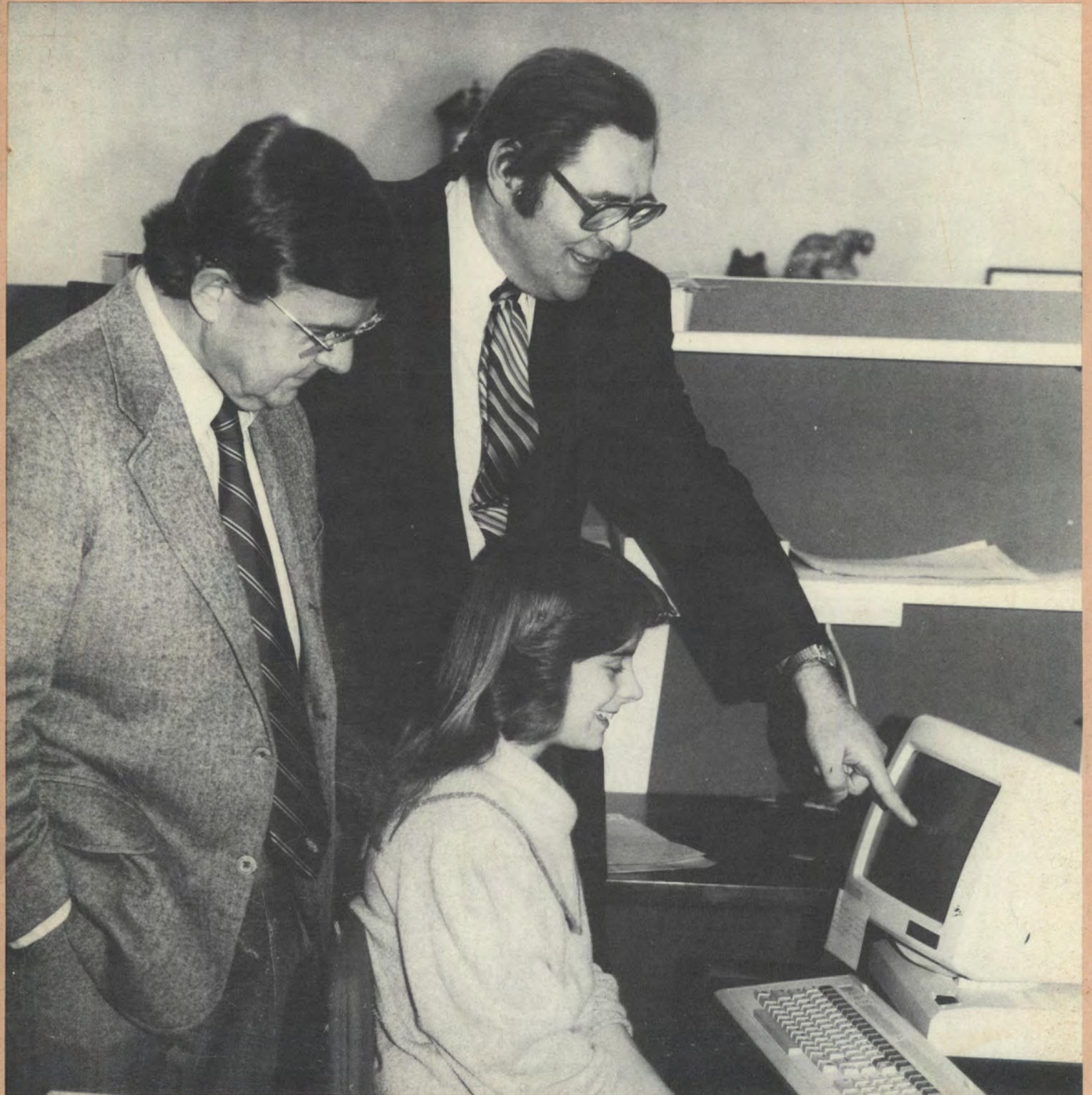
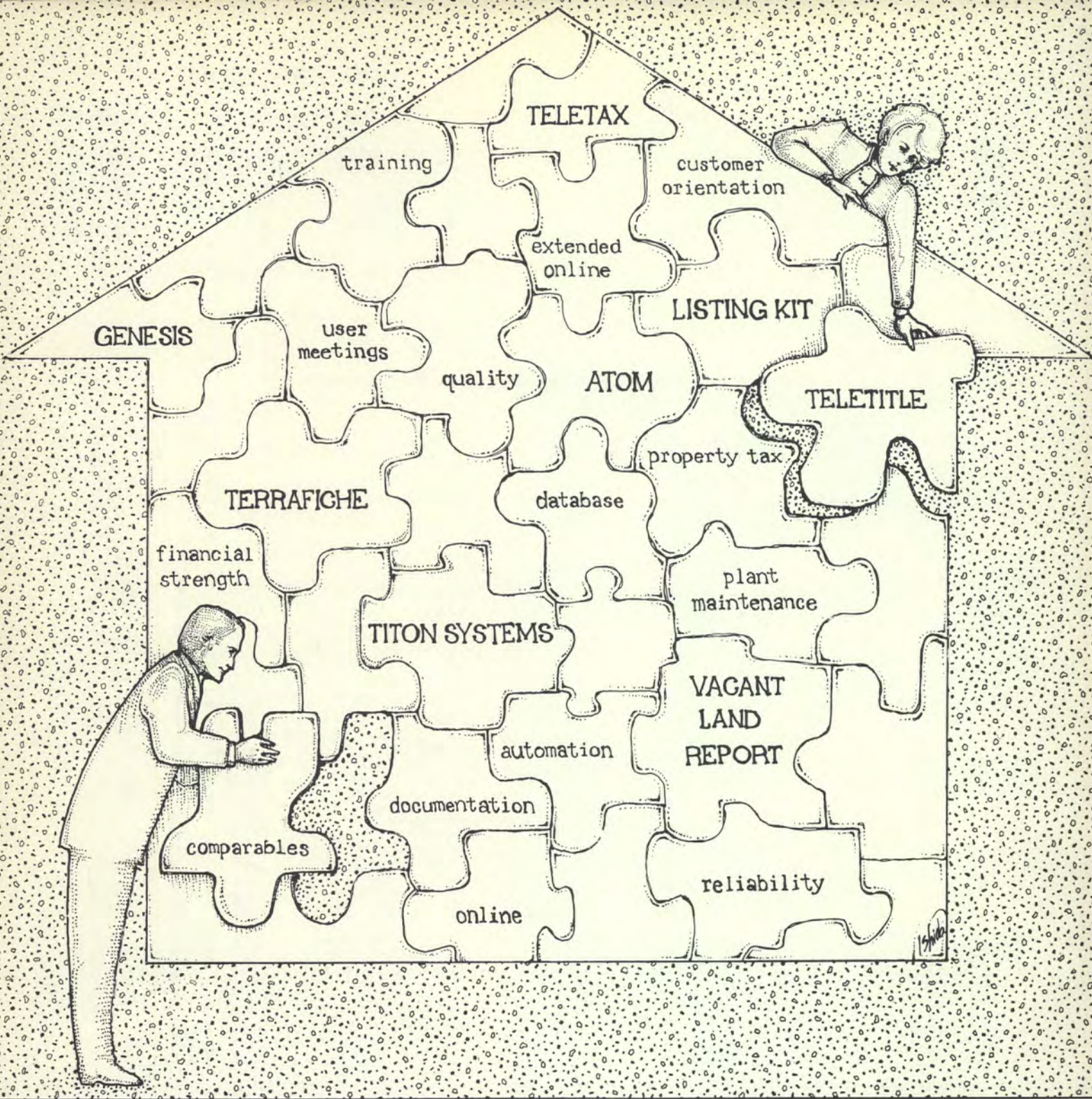


Title News

SEPTEMBER/OCTOBER, 1986





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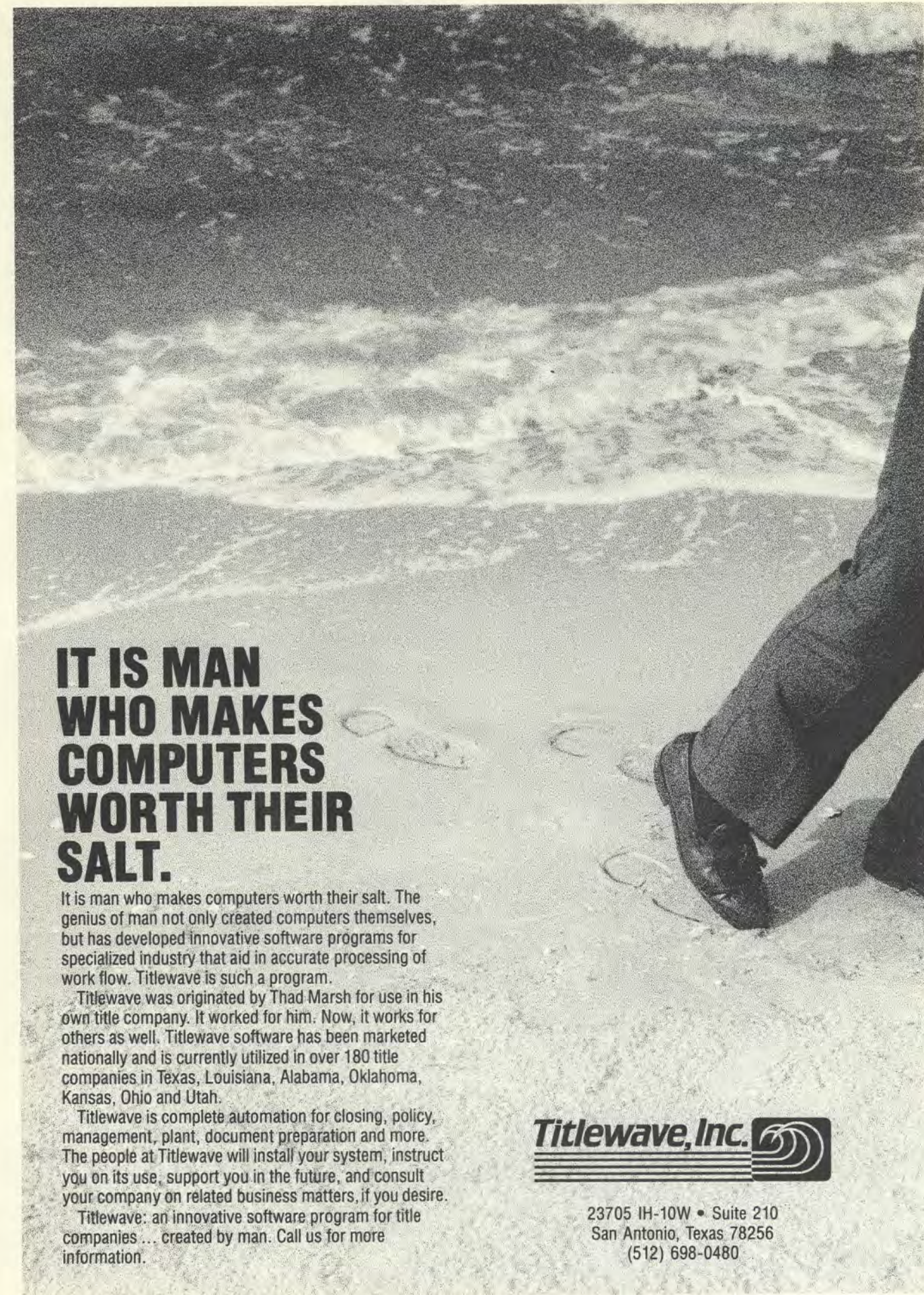
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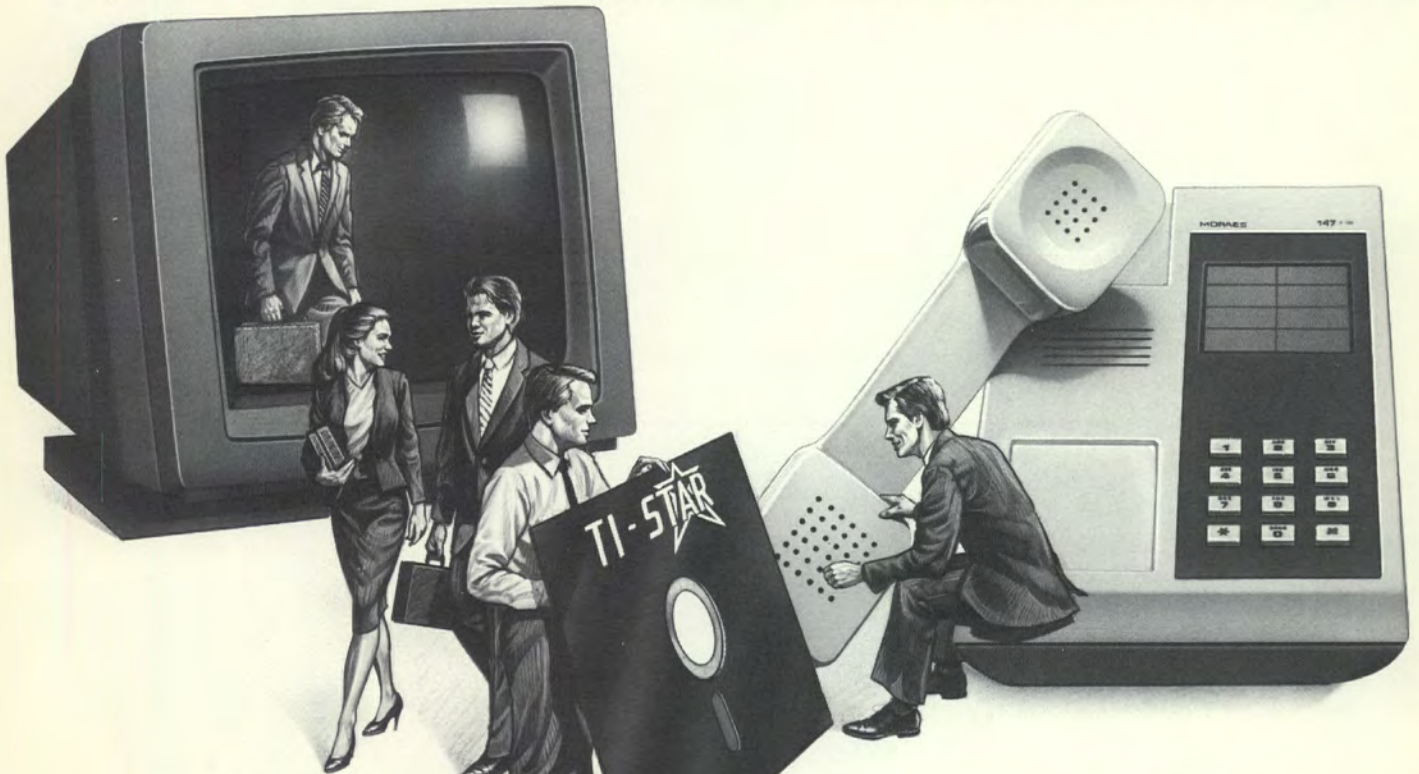
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Front Cover: David L. Drury, center, senior vice president, First Land Title Group, Fort Wayne, Indiana, instructs Robin West in use of the organization's computer system as James R. Suelzer, company president, watches at left. Drury recalls the quest leading to selection and implementation of the system in an article beginning on page 13.



