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On the cover: Federal National Mortgage Association and Federal Home Loan Mortgage Corporation have in place electronic commerce networks that are bringing steadily increased pressure for lenders, title companies and other participants to implement the technological capabilities that will allow improved, faster service at lower cost. Fannie Mae reminds that the secondary market giant is publicly committed to a \$1,000 reduction in mortgage origination costs by 1997—noting that the closing area is critical in efforts toward this streamlining. However the tea leaves are read, a new day is at hand for the secondary mortgage market. For a perspective, please turn to page 12.

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A Message From The Underwriter Chairman



The NAIC has just passed the Model Title Insurers Act. A late player in modifying the model presented to the NAIC was the State of Michigan. Now, Michigan has begun questioning the need for title insurance in light of currently low loss ratios.

It's time we set the record straight.

Of every dollar the public pays for title insurance, around 20 percent as a national average is received by the title insurer as the risk rate for acceptance of the risk. Claims are incurred on approximately one of 1,000 policies issued. Title agents must obtain corrective work prior to issuing a title policy in approximately 300 out of every 1,000 issued.

So-who needs title insurance? Clearly one in a thousand, but 299 more benefit from the excellent work of title agents and abstracters. Claims and claims expense on those one in 1,000 policies have ranged from 30 to 70 percent of the risk portion of the premium over the last 10 years.

So, why do we need title insurers and title agents?

Were it not for the fine work of these agents in returning the patient (title) to health prior to issuing the insurance, title insurer losses could go up to 300 percent. On the other hand, attorney firms, local mortgage operations and real estate companies do not have adequate capitalization to pay title claims or pay for a responsive claims handling process. Further, if any provider is not an insurance company, any reserves it may have are subject first to creditor claims-where an insurer's reserves are for policyholders first.

There is no obligation for malpractice or errors and omissions insurance providers to defend a property owner's title. In fact, they look for how to avoid any liability of the service provider to the consumer. Title insurance is a contract with the insured to defend against any attack against the insured's land as covered by the policy. The title insurer hires counsel to defend even when there are unfounded attacks against the home owner's title- even where the title is perfect.

Once, in Texas, the insurance commissioner questioned the low rate of title insurance claims. We in the industry explained that, when consumers bought homes, they personally planted the grass, painted the walls, wallpapered, hung drapes and incurred moving expenses. The last thing these people want is to receive a check from the title insurer for the amount of their purchase price due to a title defect. They would not be reimbursed for the cost of all their additional improvements. The commissioner would have many complaints from irate consumers who had lost their dream homes, if title insurers and agents had not done a good job of eliminating risk and reducing losses to as low a level as possible.

When you think of it, we don't want airplane crashes, elevators falling- or titles failing. In each of these cases, a real quality effort has been made to correct titles before purchase, and thereby reduce problems for the consumer. Similar improvements have been made in airplane and elevator maintenance and inspection processes.

As a consumer, I, for one, am grateful. When something is working very well, we don't say we no longer need the existing process. Instead, we work to continuously improve it. Immense efforts are under way to improve the real estate transaction process, so that all services are connecting electronically to reduce the cost and time needed to close a transaction. Title insurance is integral to the process of bringing all the information and documents together for closing, funding, and finally insuring the title in a real estate transaction.

Please take the time to share these thoughts with your insurance commissioners and large volume customers. Help them reflect on the value of what you do- and the security and stability title insurers and agents bring to the real estate industry.

Sincerely,

Title Insurance Marketing: Plan Your Vision

By Jack C. Davis

Right now, every company, branch or office has a marketing plan. Some plans are lucky enough to be designed, but most just evolve over time. In a nutshell, your company's marketing position - the result of your marketing plan - is how internal and external publics view the organization.

During my career, I successfully accomplished the conversion of evolved marketing programs into planned marketing positions. The first step is to have a vision of what you want. Next comes the plan. Not

*...you can win in the 90s
and beyond with imagination,
superior information
and training.*

the profit and loss stuff from this fall. No, this plan is a road map to how you will execute your vision.

Use the following model:

1. Assess the situation - what affects you in and out of the company?
2. Develop a mission or vision statement.
3. Set objectives - broad-based goals with no responsibility assigned or timetables attached.
4. Develop strategies and tactics - who's doing what and when?

