
MAR
1977

Title News



**In this issue:
Title industry
affirmatively represented
at Seattle
housing conference**



**a message
from the
Chairman, Title
Insurance &
Underwriters
Section . . .**

If having the attention of Congress, the Federal Trade Commission, the Nader group and state regulators is any test, then the title industry has certainly come of age. In this environment we can all be thankful that the American Land Title Association has likewise come of age.

Less than 10 years ago when our industry began to feel the effects of Congressional inquiry, we were in the position of reacting to developments affecting our industry instead of anticipating and influencing them. As common industry problems evolved into crises, our modus operandi was to respond to the crisis, not prevent the problem from reaching the crisis stage.

Today a well-trained, experienced Washington staff provides facts, recommendations, guidance and hard work as a part of our successful effort to anticipate trends and work intelligently with them. With these alert and hard-working officers, committees and staff, it is highly unlikely that our industry will be caught unprepared to deal with a common problem.

The title industry has been and will continue to be under attack by individuals, groups and governmental authorities who have neither the facts nor an understanding of our very complex business.

In this country where property rights are properly protected by the Constitution, our business has a place which is both invaluable and undeniable. The defense of that business for our own pecuniary reasons may be understandable, but it is scarcely convincing to our critics. We must promote and explain as well as defend our industry because it is a sound, essential and valuable part of the complex American economic system.

Through participation in ALTA activity, members of our industry will continue to prevail over common problems. Let's all get aboard.

Sincerely,

Robert C. Bates

Robert C. Bates

Title News



Features

Titlemen advance strong arguments against Torrens at conference in Seattle	4
Importance of title insurance in availability of mortgage funds and in development of the secondary mortgage market	9
ALTA affirms support of 'Q'	11

Departments

A message from the chairman, title insurance and underwriters section	inside front cover
Names in the news	12
ALTA action	14
Calendar of meetings	back cover

On the cover: This collection of photos represents a cross section of title industry activities at the recent Federal Trade Commission and city department of licenses and consumer affairs conference on title insurance in Seattle. Titlemen pictured in the upper left photo in a panel during the meeting are (from right) Erich E. Everbach and John E. Hall. Seated next to Hall is Brook Stanford of KOMO-TV and Sally Gene Mahoney of the Seattle *Times*. Going over remarks before the conference in the upper right photo are (from left) Robert McAuliffe, Richard A. Hogan and Warren S. Olson. To the left in the center row of photos is the 606-foot-tall Space Needle, frequently identified with the King County area. At the right of the Space Needle are (from left) WLTA President R.C. Kissling, Richard C. Mohler and Everbach. In the bottom left photo, Ronald G. Gandrud discusses aspects of the meeting with Hogan (center) and Hall. The story begins on page 4.

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Titlemen advance strong arguments against Torrens at conference in Seattle

Land title industry presentations stressed advantages of the present recordation-title insurance system over Torrens land registration during a local housing conference January 11-13 in Seattle. Sponsors of the event were the Federal Trade Commission regional office and the city department of licenses and consumer affairs.

FTC Regional Director and conference moderator William C. Erxleben led off the title insurance segment of the meeting with a quote from U.S. Supreme Court Chief Justice Warren Burger who was credited with saying, "The basic system of real estate titles and transfer cries out for re-examination and simplification." Erxleben went on to state that one of the purposes of the conference was to attempt in part "that re-examination and to propose possible simplification."

Three housing topics

The overall conference program was divided into three subject areas—all to be examined in the context of King County, Washington. They were real estate brokerage, title insurance and housing problems of the elderly.

Although billed as a conference, the meeting took on aspects of a hearing characterized by interrogation from government personnel.

At the request of Washington Land Title Association President R. C. Kissling, president of Fidelity Title Co., Yakima, ALTA representatives joined those from the state affiliate in making presentations at the meeting and otherwise providing assistance. Land title industry spokesmen countered the position of registration advocates and advanced strong reasons for maintaining the existing system instead of expanding the Torrens

registration system already established in the state.

In his remarks, WLTA Past President Richard A. Hogan, vice president of Pioneer National Title Insurance Co., Seattle, pointed out that the existing method allows prompt, safe land transfer without excessive government intervention or unreasonable expense to taxpayers. He said the combined cost for lender's and owner's title insurance in a typical \$43,000 residential purchase in the Seattle area is \$276.25—less than one per cent of the selling price of the home.

In his concluding remarks Hogan said, "Title insurance is by far the best answer to the need for protecting individual interests in real estate in our nation. It is well established, coverage is being expanded and its cost is paid by the parties in the real estate transactions and not by the general public."

