

August 1982

TITLE NEWS

DO NOT REMOVE

75
YEARS
OF
EXCELLENCE

ALTA



We saved Stockton, California \$8,750 this month

When you form a joint plant, you expect to save money. What you might not realize is just how much.

In March of 1981 we set up a joint plant for the title insurance companies in Stockton, California. Since that time the title companies serviced by TDI's fully maintained plant have been saving an average of \$8,750 per month...a savings of about \$105,000 per year.

But saving money is just one of the benefits. With TDI running your joint plant you'll find that you have more time to concentrate on the other aspects of your business. We'll make sure that the postings are up to date, and that the day to day operations of the plant are taken care of efficiently. TDI's system even enables us to notify you with new recordings that affect open orders.

You will see an improvement of quality made possible by computerized editing, the consistency

of procedure that only automation ensures, and ultimately, faster searching.

Isn't it time you took the step to automation? TDI can offer you either a convenient two-level microfiche system, or a single-level online index accessible through your own terminals.

For more information call (800) 525-8526, or write one of our branch offices.

Title Data Inc.

1835 24th Street
Santa Monica, CA 90404
(213) 829-7425

901 North 9th Street
Milwaukee, WI 53233
(414) 276-2128

3540 So. Poplar Street
Suite 201
Denver, CO 80237

11899 Edgewood Rd.
Auburn, CA 95603
(916) 823-8620

100 No. Interegional
Suite 3700
Austin, TX 78701
(512) 478-0998



Can you afford a loss at today's real estate values? No? Then let 30 years
title experience work for you!

WE SERVE ONLY THE TITLE INDUSTRY AND THE ESCROW AND CLOSING INDUSTRY.

TITLE

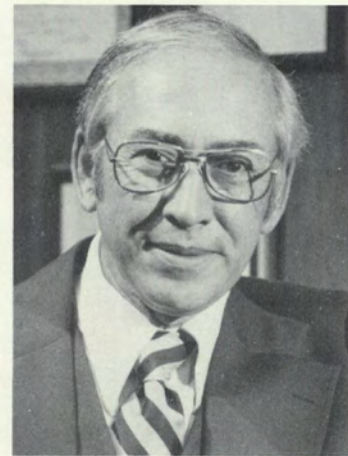
AND

ESCROW

**ERRORS
AND
OMISSIONS
INSURANCE**

Escrow Agents, — Loan Closers, — Realty Sale
Closers, — Abstracters, — Title Searchers,
— Title Examiners, — and Title Insurance
Agents.

TITLE ^a _n ^d **ESCROW**



*R. "Joe" Cantrell
"A title agent for
title people"*

The broadest coverage:
Very competitive rates:
Prompt and efficient service:
Coverage for prior acts:
Title experience and title knowledge:
Title people to settle claims:

**RC
ANTRELL
AGENCY**

2108 N. Country Club Road
P.O. Box 857
Muskogee, OK 74401
918-683-0166

Toll-free Number:
1-800-331-9759
(Except Alaska, Hawaii
and Oklahoma)



A Message From The President

A well-known diamond merchant uses the slogan "A Diamond Is Forever," and I like to relate this expression to our title association on the occasion of its 75th, the Diamond Anniversary.

This issue of *Title News* is devoted to that celebration, and I urge you to proceed through the magazine and absorb the stories, their meaning, and the promise they hold for our future as a viable, ever-growing association of title people.

It is through adversity that we find our true strength. And we have had plenty of adversity in recent years. I need not review the problems engendered by RESPA, by tidelands and wetlands, by controlled business, and by the current economic condition of the real estate market.

These are but a few of our problems, past and present. Indian claims, unauthorized practice of law cases—the list seems endless, yet they have all been the experiences that have forged our unity and extracted from us the talents and energies to state our case, firmly and clearly, and proceed with determination to the very best of our abilities.

The years since World War II have been formative. Today's operations, both local and national, have little resemblance to the title industry in the 1940s. An upheaval, an explosion—use any

word that pleases you to describe the cataclysmic changes that have taken place.

And through it all, ALTA has measured up. It has represented you ably through the officers you have drawn from your ranks and the committees made up of your own people.

Look backward with pride. Look forward with excitement and anticipation to the inevitable problems and opportunities in the years ahead.

One thing is for sure. You can depend upon the ALTA organization to marshal the forces of our land title insurance industry to deal with our problems—efficiently and effectively.

We have paid the price of progress. We have committed ourselves in words; now let us commit ourselves in actions.

The past honors us with its dedication—75 years of continuous effort, involving countless hearts and minds. This foundation of integrity and substance is indeed a strong root system for the welfare of our industry in the future.

Fred B. Fromhold

TITLE NEWS

Title News is published monthly by the American Land Title Association, 1828 L Street, N.W., Washington, D.C. 20036. Telephone (202) 296-3671.

ASSOCIATION OFFICERS

President

Fred B. Fromhold
Commonwealth Land Title Insurance Company
Philadelphia, Pennsylvania

President-elect

Thomas S. McDonald
Lawyers Title Group, Inc.
Sanford, Florida

Treasurer

C. J. McConville
Title Insurance Company of Minnesota
Minneapolis, Minnesota

Chairman, Abstractors and Title Insurance

Agents Section
Jack Rattikin Jr.
Rattikin Title Company
Fort Worth, Texas

Chairman, Title Insurance and

Underwriters Section
Donald P. Kennedy
First American Title Insurance Company
Santa Ana, California

Immediate Past President

James L. Boren Jr.
Mid-South Title Insurance Corporation
Memphis, Tennessee

Executive Committee Members-at-Large

Robert C. Bates
Chicago Title Insurance Company
Chicago, Illinois

John R. Cathey
The Bryan County Abstract Company
Durant, Oklahoma

ASSOCIATION STAFF

Executive Vice President

William J. McAuliffe Jr.

Vice President—Public Affairs

Gary L. Garrity

Vice President—Government Relations

Mark E. Winter

Vice President—Administration

David R. McLaughlin

Director of Research

Richard W. McCarthy

Managing Editor

Maureen Whalen Stotland

Editorial Assistant

Wendy G. Sibelman

General Counsel

William T. Finley Jr.
Pierson Semmes Crolius & Finley
Canal Square
1054 Thirty-first St., N.W.
Washington, D.C. 20007

Features



75 Years of Excellence

Wendy G. Sibelman

6

Past Presidents Reflect on Association's History

10

Departments

A Message from the President

4

Names in the News

26

Calendar of Meetings

Back Cover

Cover design by Carla Bombere.





75 years of excellence

by Wendy G. Sibelman

This year, the American Land Title Association celebrates its 75th anniversary. Records in the ALTA Washington office tell the success story of an association that has met its industry's needs for three quarters of a century. Volumes would be necessary to relate a detailed account of this history. Instead, this article presents a few selected highlights that provide a glimpse of the dynamic growth and resourcefulness that still characterize the industry and its national association.

Founding and Organization

For a comprehensive look at ALTA's origins, it is necessary to return to the early 1900s, before title professionals had ever heard of problems like controlled business, Indian land claims, or proposed federal regulation of their industry.

In early 1907, Walter W. Skinner, president of the Wisconsin Association of Title Men, recognized the increasing need for a national organization devoted to improving title services and to unifying the title industry. Under Skinner's direction, the Wisconsin association circulated a letter to other state associations, explaining the idea and asking for suggestions and support. The letter generated enthusiastic replies from all over the country, and plans were made for a charter convention.

On August 8, 1907, the first national meeting was held at the old Palmer House in Chicago, and the American Association of Title Men was formally founded.

The association was known as AATM until 1923, when the name was changed to the American Title Association to represent the growing membership. In 1962, the association's name was changed to the American Land Title Association to eliminate confusion about the association's purpose.

More than 50 title professionals from 15 states traveled to Chicago for the 1907 charter meeting. At that convention, the new association established committees, outlined a plan for permanent organization, and elected officers. Skinner was unanimously elected president. Association members have called Skinner the "father of the association."

Shortly after its initial convention, the association published a booklet to inform nonmember title professionals about the

new organization. The association's objectives and ByLaws were printed in that volume.

One way to illustrate the association's growth is to compare the 1907 ByLaws with those governing ALTA today. The 1907 ByLaws took one page of the booklet and covered topics such as dues (which were \$2 per individual member per annum), elections, the Executive Committee's powers, and expulsion. Today's ByLaws fill eight pages of the *ALTA Manual of Organization* and address membership qualifications, meetings and conventions, section administration, committees, grievance procedures, and many other important areas.

Most of the association's first members were abstracters. In writing the ByLaws, however, the charter members anticipated future growth of member title insurance companies. The members provided for title insurer representation by allowing new sections to be formed at any time to deal with matters affecting specific groups of members.

At the sixth convention, in 1913, member title insurers formed the Title Insurance and Guaranty Section and adopted their own ByLaws.

In 1914, the Executive Committee appointed a special committee to organize the Title Examiners Section. By 1915, this section had been formed.

It was not until 1924 that member abstracters organized their own section. Until then, abstracters had made up such a large proportion of the membership that no need for a separate section was envisioned.

With the growth of the title insurance segment of the industry, however, member composition began to change. In 1934, the National Underwriters Section was organized for the increasing number of member underwriters. The Title Examiners Section name was changed that year to the Legal Section to reflect that group's function in the industry.

Wendy G. Sibelman is Title News editorial assistant.

These four sections remained until 1951, when, because of the sections' common interests, the four groups were merged into two: the Abstracters Section and the Title Insurance Section.

In 1969, because many abstracters were also agents, the names and composition of the two sections were changed to the Abstracters and Title Insurance Agents Section and the Title Insurance and Underwriters Section. Each section has its own Executive Committee and holds its own meetings during ALTA national meetings.

National Issues

Probably the most important reason for organizing ALTA was to unify title professionals into an effective force for dealing with national issues.

Among the far-reaching national issues that ALTA has encountered over the years are the following:

Torrens

Walter W. Skinner was faced with an industry problem—proposed expansion of the Torrens method of land registration—when he presided over the first AATM meeting. As current ALTA members know, periodically, Torrens still creates concern for those who wish to retain safe and efficient land transfer.

Recently, the Department of Housing and Urban Development, under Section 13 of the Real Estate Settlement Procedures Act, conducted demonstration projects in certain areas to determine whether more efficient and less costly methods of land transfer were attainable. Torrens was one of the approaches considered. To inform HUD of the problems inherent under Torrens, ALTA commissioned Arthur D. Little, Inc., to conduct a study of the system. The result of this study is contained in *Torrens in the U.S.: A Legal, Economic and Historic Analysis of American Land Registration Systems*, which was presented to HUD.

Proposed Congressional Elimination of Title Examination

In 1943, legislation was introduced in Congress that ALTA Past President Thomas G. Morton recalls association leaders referring to as "dive-bomber bills" (see accompanying article). The



Alvin W. Long, ALTA president in 1970-71, testified at 1972 congressional hearings on settlements costs and practices.

legislation would have eliminated title examinations in transactions in which the federal government was making declarations of taking on private properties to provide for Army and Navy camps. ALTA strongly objected to this proposed elimination of title examination on the grounds that it would have undermined the integrity of the land transfer system. The proposed legislation was not enacted.

Proposed Congressional Removal of Title Insurer Dividend Tax Exemption

In 1958, revenue legislation was introduced in Congress that would have removed the tax exemption on insurance companies' dividends. While primarily directed at life insurance companies, the legislation would have adversely affected title insurers as well.

The bill had passed the House before ALTA members became aware of it. Association President Ernest J. Loebbecke (see accompanying article) coordinated ALTA member lobbying efforts that resulted in the removal of the objectionable provisions. This experience helped increase the association's momentum and led to the decision to move the association office to Washington, D.C.

