

Title News

the official publication of the American Land Title Association



DO NOT REMOVE



ALTA
Officers,
Board Members
Are Installed

November, 1974



A Message from the President

NOVEMBER, 1974

The 1974 Annual Convention at Bal Harbour, Florida, was attended by over 800 members and guests. The work of Jim and Alice Robinson, Ginny Weatherford, and other Convention chairmen and chairladies and their committees, was very much in evidence.

Bob Dawson, as 1973-74 ALTA president, set the tone of the Convention and under his skillful guidance it moved forward, drew enthusiastic response, and prompted new ideas and thoughts for all of us who were present. It also gave us an opportunity to renew acquaintances and make new friends. For those who did not attend, a future issue of *Title News* will bring you the highlights.

Bob has done an exceptional job for our Association this past year. He has given freely of his time, energy and thoughts to gain respect for our industry. Both he and his wife, Sally, attended many state meetings—generating warmth and enthusiasm.

Our Florida Convention highlighted the present issues of our industry. In all probability, there will be other problems in the year ahead.

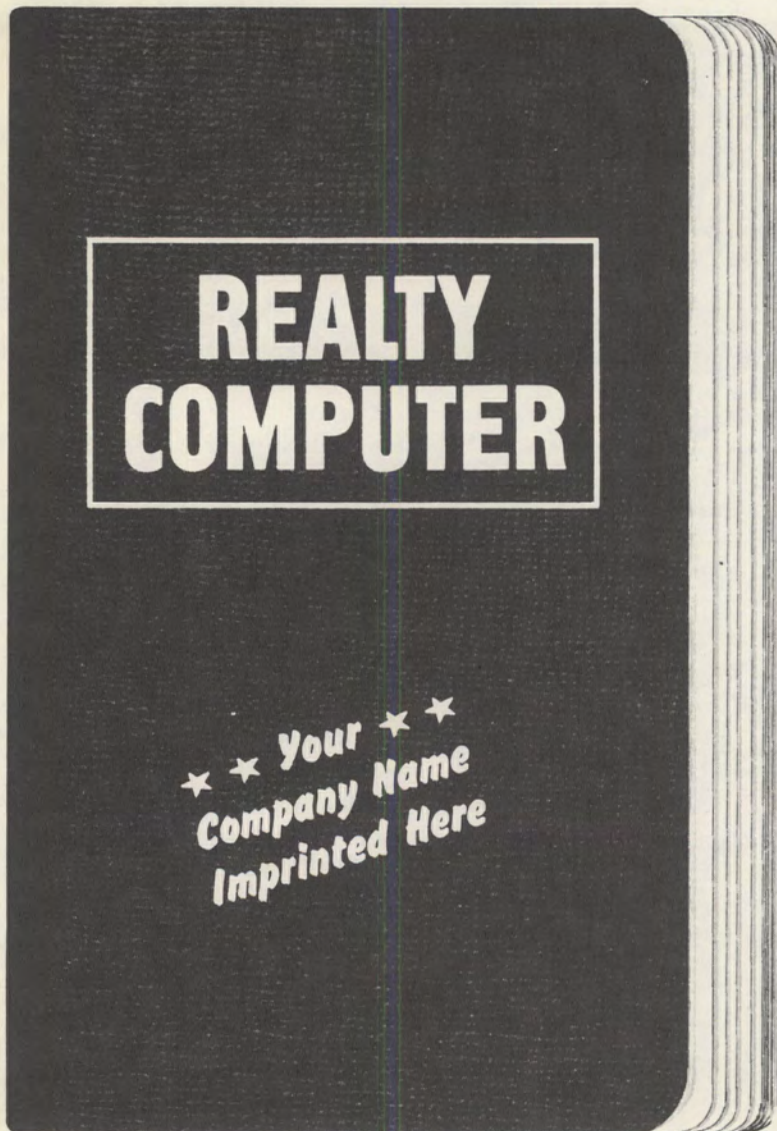
Your officers and staff will attempt to face squarely all challenges that confront the title industry. However, a solution lies not only with us, but with each and every member of this Association doing his part by attending local, state and national meetings of our industry.

The strength of the American Land Title Association lies in each of us getting personally involved in its activities.

Sincerely,

Robert J. Jay

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ALTA President Robert J. Jay began a busy schedule immediately after his installation October 2 at the Association's 1974 Annual Convention in Bal Harbour, Florida.

Among his recent travel commitments on behalf of the Association was joining Executive Vice President William J. McAuliffe, Jr., as ALTA representatives at the Mortgage Bankers Association of America Annual Convention October 28-30 in Miami Beach. In addition, President Jay will represent ALTA at the Arizona and Nevada Land Title Association Joint Convention November 1-2 in Carefree, Ariz.— and at the Florida Land Title Association Annual Convention November 13-16 in Tampa.

Elsewhere, ALTA Abstracters and Title Insurance Agents Section Chairman Philip D. McCulloch attended the Carolinas Land Title Association Annual Convention as ALTA representative October 25-26 in Myrtle Beach, S.C., and will represent the Association November 7-8 at the Dixie Land Title Association Annual Convention in Montgomery, Ala. ALTA Committee on the Improvement of Land Title Records Chairman Thomas E. Horak and ALTA Director of Public Affairs Gary L. Garrity also will address the Dixie Association Convention. ALTA President-Elect Richard H. Howlett was in Indianapolis October 27-29 to represent the Association at the Indiana Land Title Association Annual Convention.