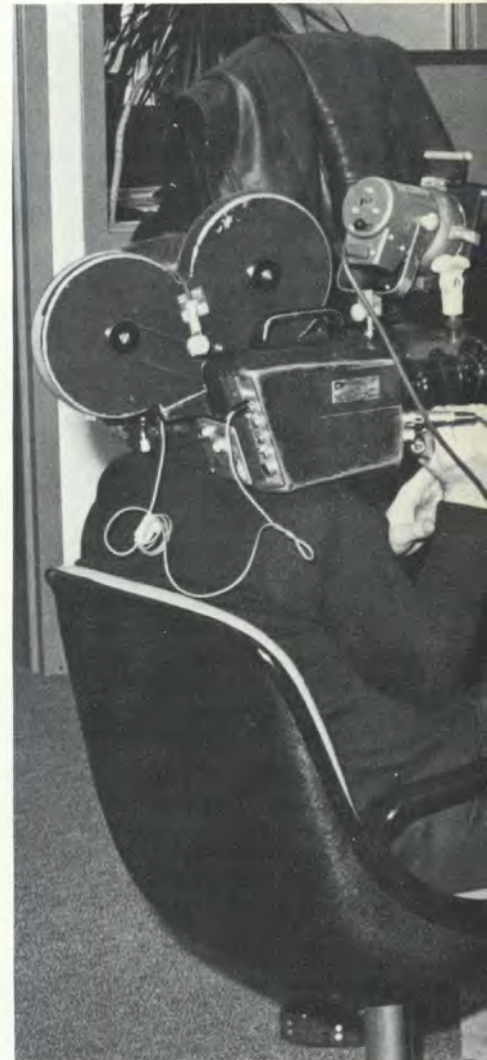
Hogan estimated that registering all King County real estate in a Torrens System would cost local taxpayers or property owners a minimum of \$200 million. He said this figure does not include county organization and operating costs and is predicated on the assumption there would be no opposition in court proceedings necessary for the conversion—which would not necessarily be the case.

Washington state has had a voluntary Torrens System since 1907, Hogan said, but less than one per cent—about 5,000 parcels of its real property—has been entered in the Torrens System since that time.

News coverage of conference activity concerning the title industry was balanced and countered pro-Torrens views. Brook Stanford of KOMO-TV in Seattle interviews Ronald G. Gandrud.

"Experience has shown that our present system of land transfer and title insurance generally works well in spite of its imperfections. Title insurance has frequently been requested as protection in transactions under the Torrens registration system—in the relatively few locales across the nation where this approach is used," Hogan said.

A titleman from Minnesota—one of the few areas where Torrens is



used with some frequency—was among the title industry spokesmen at the conference. Ronald G. Gandrud, vice president and assistant counsel of Title Insurance Co. of Minnesota, stated that, although 40 per cent of the real estate in Hennepin County, Minnesota (Minneapolis) is registered in a state government system, this has not changed the need for title insurance. In fact, he added,

title insurance remains essential in Minnesota because of the gaps in protection offered by the registration system.

"It is important for the consumer to be aware of the fact that many liens affecting the land's legal status do not come to the consumer's attention under a land registration system," Gandrud said. He cited federal tax liens and bankruptcy matters as two examples of items

not appearing on the certificate of title under Torrens in Hennepin County. Mechanic's lien rights for work performed within 90 days do not have to be reflected on the certificate, he added.

Time and money

He estimated that registration in Minnesota typically takes a minimum of six months and costs at least \$500. If there are boundary problems or many claimants, it can cost up to \$2,000 and take two years, during which time the Torrens property cannot be sold.

Gandrud concluded by saying, "There are a number of steps that can be taken within the framework of the free enterprise system that will simplify the examination and conveyancing of title." Examples he cited were improved curative acts barring old title defects and a streamlining of forms and recording procedures, which he said will simultaneously preserve the common law rights people presently possess in real estate and offer the best possible protection to buyers in the form of a title insurance policy issued by a private and competitive title insurance company.

In an open discussion period of the conference, John E. Hall, senior vice president for Transamerica Title Insurance Co., San Francisco, exchanged views with Professor Dale A. Whitman of Brigham Young University Law School, Provo, Utah, and a consultant to the Department of Housing and Urban Development, and Dr. R. K. Bartlett, FTC economist. The San Francisco titleman commented on title insurance market structure and emphasized that rate of return on assets, rather than pre-tax operating margins, is a more valid indicator of title insurer profitability.



Lender pay issue raised

Dr. Bartlett alleged that title companies in the King County area are intensely aware of what competitors are doing and said this is reflected in similarity of pricing for title services.

The FTC economist questioned the viability of the title insurance industry in view of its modest profit levels.

Hall said that, while the price of a title policy varies with the particular type of policy, the cost of examination and production is relatively independent of policy size. In addition, he said the fixed costs of the

industry are based on title plant maintenance and administrative support services. Fixed costs, he said, are incurred in support of a volume of activity which is measured in terms of the number of policies produced.

Dr. Bartlett contended that requiring lenders to pay for ancillary real estate services would increase competition for those services—and said this would apply to title insurance.