Bar Funds

In the mid-1960s, members of the American Bar Association discussed the possibility of a national bar-related title insurance corporation. The ABA's reported reason was "to provide

Some of ALTA's Past Presidents



James L. Boren, 1980–81 ALTA president, testified at House hearings on the controlled business problem.



indemnification to their [attorneys'] clients in real estate transactions in the event of loss or partial loss of title." ALTA, whose members already provided such services, took action.

In 1968, ALTA retained Thomas S. Jackson, a Washington, D.C., attorney, to oppose an ABA Board of Governors proposal approving formation of a national bar-related title insurance company. Jackson presented ALTA's position before the ABA House of Delegates. The ABA did not form its own bar fund.

Subsequently, Jackson was hired as the association's general counsel.

Unauthorized Practice of Law

As the title insurance industry has expanded, title professionals and members of the bar have disagreed on what constitutes the unauthorized practice of law in real estate settlements.

As ALTA general counsel, Jackson was active in unauthorized practice of law cases involving title companies in various states.

Because there is no standard definition for the *practice of law*, each court may define the term differently. Although cases do set precedents in certain areas, individual states diverge in their definitions.

Jackson says that ALTA's involvement in unauthorized practice of law cases has "accomplished major changes in the attitude of courts as to what laypersons can do in many fields, including title insurance."

Settlement Costs and Practices

In December 1968, Senator William Proxmire (D-Wis.) wrote Federal Reserve Board Vice Chairman J. L. Robertson about the possibility of reducing homebuying costs by defining reasonable closing costs within proposed truth-in-lending regulations. Proxmire also suggested investigating title companies' operations.

In April 1971, ALTA cooperated with Proxmire's staff in developing a questionnaire on title insurance costs. The questionnaire was sent to ALTA member insurers to determine whether title costs were reasonable. After analyzing the questionnaires returned, Proxmire's staff decided that more information was needed, and a second questionnaire was prepared and distributed.

A few months later, after analyzing 58 returns to the first questionnaire and 35 responses to the second, Proxmire's staff reported that title costs did not seem unjustified.

In November 1971, James J. Kilpatrick wrote a nationally syndicated column commending the Proxmire inquiry and sharply criticizing title insurance. Attempting to correct Kilpatrick's misconceptions, ALTA representatives James J. Schmidt, William J. McAuliffe Jr., and Gary L. Garrity met with Kilpatrick in Washington. When the meeting concluded, Kilpatrick said he did not plan to pursue the matter further.

In January 1972, *Washington Post* reporter Ron Kessler began a series of articles on settlement charges paid by homebuyers in the Washington, D.C., area. The series alleged that some lawyers and title insurance companies were involved in kickbacks and other hidden payments to developers, lenders, real estate brokers, and builders. Senator Proxmire entered parts of this series in the *Congressional Record*.

Late in February 1972, congressional hearings on settlement costs and practices began with testimony before the House Subcommittee on Housing. At the same time, HUD and the Veterans Administration announced that they would issue maximum allowable settlement costs for HUD and VA transactions in six metropolitan areas pursuant to Section 701 of the Emergency Home Finance Act of 1970.

ALTA President Alvin W. Long presented the association's testimony at the subcommittee hearings. He recommended that all states be encouraged to regulate closing costs and to prohibit kickbacks. He also said that ALTA favored a single, uniform settlement statement providing buyers and sellers with detailed estimates of closing costs. He spoke against proposals calling for HUD to establish a federal title insurance program; for requiring that charges for comparable services to buyers, sellers, and lenders not exceed one another; for prohibiting interlocks; and for requiring that settlement charges be based on time, work, and risk involved in each transaction.

Two days later, Long delivered similar testimony on this issue at Senate Subcommittee on Housing and Urban Affairs hearings on settlement costs and practices.

Real Estate Settlement Procedures Act

In 1974, Congress enacted the Real Estate Settlement Procedures Act. The bill was a compromise between advocates of HUD regulation of settlement rates and those who felt that simple disclosure of settlement costs was adequate consumer protection. Because of problems with its disclosure provisions, RESPA was amended in 1975.

While prohibiting kickbacks and mandatory use of specific title agencies, RESPA does not comprehensively address controlled business arrangements—transactions in which real estate brokers, lenders, and attorneys have financial interests in the title insurance companies to which they steer their clients. Such arrangements have increased since enactment of RESPA.

Controlled Business

On August 15, 1973, the Federal Home Loan Bank Board proposed allowing service corporations of federally chartered savings and loan associations to enter the title insurance business. The association objected, citing antitrust implications. While ALTA efforts were successful in that the FHLBB prohibited service corporations from becoming title insurance underwriters, the FHLBB did allow the corporations to become title insurance agents.

In its 1977 report, *The Pricing and Marketing of Insurance*, the Justice Department concluded: "To sum up the major evils of controlled title companies, where a real estate settlement producer is able to direct to a particular title company and at the same time that producer owns the title company, the purchaser is likely to end up (1) paying unreasonably high premiums, (2) accepting unusually poor service, or (3) accepting faulty title examinations and policies from the controlled title company."

Continued on page 15

Past Presidents Reflect on Association's History

Four ALTA past presidents whose administrations span nearly four decades recently reflected on the problems and progress of the association and the land title industry as ALTA approached its 75th anniversary date—August 8, 1982.

The ALTA past presidents are Thomas G. Morton, president in 1943–44; Ernest J. Loebbecke, president in 1958–59; Richard H. Howlett, president in 1975–76; and Roger N. Bell, president in 1978–79.

Morton has retired as chairman of Western Title Insurance Company, San Francisco, and continues to serve as a director of the company. He is also president of its parent concern, Title Guaranty Company.

Loebbecke has retired as chairman of TICOR, Los Angeles, and continues to serve as a director of the company.

Howlett has retired as president of TICOR and also is a director of the company. He and his wife Betty own and operate Howlett's Coastal Zone Nursery on 29 acres at Malibu, California.

Bell is president of The Security Abstract & Title Co., Inc., Wichita, Kansas. ALTA Vice President—Public Affairs Gary L. Garrity interviewed the four past presidents for Title News.

What do you see as the most significant differences between ALTA in 1982 and the association at the time of your presidency?

MORTON: When I was president of ALTA [then the American Title Association], it was a more limited association than it is today. The membership did not require, or at least did not receive, the services that are now provided by ALTA. All of its activities were carried on almost in their entirety by Jim Sheridan, executive secretary. He attended many of the state conventions, visited the government agencies in Washington, and called on the counsel for the life insurance companies in their offices.

LOEBBECKE: The maturing of the association due to the growth of member companies from local involvement into the national scene. Settling of abstractor-versus-insurer irritations as use of title insurance has grown and more abstractors have become agents; problems of the two groups consequently have become more

closely related, especially with government challenges at the national level that call for working together. Also, improvement in the relationship of the title industry with lenders.

Two developments were especially important in reaching the cohesion that exists today. First was developing an ALTA form of lender policy and owner policy even though the latter was thought to be unattainable at first. Also, abstractors learned in greater numbers that there are advantages in offering title insurance and in being represented by national underwriters.

Common needs led abstractors, agents, and underwriters to more carefully analyze the needs of each and to work more closely with each other.

BELL: It's in the red, of course. So are most of the rest of us.

HOWLETT: The recognition by the membership that the association should sponsor action—legislation or administrative regulation on matters of im-

portance affecting the title industry after forming a consensus, rather than, as in the past, taking a defensive posture. This has become the primary activity of the association.

What would you list as the leading contributions of ALTA to the advancement of the land title industry over the past 75 years?

HOWLETT: Besides achieving greater unity in reaching a national consensus on matters affecting the industry, the association provided a forum that made it possible for the industry to establish standard title coverages and forms for voluntary use by member companies. Also, the committees of the association have furnished the forum for sharing ideas for improvement of the industry, which greatly aided those smaller members with limited resources.

MORTON: Since it was formed in 1907, ALTA has been the hub of the title industry—enabling the membership to



Thomas G. Morton
1943-44 ALTA President

“Since it was formed in 1907, ALTA has been the hub of the title industry—enabling the membership to communicate directly and indirectly and improving the relationship among members.”

communicate directly and indirectly and improving the relationship among members.

ALTA has aided in the adoption of new forms and services and thereby has helped in providing improved coverage and services to the public.

It has enabled representatives of the industries that use the services provided by its members to meet and confer with representatives of the title industry. In moving its headquarters to Washington, it made ALTA officers more available for consultation with representatives of other industries and with members of Congress.

It has developed more record-keeping and as a result has provided more information to the membership. The publication of *Capital Comment* enables the members to be more knowledgeable

as to current governmental matters that relate to the title industry.

Governmental challenges, by the way, are not a recent development where the title industry is concerned. During World War II, the Department of Justice persuaded some in Congress to introduce what we then called the dive-bomber bills—ostensibly to speed up federal condemnation of private property for Army and Navy camps.

This legislation grew out of a touchy situation. The government under eminent domain was filing declarations of taking and was immediately pushing people off their land without paying them for it. Ranchers, for example, would be told to move their cattle and wouldn't have the money to buy more land to move their cattle onto.

Under the legislation, title examinations would have been eliminated, persons in possession would have been the only ones who would have to be served directly, and the rest would have been served through notices posted on the property and in the post office. That was it. If you were a lender and didn't know what was going on, your lien could be wiped out.

ALTA of course took the lead in objecting to the proposed elimination of title examination, and in lobbying against the legislation. Among those favoring the legislation was Drew Pearson, who attacked ALTA for its position in his column. ALTA lobbied successfully against the dive-bomber bills on three occasions and once again preserved the integrity of our land transfer system.

Also, we had to have the title industry declared essential to the war effort or the government wouldn't have allowed ALTA to hold its Annual Convention in those days. And, we had problems with advocates of the Torrens system.

BELL: Providing a forum for discussion of title industry goals and problems. Providing recommended title insurance forms and coverages. Organizing public and governmental relations on a national level.

LOEBBECKE: Developing uniform forms of coverage over a long period of years. At first, for example, some in the title industry thought it was absolutely mad to offer marketability coverage, but others of us thought it was a very important thing. Developing the ALTA loan and ultimately the ALTA owner policy were major steps in moving the industry away from its traditional concept of negative insurance and in keeping us competitive. Before that, we had gone through a period when all title insurers were developing their own different versions of endorsements. This approach was not popular with lenders in particular.

You don't solve problems by not talking to each other, and the only place where we could talk effectively as an industry was ALTA. The association was where our differences were resolved into uniform coverage after much debate and disagreement. ALTA provided a catalyst for our increased service to the public.

If anything was accomplished during my ALTA presidency, it was putting some common sense into the relationship between abstractors and underwriters and laying the groundwork for moving the association offices from Detroit to Washington in 1960.

The move resulted from growing member sentiment that the association offices should be nearer the federal government. There was no serious opposition to the idea at the time, but a serious proposal in Congress convinced more title people that the move should take place immediately.

It seemed that some members of Congress decided insurance was like running a grocery store—that you shouldn't set aside reserves, just take in money and deduct your losses. So they introduced revenue legislation primarily directed at life insurers because of the long tail on losses that they have. But some title people discovered that the legislation provided for the taxing of dividends of title companies, that we no longer would be allowed the exemption on dividend income, and that this would adversely affect the title insurance industry—which after all is quite different from the life insurance industry because it collects a one-time premium instead of an annual premium.

By the time we obtained a copy of the bill, it had passed the House with no one paying any attention to it. I flew to Washington and met with some of our congressmen, who told me a different version of the bill was about to pass the Senate and that the legislation then would be considered by a joint House-Senate Conference Committee.

So I flew around the country to home areas of Conference Committee members, met with their ALTA member constituents, and briefed them on the problem. They contacted their senators and representatives on the committee, and we were able to have the adverse provisions removed in conference.

The job I did was relatively easy—gathering information, talking with people, and asking them to make phone calls—but what it said to title people around the country was that we should be in Washington, that we cannot afford to have things like this happening without some-

body there who can head for Capitol Hill when we need it. Although a number of industry leaders already felt this way, that narrow squeak convinced just about everybody in ALTA that the association office should be in Washington.

