

Title News

the official publication of the American Land Title Association

DO NOT REMOVE



Principles
Adopted
In D.C.

July, 1975



A Message from the Chairman, Title Insurance and Underwriters Section

JULY, 1975

July 4 marks the start of a year-long commemoration of the founding of our country 200 years ago.

During these two centuries we have had internal conflict between sections of our country and within segments of our population. But we have always reunited, stronger than before.

So it must be in our industry during this critical time.

I'm sure that leaders in our industry in years past have stated that "We now face the greatest challenges in our history!" But could that statement ever be made more positively than today?

We are confronted by an awesome array of factors: Congressional investigation—HUD regulations—Bar related funds—Torrens—metric conversion—consumer groups—insurance departments—class action suits—historic claims levels—depressed economy. It could be a scenario for doom and gloom.

But, as in the case of our country, adversity brings people together. We see the willingness of members of our industry to work together, to sacrifice long hours of time and effort to make certain that the positive side of the title business is told—so that our business can be preserved as part of the free enterprise system established 200 years ago.

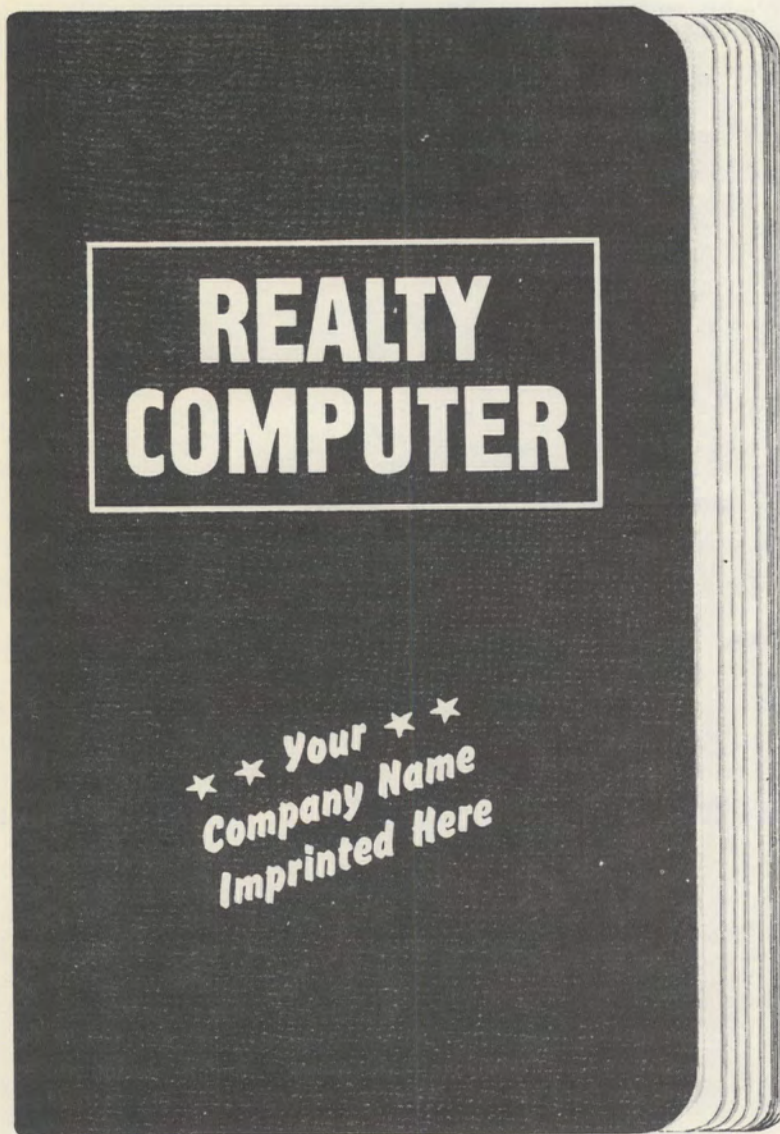
We have seen the favorable results that such joint efforts can have in the final form of the Real Estate Settlement Procedures Act of 1974. Although some sections of the law will be burdensome to us, it is much more responsible than earlier proposals. This is due to the willingness of a lot of people in our industry to work with their Congressional delegations and others to forge a more suitable law.

We can be proud of the role we play in making that precious commodity—land—safely and easily transferable. Let's seize upon the challenges of our times as opportunities to further that role; to get our story told. It requires a united effort to succeed. But if we persevere, we can prove convincingly to the American consumer as well as public officials and regulators at all levels that we perform a vital and valuable service at a reasonable cost to the public.

Sincerely,

C. J. McConville

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ALTA President Robert J. Jay will represent the national association at the July 6-9 convention of the New York State Land Title Association. The meeting, to be held at Lake George, N.Y., also will be attended by William J. McAuliffe, Jr., ALTA executive vice president.

* * *

ALTA Director of Public Affairs Gary L. Garrity has accepted an invitation from Michael H. Moskow, HUD assistant secretary for policy development and research, to serve as a member of a review group for a home buyer housing pre-purchase information package being developed by the agency under contract. The package will consist of a booklet and a special calculating device to assist home buyers in determining an accurate estimate of the costs of purchasing and maintaining a home. Plans are for the booklet to include information on settlement and land title protection. Garrity attended an initial meeting called for review of the preliminary design of the package, which was held in Washington, D.C., on June 16.

* * *

The National Conference of the ALTA and American Bar Association met June 30 in Washington, D.C., to discuss topics of mutual interest.

ALTA Conferees include Chairman Alvin W. Long, Chicago Title and Trust Company; Fred B. Fromhold, Commonwealth Land Title Insurance Company; Gerald I. Ippel, Title Insurance and Trust Company; William J. McAuliffe, Jr., ALTA; James H. McKillop, II, Lawyers Title Insurance Corporation; and James J. Vance, Jefferson County (Wis.) Abstract Company, Inc.

* * *

The ALTA Public Relations Committee is scheduled to meet July 31 in Washington, D.C. Topics on the agenda include formulating the association's public relations program for the coming year and reviewing current activity.

Committee members include Chairman H. Randolph Farmer, Lawyers Title Insurance Corporation; Vice Chairman Philip B. Branson, Title Insurance and Trust Company; Patrick McQuaid, Minnesota Title Financial Corporation; Francis E. O'Connor, Chicago Title and Trust Company; James W. Robinson, American Title Insurance Company; Edward S. Schmidt, Commonwealth Land Title Insurance Company; and Bill Thurman, Gracy Title Company.

* * *

ALTA Director of Public Affairs Gary L. Garrity recently was in New York City to visit with editorial personnel of the real estate and financial press concerning developments in the land title industry. During the trip, he talked with Mrs. Margaret Pacey, *Barron's*; Mrs. Dorothea Brooks, United Press International financial desk; Mrs. Harriet Miller, *Forbes*; Gurney Breckenfeld, *FORTUNE*; Edwin Rochon, *House & Home*; and Ronald Birnback, *Real Estate Weekly*. Earlier, Garrity visited in Washington, D.C., with another journalist who is based in New York City, Mrs. Margaret Daly of *Better Homes and Gardens*.



Title News

the official publication of the American Land Title Association

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ON THE COVER: ALTA General Counsel Thomas S. Jackson, left, and District of Columbia and Metropolitan Area Land Title Association President Thomas Pearson discuss a Statement of Principles defining the role of the lawyer and the title insurance company in real estate transactions in the District. The statement was adopted by title insurers operating in the District, and by the District of Columbia Bar, and is in effect incorporated in the rules of the District of Columbia Court of Appeals. For the story on this significant development, please turn to page 4.

VOLUME 54, NUMBER 7, 1975

TITLE NEWS is published by American Land Title Association, 1828 L Street, N.W., Washington, D.C. 20036; (phone) 202-296-3671.