Hall responded that similar pricing represents competition—not collusion. Prices fluctuate accord-

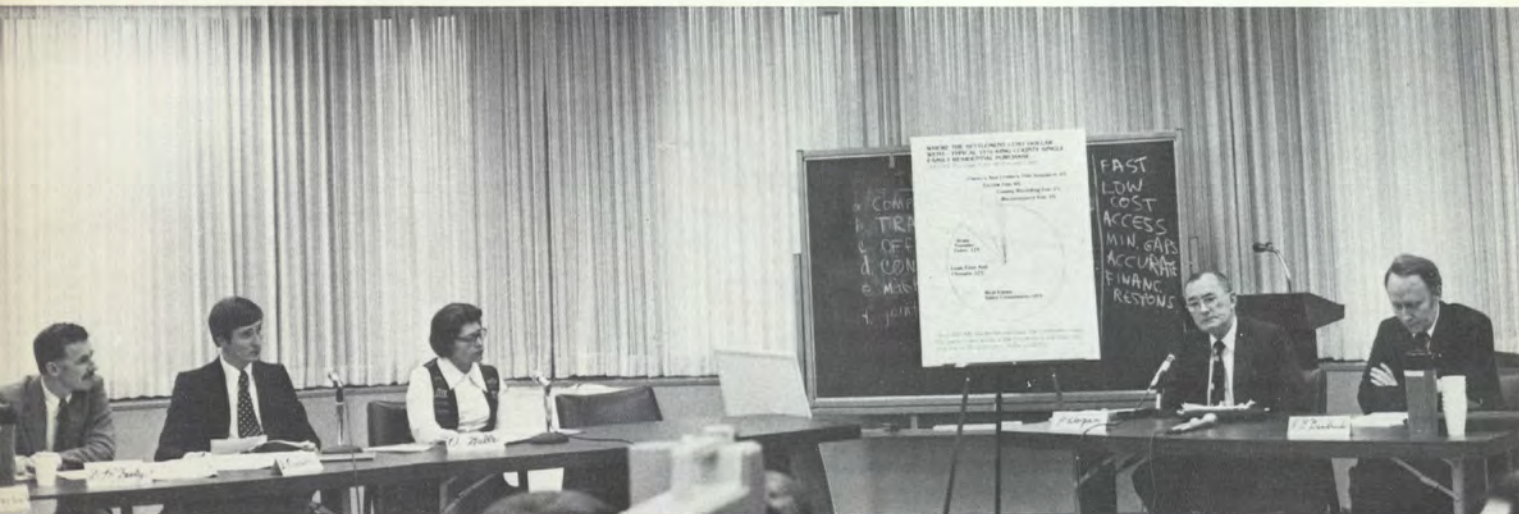
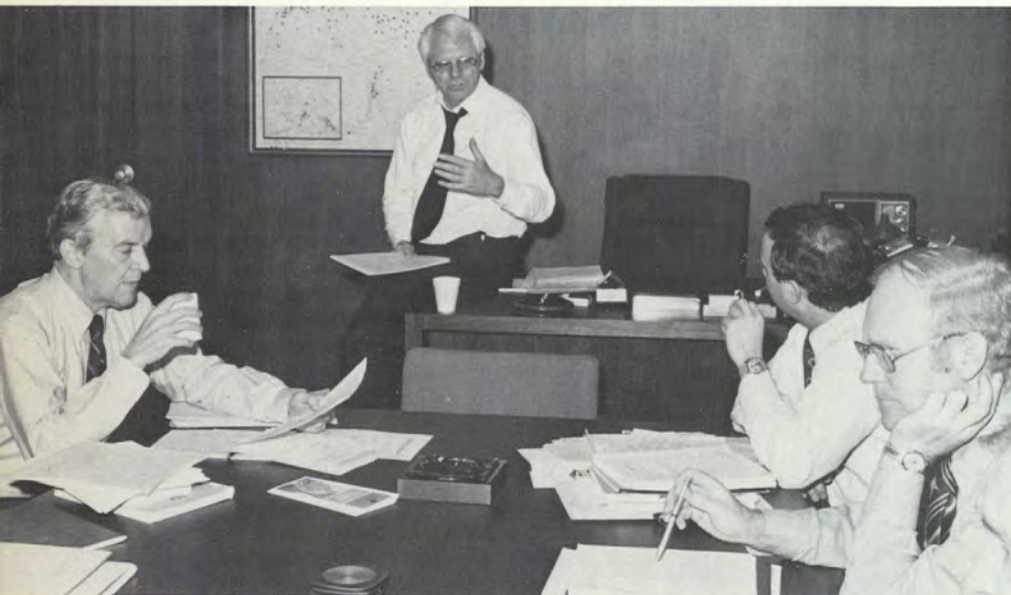
ing to the market place, he reminded.