* * *

ALTA President-Elect Richard H. Howlett will journey to Las Vegas November 12 to present awards for the ALTA-sponsored Consumer Information Category of the National Association of Realtors Creative Reporting Contest. Presentations will be made to journalist award winners at a National Association of Real Estate Editors dinner during the National Association of Realtors Annual Convention. ALTA Public Relations Committee Chairman H. Randolph Farmer, Public Relations Committee Member Francis E. O'Connor, along with Director of Public Affairs Gary L. Garrity, also will be on hand for the ceremonies.

* * *

A meeting of the ALTA/MBA Liaison Committee is scheduled for November 7. Among topics to be covered at the session will be the federal flood insurance Program and settlement cost legislation.

Members of the ALTA Liaison Committee with the Mortgage Bankers Association of America include Chairman Robert C. Bates, Chicago Title Insurance Company, Bruce M. Jones, Security Title Insurance Company, Thomas Pearson, Security Title and Guaranty Company, Billy F. Vaughn, Lawyers Title Insurance Corporation, and James O. Hickman, Pioneer National Title Insurance Company.

* * *

ALTA Executive Vice President William J. McAuliffe, Jr. attended a housing crisis conference in Washington on October 17. The meeting, convened primarily through the initiative of the National Association of Home Builders, was directed at formulating further steps to arrest and relieve the deteriorating housing situation.

* * *

ALTA Director of Public Affairs Gary L. Garrity recently served as a judge for the Public Education Category of the 1974 Public Relations Society of America Film Festival. He is an accredited member of PRSA.

Title News

the official publication of the American Land Title Association

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(Port Huron) Detroit, Michigan

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ON THE COVER: Newly-installed ALTA officers and Board of Governors members are shown at the Association's 1974 Annual Convention. In the top photo, new officers are, from left, Finance Committee Chairman Alvin W. Long, Chicago Title and Trust Company, Chicago; Abstracters and Title Insurance Agents Section Chairman Philip D. McCulloch, Hexter Fair Title Company, Dallas; President-Elect Richard H. Howlett, Title Insurance and Trust Company, Los Angeles; President Robert J. Jay, Land Title Abstract Co., Detroit; Immediate Past President Robert C. Dawson, Lawyers Title Insurance Corporation, Richmond, Va.; Treasurer Fred B. Fromhold, Commonwealth Land Title Insurance Company, Philadelphia; and Title Insurance and Underwriters Section Chairman C. J. McConville, Title Insurance Company of Minnesota, Minneapolis. The new Board members shown in the lower photograph are, from left, Charles Jones, Boone County Abstract Co., Inc., Lebanon, Indiana; John E. Flood, Title Insurance and Trust Company, Los Angeles; Sam D. Mansfield, Marion Abstract & Title Company, Ocala, Florida; and F. Earl Harper, Southern Abstract Company, Bartlesville, Oklahoma.

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GARY L. GARRITY, Editor

RICHARD W. RONDER, Managing Editor

Modernize, Communicate, Enjoy

Some 21 years after buying an old established abstract concern housed in two rooms above the local bank, Milt and Phyllis Schnebelen sat in the attractive new offices of their St. Francois County (Missouri) Abstract Company and reflected on two decades of progress.

"Modernization of methods and machinery—together with complete, fast service—is probably the best answer to how we did it," Phyllis commented as she glanced around the impressive company building completed in 1973.

"And, we have found communication with individuals and organizations in the land title business, always with an open mind, to be the most stimulating factor in business growth," added Milt, the other half of the husband-and-wife team. "What's more, you have to like what you are doing."

It required an affinity for the business and more than a little courage back in 1953 when Milt, an attorney then lacking experience in land title evidencing, bought stock in the old company and began to further assess its potential.

Among the assets of the organization at the time were a file cabinet, three shelves of records that were wheeled into the vault each night, a drafting table, a vintage roll top desk, a long table with chairs, two typewriters (one of these in the county recorder's office at the court house), tract books, a probate index book, a judgment index book, a miscellaneous index book,

copies of abstracts, and take-off tablets dating back to 1949 that were not entered.

Rounding out the equipment was a fascinating old wall telephone that, as Milt recalls, rang so infrequently its effect was to startle whoever was in the office.

Staffing the office when Milt entered the business was the former manager (a man in his nineties) aided by one permanent employee. Shortly afterward, Milt was surprised when another employee (part-time) returned from vacation and reported for work. About a month after becoming associated with the company, Milt found his learning process suddenly accelerated when the former manager became ill and had to leave the organization.

In those initial days of management, Milt also discovered that it was customary in the company for all funds to be paid out in dividends at the end of each year. Also, it was customary for a six-month backlog of work to be maintained—and for accounts to be kept on a long roll of thin paper.

After his early assessment of the company, which dates back to 1906, Milt decided that substantial changes were necessary. They were not long in coming.

Geographical, probate, circuit court and miscellaneous indicies were put on 3 x 5 cards as soon as night and day work would permit. There were purchases of a microfilm camera and readers, electric typewriters, and appropriate fireproof files. The office soon

was equipped with air conditioning because, as Phyllis recalls, "one perspiring arm that smeared the ink in tract books could ruin over half a century of work".