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A Message from the President-Elect



As this is written, I am a few short weeks from installation as your eightieth ALTA president. Those who have held the office before me can attest to the sense of high honor and sobering responsibility that accompanies service in this position. Jerry Ippel is to be commended for his excellent leadership as ALTA president during the 1985-86 term, and I shall make every effort to continue in this tradition.

As the 1986 ALTA Annual Convention approaches, a number of important issues continue to receive first priority attention.

On Capitol Hill in Washington, the outlook presently is unclear concerning passage of legislation introduced in House and Senate, which is designed to establish that, when a title insurance rate is approved by a state insurance department, a title insurer charging the rate cannot be sued for treble damages under federal antitrust law when doing so. Title industry support of this legislation has been impressive. If Congress fails to act before adjournment this fall, a decision will need to be made concerning appropriate industry action in 1987.

Under the Tax Reform Act expected to be passed by Congress this year, ALTA already is working with the Internal Revenue Service on the bill's new reporting obligation regarding gross sales proceeds of sellers that would be imposed on title companies and others conducting real estate closings—and is working with congressional staff to develop more equitable and more easily administered reserve tax provisions for title insurers.

Present work with the consultant has been completed by the Errors and Omissions Committee on possible solutions to the very serious E&O insurance affordability/availability problem. A recommendation from the

committee is expected to reach the ALTA Board of Governors at the upcoming Annual Convention.

Among other items on the Convention agenda will be a recommendation from the American Congress on Surveying and Mapping Liaison Committee for updating the ALTA-ACSM standard minimum detail requirements for land surveys initially approved by the two organizations in 1962, and recommendations from the Title Insurance Forms Committee for the first comprehensive updating of the ALTA policy forms since 1970.

All this and much more that will be detailed in reports at the Convention clearly show an admirable level of involvement and hard work by your ALTA governors, committee members and staff. I am gratified by the response from our membership to my invitation for an expression of interest in 1986-87 committee service. Committee appointments based largely on these replies will be announced in the near future.

Continued active participation at this level by members throughout the country has made ALTA an effective and viable organization, and will be of substantial importance in meeting the needs of our industry in the months and years ahead. With support of this calibre from dedicated and able title people around the nation, I know that my presidential year will be productive and rewarding for us all.

A handwritten signature in dark ink, appearing to read "John R. Cathey". The signature is fluid and cursive, with a large initial "J" and "C".

John R. Cathey

The Tax Bill: Title Industry Impact

By Richard W. McCarthy

Note: This discussion will not attempt to measure or analyze the impact on the title industry of the general changes in business taxation such as the alternative minimum tax, changes in the investment tax credits, changes in the rules for business entertainment expenditures, etc. Rather, the discussion will deal with provisions specific to insurance lines, real estate investment and the title industry.

* * *

Introduction

The Tax Reform Act of 1986, the comprehensive tax bill which has been approved by both Houses of Congress and is expected to be signed by President Reagan before Congress recesses for the November elections, contains a few provisions that will specifically impact on ALTA members either directly through new requirements or indirectly through overall effects on the real estate sector of the U.S. economy.

The bill contains three general areas applicable to the taxation of the title insurance industry,* namely:

- New treatments for loss and premium reserves and of tax exempt income.
- Changes in the taxation and recognition of profit and loss from real estate investments. Also, changes in the rules for builder bonds and the deductibility of certain interest charges.
- A decrease in the number and amount of individual tax rates.

*For an article on the real estate reporting requirements of the tax bill, see the September, 1986, issue of the ALTA *Capital Comment* newsletter.

Each of these areas will be dealt with individually.

New Treatment of Underwriter Loss and Premium Reserves, and Tax-Exempt Income

Background

In 1984, the General Accounting Office issued a report on property and casualty insurance companies which had as its conclusion the fact that property and casualty companies take in premiums and establish reserves for unearned premiums and for future losses that are as of yet unreported (IBNR reserves), to such an extent that they lose money on operations in the present and make money on these invested reserves in the future. To compound the problem, the monies placed in reserves are generally in tax-exempt instruments and, therefore, property and casualty companies do not pay their fair share of taxes.

In response to the GAO report, President Reagan's initial tax proposal called for a change in the tax rules for property and casualty insurers treatment of reserves. Specifically, the President's proposal called for the establishment of Qualified Reserve Accounts (QRA). The QRA methodology amounted to no more than the discounting (recognition of the "time value of money") of loss reserves, in that, to the initial reserve was added all future

investment income generated by the reserve and future losses were deducted from the reserve. Any amounts above future losses would not be treated as tax deductible. That is, in an attempt to increase the taxation of property and casualty companies, provisions to a loss reserve would be discounted to recognize the fact that, to pay a \$1,000 loss five years from now, an insurer did *not* need to put \$1,000 in a loss reserve today. Property and casualty insurers would be able, under QRA reserves, to deduct, for tax purposes, the present value of the future funds needed to pay future claims. All reserves of property and casualty companies, the UPR, IBNR, and Known Claims reserve would be subject to these rules.

In the fall of 1985, the House of Representatives voted for H.R. 3838—the House of Representatives Comprehensive Tax Overhaul Bill. The House bill had a number of provisions aimed at the property and casualty industry, namely:

- (a) A 20 per cent penalty to the existing property and casualty unearned premium reserve paid over five years and a 20 per cent reduction in the recognition for tax purposes of all future additions to the UPR.
- (b) The bill proposed to reduce the deduction for losses incurred by a specified percentage of the insurance companies tax-exempt interest, and by a specified percentage of the deductible portion of dividends received attributable to investments made on or after November 15, 1985. The specified portion for 1986 and 1987 was 10 per cent, and, beginning with 1988, it would increase to 15 per cent.
- (c) A minimum tax would be imposed on insurance companies for taxable years beginning after 1987, requiring that the company's taxable income in no event be less than 20/36ths of its net gain from operations, adjusted to exclude



The author is director of research for ALTA and has been a member of the Association staff for 11 years. Recently, he has assisted in ALTA efforts in the area of congressional tax reform legislation.

from such net gain tax exempt interest and the deductible portion of dividends received attributable to investments made before November 15, 1985.

It should be noted that, for property and casualty companies, the net gain from income includes investment income and realized capital gains.

Provisions (b) and (c) of H.R. 3838 were referred to by Representative Fortney J. (Pete) Stark (D-California) as the "golden hammer" to be used to force the property and casualty companies to negotiate.

During the deliberations on H.R. 3838, the ALTA Board of Governors, staff and outside counsel felt that, since we were working with the Internal Revenue Service over the revocation of revenue ruling 83-174, which disallowed the statutory premium reserve as a tax deduction, replacing it with an IBNR reserve, title insurance underwriters would not be included in the House tax bill. However, the bill was drafted in such a way as to modify the Internal Revenue Code provisions relating to property and casualty companies. Unfortunately, the general income tax provisions that were to be modified also apply to title insurance companies.

At the March, 1986, meeting of the ALTA Board of Governors, a decision was made to engage the law firm of Sutherland, Asbill & Brennan to represent the title industry in our negotiations with House and Senate staffs on the tax issue.

During the same period in March, 1986, representatives from all the major property and casualty trade associations and some of the major property and casualty insurers met in Washington to work out a revenue neutral compromise. On March 5, 1986, the all-industry proposal for the taxation of property and casualty insurers was presented to Senator William Armstrong (R-Colorado), who carried it to Senate Finance Committee Chairman Robert Packwood (R-Oregon). With *minor* modifications, the industry proposal became the Senate version of the new tax bill.

As mentioned above, we had begun to lobby House and Senate staff responsible for writing the tax bill. We argued that the title industry paid its fair share of taxes, that the title industry did not mismatch revenue and acquisition expenses, thus setting up losses on operations and profits in tax exempt instruments, and that we were working with the IRS on the statutory premium reserve issue.

When the Senate tax bill was completed, it contained the following provisions for the taxation of property and casualty insurers and a special rule for title insurers:

- (a) A 20% penalty to the existing property and casualty unearned premium reserve—paid over 7½ years and a 20 per cent reduction in the recognition for tax purposes of all future additions to the UPR.

- (b) The discounting of all loss reserves (true IBNR and case basis reserves) based on the historical "loss tail" of the line of insurance at a discount rate equal to 5 per cent for the first year and equal to 75 per cent of the published mid term Applicable Federal Rate developed with a 5-year rolling average to begin January 1, 1988.

- (c) The special rule for title insurance contained in the bill indicated that, for the title insurance industry, there were no unearned premium reserves for tax purposes and that title insurers would be allowed to deduct only a discounted, statistically-defensible (actuarially determined) IBNR reserve plus a discounted case basis reserve.

The majority of title underwriters have never reported an IBNR reserve for tax purposes. Instead, they deduct the state mandated and regulated statutory premium reserve plus the reserve for known claims (the case basis reserve).

In July, 1986, the ALTA Board approved the Association Accounting Committee's proposal that the ALTA staff augment our lobbying capabilities by engaging the Office of Government Services of Price Waterhouse as our technical advisors to the relevant congressional staff members.

In meetings during July and August with the staffs of the Senate Finance Committee, the House Ways and Means Committee, the Joint Committee on Taxation and the U.S. Treasury, we argued that the loss prevention nature of our business, coupled with the loss experience in our industry in which large losses are not statistically predictable, would cause an undue administrative burden on the industry in developing an IBNR reserve and would open the members of the industry to annual challenges by the Internal Revenue Service as to the correct level of the IBNR. We also argued that the case basis reserve had an extremely short "tail" and should therefore not be discounted.

After a number of meetings with ALTA representatives, the various staff members involved began to fully understand our situation and agreed to a compromise, which included the following points:

- The title insurance industry would not be required to change from using the statutory premium reserve to using an IBNR reserve for tax purposes. That is, the new tax law would recognize the state mandated statutory premium reserve and the state mandated withdrawals from the reserve as being deductible for tax purposes. However, the reserve would have to be discounted over the period during which the reserves are deferred under state law. The discount rate would be the rate mentioned above for property

and casualty loss reserves.

- The case reserve would not have to be discounted if we could show that the weighted average life of provisions to the reserve was under one year.
- The title insurance industry would be given a "fresh start" in that the difference between the discounted and undiscounted statutory premium reserve on December 31, 1986 would never be brought into taxable income.