GARY L. GARRITY, Editor

RICHARD W. RONDER, Managing Editor

Principles Adopted in D. C.

Of recent interest to the land title industry is the adoption by title insurance companies operating in the District of Columbia, and by the District of Columbia Bar, of a statement of principles defining the role of the lawyer and the title insurance company in real estate transactions there.

The aforementioned Bar is a unified bar under the District of Columbia Court of Appeals.

Development of these principles followed adoption of a rule by the court defining the practice of law, which would have taken title insurance companies out of all of the closing activities that had been their traditional function, al-

most exclusively, in the District for 100 years.

Working with ALTA General Counsel Thomas S. Jackson, the District of Columbia Bar Unauthorized Practice Committee and the title insurance companies developed a statement that is now, in effect, incorporated in the rules of the District of Columbia Court of Appeals.

"The Statement of Principles represents a significant milestone in the improvement of the land title industry relationship with the bar," said District of Columbia and Metropolitan Area Land Title Association President Thomas Pearson. "It constitutes a declaration

of mutual respect and reiterates and supports the traditional role of title insurers in their local District of Columbia practices."

Jackson, who was retained by the title insurers for work related to the Statement of Principles, added: "The Statement of Principles may well constitute a model for use elsewhere. We know of no other contract, treatise or statement of principles which is quite so clearly a recitation of what many of us believe is a fair delineation of the role of the lawyer and the title insurance company in real estate transactions in urban areas. I feel that the local Bar is to be congratulated for its practical approach to the problem."

Jackson said he recommended a Statement of Principles not unlike that adopted in the District of Columbia to ALTA Conferees of the National Conference of ALTA and the American Bar Association when that group initially considered developing such an ALTA-ABA Statement. Both associations formally adopted an ALTA-ABA Statement in 1969. However, Jackson said, Conferees took what he described as a narrower course in the ALTA-ABA work. Jackson said that, as a result, the ALTA-ABA Statement of Principles is not as definitive as the District of Columbia Statement.

Title insurers signing the District of Columbia Statement include Lawyers Title Insurance Corporation, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Title Insurance Company of Minnesota, USLIFE Title Insurance Company of New York, Berks Title Insurance Com-



A definitive Statement of Principles on the role of lawyers and title insurance companies in real estate transactions in the District of Columbia is reviewed by Thomas Pearson, left, president of the District of Columbia and Metropolitan Area Land Title Association, and by ALTA General Counsel Thomas S. Jackson. Jackson was retained by title insurers concerned for work related to the Statement of Principles.

pany, Stewart Title Guaranty Company, Columbia Real Estate Title Insurance Company, American Title Insurance Company, District-Realty Title Insurance Corporation, Security Title and Guaranty Company, First American Title Insurance Company, and Pioneer National Title Insurance Company.

Following is the text of the District of Columbia Statement as adopted, which precedes the text of the ALTA-ABA Statement:

The District of Columbia Bar, and the undersigned title insurance companies, constituting all those presently maintaining offices in and licensed to do business in the District of Columbia, as a Statement of Principles governing the sphere of proper activity of lawyers and title insurance companies in respect to real estate transactions in the District of Columbia, do hereby agree:

1. That the "Statement of Principles Relating to Real Estate Transactions", approved by the American Bar Association and the American Land Title Association as published in the Martindale-Hubbell Law Directory (Vol. V, 1974 Ed., pages 70C and 71C), is hereby adopted and approved for the District of Columbia so far as the same is applicable. (See following copy.)

2. That no title insurance company, directly or through its employees, whether the same are members of the District of Columbia Bar or not, shall draft or prepare for any other person, any contract, deed, mortgage, deed of trust, covenant, or other instrument affecting real estate or the title thereto, except when an application has been made to it or it has reason to expect that an application will be made to it for the issuance of title insurance regarding title to the land to which the instrument pertains.

3. Title insurance companies may, under the supervision of attorney-employees who are members of The District of Columbia Bar, prepare releases, deeds, mortgages, deeds of trust and other instruments affecting title to land for their own use, or for parties to real estate transactions in cases in which one or more of such parties have been issued title insurance by any such title insurance company, or have requested, will require, or may reasonably be expected to apply for title insurance; and

in such instances may charge for their service.

4. Whenever a party to a real estate transaction is represented by a lawyer, a title insurance company may, at the lawyer's request and under the instructions of the lawyer draft and prepare any instrument for the lawyer's use and may charge the lawyer or his client for its services in so doing. In such cases, the lawyer shall be the party responsible to the lawyer's client for the accuracy and effectiveness of the documents so prepared.

5. Title insurance companies may do all other things necessary to effect a closing of a transaction involving title to real estate in cases in which an application for title insurance has been made, including but not limited to, preparation of closing statements or settlement sheets, supervising execution of instruments, holding the same in escrow prior to delivery and recording, and exchange of consideration; and under conditions and pursuant to instructions of the parties title insurance companies may receive and hold monies, notes or evidence of debt related to a real estate transaction and cause the same to be recorded and delivered; and they may charge for their services so performed.

6. Whenever a party to a real estate transaction is represented by a lawyer, a title insurance company shall in all respects recognize that representation and shall act for said party only through and pursuant to the lawyer's direction.

7. No title insurance company shall give legal advice to any person, whether such person is represented by a lawyer or not; but nothing herein shall prevent a title insurance company and its employees from determining and communicating to the parties to a real estate transaction the conditions upon which and the requirements preliminary to which it will issue title insurance and nothing herein shall prevent a title insurance company and its employees from consulting with a lawyer representing a party to a real estate transaction concerning the legal aspects involved in the conveyancing of or in the clearing of a cloud of the title to the real estate involved.

8. The foregoing principles shall be construed pursuant to the premise that the public interest is paramount to the

economic interests of either lawyers or title insurance companies and that the lawful practices of title insurance companies in the District of Columbia in examining and insuring titles to real estate, and the closing of real estate transactions, followed for many years prior to the date hereof, shall not be or become unlawful by reason hereof; and both title insurance companies and lawyers affected hereby shall cooperate in seeking conformity of rules of court or legislation with said principles.

9. This Statement of Principles shall become effective when it has been executed by The District of Columbia Bar and each of the title insurance companies whose names appear immediately below.

ALTA-ABA Statement Of Principles Relating To Real Estate Transactions

Preamble

The following principles involving the functions of lawyers, title insurance companies and abstracters in real estate transactions were approved by the National Conference of Lawyers and Title Insurance Companies and Abstracters on June 16, 1969. If approved by their respective governing bodies, this statement is to be circulated to the members of the American Bar Association and the American Land Title Association and to state and local bar associations, title associations and abstracter associations as a recommended guide.

Declaration of Principles

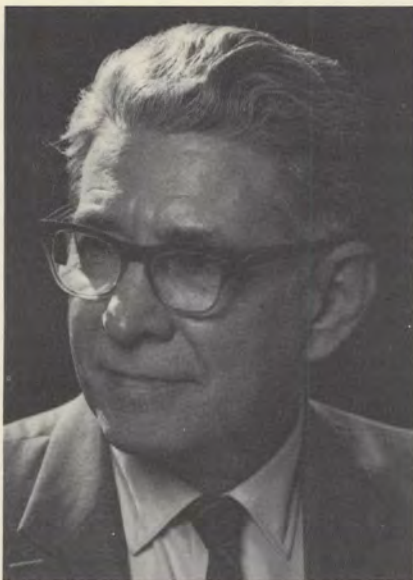
1. The state of title to real property is determinable by law.

2. Each party to a real estate transaction should be encouraged to have independent legal counsel of his own selection.

3. Title insurance should be available to the parties to a real estate transaction to indemnify policy holders against monetary loss.