What areas within ALTA do you feel are in greatest need of improvement?

BELL: The perception by many that ALTA is only for the underwriters. Bringing nonmember title companies into membership; we have some very large agency operations who do not belong.

MORTON: The one weak spot in our public image is the lack of understanding by the public of the cost involved in the production of a title policy. Because of the variation in the actual cost of producing each policy, a detailed cost schedule is not possible. But there should be some way to show the average cost in a manner that would be understood by the public.

A thorough study of the reasons for losses sustained by title companies might lead to the elimination of practices that are detrimental. When present-day title losses are compared to title losses sustained 20 years ago, or even 10 years ago, it becomes evident that many changes have been made in title company operations that are detrimental to the welfare of the industry.

LOEBBECKE: My feeling in talking with others currently active in ALTA is that the association is doing a good job. Activities like TIPAC, the public relations program, the research program, the obvious ability to stay close to developments on Capitol Hill and remain in contact with ALTA members regarding federal activity—all those things are good. As a former chief executive officer of our company who presently is chairman of our audit committee, I'm known for speaking bluntly, and I've asked the people who run our title operation if they are satisfied with what it's costing us to belong to ALTA. They say there's no question that every dollar we're spending is worthwhile.

HOWLETT: The need to anticipate changes in the real estate industry, so that our products will change to meet those needs. We cannot expect to preserve the status quo. Changes have been made in the ALTA structure to keep pace with changes in the real estate industry, whether it's in legislation, regulation, customer relations, economics, or whatever else. But changes in structure are not enough. It takes the constant work and support of the membership.



Roger N. Bell
1978-79 ALTA President

"When you consider the relatively small size of our association, compared to other trade organizations, such as those of the realtors, lenders, and builders, we do an amazing job of getting our message to those who count."

As presently defined in the ALTA By-Laws, the objectives of the association center on promoting safe and efficient transfer of real estate within the free enterprise system; providing information and education to consumers, legislators, regulators—and to ALTA members and affiliated title associations—as well as maintaining liaison with users of title services and with government; and maintaining professional standards and ethics. How would you evaluate ALTA performance in reaching these objectives?

HOWLETT: ALTA has a good grade here. We haven't covered all the bases, but we are headed in the right direction.

BELL: I think ALTA does an outstanding job in meeting these objectives. When you consider the relatively small size of our association, compared to other trade organizations, such as those of the realtors, lenders, and builders, we do an amazing job of getting our messages to those who count.

MORTON: The objectives of the association have always been the same, although they are spelled out in more detail in the present ByLaws. From its beginning, the association has made steady progress in reaching these objectives.

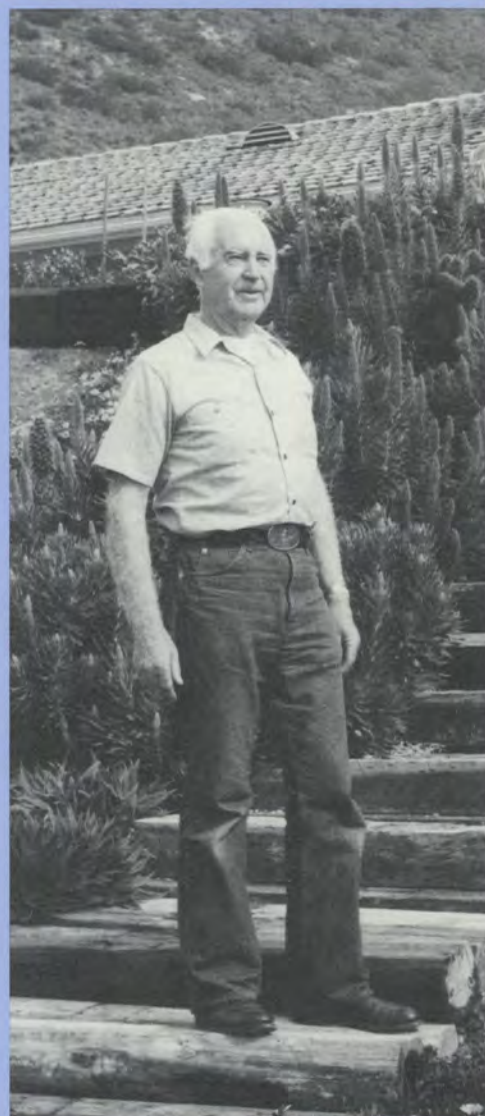
LOEBBECKE: ALTA is trying, with all resources at its command, to meet these objectives. I don't know of any that are being ignored.

In spite of the fact that ALTA is structured for the sharing of leadership and activity among abstracters, agents, and underwriters, there is an opinion—periodically expressed among members in the abstracter-agent sector—that underwriters tend to dominate the association. What are your thoughts on this view?

BELL: Sure, underwriters tend to dominate the association. They provide most of the funds for its operation; most of the problems receiving ALTA attention are national in scope and not the primary concern of local title companies. National underwriters have the expertise and manpower (or at least they used to) to man many of the committees that do much of the work of the association.

On the other hand, many abstracter-agents have sold out to national companies in the last few years. In many cases, these were agents who would normally provide leadership for their ALTA section. All this adds up to a tendency for the insurers to dominate—but I for one do not believe that we have a unilaterally run

“We cannot expect to preserve the status quo. Changes have been made in the ALTA structure to keep pace with changes in the real estate industry, whether it's in legislation, regulation, customer relations, economics, or whatever else. But changes in structure are not enough. It takes the constant work and support of the membership.”



Richard H. Howlett
1975-76 ALTA President

underwriters' organization. My experience as an ALTA officer is that the underwriters are very concerned how issues impact on agents and abstracters. I do not remember any issue during my time on the ALTA Executive Committee that was underwriter versus abstracter-agent and was decided by a strict section vote.

In the final analysis, the control of any organization is determined by the ballot box. In ALTA, a one-man office has the same vote as any national title company. We have been most fortunate over the years that reasonable, dedicated, and able leaders from both sides of the street have given their time to our association. So long as that continues, we abstracter-agent

members can hold our own with the underwriters.

LOEBBECKE: I doubt if this attitude can ever be eliminated. The dollar impact of what happens in the industry is larger in relation to the underwriters. Because they have a lot at stake, the larger companies want to be represented and involve their people in the association leadership. There's bound to be some feeling that abstracters are not getting fair representation. The only answer is making sure abstracters participate and receive the recognition they deserve—and it should

Continued on page 17

Educational Committee Survey Draws Large Response from Affiliates

The American Land Title Association's state and regional affiliates recently responded to an education program survey conducted by ALTA's Educational Committee. The survey, which was sent to 45 affiliates, was designed to find out more about employee education programs. Sixty-seven percent of the associations responded, indicating a strong title industry grass-roots interest in continuing education.

Of the survey's 30 respondents, 22 said they currently conduct association-sponsored education programs. Of the eight affiliates not conducting programs, three would like to establish them. One association expressed an interest in improving its existing program.

Although 13 affiliates indicated that their education programs are designed for both management and staff, 7 programs are conducted only for staff. One respondent's program trains managers only.

Eleven associations offer annual seminars. Ten of these teach the same material at different locations. Seven affiliates offer different material at different locations, and one conducts three centrally lo-

cated programs, each containing different course material.

The most popular seasons for conducting seminars are spring, fall, and summer, respectively. Eight associations conduct their seminars in the spring, while five prefer offering theirs in the fall or summer.

Ten respondents conduct seminars lasting for more than one day. Three of these continue their programs after dinner on the first day.

Motel and civic building meeting rooms are used for most seminar sites, although five respondents indicated that their programs are held in universities or colleges.

Program instructors include 22 association teachers, 20 underwriters, and 8 professors.

The size of the respondents' associations ranges from 20 to 1,000 members, but the survey's results showed that all the programs are organized similarly.

Only one association limits the number of employees attending its program, but this affiliate conducts several sessions each year.

Registration fees for the seminars range

from no charge to \$140. The most expensive program includes meals and lodging and is conducted at a state university. Most fees are between \$20 and \$40. Fifteen programs include meals in the registration fee. Seven do not.

The information acquired through the education program survey can be used by associations interested in beginning their own programs. For more information about education programs, contact Phillip B. Wert, ALTA Educational Committee chairman, through the Johnson Abstract Company, 109 North Buckeye St., Kokomo, Indiana 46901.

N.Y. Title Relocates

New York Title Insurance Company, purchased last December by SAFECO Title Insurance Company, has moved its corporate office from Albany to Manhattan.

Edward Moskowitz was named president of New York Title Insurance Company, which was formerly known as Albany Title Company. He succeeds Edward Frisbee, who was named vice chairman and continues to serve in the company's Albany office.

Albert R. Riggs, president of SAFECO Title Insurance Company of Maryland, was named chairman of the board.

Jackson Named Judge

Thomas Penfield Jackson, partner in the Washington, D.C., law firm of Jackson, Campbell & Parkinson, was sworn in on July 8 as judge of the U.S. District Court for the District of Columbia.

He is President Reagan's first appointment to the bench of that federal district court. His nomination was confirmed by the Senate.

Before his appointment, Jackson was associated with ALTA in corporate matters and with the land title industry in unauthorized practice of law litigation and in Indian land claim matters.

He is the son of Thomas S. Jackson, former ALTA general counsel.

For as little as \$9,770
or \$282.35/month*...
AUTOMATE!

SULCUS
COMPUTERS

From plants to word processing, to closings, we do it all...

- Settlement/Disclosure • Forms Generation • Amortization • Indexing
- Escrow Accounting • Telecommunications • Accounts Payable
- Accounts Receivable • Business General Ledger • Client Time and Billing • Game Packages • Inventory • Job Costing • Payroll • And More

* Includes principal and interest for 60-month lease/purchase program.

Call your dealer today, or call toll free—800-245-7878. Pa.—412-836-2000.

RAG TRONICS™

Bank & Trust Building
Courthouse Square
Greensburg, PA 15601



Because the association budget did not allow for a paid permanent staff person, Thomas Scott, immediate past president, volunteered to serve as the first executive secretary.

ALTA— from page 9

In the 1980s, controlled business emerged as the preeminent issue confronting ALTA. Seeking federal prohibition of controlled business in title insurance activity, the association encountered initial support on the House side of Congress and opposition from the administration. The problem's controversial nature became increasingly evident as the association grappled with the anticompetitive aspects of controlled business.

Several congressmen expressed concern about the increase in controlled business in the title industry. In September 1981, the House Housing and Community Development Subcommittee, chaired by Rep. Henry B. Gonzalez (D-Tex.), held two days of hearings on the controlled business problem.

ALTA President James L. Boren Jr., with the assistance of William T. Finley Jr., who had been named ALTA general counsel in January 1981, prepared and presented testimony on behalf of the association. Boren called for federal legislation that would "clearly and comprehensively prohibit real estate professionals in a position to influence the consumer's selection of a settlement service provider from benefiting financially from that selection."

In a March 29, 1982, speech before a National Association of Realtors meeting, President Ronald Reagan enumerated ways in which the administration might aid the depressed housing industry. Included in proposed actions developed by a cabinet-level task force was removing federal restrictions on controlled business. "As a result of our actions, real estate firms will be free to establish subsidiaries to provide additional services, like title insurance . . ." the President said.

Responding immediately, ALTA President Fred B. Fromhold wrote the President, expressing the association's concern and requesting a meeting with administration officials. ALTA members also expressed their disagreement with the administration view to their senators and representatives and to HUD.

ALTA has been working with the National Association of Insurance Commissioners on an NAIC Model Title Insurance Act that would include provisions addressing the controlled business problem. Recently, the NAIC released a draft of the act.

ALTA continues to support controlled business prohibition through federal legislation. Until some resolution is reached, controlled business will remain the biggest problem facing ALTA members today.

