has announced the consolidation of its northeast and southeast divisions into one combined eastern division covering 11 states and the District of Columbia.

Southwest's offices in Decatur, Ga., are headquarters for the new eastern division; the company's Richmond office will function as an area operation and service office for the five states of Virginia, West Virginia, Pennsylvania, Massachusetts, North Carolina and the District of Columbia.

William R. Joyner, previously manager of the company's northeast division, has been appointed manager of the new eastern division and will be headquartered in Southwest's Decatur office.

FLTA Members Comprise Guest Panel On Florida Bar Television Program

Four representatives of the Florida Land Title Association recently participated in a general question and answer discussion on "The World of Law"—a Saturday morning half-hour television production on Channel 6 (WCIX-TV) in Miami.

The panel interview dealt with the ownership of real property, a subject that is close to the hearts of all viewers, since they either have already or will someday be involved in the largest single investment of their lifetime—the purchase of a home or other real estate.

The moderator for the Dade County Bar Association program was James W. Robinson, chairman of the public relations committee of the Florida Land Title Association and senior vice president, American Title Insurance Company, Miami.

Members of the panel included Edward I. Lack, vice president and director of the lawyers division of American Title, and J. H. "Skip" Boos, president of Peninsular Title Insurance Company in Fort Lauderdale. Also before the cameras was Peter Guarisco, executive secretary-treasurer of the Florida Land Title Association, whose offices are in Tallahassee.

The panel fielded questions concerning the exact nature of a person's right of ownership to a parcel of land, the various rights that others might have in that same property, what constitutes a clear title, as well as some of the many technicalities and complications that can confuse the purchaser of real estate.

In closing, Robinson reminded viewers that when investing in real property one needs three things—a lawyer, a real estate broker and title insurance. He pointed out that no examination of real estate title, no matter how carefully or expertly made, can protect against all the possibilities of financial loss which might arise from a defect in the title. Robinson emphasized that the answer to the need for protection is simple—secure an owner's title insurance policy issued by a member of the Florida Land Title Association.

Pictured above are four representatives of the Florida Land Title Association awaiting their cue before fielding various questions concerning title insurance from panel moderator James W. Robinson, (left) senior vice president of American Title Insurance Company. Other members of the panel, from left to right, include Pete Guarisco, secretary-treasurer of FLTA; Skip Boos, president of Peninsular Title Insurance Company in Ft. Lauderdale; and Ed Lack, vice president of American Title's lawyers division. The stage was a recent panel discussion on "World of Law"—a Saturday morning half-hour television production on WCIX in Miami, Fla., presented by the Dade County Bar Association.

Fight Inflation and Promote Your Industry!
Buy A Slightly Used "Blueprint" Film at Reduced Price

Here's your chance to fight inflation while promoting your industry! If you haven't already obtained a copy of ALTA's highly successful film, "Blueprint for Homebuying"—or if another print would come in handy for a new branch or to increase circulation—you can receive one now at reduced price.

ALTA has 50 prints of this public education film back from national television distribution and is making them available to members—on a first come, first served basis—for $55.00 which includes postage and shipping container. The prints are in good condition, and the reduced price represents a significant savings from the $95.00 cost for a new print.

This 16 mm color sound film takes home buyers through the basics in selecting, financing, and closing with regard to purchasing residential real estate. Featured on the screen are the various experts who provide closing services—including the land title professional. Most of the film consists of animated sequences, although a live narrator also appears.

Remember the supply is limited so order your print today.

Mr. and Mrs. Home Buyer as seen in the ALTA film

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

HOUSING OUTLOOK – Continued from page 5

proposals I've heard – like the one that the federal government should restrict consumer credit for purchases other than housing, or restrict business credit, both for the purpose of forcing investment into housing. Who is the genius in Washington who would fine-tune such regulation? Is it really fair to the consumer to say Uncle Sam knows best? To say you really shouldn't buy as many home appliances or vacation trips, so enough money will be freed for housing.