The company was moved to a downstairs office in the summer of 1953. Under its new manager, a six-month backlog of work no longer was acceptable. When business reached slack periods, there was extra time to get out and sell the capability of the company to local lenders. This eventually paid off with more business and the company came to need more space and additional employees. In 1958, an old telephone company building was purchased and remodeled to provide new and larger quarters for St. Francois County Abstract.

Opportunities continued to emerge for the burgeoning title concern. Shortly after the 1958 move, the abstracter in nearby Ste. Genevieve County decided to leave business and the Schnebelen operations were extended to serve that additional county. This meant microfilming and indexing to build a title plant for Ste. Genevieve County but the task was readily handled because know-how, equipment, and office space were immediately available. Land titles in Ste. Genevieve County—one of the oldest in the midwest—involve common fields and government city surveys (sometimes as many as five in a city block), and also involve section land. Housing records for the additional county in one office proved to be no problem and micro-



filming took place early in 1959.

Soon thereafter, an opportunity to purchase the only competitor in St. Francois County arose and this was accomplished by the Schnebelen concern. Another competitor arrived in the county a little over a year later but ultimately became discouraged. Today, St. Francois County Abstract once again is the only land title concern based in its county.

Still another chance to expand operations became apparent in 1970 when St. Francois County Abstract purchased a set of land title records for neighboring Washington County. After these records were acquired, the number of employees in Farmington suddenly grew and the Schnebelens began to think about larger facilities. This led to plans for construction of the present new building on a lot already owned by the company.

The new reinforced concrete building includes three floors. On the main floor at street level are the receptionist, the offices of Milt and Phyllis—both of whom are attorneys, the law library, magnetic card machines, bookkeeping and copy machines, rest rooms, and a kitchen and luncheon area. On the lower floor are the vault containing microfilm equipment, microfilm, and tract books—and, outside the vault, the microfilm printer, cardveyors, open shelf files, drafting tables, aerial photographs of the three counties served by the company, copy machine for plat reproduction, a computer for platting, and an employee work area. The third floor is not needed as yet and remains unfinished.

St. Francois County Abstract prepares no abstracts for customers—making them only for its own files. Instead, the company provides certificates of title and title insurance in accord-

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The photographs at left provide an overview of St. Francois County (Missouri) Abstract Company's new offices. At top, Milt and Phyllis Schnebelen are seen in front of their new building, while the center picture shows the attractive interior of the facility with, from left, Milt Schnebelen, Pam Ott, Phyllis Schnebelen, Judy Knight, and Kim Williford. The bottom photograph pictures Steve Rubottom using a new card system downstairs.

The 1974 Wage-Hour Law and Land Title Companies

(Editor's note: The following was prepared by the Texas Land Title Association and is reprinted with the permission of that organization.)

* * *

A new Wage-Hour Law went into effect May 1, 1974. Now is a good time for employers in the land title industry to review pay practices so that a Wage & Hour investigation would not result in large back wage liabilities.

Coverage

Practically all title insurance and abstract companies have been considered to be subject to the Federal Wage & Hour Law. The Government has taken the position that "employees who prepare abstracts of title to local property are also covered under the Act if the employer knows or has reason to believe the abstracts will be sent directly or indirectly outside the State, or if the abstracts are, in fact, essential to the issuance of insurance policies or other papers or documents which are sent in interstate commerce." Traditionally, the Wage-Hour investigators had no difficulty proving that the abstracts are in fact in, or essential, to interstate commerce.

Effective	Minimum Wage
May 1, 1974	\$2.00 per hour
January 1, 1975	\$2.10 per hour
January 1, 1976	\$2.30 per hour

Exceptions To Minimum Wage Requirements

The Law recognizes that a high minimum wage could restrict employment opportunities for certain employees.

Accordingly, certain exceptions of particular interest to title companies are the following.

(a) Handicapped worker's certificate — these certificates are issued for employees whose earning capacity is impaired because of age, mental or physical conditions.

Normally, such certificates are requested for elderly employees 65 years of age who are on Social Security and could not in any event earn too much money without losing certain benefits. A separate certificate is required for each employee. Normally, the Department of Labor allows payment of 75% of the applicable minimum wage to such employees. To obtain Handicapped Worker's Certificates, simply write to the Wage & Hour Office of the U.S. Department of Labor, 711 14 St. N.W., Washington, D.C. 20005.

(b) Student learner (D. E. students) — a "student learner" is a student who receives instruction in an accredited institution of learning and who is employed on a part-time basis pursuant to a bona fide vocational training program.

The program is usually handled by the Distributive Education (DE) Coordinator of the local school. The Coordinator performs all the paper work. Such a certificate authorizes hiring a particular student, for a certain number of hours per week at 75% of the applicable minimum wage.

Overtime Pay

The Wage-Hour Law requires the payment of at least 1 ½ times the regular rate of pay for hours over 40 in a work week. It does not require, how-

ever, that an employee be paid each week. Employees could be paid bi-weekly, semi-monthly, or even monthly. However, the Act does require that both the minimum wages and overtime pay must be computed on the basis of hours worked each week standing alone. The employer cannot average the hours of work over two or more work weeks. Thus, if an employee is paid bi-weekly and works 42 and 38 hours, he still must be paid for two hours overtime.

The work week need not be the same as a calendar week. It may begin on any day of the week and any hour of the day. Before overtime can be computed it is necessary to determine the employee's regular rate of pay. The rate of pay includes not only the regular salary but also such other remuneration as attendance bonuses, production bonuses, shift differentials, and any other extra payment for work actually performed. However, the normal Christmas-type bonuses or payments made pursuant to profit sharing, thrift or saving plans approved by IRS, as well as payments for vacations, holidays or illness do not have to be included for the purposes of computing the regular rate of pay.