Cost criticized

Although Professor Whitman conceded that the present system of land recordation and title insurance is effective in terms of speed, accessibility, accuracy and financial responsibility of title insurers, he criticized its cost. Earlier in the program, as Professor Whitman developed his arguments against the present system of land transfer, he suggested a number of approaches that he claimed would preserve the advantages of the present system while trying to reduce costs.

Among Professor Whitman's suggestions were lender pay and an improved Torrens System that he

Pictured below (left to right) as they hear title industry statements are Dennis McFeeley, FTC attorney; FTC Regional Director and conference moderator William C. Erxleben, and Mrs. Virginia Galle, director of licenses and consumer affairs. WLTA Past President Richard A. Hogan and Ronald G. Gandrud are seated at the opposite side of the blackboard as they give their statements. Mrs. Galle has resigned her position since the conference. Pictured in the photo at left as they prepare for the meeting are (left to right) John E. Hall, Richard C. Mohler, ALTA Director of Government Relations Mark E. Winter and Chairman of the ALTA Government Relations Committee Philip B. Branson.



Joint plants among 'tinkering' suggestions

claimed would make title insurance unnecessary if successfully implemented. He predicted that opposition elements probably would be successful in thwarting efforts to bring about a nationwide Torrens conversion.

Among "tinkering" suggestions for the existing system that Whitman offered are a majority that he said would require changes in state laws and court decisions. They include:

- Computerize indices for retrieval
- Switch from main index to tract index so entries are by parcel
- Eliminate off-record defects (Whitman alleged that nearly all of these can be eliminated.)
- Consolidate records into a single storage system and possibly convert to a cadastre system
- Use machine-readable input for public records and incorporate boiler plate in documents by reference
- Encourage joint plants or use of public recorder's office as a plant
- Enact marketable title acts (15-17 states now have these, mostly in the midwest. Some are not effective, he said, because of too many exceptions.)
- Title insurance policies should be formally assignable. Problems he outlined—the price of a house will go up when sold, needs more coverage, still would need down date of search but search should be shorter and cost less.

Attendance at the conference was limited, and the primary impression of the meeting was relayed to local residents through news media. Coverage of conference activity concerning the title business was balanced and effectively countered pro-Torrens views.

The local real estate brokerage industry did not fare as well in news accounts. It was contended at the conference that home buyers in the Seattle area really have only two choices when it comes to transferring real estate: They can obtain full services at seven per cent commission or they can handle the sale themselves.



Discussing plans for industry participation in the conference are (left to right) ALTA Director of Public Affairs Gary L. Garrity, WLTA President R.C. Kissling, Chairman of the ALTA Government Relations Committee Philip B. Branson and ALTA Director of Government Relations Mark E. Winter. In the lower photo, John E. Hall makes notes for his remarks at the conference.

Dr. Bartlett claimed each percentage point of a real estate sales commission represents \$5 million added to the cost of King County home transactions annually. According to Dr. Bartlett, more than 97 per cent of King County residential transactions are at the seven per cent commission rate.

Assistance cited

WLTA members rendering valuable assistance were Richard C. Mohler, Robert McAuliffe and William Mullen, all of Pioneer National Title Insurance Co., Seattle; Sherwood Norton of SAFECO Title Insurance Co., Seattle; Warren S. Olson of Transamerica Title Insurance Co., Seattle, and A.W. Moulton of First American Title Co. of Washington, Seattle.