The Current Situation

The tax bill approved by both Houses of Congress contains the following provisions that are applicable to title insurance underwriters:

- Title insurer state-mandated unearned premium reserves will be discounted. The discounting period is the period over which the unearned premium reserves are deferred under state law, and the discount rate is the rate generally applicable to property and casualty insurers.
- Title insurance case reserves will be subject to discounting under the same method as property and casualty loss reserves. That is, the reserves would be discounted according to an industry average life or each company's specific history.
- A fresh start will be applicable to the unearned premium reserve and case reserve discounting.
- The discount rate applicable to property and casualty insurers is *100 per cent* (not 75 per cent) of the midterm Applicable Federal Rate.
- The deduction for losses incurred would be reduced by 15 per cent of a company's tax-exempt interest income plus the non-taxable portion of dividends received on investments made after August 7, 1986.

The last two items on this list were added during the closed conference sessions when it was discovered that, because of some other tax preferences granted individual taxpayers, an additional \$17 billion in revenue was needed to keep the entire tax bill revenue neutral. As was mentioned above, the last item was part of the House of Representatives version of the tax bill.

The Mechanics of the Law; Its Effects on Title Underwriters

The Statutory Premium Reserve

The balance of the statutory premium reserve on December 31, 1986 consists of many parts which were put into the reserve over the past 15 to 25 years, depending on state statute. Each of these parts, or vintages, will have to be discounted at the prevailing discount rate based on how that part would flow back into taxable income. The sum of all these dis-



Author Richard W. McCarthy, who is ALTA director of research, is shown at center in left photograph during a conversation with James R. Maber (seated), Association general counsel, and Bernard E. Shapiro of Price Waterhouse, at a break during an ALTA office briefing on the Tax Reform Act. Shown in the right photograph during the briefing are Association President-Elect John R. Catbey, left, and Michael B. Goodin, ALTA executive vice president.

counted parts will become the starting point for the 1987 tax year. On December 31, 1987, the same procedure will be followed arriving at the year end 1987 discounted statutory premium reserve. The difference between the beginning of the year and the end of the year discounted statutory premium reserve—the discounted net change—is the net tax deduction for 1987.

The discounting has two aspects to it, namely: the required interest rate and the period over which the premium reserve is brought into income.

As an example, assume that the applicable interest rate is 5 per cent and that the withdrawal period is a straight 10 years. If the provision to the reserve during 1987 was \$100, then the withdrawal would be \$10 per year for the next 10 years. The discounted provision would be the present discounted reserve (at 5 per cent interest) on the 10-year flow of \$10 per year—an amount equal to \$77.20. This amount, less the previously discounted withdrawal from the reserve, would be the tax deduction applicable for the calendar year in question.

Although \$100 has been put into the reserve, only the present discounted value of this provision would be deductible for tax purposes. On the other hand, as the past provisions to the reserve flow back into the income stream, only a percentage of the amount flowing back will be taxed. From the example above, as the \$10 flows back into income only \$7.72, the pro rata discounted amount, will be taxed, since \$22.80 was taxed in the year that the provision to the reserve was made.

Given the various state statutes, at an interest rate of 5 per cent (the applicable interest rate for the year 1987), title insurance underwriters will be required to discount their provisions to the statutory premium reserves by a percentage of between 30 and 54 per cent,

depending upon the state mandated withdrawal rate. Although these required discounts vary by a large margin, the goal of recognizing the time value of money and thus removing any economic benefit derivable from the differences between state statutes is achieved through the requirement to discount the provisions to the reserve.

The requirement to discount future provisions to the statutory premium reserve will not, in the long run, increase the taxes paid by the title insurance industry. What will occur is a change in the timing of the payment of future taxes. That is, any provision to the statutory premium reserve will, *under both present and future law*, become taxable income at some point in the future. The Tax Reform Act of 1986 simply requires that some percentage of the provision to the statutory premium reserve become taxable income up front. The *economic* cost to the title industry is the possible benefits that could have been derived from the use of the tax deferred funds. That is, the cost to the industry is the foregone investment income that would have been generated by utilizing the portion of the reserve that is no longer deferred from taxation.

On the other hand, the fresh start gives the title insurance industry a one time gain equal to about 20 per cent of the outstanding statutory premium reserve as of December 31, 1986.

At the close of 1986, the title insurance industry's statutory premium reserve should be equal to about \$660 million. At the new tax rates of 34 per cent, this reserve of \$660 million represents a future tax liability of about \$224.4 million. However, under the provisions of the fresh start, the difference between the discounted and undiscounted statutory premium reserve would never be brought into taxable income. Since the discounting of the *corpus* of the reserve requires each prior

year's provision to be discounted separately and summed for the total discounted reserve, the total extent of the discount and thus the percentage cannot be precisely calculated for the industry as a whole because of the various company experiences and state statutes applicable. We have, however, estimated that the overall discount to the *corpus* of the reserve will be about 20 per cent. Therefore, 20 per cent of the outstanding statutory premium reserve, an amount equal to about \$132 million, will not be counted as taxable income in the future. This fresh start means that the title insurance industry will save approximately \$44.9 million in taxes in the future. If we factor in the tax bill's change in corporate tax rates from 46 to 34 per cent, the total savings on the future statutory premium reserve tax liabilities produced by the fresh start and the change in rates is equal to about \$125 million.

The Case Basis Reserve

As we indicated above, we had hoped that, given the short life of the case reserve coupled with the extremely small size of the reserve, the title industry would not be required to discount the case basis (known claims) reserve. However, available industry statistics could not support the contention that the weighted average life of monies provided to the case reserve was under one year.

Therefore, as the legislation now stands, title underwriters will be required to discount the case reserve based on either an as yet to be developed average industry "life" of the reserve or on the individual company's experience. Since the Treasury Department will be required to work with the industry in developing the appropriate industry averages, the ALTA Accounting Committee will meet in late October to begin developing the outlines of the database that will be required in developing the averages.

We estimate that the "life" of the case basis reserve will be under two years. If this is the case, any provisions to the reserve, at a 5 per cent rate of discount, will be discounted by about 10 per cent. The *corpus* of the reserve, as in the case of the statutory premium reserve, must be broken into its vintages and then discounted. The total discount to the *corpus* of the case reserve should be in the neighborhood of 6 per cent. Also, a fresh start will be granted between the discounted and undiscounted case basis reserve.

In 1986, the net provision to the case basis reserve for the title industry was \$20.9 million, with the total reserve equalling \$194.5 million at year end 1986. The discounting of the provision would accelerate about \$2.1 million into the taxable income stream, while the body of the reserve would be reduced by \$11.7 million. The \$11.7 million would be the

Continued on page 26

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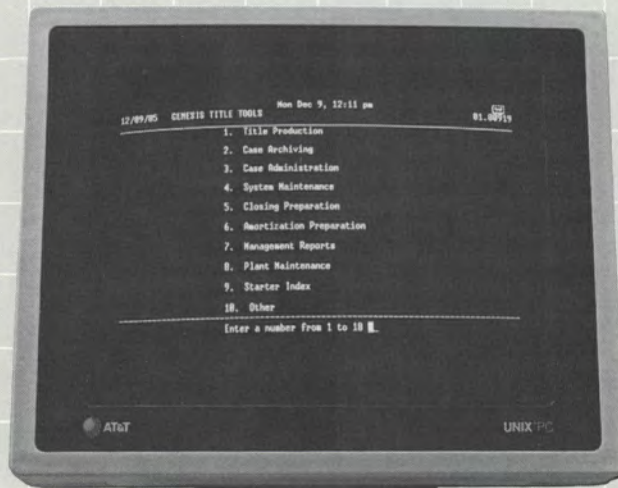
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Computerization Increases Productivity

By David L. Drury

As Allen County, Indiana, began to emerge from the recession of the early 80s, the accompanying real estate recovery brought increasing pressure for First Land Title Company in Fort Wayne. By late 1984, the company's average monthly volume of title orders had risen 100 per cent over the previous year.

There was a need for dramatic change if First Land Title services—abstracts, title insurance, escrow and closing—were to continue with customary efficiency and if employee morale were to be preserved. Rather than throw more people at the problem, we opted to begin by increasing the productivity of an excellent staff already in place.

In order to bring the needed expansion of capability, it was decided to install a computer system that would allow our seasoned examiners to spend more time on essentials and less on mechanical production of title evidence. Also, we wanted a system that could later handle other facets of business such as basic corporate accounting, payroll and title plant records—even though immediate plans were limited to programs for closing, commitments and title policies.

Our quest for a computer system began late in 1984, and included the obvious preliminaries. Company personnel haunted display booths at title conventions. Stacks of literature grew to considerable size, and unsolicited catalogs and proposal letters were read with

increasing interest. Our study made it clear that some systems would not meet our specific needs and others lacked the expansion capacity desired. Still others fulfilled our requirements but lacked the software for additional business applications.

Finally, in mid-1985, our arduous efforts culminated in the installation of a system that met our management objectives. Since then, employee productivity has increased significantly, no one has lost a job to the computer, and we are moving toward our ultimate goals.

The recent installation is not the first encounter with computers at First Land Title. From 1976 to 1983, we operated with a tract and name index system which stored our inputted information in a mainframe computer located in another city.

In general, the mainframe system worked well. At first, the system used an optical scanner to read typewritten entries—which left something to be desired for accuracy. A later upgrade permitted the mainframe computer to call an in-house computer, take in newly-inputted material over a telephone line, and send revised data back to the company computer. Periodically, this material was printed out on microfilm cassettes and a new grouping of entries began.

However, the company offering the mainframe service decided to add still another improvement—putting computers on line for instant response—resulting in a cost increase to First Land Title of more than 30 per cent. With no immediately viable solution to rising plant upkeep costs, we were drawn to an article by Helen Peck of Highlands County, Florida, in the May, 1983, *Title News*. Ms. Peck described how her company had created an automated back plant as it began business and then opted to continue the ongoing records using an “old fashioned” tract book system. This alternative made sense to us and we have no regrets about our decision to return to manual tract listings.

Checklist Useful

During the quest that led to acquiring our new production system, we developed a checklist that proved useful:

—When it goes awry, how long does it take before it is fixed? One manufacturer guaranteed to deliver a new component within 24 hours if required; it was confirmed that they did so. If using standard equipment like IBM, IBM compatible or similar personal computers, be sure local servicing is immediate. We dialed toll free numbers and talked with manufacturer representatives about their service, how quickly they could respond to questions and how they handled programming glitches.

—Have they made any upgrades in their systems within the past year? Beware of those “planning” enhancements. Those already completed are a better indicator of corporate commitment to improvements than those in the “projecting” mode.

—How much training is offered? We discovered answers from “It’s so easy we can show you in a morning” to 3-4 days. We had no experience with the former; the latter turned out to be about right for the system we purchased.

—What happens when you run commitment and policy forms on printers whose manufacturers claim are compatible with the system under consideration? In our experience, some could not provide the quality required on the third and fourth carbon copies. We found one title company that does not use combined owner-lender title policy forms but prints a separate policy for each. Fine for them—but we lack time for such luxuries.

—How much flexibility is built into the system to allow you to create your own forms?

Also during the quest, First Land Title officers visited several title companies to see how they applied computer systems to their indi-

The author is senior vice president for First Land Title Group, which is located in Fort Wayne, Indiana.

vidual needs. This was done regardless of size of system being used. Our travels included a day-long visit to a large operation where two mainframe computers (with a third being installed), serviced the main office and a dozen branches. There were over 100 terminals in the main office alone. This capacity dwarfed our most optimistic need—but viewing such a completely integrated operation provided insight regarding how we could best utilize new equipment in our own company.

Title operations nearer our size also were visited to provide a glimpse of how their equipment functioned. A smaller office was included on our tour to check a closing package which came highly recommended.

Also, personnel at the Computerland store two doors from our office were unfailingly helpful in explaining technical jargon we encountered. They also convinced us having a custom-written set of programs would be both exceedingly expensive and frustratingly time consuming. As they put it, "Do you expect to have a full time computer expert on your staff? If not, do not use a custom-written program unless *none* is available to do what is required." (Also, imagine the potential chaos if your computer expert on staff decides to pursue a career elsewhere.)

Finally, we were ready to consider a system for our company and one was agreed to that seemed to meet our needs. We then arranged to have the system set out in our offices for everyone to see and use.

While none of us felt like computer experts at the end of the demonstration, it was clear that the system under consideration was simple to operate and met the criteria we had established.

System Expandable

Our equipment selection placed an expandable system with two terminals and a printer in our downtown office, and a stand-alone system with no expansion capabilities in our branch location. Both systems can produce title insurance commitments-policies and closing packages. A special program written by the supplier allows floppy disks to be transferred between offices. For example, a commitment prepared in the branch office can be sent downtown to have the policy produced, while a commitment inputted downtown can be taken to the branch if the closing is being held there.

Our downtown office equipment was grouped into a computer center, to make it readily available to all users and to avoid spider-webbing cable throughout the building.