Examples Of How To Compute Overtime

Hourly Employees:

If an employee is paid an hourly rate, his overtime is time and one-half of that rate. Thus, if an employee is paid \$2.50 per hour his overtime rate for hours over 40 in a work week would be \$3.75 per hour.

Salaried Employees:

There is no exemption from the over-

time provisions of the Law simply because an employee is paid on a salaried basis, unless he qualifies for one of the "white collar" exemptions which will be discussed later in this article. If an employee is guaranteed a salary he can be paid overtime by one of the following methods:

(1) True Time and One-Half—An employee paid \$100 for a 40-hour work week has an hourly rate of \$2.50 per hour. His time and one-half rate would thus be \$3.75 per hour.

(2) Fluctuating Work Week Method—Under this system an employee is paid a salary for any number of straight time hours that he may work, providing he earns at least the minimum wage. Overtime is computed by dividing the hours worked each week into the salary, obtaining a new hourly rate each week and paying overtime based on one-half this hourly rate.

Example: An employee is guaranteed \$150 per week salary. During the next 3 weeks he works 50 hours, 60 hours and 100 hours. Overtime computations would be as follows (assuming the minimum wage is \$2.00 per hour):

First Week: \$150 for 50 hours—\$3.00 regular hourly rate, 10 overtime hours x \$1.50 (½ regular rate) = \$15.00. Total pay = \$165.00 (\$150 guaranteed plus \$15.00 overtime).

Second Week: \$150 for 60 hours—\$2.50 regular hourly rate, 20 overtime hours x \$1.25 (½ regular rate) = \$25.00. Total pay = \$175.00 (\$150 guaranteed plus \$25.00 overtime).

Third Week: \$150 for 100 hours—\$1.50 regular hourly rate (This is below the minimum wage; therefore, during this week the employee must be paid at least \$2.00 per hour and time and one-half overtime. Computation would be as follows:

100 hours x \$2.00	= \$200.00
60 overtime hours x \$1.00	= \$ 60.00
Total pay for week	= \$260.00

Computing overtime on this method can be simplified by using the "Co-Efficient Table for Computing Extra Half-time for Overtime" issued by the U.S. Department of Labor. First, make sure, however, that the employee earns at least the minimum wage. As an example: when the employee worked 50 hours the co-efficient would be .100 (look under 50 hours even).

\$150 x .100 = \$15.00

Hours Worked

All employees who come under Wage & Hour must be paid for all hours worked during the work week. In general, "hours worked" includes all time an employee is required to be on duty, or on the employer's premises, for any work he is "suffered or permitted" to perform. Thus, an employee who takes work home with him is performing "hours worked" for the employer. "Coffee breaks" are not required but if given are considered "hours worked". Meal periods of at least one-half hour are not considered "hours worked". However, the lunch period would be considered "hours worked" if the employee answered the telephone or acted as a receptionist during her lunch period.

"White Collar" Exemption

Executives, administrative employees, and professional employees who meet certain requirements are exempt from the Minimum Wage and Overtime requirements of the Wage & Hour Law.

Executive—an employee who earns at least \$125 per week and supervises two full-time employees could be exempt if he spends at least 80% of his time on supervision. However, an employee earning \$200 per week or an employee in sole charge of a physically separated branch establishment could be exempt if his primary duty was supervision and he supervised at least two employees. In effect, he could spend more than 20% of his time on nonexempt, routine work. As a general rule an employee who spends over 50% of his time in management would have management as his primary duty.

Administrative Employees—to be exempt, an administrative employee must meet the following tests:

(a) His primary duty must be responsible office or non-manual work directly related to management policies or general business operations.

(b) He must customarily and regularly exercise discretion and independent judgment as distinguished from using skills and following procedures. He must have authority to make important decisions.

(c) He must (1) regularly assist a bona fide executive or administrative employee; (2) perform work under only general supervision along specified or

technical lines requiring special training, experience or knowledge; or (3) executive special assignments.

(d) He must not spend more than 20% of his time on nonexempt work, that is, work not directly and closely related to his administrative duty; and

(e) He must be paid a salary of at least \$125 a week. An administrative employee who is paid at least \$200 per week and whose *primary duty* consists of responsible office or non-manual work directly related to management policies or general business operation would be exempt even if he spends 20% of his time on "exempt" work.


Examples of administrative-type employees would include purchasing agents, executive secretaries, assistants to general manager, tax or insurance experts, investment consultants, credit managers, personnel directors, labor relations directors and management consultants. Job titles are insufficient yardsticks. Bookkeepers and private secretaries are examples of employees who would not qualify for the administrative "exemption".

Professional Employees—this exemption would normally apply to actuaries, attorneys, CPAs, etc. The primary duty of a professional employee must be work requiring knowledge of an advance type in a field of science or learning obtained as a result of prolonged schooling. In addition, professional exemption could apply to work that is original or creative, such as writers and artists. To be exempt as a professional employee he must spend at least 80% of his time on professional-type work and earn at least \$140 per week. An employee who earns at least \$200 per week and whose primary duty is of a "professional" nature would be exempt even if he spends more than 20% of his time on "non-exempt" work.