Indian Land Claims

In 1976, ALTA created the Committee on Indian Land Claims to aid member companies and insured home owners with Indian land claim problems. These claims extend back to the Non-Intercourse Act of 1790, which prohibits real estate transactions with Indian tribes unless there is congressional ap-

proval. Today, tribes displaced through state treaties or private land sales are challenging these unapproved transfers, declaring that land they occupied nearly 200 years ago is still legally theirs.

The most extensive claim to date was in Maine, where the Passamaquoddy and Penobscot tribes claimed nearly two-thirds of the state. Federal legislation settling the claim was signed by President Jimmy Carter in 1980. The legislation gave the federal government financial responsibility for settling the matter.

On October 10, 1980, the federal government gave \$27 million in funds and \$54 million in federally purchased land to the Passamaquoddy and Penobscot tribes, which actions cleared titles to the affected areas. The Maine settlement is considered the most important to date because it demonstrates that Congress has the authority to resolve such claims and that a cumbersome, lengthy route of litigation can be avoided.

Across the country—in New York, South Carolina, Massachusetts, Florida, Louisiana, and California—other claims are pending. Congress has extended the statute of limitations on filing such claims to December 31, 1982. ALTA views the most important issues as clearing titles for insured property owners who have been affected by the claims and releasing owners and insurers from expensive legal fees.

Officers and Staff Resources

Early in ALTA history, association members recognized the importance of their officers and a professional staff to the efficient functioning of the association. The role of ALTA's elected officials and chief executive officers has been especially important in shaping the organization's structure.

At ALTA's 13th convention, in 1919, President E. J. Carroll recommended that "a permanent secretariat should be established and an executive secretary placed in charge of this office." Because the association budget did not allow for a paid permanent staff person, Immediate Past President Thomas Scott volunteered to serve as the first executive secretary.

In 1920, Frank P. Doherty was named executive secretary and became the association's first paid staff officer. Because he was a practicing attorney, Doherty devoted only a portion of his time to the national association. He resigned in 1922 to pursue his law career.

Dick Hall replaced Doherty. A title industry professional and an active ALTA member, Hall contributed his expertise to the association for nine years, during which time the ALTA established new headquarters in Chicago, Illinois. The new location made it easy for more members to visit the executive offices. This office was situated directly across the street from the Cook County Court House. Hall resigned at the 1932 Annual Convention.

Later that year, James E. Sheridan took a leave of absence from the Union Title & Guaranty Company to become ALTA's fourth chief staff executive.

The economic devastation of the Great Depression hit the expanding title industry in the early 1930s. At one year's Annual Convention, association Treasurer J. M. Whitsitt pleaded with ALTA members for financial assistance. During his speech, Whitsitt described a "begging" trip he had taken in the eastern United States. The trip entailed visiting various state association leaders to ask for unpaid ALTA dues. Upon returning to his home in Nashville, Tennessee, Whitsitt circulated a letter to 1,500 individual members, requesting \$5 from each to keep ALTA alive. He received 150 replies. According to Whitsitt's calculations, the association was being supported by 10 percent of its membership.

On May 1, 1933, the association moved its headquarters from Chicago to Detroit, in an effort to save money. The move resulted in reducing expenses for rent and salaries and was one of many actions association leaders took for financial survival.

Because of adverse financial conditions, member companies had greatly reduced salaries and personnel. In an attempt to maintain solvency, many members cut their staff to one person. ALTA members therefore were unprepared to handle immediately the tremendous influx of business resulting from the federal government's subsequent attempts to stimulate the economy, especially the housing market.

The Home Owners Loan Act of 1933 became law on June 13, 1933. From the time operations under its provisions commenced to the end of 1934, the Home Owners Loan Corporation received approximately 1,750,000 applications and closed approximately 725,000 loans. ALTA leadership worked closely with HOLC officials in drafting a uniform abstract certificate acceptable to the agency.

Finally, the nation emerged from the Depression and, by 1938, ALTA was again "in the black."

* * *

After serving ALTA through 27 years of prosperity and hardship, Sheridan died in 1959. An ALTA member wrote: "We have lost a good man—one who will be missed by his friends, his acquaintances and our association; a man whose sincerity was never questioned; a man with a friendly greeting and an outstretched hand."

Joseph H. Smith, who joined the staff in 1952 as Sheridan's assistant, was named executive vice president at the association's 1959 Mid-Winter Conference.

That same year, ALTA appointed the Relocation Committee to consider moving the national office. The committee recommended relocating from Detroit to Washington, D.C., and on March 7, 1960, unanimously recommended leasing office space at 1725 I Street, N.W. The association leadership approved the relocation. Many ALTA members expressed the view that the move was the first recognition by ALTA that occurrences in Congress and the many administrative offices in Washington were likely to have a major impact on the title industry's future.

Smith, who carried out the transition to the Washington location, left the association on June 1, 1965, to become a vice president for a member insurer.

On July 1, 1965, the Executive Committee appointed William J. McAuliffe Jr. executive vice president. Since joining ALTA, McAuliffe has worked with the Executive Committee to build a more productive relationship with the association's state and regional affiliates in such areas as legislation, regulation, education, and public relations.

Today, ALTA officers and staff attend state and regional land title association conventions each year and bring these associations up to date on matters of national importance.

These visits help maintain communication between the national association and its affiliates.

Committees, Departments, and Other Services

ALTA committees have grown in size and number in direct proportion to the title industry's expansion. In 1907, when 50 title professionals attended ALTA's charter meeting, the association set up three committees to deal with general association matters. By 1977, when title insurers reported their first billion-dollar operating revenue year, approximately 2,000 companies were ALTA members, and the association had more than 25 committees.

Today, 31 committees work within the association, teaming with ALTA officers and staff and providing a wide range of expertise to association work. Among the association committees are those whose responsibilities require a constant commitment to a seemingly endless work load. The Title Insurance Forms Committee, Government Affairs Committee, Public Relations Committee, and Research Committee are examples.



1969 PR Committee members Francis O'Conner, Bill Thurman, Randy Farmer, Jim Robinson, William Robinson, and Ed Schmidt.

ALTA Forms

During ALTA's early years, many members expressed concern about the lack of uniformity in the title insurance work product. In 1923, the ATA monthly bulletin announced a series of articles on the making of abstracts to appear in subsequent issues. The series was designed to promote some uniformity within the association membership and was the first time such an attempt had been made.

While some divergence in title policies resulted from different policy needs in various states, the lack of uniformity was also attributed to differences among individual insurers. As the title industry and the number of national underwriters increased, this absence of uniformity created misunderstanding among customers regarding policy coverages. Formation of the Title Insurance Forms Committee in 1929 was an important step toward resolving this difficulty.

Since its initial authorization to develop uniform policies some three decades ago, the Forms Committee has drafted 38 different forms for ALTA member voluntary use, every one of which has been approved by the association active membership.

Title News

When ALTA was founded in 1907, one of its objectives was to open channels of communication through which association members and the public could be informed about the title industry and its services. Communication remains one of the association's highest priorities.

Continued on page 24

be remembered that abstracters are important to the association. They are constituents of members of Congress in strategic counties, and there is a tremendous amount of talent among the abstracters and agents.

HOWLETT: The next consensus that has to be developed by ALTA is a definition of title business. Abstracters, agents, and underwriters all are important parts of the title industry. Rather than domination by any one segment, ALTA more often is influenced by individuals who are active in the association regardless of which segment they may be from. I've known very strong leaders from each of the segments. The larger underwriters and agencies can afford to have more employees active in ALTA affairs, which leads to some feeling of domination by a segment; however, the activities of those persons has been to support the growth of the whole title industry.

MORTON: Because of their position in the industry, underwriters do dominate the industry but not the association. The title insurers pay more dues but are not in a position to dominate the association because of its structure. The feeling of inferiority, if that is the right word, is of long duration but in reality has never been warranted.

How would you characterize the relationship between ALTA and its affiliated regional and state title associations?

HOWLETT: As ALTA continues to become stronger and offer more services, regional and state title associations will take on more of a role that focuses on local issues at the state or regional level. We must remember our limitations: ALTA cannot effectively lobby in 50 state legislatures. In the past, there seems to have been some fear in a few state associations that ALTA was trying to do away with them. Nothing could be further from the truth. There is a great need for local handling of local problems. This is an area we need to keep working on—so the national, regional, and state associations will not be at cross-purposes.

MORTON: Judging from the attendance at the conventions, the relationship is very good. In my opinion, the creation of more divisions of ALTA would enable more members to participate in the activities of the association—with each division to be governed by officers of ALTA elected by members from the area served by the division. Practices of the industry differ materially in various areas. Divisions

“... the association has established itself on the Hill as the recognized expert on title matters.”

including areas with common practices would be helpful. What happens in Florida or New York is of little interest to California, but what happens in Arizona or Oregon is of interest to California.

BELL: While there have been isolated cases of friction, most of the ones of which I am aware arose because of a lack of communication. I found in my travels to affiliate conventions (the great experience of an ALTA officer) that the association had a fine relationship with regional and state associations.

LOEBBECKE: I haven't been close to this recently, but having ALTA officers and staff attend regional and state title conventions seems to help communication and coordination of activity. My impression is that both sides are doing a good job in working together.

How do you visualize the future role of ALTA in dealing with federal and state government?

LOEBBECKE: More of the same. The world isn't going to change that much, and our value to society is going to continually depend on giving good service. We are vulnerable to the growing verticality of financial services, and there will be continuing effort by lenders, brokers, and so forth to control title business. We're going to have to continue to justify the fact that independent examination of title, and the value of a good title, transcend merely the dollars that are immediately involved.

ALTA has done a good job in demonstrating that controlled business can be detrimental—and will have to continue fighting that battle. You're going to continue to have critics who think all there is to title work is opening a book and looking something up—and that title companies should be paid less for what they do.

ALTA is going to have to continue being vigilant. Serious national problems can start in a place that doesn't seem very important—at the state or county level. ALTA should carefully monitor what's go-

ing on in every state and maintain close liaison with the regional and state title associations. Fundamentally, the people who can get the most accomplished in a state are the people who live there, who do business there, and who have close relationships with legislators and others of importance.

MORTON: ALTA should continue to contact government agencies that use or require title services. Its officers should appear before congressional committees and present information essential to the matter under consideration. Under ordinary circumstances, ALTA should not attempt to influence members of Congress except with or at the request of a member from the senator's or representative's constituency.

BELL: One of ALTA's primary responsibilities has been, and should continue to be, the federal government—both political and regulatory. In the last several years, the association has established itself on the Hill as the recognized expert on title matters. As to state governments, that necessarily falls more on the shoulders of the state title associations. Certainly ALTA should continue to be on call when help is requested by state organizations. Our Liaison Committee with the NAIC has worked long and hard with the insurance commissioners' organization. All these efforts should continue.

HOWLETT: ALTA will become more involved in relations with the federal government while becoming more active in a supportive and informational role concerning work with state government by regional and state associations. Without coordination through ALTA, there could be divisive activity at the local levels on comparable issues.

In earlier years, many title company executives seemed to acknowledge almost fatalistically that few people other than real estate professionals understood the work of the title industry. Today, there is a much stronger feeling among title people that public opinion of title services cannot be left to chance. What is your view regarding ALTA responsibility in the area of public opinion?

LOEBBECKE: ALTA has a very great responsibility here. Every national association that I know of right down the line has the job of speaking for its industry or profession and educating the public. In the mind of the general public, having the association speak is less self-serving than having it done by individual members. After spending on an advertising program



Ernest J. Loebbecke
1958-59 ALTA President

“There’s always going to be conflict between attorneys and the title industry. The best thing ALTA can do for its members is to be sure it has good leadership—people with good judgment—and remain dedicated to working on the problems.”

that is designed to get business, an individual title company is pretty hard pressed to spend much money working on public opinion. Yet there are certain things that can be done through the association on a national basis if everybody shares the cost—which can reach a very broad audience at a cost per viewer that is far less than a single company can accomplish. I think it’s essential for ALTA to maintain the posture of educating the public as to the real value of the things that are involved in the title industry.