As our new system was being readied for shipment, training our personnel assumed priority. Being corporately opposed to specialization, we decided to acquaint as many employees and supervisors as possible with the system. If company leadership does not under-



Author David L. Drury checks a printer at First Land Title Group, Fort Wayne, Indiana, where installation of a computer system has been accompanied by introduction of an evening shift to speed production.

stand the capabilities of the system, its full potential cannot be realized. And, when programs such as those for corporate accounting and payroll were added later, those responsible would need a working knowledge of the system.

Our decision to make training company-wide was reinforced by a dramatic example encountered during a visit to a small shop with a system that used closing packages. In this organization, the computer was effectively "dead" because the only employee who understood its intricacies had just left the company.

Once training began we virtually shut down all other functions for a week. We had to seek the indulgence of customers for delays with their orders. The vendor had promised that the training process would be intense: this proved to be true. Computer installation and initial training ideally should come at the slowest time of the year—but, chances are, it won't work out that way.

Among the early improvements that followed installation of the system was adding an evening shift to the production department. It had long been a corporate goal to extend working hours in order to provide title evidence more quickly. We had looked, unsuccessfully, for an easy way to "store" information. Someone who started a job at 8:00 p.m. could not gather needed data in the public offices. Partially typed commitments proved

unwieldy; attempting to ascertain what had been examined usually led to redoing all the work in the interests of accuracy. The computer solved the problem: in-house information can be entered, court house material added the next morning and final copy checked on the terminal screen before printing.

Since adding the evening shift, work has evolved toward having more heavy production work done at night than during the day. With fewer interruptions and a more relaxed atmosphere in the evening, employees are better able to concentrate on production.

With an evening shift, the system operates 13 hours per day rather than eight—which improves the cost effectiveness of our substantial investment. Establishing a computer center and extending the hours of use appealed more to management than buying considerably more equipment so there would be a terminal on the desk of each employee.

Employees Remain, Do More

Since the acquisition of our system, I have asked over two dozen persons who use computers whether they have ever seen machinery replace employees. Not one has answered in the affirmative.

In our market, experienced employees are too valuable to replace with computers—and computers help good people produce more work.

In recent months, we have added employees to cope with increased business—but the number is less than would have been required without the system. And, we have been able to delay hiring because of computer efficiencies.

Time for producing settlement statements in the closing department has been reduced from an average of over an hour to about 15 minutes. The system is enthusiastically appreciated every time a Realtor brings in a forgotten bill to closing. By simply entering the amount of the bill and asking the computer to recalculate, it is possible to produce a revised, clean settlement statement while the closing continues.

Since we represent nearly 20 different lenders, each with an individual set of forms, the computer plays an important role in being able to quickly generate forms for each lender. Where we used to type the names of buyers and sellers about 15 times each for a closing, they now are typed into the computer only once. Add to that the number of times the property address, legal description, lender's name and address, etc., appear on closing documents and the time savings are readily apparent.

After people at several title companies told us of the advantage of computer closing packages, we expected time saving in our closing

Continued on page 33

What should you expect after you buy a system?



Ask an expert.

"Many companies seem to relax after the contract is signed," says Larry Edger, president of American Realty Title Assurance Company (ARTA). "This was not the case with Title Data Inc.

"From the moment we purchased our Genesis systems, we were impressed with the continual communication we received. As anticipated with any new system, we have

had numerous questions and requests. TDI has been responsive in every case.

"The training we received was both thorough and effective. And, as a result, we were in full operation receiving total benefits within 30 days of installation.

"Since then, with frequent help from TDI, we have been able to modify the system to accommodate virtually every form and document used in our local area. Our branches also found it easy to adapt Genesis to meet their specific needs.

"In general I would say that the constant flow of information between ARTA and TDI has made the transition a surprisingly smooth event," says Edger.

At TDI, we know that what happens after you buy a system is as important as choosing one. That's why we include:

- Extensive personal training and self-training materials,
- Personalized system modifications, and
- Full ongoing support through our toll-free WATS line.

We are certain that Genesis will perform for you as expected. Because with Genesis the best part begins after the contract is signed.

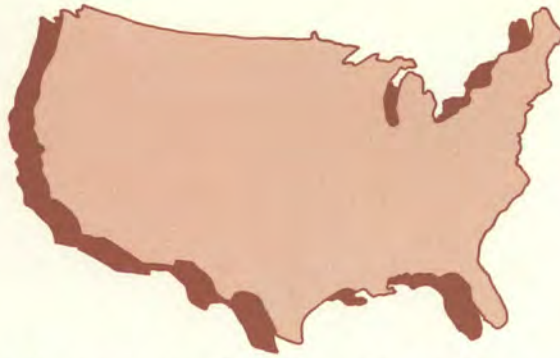
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Around the Nation

Montana Commissioner Discusses New Law

State Insurance Commissioner Andrea Bennett was a featured speaker at the seventy-eighth annual convention of the Montana Land Title Association. She spoke on a topic of major importance: the Montana Title Insurance Act and its rules and regulations, and implementation of the act since it became law last October. Other leading speakers included Alan Rainey of the state department of highways and John R. Cathey, The Bryan County (Oklahoma) Abstract Company, Durant, ALTA president-elect, who updated members on activities of the national association.

Richard J. Zanto, Chouteau County Abstract Company, Fort Benton, was elected president of MLTA. Ruby L. Willard, First American Title Company, Missoula, was named vice president. Other officers include Jim Noe, Carbon County Abstract and Title Company, Red Lodge, and, elected as executive committee member-at-large and re-elected as secretary-treasurer, was Bob Field, First Montana Title Company, Billings. William F. Gowen, Helena Abstract & Title Co., is immediate past president.

Awards were presented to members in recognition of their service to the land title industry. Those receiving ten-year service awards were Gene Spranget, Security Title of Gallatin County, Bozeman; John S. Barkemeyer, Helena Abstract & Title; Denise M. Holmes, First Montana Title Co. of Great Falls; Sharyn Klock, Mid-Montana Title Co., Harlowton. Recipients of fifteen-year awards were Charles E. Vernon, Citizens Title & Escrow, Kalispell; Loren Solberg, County Guaranty Title Co., Kalispell; Ruby Willard; Patricia L.

Bolog, Flathead Title Co., Kalispell; Joyce V. Dye, Toole County Title Co. Shelby; Doris Geschwill, SAFECO Title Insurance Company, Great Falls; Teresa E. Laird, First Montana Title Co. of Great Falls. Twenty-year awards went to Sue Todd, Mountain Title Services Inc., Great Falls. Shelley A. Oertli (retired), First Montana Title Co., Hamilton, was honored for her 25 years service, as was Stan Kalberg, Mid-Montana Title Co., Harlowtown, for his 30 years service. A 35-year award went to Joan L. Knipfer (retired), American Land Title Co., Bozeman.

Title Employee of the Year for 1986 is Betsi Conrady, First Montana Title Company, Helena, and her boss, John Betts, First Montana of Helena, was named 1986 Title Executive of the Year.

Arkansas Convention Sets Another Record



Vance

Still another attendance record was posted at the seventy-ninth annual convention of the Arkansas Land Title Association.

Charles O. Hon, III, the Title Guaranty & Trust Co. of Chattanooga, Tennessee, and chairman, ALTA Abstractors and Title Insurance Agents Section, was a featured speaker.

Following elections, the association board of governors are President Rod Cameron, Pulaski County Title Company, Little Rock; Vice President Lucenia Whitehead, White Abstract & Realty Company, Newport; Secretary-Treasurer Kender Carroll, Benton County Ab-

stract Company, Bentonville; and, all newly-elected directors Jim Pugh, Roy Pugh Abstract Company, West Memphis; Jerry Maleare, Lakes Abstract Company, Mountain Home; Charlie Richison, George & Richison Abstracters, Danville; and Phil Bronson, Bronson Abstract Company, Fayetteville.

Special awards were presented to Alfred Vance and Carla McKinnon Ward. Vance, Vance Abstract Company, Russellville, was named Arkansas Titleman of the Year. He is a past president of ARLTA, and has been active on ALTA and ARLTA committees.

Ward, Miller County Abstract Company, Texarkana, was awarded the ARLTA Young Title Person of the Year honor.

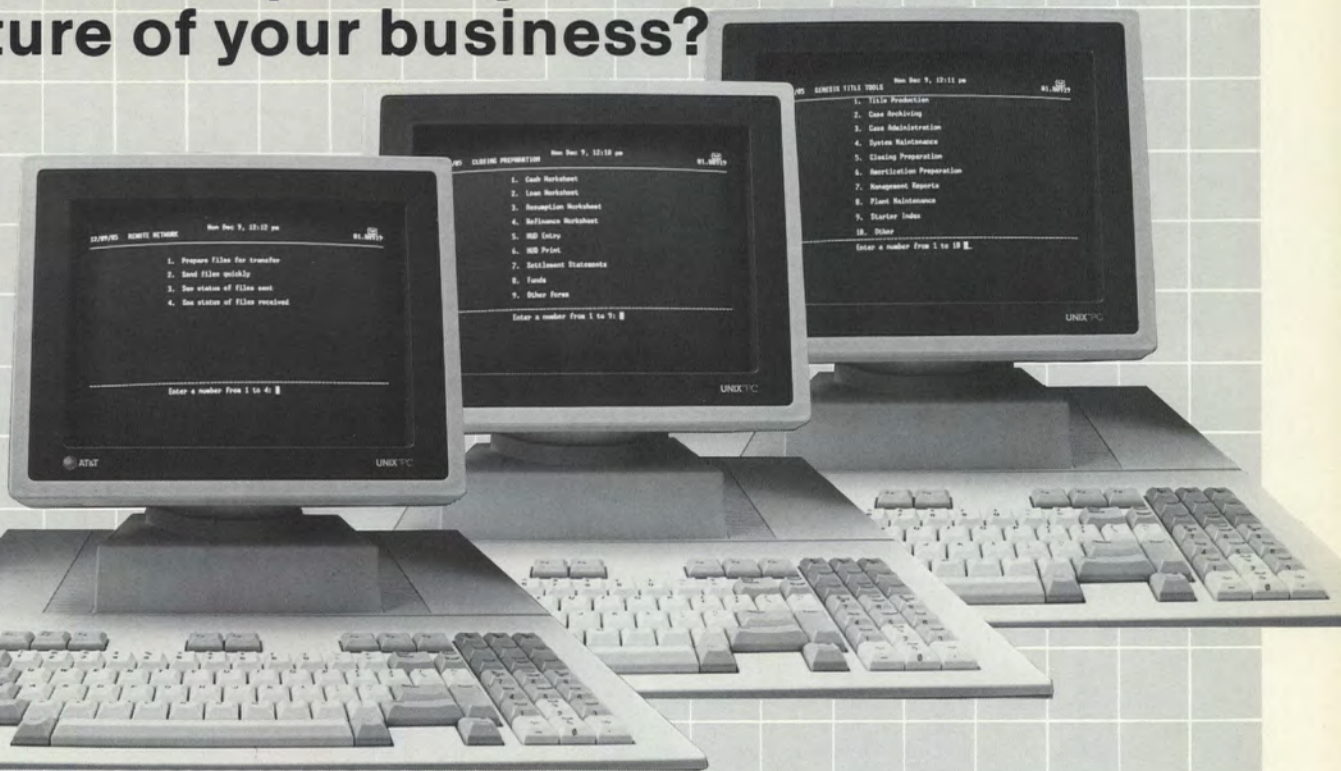
Cathey, Commissioner On NELTA Program

Outstanding speakers highlighted the seventeenth annual convention of the New England Land Title Association, according to a report from Deborah R. Moser, Lawyers title Insurance Corporation, who completed her term as association president during the meeting.

ALTA President-Elect John R. Cathey, The Bryan County (Oklahoma) Abstract, Company, reported on ALTA efforts to ease the errors and omissions insurance affordability/availability problem and emphasized the need for political involvement by title people.

Peter W. Gillies, commissioner of insurance, State of Connecticut, spoke on "Concerns of the Insurance Industry." He raised issues on whether a premium bears relationship to the underlying risk; difficulty in obtaining different kinds of insurance and impact on

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President at Commonwealth Land Title Insurance Company.

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"When we were looking for a system for our 5000 agents, we were concerned with getting state-of-the-art software. We wanted the best possible performance and a realistic price. Genesis incorporates both within a UNIX® multi-user operating system. We were impressed with its quality, versatility and performance," says Buchman.

Title industry experts around the country have expressed confidence in Genesis' ability to meet their future needs. And Title Data's long-standing reputation is proof of their commitment to keeping Genesis on the leading edge for years to come. Let Genesis bring you the future, with —

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The 1986-87 officers of the New England Land Title Association are, from left, Ted Palmer, Security Title and Guaranty Company, president; Edward J. Popkins, The Westport Bank and Trust Company, executive committee; Steven Johnson, Ticor Title Insurance Company, first vice president; Robert J. Hauser, Jr., Commonwealth Land Title Insurance Company, second vice president; Deborah R. Moser, Lawyers Title Insurance Corporation, immediate past president; Raymond L. Redniss, Parsons, Bromfield & Redniss, executive committee; Orrin P. Rosenberg, Hay and Dailey, executive committee; James L. Audiffred, National Attorney's Title Insurance Company, executive committee; and Elton B. Harvey, SAFECO Title Insurance Company, treasurer. Not pictured: Charles W. Parker, Jr., Chicago Title Insurance Company, secretary.

the public; and asked whether title insurance companies may start to decline certain coverages because of unknown risks.