Outside Salesmen

Outside salesmen are exempt if they are customarily employed away from their employer's place of business and are engaged in selling tangible or intangible items such as insurance, real estate, etc. There is no salary test for an outside salesman; however, his hours of

Continued on page 13

A decorative border consisting of a series of red circles arranged in a rectangular frame around the text.

**There are a lot
of things you
take for granted.
One of those
things should be
your group
insurance
coverage.**

an ALTA sponsored program

There's usually a big shock for the person who is going into the hospital. There's even a bigger shock in store when he comes out. It's paying the bill! For that reason alone having the ALTA plan makes sense.

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Arranged by Mack and Parker, Inc., of Chicago, Ill.

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209 S. LaSalle St.
Chicago, Illinois
60604





(Editor's note: The author is senior vice president and chief financial officer for Commonwealth Land Title Insurance Company.)

During the past several years, title insurers have been required to complete experience report forms in an increasing number of states. Also, a number of states have made additional requests for specific justification of certain title charges. At the present time, at least fifteen states are requiring justifications of rates.

Due to these increased statistical reporting needs an ALTA Task Force was established as a joint effort of the Research and Standard Accounting Committees. The primary impetus for the formation of the Task Force was the lack of uniformity of format in completing the statistical reports. This diversity between individual company accounting systems and individual state reporting requirements has made formulating any overall philosophy of data collection or profitability reporting extremely difficult.

Some basic questions that regulators are asking (and we are trying to answer!) are the following. First, how profitable is the title industry? Regulators have a tendency to look only at profit margins, but the title industry is emphasizing using a rate of return concept as the most appropriate measure of profitability. However, the valuation of assets is not uniform from state to state, and therefore, an overall rate of return cannot be calculated. Second, how does the title industry serve the consumer? Besides the obvious explanation of title assurance and protection, we could also emphasize the cross-subsidy phenomenon demonstrated by Arthur D. Little, Inc., which indicates that purchasers of low liability title insurance policies are actually subsidized by purchasers of high liability policies. However, to make this argument, we need detailed data on all policies written.

As mentioned previously, the title industry may also be asked to justify some particular title charges. Although the rate of return concept illustrates overall profitability, there may be legislative interest in some particular fee.

Finally, in connection with justifying rates, several questions arise. What is the structure of the title industry? What elements of risk exist in the title industry? What are the capital requirements of the industry and what rate of return is necessary to insure that the title industry attracts a sufficient amount of capital to continue operation? It is obvious that answering any or all of the above questions typically asked by regulatory agencies mandates every company collecting this data internally, and being prepared to submit it to state insurance commissioners, other regulatory bodies, or to a rating bureau.

The Task Force is proposing to develop guidelines for the development of reporting formats and a general philosophy of rate justifications which will be useful for individual companies and rating organizations in meeting the requirements of such reports. Toward this end, the Task Force met in Chicago on September 19, 1974, to initiate the development of reporting guidelines. It became apparent after reviewing recent rate justification attempts that the first step to be made was the design of a uniform format for collecting the data. Since many companies do not keep even some of the most basic information that might be needed, the Task Force felt that the format should be established immediately to facilitate individual companies beginning this collection of information as soon as possible. Backcoding of historical information is extremely expensive and many times impractical for the majority of companies.

The format outlined below expresses what the Task Force considers to be the basic policy and revenue data that will be necessary in any rate justification or statistical report. Although individual companies already may be collecting additional information, and individual states may require information other than is listed, the format serves as a nucleus for data gathering in a typical area.

All companies are urged to begin collecting at least the minimum data suggested below as soon as possible. In addition to the necessity of having this

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Responding To Our Increased Statistical Reporting Needs

Leroy F. King
Chairman
ALTA Task Force

Shouldn't You Be In Pictures?



You've probably heard about the impressive new promotional film for ALTA member use. It's called "1429 Maple Street".

The film story is one most anybody can understand: a

house, the people who own it over half a century, and the land title problems they encounter.

Running time for the 16mm color sound film is 11 minutes. That gives you a period after showing for explanation of local details.

Price is \$104 plus postage, which includes a permanent shipping container. Just write the ALTA Washington office.

The public needs to better understand what the land title industry really is—not what the critics say it is.

Shouldn't you be in pictures?

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



Minnesota Group Names Folkens President

Floyd H. Folkens, Realty Abstract Title Company, Ortonville, was elected President of the Minnesota Land Title Association at its recent convention held in Anoka, Minn. Jay P. O'Connor, Abstractor, St. Paul, was named association vice president while A. L. Winczewski, Winona County Abstract Company, Inc., Winona, was re-elected to the position of secretary-treasurer. Henry M. Whiteman, Fairmont, was elected to a three-year term

on the board of directors.

ALTA President (then president-elect) Robert J. Jay headlined the list of guest speakers that included Allen K. Buchanan, executive secretary of the Iowa Land Title Association; John C. Connelly, senior vice president of the Title Insurance Company of Minnesota, and Robert Nygren, Minneapolis attorney. Also, a joint session for delegates and spouses on "No Fault Insurance" proved interesting to all.

New Publication For First American

A significant addition to Orange County (Calif.) memorabilia has been introduced by First American Title Insurance Company through publication of a book of drawings depicting historical events and landmarks.

Entitled *Orange County's Past in Pencil*, the publication features historical sketches by Eugene Gilbert, eminent architect now retired and residing in Laguna Hills.