HOWLETT: The explanation of the title business as an industry—coordination, plans, and so forth—belongs with ALTA at the national level because of the need for uniformity. It is the responsibility of regional and state associations to carry this a step further by communicating local specifics to government, customers, consumers, and other opinion leaders at the state level. The role of ALTA ideally is supportive to the state and regional associations, within the policy and strategy on the national level. If the regional and state associations fail to carry their share of the

load, the national association must undertake this task too.

BELL: ALTA has a major role in the area of public opinion. We should continue to do all our budget resources will allow.

MORTON: I refer to my answer to the third question in this interview, where I discuss our public image.

Title industry problems with the bar seem to be continuous, despite periodic efforts through the American Bar Association, state and other bar groups, and ALTA to work on specific issues. What do you feel is the key to improving relations between the bar and the title industry?

HOWLETT: Again, we need a definition of *title business* and an understanding that title work is handled differently in different areas of the country. In areas where the attorney now has a relatively minor role in residential real estate transactions, the bar has accepted the view that title work may be done this way because of efficiency and cost—as long as the product is sufficient to protect the public. If the

status quo is to be preserved, the task of the bar and the title industry is to recognize that each has its place, but that place may change as the real estate industry changes and the *title industry* changes to meet new needs. This is going to lead to continuing problems that will take a joint effort to solve. We must continue and strengthen the existing working relationship.

BELL: Sometimes I despair of there being any key to improving relations with the bar in those areas of the country (East-Southeast) where we are having problems. The members of the bar who have dominated the entire title process for years are not going to welcome with open arms those who propose to compete for that business. In the long view, the bar will have to recognize that abstracting, issuing title insurance policies, and—in my view—closing are not the practice of law. By the same token, the title industry must scrupulously avoid any intrusion into those matters that would constitute practice of law. The courts, without a doubt, are going to tell us which is which. The bottom line is for both sides to keep talking whenever possible.

MORTON: In California, a lawyer very seldom appears in an ordinary transaction. He does appear when a legal problem arises or when litigation is necessary to establish a title. Lawyers do appear in transactions involving large sums of money. It is probably because of this long-established practice that title companies in California have had very little conflict with lawyers.

LOEBBECKE: A lot of hard work. There are a lot of attorneys out there—many with preconceived ideas of what their turf is and where it is being impinged upon. There are a lot of title people out there who feel equally strong about their right to do what they want to do. You just have to work at the problems one at a time until you find some kind of resolution. You’re dealing with people’s livelihood on both sides. If a group of attorneys can get some legislation that assures them of additional income, they’re going to do it. If the title companies can take over some activity the attorneys have been doing and get paid for it, they’re going to do it. There’s always going to be conflict between attorneys and the title industry. The best thing ALTA can do for its members is to be sure it has good leadership—people with good judgment—and remain dedicated to working on the problems.

Continued on page 20

PLTA Elects Dandrea, Honors Fromhold

The Pennsylvania Land Title Association held its 61st annual meeting May 23-25 at the Pocono Manor Inn in Pocono Manor, Pennsylvania. Officers elected include Woodrow J. Dandrea, president; H. David Lasseter, vice president; Robert Freiss, treasurer; and Earle Andrews, secretary.

Outgoing PLTA President Richard Burroughs delivered the keynote address. Burroughs urged that pension trust funds be invested in single-family home mort-

gages where, he said, they can "get this U.S. economy rolling again."

ALTA Abstracters and Title Insurance Agents Section Chairman Jack Rattikin Jr. also spoke at the convention.

At its concluding banquet, PLTA honored Fred B. Fromhold, ALTA president and chairman of Commonwealth Land Title Insurance Company, as "Distinguished Titleman, 1982" for his service to the title industry.



Fred B. Fromhold, left, receives a silver bowl from PLTA President Richard Burroughs for his service to the title industry.

MLTA Elects Officers

More than 120 members attended the Michigan Land Title Association's 81st annual convention, held June 27-29 at Hidden Valley in Gaylord, Michigan.

Officers elected for 1982 were John J. Roney Jr., president; E. Lee Wittmer, vice president; Lowell P. Elowsky, secretary; and Hugh A. Loree, treasurer.

ALTA Executive Vice President William J. McAuliffe Jr. delivered a speech on the "Washington Perspective."

ARLTA Begins Year 75

The Arkansas Land Title Association's 74th annual convention was held April 22-24 at the Royal Vista Hotel in Hot Springs, Arkansas. The convention was called "one of the best" by many of its attenders, who celebrated the beginning of ARLTA's 75th year.

Newly elected officers include Dennis E. Nelson, president; John Douglas, vice president; and David Tomlinson, secretary-treasurer.

ALTA Abstracters and Title Insurance Agents Section Chairman Jack Rattikin Jr. spoke at the convention.

DEALERS WANTED

**SURVIVAL
GEAR**



SULCUS™

The Understanding Computer™

For a title firm to thrive tomorrow, it must survive today. For some, that's not a certainty! But "survival of the fittest" doesn't always necessarily mean survival of the biggest. SULCUS Computers trim costs at no cost in productivity for any size operation.

Now we need help in getting the word out. Maybe a SULCUS dealership fits into **your** plans. The groundwork is there—in your knowledge of the market, operable out of your present office, with a product needed by people like you.

Call or write today for details on how you can become a SULCUS dealer. You can thrive helping others survive.

Call Toll Free:
1-800-245-7878
In Pennsylvania,
call (412) 836-2000

 **RAC TRONICS™**
Bank & Trust Building
Courthouse Square
Greensburg, PA 15601
(412) 836-2000

How would you assess the job ALTA is doing in liaison work with other national associations of the real estate industry—including those representing lenders, brokers, and builders?

LOEBBECKE: I think ALTA does a better job with the lenders and builders than with the brokers because—on the whole—our problems are more closely related. ALTA needs to evaluate problems with an eye to areas of common concern to all these groups.

HOWLETT: In my opinion, it will take greater initiative to improve ALTA participation in national associations of the real estate sector that include customer groups. Our approach has been too limited thus far. At the local level, title people are members of customer

developed with greater frequency than in earlier times. Those emerging within this time period include the zoning endorsements, leasehold owner and loan policies, construction loan policy and its four endorsements, closing protection letter, condominium and planned unit development endorsements, residential title policy, variable rate and renegotiable rate mortgage endorsements, and—most recently—the manufactured housing unit endorsement. What contributed to this spurt in the development of ALTA forms, and do you look for a slower pace in the years immediately ahead?

MORTON: I believe the use of endorsements came into being and is being perpetuated as a result of some member companies trying to gain a competitive advantage. The use thereof will continue in my opinion until losses resulting therefrom become unbearable or the coverage afforded is prohibited by law as not being

forms has served as a beginning for unifying the title industry across the country into a strong national association. Although the ALTA Title Insurance Forms Committee has existed since 1929, the association's Executive Committee did not authorize the committee to actually begin developing forms until years later.

In earlier years, members of the Forms Committee met with life counsel to work out the life insurance counsel loan policy containing provisions desired by those counsel that were acceptable to title insurers.

But the first comprehensive ALTA standard policies, both owner's and loan that represented the input of member title companies, were policies approved in 1961—which served as the basis for the policies of the association in use today. Before work began on these policies, there was the policy of the New York Board of Title Underwriters, there was a policy sometimes referred to as the "national underwriters policy," there was the California Land Title Association policy, and various individual insurers had their own policies. There was so much misunderstanding of the coverages of each that the ALTA Executive Committee directed the Forms Committee to design an ALTA loan policy and an ALTA owner's policy with the same coverages as far as practical. After years of debate and drafting, the Forms Committee presented a version of the loan policy and owner's policy at the 1959 Annual Convention. Although adopted by the convention, the forms were not uniformly accepted until the committee revised the forms to meet the objections of both customers and the members. This led to the amended versions of both policies that were approved in 1961.

The development of those ALTA policies was a way of bringing the title industry together—which was remarkable when you consider the divergent views involved. By trying to sell those policies to our customers and to our members, we found out what our problems were, and we built a consensus that resulted in the 1961 policy.

Most of the forms that initially became ALTA forms already existed in different versions as policies and endorsements of individual title insurers.

It's hard to predict the number of new ALTA forms that may be developed in the years ahead. But I think there will be major changes in the coverage because the real estate industry is changing. Zoning—what I refer to as use insurance—is a fairly good example. People want to know whether or not they own the property and

"I do not look for a slower pace in the years ahead but expect the pace and scope of these coverages to expand at a greater rate—which is what serving your customer is all about."

organizations, serve on their boards—that's the best liaison we have at this time. Including customers as ALTA associate members may in time develop stronger liaison than this local involvement. ALTA does have a degree of effective customer participation through the work of its Title Insurance Forms Committee and its various liaison committees. Other than this involvement, finding out what services the customer wants and whether we are supplying what they need is largely handled at the local level.

BELL: We all work with these groups on a local level. Doing the same sort of thing nationally is a must. I think we have done an outstanding job, particularly with the mortgage bankers and life counsel.

MORTON: I have no knowledge about this activity of the association.

Over the past 10 years, new ALTA title insurance forms seem to have been

a proper coverage for title insurance.

The increase in the number of companies has resulted in practices being adopted that involve greater risks and greater losses. Lack of experienced personnel in each office, due to the spreading out of the limited number of such employees as a result of the additional offices, may be a contributing factor in the increased losses.

BELL: Many things have contributed to this demand for additional title insurance coverages, such as secondary mortgage market, losses by owners and lenders, high interest rates and the accompanying growth of—and I hate the term—creative financing, and growing sophistication of our customers. I do not look for a slower pace in the years ahead but expect the pace and scope of these coverages to expand at a greater rate—which is what serving your customers is all about.

HOWLETT: The development of ALTA

if they can use it for the purpose they intended. This is becoming more and more of a material risk with such groups as ecology and consumer organizations demanding limitations on the use of privately owned properties.

The Forms Committee of the association, by working with the various customer groups and the membership and understanding the various systems-procedures of the different areas of our country, was able to develop a consensus of coverages that the industry as a whole was willing to produce and our customers to accept. The association owes much to those serving on the committee, and I am proud to have been a part of that effort.

LOEBBECKE: As we developed the ALTA lender and owner policies, a number of us realized that we had to move from negative to positive insurance—and that title losses were going to increase as a result. The title industry has a much higher loss ratio today than in those earlier days. It was through ALTA that people in the industry recognized that they had to work to provide a different product for the public and not continue to write the old policies. Offering marketability coverage and new endorsements came slowly at first.

Because the industry has grown up in this respect, it's hard to say whether there will be a proliferation of endorsements although I'm inclined to believe that—to get out of the current economic mess that we're in—we're going to have to have some different kinds of real estate financing and some different laws. The title industry must be ready to promptly provide any changes in coverage that are necessary because of changes that occur in the market. For example, ALTA is going to have to address the problem of negative amortization, and I understand the Title Insurance Forms Committee is developing a proposed endorsement for this purpose.

As you know, controlled business is the issue generally receiving the most attention from ALTA members across the country. Possible approaches to the controlled business problem include legislation and regulation involving federal and state government. What is your view on the role of ALTA in dealing with the controlled business issue?

LOEBBECKE: ALTA is going to need both feet right in the middle of it, at both the federal and state levels. Again, ALTA needs to work with the regional and state title associations at the state level. But you don't want to ignore a fire somebody has

started on the back 40. It's going to reach the front 40 unless somebody does something about it. I go back to 1930 in the title industry, and I can tell you that controlled business has been a bugaboo all these years.

MORTON: Controlled business has created problems and probably will continue to do so. Federal law probably could impose restrictions on this type of business, but I feel that the state legislatures are in a better position to do so.

Regardless of whether an attempt is made at the federal or state level, it will be difficult—if not impossible—to have legislation enacted that would restrict such business when prominent title insurers participate in it. If it is wrong for realtors and lenders to participate in a controlled business operation, it should also be wrong for a title insurer to engage in the operation by providing the principal ingredient: the title policy.