Is it really in the best interest of the housing industry to restrict the credit needed by our industrial sector to conduct research or to improve productivity by investment in new plants and equipment? These things are vital to the better jobs and higher real incomes necessary to pay for better housing.

This brings me to the second problem I mentioned at the outset: inflation. Lenders feel they need higher interest rates to compensate for expected diminished purchasing power of the dollar when the principal comes back years later. Yet inflation affects not only interest rates but everything else too – land, materials and labor.

Equally important, inflation saps the demand for better housing when the potential home buyer has to spend more of his pay check for food, gasoline and practically everything else. We can and we must get inflation under better control. How?

As you know, food costs have been the biggest single culprit. The Administration has taken a number of steps that we expect to increase supply and moderate price hikes.

The soaring cost of fuel is another, newer culprit.

To hold down inflation, federal spending must conform to reasonable limits. Easy to say yet almost five years in government have taught me how hard it is.

Every group, it seems, has its own cause – very often a perfectly legitimate one. But there is simply no way to give all groups the money they want without raising taxes or printing money, which simply means more inflation.

So we must establish priorities and set limits. That's what this annual budget battle is all about.

Incidentally, I just can't buy the proposition that an easy way out is available to us – that all we have to do is cut defense.

Without a strong defense, mutual reduction of arms is a pipe dream. Without a strong defense position the free community of nations will not endure. Freedom, liberty, can too easily be taken for granted, especially when we have had it as long as we have. And I've sat in enough Cabinet meetings to know that we have whacked as much out of the defense budget as possible in favor of domestic program priorities. It's not a pleasant prospect – particularly when you have the job I have or Cap Weinberger's job at HEW – but we will need more money for defense than Congress appropriated last year, not less.

While we are on the subject of budget allocations, I would like to talk a little on the issue of subsidized housing for lower-income families. Whether we look at the decade of the '60s or go back to the '50s, it is clear that as a nation we have made remarkable progress toward the goal – first articulated by the Congress in 1949 and reconfirmed in the President's September housing message – of a decent home and a suitable living environment for every American family. The main reason for our success is the growth in jobs – higher real incomes – coupled with a strong housing industry and credit availability.

Notwithstanding this progress, however, many families still live in housing that by any standard is substandard.

The issue is how to overcome this problem. This is what the housing study we completed in September is all about.

I'm not going to try to explain in detail here why we concluded that we don't stand a chance of achieving our national housing goal for substantially all those still without decent shelter through the old programs. Chapter Four of the book incorporating the results of the study, a volume called *Housing in the Seventies*, does that better than I could here.

Suffice it to say that even if all the other negative factors were ignored, solving the housing problems of all those eligible under the old subsidy programs for lower-income families would cost, we estimate, some $34 billion a year. Allocating that much of the federal budget to these needs just isn't possible. New approaches are necessary.

The Administration is committing some $200 million to the housing allowance – direct cash assistance – experiments. In this and other ways, we are attempting to devise a practical program to get at the basic problem – lack of sufficient income to pay for decent, safe and sanitary existing housing.

Even though this cash assistance approach would make maximum use of existing housing, the expenditure involved would be far greater than anything this nation has seen before – an estimated $1-½ billion for the first phase, covering the elderly, poor, and an estimated $9 to $11 billion annually when the program is fully operative. But the difference is we would be helping the vast majority of the poor get better housing rather than helping a relatively small proportion get new housing while the rest are left to wait and wait.

This doesn't mean that we are standing dead in the water pending final decision on direct cash assistance, a decision scheduled for the end of this year or maybe early next year.

In addition to the 100 thousand-plus units under the old programs that are still being processed, another 200,000 units of subsidized housing were announced in the President's September housing message.

Approximately 70,000 of this 200,000 are allocated to meet bona fide commitments under the old programs. The balance, about 130,000, are earmarked for our revised Section 23 leasing program – 50,000 units of existing housing and 80,000 of new construction.

