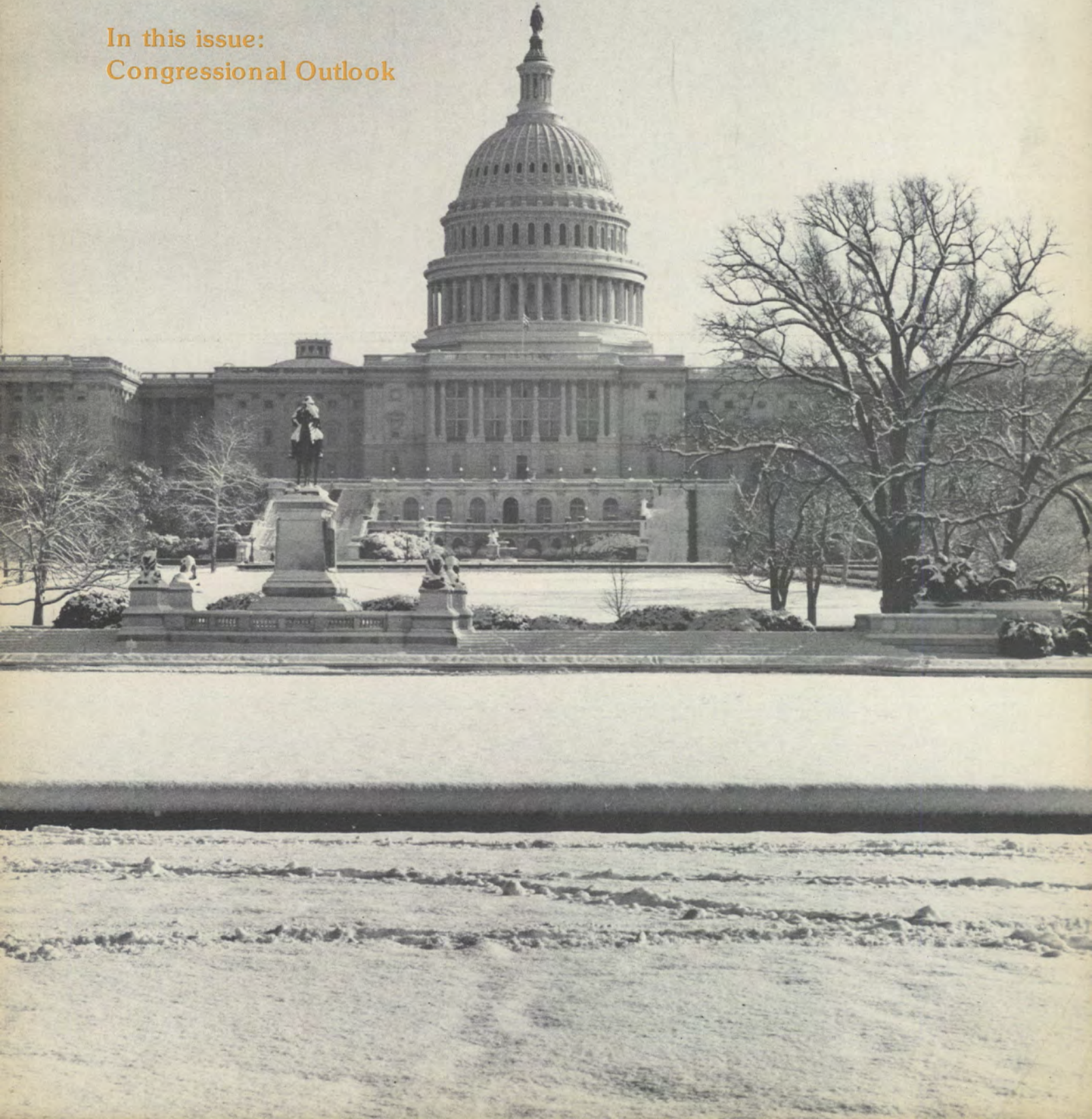


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Title News

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In this issue:
Congressional Outlook





a message from the Executive Vice President

Over the past few months, a number of affiliated associations have asked ALTA for assistance with problems facing them which, in many cases, could spread to other areas of the country.

First, the District of Columbia and Metropolitan Area Land Title Association is receiving ALTA assistance with their battle involving the attempt by Martin Lobel, a former legislative assistant to Senator William Proxmire

(D-Wis.), to have the District of Columbia adopt a compulsory Torrens System.

Second, ALTA stands ready to assist the Maryland State Title Insurance Association, Inc., in connection with their opposition to proposed legislation to bring a compulsory Torrens System to Montgomery County in that state.

Third, at the request of outside counsel for the Land Title Association of Arizona, ALTA representatives provided background information on industry practices to him and other counsel involved in the class action antitrust suit in Tucson concerning escrow fees charged by title companies.

Fourth, at the request of Colorado title company representatives, ALTA White Papers were made available in Colorado for submission in title company hearings held by the Colorado Insurance Commissioner. In addition, reports of ALTA public service television and radio exposure in Colorado have been provided to requesting title companies for incorporation in their communications to the commissioner about consumer education regarding title insurance. Also, ALTA is providing public relations counsel to the Land Title Association of Colorado regarding consideration of its response to the commissioner's criticism that title companies are not responding adequately to policy holder complaints.

Fifth, the New England Land Title Association has requested ALTA input regarding possible courses of action to be taken in the pending actions in Maine and Massachusetts concerning Indian claims.