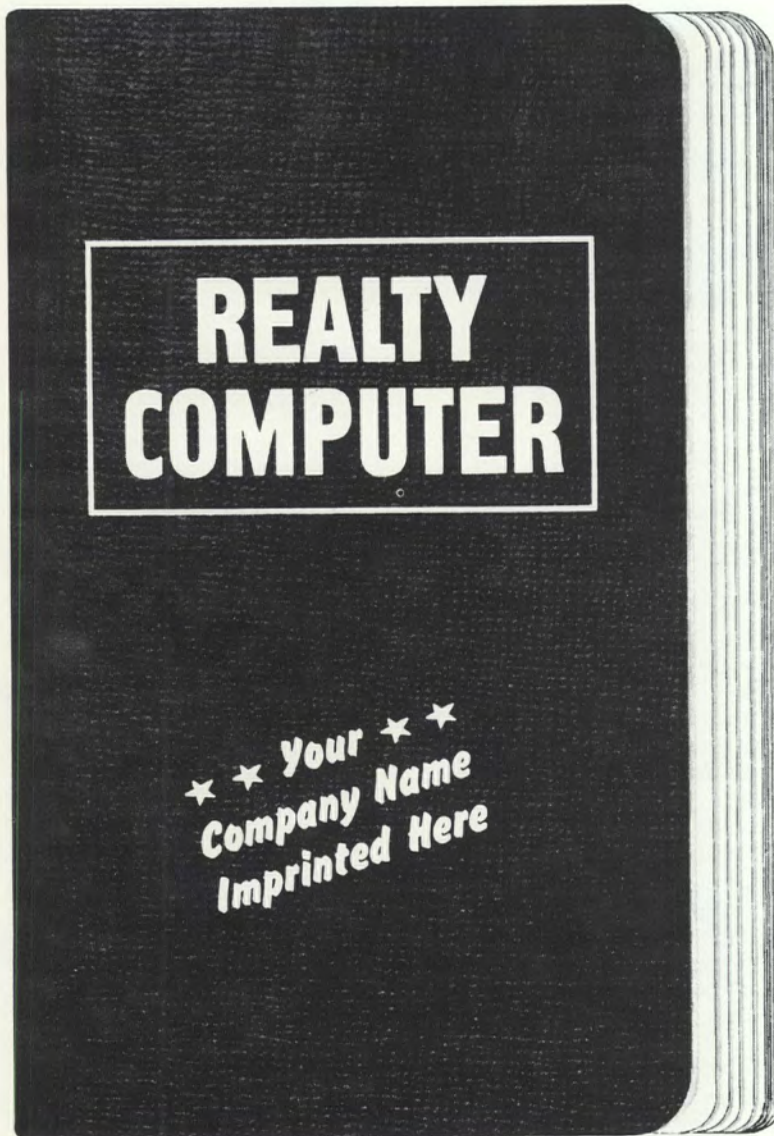
ALTA representatives lending assistance were ALTA Government Relations Committee Chairman Philip B. Branson of Title Insurance and Trust Co., Los Angeles and ALTA Committee to Establish Liaison with the National Association



of Insurance Commissioners member Erich E. Everbach of Pioneer National Title, Los Angeles.

Also on hand to assist were ALTA Director of Public Affairs Gary L. Garrity and Director of Government Relations Mark E. Winter. In addition to helping with preparations for the title industry side of the program, Winter acted as liaison with the Seattle FTC and city consumer affairs department staffs while Garrity carried on extensive contact work with electronic and print media.

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Editor's note: This is Chapter Two of *The Title Industry: White Papers, Volume 1*. The entire five-chapter volume will be reprinted in *Title News*. For Chapter One, see the February issue.

At the end of 1975, more than \$500 billion of mortgage loans encompassing all types of real property were outstanding throughout America. These loans represent the nation's single largest category of institutional investment. The enormous resource represented by the availability of these funds constitutes an essential ingredient in making home ownership a realizable dream for millions of low- and middle-income Americans and in ensuring the continued health of an essential part of the nation's economy—the real estate construction and related industries.

Two of the major reasons for the amazing growth and widespread availability of mortgage money in the United States are the fact that mortgage investment has been made relatively safe and secure, and the development since World War II of a nationwide secondary mortgage market.

The existence and use of title insurance has played an important role in both of these desirable developments.

The importance of title insurance in making mortgage investment relatively safe and secure

Because most mortgage lenders are financial intermediaries who are acting as fiduciaries in lending other people's money—depositors' funds in the case of savings and loan associations, mutual savings banks and commercial banks, policyholders' funds in the case of insurance companies, and employees' funds in the case of the pension and retirement funds—the relative safety of their investments is as important, perhaps more important, than the return that can be realized on the investments. In light of the alternative and relatively safe investment possibilities that are open to these financial intermediaries—government bonds and notes, high quality corporate bonds, etc.—it is imperative, if funds are to continue to be made available for real estate mortgages,

Importance of title insurance in availability of mortgage funds and in development of the secondary mortgage market

that these investments be made as safe and secure as possible.

It might be thought that mortgage loans are relatively safe since they are investments in land, and land is traditionally thought of as one of the most secure investments available. In many ways, however, the cornerstone of mortgage investing revolves *not* around land, but around the complex legal concept of *title*. The security a mortgage lender seeks is a valid first lien that will take priority over other claims and interests to the property and the assurance that the person to whom the loan is made has title to the real estate pledged as security. Both of these are title related issues and the commitment of mortgage funds would be nothing but a reckless gamble were it not underwritten by the assurance that the lender has a valid and enforceable lien and that the mortgagor has marketable title.

Whether the lender has a valid and enforceable lien and whether the borrower has marketable title are complex questions that depend on a thorough and accurate search of



the public records affecting land titles and an examination of the documents and claims that are revealed by that search. As has been discussed in the paper entitled "The Nature of and Need for Title Insurance," the various ways in which rights and interests in real property can be divided and subdivided, the enormous number of liens, claims and encumbrances that are recognized in real property and the numerous rights that persist in real property in favor of persons who may not have fully and legally relinquished their earlier claims, require that the determination of whether a title is marketable or whether a mortgage lien is valid and enforceable be undertaken with skill and care.