In announcing publication of the new artistic and literary work, Vice President and Manager Lawrence M. White noted that First American, as Orange County's oldest title company, "has contributed much to its growth and development. A participant in the unfolding of the county's history, we have strong ties with its heritage."

Preparation by First American of Gilbert's sketches for printing included research, sketch captions and layout by Janice Rodger, publications assistant, and copy writing, editing, and project supervision by Olive Marrical, advertising-publications director. Copies are available at \$2.50 each from First American Title Insurance Company, 421 N. Main St., Santa Ana, Calif. 92701.



In these pictures from the recent Minnesota Land Title Association convention, at top left, ALTA President Robert J. Jay updates the members on ALTA activities. At top, right, MLTA President Floyd H. Folkens, Realty Abstract Title Company, left, is shown with Past President Joe Machacek, Title Insurance Company of Minnesota. The picture below presents the 1974-75 officers and board of directors of the MLTA. They are, from left; Floyd Folkens, president; Henry Whiteman, board member, Henry M. Whiteman, Fairmont; Beulah Hendricks, board member, Cass County Abstract Company; Tony Winczewski, secretary-treasurer, Winona County Abstract Company; Joe Machacek, past president; L. L. Thyen, board member, Dakota County Abstract Company; and Jay O'Connor, vice president, Jay P. O'Connor, Abstractor.

Houston Concerns Speed Funding

American Title Company and Universal Capital Mortgage Company, both Houston-based firms, have announced a new procedure that allows immediate funding of home loans simultaneously with closing. With the new plan, possible delays of several days or even weeks before payment is made to the sellers, are eliminated, the companies report. Purchasers are also assured that their new home loans will not become void because of a problem with deed or title transaction.

Normal closing of a residential loan usually results in a delay, following the purchaser's executing a note and deed of trust, while the seller deeds the property to the purchaser. Traditionally, papers are filed, returned to the lender for his approval, with proceeds of the loan funded only at that time.

With funding at closing, the seller receives his money when he deeds his property. The new owner's loan is also put into immediate effect. Realtors and others involved receive their commissions and fees without any additional delay.

Roland M. Chamberlin, executive vice president at American Title, explained that similar plans have been discussed by the Houston Mortgage Bankers Association for several years. The new procedure announced by American Title and Universal Capital Mortgage, however, is the first implementation in the Houston area of the immediate funding principle.

"Risks have been held to a minimum," Chamberlin said "for both the mortgage company and for the title company in writing insurance, through advance investigation and use of the expertise of the combined staffs at American Title and Universal Capital Mortgage. The result is a more efficient use of time at both of our organizations and a speedier, more satisfactory transaction for home sellers, buyers, builders and Realtors. We believe immediate funding of home loans will ultimately replace the time consuming procedures that have been a burden for so many years."

WAGE-HOUR — Continued from page 7

work not related to outside selling should not exceed 20% of the "hours worked in the work week by non-exempt employees of the employer". In other words, if the normal office staff worked 40 hours per week, the "outside salesman" could not spend more than 8 hours per week on clerical work unrelated to his outside selling and retain the exemption.

Child Labor

Sixteen years is the minimum age for most employment in offices without restrictions on the number of hours worked. However, it is a good policy not to permit an employee under 18 to drive a company vehicle. Employees

over 14, but under 16, can also be employed in office work provided they do not work more than 3 hours a day on school days nor more than 18 hours a week in school weeks. On non-school days they can work no more than 8 hours a day nor more than 40 hours per week. Furthermore, they are not permitted to work after 7:00 P.M. except in the summertime when they can work until 9:00 P.M.

Under the 1974 amended Wage-Hour Law an employer may be fined up to \$1,000 for violating the Child Labor Regulations.

Age Discrimination

Under the new Law every employer having 20 or more employees is subject

Continued on page 14

Bell Elected Kansas Association President

The Kansas Land Title Association held its sixty-seventh Annual Convention in Salina, Kan. Roger N. Bell, Security Abstract and Title Company, Wichita, was elected president and Roderick E. Weltmer, Weltmer Abstract and Title Company, Mankato, was named the new vice president. Association secretary-treasurer, Robert G. Frederick, C. W. Lynn Abstract Company, Inc., Salina, was re-elected to that position.

The convention program included an address by Fletcher Bell, Commissioner

of Insurance for the State of Kansas, on title insurance regulation, and a presentation by Glenn H. Miller of the Federal Reserve Bank, Kansas City, Missouri. Gary L. Garrity, ALTA director of public affairs, presented a report on federal legislation and other matters affecting the land title industry, both nationally and in Kansas.

On the lighter side, William E. Hercher, a Wichita-based industrial psychologist, spoke on a topic entitled, "Your Attitude Determines Your Attitude".



Some of the dignitaries featured at the Kansas Land Title Association convention in Salina, Kansas are pictured above. At left, ALTA Director of Public Affairs Gary L. Garrity addresses the convention with Past President Marjorie Wright, Logan County Abstract Company, seated to his left. The center picture shows Toastmaster Dan M. Hannah, The Rice County Abstract & Title Company, Inc., at the microphone, with the new KLTA President Roger N. Bell, The Security Abstract & Title Co., Inc., and Past President Wright at left. In the photograph at right, the Commissioner of insurance for the State of Kansas, Fletcher Bell, is seen speaking at the meeting.

to the provisions of the Age Discrimination in Employment Act. Under this Act it is illegal for an employer to discriminate in hiring, firing or otherwise discriminate against employees aged 40 to 65. An advertisement asking for "recent high school graduate" could very well result in a full Wage-Hour investigation.