Sixth, ALTA assisted the Washington Land Title Association in connection with a meeting January 11-13 entitled "Public Conference On Housing and Real Estate In Greater Seattle: Consumer Problems." The event was co-sponsored by the Seattle office of the Federal Trade Commission and the Seattle Department of Licenses and Consumer Affairs. The topic of the second day of this conference was "Title Insurance and Alternatives." A report on this meeting will appear in a future issue of *Title News*.

The above examples are just a few of the issues facing our industry at the moment. It is important that you be informed of such matters. Attendance at the Mid-Winter Conference March 2-4 is one excellent way of staying abreast of new developments. I hope you will be there.

Sincerely,

William J. McAuliffe, Jr.

Title News



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On the cover: Feeling the effects of the cold wave clutching the nation, the United States Capitol from its vantage point overlooks a frozen reflecting pool flanked by snow-capped sculptures. Within the white domed building, the 95th Congress has begun its legislative activities. Uppermost in the lawmakers' minds will be the puzzle of how to stimulate the nation's lethargic economy. The Congressional outlook story begins on page 5.

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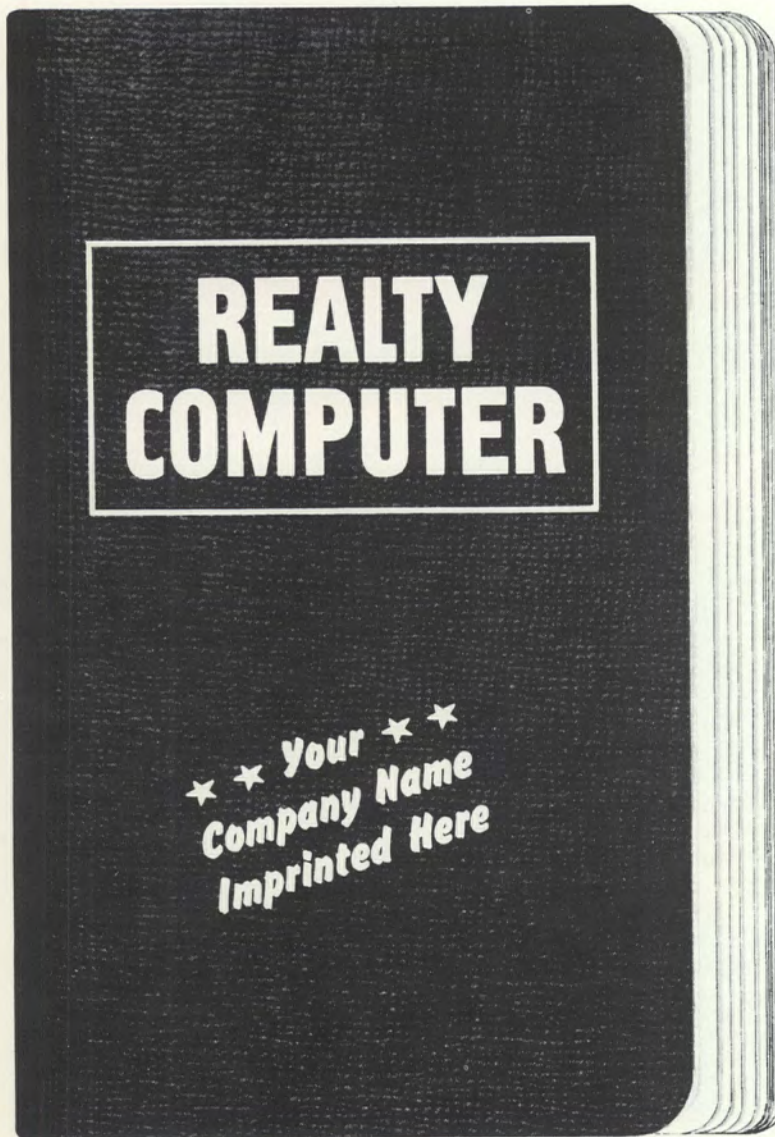
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Economy heads docket as new Congress convenes

by Mark E. Winter
director, government relations

The 95th Congress began its deliberations with a familiar battle cry—"Let's get the economy moving again." Political observers agree that the most important issue facing the new Congress is the need to stimulate the economy without reigniting inflation.

Stimulation of the economy is a certainty. President Carter has already indicated his support of a tax reduction. To balance the tax reduction, Congress will consider a federal jobs program—yet another stimulant to the economy. It is apparent the new Congress will develop an economic package containing tax cuts and additional jobs.



Rep. Newton I. Steers, Jr. (R-Md.)

However, there are a number of other important issues facing the 95th Congress. Speaker of the House Thomas P. (Tip) O'Neill, Jr. (D-Mass.) has given top priority to the need of setting Congressional ethics standards. There is a good chance that a strong, new code of ethics for members of Congress will be adopted requiring full disclosure of income, gifts, liabilities and assets and limitations on outside income.

Defense is another problem with which Congress will have to wrestle. The principal area of concern will be how to maintain and strengthen our military capabilities at reduced spending levels.

President Carter has promised a comprehensive energy program. Legislation will be considered that would deregulate oil prices, adopt more stringent conservation standards and encourage development of alternative sources of energy.