4. Treaties or declarations of principles now exist between representative organizations of the bar and title insur-

Continued on page 14



Let's Tell 'Em About It

John T. Robertson

Title Examiner

*Commonwealth
Land Title
Insurance Company*

Not long ago, a title insurance company in one of America's large cities opened a title plant in the suburbs. It was done in order to bring business to the county seat. Now the local branch manager wouldn't have to send 30 miles for a piece of back title; it was in the plant files downstairs. The public could be served better. Answers could be gotten quicker. Problems could be solved right on the premises.

No phone calls, no special delivery mailings of plans, briefs, files, abstracts, surveys. And the big city company was putting some of its profits back into the business to serve people better, right there in their own home town. It was something to make the townspeople proud. The big company was moving into their city with all its resources and know-how.

Yet, despite the universal ignorance of a title insurance plant operation, both within and without the real estate profession, there was no newspaper advertising or photographs announcing the opening.

Shouldn't there have been a full page ad in the local paper (its headquarters was in the county seat)? With accompanying photos, showing the plant setup, its operations, the plant people, introducing those who would be serving the area's brokers, attorneys, surveyors? Or, why not a photo of each employee, with a brief biographical sketch of the experience of each of them, with their particular job in the operation?

Have land title industry people been intimidated by the inaccurate criticism of their business carried in news media? Or, do they simply feel they have nothing to brag about?

It's not unlikely for an individual working in the title insurance industry, upon meeting new friends, to be asked the question, "What do you do (for a living)?"

Upon answering, "title insurance", the reply invariably is, "Oh? One of those, eh?" And that's about the end of that conversation.

It has been a sometimes frustrating experience for an individual to work in a business which receives so little credit for the tremendous work done in bringing to life a "dead" public record—a record which is so totally obscure to so

many people outside and inside the profession of real estate.

Perhaps if the subject of the above conversation was another more familiar business, talk would flow to questions about its operations, its problems, particulars, rewards, etc. But the words, "title insurance", seem to be a foreign language to the public. People know very little about it, except perhaps for some misleading charge recalled from the press.

Obviously, the title insurance industry has suffered unjustly from a bad press. Little that is positive about the title business is of interest to reporters. Any comment on the industry reported in media is usually one which criticizes, carps, and repeats old cant about "checking public records for free and then selling the knowledge at a premium". The latter comment, and others of similar nature, it's unnecessary to note, come from politicians, gullible laymen outside the real estate industry, and aspiring journalists trying to make a name for themselves.

But surely, in this era of consumerism, bad publicity is something private enterprise should expect. Concerns realizing a fair profit in these inflationary times should expect to be charged with "gouging the public". Especially title companies, whose work is easily misunderstood—and whose employees often make little or no effort to accurately inform the public about their services in the first place.

Hart McKillop, in his course on title insurance published by his Land Title Institute, speaks as follows about advertising the operations of the title insurance business:

"Sale stimulating advertising of title insurance has proven to be decidedly difficult. Everyone knows what soap is, or a lawn mower, whiskey, or a girdle, and what each does. Structuring ads for these products is child's play compared to structuring ads for title insurance, where only a limited number of people know what you are talking about.

"The most frustrating aspect of title insurance advertising is the inability to find an advertising agency which has or can absorb enough knowledge regarding the subject to turn out intelligible ads. Trials and failures of top-flight ad-

vertising agencies in this regard are legend. One title insurer spent a summer and \$20,000 with a prominent advertising agency trying to develop a series of newspaper ads, without obtaining a single acceptable piece of copy!"

The title insurance industry is faced first and foremost with the very elementary fact of concepts, or just what it is that exists in the public mind in regard to the idea of title insurance. What does a title company do? Has it ever been documented beyond the explanation of what takes place at settlement?

When the general public thinks of real estate, it can be stated almost with certainty that it thinks of land, mortgages, builders, homes, housing. Mention law, and people will think of lawyers, and courts, and litigation. Mention title insurance, and, instead of thinking of real estate, and law, and court records, people think of an insurance policy with a lot of fine print: life insurance, fire insurance, home insurance, accident insurance, etc.

Most people apparently think that the title insurance company, as with other insurers, takes a chance, based on computerized actuarial tables, that it won't lose money in offering a policy of insurance on a piece of real property. They just don't know of the title company work done to earn the premium. They hear instead the propaganda about "bring-downs" which seems to be a main criticism in the battle which faces the industry. And, they fail to realize that title insurers—for a one-time premium—spend more than 80 per cent of their operating income for operating expense that includes the risk elimination work responsible for those low loss ratios that misguided critics complain about.

The thirty-third President of the United States, Harry S. Truman, had this advice for public speakers: "First, tell 'em what you're going to tell 'em. Second, tell 'em. Third, tell 'em what you've told 'em."

This short and easy rule also serves as a good yardstick in the creation of advertising. It sums up exactly what individual title companies generally have NOT been doing to bring to the public some knowledge of their business. Companies too often "tell 'em" nothing about the business. How can they ex-

pect an understanding ear when problems arise?

Title company people are surely no different from people anyplace else. And, just as do other sincere working people, they try to do the job for which they get paid. To do the job well, they often go a little further and do a little extra, just to make a point of proof of their sincerity and willingness to serve. In fact, the title insurance business, a good part of the time, concerns itself with trying to put out a "clean" policy. We don't want to hold up the wheels of progress—we want the deal to go through.

The Delaware County (Minnesota) *Realtor*, in an article captioned, "God Bless Our Title Men!", written by Marian C. Beattie, had this to say:

"The unsung heroes of our business are our title men. Oh yes, title insurance is their job, but have you ever contemplated our business without them?"

"There is a particular clause you need and can't quite remember; there's that difficult objection on the title you don't know how to remove; maybe a discrepancy in the description, a lost heir, or—horror of horrors—a party drive where no easement has ever been created.

"Maybe there's a form you need and haven't been able to locate, or a last minute need for an arbiter. These are only a few of the things we run into where they help. I know you can think of many, many more.

"When you've worked, as I have, in a locality where there are no title companies, the preparation for a settlement involves many, many hours. Here, at the end of our telephone, are competent, willing, helpful men and women who make our work easier and better. It is because of them we can confidently say to our buyer, 'You have a good clean title, and it's insured as such.'

"So . . . GOD BLESS OUR TITLE MEN, we would have a rough time without them."

This, obviously, is heady "inside" stuff, hardly unfamiliar to Realtors, and read by them in their institutional magazine. But it is indeed exactly on the point of telling about the job which the title company performs. Best of all, it describes the kind of title people who offer their services to the real

estate broker: ". . . competent, willing, helpful men and women. . . ."

How often does such mention appear? How many references of this nature are seen by the general public? Few, very likely, and the broker is being told something he already knows by someone in his own business. Why shouldn't the title company blow its own horn?

It's often a surprise (and a disappointment) that, after trying to get a customer on the phone and not succeeding, his secretary asks, "and what was your name again, sir?"

"And the company, sir?" And you tell her: "title insurance company."

And then she says, "What kind of insurance was that, please?" And you say title insurance. And she says, "Could you please spell that for me?"

"T-I-T-L-E INSURANCE." and she says thank you and hangs up.

If it happens on a Monday, it certainly doesn't put a hard working title insurance examiner in the mood to get through the week. And once or twice during the week the question keeps coming back: "What kind of insurance. . . .?"

An overstatement? No. It actually happens more than one would expect.

Probably our secretary (above) was merely a member of the general public, who, if she had never bought a home or applied for a mortgage loan, knew nothing about title insurance. Why should this be so? Why don't we tell 'em?

Why not some "humanizing" advertising to bring the title industry's people and problems before the public? Brokers and attorneys, upon seeing a title plant operation, are amazed at its complexity. How much more so would the public be if they were aware of it? Doesn't this come under the heading of title company advertising?