Another topic was "Tax Reform-Impact on Real Estate Investment," discussed by John Mallin of Updike, Kelley & Spellacy, P.C. This was followed by "Hazardous Waste Update," covered by panel members including moderator, William Liska, Ticor Title Insurance Company; Robert Soule, First American Title Insurance Company; James L. Audiffred, National Attorney's Title Association; and Harrison E. Smith of Smith, Connor & Wilder, P.C.

Newly-elected NELTA officers are as follows: Ted Palmer, Security Title and Guaranty Company, president; first vice president, Steven Johnson, Ticor Title Insurance Com-

pany; second vice president, Robert J. Hauser, Jr., Commonwealth Land Title Insurance Company; secretary, Charles W. Parker, Jr., Chicago Title Insurance Company, and, treasurer, Elton B. Harvey, SAFECO Title Insurance Company. Audiffred was elected executive committee member. Associate members Raymond L. Redniss, Parsons, Bromfield & Redniss, and Edward J. Popkins, The Westport Bank and Trust Company, continue their executive committee terms, along with newly-elected associate member Orrin P. Rosenberg, Hay and Dailey. Moser is immediate past president.

Variety of Subjects For North Carolinians

Presentations on a variety of current topics highlighted the North Carolina Land Title Association annual convention. Speakers and subjects included "Title Insurance: Viewpoint from the Commissioner's Office" (James E. Long, state insurance commissioner); "ALTA Update" (James R. Maher, ALTA general counsel); "Estate-Related Title Matters" (A. Grant Whitney, Jr., of Parker, Poe, Thompson, Bernstein, Gage and Preston); "New ALTA Forms—Why We Need Them and How They Work" (ALTA Title Insurance Forms Committee Member Russell W. Jordan, III, Lawyers Title Insurance Corporation); "Real Property Specialization" (Larry McDevitt, of Van Winkle, Buck, Wall, Starnes

and Davis, P.A.), and "The New Condominium Law" (Brian P. Evans, of Berry, Hogewood, Edwards and Freeman, P.A.).

John M. McNeely, Jefferson-Pilot Title Insurance Company, was elected 1986-87 president of the Association. Other new officers include John H. Noblitt, Chicago Title Insurance Company, vice president; T. Alfred Gardner, First Title Insurance Company, treasurer; Gary W. Chadwick, SAFECO Title of North Carolina, Inc., secretary. Jack L. Donnell continues as general counsel and re-elected as attorney section representative is Malcolm E. Harris, of Harris, Cheshire, Leager and Southern. Joseph M. Parker, Jr., of Lawyers Title of North Carolina, Inc., is immediate past president.

Quattlebaum President Of Palmetto Association

Patricia Quattlebaum, South Carolina Title Insurance Company, was elected president of the Palmetto Land Title Association during its annual convention in Greenville, South Carolina.

Included on the program were a variety of topics covered by prominent speakers, such as "Economic Forecast for Real Estate Development in South Carolina," by Congressman Carroll A. Campbell, Jr.; "Claims," by Donald P. Waddick, Title Insurance Company of Minnesota; "Survey of Recent South Carolina Cases," by Benton D. Williamson, Boyd, Knowlton, Tate & Finlay; and "ALTA Update," by James R. Maher, ALTA general counsel.

In addition, a half-day convention seminar was sponsored by the PLTA Legal Education Committee.

Other association officers elected for 1986-87 include Marilyn Livingston, Lawyers Title Insurance Corporation, president-elect; Laura Hulst, Minnesota Title Insurance Company, secretary; Joby Castine, Chicago Title Insurance Company, treasurer; and the following elected as directors: Thomas B. Pollard, Jr., Nexsen, Pruet, Jacobs & Pollard; Benton D. Williamson, Boyd, Knowlton, Tate & Finlay; and Anne D. Mixson, Standard Title Services, Inc.

Teitelbaum Elected President of NJLTA

Isidore Teitelbaum, American Title Insurance Company, was elected president of the New Jersey Land Title Association at the convention of that organization. Elected as first vice president is Edward J. Angelica, Title USA Insurance Corporation; second vice pres-

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Ask the experts.



Bennehoff



Shillady

"Genesis is a proven system developed by a company with years of experience in title automation. That's the reason we chose it," says Linda Bennehoff, president of Chicago Title Agency of Rockford, Inc. and buyer of our 100th Genesis system.

"We needed to start with a system that would let us grow within the same system. With Genesis we can use the title production and closing packages now and add the general index and tract-book index as our growth permits."

Dale Shillady, Executive Vice President, agrees. "What impressed me most was that Title Data has installed plants all around the country. That's expertise I'll want when we start using Genesis for our own plant.

"Basically, Genesis is a marvelous tool that will enable us to market the quality and professionalism of our product and the services we provide."

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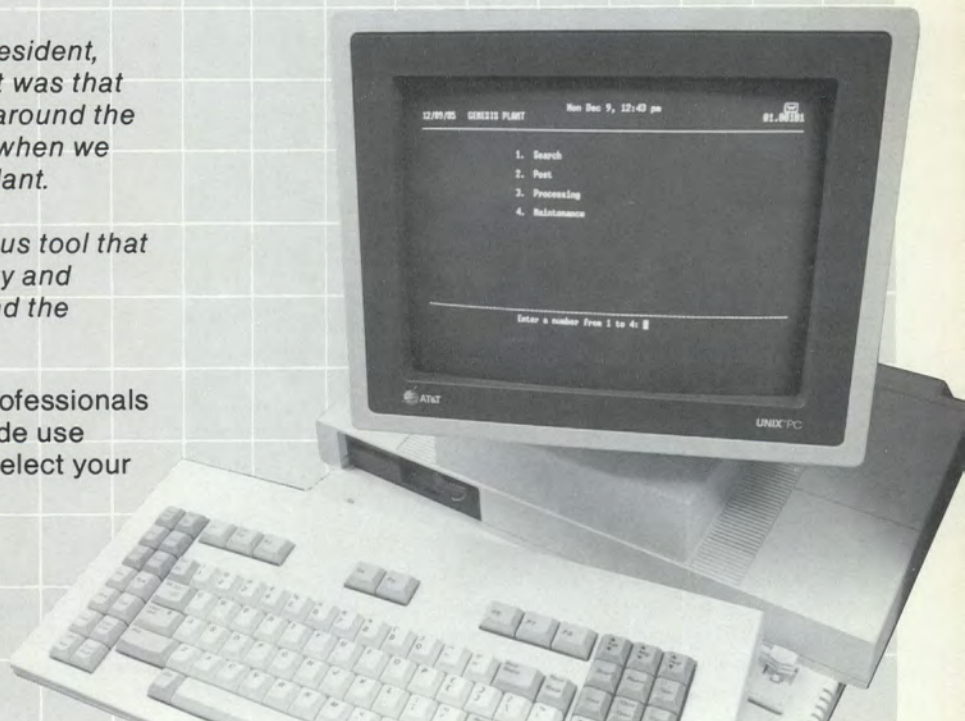
- Specific title programs for plant maintenance, title production, closing, management reports, and more;
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Ohio Bar Title Opens Headquarters



New corporate headquarters for Ohio Bar Title Insurance Company, Ohio's oldest domestic title insurance company, recently were opened in Columbus, Ohio. The company, based in Dayton since its founding in 1955, is the only lawyer-related title insurer in Ohio. The Dayton office now is the southwest regional office. Shown here, from left, at opening ceremonies are Frederiks D. Berger, Cincinnati, chairman emeritus; James L. Elder, president, Ohio State Bar Foundation; and, all from Ohio Bar Title, William T. Margiotta Jr., president and chief executive officer; Bradley Schaeffer, chairman of the board; and William L. Schmidt, board member representing Columbus.

ident is A. Roger Blauvelt, Commonwealth Land Title Insurance Company; secretary-treasurer is Richard A. Wilson, Title Insurance Company of Minnesota.

John R. Cathey, The Bryan County (Oklahoma) Abstract Company, Durant, and ALTA president-elect, was a featured speaker. Also, a panel discussion was presented on the errors and omissions insurance crisis. Included as panelists were president-elect Cathey; Richard Angelo, The Title Insurance Corporation of Pennsylvania; Patrick Brennan, Association of Title Insurance Agents of New Jersey; and president Teitelbaum.

Colorado Association Presidency to Bowman



Kensinger

During the recent Land Title Association of Colorado annual convention, Jack O. Bowman of Powers County Abstract Company was elected 1986-87 president of the Association. He has been active in the abstract business since 1949.

Other new officers: William M. Reed, Transamerica Title Insurance Company, vice president; Howard J. Leino, Security Title Company, second vice president; and Charles F. Sis, Moffat County Abstract Company, secretary-treasurer. Newly-elected LTAC directors are Robert W. Ptolemy, Laplata County Abstract Company; Randy Yeaster, Ticor Title Insurance Company; and Norman E. Larkins, The Title & Abstract Company. Gail

F. Bode of Transamerica Title is immediate past president.

Mel Kensinger, Commonwealth Land Title Insurance Company, was the recipient of the "Title Person of the Year" award. A leader in the title insurance industry for the past 30 years, Kensinger served as president of the LTAC in 1971-72, and as an LTAC board member for seven years. He also served three years as an ALTA governor.

ALTA President-Elect John R. Cathey, The Bryan County (Oklahoma) Abstract Company, was a featured speaker.

Hon. State Officials Speakers in Oregon



Pond

Among the distinguished program speakers during the Oregon Land Title Association's seventy-ninth annual convention was ALTA Abstracters and Title Insurance Agents Section Chairman Charles O. Hon, III, president, The Title Guaranty & Trust Co. of Chattanooga, Tennessee, who reported on ALTA activities and national industry problems.

Other speaker dignitaries included Morella Larsen, real estate commissioner, State of Oregon; Dick McGavock, state insurance department; Glenda D. Sibbald, Umpqua Title and Escrow Company, President of the Oregon Escrow Council; and Charles Stern, Yamhill county clerk, second vice president of the state county clerks association.

Kenneth Pond, Continental Land Title Company, Medford, was elected 1986-87 OLTA president and J. Wallace Gutzler, Capital Title Company, Salem, was elected vice president. Named members-at-large on the board of directors are Tom McMahon, Cascade Title Company, Eugene, and George Slape, Lincoln County Title and Escrow, Newport.

Newly-elected chairman for the agents section is Al Owen, Yamhill County Title and Escrow, McMinnville, along with newly elected Tom Wimberly, Commercial Title Company, Roseburg, vice chairman, and Mary Lou Dean, Abstract and Title Company, La Grande, secretary.

Stuart F. Wylde, Abstract and Title Company, La Grande, and Robert M. Beardsley, Douglas County Title Company, Roseburg, were elected honorary members of OLTA. Beardsley is chairman of the ALTA Group Insurance Trust.

Michigan President Loree Succumbs

Services and burial were in Hart, Michigan, for Hugh A. Loree, president of the Michigan Land Title Association, who died at his home in Pentwater, Michigan, after an extended illness.

He had owned Oceana Land Title Company and practiced law in Hart for nearly 33 years. Survivors include his wife Frances H. Loree, a son, a daughter and two grandchildren.

First American Adds Title Agent in Hawaii



Palk

Security Title Corp oration of Honolulu, Hawaii, has become a new agent for First American Title Insurance Company. Jack K. Palk is president of Security Title, which was incorporated in 1963 and currently employs 84 people.

The main office is located in Honolulu, and two branch offices are on the island of Oahu. Branches also are on the islands of Maui, Kauai and Hawaii.

Fidelity Title Opens New Escrow Branch

Fidelity National Title Insurance Company announces the addition of a new escrow branch in Foster City, California.

Audrey Montgomery, a 15-year veteran of the industry, has joined Fidelity as branch manager there.

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Photographs from the Kansas Land Title Association Convention show new President Roger Hannaford, Hannaford Abstract Company, banding plaque to retiring President Barbra Gould, Ford County Title Co., Inc., at left. In the other



photograph, are, from left, Joe Jenkins, II, The Guarantee Abstract & Title Co., Inc.; Hayden St. John, Lawyers Title of Topeka, Inc.; Richard Knowles, F.S. Allen Abstract Company; and President Hannaford.

Hannaford Elected President of KLTA

Members of the Kansas Land Title Association elected Roger W. Hannaford, Hannaford Abstract Company, president of the association, and Steve Lewis, Realty, Inc., was elected vice president. John M. Bell, Security Abstract and Title Company, Inc., an ALTA governor, was reappointed secretary.