Housing, both in the public and private sector, is scheduled to receive increased attention during the 95th Congress. Secretary of Housing and Urban Development Patricia R. Harris has pledged her support of the "poor, the ill-housed and the cities." She is considering reviving Section 236 and continuing the 235 program. During her confirmation hearings, she told Senate Banking Committee Chairman William Proxmire (D-Wis.) that she favored more public housing and intends to do her best to meet the Congressionally-set housing goal of 2.6 million new and rehabilitated

units a year. Housing experts are projecting housing starts for 1977 to be 1.8 million units.

Closely related to the housing objectives are a number of legislative goals that the thrift industry has set forth. House Banking Committee Chairman Henry S. Reuss (D-Wis.) and Financial Institutions Subcommittee Chairman Fernand J. St Germain (D-R.I.) have introduced a financial institutions "mini-package" that is expected to receive quick attention.

The bill, H.R. 1901, would extend the March 1 deadline of existing rate control authority to June 1, 1977. Rate control enables federal thrift institutions to offer their



Sen. Malcolm Wallop (R-Wyo.)

possibility remains for review of some title industry matters

customers a higher rate of interest than commercial banks on savings accounts and certificates of deposit. The present rate control law includes statutory language that prohibits the present one-quarter point differential from reduction by bank regulatory agencies on any category of accounts under \$100,000 without the approval of both bodies of Congress.

Another section of the bill would enable federally-chartered credit unions to offer 30-year mortgage loans. The full-term mortgage commitment would be restricted to credit union members for the purchase or construction of one-to four-family residences and must be the borrower's principal residence.

During the first seven days of the new Congress, nearly 2,200 bills and resolutions were introduced. Of particular interest to the title industry were bills referred to the Banking and Interior committees regarding housing and land use.

Rep. Thomas (Lud) Ashley (D-Ohio), chairman of the House Housing Subcommittee, introduced H.R. 1619 to establish a National Commission on Neighborhoods. The newly appointed subcommittee chairman has expressed concern over the plight of the inner city. His objective is to revitalize the urban neighborhood.



Rep. John J. Cavanaugh (D-Neb.)

Rep. Joseph G. Minish (D-N.J.) introduced H.R. 464, a measure to establish national standards for condominium sales and conversions.

Sen. Edward W. Brooke (R-Mass.) introduced his Young Family's Housing Act that proposes a new mortgage instrument, whereby a young family would make smaller monthly mortgage payments in the earlier years, and proportionately larger payments in the later years. This bill, which has caught the attention of fellow committee members, would provide a method for a young family to establish an "individual housing account" into which \$2,500 a year could be deposited, up to a maximum of \$10,000. This money would be deductible for income tax purposes, but would have to be applied towards a down payment on a house.

Sen. Ernest F. Hollings (D-S.C.) plans to introduce a bill to organize environmental agencies into a cabinet-level Department of Environment and Oceans. The bill would combine a number of existing government agencies, including the Environmental Protection Agency, the U.S. Geological Survey, the Bureau of Land Management and all research and regulatory functions relating to marine and coastal matters delegated to the Army Corps of Engineers.



Rep. Doug Barnard (D-Ga.)

Also expected for early consideration is an omnibus land use bill, bankruptcy legislation and the much-discussed lobbying act.

Preliminary work agendas for many Congressional committees have been circulated which indicate specific issues under consideration. Although obviously Congress' first priority will be stimulation of the flat economy, it is possible a number of title industry matters could be reviewed. These subjects include Torrens, Indian claims, McCarran-Ferguson, Section 13 of RESPA and lender pay.

The first undivided government in eight years will test the so-called "veto-proof" theory. The party line-up in the Senate will be the same as in 1974. There will be 62 Democrats (including Independent Harry Byrd of Virginia) and 38 Republicans. In the House, Democrats added three seats, raising their total to 293, compared with the GOP's 142.

Regarding political philosophy, the 95th Congress should see little change in either house. The Senate is likely to remain moderate. The House, which elected 67 freshmen, also has a middle-of-the-road look. It should be noted that more than 50 Congressional incumbents either didn't choose to run for re-election, lost primaries, sought other office or died. But, of those incumbents seeking re-election,



Rep. Thomas B. Evans, Jr. (R-Del.)

neither house expected to vary political philosophy greatly



Rep. James A. Leach (R-Iowa)



Rep. Edward W. Pattison (D-N.Y.)



Sen. Howard Metzenbaum (D-Ohio)

only two were defeated from the activist, Watergate, 1974 freshman class.

Eleven new members, including a former Maryland insurance commissioner and a Georgia banker have been named to the House Banking, Finance and Urban Affairs Committee. The Democratic members are:

Edward W. Pattison (N.Y.) Pattison is 44 years old and is in his second term as a representative from the Troy, N.Y. area. He is one of two re-elected members who are going on the Banking Committee for the first time.

Herman Badillo (N.Y.) He is in his fourth term representing the Bronx. Badillo is especially concerned with the plight of the inner city.

Doug Barnard (Fa.) He was the executive vice president of the Georgia Railroad Bank & Trust Co. He succeeds the retired Rep. Robert G. Stephens, Jr., a strong supporter of the RESPA modifications.

John J. Cavanaugh (Neb.) He is a lawyer and a former member of the Nebraska State Senate.

Wes Watkins (Okla.) Watkins succeeds retired Speaker of the House Carl Albert in representing Oklahoma's Third District. He is a home builder and real estate sales-

man and is familiar with the title insurance business.

Jim Mattox (Tex.) He is a lawyer and a former Texas House member. His fellow freshmen colleagues named him temporary chairman of the 47 first term House Democrats.