This falls under Mr. Truman's "tell 'em what you're going to tell 'em". A full page ad would introduce the plant, the company, and its people to the local burghers and to the general public. It would tell 'em what is available in the plant, the who and what of the facilities standing by to serve them in big company fashion.

One item the public is surely not informed about is the fact that in order

to make a "bring-down" the company must first, in a very practical and time-consuming way, make a "full" search of the title to the real estate in question. This can be, in the original states along the East Coast, a tedious and difficult undertaking. In the City of Philadelphia, for instance, running an original full title requires conducting a search back to the ownership of William Penn. Only with the results of that search in its files can the title insurance company make a bring-down when a new buyer requires a policy. The bring-down may be for a year, five years, 10, 20, or 80. As is known in the industry, certain reductions are made in the premium depending on the length of the bring-down search. Tell 'em.

How much time and effort is expended to make the original search of over 250 years? How much expertise, training, persistence, perseverance, and dedication were required on the part of the abstractor and examiner to bring to light the facts of the history of that particular piece of real estate?

Were there engineering (surveying) problems to be solved? Were the title or side lines subject to gaps, overlaps, easements? Were there legal problems of inheritance? Foreign estates? The policy holder knows little of these items, and sees on the policy only those items which cannot be completely resolved with certainty. Unfortunately, a clean policy makes the whole job look easy!

One typical case can show why it isn't always a matter of a simple "bring-down."

Some years ago, in Philadelphia's City Hall, a young man was given the job of searching the title to a piece of real estate located in the "old city". This, the original City of Philadelphia laid out by William Penn, extended for about two miles east and west between the Delaware and Schuylkill Rivers. North and south it extended about a mile on either side of the Market or Main Street. The north and south streets were numbered, as they are today, and the east and west streets were named by identification with trees: Chestnut, Walnut, Spruce, Locust, Pine, etc.

The search involved three lots on the corner of two of these streets, being, for the sake of this discussion, the

southwest corner of Second and Maple streets. Second street, being numbered, ran north and south, and Maple Street ran east and west. The description of these lots placed their fronts on Second Street, with the first tract on the south side of Maple, the second south of that, and the third south of that, viz:

ALL THOSE THREE certain lots or pieces of ground, SITUATE on the southwest corner of Second and Maple streets in the City of Philadelphia, CONTAINING in front or breadth on the west side of Second Street 48 feet, and extending of that width in length or depth, between parallel lines at right angles to the said Second Street, 48 feet. EACH OF the said lots containing 16 feet in front and being numbered 1, 3, and 5 So. Second Street.

In making searches, the young man found a ground rent on each of the above tracts of land. This meant that a potential purchaser of a home built on any of the lots would not get title to the ground, and would have to pay a yearly rental charge to the owner of the land.

Conveyance searches turned up a deed in which the descriptions were turned around and were now fronting on Maple Street (note that the three lots together measured 48 feet by 48 feet square), as follows:

ALL THOSE THREE certain lots or pieces of ground, SITUATE on the southwest corner of Second and Maple streets in the City of Philadelphia, CONTAINING in front or breadth on Maple Street 48 feet and extending of that width in length or depth southeastwardly, between parallel lines at right angles to the said Maple Street 48 feet.

EACH of said lots containing 16 feet in front on Maple Street and being numbered 101, 103, and 105 Maple Street.

The descriptions of the original ground rents, in relation to the newer location of the lots (homes were built on them and each had a mortgage) had the effect of putting on each of the newer descriptions a one-third portion of the ground rents which ran east and west.

For the reader who may be confused, imagine the six blocks drawn for the game of 'tic-tac-toe. The three blocks running horizontally are the original descriptions with the ground rent on each. The three blocks running vertically are the later descriptions which split the ground rents into three parts running north and south. Needless to say, it was an interesting situation.

Further searches disclosed that the ground rent which covered the property originally fronting on Second Street and running along Maple, was paid off and satisfied (cross off top three blocks on tic-tac-toe diagram). A pay-off was also found for the ground rent on the third property fronting (originally) on Second Street, two doors south of Maple (cross off bottom three blocks of t-t chart). No payment was found for the ground rent which burdened the property originally fronting on Second Street south of Maple. Now the examiner was faced with the fact that his three houses on the south side of Maple Street had, going through their "waists" each one-third of the original ground rent.

It was such an unbelievable situation that the clerk was called into the office to discuss the problem with the head of the examination department. The boss wanted to know every source that was searched for the final payment of the third ground rent in order to make sure that every contingency was exhausted. It was never found, and probably remains there yet today.

Was the ground rent on each of the three houses ever certified on the title policy as an objection to title? No. But the story is offered in order to demonstrate the inside operation of the title company organization.

First, it was demonstrated how a problem could arise in the searching and examination of the title, and the vast amount of work which was done in trying to solve it. How, in the end, the problem was not solved despite the effort expended, and the expense borne by the title company in trying to settle it, in addition to the long hours put in by the title clerk and examiner for

Continued on page 14

Part II: ALTA Judiciary Committee Report

(Editor's note: Members of the ALTA Judiciary Committee have submitted over 400 cases to Chairman John S. Osborn, Jr., of the Louisville law firm of Tarrant, Combs, & Bullitt, for consideration in the preparation of the 1975 Committee report. Chairman Osborn reports that 93 cases have been selected for publication in this year's report. For a previous installment, please see the June, 1975, issue of *Title News*.)

* * *

COVENANTS— EASEMENTS

(Continued)

Shapiro v. Levin, 223 Pa. Super. 536 (1973)

This was a declaratory judgment action to determine whether a covenant in a deed that stated "that the . . . owners and occupiers of certain lots of ground . . . shall not at any time hereafter erect more than one dwelling house which shall cost at least four thousand five hundred (\$4,500) to construct and one stable appurtenant thereto . . ." prohibited the erection of an eight-unit townhouse apartment complex on the site.

Held: Deed restriction prohibited erection of complex.

Bill Wolf Petroleum Corp. v. Chock Full of Power Gasoline Corp., 41 App. Div.2d 950, 344 N. Y. S.2d 30 (1973)

Action to enforce a recorded petroleum requirements contract against a subsequent purchaser with knowledge of covenant binding all subsequent owners.

Held: Covenant enforceable although a covenant running with the land. It constituted an equitable obligation.

Appears to be contrary to accepted New York law with respect to equitable servitudes and free alienability of land.

CORPORATIONS

Winston Corporation v. Park Electric Company, 126 Ga. App. 489

The Georgia Corporation Code provides that a foreign corporation shall not be considered to be transacting business in said State and therefore is relieved of qualifying where it is "conducting an isolated transaction not in the course of a number of repeated transactions of like nature." In a first interpretation in Georgia appellate courts of the words "isolated transaction" as applied to construction contracts, where a nonresident corporation brought suit for debt covering labor and materials furnished in the only electrical contract which it undertook in Georgia (although contract consumed many months' time and hundreds of man hours in duration of the project), and where the developer defendant contended that plaintiff had transacted business within the State without first having procured a qualification certificate and, therefore, had failed to perform a condition precedent to bringing of suit, it was held that even though plaintiff had performed considerable work over an extended period of time, such activities were all in relation to a single contract with no intention to engage in repeated transactions of a like nature, and therefore plaintiff was within isolated transaction exception of the Corporation Code.

DEEDS

In Re Estate of Bright, 215 N. W. 2d 253 (Iowa, 1974)

A suit in equity was brought by son of grantor and administrator of grantor's estate for judgment, declaring that grantor did not deliver deeds to grantor's daughter and grandchildren. The District Court entered a decree holding that the deeds were delivered, and plaintiffs appealed. The Supreme Court held that evidence that grantor took deeds into her daughter's bedroom and that daughter had the deeds when the two women emerged, that daughter gave deeds to grantor for keeping in grantor's safety deposit box, and that grantor appointed daughter deputy of the bank box

with access to it, and evidence of declaration by grantor, established delivery.