The "Ins and Outs of Title Insurance" were discussed by a panel of underwriters, consisting of Linda Ayala, Realty Title Company; Susan Kimball, Haskell County Abstract Company; H.E. Walker, Jr., Lawyers Title Insurance Corporation; Arthur Nystrom, Commonwealth Land Title Insurance Company; Steve Todd, Chicago Title Insurance Company; John Felder, Insured Titles, Inc.; and John Dozier, Jr., Columbian National Title Insurance Co.

The new state mechanic's lien law and federal income tax law policy in real estate were discussed, respectively, by KLTA members Roy Worthington of Charlson, Wilson, and Dr. Don Levi, Wichita State University.

Tennessee Association Elects Brown President

Officers of the Tennessee Land Title Association elected at the convention of that organization are: Robert Brown, Lawyers Title & Escrow Company, president; Ben Davidson, Tennessee Valley Title Insurance, vice president; Charles DeWitt, SAFECO Title Insurance Company, treasurer.

Newly-elected board members are Russ

Goodman, Attorneys Title Company, and Lawrence Adams, Jr., TLTA immediate past president, who is with First American Title Insurance Company of Mid-America, Inc.

Convention highlights included a report on state legislative developments by William R. Bruce, state lobbyist for TLTA.

Covey, White, Become Staff Members for ALTA

Carolyn J. Covey and Sandy E. White are recent additions to ALTA staff.

Carolyn is legislative assistant to Director of Government Relations Robin E. Keeney. She replaces Kelly L. Throckmorton, who moves to the staff position of research and computer development specialist.



Covey



White



Throckmorton

Carolyn earned a degree in biology at James Madison University, Harrisonburg, Virginia, and previously was with Garfinckel's department store.

Sandy joins the Association as administrative assistant to Vice President-Administration David R. McLaughlin. She previously lived in Chicago, and is a graduate of the University of Iowa, where she majored in communications.

Real Property Section Title Book Available

The American Bar Association Real Property, Probate and Trust Law Section has announced the availability of *Title Insurance: The Lawyer's Expanding Role*, a 563-page book originally prepared as a supplement to a program presented by the section in October, 1985.

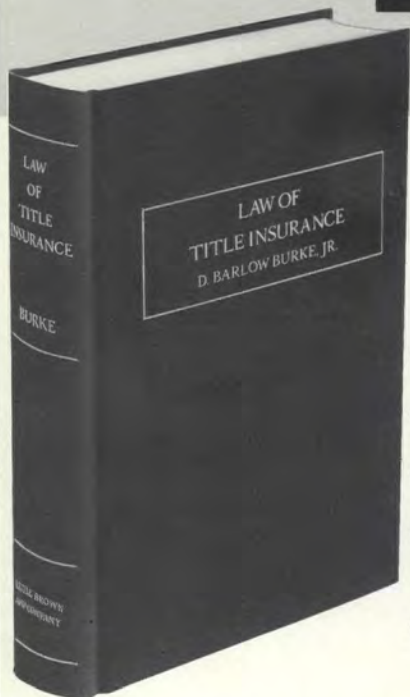
Three counsel well-known in the title industry are among the nine-member program faculty contributing to the publication. James M. Pedowitz, formerly a senior executive for a national title insurer and now with the New York City firm of Rosenman Colin Freund Lewis & Cohen, is faculty chairman. Also on the faculty are Ray E. Sweat, chief underwriting counsel, emeritus, Ticor Title Insurance Company, and Raymond J. Werner, vice president and associate general counsel, Chicago Title Insurance Company.

In addition to commentary by the faculty, the publication contains ALTA, California, New York and Texas title insurance forms along with statutes, opinions and tables.

In his introduction, Chairman Pedowitz notes the use of the book as "a point of refer-

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TAX BILL—continued from page 10

amount of the fresh start, which would lead to a tax savings (at the 34 per cent rate) of about \$4 million. Once again, the discounting itself will not change the amount of taxes paid, only the timing of the payments. Also, as we said before, the true *economic* cost of the discounting is the foregone use of the monies deferred from taxes.

Effects of H.R. 3838 On the Real Estate Economy

Note: This section was developed together with the Economics Division of Price Waterhouse's Office of Government Services, Washington, D.C. The author extends appreciation to Larry Dildine, Price Waterhouse's chief economist, for his help in this project. Given the importance of the real estate economy for the title industry, we felt that any analysis of the impact of the tax bill on the title industry had to account for the effect of the bill on the real estate sector.

* * *

The Tax Reform Act of 1986 (H.R. 3838) includes a number of tax changes of potentially great importance to the real estate sector. The new law slows depreciation allowances, reduces tax rates and modifies rate brackets, eliminates the capital gains exclusion, and limits the use of "passive losses" as a tax shelter. It generally alters the relative tax treatment between households and institutions, and for real property versus other investments. The effects of these changes are generally, but not always, adverse to real estate interests. The amount of impact may vary considerably, however, for properties of different types and for areas of the country with different market conditions.

Briefly, this discussion considers five real estate sectors of importance to the title insur-

ance industry: (1) owner-occupied housing, (2) commercial buildings, (3) rental housing, (4) second and resort homes, and (5) low-income housing. We conclude that there are positive aspects for the land title industry amidst the generally negative consequences for the real estate and construction industries. Since the land title industry depends largely on transactions, we look at both the short-run and long-run effects of the tax reform bill on real estate turnover in addition to the likely effects on real property values, rents, and new construction.

Generally, transactions in the short-term should increase as current owners of projects that generate unusable losses (usually individuals) sell them to owners who can use them or don't care (usually corporations and nonprofit organizations). Over a longer horizon, however, turnover may decline as these institutional owners hold the property for longer periods, mainly due to the lengthening of the depreciation period and the elimination of the exclusion for capital gains income.

Owner-Occupied Housing

The net effect of the tax reform bill should be to increase moderately the demand for owner-occupied housing. The rent/buy decision will be tilted somewhat more in the direction of ownership, tempting those renters who can afford it to purchase a home instead of renting. The reason for this is not that home ownership is to be treated more favorably under the new law, but that most other financial alternatives are made relatively worse. For example, a single person may presently choose to rent an apartment while investing in growth stocks. After the capital gains exclusion has been repealed, however, a down payment on a home may become a more attractive investment. In fact, some may choose to sell stock and buy homes within the next few months to take advantage of the one-time chance to realize capital gains at the current rates.

Turnover of homes may also be encouraged in certain special circumstances. Under the new law, homeowners who have borrowed, or wish to borrow, against the equity in their homes for amounts in excess of the original purchase price will lose the deductibility of interest for those excess amounts (unless they have used the proceeds for home improvements, education or health care). This provision is intended to eliminate the ability of a home owner to take out second or third mortgages as a means of cashing in some of the increased value of the home. The same effect can be achieved, however, by selling the existing home and paying off the mortgages, then buying and financing another home for the same amount. This type of transaction may be encouraged in such special cases.*

The essential fact in this market is that

owner-occupied housing will become one of the few tax-preferred investments for many individual taxpayers. The tax advantages are the continued deductibility of property taxes and mortgage interest unlimited by the amount or source of other income.

The benefits of deductibility may be reduced in some instances by the reduction in marginal tax rates. For the highest income taxpayers, the tax savings due to a dollar's deduction could be reduced, for example, from 50 cents to 28 cents. Nevertheless, the relevance of marginal rate reductions should not be exaggerated. A very small percentage of home owners pay the highest rates under current law. In 1983, roughly three-fourths of all taxpayers with itemized deductions faced marginal rates between 16 and 38 per cent, with the majority of these in brackets between 18 and 28 per cent. Under the new bill, nearly all of these taxpayers would face marginal rates of either 15 or 28 per cent, with a few facing a marginal rate of 33 per cent.

A common case is illustrated by a median married couple with \$40,000 of adjusted gross income (AGI) (\$30,000 of taxable income) under current law. A dollar of additional deductions currently saves them 28 cents. The amount under the new law is exactly the same. The fact is that most home owners will have little or no change in their marginal tax rates. Furthermore, even those with substantial rate reductions will have fewer good alternatives for saving taxes.

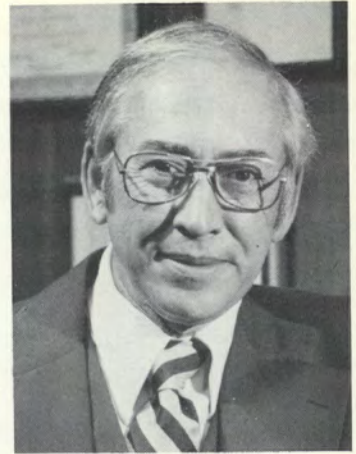
Also, home mortgage interest will remain as the only allowable type of consumer interest deduction. Taxpayers with deductions for interest on credit cards, personal loans, or auto loans will find that their after-tax cost of borrowing will rise as these interest deductions are phased out over the period 1987 to 1990 (35 per cent disallowed in 1987, 60 per cent in 1988, 80 per cent in 1989, 90 per cent in 1990, and 100 per cent thereafter). As a result, the incentive in the tax code to consume housing instead of other consumer durables will continue to increase.

Finally, the rules that allow large developers to sell the rights to the income from mortgages to investors (so-called "builder bonds") would be modified so as to greatly restrict this financing techniques. Briefly, builder bonds allow a developer to defer tax on the income from the sale of a home. The rules would be changed to require earlier recognition of income from the sale of a home. As a result, the cost to a home owner of buying and financing a newly constructed home will rise somewhat, offsetting to some extent the benefit of inter-

*It is possible that last-minute transition rules would permit the deductibility of interest on existing loans effective on some date in mid-August.

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In summary, it appears most likely that the tax reform bill will not harm the values of single-family homes and may induce some additional turnover, especially in the middle income sector, and stimulate some conversion of rental units to ownership. The additional demand for home ownership is probably not strong enough to offset adverse effects of the new law in the multifamily sector (as explained below), although condominium conversion may help support these values in certain segments of the market.

The Commercial Sector

Contractors and developers of commercial real estate are very concerned about the effects of H.R. 3838 on the values of existing properties and incentives for new development. Commercial space is overbuilt by as much as 25 per cent in some areas, portending hard days for some real estate developers and contractors even without the reduction in tax incentives for new developments.

The federal income tax will be more burdensome for all rental property acquired after this year because of the slowdown of depreciation deductions. In addition, existing property owners, especially those in limited partnerships, may also pay higher taxes.

Much of the existing commercial real property is held by limited partnerships, which have often been the lowest cost source of financing during the last few years. The tax advantages currently offered by these investment vehicles would be severely restricted by the rules limiting losses from passive activities. In general, after a transition period, if an individual taxpayer shows a net loss on all rental property and passive investments, those losses must be carried forward, not currently recognized. An exception applies to taxpayers that "actively" manage their properties and have less than \$150,000 of AGI; \$25,000 of losses can be deducted by individuals with less than \$100,000 of AGI. The \$25,000 allowance is reduced by 50 cents for each \$1 of AGI for individuals with AGI between \$100,000 and \$150,000 so that no losses can be deducted by individuals with AGI greater than \$150,000. One short-term effect of this rule may be increased turnover where more commercial real estate ends up in the hands of owners that are not affected by the passive loss restrictions, namely corporations and non-profit organizations.

Our analysis of prototype projects indicates that the tax bill could cause rents to rise in the commercial sector by as much as 22 per cent or, alternatively, property values could decline by as much as 18 per cent for properties of the type held by limited partnerships, using conservative economic assumptions for the project. These estimates represent the condi-

tions required to counteract the tax changes so as to re-establish the after-tax rate of return to these investors, if other market conditions stay the same.

There are several reasons why the actual change in rent or value probably will be lower than the 20 per cent range. Chief among these is that the source of financing will move away from limited partnerships to taxpayers that can deduct the losses generated by the project or will have less (or no) tax to pay on the newly-generated taxable income. For example, many corporations will find that real estate taxation has not suffered relative to the treatment of other tangible property, which has lost the investment tax credit and some accumulation of depreciation.

Second, smaller commercial properties that are owned by individual investors may fare better than others because of the \$25,000 rental real estate loss allowance for taxpayers with AGI of less than \$100,000. Owners of a small number of properties will, thus, be able to deduct a limited amount of losses. This exception is less important for the commercial sector than it is for residential, however.

Third, on the demand side of the equation, it is apparent that the bill would encourage businesses that are service-oriented. Lower tax rates on all income and decreased tax incentives for investment in equipment will further fuel the movement toward a service-based economy. As a result, demand for office and retail space should increase and encourage both greater utilization of existing space and new development. The volume of real estate transactions should also increase due to this trend toward more services and retailing.

Finally, many analysts expect that lower marginal tax rates and generally more even tax treatment across types of investment could bring about some reduction in interest rates that would help to support property values.