Mary Rose Oakar (Ohio) She is a former member of the Cleveland City Council and crusaded for neighborhood preservation and more inner city police protection.

Bruce F. Vento (Minn.) He succeeds Rep. Joseph E. Karth, the powerful Ways and Means Committee spokesman. Vento was a member of the Minnesota legislature and a high school science teacher.

The new Republican members are:

Newton I. Steers, Jr. (Md.) Steers is a former state insurance commissioner who is familiar with title company operations and rate structures. He also served as Maryland assistant secretary for licensing and regulation with regulatory jurisdiction over banks, savings and loan associations and the real estate industry.

James A. Leach (Iowa) He has previous government experience working as an administrative assistant to then-Director of the Office of Economic Opportunity

(OEO) Donald Rumsfeld. More recently, he served at the request of former President Ford on the U.S. Advisory Commission on International Education and Cultural Affairs. He was also a FHLBB director for Iowa, Minnesota, Missouri, North Dakota and South Dakota.

Thomas B. Evans, Jr. (Del.) Evans has considerable background in real estate and mortgage banking. He served as co-chairman of the Republican National Committee from 1971 to 1973.

Bruce F. Caputo (N.Y.) A former New York state assemblyman, he served for two years in the office of Defense Secretary Robert McNamara.

Harold C. Hollenbeck (N.J.) Hollenbeck is a lawyer who served in the New Jersey State Senate from 1972 to 1973. He is 38 years old and will represent the East Rutherford area.

On the Senate side, the Democratic caucus has named two of its freshman members to sit on the Senate Banking Committee. Senators Howard Metzenbaum of Ohio and Malcolm Wallop of Wyoming are the only new additions to the committee.

Although the make-up and political philosophy of the House and

(continued on page 12)

Editor's note: One of the major accomplishments of the ALTA Government Relations Committee in 1976, the first year of its existence, was development and publication of *The Title Industry: White Papers, Volume 1*. Nine thousand copies of the book are in circulation. The five chapters of *The Title Industry: White Papers* cover the nature of and need for title insurance services; the importance of title insurance in the availability of mortgage funds and in the development of the secondary mortgage market; the benefits of title insurance; popular misconceptions of the title industry, and the Torrens System. What follows is Chapter One entitled, "The Nature of and Need for Title Insurance Services." The remaining four chapters of Volume One also will be reprinted in *Title News* this year.



The nation's title insurance companies provide essential services to sellers and buyers of real estate, to real estate developers and builders, to mortgage lenders and real estate brokers and to many others who have an interest in real estate transfers. The services provided by these companies may vary somewhat from one area of the country to the other, reflecting the different laws, customs and procedures of the various states and counties throughout the nation. But the essential purpose of these services is the same — to assist all of the parties in real estate transactions by ensuring that the acquisition or transfer of their interests in the property can be effected with a maximum degree of efficiency, security and safety.

The nature of and need for title insurance services

The nature of the services provided by title insurance companies reflect the unique nature of real estate in our society: the purchase of residential real estate is usually the most expensive and long-term financial undertaking an individual or family ever makes. Most importantly, our system of law recognizes far more rights and interests in real estate (life estates, future interests, subsurface rights, rights-of-way, easements and liens, just to name a few) than it does in any type of personal property, such as an automobile.

As a result of its unique attributes, those who have an interest in real estate — particularly the seller, the buyer and the mortgage lender — are properly concerned that their rights and interests in the property are clear at the time the property is purchased, that the transfer is effected expeditiously and correctly, and that their interests in the property are safeguarded to the maximum extent possible. The services provided by title insurance companies are designed to further these goals.

Historical development

The need for title insurance arose historically from the fact that traditional methods of conveying real property did not provide adequate safety to the parties involved. Until a century ago, transferring title to real property was handled primarily by conveyancers, who were responsible for all aspects of the transaction. The conveyancer conducted a title search to determine the ownership rights of the seller and any other rights, interests, liens or encumbrances that might exist with respect to the property, and, based on his search, provided a signed abstract (or description) of the status of the title. Although the conveyancer was generally not a lawyer, he was recognized as an authority on real

estate law. The origin of title insurance is directly traceable to the limited protection that the work of such a conveyancer provided the purchaser of real property.

In 1868, the famous lawsuit of *Watson v. Muirhead* (57 Pa. 161) was filed in Pennsylvania. In that case, Muirhead, a conveyancer, had searched and abstracted a title for Watson, the purchaser of a parcel of real estate. In good faith and after consulting an attorney, Muirhead chose to ignore certain recorded judgments and to report the title as good and unencumbered. On the basis of Muirhead's abstract, Watson went ahead with the purchase, but was subsequently presented with, and required to satisfy, the liens that Muirhead had concluded were not impairments of title. Watson sued Muirhead to recover his losses, but the Pennsylvania Supreme Court ruled that there was no negligence on the conveyancer's part and dismissed the case. Watson, an innocent purchaser who had suffered financial damages because of the encumbrances of his title, had no recourse.

The decision in *Watson v. Muirhead* demonstrated clearly that the existing conveyancing system could not provide total assurance to purchasers of real property that they would be safe and secure in their ownership. As a result of that decision, the Pennsylvania legislature shortly thereafter passed an act "to provide for the incorporation and regulation of title insurance companies". On March 28, 1876, the first land title insurance company, The Real Estate Title Insurance Company, was founded in Philadelphia. During the next few years, title insurance companies were organized in other cities throughout the country, including New York, Chicago, Minneapolis, San Francisco and Los Angeles.