Affirmed.

Felix Vandetta and Agnes Vandetta v. James Yanero, et al, 200 S. E. 2d 674 (W. Va. 1973)

Held: Where a deed or other writing purporting to transfer title to real estate applied to subject matter, shows manifest omission in description and there is sufficient data furnished by instrument to supply the omission, it may be supplied by construction.

Fike v. Harshbarger, 317 Atl. 2nd 859, 20 Md. App. 661 (1974)

This case involves a dispute between members of a family as to the validity of a deed executed and acknowledged in 1963 by the father, in which he conveyed certain real estate to Mrs. Fike, one of his daughters. The father retained possession of the deed until about two years before his death, at which time it came into the possession of another daughter. The father died in 1972, intestate, leaving as his heirs at law two sons, two daughters, and children of a deceased son and daughter. Subsequent to the death of the father, possession of the deed was obtained by members of Mrs. Fike's family, who had it recorded. Order of the Chancellor declaring the deed to be null and void was affirmed. There was no delivery of the deed, since the evidence does not support a conclusion that the grantor parted with all dominion and control over the deed at the time of its delivery to the second daughter or that said second daughter held the deed as agent for the grantee.

Harding v. JaLaur Corporation, 315 Atl. 2nd 132, 20 Md. App. 209 (1974)

Harding brought a bill of complaint against JaLaur Corporation, Marco Housing Inc. and Montgomery County, Maryland, in which she alleged that a deed had been obtained from her through fraud practiced upon her by an agent of JaLaur. The bill further averred that the paper upon which she had affixed her signature was false and fraudulently attached to the first page of a deed identified as the same deed through which JaLaur and its assignees, the other defendants, claim title. The lower court

sustained a demurrer to the bill, without leave to amend. Reversed and remanded for further proceeding. The plaintiff, appellant, did not claim that her signature was forged but that the forgery is the result of an alteration. She alleged that at the time she signed a blank paper, she was told that her signature was necessary in order to straighten out a boundary line. She alleged that she did not know that she was conveying away her interest in .1517 acres of land which adjoined a tract owned by JaLaur and others and which provided said tract with access to a public road.

The Court of Special Appeals allegations demonstrated that there had been a material alteration and hence a forgery and that the bill of complaint was sufficient to state a claim of forgery. The demurrer of JaLaur should not have been sustained.

As to the demurrers of Marco and Montgomery County, there was no allegation in the bill that their agent perpetrated the fraud upon the plaintiff. If they are to be held in the case, it must be on the basis that they are not bona fide purchasers without notice. The title of a bona fide purchaser, without notice, is not vitiated even though a fraud was perpetrated by his vendor upon a prior title holder. A deed obtained through fraud, deceit, or trickery is voidable as between the parties thereto, but not as to a bona fide purchaser. However, a forged deed, on the other hand, is void ab initio. Since the Court held that the bill of complaint alleged a forgery, this allegation, if true, would mean that JaLaur could not have passed title to the other appellees, therefore, their demurrers should not have been sustained.

ECOLOGY

Loveless v. Yantis, 82 Wn. 2d 754, 513 P.2d 1023 (1973)

The Washington State Environmental Policy Act (which is patterned after the National Environmental Policy Act of 1969) requires governmental agencies to prepare an environmental impact statement for any project which constitutes "major action significantly affecting the quality of the environment." The issuance of preliminary approval of a plat constitutes such "major action" so as to require an environmental impact statement.

San Diego Regional Commission v. See the Sea, 9 Cal. 3d 888 (1973)

Some months after defendant obtained a building permit for a condominium project on coastal lands, did substantial work thereon, and incurred substantial liabilities thereunder, the Regional Commission operating under the Coastal Zone Conservation Act of 1972 sought an injunction to halt further development on the basis of defendant's failure to obtain the coastal permit under the Act which provided, among other things, that after February 1, 1973 any person wishing to perform any development within the permit area was required to obtain a permit under the act.

Held: Injunction denied. The Act does not require a coastal permit for builders who performed substantial, lawful construction work on their projects prior to February 1, 1973.

In the Matter of Spring Valley Development, 300 A.2d 736 (Me. 1973)

Appellant sought to subdivide 92 acres of real estate into 90 lots for residential use. It built a road and surveyed the property,

marking off the boundaries of the individual lots. It did not intend to participate in the construction of buildings by purchasers on individual lots. Title 38 sections 483 et seq. provide that persons intending to construct or operate a development which may substantially affect the local environment must notify the Environmental Improvement Commission and satisfy the Commission that the development will not substantially adversely affect the environment or pose a threat to the public's health, safety, and welfare. The Legislature defined developments which may substantially affect environment as meaning any commercial or industrial development which occupies a land area in excess of 20 acres.

Held: Commission's determination affirmed and appeal denied. The business of subdividing large tracts of land and selling the lots is a commercial venture and comes within the purview of the statute. The Legislature meant to avoid environmental damage before it occurred, so that the fact that appellant merely subdivided the lots and offered them for sale without any intention to construct buildings does not remove the proposed activity from the purview of the statute. The statute is constitutional, because the limitation of use of property for the purpose of preserving it from unreasonable destruction of the quality of air, soil, and water is within the police power. There was no taking without compensation in this case. Finally, the developer was not denied equal protection of the laws because developments under 20 acres are outside the scope of the act.

Davis v. Morton, 469 F.2d 593 (1972)

Held: The National Environmental Policy Act applies to all federal agencies and particularly to the actions of the United States to approve or disapprove the lease arrangements between an Indian reservation and a subdivision planner who is leasing land on the reservation for 99 years.

Upholds a broad interpretation on the scope of the National Environmental Policy Act.

EMINENT DOMAIN

Tidwell v. State ex rel. Herman, 514 P.2d 1260 (Ariz. 1973)

An eminent domain action was brought by the state to condemn a right-of-way for highway purposes across patented land, and the landowners counter-claimed for damage to a national forest grazing permit also owned by them, alleging that the highway in question made the permit less valuable by impairing movement of cattle from one side of the highway to the other.

Held: A grazing lease has been recognized as an interest in property, hence compensable, but a grazing permit is a mere license and gave the holder thereof no estate or "property interest" which would be a compensable interest in eminent domain.

CHICAGO TITLE'S ROCKFORD OFFICE TO NEW PLANT AND LOCATION



Participating in a ribbon-cutting ceremony to mark the opening of Chicago Title Insurance Company's new office and title plant in Rockford, Ill., are (from left) Francis E. O'Connor, senior vice president, Chicago Title; Mayor Robert W. McGaw of Rockford; Mrs. Robert W. McGaw; Robert J. Johnson, assistant vice president and manager of the new office; James T. Reid, office counsel; and Russell P. Sedgwick, vice president, Chicago Title. The company offices were moved from another Rockford location.

Next:
Estates

Business Recovery in Sight

By

CARL H. MADDEN

Chief Economist,
Chamber of Commerce
of the United States



The economy is approaching the trough of its long downturn which, in fact, has been two recessions back-to-back. The first, which ran from December 1973 through August 1974, was brought on by shortages of basic industrial commodities, energy and food. The second, which started in the fall of 1974, was precipitated by a classic business cycle slump in demand.

Some recent favorable developments suggesting that the recession will "bottom out" and that recovery will occur later this year are:

- Passage of the \$23 billion Tax Reduction Act of 1975 involving a close to \$50 billion (annual-rate) boost in after-tax income in the current quarter.
- Lower interest rates.
- More funds available for lending.
- A pronounced rise—at long last—in the money supply.
- Revival of the stock market (with its positive effect on consumer psychology).
- Continued easing in the burden of consumer debt, especially installment debt.
- Continued reduction of top-heavy inventories.
- Continued deceleration in the pace of inflation.