Nevertheless, the net effect of all of these forces is almost certainly to depress new construction and market values for commercial real estate. The extent and speed of the longer-term rise in rents that will result from higher costs and reduced supply will depend on the degree of excess capacity in particular locations and the absorption rate of that capacity. High occupancy, where it exists, will clearly ease the transition to the new rules by supporting property values, but many new developments will become viable again only as rents rise, in response to reduced supply.

A special case of reduced supply stems from the restructuring and reduction of the tax credit for rehabilitation expenditures, which will result in fewer sales of older buildings. Several changes to the rehabilitation credit will be made in the new law: (1) the size of the credit is reduced, (2) the qualifications standards for buildings are much more stringent,

and (3) full basis adjustments must be made for projects that take the credit. In addition, the passive loss and credit rules also apply to rehabilitation credits. That is, rehabilitation credits generated by passive investments will not be allowed to be taken against non-passive income. The net result of these changes should be that fewer sales of older buildings will occur because it is less advantageous to make use of the reduced credit. In cities where reconstruction is largely due to the rehabilitation credit, many projects undertaken today would not be viable under the new law.

Rental Housing Activity

In the case of rental housing, the tax bill can be expected to create some additional short-term turnover as the supply side of the market reorganizes.

As in the case of commercial property, rental housing will become much less attractive as a direct investment for wealthy individuals, especially those organized into limited partnerships. This is due to limitations on "passive losses," increased capital gains taxes on the sale of property, much slower depreciation allowances, and lower marginal tax rates.

Especially since 1981, the availability of "tax shelter" for high bracket individuals has caused the relative cost of supplying equity capital to real estate, particularly rental housing, to be lower for partnerships than for many corporations or other institutions. The tax losses generated by leveraged depreciation deductions are simply more valuable or more usable for partners than for corporations or non-profit institutions. Under the new law, however, depreciation deductions are allowed over a longer period (27.5 years) and without acceleration (for properties acquired after this year), reducing the amount of tax losses. For example, depreciation deductions for rental deductions over the first 10 years under current law would total 60.3 per cent of the original basis, while the first 10 years' deductions would total 34.5 per cent under proposed law. Many of the losses will be disallowed under the passive loss rules or the minimum tax, and those that are left will be less valuable to high-bracket individual taxpayers. In addition, capital gains upon the sale of property, which often represent a major share of the reward to investors, will be subject to higher rates.

Some partnerships will be forced to sell or refinance because of cash flow problems, while others will merely seek better investments in the absence of tax shelter benefits. At the same time, the consequences of the new law are not as severe for corporations (including financial institutions) and will have little or no direct impact on nonprofit institutions. In the near term, increased turnover at lower prices can be expected as institutional ownership replaces individual ownership.

In the longer term, turnover will decrease

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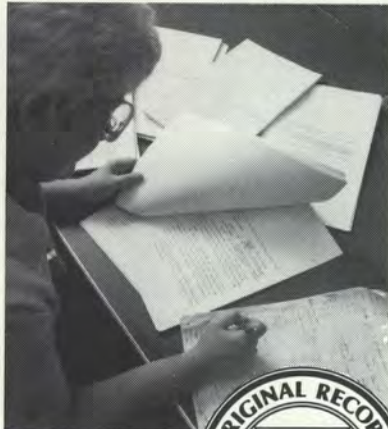
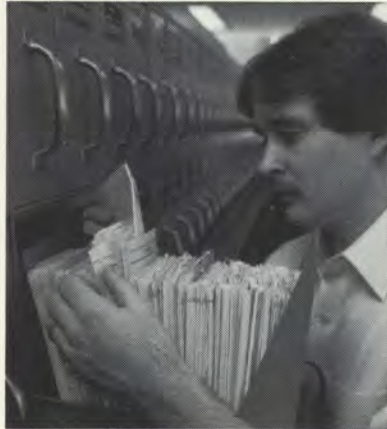
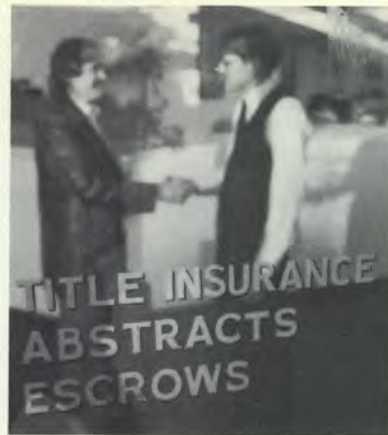
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somewhat because the new owners of real property will have higher taxes to pay upon disposition and less benefit to be achieved by "stepping-up" the depreciation basis. Also, institutional owners are probably less likely than households to sell properties to satisfy cash flow needs or changes in financial circumstances.

Individual investors will continue to be able to deduct a limited amount of losses generated by projects that are "actively" managed by those individuals. Thus, "middle-income" taxpayers could continue to own and manage a limited number of rental properties and take the losses arising from those investments as tax deductions. Sales of such properties also will be discouraged, however, by higher capital gains taxes and slower depreciation available to new owners.

Second Homes and Resort Housing

Mortgage interest deductions for second homes have been spared by the conference bill, while rental properties in resort locations are subject to all of the new rules applicable to rental housing. As a result, the effects on the market for second homes and resort housing will depend on whether the specific area in question is predominantly used as second homes or as rental property.

For example, if a property is used as a second home in an area where most of the neighboring properties are either primary or secondary residences, one might expect a slight increase in demand. On the other hand, if a second home is among investment properties that are rented out most of the year, it is likely that property values will be adversely affected, especially if owners are predominantly above the \$150,000 income limit for the use of passive losses or if the properties are of a type that are owned by partnership syndications.

For properties that serve as both vacation homes and rental properties, e.g. timeshare condominiums, the picture for transactions is somewhat different. Turnover will likely increase in the short term as individual investors choose to get out of these investments. Since this market is similar to that for rental housing, it is likely that institutional owners will appear and that these new owners will hold their investments for longer periods than do the present typical owners of these properties. As a result, turnover of vacation homes that are not really second residences should decline over the longer run.

Low-Income Housing

Turnover in the low-income housing sector will likely follow the same pattern as in the rental housing sector, where there will be a short-run burst of activity as existing properties change ownership, followed by a long-run

slowdown because of the expected longer holding periods for properties held by corporations and non-profits.

Under current law, private investments in subsidized low income housing projects are generally made to shelter other income from taxation. Low-income housing tends to generate larger tax losses than other real estate sectors because depreciation allowances are calculated based on 200 per cent declining balance over 15 years, rehabilitation expenditures are amortized over five years, and there is special treatment for construction period interest and taxes. Rental income and market appreciation are much less important to the financial success of these projects as compared to tax benefits.

While limited partnerships currently tend to be the preferred form of ownership for these projects, their structure is different in that "pay-in" periods are generally longer and tax benefits are received in each year. Mortgage bankers and general partners are concerned that limited partners in these deals may simply walk away from the investment as soon as the rules limiting passive losses are put into effect.* While the likelihood of that result will depend on the particular circumstances of

each partnership agreement, it is clear that the incentive for individual investment in low-income housing will be greatly reduced by rules limiting deductions for passive losses.

The accelerated depreciation treatment for low-income housing under current law will be replaced with the same depreciation allowances as used for other real housing. The tax incentive will instead be supplied in the form of tax credit for qualifying properties. The credit is generally allowed for 10 years for property placed in service after December 31, 1986 and before January 1, 1990. The credit has a maximum rate of 9 per cent of the property basis for new construction and rehabilitation and a maximum rate of 4 per cent for the acquisition cost of an existing property. Properties qualify for the credit based on the proportion of residents who are classified as "low-income," adjusted for size of family and abnormally high area family income or housing costs.

Even though a credit is offered for low-income housing, its effectiveness as an inducement for investment is restrained by the rules limiting the use of passive losses and credits. Losses from low-income housing projects are subject to the same restrictions as those for

other residential housing projects. That is, losses from passive investments will not be allowed, while losses from active investments will be allowed up to a \$25,000 limit, which is phased out from \$100,000 to \$150,000 of AGI. Low-income housing credits can only be used to offset up to \$25,000 of non-passive income; this allowance is phased out over \$200,000 to \$250,000 of AGI.

As with the rental housing market, we expect that the predominant forms of ownership will shift from individuals and limited partnerships to other institutions, although in this case the new owner must be taxable in order to benefit from the available tax credit. In the longer term, turnover will be sustained somewhat because of the limited duration of the tax credit. A great deal of uncertainty has been introduced into this entire sector, however, by the harsh treatment of investors in existing properties, the sunset date on the new tax

*A transition rule has been inserted into the Tax Bill that would allow the continued deductibility of losses from existing low-income housing investments.

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credit, and inevitable issues arising from new qualification rules.

Conclusions

While the value of new construction in all sectors is likely to decline in the short term, with the exception of owner-occupied housing, it appears that there may be increased turnover due to the shifting of real estate investment from individuals to institutions such as

corporations and non-profit organizations. In the longer term, turnover of properties could decline because owners are "locked in" by the capital gains tax and slow depreciation. Generally, values of property will be depressed somewhat in the short run and construction activity will be slowed until increased demand, stimulated in some instances by other tax provisions, raises rents enough to make new investment viable.

Angelakis Receives Mid-South Scholarship

Mid-South Title Insurance Corporation has awarded its annual scholarship to a first-year student at Vanderbilt Law School, and the recipient is Ted S. Angelakis.

The scholarship is in the name of the Memphis and Shelby County Bar Associations and the winner is selected by a committee of that organization.

Angelakis is a 1985 cum laude graduate of Vanderbilt University with a B.A. in psychology. He holds a real estate license and is also an honors graduate of Memphis University School.

The award, is in its twenty-sixth consecutive year. The late James L. Boren and George M. Houston, founders of the corporation, and James L. Boren, Jr., chairman and chief executive officer of Mid-South Title, all attended Vanderbilt.

Fidelity Abstract Links Building to City Hall

Fidelity Abstract Company, Inc., Jefferson, Wisconsin, is expanding with an addition that will connect its building to the local city hall by a common wall, according to an article that appeared on the front page of *The Jefferson Banner*.

Donald and Toby Tully, owners of Fidelity Abstract, report that the two buildings will be connected by a single wall, and the addition actually will rest on top of the east wall of the municipal building. The addition will be a 1,685 square-foot, two-story structure with a glass exterior.

Fidelity Abstract has paid the city for use of the wall and will pay for any modifications to it during the construction. Any future maintenance costs of the wall will be shared by both parties. Completion of the \$150,000 addition is anticipated in spring, 1987.

Texas Title Counsel 'Educator of Year'

Charles J. Jacobus, author and counsel for Charter Title Company, Houston, Texas, has been named Educator of the Year by the Real Estate Educators Association, in recognition of outstanding professional contributions on both the national and state levels.

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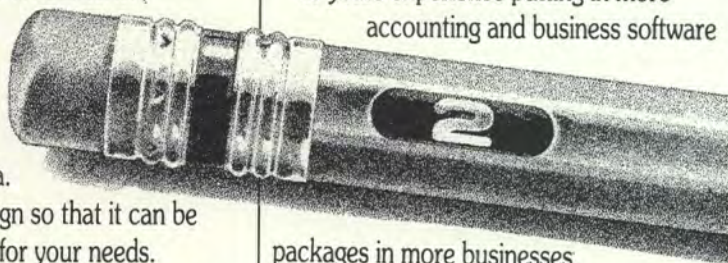
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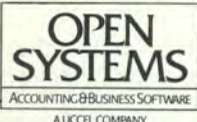


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Names in the News

Dave Ginger has joined Southern Title Guaranty Co. Inc. as executive vice president-marketing and national accounts. Southern Title Guaranty also has announced the recent appointment of **T.L. Liedecke** as vice president-national accounts.



Ginger



Liedecke

American Pioneer Title Insurance Company, Orlando, Florida, has announced that **George Daniels** has joined the concern as general counsel and state underwriter, and **Roger McQuiston** has joined as vice president, marketing.

First American Title Insurance Company of New York has announced the appointment of **Frank A. Brocco** as vice president and director of sales and marketing in the company's main office, Garden City, New York.



Brocco



Gabriel

American Realty Title Assurance Company announces the following recent additions: **Gail Wyllie**, branch manager, Clearwater, Florida; **Charlene Carpenter**, marketing representative, Clearwater and Tampa.

David H. Gabriel of SAFECO Title Insurance Company has been promoted to vice president, national marketing-San Francisco, California.

Jennifer L. Sargus has been elected to the board of directors of Ohio Bar Title Insurance Company, Columbus. **Sargus** is a partner with the law firm of Recht and Johnson, Wheeling, West Virginia.

Security Title and Guaranty Company, New York City, has announced the appointment of **Paul Holmes** to executive vice president and secretary.

A subsidiary of Ohio Bar Title Insurance Company, Automated Closing Services Agency, Inc., in Columbus, has announced that **Paul M. Stickel**, an attorney, has been

SMITHE ?
SMITH ?

SMYTH ?
SMITHY ?