Equal Pay Act

The Wage-Hour Law prohibits an employer from discriminating on the basis of sex by paying employees of one sex at rates lower than he pays the opposite sex for doing equal work on jobs requiring equal skill, effort and responsibility which are performed under similar working conditions. The law is applied on an *establishment basis only*; thus, the Wage-Hour investigators will not compare wages paid at two different branches of the same company.

The Equal Pay provisions do not prohibit the payment of wages at lower rates to employees of one sex than employees of the opposite sex for performing work requiring equal skill, etc. when it can be shown that the wage differential is based on a seniority or merit system. *Bona fide* trainees may also be exempt from the Equal Pay provisions.

Wage-Hour officials have often publicly stated that banks and other financial institutions "notoriously" violate the Equal Pay provisions. Where males and females perform substantially the same work the employer should be in a position to justify why he is paying an employee of one sex more than the employee of the opposite sex. Violations of this provision could not only result in substantial back pay, but could increase future costs as well, as it is illegal to reduce the pay of any employee in order to comply with the Equal Pay provisions.

Record Keeping

Employers are required to keep records on wages, hours and other items listed in the complex Wage-Hour Regulation Part 516. However, most of this required information is the kind an employer usually keeps in ordinary business practices and when complying with IRS or other laws. The important thing to remember is that all of the records *must* be accurate. An employer is not complying with the Act if he allows employees to turn in the same hours each week when in fact the hours vary. Failure to keep accurate records could be extremely costly.

Conclusion

The Federal Wage-Hour Law is becoming increasingly complex, particu-

larly with regards to Equal Pay and Age Discrimination in Employment Acts. Obtaining proper advice in advance could save thousands of dollars in back wages and minimize the possibility of time consuming and costly investigations. □

ance with local custom. Also, the concern provides escrow and closing services.

Because both Milt and Phyllis are attorneys, their separate law practice makes it possible to offer services including preparation of deeds, leases, contracts, and other instruments. Their practice is concentrated in real estate, probate, corporate, and domestic activity.

Over the past 21 years, there has been no wavering in the St. Francois County Abstract emphasis on fast, complete service. Beginning in 1970, the company employed land survey crews and offered this additional service but the survey operation was closed down early this year because it was unprofitable. The company still owns the equipment necessary to open a surveying business again.

"Someday, we may go into surveying once more," Phyllis said. "The combination with title business would be ideal if we could keep it profitable."

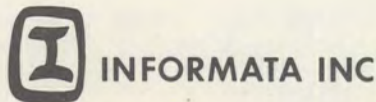
Then, in a comment that seemed to sum up the attitude that has pushed St. Francois County Abstract through two decades of admirable growth, she added, "You have to remain alert to your opportunities." □



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names
 names in the news
 names
 names

Peninsular Title Insurance Company announces the election of **Herbert L. Parks** to its Board of Directors, and the election of **William G. Grady** as vice president and associate counsel of the company's underwriting department.

* * *

Patrick McQuaid has been promoted to vice president of Minnesota Title Financial Corporation and the Title Insurance Company of Minnesota. **McQuaid** directs the national marketing activities of both companies.

* * *

Transamerica Title Insurance Company announces the following California promotions; **Noel Fisner**, Alameda county manager; **John Picone**, San Francisco county manager; **Casey Sheehan**, Yolo county manager; **Doris Duerksen**, administrative assistant; and **Don Hinkston**, San Rafael assistant county manager.

* * *

Mrs. Jeanne Anderson and **Kenneth R. Cates** have been promoted to managers by the Rattikin Title Company. They will manage the Keller and Riverside offices of the company, respectively.

* * *

The Investors Title Company, Inc. of Olathe, Kansas, announces the promotion of **Mrs. Betty J. Lutz** to assistant vice president, and the addition of **William Reese III** to the staff as vice president.

* * *

The following promotions have been announced by Lawyers Title Insurance Corporation: **Elizabeth M. Griggs**, assistant to the controller; **Henry R. Kellerman**, New Jersey state manager; **Francis J. Sheehy**, Connecticut state manager; **David E. Mellichamp**, manager of the Columbia, S.C., branch

office; and **Donald J. Schliessman, Jr.**, assistant branch counsel, Atlanta office.

* * *

American Title Insurance Company announces the appointment of **Jack Osborn** to manager of the company's Phoenix Division, and the appointment of **Wayne L. Levins**, who has joined the company as a vice president-underwriting.

* * *

David N. Tutor has been appointed vice president and manager of Commercial Standard Title Company, Fort Worth, Tex. **Tutor** immediately announced the opening of three new Tarrant County (Tex.) offices located in Arlington, Fort Worth, and Bedford.



KELLERMANN



SHEEHY



MELlichAMP



SCHLISSMANN



OSBORN



LEVINS



PARKS



GRADY



TUTOR



McQUAID



LUTZ



REESE



GRIGGS

Mortgage Bankers Honored By Rattikin

Rattikin Title Company, Fort Worth, Tex., recently held a special awards banquet honoring the past presidents of the Fort Worth Mortgage Bankers Association. The purpose of the banquet was to express appreciation to the 24 past presidents of the organization for their outstanding leadership in the mortgage banking industry.