In devising these new Section 23 programs, Assistant Secretary and FHA Commissioner Lubar and his people have been in contact with developers and others knowledgeable about subsidized housing. And the regulations will be published for comment tomorrow. These new programs, refined as we gain experience, and hopefully improved by the legislation we seek from Congress to modify them further, should avoid many of the flaws in the old programs and provide a sound interim approach while the work on better long-term approaches proceeds.

The budget for fiscal 1975, to be published shortly, will seek authority for an additional number of units for these new Section 23 programs. But the programs simply won't work without you. We need your help.

I have discussed tight money, high interest rates, inflation and helping the poor. Before I close, just a few words on the other problems I mentioned.

FHA processing. Once and for all, let me state it flatly: There will be a need for FHA for a long, long time. The private mortgage insurers perform an important function, and I will do all I can to foster the service they give. But for the foreseeable future, there will always be good mortgage risks that require FHA assistance.

One of my top priorities for the period immediately ahead is once again to provide timely FHA processing service in the offices that fail to do so. We know from the good performance of some offices that FHA can provide prompt service without sacrificing the important social goals built into the law, such as equal opportunity and environmental protection. Accordingly, on direct authority from me signed last Friday, Shel Lubar is putting together teams of experts—including representation from better offices—who, in coordination with the regional offices, will, in the weeks ahead, go directly into the area and insuring offices that appear to need the help and do what needs to be done.

For the longer term, Congressional adoption of some of the President's other proposals will also greatly assist and help streamline FHA operations. Co-insurance, the practicability of which was proved by VA long ago, will help. And it goes almost without saying that the greater your own sense of responsibility in selecting the projects you offer, the better your own work in the application process and in meeting your commitments, the easier it will be for us to streamline our own procedures.

The environment. We have been working closely with the Environmental Protection Agency to get a better handle on the facts, to separate the real problems from the illusions and address them. And as expected, the NAHB staff has welcomed our overture to work with your organization along the same lines.

No growth. Some of the communities moving toward growth restriction have legitimate reasons. But others don't. Whether they like it or not, the baby boom of the post-World War II period is now becoming the family formation boom of the seventies and early eighties. These people must have homes where the jobs are, and we at HUD will work with you toward achievement of that goal.

Energy. I know the problems you face—the effect of the energy crisis on availability of materials, on fuel for construction, on Sunday driving to inspect homes, on the willingness of customers to buy while question marks hang over such things as heating and gasoline supply.

That's why I have brought Doug Parker on board to be my assistant for energy affairs. I hope as many of you as possible get to meet and know him while we are here in Houston. Doug will work closely with Bill Simon's shop, with you and with others to reduce as much as possible the impact of the energy crisis on housing.

Let me close with what I said in my first line. I welcome the opportunity to be with you. I chose those words carefully. I didn't say the usual "It's a great pleasure to be with you." In the sense of satisfaction with the current state of housing affairs, it cannot be a pleasure—surely not for you and certainly not for me.

But I do welcome the opportunity to be with you.

I wanted to hear about your concerns at first hand. I wanted to discuss specific problems and predictions with you directly. And I wanted to present in person a partial solution at least to one of your principal current difficulties—interest rates.

There are, amidst the serious problems, some good signs. When I look at those family formations on the charts, at the basic strength of our economy, at its capacity to create more and better jobs (with all that means to the prospects for better housing) and at your demonstrated ability to provide that housing, I perceive promise for a high level of housing construction, not just for the balance of this decade, but also into the 1980s. And I pledge to the people of this country, and to you today, that as Secretary of HUD, I will do my utmost to help.

names in the news


ALLISTON


PELHAM


SWEENEY


WILKINSON


GIBBS


SHAPIRO


ALPERT


PHILLIPS


CLARK


CRUTCHFIELD


ASHCRAFT


BUTLER

John W. Brown, Jr., formerly executive vice president, has been elected president of The Title Guarantee Company (Baltimore); he succeeds the late Frederick R. Buck.