Prior to the advent of title insurance, these determinations were made exclusively by abstractors and attorneys. While the expert work of these professionals provided a satisfactory degree of title protection in the early development of our country when the volume of land transactions and frequency of real estate turnover was low, as the United States became more urbanized and developed, and as the problems of determining the myriad rights that a developing legal system permitted to exist in real property became more complex, the lender's need for greater protection became apparent.

The need for greater financial protection developed and exists for three primary reasons:

- The attorney or abstractor was liable only for negligence in performing the title search and examination.
- Even in those instances where the attorney or abstractor might be liable for financial loss suffered by a lender as a result of a title problem, the costs of obtaining a judgment and the risks of nonpayment of the judgment because of death or insolvency were great.
- The attorney or abstractor was not liable for losses arising from any title defect that could not be discovered from a search of the public records, and these so-called non-record defects (such as forgeries, missing heirs, errors in the interpretation of documents and errors in the recording of docu-

ments) were frequent causes of title losses.

A lender's policy of title insurance satisfies this need for greater protection in that the title insurance company is contractually liable for any losses insured against even if the loss was not the result of a negligent title search or examination; the title insurance company has perpetual existence and adequate reserves and solvency (which are subject to government regulation), thus ensuring that the title company will be able to meet its financial commitment many years after the transaction takes place, and a title insurance policy insures against numerous nonrecord defects, as well as those record defects that are not revealed by the title search.

As a result of the greater and more complete protection afforded by title insurance, one of the major drawbacks to mortgage lending—the risks of title related losses—has been removed, thus making mortgage lending substantially more attractive in relation to other potential investments that might be made by a lender.

Title insurance has made an invaluable contribution to the development and growth of the secondary mortgage market

One of the most dramatic and beneficial developments in the last several decades from the standpoint of maximizing the availability of home ownership to millions of Americans (and promoting the attendant benefits of real estate related activity to numerous other sectors of the nation's economy) has been the development and growth of the so-called secondary mortgage market.

Unlike the New York Stock Exchange and other organized trading markets where representatives of buyers and sellers come together in a single location, the secondary mortgage market consists of a complex network of organizations and intermediaries, and of various channels of communication, wherein lenders with funds to invest in one area of the country can utilize those funds to make or purchase mortgage loans



made on real property located in other areas of the country. The operation of this market may be as simple as a savings and loan association in California selling several mortgage loans to another savings and loan association in New York or as complex as the development and sale of GNMA mortgage-backed pass-through securities—securities that are guaranteed by GNMA and are backed by a pool of mortgages worth several million dollars.

The essential purposes of the secondary mortgage market are to broaden the base of investors and investment funds for mortgage financing and to attract resources from areas of the country where surplus funds may exist into areas of the country where mortgage funds are needed. The need for

safety and protection from title problems in dealing with mortgages that will be sold in the secondary market is even more acute than the title problems faced by a local lender on a local mortgage. A local lender may be prepared to make a mortgage loan for retention in its own portfolio on the basis of a title opinion by a local attorney whose reputation and work the lender is familiar with. Moreover, the lender will be familiar with local law and customs and with the types of title risks it may be assuming in a particular transaction, and may be able to resolve a particular title problem or obtain financial redress from the local attorney with a minimum of expense and inconvenience.

For a national lender, on the other hand, or for a lender who is asked to commit substantial funds for mortgage loans on properties located in other areas of the country, a title opinion from a local attorney will not provide the degree of protection or convenience that is essential if that lender is to be induced to place his funds in out-of-town mortgage loans. The national lender or the out-of-town lender will generally be unfamiliar with the reputation and competence of the local attorney and would not be willing to under-

(continued on page 11)



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ALTA tells Congress 'Q' extension needed

Key Congressional leaders were sent letters by ALTA expressing the Association's support for the extension of Regulation Q which was established in 1933 to prevent commercial banks from bidding excessively for funds and therefore creating the atmosphere for savings deposits wars. The ALTA letter states the need for the extension of Regulation Q and the rate differential as a means to secure available mortgage funds.

Housing forecasters indicate that 1977 should be a very productive year, with upwards of 1.8 million housing units projected. In conjunction with the U.S. League of Savings Associations, the Mortgage Bankers Association, the National Association of Mutual Savings Banks, the National Association of Home Builders and the National Association of Realtors and other real estate trade groups, ALTA strongly urged Congress to continue the present use of Regulation Q.

The House Banking, Finance and Urban Affairs Committee and the Senate Banking Committee are responsible for renewing the "Q" ceilings. As of mid-February, the prospects looked certain for the interest rate limits on the amounts consumers can earn on bank and thrift institution deposits being extended beyond the March 1, 1977 expiration date. At this writing, the length of the Regulation Q extension is unknown.

ALTA recommended that Congress extend the rate ceiling authority for at least one year to permit lenders to commit their mortgage funds without the fear of any "rule changes" during the anticipated housing surge.