HOWLETT: I don't think the issue of controlled business is going to be solved at the state level. Enforcement is going to be very difficult. Political pressure will make it difficult to enact meaningful legislation. ALTA will face the challenge of fighting the battle on all fronts after solving the biggest problem the title industry has at this point in time—establishing a consensus of what constitutes controlled business that is harmful to the consumer. The problem is that consensus has to come from the entire real estate sector—not just from title people. There is no way this consensus can be developed at the state level. It must be established nationally through ALTA.

BELL: No one in Washington had heard of controlled business until ALTA voted unanimously to start talking about it. ALTA has maintained a listening post to monitor controlled business situations

“... whether an attempt is made at the federal or state level, it will be difficult—if not impossible—to have legislation enacted that would restrict such business when prominent title insurers participate in it.”

throughout the country and record any actions or attempted actions by state title associations to address the problem. ALTA has been ready to provide advice when requested by state associations. I think ALTA has been following the correct path in what has to be the most difficult problem to face us in many years.

Last year, the title insurance industry posted a record pretax loss of \$112 million on operations. Although industry operating revenues totaled over \$1.30 billion for an increase of 6 percent in 1980, last year's industry operating expenses also totaled around \$1.30 billion, which was up more than 8 percent over the preceding year. These are figures from the ALTA Research Department, where it is pointed out that the culprits in the operating expense increase are inflation and the relatively high fixed operating costs of title insurers. Also, industry loss and loss-adjustment expense in 1981 totaled more than \$112 million—a jump of 40 percent over the preceding year, attributed in part to an increase in litigation expense related to land title claims. Besides the obvious factors such as high interest rates and inflation, do you think these figures point to inherent conditions that will have to change before significant improvements can be realized?

BELL: Interesting question. The title insurers will have to speak to their losses. At least, we don't hear the old canard, “You never have any losses,” anymore. Sure, there are some inherent conditions in the title business that lead to our present profit picture. We are a labor-intensive industry. Most of us have had market-share mania for years, which can lead to our basic problem of not charging enough for our product in an attempt to get the business. Most of us do not know what it costs to produce a search. All of which is best said with the axiom of the title industry: “Never charge for anything you can give away.” I do not see much change in any of these conditions.

MORTON: I believe the real cause of the present economic conditions in the title industry is not the lack of income but the number of companies that must divide the income. Inflation has been responsible for increased costs, but it has also been responsible for increased revenue. High interest has affected real estate sales, but it has also produced greater income from the reserves and other money of the companies.

HOWLETT: Last year, our great losses were not construction-loan losses. They were typical-type losses—priority, subor-

dination, forgery, identity, search and examination errors. This shows what can happen when you take risk, which increases the potential for losses but, if this is done based on sound underwriting practices, you can reduce the cost of operation in relative terms because of simplification of search and examination. Also, we're going to have to recognize once and for all that our services are valuable and that the public will pay for their true value. I do not think we gain anything by cutting our prices inordinately to increase our volume. All we do is cheapen our product.

LOEBBECKE: Besides having the real estate market improve, we have to obtain an upward movement in rates. Part of the increased cost in the loss area and in the operations area goes back to our giving more service to the public. We have not been able to offset those costs by the use of computers and that sort of thing.

With an inflation rate of 10 to 20 percent, with wages increasing overall around 10 percent a year—everything that a company does is costing about 10 percent more annually—the title industry still would have done very well if the volume of real estate transfers had kept up. But prices in the industry have not kept up with inflation due to the decline in market volume. If the real estate market comes back, we could stand some reduction in selling prices—even though they decreased income per title order. The only way to keep an economically healthy title insurance business is to run rates up and down as the market moves up and down.

When did the title insurance industry first add a national dimension?

HOWLETT: It probably started with the life insurance counsel loan policy. A national dimension really came to the title industry when the real estate sector became national in scope. We expanded with our customers, and the result was more uniformity in title insurance forms. For example, when national lenders started sale and leaseback transactions, they wanted exactly the same title coverage in the owner's policy that they obtained under the loan policy, and they wanted those coverages everywhere in the United States. Their counsel only wanted to have to look at the policy form number and Schedule B—and not to have to understand different forms.

LOEBBECKE: Going national with title insurance came from the fact that most of the money in the country was in the Northeast. The life insurance companies located there were developing very large

pools of money, and mortgage loans were attractive to them as an investment vehicle. But they couldn't lend all their money in the Northeast, so they began to move to other parts of the country. This spread of money in the late twenties and early thirties strengthened the national demand for title insurance by the life companies so they wouldn't have to provide attorney examinations for abstracts from all around the nation. And this fueled the demand from the life companies for a uniform loan policy of title insurance.

Also, other kinds of corporations began to go national—to build branches, service stations and the like throughout the country—and they demanded title insurance.



MORTON: I believe the New York Title and Mortgage Company began appointing agents in the late 1920s. Upon its failure in the early 1930s, which was not due to its title insurance operations, many of the company's agents were taken over by Lawyers Title Insurance Corporation.

My files disclose that there was a National Underwriters Section of ALTA with its own chairman in 1941, the year I was chairman of the Title Insurance Section.

BELL: Beats me. Things were certainly simpler before it happened.

During periods of severe and prolonged downturn in business, title companies characteristically lay off significant numbers of employees. Besides the immediate difficulties, this creates additional problems when recovery begins. After title orders begin to arrive in volume once again, companies often find themselves inadequately staffed to reach desired levels of efficiency, and this can lead to dissatisfied customers. Is there an answer to this dilemma?

BELL: Not a very good one. It is the same problem faced by all service businesses. Our company tries to run pretty lean even

when times are good. That means you have to have very qualified people. It means you are willing to pay overtime to get the work out. It also means that, when a downturn comes, you can keep your staff intact for a longer period than someone who got a little bloated during the good times. I do believe that management/ownership has to take it on the chin before any employees are let go. Otherwise your company morale is shot. If we do well when things are good, then we have the responsibility to cut out dividends, drop bonus programs, and take pay cuts before our employees have to suffer.

LOEBBECKE: There is no total answer to it. The practicalities are that a company can use only so much of its surplus to carry through a downturn. Our company has a partial answer in reducing the work week. While I don't approve of it, the government has made it easier because employees can collect unemployment insurance for the days on which they do not work. The difficulty in this dilemma is that the savings you obtain is not so great as you would like to see from an operating standpoint because the lower paid employees are let go first. You try to keep all the good people, the trained people, that you can. Also, if you lay off a trained title person, he or she can be very valuable to a lending institution, a real estate firm, or another organization by virtue of training—which means you may lose that person for good.

MORTON: During any slowdown in business, title companies are hesitant to reduce their personnel, as experienced employees are necessary to their operations. Usually the slowdown is of short duration, and the expense involved in personnel reduction is not warranted. The present recession has not been of short duration, and some companies have felt obligated to make adjustments to reduce personnel costs, such as shorter hours of work on a five-day basis or a four-day work week. This should enable the companies to reduce their personnel costs and allow them to provide efficient service when business improves.

HOWLETT: There is no good answer. The dilemma is being answered in part, in states where it can be done, when an employee goes part-time instead of being laid off and collects unemployment insurance for the time for which he or she is not working. This way, you don't lose your staff—you just work them fewer days, and you have trained people still on board when business recovers. It seems that most companies retain experienced employees even though present levels of

63 companies
you could
have read
about in
Forbes
recently.

63 good
reasons
for you to
be reading
Forbes.

1. **Sun Co.** Despite the windfall profits tax, still going after new oil leases.
2. **CPC International.** Superior results from ordinary businesses.
3. **James River Corp.** Specialty papers. Fast profits from old and slow machinery.
4. **Data General.** What does it take to produce 30% growth year after year?
5. **Hershey.** Diversifying out of chocolate. A bitter-sweet proposition!
6. **Texas Industries.** Damn the leverage: Expand!
7. **Wallace-Murray.** Mistakes allowed here. Just don't make the same one twice.
8. **Simmonds Precision.** Soaring on OPEC's ill wind.
9. **Zenith Radio.** Can computers redeem bad luck and poor management?
10. **Paine Webber.** Acquiring Blyth Eastman Dillon may have been a classic mistake.
11. **Lawter Chemical.** After 15 years of "do-it-yourself," the boss changed his ways just in time.
12. **Hercules.** A company with a



name like that needed a little muscle to run it.

13. **Northwest Energy.** Fighting the biggies for the biggest private construction project in history.
14. **National Cash Register.** Drawing a bead on IBM.
15. **United Brands.** Problems of the present may be easier than overcoming the past.
16. **Safeway Stores.** Father made it America's largest food chain. What will son do?
17. **Borg-Warner.** Two super years, yet the boss is still unhappy.
18. **Uniroyal.** Fixing a flat on Wall Street.
19. **Genstar Ltd.** Now the Canadians want to take over U.S. business.
20. **Cole National.** Making a nice dollar providing goods others shun.
21. **Cuisinart.** A slightly better product and immensely superior marketing.
22. **Rowan Cos.** From \$22 million to \$144 million in a decade.
23. **Wells-Fargo.** A stunning success for twenty years. What do you do for an encore?
24. **Cameron Iron.** Even after "retirement," business beats tennis.
25. **20th Century-Fox.** Gunned by defections? Not according to the new scenario.
26. **Royal Dutch/Shell.** It's about four Dutchmen, two English, a Frenchman and an American. Is it rich!
27. **Texasgulf.** The war of independence and the fruits of victory.
28. **Schering-Plough.** Is there growth in corn plasters?
29. **General Dynamics.** What's good for the free world is good for G.D.
30. **Castle & Cooke.** Are excuses enough? Bad luck or bad management?
31. **Lear Siegler.** Productivity and profitability in a better managed conglomerate.
32. **Apogee Enterprises.** Nothing glamorous but its profits.
33. **Sterling Drugs.** Keep the old-line products and create a powerhouse R&D.
34. **Gearhart-Owen.** A P/E of 22 and nowhere to go but up.
35. **May Department Stores.** Profits are dull and decent: the excitement may be in the real estate.
36. **Safeguard Industries.** Among the ashes is found a shining Cinderella.
37. **Honeywell.** Now profitable in computers, but is that the end of the problem?
38. **Boeing.** Rich enough to afford one major screw-up but not two.
39. **Newmont Mining.** Richest gold mines in the U.S. Will its copper even outshine that?
40. **Hyster.** Disaster was a quick teacher and the student good.
41. **Getty Oil.** Its \$1.4 billion capital budget would give the founder fits.
42. **Gifford-Hill.** Does it make sense to leverage right up to the eyeballs?
43. **NCNB.** Doing sensible things. Why don't the analysts love it?
44. **Penn Central.** Oil rigs and amusement parks -- a helluva way to run a railroad!

45. **Oscar Mayer.** Three little pigs went to market in a brand new way.
46. **Clark Oil.** The advantages of getting out of oil: the stock trebles.



47. **Gulf & Western.** Hurt by an image that obscures a brilliant record.
48. **Eastman Kodak.** Health care and office equipment as well as little yellow boxes.
49. **Dart Industries.** Like a card game. Constant picking up and discarding.
50. **Heublein.** Working itself out of a mess of Kentucky Fried.
51. **Magic Chef.** You've doubled in size, so what if you're competing with giants.
52. **Teledyne.** Singleton's success secret: be stubborn and consider the unthinkable.
53. **Cooper Industries.** Trebled in size in four years and just warming up.
54. **S.C. Johnson & Son.** Wax for cars and floors. Will they do the same for your hair?
55. **Houghton Mifflin.** A textbook case of beating back a tender offer.
56. **SCM.** Even a man with a bad track record can have a good idea.
57. **Ford.** The seven-year wait for the bashful Japanese bride was well worth it.
58. **American Medical.** Learning to make more money without making more beds.
59. **Signal Cos.** A different tune has silenced all the critics.
60. **Richardson-Merrell.** Accidents on the road to growth and profits.
61. **Crown Zellerbach.** A new kind of shelter for trying to avoid a takeover.
62. **Gelco Corp.** There are car-leasing firms and there's Gelco. See the profits and see the difference.
63. **Memorex.** It's easier to be a hero turning a company around than running it.