* * *

Wiley T. Alliston has been named senior executive vice president and general manager of Stewart Title Guaranty Company. In his new capacity, **Alliston** will be responsible for direction of eight Stewart Title offices in Texas. **Thomas J. Pelham,** Tampa, has been named agency director for the southeastern division of the company; Stewart has also named **John Michael Sweeney** vice president and manager of Stewart Title Insurance Agency Inc. in Washington, D.C.

* * *

Lawyers Title Insurance Corporation announces the following promotions: **Charles F. Skinner,** of Newark (N.J.), to branch counsel; **Charles W. Wilkinson,** of Newport News, (Va.), to branch counsel; **Richard M. Hosler,** of Camden (N.J.), to assistant branch counsel; and **Robert E. Gibbs,** of Columbus (Ohio), to assistant branch counsel. New branch managers for Lawyers include **Hugh D. Reams, Jr.,** Newport News; **Haskell Shapiro,** Boston; **James J. Stankiewicz,** Crown Point. The company has elected **Janet A. Alpert** manager of the Norwalk (Conn.) national division office and has named **Richard A. Phillips** as Kansas state manager; **Phillips** was formerly president of Guarantee Title Co. of Wichita, a recently acquired Lawyers Title subsidiary.

* * *

Robert S. Clark has been elected vice president of national sales and marketing for Southwest Title Insurance Co.; **John Crutchfield** has been promoted to secretary of the company and will retain his previous responsibilities as vice president—Texas counsel. Southwest also announces the appointment of **Ronald H. Ashcraft** as Richmond (Va.) area manager.

* * *

Albert E. Butler, Houston, has been named vice president in charge of title operations for American Title


RICE


APPLEBAUM

Company.

* * *

Five persons were recently elected to office by the board of directors of Title Insurance and Trust. They are: vice president: **Marvin M. Gergen,** administration manager, Los Angeles division; assistant vice presidents: **Alva G. Derryberry,** plant and examining supervisor, Fresno County, central western division; **Burt Forrester,** manager, Madera County office, central western division; **Robert E. Phinney,** manager, public records, Los Angeles division; and **Richard D. Snyder,** escrow manager, Fresno County, central western division.

* * *

Lyle B. Moneymaker, Jr., has been named vice president for national marketing of St. Paul Title Insurance Corporation.

* * *

George Marshall, Jacksonville, has been named regional vice president of Title Insurance Company of Minnesota for the southeast region; **Marshall** also serves as vice chairman of the board of directors of Title Insurance Company of the South, a wholly-owned subsidiary of Minnesota Title. **William J. Harris** has been named to a new position as consultant for the company's southwest region.

* * *

Charles F. Rice has recently been appointed as vice president-sales department of the Michigan division of American Title Insurance Company.

* * *

Thomas J. Watson, Jr., has been appointed resident vice president, Mid-Atlantic region, of USLIFE Title Insurance Company of New York. The company has also named **Robert G. Williams** as assistant vice president and office manager of the Oxon Hill (Md.) office and **Daniel P. Schechtman** as assistant vice president and manager of the northern Virginia office.

* * *

Mid-South Title Company has appointed **Neil H. Givens** as assistant vice president and **Bill Arnold** manager of the company's abstract department; **Bob Applebaum** has been appointed business development representative.

Frederick Buck Dies In Houston

Services were February 8 in Baltimore for Frederick R. Buck, a past member of the ALTA Board of Governors and president of The Title Guarantee Company (Baltimore), who died unexpectedly February 6 in Houston, where he was attending a meeting of the American General Insurance Company board.

Mr. Buck also had completed a term on the ALTA Standard Title Insurance Forms Committee in 1970 and was active in other affairs of the Association. In his home state, his many business and civic activities included being a past president of the Maryland State Title Insurance Association.

He was a Navy veteran of World War II, returning to complete work on his law degree and be admitted to the Maryland Bar. Mr. Buck was elected an officer of a predecessor to his company in 1951, rising to the presidency of Title Guarantee in 1969.

His father, the late Charles H. Buck, served as ALTA president in 1941-42.