The purpose of the then infant profession of land title insurance was expressed in the initial advertisement of The Real Estate Title Insurance Company: "This Company insures the purchasers of real estate and mortgages against loss from defective titles, liens,

and encumbrances. Through these facilities transfer of real estate and real estate securities can be made more speedily and with greater security than heretofore.”

While the nature and complexity of real estate titles and transfers have increased immeasurably since that time (as a result, in part, of the greater number of interests and rights that are now recognized in real property) and while the services provided by title insurance companies have expanded and adapted to these changing needs of our society, the same goals are still sought by title insurance companies today.

Nature of title insurance

Title insurance — the primary service offered by the title insurance industry — differs significantly from other forms of insurance in many respects. While the function of most other forms of insurance is risk assumption — that is, to provide financial indemnity through a pooling of risks for losses arising out of an unforeseen future event (such as death or accident) — the primary purpose of title insurance services is to eliminate risks and prevent losses caused by defects in title arising out of events that have happened in the past. That is not to say that title insurance companies do not assume risks and do not provide financial indemnity to policyholders in the event of losses, for they certainly do both. Rather, it is to say that a basic function of a title insurance company is to take affirmative steps that will minimize the risk that a policyholder will suffer any loss or be subject to any adverse claim, as well as to safeguard his ownership of or claims in the property. (If title problems do arise in spite of this preventive work, title insurance will pay for the costs of defending against an attack on the title as insured as well as any valid claims.) In many ways, the fact that a title insurance company suffers few losses is solid evidence that the company is performing an effective job in eliminating the risks of home ownership or mortgage lending.

To achieve its risk-elimination goal, a title insurance company before issuing a policy will perform or have performed for it an extensive search of the relevant public records to determine whether any person other than the seller (including a government entity) has any right, lien, claim or encumbrance that must be taken into account. Once all of the rights and claims are determined on the basis of an analysis or examination of the title, a policy of title insurance will be issued for a modest, one-time premium. There are no continuing, periodic payments as there are with most other forms of insurance. In the case of the home owner, an owner's title insurance policy will safeguard the insured for as long as he and his heirs or devisees have an interest in the property, rather than for a specified, limited term, as with most other forms of insurance. In the case of a lender's policy, protection is afforded as long as the mortgagee has an interest in the property.

Claims against title, even when they are without merit, frequently involve lengthy and expensive litigation, and a unique aspect of the protection offered by a title insurance policy is that the expenses of a defense against such claims are borne entirely by the title insurance company.

Risk elimination aspects

The risk elimination aspects of title insurance benefits the policyholder in two ways. First, it minimizes the chances that adverse claims will be raised against his title — claims that might jeopardize his ownership or use of the property. Second, the minimization of title risks reduces the number of claims that arise and have to be defended against or satisfied by the title insurance company, thereby keeping down the costs, and thus the premiums, of title insurance companies.

It is because of this goal of risk elimination that title insurance companies undertake a thorough search of all public records affecting a title before issuing title insurance policies. (Of course, not all risks can be eliminated by such



a search, since certain title problems, such as forgeries, mistakes in the public records and other non-record defects, cannot be determined even on the basis of a most painstaking search.) This search can be very complex because in most areas of the country the relevant records are not kept in one place; they may be located in various federal, state, county and municipal facilities.

Once the documents and information gathered by the search are collected, they must be analyzed and evaluated by experts to determine the status of the title and the claims, rights or encumbrances that might be asserted with respect to the property. Rights and claims revealed by the search and examination may be cleared away by the attorneys for the parties or accepted by the parties as limitations on the title, in which case they are excepted as known risks from coverage in the title insurance policy. Certain claims — those which involve a remote chance of loss or which are likely to be successfully opposed — may be insured against by the title insurance company even though, in general, the insurer will not assume known risks, just as a fire insurance company will not write a fire insurance policy on a building that is burning.

This risk elimination functions performed by a title search and examination prior to the issuance of a title insurance policy account for the overwhelming proportion of the costs incurred and revenues realized by title insurance companies. But these costs are well worthwhile, not only because they result in substantial savings

in expenses that would otherwise be incurred in satisfying claims and in defending against adverse claims, but because the title search and examination can reveal potential title problems before the transaction is consummated and enable the experienced professionals in the title company to assist the buyer and seller in reaching a solution to these problems. The files of title companies are replete with examples of how title insurance companies have provided such assistance:

- In Texas, a buyer was about to close on a real estate purchase when a title search of the public records disclosed pipeline, electrical utility, flood and road easements across the property — easements that could have limited severely the buyer's use of the real estate. Moreover the search revealed that previous owners of the property had reserved the mineral rights that might be on the property. When presented with these findings by the title insurance company, the buyer decided not to proceed with the purchase.

- In another transaction, the title search revealed that the two acres of land being purchased were at one time part of a five-acre tract and that a prior deed to the five acres contained a restriction prohibiting the use of the property for any purpose other than "a single family dwelling and the usual out-buildings." Since the remaining three acres already had a single family dwelling on it, there was a serious question as to whether the purchaser could construct a home on the two acres he was purchasing without the danger of a title challenge under the old deed restriction. With the assistance of the title company, releases were obtained from all the owners who had acquired the property from the owner of the original five acres. The potential problem was thus avoided and the purchase consummated.