Though recovery is expected in the second half, it will not be robust or broadly based at first, but will gain momentum early next year. Consumer buying will lead the recovery with the major stimulus of the public's increased spending being felt in non-durables and services at the outset. Consumers will remain cautious about committing themselves to installment payments on housing (and associated durables) and autos until recovery seems well established. Still, each of these basic industries is expected

to improve gradually, with estimates of 350,000 more housing starts and 600,000 more auto sales in the third quarter of this year than in the current quarter.

Business fixed investment spending will join the parade of positive forces next year, rising at a \$12 billion annual rate by mid-year compared to a \$12 billion decline on an annual basis in this year's second quarter. This investment pickup will be accompanied by an 18% rebound in after-tax profits by mid-1976.

As the recovery gathers strength next year housing starts are expected to reach an annual rate of 1.8 million units. Auto sales should rebound to a 10 million unit annual rate and industrial production should be rising at close to a 9% annual rate, all by mid-1976.

Unemployment should peak this summer and decline gradually thereafter, though it will lag behind the recovery pace and remain undesirably high in 1976.

The big question marks in the outlook are Congressional spending plans and Federal Reserve monetary policy. If expansion of productive capacity is delayed so long that rising demand next year will once again push production to capacity in such key areas as energy and basic commodities, Federal Reserve repetition of last year's tight money policy, made less likely by closer Congressional monitoring, could abort the recovery and usher in another recession in 1977.

This scenario will be more likely the larger the federal deficit to be financed, since history shows that the "Fed" will expand the money supply as necessary to meet the Treasury's cash borrowing needs. These borrowing needs are already \$65 billion at a minimum in fiscal 1976 and could go as high as \$73 billion (the new House Budget Committee proposal) or higher unless Congress recognizes the danger of rekindling inflation next year by excessive deficit spending.

association corner

state



Hughes Butterworth Elected TLTA President At State Convention

Hughes Butterworth was elected president of the Texas Land Title Association at its recent annual convention, held this year in Brownsville, Tex. Butterworth, president of Lawyers Title of El Paso, takes office July 1.

Guest speakers included ALTA President Robert J. Jay, president, Land Title Abstract Co., Detroit; Texas Secretary of State Mark W. White, Jr., and Stanley D. Rosenberg, attorney, Oppenheimer, Rosenberg, Kelleher & Wheatley, San Antonio, and others.

The new officers of TLTA, including newly-elected members of the board of directors, are: Roland M. Chamberlin, Jr., president-elect, executive vice president, American Title Company, Houston; James H. Garst, vice president, Texas state manager, Stewart Title Guaranty Company, Houston; George Neel, Jr., secretary, partner and manager, Neel Abstract Company, Laredo;

Alex H. Halff, treasurer, Alamo Title Company, San Antonio; and Melvin Morgan, board member, assistant vice president and agency manager, Pioneer National Title Insurance Company, Dallas.

Thad Allen, Dallas division agency coordinator, Chicago Title Insurance Company, Houston, and Diane Dietert, president, Bandera County Title Co., Inc. were elected board members in a previous election. Jack Rattikin, Jr., president, Rattikin Title Company, Fort Worth, remains on the board as TLTA immediate past-president.

In addition to being named president-elect, Chamberlain was further honored by being selected as "Titleman of the Year" for his outstanding contributions to TLTA, according to a report from Michael B. Goodin, executive vice president of the association.



Pictured here are the newly-elected officers and board members of the Texas Land Title Association. They are, back row, from left: Thad Allen, Jim Garst, Roland Chamberlin, and Melvin Morgan. Front row, from left: George Neel, Jr., Jack Rattikin, Jr., Diane Dietert, Hughes Butterworth, and Alex Halff.

Oklahomans Name Arnall President

Henry O. Arnall, Jr., Poteau was elected president of the Oklahoma Land Title Association at its recent convention held at Oklahoma City.

According to a report from Mrs. Lou Smith, the association's executive secretary, other officers include Glenn Nichols, vice president, Chandler; Earnest Hoberecht, treasurer, Watonga; and Bob Bartlett, secretary, Hollis. Board members are Stewart J. Robertson, Pryor; Don Jump, Lawton; Harold Cox, Norman; and Howard Thigpen, Oklahoma City. John R. Cathey, immediate past-president, serves in an advisory capacity to the board.

ALTA President Robert J. Jay and Mrs. Jay were guests of honor at the convention. President Jay updated the Oklahoma association on ALTA national activities.



ALTA President Robert J. Jay and Mrs. Jay are pictured above in the Indian head-dresses they received at the Oklahoma Land Title Association's 70th Annual Convention.

President Jay Honored in Michigan

ALTA President Robert J. Jay was the guest of honor at a recognition dinner recently held in conjunction with the mid-winter meeting of the Michigan Land Title Association in Lansing, Mich.

President Jay, a former MLTA president and director, as well as an active committee member, received a commemorative plaque at the dinner.

FLTA Holds Mid-Year Meeting

The mid-year meeting of the Florida Land Title Association was held recently in Orlando. Guest speakers at the two-day meeting included Walker Roberts, editor of *Trend Magazine*; Thomas R. Brown, Florida's assistant insurance commissioner; and John D. Berkeley, chief loan examiner for the Veterans Administration.

Land title industry speakers at the meeting included James W. Robinson, American Title Insurance Company; Jon Hall, Chicago Title Insurance Company; Hart McKillop, Land Title Institute; and Robert L. Crisp, chairman of the CLS Section, which is the professional education section of FLTA.

New Kratovil Book Recently Published

Modern Real Estate Documentation, by Robert Kratovil, was published May 24, 1975 by Prentice-Hall, Inc. Kratovil, retired vice president in charge of legal research for Chicago Title Insurance Company, is one of the nation's leading experts on real estate law. He is currently a full-time faculty member at John Marshall Law School in Chicago.

Lawyers Title 50 Years Old

Lawyers Title Insurance Corporation began its Golden Anniversary celebration in April. Festivities surrounding the company's fiftieth anniversary will

overlap the Centennial of Title Insurance, a 1976 event to be launched at the ALTA Annual Convention in Chicago this October.

Lawyers Title's Golden Anniversary Committee Chairman H. Randolph Farmer, who also serves as ALTA Public Relations Committee chairman, and his committee have planned a variety of activities to commemorate the company's founding.

West Jersey Title Now Continental Title

West Jersey Title and Guaranty Company has changed both its headquarters and corporate name, according to Robert T. Pluese, company president.

The company's new name is the Continental Title Insurance Company, and its new offices are in the Continental Parkade Building in Pennsauken, N.J. Formerly, the company was located in center-city Camden, N.J.

T.I. PLUS Wins Second Award

Title Insurance and Trust Company has been awarded the Marketing Communications Executives International (MCEI) Award for excellence in its regional consumer promotion, T.I. PLUS. It is the promotion's second award; T.I. PLUS received the Sales

and Marketing Executives Association Diogenes Award for Ethics in Marketing two months ago.

The marketing program, presenting a new title insurance coverage, consisted of three phases. Phase I, internal introduction, was an education program for 4,000 T.I. employees in 126 offices in California. Phase II, trade education, informed 116,000 real estate professionals of the new coverage. In Phase III, consumer advertising and publicity were devised to create an awareness and knowledge of the concepts of title insurance with emphasis on the improved benefits of T.I. PLUS.

Ms. LeNore Plotkin, national advertising manager of T.I., received the MCEI award on behalf of the company.