Survivors include his wife, Mrs. Margaret Sale Buck; two children, Mrs. Timothy D. McMillin and Frederick R. Buck, Jr., and two grandchildren, all of Baltimore.

Eyster Succumbs; Stewart Co-founder

It recently was learned that George W. Eyster, co-founder of Stewart Title of Detroit, died October 26, 1973, at the age of 60. At the time of his death, he was serving as vice president of the company.

Mr. Eyster was a graduate of the University of Michigan Law School and a lifetime resident of Dearborn, Mich.

Lawyers Expands In South Carolina

Lawyers Title Insurance Corporation announces its purchase of all of the stock of Lawyers Abstract Co., its Columbia, S.C., agent. The new acquisition is being operated as a subsidiary.

David S. Mellichamp, South Carolina state manager for Lawyers, has been elected president of the subsidiary.

Jay Schwartz Dies In Miami Hospital

Jay R. Schwartz, chairman of the board and chairman of the executive committee for American Title Insurance Company, died February 17 in a Miami, Fla., hospital after an illness of six weeks.

A native of Florida and a graduate of the University of Florida law school, he was one of the founders of the Title Insurance Corporation of America—which later became American Title. He served as president of American Title from 1958 until January 1, 1974, when he retired from participation in day-to-day operations of the company.

Survivors include his wife, the former Bernese (Bunny) Klepper; a daughter; two sons; and a sister.

Those desiring to do so may contribute to the American Cancer Society or to Temple Israel of Greater Miami.

meeting timetable

March 6-8, 1974
ALTA Mid-Winter Conference
Fairmont — New Orleans Hotel
New Orleans, Louisiana

April 18-20, 1974
Oklahoma Land Title Association
Lincoln Plaza Inn
Oklahoma City, Oklahoma

April 24-28, 1974
Texas Land Title Association
Hyatt Regency Hotel
Houston, Texas

May 5-7, 1974
Iowa Land Title Association
Holiday Inn of the Amana Colonies
Amana, Iowa

May 9-11, 1974
New Mexico Land Title Association
Four Season Motor Inn
Albuquerque, New Mexico

May 9-11, 1974
Washington Land Title Association
Quay Inn
Vancouver, Washington

May 22-24, 1974
California Land Title Association
Hotel Del Coronado
Coronado, California

May 31-June 1, 1974
South Dakota Land Title Association
Phil-Town Inn
Sturgis, South Dakota

May 31-June 1, 1974
Tennessee Land Title Association
Riverside Motel
Gatlinburg, Tennessee

June 2-4, 1974
New Jersey Land Title Insurance Association
Seaview Country Club
Absecon, New Jersey

June 6-8, 1974
New England Land Title Association
Sea Crest Hotel and Motor Inn
North Falmouth, Massachusetts

June 9-11, 1974
Pennsylvania Land Title Association
Seaview Country Club
Absecon, New Jersey

June 14-16, 1974
Illinois Land Title Association
Stouffer's Riverfront
St. Louis, Missouri

June 14-16, 1974
Wyoming Land Title Association
Douglas, Wyoming

June 20-22, 1974
Michigan Land Title Association
Boyne Highlands
Harbor Springs, Michigan

June 20-22, 1974
Land Title Association of Colorado
The Lodge at Vail
Vail, Colorado

June 20-22, 1974
Oregon Land Title Association
The Inn at Otter Crest
Otter Rock, Oregon

June 27-29, 1974
Utah Land Title Association
Park City Resort
Park City, Utah

June 27-29, 1974
Idaho Land Title Association
Shore Lodge
McCall, Idaho

July 21-24, 1974
New York Land Title Association
The Otesaga Hotel
Cooperstown, New York

August 15-17, 1974
Montana Land Title Association
Miles City, Montana

August 22-24, 1974
Minnesota Land Title Association
Holiday Inn
Anoka, Minnesota

September 12-13, 1974
Wisconsin Land Title Association
Pioneer Inn
Oshkosh, Wisconsin

September 13-15, 1974
Missouri Land Title Association
Marriott Hotel
St. Louis, Missouri