Highlighting the affair was the presentation by Jack Rattikin, Jr., company president, of engraved plaques to each of the honorees represented, in recognition of their achievements.

data for the reasons given above, there is yet another reason. The current depressed level of title earnings, and the rather bleak outlook for the immediate future, suggests that this data might help the industry obtain needed rate adjustments.

The minimum amount of data that the Task Force suggested be collected by all companies is as follows:

I. Date Policy is Issued

- A. Month
- B. Day
- C. Year

II. Type of Policy Issued

- A. Owners
- B. Mortgagee
- C. Simultaneous Issue
- D. Record Title

III. Amount of Liability

- A. Original
- B. Reissue

IV. Revenue

- A. Premium or Underwriting Charge
- B. Search and Examination Fee
- C. Closing/Escrow Charge
- D. Any combination of the above items

V. Revenue Retained by Agent for Services Rendered

VI. Location

- A. County
- B. State

VII. Type of Property

- A. One to Four Family Residential
- B. Other

Please note that the above data should be retained for each policy written, and maintained in a central location where it can be summarized. This data can be recorded on a policy register, on standard accounting records, or on a stamped block on the face of a policy copy. Again, the Task Force realizes that the above items represent only a skeleton as far as the amount of data that is available and should be collected.

The Task Force will attempt to develop additional guidelines as its work progresses. We feel that the industry must begin collecting data on a more extensive and uniform basis than at present in order to meet the increasing

volume of reporting requirements, and we strongly urge that individual companies adopt and begin to use a data collection format like the one detailed above, or one very similar to it, as soon as possible.

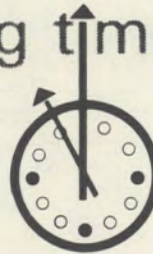
I would personally like to thank the following members and associates of the Task Force for devoting their time and effort on such short notice in helping to solve this major problem: Ervin W. Beal, USLIFE Title Insurance Company, Dallas; James L. Butler, Lawyers Title Insurance Corporation, Richmond; Charles L. Coffman, Title Insurance and Trust Company, Los Angeles; John E. Jensen, Chicago Title and Trust Company, Chicago; Nelson

R. Lipshutz, Arthur D. Little, Inc., Cambridge; Irving H. Plotkin, Arthur D. Little, Inc., Cambridge; Carlyle Schumann, Stewart Title Guaranty Company, Houston; and William J. McAuliffe, Jr. and Dale P. Riordan of the ALTA staff. □

Clarification Noted

In the August, 1974, *Title News* report (page 10) on abstracting in New York state, the reference to "Title Guarantee Co. of Buffalo" was to the Title & Mortgage Guarantee Company of Buffalo and did not apply to any existing company with a similar name.

meeting timetable



November 7-8, 1974

Dixie Land Title Association
The Downtowner
Montgomery, Alabama

November 10-14, 1974

National Association of Realtors
MGM Grand Hotel
Las Vegas, Nevada

November 13-16, 1974

Florida Land Title Association
Host Airport Hotel
Tampa, Florida

December 1-6, 1974

National Association of Insurance
Commissioners
Regular Meeting
Camino Real Hotel
Mexico City, Mexico

December 4, 1974

Louisiana Land Title Association
Royal Orleans
New Orleans, Louisiana

1975

March 4-7, 1975

ALTA Mid-Winter Conference
Hotel del Coronado
Coronado, California

April 24-26, 1975

New Mexico Land Title Association
Hilton Inn
Santa Fe, New Mexico

April 24-26, 1975

Texas Land Title Association
Brownsville, Texas

May 1-3, 1975

Arkansas Land Title Association
Camelot Inn
Little Rock, Arkansas

May 4-6, 1975

Iowa Land Title Association
Ramada Inn
Waterloo, Iowa

May 30-31, 1975

South Dakota Land Title Association
Brookings, South Dakota

June 8-10, 1975

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

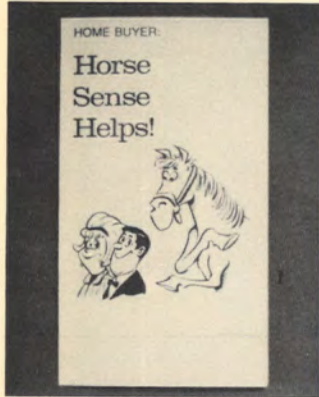
June 8-10, 1975

National Association of Insurance
Commissioners
Annual Meeting
Olympic Hotel
Seattle, Washington

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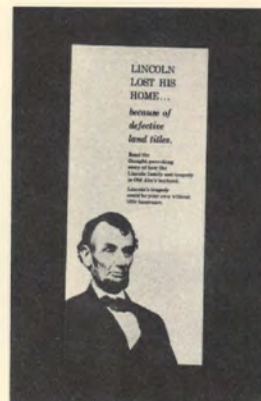
CLOSING COSTS AND YOUR PURCHASE OF A HOME. A guidebook for home buyer use in learning about local closing costs. Gives general pointers on purchasing a home and discusses typical settlement sheet items including land title services. 1-11 dozen, \$2.25 per dozen; 12 or more dozen, \$2.00 per dozen.



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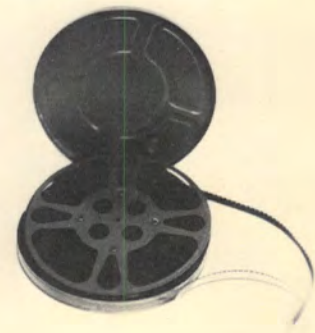


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American Land Title Association