The search and examination of title records prior to the issuance of a title insurance policy may be performed by different persons or entities in different parts of the country. The search may be performed by title insurance company

personnel, either on the basis of the public records themselves or on the basis of information gathered, reorganized and indexed in the title company's plant. (A "title plant" contains virtually complete information from the numerous public records affecting real estate titles that has been reorganized and indexed in a manner that enables a title search to be performed in a fraction of the time and with greater accuracy than could a search of the public records directly.) In some areas of the country, the search may be performed by local abstracters or abstract companies, with the results of that search examined by a local attorney or an attorney working directly for a title company. In still other parts of the country, a local attorney may perform both the search and the examination.

In areas of the country where title insurance companies maintain direct operations through branch offices, in addition to providing title insurance protection title insurers also may perform other ancillary services to assist the

buyer, seller and lender in the settlement process. These services may include acting as escrow agent, obtaining releases and conducting the actual closing or settlement.

(continued on page 13)

Peninsular Title moves office to Ft. Lauderdale

The Peninsular Title Insurance Co. moved from Fort Lauderdale, Fla. to Jacksonville and is open for business at its new address, 631 Peninsular Place.

The new executive offices will be headed by James F. Covington, Jr., executive vice president and general counsel, under the direction of William H. McCracken, president, and Jack H. Quaritius, chairman of the board.

Peninsular Title is a member of the Peninsular Group of insurance companies of which Peninsular Life Insurance Co. is the parent company.

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left to right:
Vance Werner
Albert R. Riggs
William J. Rumsey
Richard H. O'Brien

left to right:
Joseph Bankosky
William H. Goodwyn, Jr.
Eugene Belcher
Robert B. Holmes

names in the news

First American Title Insurance Co. of New York has announced the appointments of two senior vice presidents. **Eugene Belcher** now serves as head of sales for all regions and **Richard H. O'Brien** is in charge of administration and New York State agents. O'Brien is also regional vice president of the parent company, First American Financial Corp. of Santa Ana, Calif.

American Title Insurance Co. Vice President **Albert R. Riggs** has been named manager of the New York Division for the Miami, Fla. based company. He succeeds **James W. Bray** who has retired. Riggs, who joined American Title in 1967, had been assistant manager of the division prior to his promotion.

William H. Goodwyn, Jr., has been elected a senior vice president of Lawyers Title Insurance Corp. and **William J. Rumsey**, vice president and assistant general counsel. Both are assigned to the company's home office in Richmond, Va.

Goodwyn joined Lawyers Title in 1961. Rumsey, who has been with the company since 1975, is its government affairs officer.

Commonwealth Land Title Insurance Co. has announced the appointments of two assistant vice presidents. **Joseph Bankosky**

of Brunswick, Ohio and **Vance Werner** of Franklin, Wis. will assume the duties of assistant vice president in the Cleveland and Wisconsin offices respectively.

Werner has been with Commonwealth three years. Bankosky formerly worked for Union Title Guaranty Co. and Investors Diversified Services.

Robert B. Holmes has been named executive vice president and chief financial officer for Ticor. He will be responsible for planning and directing financial operations throughout the Ticor system. Holmes has been a general partner with Lazard Freres & Co., international investment bankers in New York, which he joined in 1964.

Robert L. Manuele has joined St. Paul Title Insurance Corp. as senior vice president, underwriting. He comes to St. Paul Title from Title Insurance of Minnesota where he was vice president and associate general counsel for the past four years.

Since the retirement of **Ray L. Potter** at St. Paul Title, **Allen E. Priestly** has served in the dual capacity of senior vice president, legal and underwriting. He remains as senior vice president and general counsel.

The former unit manager in the Milwaukee office of Chicago Title Insurance Co., **Donna M. Blatecky**, has been appointed assistant secretary. In the same office, **Eugene J. Ouchie**, title officer, has been appointed divisional counsel for the Wisconsin Division.

Commonwealth buys Houston firm

Louisville Title Co. of Houston, Texas has been purchased by Commonwealth Land Title Insurance Co. for an amount exceeding \$2.5 million, it was announced by Commonwealth President Fred B. Fromhold.

The newly acquired company will retain its management group, headed by W. Paul Holladay, Jr., president, and will function as a subsidiary of Commonwealth, Fromhold said.

The subsidiary, which employs more than 100 persons, will continue to operate from five offices located throughout the greater Houston area.

Louisville Title has been in existence for nearly two decades and in recent years has become one of the largest agencies in the Commonwealth family.

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Ticor subsidiary to change hands

The TI Corp. (Ticor) announced it has reached an agreement in principle with Merrill Lynch & Co. concerning the sale of Ticor Relocation Management Co., a Ticor subsidiary, for \$14.2 million in cash plus one-half of the subsidiary's net income in excess of \$1 million in each of 1977, 1978 and 1979. Ticor Relocation is headquartered in White Plains, N.Y. and offers employee transfer and related services.

The transaction, which is subject to the completion of a definitive agreement and to the approval of the boards of directors of both companies, is expected to be completed during the first quarter of 1977.

Lawyers Title acquires company in Chattanooga



Lawyers Title Insurance Corp. purchased the stock of Lawyers Title of Chattanooga, Inc., and made it the company's first branch office in Tennessee. Ann C. Llewellyn was elected manager of the branch.