September 22-24, 1974
Ohio Land Title Association
Sawmill Creek Lodge
Huron, Ohio

September 29-October 3, 1974
ALTA Annual Convention
Americana Hotel
Bal Harbour, Florida

December 4-6, 1974
Louisiana Land Title Association
Royal Orleans
New Orleans, Louisiana

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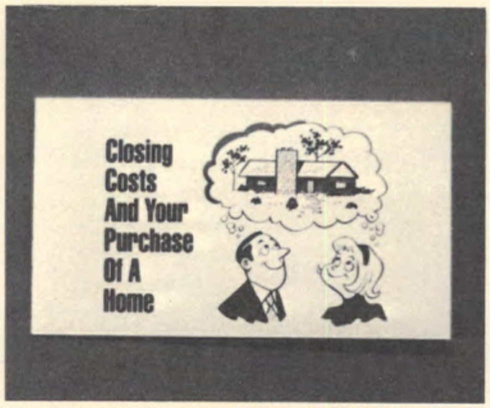
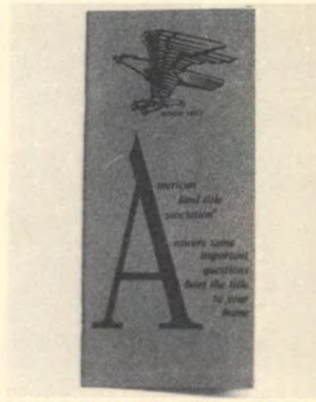
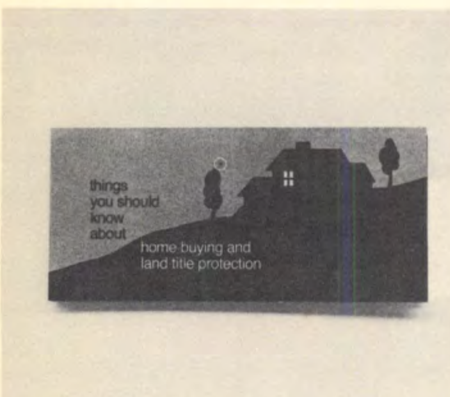


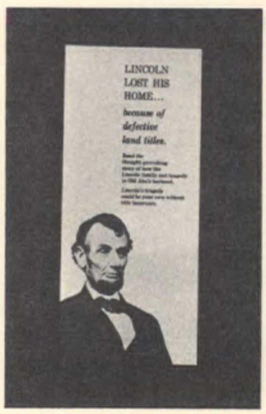
CLOSING COSTS AND YOUR PURCHASE OF A HOME. A guidebook for home buyer use in learning about local closing costs. Gives general pointers on purchasing a home and discusses typical settlement sheet items including land title services. 1-11 dozen, $2.25 per dozen; 12 or more dozen, $2.00 per dozen.



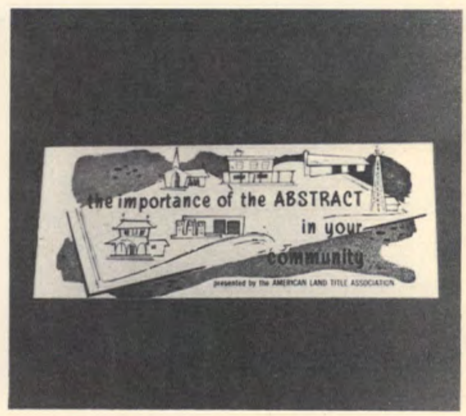
AMERICAN LAND TITLE ASSOCIATION ANSWERS SOME IMPORTANT QUESTIONS ABOUT THE TITLE TO YOUR HOME. Includes the story of the land title industry. $16.00 per 100 copies of the booklet.



THINGS YOU SHOULD KNOW ABOUT HOME BUYING AND LAND TITLE PROTECTION. Folder designed for No. 10 envelope includes a concise explanation of land title industry operational methods and why they are important to the public. Narration provides answers to misinformed criticism of the industry. $5.75 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.



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