The rate differential dates back to 1966. With inflationary interest rates drawing deposits out of savings associations, Congress extended rate ceilings to mortgage lending institutions. Congress encouraged the so-called Coordinating Committee to allow mortgage lending institutions to pay slightly more for



savings than commercial banks. Congress reasoned in 1966 that both ceilings and differentials were necessary to attract the money needed to finance home purchases.

Seated on the Coordinating Committee are representatives from the Federal Reserve, the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation and the Comptroller of the Currency and the Treasury. This committee meets periodically to determine the interest ceilings for passbook and certificates offered by savings and loans, federally insured banks and savings banks.

Until two years ago, Regulation Q did not mandate the need for a rate differential. However, the present statutory language requires that the differential shall not be less than one-quarter per cent. In supporting the "Q" extension, ALTA concluded that eliminating interest ceilings and removing the differential would result in chaos in the home financing and residential real estate markets.

white papers—(concluded)

take the time and expense of analyzing the various types of title opinions (with the many local exceptions and peculiarities) that would be rendered by different attorneys in connection with the various mortgages it might purchase to determine the degree of protection it was receiving. In the event of a title problem, the out-of-town lender may not be willing or may not find it worthwhile to sue a local attorney located hundreds or thousands of miles away.

For these reasons, virtually all mortgages that may be sold in the secondary market are covered by a lender's title insurance policy. Such a policy greatly facilitates the sale of the mortgage since the purchaser knows that a financially sound corporate insurer stands behind the validity and enforceability of its lien. The national or out-of-town lender knows that in the event of a title problem or loss on property located in a distant part of the country it can deal with title personnel with whom it has dealt in the past, and who can quickly become familiar with the problem and take appropriate action. The lender also knows that its protection is far greater under a title insurance policy than under an attorney's opinion and the development of the standard American Land Title Association mortgagee policy has further facilitated the ease with which mortgage loans can be purchased from different parts of the country.

Conclusion

By providing lenders with greater protection than can be afforded by any other means of assuring title, title insurance has made an indispensable contribution to the development and growth of the secondary mortgage market, thereby providing adequate mortgage funding for capital-short areas of the country.



left to right:
Melvin J. King
Garland G. Donleavy
William H. Talman
Michael A. Allocca



left to right:
Richard C. Koch
George M. Ramsey
Max Hahn
John W. Folk



left to right:
Nelson B. Merritt
Victor Gillett
Donald E. Grabski
William A. Pollard

Melvin J. King has been elected president and chief executive officer of Stewart Title & Trust of Phoenix, Inc. He replaces **Victor Gillett** who served in that capacity for 15 years. Gillett was promoted to vice chairman of the board.

King joined Stewart Title in 1967 and has devoted 19 years of his life to the title business. Gillett has been in the title industry 23 years.

The January retirement of **Nelson B. Merritt**, senior vice president of Lawyers Title Insurance Corp., has been announced.

Since joining Lawyers Title in 1949 as a field representative in Detroit, Mich., Merritt moved up through the ranks and was designated senior vice president in 1967. In that capacity, Merritt was attached to the home office in Richmond, Va., where he supervised company operations in Florida, Indiana, Kentucky, Michigan, Ohio, Wisconsin, Puerto Rico and the Virgin Islands.

Michael A. Allocca has been appointed regional vice president in charge of New York City sales for First American Title Insurance Co. of New York. He is also chairman of the rates committee of the New York Board of Title Underwriters.

names in the news

Lawyers Title Insurance Corp. has announced the election of three vice presidents. They are **Richard C. Koch** of Chicago, **George M. Ramsey** of Dallas and **William H. Talman** of Columbus, Ohio. Koch also was elected to the position of Illinois state manager.

In the Milwaukee office of Lawyers Title, **Donald E. Grabski** was elected Wisconsin state manager.

Robert A. Wallace of Annapolis, Md., was elected to the position of Maryland and Delaware state counsel; **Max Hahn** of New York City to assistant New York state counsel; **Eugene F. Trainor** of Washington, D.C., to branch counsel, and **Don Allen Wade** of Birmingham to senior title attorney.

Other Lawyers Title promotions include **Samuel M. Thompson** of Troy, Mich., to the position of assistant vice president; **C. Edward Richardson III** to assistant branch manager in Richmond, Va., and **Garland G. Donleavy** of Winter

Haven, Fla., to assistant vice president and Florida state sales manager.

The following persons were elected branch managers in New Jersey for Lawyers Title: **Barry W. Crelin** in Bloomfield; **Theodore P. Gennett** in Haddonfield, **Joseph P. Petrucci** in Elizabeth and **Isidore Teitelbaum** in Somerville.