(detach and mail)



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 131 NEW YORK, N.Y.

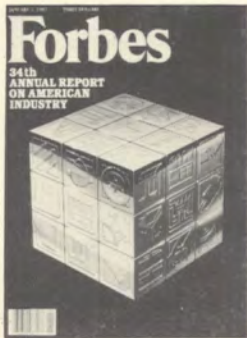
POSTAGE WILL BE PAID BY ADDRESSEE

FORBES CEO PLAN

60 Fifth Avenue

New York, N.Y. 10114-0034





Forbes Magazine is offering American Land Title Association members an opportunity to subscribe at a substantial reduction from list price. Current as well as new subscribers are eligible to examine Forbes comprehensive approach to today's complex business and personal financial scene.

The Business Side. Forbes reviews business with an eye for the human element and the bottom line. This focus on how management performance translates into financial results makes Forbes a valuable tool in sharpening business expertise and aiding personal career development.

The Personal Side. Forbes covers all aspects of investment. It features Wall Street analysts who name the stocks they like. A new column "Personal Affairs" offers sound advice on how to play the increasingly difficult game of living well.



One Year Rate (26 issues)

Newsstand:	\$66.50
Regular:	\$33.00
ALTA Members:	\$24.00

The group subscription rate includes mailing directly to your home. Just complete the attached prepaid postcard and send it directly to Forbes.

(detach and mail)

SAVE 27%
OFF THE
REGULAR
ONE-YEAR-RATE

Forbes . . . is available to you now at special rates.

Yes, I would like to take advantage of the ALTA group rate on Forbes Magazine. Send me:

1 year (26 issues) \$24
(\$33 at the regular subscription rate)

2 years (52 issues) \$48
(\$53 at the regular subscription rate)

name _____ (please print)

address _____

city _____ state _____ zip _____

new renewal (attach label, please) payment enclosed bill me

Current subscribers may extend their subscription under the group plan by checking the renewal box and attaching current label. New subscribers: please allow 4 to 6 weeks for first delivery. Rates subject to change.

“There’s a definite role for ALTA in helping its members keep in touch with the entire real estate sector, and helping its members change to meet new conditions. That’s what the association is all about.”

business would not warrant their continued employment. The logic is that such costs are less than the cost of training when the cycle reverses itself.

Over the years, have you noticed title company executives becoming more adept at economic survival during business slumps?

HOWLETT: I can't make a comparison between the title company executives of today and those in the Great Depression. Back then, I don't see how any title company survived and made money; that may be true today. Title executives today are facing their problems, and their problems are different from those early times. There is no direct comparison.

BELL: No. In fact we seem to see title company executives becoming less adept at surviving. I am speaking of underwriters—abstracter-agents always survive.

MORTON: No, I have not.

LOEBBECKE: Every title executive that I know has been forced to learn the basic facts of economics. There are two routes that have been taken: Title insurers rely on a parent that can help carry them through the down periods—or acquire other kinds of operations and expand into other fields with the hope that at least some of their activities will either be on the upturn or at least not so badly affected as the title business. All of the title executives that I know across the country—and I've known most of the leaders in the industry—have since 1950 been paying more and more attention to becoming aware of the financial implications of their operations.

What advice do you have for the leaders of ALTA, affiliated title associations, and individual title companies on successful preparation for the future?

LOEBBECKE: Continuing even more effort toward making the public aware of what title insurance is, what title services are, what they are getting, and the value of

it. Keeping as deeply involved as possible with regulatory activity.

The title insurance industry needs to be in a position to improve its revenue so industry leaders need to develop a more statesmanlike approach to the operation of the marketplace with the recognition that getting a bigger and bigger share of the pie through price-cutting is not an answer for sound economic operation. You get your share of the pie by the service that you render, and you should have enough esteem for your industry to be adequately paid for that service.

Along with this goes the necessity of keeping abreast of all the governmental forces that affect the industry, and carefully watching and analyzing what goes on before determining the steps with the greatest potential long-range benefit for the industry. This does not necessarily mean what might appear best for the short range. A short-range solution may seem helpful but, if the patient doesn't live, you haven't done much good making him feel better for a year or so.

Each member of ALTA from time to time has to give a little bit, although he might not think it's in his best interest, if the association is to be successful and remain strong. If this is done, although the problems continue, solutions will be found.

You always think that no one has faced problems like the new ones that emerge, but I don't think it's basically all that different from 1930 when I entered the industry. Some 52 years after I started, the industry is still here and is doing a lot better than it was then.

MORTON: With the adoption of computer title plants, the major training grounds for future title examiners and escrow officers have been eliminated. As a result, training programs must be developed. I suggest that a thorough study be made of what is available and what is needed and, if possible, that more complete training programs be developed.

Contrary to the statement attributed to

President Reagan, additional realtor-owned title companies will not reduce the cost of title insurance. Each county has a certain amount of real estate activity that requires title insurance. An increase in the number of title companies will not increase the need for title insurance or the income available therefrom. Such increase will increase the cost of maintaining all the companies. This can result only in increased costs to the public. Maybe legislation that would require a certificate of necessity, to be issued before a new title company could be issued a license, is the answer.

I have always believed that business that money can buy can be purchased by a competitor by increasing the payment. Business that can be obtained by good service can only be lost to a competitor if he provides better service. Service should be the determining factor.

BELL: If you take care of your customer, your employees, the bottom line, and get ready for a turnaround in the economy, that would just about prepare any business for the future. As for the leaders of ALTA and affiliated title associations, I would say only that I think they have done an outstanding job for their members. The title industry is an influence in Washington, D.C., and all the state capitals to an extent that far outweighs its membership or budget. This happens because the leaders of our profession take an active part in the associations. That, coupled with loyal staff, help makes for a powerful voice for title people. My advice: Keep active.

HOWLETT: Find out what is happening in the real estate sector. If you do, you're going to keep on selling your product, competing, and making money. If you don't know what's going on and do not meet customer needs, your company is going to fail. If people come along and build a condominium, for example, you don't say you can't insure them. If you don't, somebody else will. We have an entirely different real estate sector today than in the fifties—yet we are still issuing title policies with coverages developed to meet the needs of the fifties. That in itself says we must change. There's a definite role for ALTA in helping its members keep in touch with the entire real estate sector, and helping its members change to meet new conditions. That's what the association is all about.

President Thomas Scott (1917–18) produced the first regular association bulletin, which in March 1924 became *Title News*. Since then, *Title News* has appeared every month, except during the early 1930s, when the Great Depression's economic impact forced the association to discontinue the magazine.

Title News was first published in digest form. In 1924, its format was changed to a magazine. The publication resumed digest form in 1952, but in 1969 again appeared in magazine format. Today, typical issues of the two-color, glossy magazine run 24 pages. While the magazine's format has occasionally changed, its function as a forum for the title industry has not.



From left, 1968 ALTA staff members David R. McLaughlin, Michael B. Goodin, Gary L. Garrity, and William J. McAuliffe Jr.

Public Relations

On December 1, 1958, ALTA hired James W. Robinson to establish and direct an association public relations program. Among his other activities, Robinson edited *Title News*, wrote and delivered industry-related speeches, and established relations with the media to promote a positive public identity for the title industry. The Public Relations Committee was created after Robinson joined the staff. The committee and Robinson worked together to carry out the association public relations objectives.

After Robinson left the association in 1968, Gary L. Garrity was hired as public relations director. Garrity currently serves as vice president—public affairs. The Public Relations Committee with Garrity's assistance has developed an expanded program emphasizing public service messages that favorably impact on a vast national audience.

Among ALTA's popular public service stars are Sgt. Braxton, a mythical retired Canadian Mountie, and Zing, Braxton's retired lead dog. In both radio and television PSAs, Sgt. Braxton and Zing encounter various land title problems in an amusing manner while searching for peaceful home ownership. The problems they face are adapted from case histories provided by ALTA member companies. The Braxton spots have received nationwide praise from broadcasters and have won the Gold CINDY of the Information Film Producers of America and other awards.

"Home Buyer Alert," another ALTA radio PSA series, also has won a Gold CINDY. Association quarter-hour television public service films have won first-place awards in the film festival of the Public Relations Society of America and the Council on International Non-Theatrical Events. The association's television PSAs have won various other awards.

Research

In 1968, the association created a Research Committee and also authorized appointment of a staff research professional. The purpose of establishing the program was to provide ALTA with statistical information to aid in forecasting, responding to, and monitoring industry trends.

Michael B. Goodin, already ALTA secretary, was named the first ALTA research director. When he left the association in 1974, Goodin was replaced by Dale Riordan. Riordan was succeeded in August 1975 by Richard W. McCarthy, the association's current research director.

Today, nearly 80 title insurers are participating in the research program's state-by-state market-share study based on data from the Form 9* reports. Copies of the study are sent to participants and are available for purchase by other interested parties.

NAIC Form 9 data are also used to compile year-to-year comparisons of title insurer financial performance, which are released to the print media and included in the Research Committee's annual report.

In 1979, the Research Committee and staff published the first annual industry research report, which is distributed to ALTA members, Congress, and all state insurance commissioners. This year, the association's research arm is publishing a Title Industry Fact Book in place of the annual report. The Fact Book will include a broader range of information.

Every other year since 1971, the Research Department and the Abstracters and Title Insurance Agents Section Organization and Claims Committee have surveyed member abstracters and title agents. Survey results are published in *Title News* and are available upon request.

In 1980, the Research Committee's Subcommittee on Loss Experience and IBNR† Reserves worked with staff to develop a method to collect, analyze, and disseminate information about losses. The subcommittee is planning a new claims study that will reflect this information for 1983.

The studies performed by the research program contribute greatly to ALTA's high level of effectiveness.

Government Relations

Although the association has communicated with the federal government since its early days, it was not until the 67th Annual Convention in 1975 that the Executive Committee charged the Public Relations Committee with drafting recommendations for a government relations program.

Based on those recommendations as submitted to and approved by the Executive Committee, ALTA began its first formal program by appointing a Government Relations Committee, which is now the Government Affairs Committee.

The Government Affairs Committee monitors, analyzes, and makes recommendations regarding industry-related legislative and regulatory activity. The committee meets to discuss and review pending legislation and to develop new lobbying strategies. To accomplish its objectives, in March 1976, the committee hired ALTA's first full-time staff government relations professional, Mark E. Winter. Winter is now vice president—government relations.

*State insurance commissioners require underwriters to provide financial data each year. These data are entered in the NAIC Form 9. ALTA's project involves Form 9 data sent to the association by member underwriters to provide information used in conducting industry-level studies.

†Incurred But Not Reported.

An early accomplishment of the Government Affairs Committee was developing the ALTA *White Papers*. These commentaries have since been distributed to some 30,000 persons, including members of Congress, federal agencies, the media, housing and financial trade associations, consumers, and ALTA members. The publications include observations on the nature and importance of title insurance and on specific problems and misconceptions regarding the title industry.

The Government Affairs Committee and Winter continue to work on a variety of federal legislative and agency issues, such as controlled business, RESPA, and Indian land claims.

Winter presently produces the monthly ALTA newsletter, *Capital Comment*, which is distributed to ALTA members, key members of Congress, and federal agency personnel. *Capital Comment* reports federal and state legislative and regulatory issues of importance to the title industry.

In 1976, ALTA created the Title Industry Political Action Committee to allow ALTA members to make political contributions to House and Senate candidates whose views are compatible with those of the title industry. TIPAC has grown from collecting approximately \$600 in its first term to collecting a projected \$80,000 in its present term. Mark E. Winter now serves as executive secretary of TIPAC.