St. John Retires From Columbian Title

Harry H. St. John, Jr., who in 1972 completed a term on the ALTA Board of Governors, retired effective April 15 as vice chairman of the board, Columbian Title and Trust Co., Topeka, Kans.

An attorney and a licensed abstractor, St. John also has been active in the Kansas Land Title Association, which he served as president. During his career, he also has served as judge pro tem of the Court of Topeka.



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ance and abstracting companies, and it is not the intention of this statement to supersede or amend such undertakings. Where no treaties or declaration of principles now exist, the members of the Conference will encourage bar associations and title and abstractor associations to promulgate such treaties or declarations consistent with this statement.

Implementation of Principles

1. Title insurance companies or abstractors either through their salaried attorneys or lay employees shall not:

a. Pass upon or give advice on the legality of title to real property and conveyancing instruments other than for their exclusive use.

b. Draft legal instruments relating to real property transactions except where presently sanctioned by local treaties, declarations of principles or law, or where requested by a lawyer for one of the parties as an aid to him and for which such lawyer assumes responsibility.

c. Make payments to a lawyer for any purpose other than for legal or agency services rendered, unless the lawyer's client shall be expressly and affirmatively informed thereof by the lawyer and shall receive credit for the same.

2. Title companies shall be encouraged to make known to the public in advertising or otherwise that only lawyers are licensed to give legal advice in trans-

actions relating to real property, and that the contract of title insurance is one of monetary indemnity.

3. The National Conference shall:

a. Seek to have the American Bar Association and the American Land Title Association engage in common effort to simplify laws and procedure governing real estate transactions and to reduce the cost thereof.

b. Maintain a constant exchange of information concerning any practices on the part of their members which may be detrimental to the public or to the members of either association.

c. Consider any controversies referred to it between title companies, abstractors and lawyers and seek to settle and dispose of same.

d. In line with the principles herein stated, from time to time issue such further statements of principle as may be agreed upon which are deemed in the public interest and in the interests of title companies, abstractors and lawyers, and which are approved by the American Bar Association and the American Land Title Association.

e. In the public interest, seek to be of assistance in an advisory capacity to state and local bar associations and title and abstractor associations.

Adopted by American Bar Association
August, 1969

Adopted by American Land Title
Association September, 1969 □

which both had to be paid. Most importantly, there was no increase in the examination fee or premium, and the problem remained in the title company files as a risk—it would never reach the street to bedevil the next buyer of the home.

Altogether important perhaps is the fact that at this point, this "scar" on the public record, a partially unpaid ground rent on three separate properties, was obliterated by the title insurer. Once having been through the problem and having resolved it as a risk, the question would never arise again: it was a potential charge against the company's reserve for claims.

How many times over the years have our title insurance companies "cured" an imperfect record in the same fashion? How often have members of the industry filed away such problems as a risk to be borne as part of their function as an examiner of real estate titles and as an insurance company? Surely the number runs well into the thousands.

Because the title insurance industry, in so many cases, has once and for all time insured against such clouds on the title, countless problems never rise to the level of litigation. Consequently, countless millions of dollars in legal and court fees have been saved. In addition, the industry offers the convenience of the quickly resolved problem which doesn't hold up the sale as would a time-consuming court proceeding. To offer such a service is to keep the wheels of progress turning.

Finally, what's the cost of all this? The general public most likely overlooks the fact that title insurance companies do not themselves in every case set rates willy-nilly as they see fit, or as the market will bear. In Pennsylvania, for instance, the title company is confined to charging a rate which must be approved first by the state's insurance commissioner. A portion of this fee also, by law, is required to be placed in a reserve against future losses in suits in which the company may be called upon

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to defend the title on one of its policy holders. In that state, a recent rate rise for title insurance companies was the first since 1970, and it was many years before that when a previous increase was granted.

As title insurance people know, to put a single policy with its guarantees into the hands of a prospective home buyer may use the exacting efforts of at least a dozen people, from the application desk to the final policy writer. The company will hopefully collect a fee to pay all these people when—and if—settlement is held. If the transaction is cancelled before closing, that's just "another problem for the title company".

Mr. and Mrs. Homebuyer should be told by the industry that the next time they walk out of a real estate closing held at a title company office, that the man who served them, the settlement clerk, is only a collector and distributor. He doesn't set the price of the house, the down payment, the cost of a mortgage or fire insurance. Nor does he set the rate of taxes, sewer, water, or the price of preparing a survey, a deed, or mortgage, or the compensation for a tank full of fuel oil.

But that settlement clerk represents Mr. and Mrs. Homebuyer, and insures them—possibly for the rest of their lives—against loss by reason of a defect in the title to the property they are buying. The cost is small, the effort is a professional one, and the protection is great, even if it proves to be for nothing else than for peace of mind.

And that is exactly what title insurance offers: protection and peace of mind.

It's true that ALTA carries on an impressive public relations program, which reminds a vast national audience of the importance of land title services. Similar effort is made at the state level by a few regional and state land title associations. But the people who work in these industry programs agree that additional communication by individual title companies is essential if the truth about land title protection is to reach an ever-changing audience of home buyers across the nation and do so with maximum effectiveness.

Why don't we "tell 'em" all about it?

Complex Transaction Handled by TI

In a complex transaction involving the sale of 50 per cent interest in six properties for approximately \$83 million, Pioneer National Title Insurance Company and its affiliates, Title Guarantee New York and Title Insurance and Trust, have issued policies covering the acquisition of the real estate.

The buyer was The Prudential Insurance Company of America, and the 50 per cent acquisition was in six Hilton hotels in the United States. A single phone call from Prudential's Newark headquarters to PNTI's National Title Service Center in New York initiated title searches and clearances on The San Francisco Hilton, The Los Angeles Hilton, The Beverly Hilton, The Dallas Statler Hilton, The Washington Statler Hilton and The Tarrytown Hilton Inn. Five of the 12 PNTI National Title Service Centers coordinated their technical findings through New York.

The closing documents were executed in advance and pre-positioned with PNTI personnel in each of the counties where the properties are located. On telephone signals from the place of closing, all documents were recorded simultaneously.

Present representing Prudential at the closing were Brian J. Strum, assistant general counsel; Herbert H. Burns; Stanley A. Levine; James P. McGruder;

Joseph G. McNamara; Richard Gholston; Irvine D. Flinn and Ronald B. Alexander. Representing PNTI were James M. Pedowitz, vice president and eastern regional counsel; Edward Tinsley, vice president; and Gerald L. Ippel, executive vice president. Also present and representing the Hilton interests were Conrad N. Hilton, chairman of the board, and Barron Hilton, president.

Minnesota Title Promotion Honored

Title Insurance Company of Minnesota was honored at the Green Survival Program put on by the Urban Beautification Committee of Minneapolis for its annual "Minnesota Title Tree" offer.

The Minnesota Title company logo is in the shape of a small tree and the state tree of Minnesota happens to be the Norway Pine. Three years ago, Minnesota Title began a program of distribution of these trees for a packing, shipping and postage charge only, throughout the upper Midwest area.

This year's numbers are not in yet, but last year over 7,000 requests were received. Numerous letters from the recipients expressing good will for a large corporation that has an interest in urban beautification and environmentally productive programs are received throughout the year because of this offer.



A banquet table is spread with all the communications and documentation required to consummate the sale of 50 per cent interest in six Hilton hotels to The Prudential Insurance Company of America. Present are counsel and other representatives of Prudential, Hilton, and Pioneer National Title Insurance.

Home Protection Program Announced

Three companies have been approved by the National Association of Realtors board of directors as the firms to initiate the association's home protection program beginning in July.

Under this program, buyers of an existing home would receive protection against failure of the home's major components for a period of at least a year. Program kickoff will be in the nation's major metropolitan areas, but it is anticipated that it will be available throughout the nation within three years. The association projects that, at the end of that period, between 750,000 and one million homes will become covered annually.