William A. Pollard, president and chief executive officer of Reliance Insurance Co., and **John W. Folk**, chairman of the board and chief operating officer of Reliance, have been elected to the Commonwealth Land Title Insurance Co. Board of Directors.

(continued)

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names in the news—(concluded)

Thomas S. Jones, who is with Commonwealth's Norristown, Pa., office, has been promoted to the position of title officer and title plant manager. The appointment of another title officer—**John T. Robertson**—in the West Chester, Pa., office also was announced.

In Commonwealth's Louisville, Ky., office, **David L. Uhling** was promoted to data processing officer and **R. Jean Webb** was appointed assistant secretary.

Andrew John Hundertmark Jr. has been elected to the Title Guarantee Co. Board of Directors. The Baltimore, Md., native is chairman of the board and chief executive officer of Chesapeake Financial Corp.

Charles J. Smiler, assistant counsel in the legal department of National Life Insurance Co. of Vermont, was promoted to the post of associate counsel. An associate member of ALTA, Smiler is a mortgages and real estate equities specialist.

Lawyers Title adjusts national division offices

Lawyers Title Insurance Corp. has opened its 12th national division office in Pittsburgh and moved another national division office from Washington, D.C. to Richmond, Va.

William E. Narr, national accounts administrator, will be in charge of the Pittsburgh office. Carl E. Boggs, manager, will continue as head of the office moved to Richmond.

Narr was the company's sales manager for western Pennsylvania before he was chosen to manage the new office.

Headline correction

The headline of an article appearing on page 10 of the March issue of *Title News* incorrectly states that Peninsular Title is moving to Ft. Lauderdale, Fla. when, in fact, the company is moving from Ft. Lauderdale to Jacksonville.

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ALTA action



"With housing starts moving upward, 1977 title insurance volume appears to be headed above the \$600 million pre-recession level," ALTA President Philip D. McCulloch stated in a recent outlook issue of *National Thrift News*.

"Due to title insurance coverage of virtually all mortgages traded in the secondary market and its wide use for attracting 'out-of-town' investment in local real estate ventures, the outlook for expanding business is favorable," the ALTA president continued. "However, successful management under inflation and effective loss prevention will be necessary if title insurer operating profits are to hold near the typical average of 10 per cent."

President McCulloch went on to point out that ALTA statistics kept since 1975 show that the after-tax rate of return on total assets invested in title insurance companies has averaged slightly above 3 per cent. During 1974-75, he added, operating expenses of title insurers averaged around 90 per cent of pre-tax operating income and loss—loss adjustment expense averaged 9 percent of operating income.

ALTA Director of Public Affairs Gary L. Garrity worked with President McCulloch and Stan Strachan, editor of *National Thrift News*, in development and placement of this article.

ALTA Executive Vice President William J. McAuliffe Jr. attended the American National Metric Council annual conference March 21-23 at the McCormick Inn in Chicago. The meeting featured sessions and workshops on the current status of and future plans for metrication.

The ALTA Research Department is compiling data returned by agents and abstracters who responded to the Organization and Claims Committee questionnaire. A full report of the study results will be published in a future issue of *Title News*.

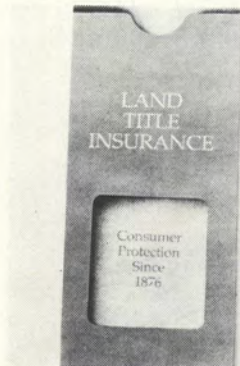
The Hawaii Senate recently extended its "mahalo and appreciation" to ALTA for selecting Hawaii as the 1980 ALTA convention site.

A resolution extending "aloha and welcome" to ALTA members and ALTA President-Elect C.J. McConville was unanimously passed. After the voting, President-Elect McConville was invited to stand and be recognized from his seat in the Senate gallery.

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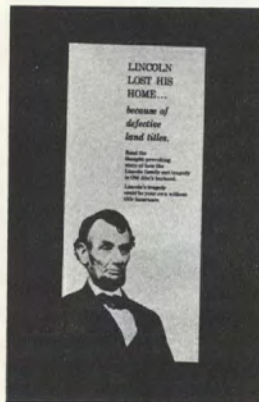
CLOSING COSTS AND YOUR PURCHASE OF A HOME. A guidebook for home buyer use in learning about local closing costs. Gives general pointers on purchasing a home and discusses typical settlement sheet items including land title services. \$18.00 per 100 copies.



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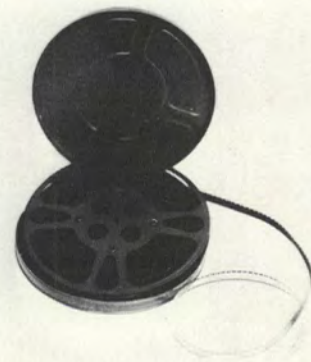


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Calendar of Meetings

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

Louisiana Land Title Association
Royal Orleans Hotel
New Orleans, Louisiana

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