SCHMIDT ?
SMYDT ? ?

SMYTHE ?

It's hard enough finding the right "Mr. Smith" when you are sure of the correct spelling, and when you aren't sure, those searches can really use up valuable time.

General Index files require accuracy in coding and filing if they are to be of value for judgement searches. AUTO SOUNDEX will give you the capability to search for sound-alike names or search using a specific spelling of a name.

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department. But we were pleasantly surprised by the efficiencies gained in issuing policies. When one title man told us a system could generate a title policy in four minutes, we greeted this contention with skepticism. We were wrong. Policies can be prepared quickly, particularly for transactions held in our offices where payoff checks can be seen and affidavits are immediately available. Also, typing of commitments is obviously faster since corrections and additions are made before printing.

An educated guess at present is that, by the time we make the last lease payment, the system probably will have saved us a comparable amount in salaries of additional personnel. From the standpoint of employee enthusiasm, the system already has paid for itself. No more nagging errors that always seem to show up with a rush job. No more retyping policy exceptions that someone typed on a commitment only a few days or weeks earlier. No more laboring over an adding machine, trying to balance a closing statement.

Further, a recent improvement in our basic word processing program by the vendor has reduced waiting time between different pro-



Betty Snyder posts, using an "old fashioned" tract book system to continue ongoing records. Returning to manual tract posting has been an acceptable solution to rising plant upkeep costs at First Land Title.

gram elements as it runs, and allows us to insert information from the closing package into word processing. With this, we now can put even more forms into the system and draw information from both programs.

This same new program will allow us to

Continued on page 38

Schwandt Purchases Detroit Title Agency



Schwandt

Richard T. Schwandt, CPA, has purchased Michigan's largest representative for Lawyers Title Insurance Corporation, Detroit Title Insurance Agency, which is based in Southfield. Schwandt is the agency's new president.

Schwandt is a former senior vice president of Real Estate One, Inc., Farmington Hills, Michigan, and has 13 years experience in the real estate industry. He formerly served as executive vice president of the Western Wayne Oakland County Board of Realtors.

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named title officer.

Lawyers Title Insurance Corporations announces the following appointments: **Theodore P. Gennett**, vice president and multi-states manager, Chicago; **Philip M. Webb**, vice president and Virginia state manager, Richmond, Virginia; **Fred H. Benson, Jr.**, vice president and Texas state manager, Dallas; **Joseph F. Drum**, vice president and Connecticut state manager, Bridgeport, Connecticut; **James D. Hewit**, vice president-sales and marketing, Lakeland, Florida; **John P. Maloney**, senior title attorney, White Plains, New York; **John T. Updegraff**, senior claims attorney, Dallas; **Ruth Ann Box**, senior claims attorney, Dallas; **Michael B. Ranz**, national division counsel, Chicago; **Richard J. Dundon**, New Jersey state counsel, Paterson, New Jersey; **John M. Carter**, assistant corporate counsel, Richmond, Virginia; **William Z. Fairbanks**, assistant southwest states counsel, Dallas; **Gerald T. Warzyn**, branch counsel, Milwaukee; **Margaret H. Moreno**, assistant state counsel, Columbia, South Carolina; **Nicholas P. DeLuca**, branch manager, Baltimore, Maryland; **Philip D. Kingman**, branch manager, Providence, Rhode Island; **Teresa J. Winchester**, branch counsel, Merrillville, In-

diana; **Robert W. Morris**, Illinois state manager, Chicago; **Walter C. Jones**, Maryland state manager, Bethesda, Maryland; **Bernard F. Goldberg Jr.**, state agency manager, Bethesda; **Pamela K. Saylor**, branch manager, Orlando, Florida.

Mid-South Title Insurance Corporation has appointed **Sharron B. Pridgen** area manager for the state of Mississippi. Previously, she was state agency director for another title insurer. She is president-elect of the Dixie Land Title Association.

Anthony B. Kuklin has been elected to the combined board of directors of Chicago Title and Trust and Chicago Title Insurance companies. Kuklin is a partner with the New York City law firm of Paul, Weiss, Rifkind & Garrison. He also has served on Chicago Title's New York City advisory board.

Chicago Title Insurance also has announced the following promotions: **Charles W. Parker, Jr.**, resident vice president and remains commercial and industrial sales manager, Boston; **Fuaad Saab**, resident vice president and regional claims counsel, New York City; **Betty J. Schall**, assistant regional counsel, Seattle; **Fred Thelander**, office counsel, Geneva, Illinois; **Michael D.**

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Holmes



Daniels



McQuiston



Sargus



Stickel



Gennett



Webb



Benson



Drum



Hewit



Updegraff



Ranz

Troutt, assistant vice president and remains agency operations officer, Mt. Vernon, Illinois; **Jeffrey Knudson**, assistant vice president, sales, and remains sales manager, Seattle; **Robert M. Goodside**, office manager, Dallas; **Jacquelyn Sue Harvey**, commercial

and industrial account executive, Dallas; **Edward R. Horejs Jr.**, assistant regional counsel, Cleveland; **Steven J. Hughes**, office counsel and administrator, approved attorney offices, Dallas; **Robert C. Kermizian**, assistant regional counsel, East Brunswick, New

Jersey; **Diane Kutter**, escrow operations manager, Bloomington, Minnesota; **Dolly Kyle**, office manager, Dallas; **Jannett B. Lowes**, assistant vice president and remains county operations manager, Indianapolis; **Carol Maiorano**, assistant vice president and remains manager, Elmhurst, New York; **Noel Milburn**, office manager, Dallas; **Kay Nettles**, office manager, Dallas; **Gayle Patai**, manager, residential operations, and remains assistant vice president, Dallas; **Sue Pulley**, assistant regional accounting officer and remains assistant regional accounting manager, Carle Place, New York; **Ralph E. Stokes**, assistant vice president and manager, Providence, Rhode Island; **William J. Zabkar**, assistant regional counsel, Cleveland; **Kim Blazek-Scislo**, manager, Chicago metropolitan residential sales, Chicago; **La-Verne Fisher**, supervisor, commercial sales assistants, Chicago; **Donald Luhrs**, assistant vice president, sales, Carle Place, New York; **Ann Zimmerman**, manager, Chicago metropolitan commercial/industrial sales, Chicago.



Carter



Kingman



Winchester



Morris



Jones



Goldberg



Saylor



Pridgen

Fidelity National Title Insurance Company has announced the following promotions: **Jerald L. Bricker**, vice president and manager of electronic data processing, Scottsdale; **Bella Iffla**, escrow manager, Redwood City,



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California; **Dan Dalen**, manager—title operations, Bakersfield, California; **Mike Tingle**, chief title officer, Ventura, California; **Joyce Furphy**, chief foreclosure officer and manager of new foreclosure department, Walnut Creek, California; **Mike Finnerman**, senior title officer, Ventura.

Fidelity National Title Agency, a subsidiary of Fidelity National Title Insurance Company, announces these appointments: **Deborah Ann Kautzman**, title officer, Tucson; **Barbara A. Conner**, office administrator, Tucson; **Walter D. Grassie**, vice president—title operations, Tucson.

The following have joined Commonwealth Land Title Insurance Company: **Ronald Kin-kaid**, county manager, San Francisco; **William Hunter**, underwriting counsel, Pacific Southwest region, Los Angeles; **Jay B. Strayer**, northern division counsel, San Francisco.

American Title Insurance Company has appointed the following: **Richard Babl**, director, public relations, Miami, Florida; **Susan**

Hamm, director, national account service center, Phoenix, Arizona; **Richard C. Weber**, assistant vice president, Bryn

Mawr, Pennsylvania.

Title Insurance Company of Minnesota has announced the following elections: **Robert N. Merritt**, senior vice president, and remains southwest regional vice president, Houston, Texas; **Raymond D. Martin, Jr.**, senior vice president, and remains southeast regional vice president, Jacksonville, Florida; **R. Boyd Pickens, Jr.**, senior vice president, and remains northeast regional vice president, Stamford, Connecticut; **John C. Collopy**, senior vice president, remains chairman of the board of Founders Title Group, San Francisco (he is currently president of the California Land Title Association); **Rowan H. Taylor**, senior vice president, remains president of Mississippi Valley Title Insurance Company, Jackson, Mississippi; **Charles G. Gregory**, snioer vice president—finance for Title Insurance Company of Minnesota and Minnesota Title Financial Corporation, Minneapolis, Minnesota; **L. Chadwick Nash**, vice president and remains Illinois state manager, Chicago; **John M. Tolentino**, vice president and remains national service center administrator,



Kuklin



Blazek-Scislo



Zimmerman



Bricker

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Tax Reform Act Requirements Discussed



ALTA President-Elect John R. Catbey, right, The Bryan County Abstract Company, Durant, Oklahoma, was in Washington recently to talk with U.S. Senator David Boren (D-Oklahoma). Among items they discussed were land title issues including the reporting requirements of the Tax Reform Act.

and First American Title Resources, Plano; **Diane Serdes**, regional accounts officer, Dallas, Texas; **Adonna Bibb**, regional closing officer, Dallas.

COMPUTERIZATION—continued from page 33

design forms right on the new printer we have just purchased. The original program required a laborious, manual setting of information into the system. With the new program, forms may be inserted into the printer without the manual settings.

At First Land Title, a good deal of careful consideration and deliberation preceded our quest that led to acquisition of a computer system. With results such as those just described, every minute was time well spent.



Automation at First Land Title includes an expandable system in the downtown office and a stand-alone system with no expansion capabilities in a branch office. Here, Nancy Garner works at one of the terminals.



Tingle



Finnerman

Minneapolis; **Christa L. Fallin**, assistant vice president, and remains southeast region national accounts executive, Atlanta.

Title Resources Guaranty Company announces the proceeding appointments: **J. Christopher Phillips**, vice president—agency operations, Plano, Texas; **Richard C. Frasco**, special claims counsel and continues as corporate counsel to Plano Title Company



Kinkaid



Babl



Hamm



Weeber



Merritt



Martin



Pickens



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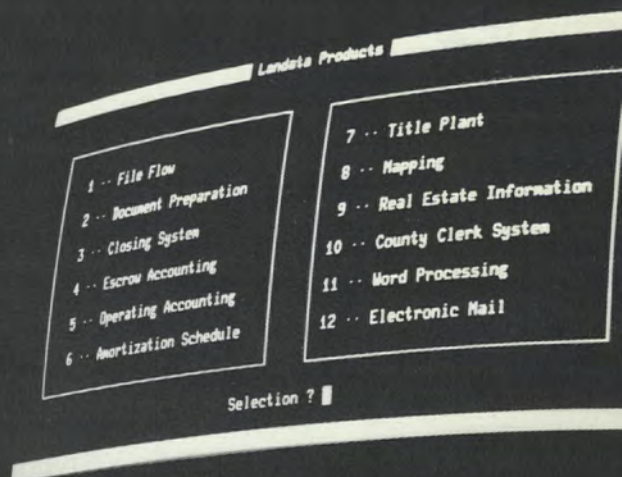


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Calendar of Meetings

September 4-7

Missouri Land Title Association
Omni International
St. Louis, Missouri

September 5-7

Kansas Land Title Association
Hilton Inn East
Wichita, Kansas

September 6-9

Indiana Land Title Association
Embassy Suites
Indianapolis, Indiana

September 7-9

Ohio Land Title Association
Deer Creek Lodge
Mt. Sterling, Ohio

September 10-12

Dixie Land Title Association
Sandestin Hilton
Sandestin Beach, Florida

September 10-12

Nebraska Land Title Association
Holiday Inn
Columbus, Nebraska

September 11-13

North Dakota Land Title Association
Holiday Inn
Minot, North Dakota

September 14-17

New York State Land Title Association
The Sagamore
Bolton Landing, New York

September 24-27

ALTA Annual Convention
Century Plaza
Los Angeles, California

October 16-17

Wisconsin Land Title Association
Inn on the Park
Madison, Wisconsin

November 13-15

Land Title Association of Arizona
Doubletree Inn
Tucson, Arizona

November 19-22

Florida Land Title Association
Sandpiper Bay Resort
Port St. Lucie, Florida

December 2

Nevada Land Title Association
Alexis Park Hotel
Las Vegas, Nevada

December 3

Louisiana Land Title Association
Iberville Hotel
New Orleans, Louisiana

1987

March 25-27

ALTA Mid-Year Convention
Albuquerque Hilton Inn
Albuquerque, New Mexico

April 26-28

Eastern Regional Title
Insurance Executives
Hotel Hershey
Hershey, Pennsylvania

June 11-12

Western Regional Title
Insurance Executives
The Broadmoor
Colorado Springs, Colorado

October 18-21

ALTA Annual Convention
Westin Hotel
Seattle, Washington

1988

March 11-13

ALTA Mid-Year Convention
Westin La Paloma Resort
Tucson, Arizona

October 16-19

ALTA Annual Convention
Toronto Hilton Harbor Castle
Toronto, Canada

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