In 1978, ALTA began holding annual federal receptions on Capitol Hill to provide its members with an opportunity to discuss industry issues with their senators and representatives. This involvement by association members, along with other member contributions to the program, is the most important factor in the government relations program's success.

Other Member Services

Every year since its founding, the association has held an Annual Convention in September or October to review major issues confronting the industry, to hear nonindustry speakers on pertinent topics, to elect officers for the coming year, to conduct general association business, and to provide members with the opportunity to meet with one another. These conventions have contributed greatly to the association's unity and to improvement of the title industry.

ALTA began holding annual Mid-Winter Conferences in the mid-1920s in response to member concern over the time gap between conventions. The conferences are usually held in March. As soon as present schedule commitments are met, the conferences will be held in Washington, D.C., every other year to allow association members to meet with members of Congress.

Hart McKillop founded the Land Title Institute in 1970 and later donated its stock to ALTA.



ALTA Vice President—Administration David R. McLaughlin is the principal staff member responsible for planning the two meetings. He helps select sites, arranges accommodations, and schedules entertainment and other activities.

On October 31, 1957, on ALTA President Morton McDonald's recommendation, the association began offering members an inexpensive, high-coverage life insurance program through the ALTA Group Insurance Trust. The program's available plans have been expanded and now include medical, major medical, dental, disability, and accidental death and dismemberment coverages. Robert M. Beardsley is trust chairman, and ALTA Executive Vice President William J. McAuliffe Jr. serves as secretary and trustee.

ALTA helps with member employee education through the correspondence courses offered by the Land Title Institute in Winter Haven, Florida. Hart McKillop, retired senior vice president for Lawyers Title Insurance Corporation and an ALTA honorary member, founded the Land Title Institute in 1970. McKillop directed the institute until 1980, when he donated its stock to ALTA. Today, ALTA President-elect Thomas S. McDonald is chairman of the LTI board, and McAuliffe is a board member.

Looking Ahead

In the present troublesome economic climate, ALTA must work harder than ever to represent the title industry. The association remains deeply involved in national issues and continues to serve its members with dedication.

ALTA's primary concern in the early 1980s is economic survival. If ALTA's past is any indication, the association and its industry will endure through the current business slump. With the same resourcefulness demonstrated by ALTA officers and members over the past 75 years, the association will emerge from these difficult times as a powerful force, working toward secure and efficient land transfer within the free enterprise system.



Members enjoy the 1935 ALTA Convention barbecue held in Wilson, Tennessee.

Names In The News . . .

E. Peter Miller was elected vice president and counsel, government affairs for Ticor. Miller, formerly Ticor's special counsel for government affairs, represents the company and its subsidiaries in legislative and regulatory matters at the federal and state levels.

Angelo J. Musante was elected vice president and director of information systems for Ticor. Before assuming this position, Musante worked for the *Los Angeles Times*, where he was director of the information systems department, manager of the telecommunications department, and chairman of the research and development committee.

William J. Rumsey joined USLIFE Title Insurance Company of Dallas as senior vice president, secretary, and general counsel. He is also a director of the company. Rumsey joined USLIFE following seven years as senior vice president and general corporate counsel for Lawyers Title Insurance Corporation in Richmond, Virginia.

Junius Holmes was elected chairman of the board and **David F. Fleming** was named president and chief executive officer of Little Rock Abstract Company, Little Rock, Arkansas.

Holmes joined the company in 1930 as an office boy. Three years later, he was promoted to general office manager, and in 1941 he became secretary of the company. Holmes was named president of Little Rock Abstract in 1960.

Fleming joined the company in 1938, also as an office boy. He was named assistant secretary in 1955 and vice president

20 years later. Fleming was elected company executive vice president in 1980.

James C. Miller was appointed senior vice president at Commonwealth Land Title Insurance Company. Miller has been Commonwealth's controller since joining the company in 1972.

James P. Kozel was named vice president—accounting at Commonwealth. Before joining the company in 1980, Kozel worked for Commonwealth's parent company, Reliance Group Holdings, Inc., where he managed financial reporting.

Thomas J. Shelly Jr. was named counsel at Commonwealth. He has been a Commonwealth employee since 1979.

Irving Morgenroth was elected senior vice president and director at Commonwealth Mortgage Assurance Company. Morgenroth also serves as senior vice president and chief counsel for Commonwealth Title.

Matthew J. Keller and **William Halvorsen** were elected vice presidents in the Chicago metropolitan region of Chicago Title Insurance Company. Keller was promoted to regional counsel for the company. He joined Chicago Title in 1964. Halvorsen joined the company in 1973 and was recently named manager of title operations for Cook County, Illinois.

The Los Angeles/Ventura Division of Title Insurance and Trust appointed **Ed O'Donnell** major account manager to serve the company's commercial and industrial customers in Ventura County, California. O'Donnell has eight years of experience in both title insurance underwriting and marketing. He most recently served as title examination manager in Title Insurance and Trust's Ventura office.

Lawyers Title Insurance Corporation announced the appointments of **Gabriel A. Ivan** to assistant general corporate counsel and **Russell W. Jordan III** to assistant general counsel.

Ivan joined Lawyers Title in 1971 and was elected senior title attorney in 1974, assistant counsel in 1976, associate counsel in 1978, and corporate counsel in 1981.

Jordan joined Lawyers Title in 1969 as a title attorney. He was appointed senior title attorney in 1971, assistant counsel in 1974, associate counsel in 1978, and counsel and manager of the national headquarters law division in 1979.

J. Michael Nolan was appointed corporate counsel for Lawyers Title. Before joining Lawyers Title's legal staff, Nolan was employed with Continental Financial Services as associate general counsel and as general counsel of the property and casualty division.

Lawyers Title also announced the appointment of **Pierre Chagnon** to senior title attorney in the company's national division office in New York City. Chagnon joined Lawyers Title in 1979 as a title attorney in the New York office with eight years experience in the title insurance business.

Richard S. Babiarz, vice president and senior associate title counsel of Pioneer National Title Insurance, was relocated to Pioneer's central region office. Babiarz handles underwriting and claims in Illinois, North Dakota, and South Dakota and assists with underwriting, claims, and agency operations throughout the central region. He joined Pioneer in 1969 as associate regional counsel.

Eugene J. Schneider was elected a senior vice president for Title Guarantee—New York. Schneider joined Title Guarantee as a clerk in 1945, was elected assistant vice president and sales manager in 1969, and was named vice president and area sales manager in 1972.

Stephen C. Wilson was named Westchester-Hudson Valley area, New York, manager for Title Guarantee. Wilson is a senior vice president of Title Guarantee and vice president of Ticor Title Insurers. He joined Ticor in 1971 as an account manager.

Commerce Title Company/Dallas announced that **Lisa L. Swearingen** joined the firm as assistant vice president. Before joining Commerce, Swearingen was a branch manager for Byrd International of Dallas, Inc.



Chagnon



Nolan



Swearingen



Keller

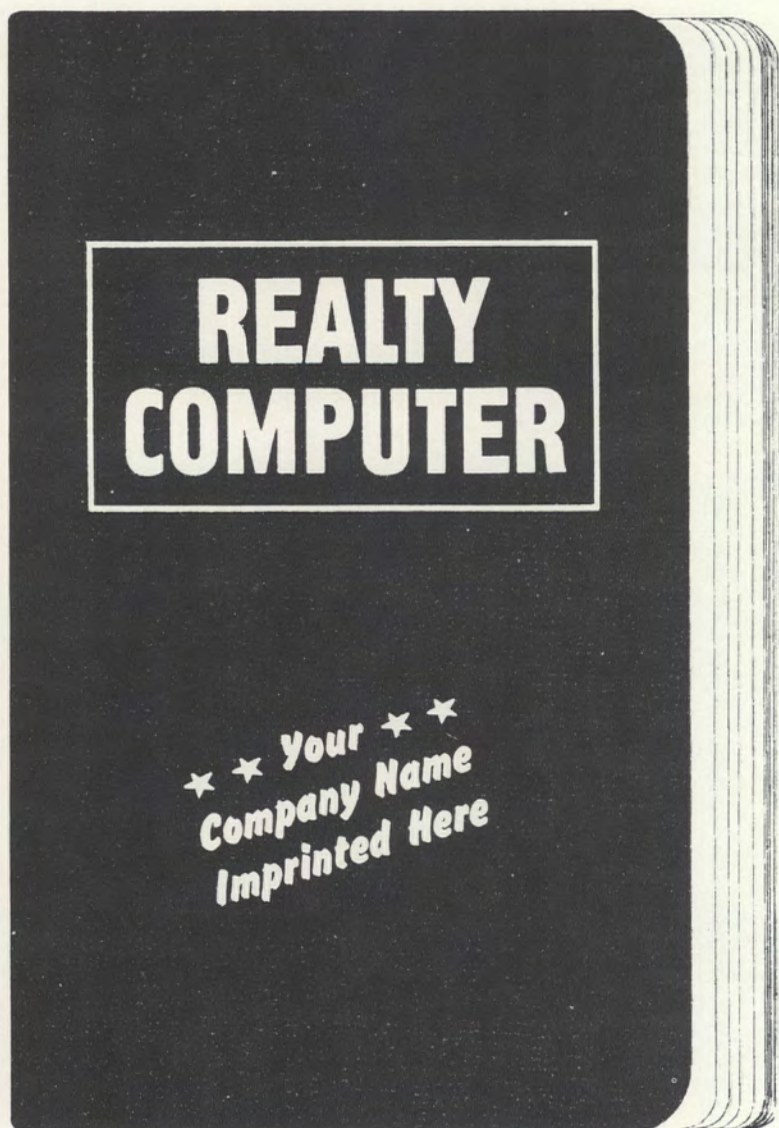


Rumsey



Halvorsen

PUT YOUR NAME IN EVERY REALTOR[®]'S POCKET!



**YOUR
Hard-Working**

**GIFT
FOR REALTORS[®]!**

**Created by REALTORS[®]
for REALTORS[®]**

In addition to the conventional loan amortization payment tables, the latest 260-page *Realty Computer* provides over 30 real estate tables badly needed by real estate people in their daily transactions.

A quality edition that fits pocket or purse.

You owe yourself an appraisal of the *REALTY COMPUTER* — one of the finest professional fact-finders you have ever seen.

**YOUR REAL ESTATE
CLIENTELE WANTS IT!**

Write today for your complimentary copy

(to Title Companies only)

PROFESSIONAL PUBLISHING CORPORATION

122 Paul Drive • San Rafael, California 94903 • (415) 472-1964

Calendar of Meetings

September 10-12

Missouri Land Title Association
Sheraton Hotel
Springfield, Missouri

September 12-14

New York State Land Title Association
Concord Hotel
Kiamesha Lake, New York

September 13-15

Ohio Land Title Association
Sawmill Lodge
Huron, Ohio

September 15-17

Dixie Land Title Association
Callaway Gardens
Pine Mountain, Georgia

September 16-17

Wisconsin Land Title Association
Civic Center Inn
Eau Claire, Wisconsin

September 16-18

North Dakota Land Title Association
Holidome
Minot, North Dakota

September 19-21

Indiana Land Title Association
Marriott Hotel
Clarksville, Indiana

September 22-25

Washington Land Title Association
Seattle Marriott—SeaTac
Seattle, Washington

October 3-6

ALTA Annual Convention
Sheraton-Boston Hotel
Boston, Massachusetts

October 15-17

Palmetto Land Title Association
Litchfield Inn
Litchfield Beach, South Carolina

October 20-22

Nebraska Land Title Association
Lincoln Hilton
Lincoln, Nebraska

October 21-23

Land Title Association of Arizona
Carefree Inn
Carefree, Arizona

November 10-14

Florida Land Title Association
Hyatt House
Sarasota, Florida

December 1

Louisiana Land Title Association
Royal Orleans
New Orleans, Louisiana

**American
Land Title
Association**

1828 L Street, N.W.
Washington, D.C. 20036

BULK RATE
U.S. POSTAGE

PAID

Silver Spring, Md.
Permit No. 550