The three firms are:

Soundhome Assurance Program—The insurance carrier will be Commerce and Industry (American Insurance Group), associated with the General Adjustment Bureau as the inspection service. Marketing will be through the brokerage firm of Alexander and Alexander of New York City.

Certified Home Inspection Program—Marketing of the program will be handled by Victor O. Shinner and Co., while home inspection will be by National Home Inspection Service. The firm's home office is in Silver Spring, Md.

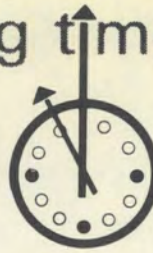
Fact-Finder Inspection—Inspection and marketing will be done by Terminix International, Inc. Company headquarters are in Memphis.

"These are the first firms to meet our rigid specifications for this consumer protection program," explained Art S. Leitch, San Diego Realtor and president of the association. "It is anticipated, however, that other firms also will seek approval by the association."

Under the Home Protection Program—the first such plan ever to be made available on a nationwide basis—the seller of a home will be informed of the program by his real estate broker.

A professional inspection will be made by the inspection service of one of the three approved companies and a report presented, stating that all components of the home can be covered, or that the home can be covered with

meeting timetable



July 6-9, 1975

New York State Land Title Association
Sagamore Hotel
Lake George, New York

August 7-9, 1975

Montana Land Title Association
The Outlaw Inn
Kalispell, Montana

August 7-14, 1975

American Bar Association
Montreal, Canada

August 15-16, 1975

Kansas Land Title Association
Holiday Inn Plaza
Wichita, Kansas

August 21-23, 1975

Minnesota Land Title Association
Downtown Holiday Inn
Rochester, Minnesota

September 4-5, 1975

Nevada Land Title Association
Harrah's
Reno, Nevada

September 5-7, 1975

Missouri Land Title Association
Crown Center Hotel
Kansas City, Missouri

September 9-10, 1975

Wisconsin Land Title Association
Midway Motor Lodge
LaCrosse, Wisconsin

September 11-13, 1975

North Dakota Land Title Association
Minot, North Dakota

September 14-16, 1975

Ohio Land Title Association
Hollenden House
Cleveland, Ohio

October 1-4, 1975

ALTA Annual Convention
Palmer House
Chicago, Illinois

October 12-13, 1975

Carolinas Land Title Association
Foxfire Golf and Country Club
Pinehurst, North Carolina

October 20-27, 1975

Mortgage Bankers Association of America
Conrad Hilton Hotel
Chicago, Illinois

October 26-28, 1975

Indiana Land Title Association
Rodeway Inn
Indianapolis, Indiana

one or more of its components excluded.

The seller then has the option of bringing the deficient components up to standard, buying the contract with the exclusions or declining to purchase the coverage.

The components covered include the plumbing, heating, air conditioning and electrical systems, roof, floors, ceilings and walls as to structural soundness and basement walls.

While the association specified the minimum criteria companies must meet and, through its local boards and state associations, will provide the educational and promotional efforts, the program will be available to all licensed

real estate agents, whether or not they are Realtor members of the association.

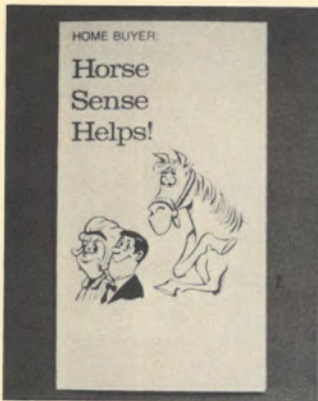
It is anticipated that the cost of the program, including the inspection and the warranty contract, will approximate one-half of one per cent of the purchase price. Thus for a home at the 1974 median price of \$32,400, the cost would be about \$162 for one year's protection.

Leitch explained that the cost can be kept at that relatively low level by the inclusion of a deductible, as is commonplace in homeowners and automobile physical damage insurance. The owner will pay the first \$100 for repairs to any covered component, with the protection contract paying for the balance of the repair or replacement cost.

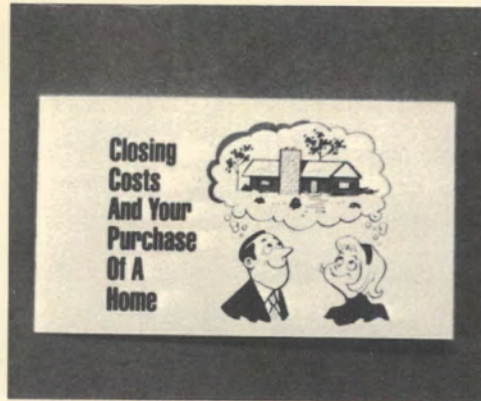
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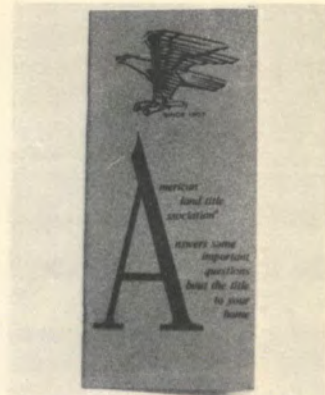
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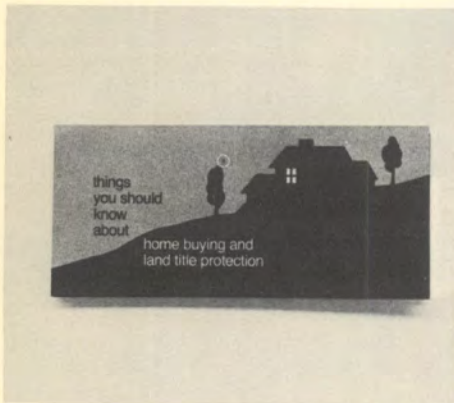
HOME BUYER: HORSE SENSE HELPS! A concisely-worded direct mail piece that quickly outlines title company services. 1-11 dozen, 65 cents per dozen; 12 or more dozen, 50 cents per dozen; designed to fit in a No. 10 envelope.



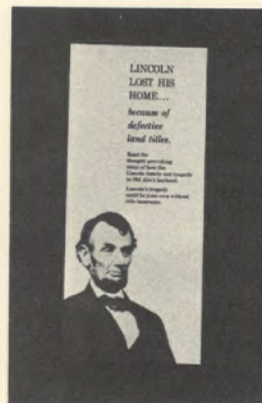
CLOSING COSTS AND YOUR PURCHASE OF A HOME. A guidebook for home buyer use in learning about local closing costs. Gives general pointers on purchasing a home and discusses typical settlement sheet items including land title services. 1-11 dozen, \$2.25 per dozen; 12 or more dozen, \$2.00 per dozen.



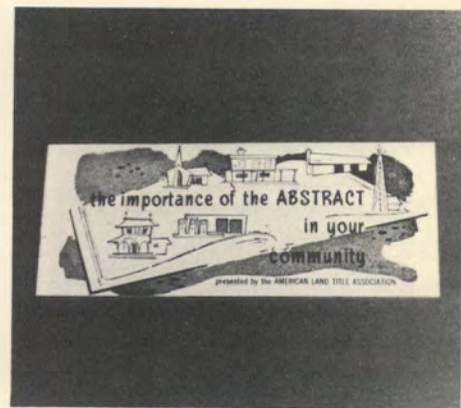
AMERICAN LAND TITLE ASSOCIATION ANSWERS SOME IMPORTANT QUESTIONS ABOUT THE TITLE TO YOUR HOME. Includes the story of the land title industry. \$16.00 per 100 copies of the booklet.



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. \$6.00 per 100 copies.



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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. \$23.00 per 100 copies.

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American Land Title Association