Ms. Llewellyn has been with Lawyers Title of Chattanooga since its inception in 1974 and has been in the title insurance business for 16 years.

congress—(concluded)

Senate Banking committees have not changed drastically, the lineup of the Congressional leadership for the 95th Congress has. A number of new faces will assume Congressional and party leadership roles. The following is a list of Congressional and party leaders. An asterisk denotes a new leader.

House Democrats

- *Speaker—Thomas P. O'Neill, Jr., of Massachusetts
- *Leader—Jim Wright of Texas
- *Whip—John Brademas of Indiana
- *Caucus Chairman—Thomas S. Foley of Washington

House Republicans

- Leader—John J. Rhodes of Arizona
- Whip—Robert H. Michel of Illinois
- Conference Chairman—John B. Anderson of Illinois
- *Policy Committee Chairman—Del Clawson of California

Senate Democrats

- President Pro Tempore—James O. Eastland of Mississippi
- *Leader—Robert C. Byrd of West Virginia
- *Whip—Alan Cranston of California
- *Policy Committee Chairman—Byrd
- *Caucus Chairman—Byrd
- *Secretary—Daniel K. Inouye of Hawaii

Senate Republicans

- *Leader—Howard Baker of Tennessee
- *Whip—Ted Stevens of Alaska
- Policy Committee Chairman—John Tower of Texas
- Conference Chairman—Carl Curtis of Nebraska
- *Conference Secretary—Clifford Hansen of Wyoming

In conclusion, because of the pre-occupation Congress will have with economic policy, it is unlikely that any major financial or real estate legislation will be approved in 1977. Nevertheless, ALTA members should continue to be cognizant of what is happening in Washington because of the ever-increasing inroad that federal laws are making in our business and personal lives.

Lehr elected NLTA president

James E. Lehr was elected president of the Nebraska Land Title Association. He is president of Hamilton and Johnson, Inc. of Wahoo.

Two new persons were elected to the organization's board of directors. They are Don Calkins of Alma and Yvonne Koizan of Gordan.



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New state office opens in Houston



Commonwealth Land Title Insurance Co. has established a new state headquarters office in

Houston, Texas. James H. Garst, Commonwealth vice president, will be in charge of operations throughout the state from the new location at 2000 S. Post Oak Rd. He succeeds Tom Hart as the Commonwealth Land Title state manager.

Security purchases Leamer Abstract

Security Land Title Co. President Joseph McNamara announced that his Omaha, Nebraska company purchased the Leamer Abstract Co. in South Sioux City.

Charlotte I. Richards, manager of Leamer Abstract, will continue in that capacity, McNamara said. The office will be relocated to 2015 Dakota Avenue.

Leamer Abstract was founded in 1916 by George W. Leamer and is one of the oldest businesses in Dakota County.

white papers—(concluded)

Conclusion

Title insurance services are designed to afford home owners, lenders and others with interests in real estate the maximum degree of protection from adverse title claims or risks. The financial assurance offered by a title insurance policy — both in satisfying any valid claims against the title as insured and in defraying the expenses of defending against any attacks on the insured title — is, of course, a key aspect of this title protection. The risk elimination aspects of the title search and examination, performed as a prerequisite to the issuance of a title insurance policy, are equally important, however, since they ensure that all parties have a clear understanding of their interests *before* the transaction is consummated and enable the parties to resolve potential title claims before they result in losses.

Schwerdel to head Connecticut office



State manager for the newly opened Connecticut office of First American Title Insurance Co. of Santa Ana, Calif. will be Charles N. Schwerdel. The office is located at One Landmark Square in Stamford.

Schwerdel, also a company vice president, comes to his job in Connecticut with close to 30 years experience in the title business in three states.

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ALTA action



Moving day for the ALTA Washington, D.C. headquarters has been set for this spring. The office will be moved to a larger area on the seventh floor of the same building at 1828 L Street, N.W. The exact moving date is dependent upon when remodeling of the new space is completed.

The relocation will bring all staff operations under one roof. Currently, the research and state governmental affairs departments are housed in a nearby building.

ALTA has established a special committee to be concerned with the problem of Indian claims. The Special Committee on Indian Claims will be chaired by Marvin C. Bowling, Jr. of Lawyers Title Insurance Corp.

Committee members are Oscar H. Beasley of First American Title Insurance Co., Hollis L. Carlile of Title Insurance and Trust Co., Robert T. Haines of Chicago Title Insurance Co., Frederic Hofmann of American Title Insurance Co. and Irving Morgenroth of Commonwealth Land Title Insurance Co.

An upcoming issue of the *Mortgage Banker* which will focus on title insurance was among agenda items at a recent meeting of the ALTA Liaison Committee with the Mortgage Bankers Association of America (MBA) and MBA representatives.

Discussion of the ALTA Closing Protection Letter also was a part of the February 2-3 meeting in Houston, Texas.

Attending the meeting from the ALTA Washington office was Executive Vice President William J. McAuliffe, Jr.

The Title Industry Political Action Committee (TIPAC) Board of Trustees requests that ALTA members review the TIPAC folder which asks permission of corporate members to make PAC contributions. Any questions regarding the Federal Election Committee's interpretation of the recently-passed Congressional PAC law may be directed to TIPAC Executive Secretary Mark E. Winter at ALTA headquarters.

The lead article in the January issue of *Realtor* magazine, authored by ALTA Executive Vice President William J. McAuliffe, Jr., stated that Realtors and Realtor-Associates, from their front row position in the residential market, can be at the vanguard of improving public understanding of title insurance and other settlement services.

Better consumer understanding of title insurance will make the public less susceptible to counterproductive legislative and regulatory proposals which will only add to the problems and expense of settlement, the article concluded.

Other important aspects of title insurance, including major benefits that title insurance offers home buyers in 1977 were covered in the article.

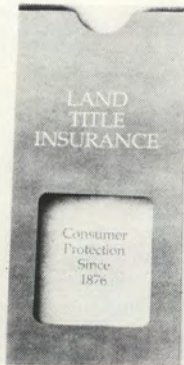
The January issue was devoted almost entirely to articles on title insurance protection. The magazine is published by the boards of Realtors in the Washington, D.C. area.

Also featured in the same issue were articles by the following national capital area titlemen: Samuel R. Gillman, Ralph C. Smith, Carl E. Boggs and Jerome Malin.

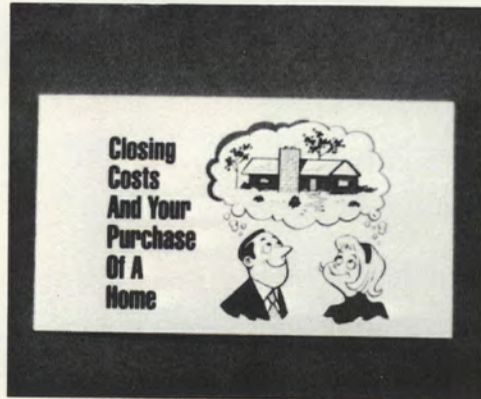
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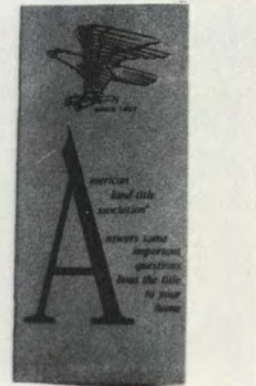
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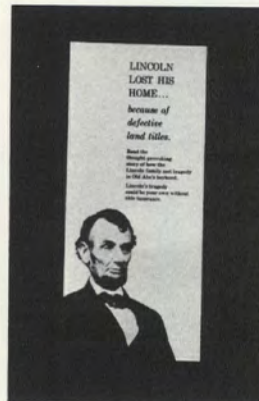
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THE IMPORTANCE OF THE ABSTRACT IN YOUR COMMUNITY. An effectively illustrated booklet that uses art work from the award-winning ALTA film, "A Place Under The Sun," to tell about land title defects and the role of the abstract in land title protection. Room for imprinting on back cover. \$23.00 per 100 copies.

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Calendar of Meetings

March 2-4, 1977

ALTA Mid-Winter Conference
South Coast Plaza Hotel
Costa Mesa, California

April 14-16, 1977

Oklahoma Land Title Association
Skirvin Plaza Hotel
Oklahoma City, Oklahoma

April 28-30, 1977

Arkansas Land Title Association
Holiday Inn, Lake Hamilton
Hot Springs, Arkansas

May 1-3, 1977

Iowa Land Title Association
Eddie Webster's Inn
Des Moines, Iowa

May 5-8, 1977

Texas Land Title Association
St. Anthony Hotel
San Antonio, Texas

May 12-14, 1977

New Mexico Land Title Association
Four Seasons Motor Hotel
Albuquerque, New Mexico

May 12-14, 1977

Washington Land Title Association
Sheraton Hotel
Spokane, Washington

May 22-24, 1977

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

June 5-7, 1977

Pennsylvania Land Title Association
Hotel Hershey
Hershey, Pennsylvania

June 5-8, 1977

New England Land Title Association
Bretton Woods
Mount Washington, New Hampshire

June 11, 1977

ALTA Executive Committee Meeting
The Broadmoor
Colorado Springs, Colorado

June 16-18, 1977

Michigan Land Title Association
Grand Hotel
Mackinac Island, Michigan

June 16-18, 1977

Oregon Land Title Association
Sunridge Inn
Baker, Oregon

June 17-18, 1977

South Dakota Land Title Association
Kings Inn
Pierre, South Dakota

June 17-19, 1977

Illinois Land Title Association
Hyatt Regency Chicago
Chicago, Illinois

July 18-21, 1977

New York Land Title Association
Playboy Resort, Great Gorge
McAfee, New Jersey

July 28-30, 1977

Colorado, Idaho, Utah and Wyoming
Land Title Associations
Ramada Snow King Inn
Jackson, Wyoming

August 11-13, 1977

Montana Land Title Association
Fairmont Hot Springs Resort
Butte, Montana

August 12-14, 1977

Kansas and Missouri Land Title
Associations
Crown Center Hotel
Kansas City, Missouri

August 25-27, 1977

Minnesota Land Title Association
Holiday Inn
Moorhead, Minnesota

September 8-10, 1977

North Dakota Land Title Association
Grand Forks, North Dakota

September 11-13, 1977

Indiana Land Title Association
Hyatt Regency
Indianapolis, Indiana

September 22-23, 1977

Wisconsin Land Title Association
Telemark Lodge
Cable, Wisconsin

September 24-25, 1977

Carolinas Land Title Association
Wrightsville Beach, North Carolina

September 29-30, 1977

Nebraska Land Title Association
Ramada Inn West
Omaha, Nebraska

October 12-15, 1977

ALTA Annual Convention
Washington Hilton
Washington, D.C.

November 30, 1977

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