Base your vision on the fundamentals of leadership:

- Imagination - dream big.
- Initiative - work hard and smart.
- Plan - write out your goals.
- Lead - people want to follow someone who knows why and where they are going.

Vision is an interesting concept. When I was 20 years old and in the army in north-east Thailand, my vision was to leave the military and southeast Asia. My plan, which required little imagination, initiative or leadership, evolved into "just wait." Well, the good news is it worked. The bad news is it really wasn't a plan.

Since then, particularly in business, I have started everything with a plan. Simply stated, work from the inside out because it is far easier to maintain and capture new business through the current work force, internal customer service.

I'm sure you have heard a lot about planning. For some reason, planning reminds me of a will and death. No, not my death, but the process of estate planning. Estate planning is really a polite way of say-



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He holds the CRB Designation from the Realtors National Marketing Institute, and has served as public speaker, teacher and trainer for the Missouri Association of Realtors and the St. Louis Association of Realtors.

ing you want to disinherit the government. You have your whole life to read the rules, write your plan and then execute.

First, complete an internal audit of the organization:

- What is the internal situation?
- How is morale?
- Who has "official power" and who has "real power"?
- What are your production standards or capabilities?
- What is the capacity of your office?
- What markets are you in, such as resale, new construction, foreclosure, etc.?
- What is your pricing strategy?

While assessing the current office situation, ask your staff, "If you owned this company and every time you unlocked the front door, you lost or spent X number of dollars, what would you do differently?"

This establishes that (1) there is a problem; (2) what the employee thinks counts; and (3) change is coming.

When assessing production strength, remember that carrying out your vision requires everyone to buy into the process and to stay focused. Their attention is imperative. Once, when I started a new job and I asked the (then) production manager, "How long does it take for us to do a typical job?," his response was direct and immediate.

"It takes 10-14 days," he said.

"That's great!," I responded. "You guys are really doing a good job."

As I started to leave, I turned and asked one more question.

"How long does the market leader take?"

Again, a direct response.

"It takes 24 hours in some cases," he said.

I said thanks.

My lack of reaction was killing him. As I walked to his office door, he couldn't take it any longer.

"Well, what do you think?," he asked. "What are you going to do?"

"What am I going to do?," I answered. "I'm going to activate my real estate license and go sell houses to people I don't know. Because, if our best is nine days behind the market leader, this office should be closed!"

He then suggested that we will do whatever is necessary.

So they found a way to do 24-hour service. Because it was necessary. They found a way to regularly do 22 to 28 orders per person (once achieving 38) because it was necessary. They also found it necessary to

Without knowing how value is assigned by the customer, you are doomed to be a "me too" title company.

expand, define and re-define what was necessary.

How does this happen? By rewarding the actions you want and ignoring all the others as much as possible. Leadership requires keeping an open line of communication. Because the majority of small title offices are small businesses, it is vital that everyone "buy in" to any plan.

So, how do you capture the group's attention and commitment to your vision? Sometimes, voting can help gain necessary commitment and a sense of urgency among those in the office. This "vote" on Plan A or B can elicit a call to action. Gather everyone together and present the facts. Tell them you want more orders, higher income per order, and/or higher profits.

Then, explain how the company faces many problems in achieving these goals—such as controlled business, personal constraints, equipment or whatever. Next, present Plan A and B, and ask who is in favor of each plan.

- Plan A: Starting today, we will cut expenses to meet income. Keep in mind,

Internal Customer Service: Path to a Greater Return

By Jack C. Davis

Internal customer service is unquestionably the easiest, fastest and least expensive way to increase your profits in the title insurance business today. Now the secret is exposed!

How, then, can you start a successful internal customer service program today? First, remember internal customer service is not a program but a philosophy—and, all too often, a totally new way of doing business.

As an example, when interviewing a prospective employee, I always explained my philosophy about internal customer service. It went something like this:

"As an employee of this office, you have the right to expect extraordinary customer service from your fellow employees and myself. A major function of my job is to provide my associates with exceptional customer service. Now, I want you to promise that, if you do not receive that kind of commitment from either myself or anyone else here, you will immediately let me know."

The response was universal. Everyone agreed they would keep me informed, and looked forward to their co-workers giving them wholehearted support.

Then I asked if it was reasonable to expect them to give this commitment back to everyone else, including me. Again, this made sense and was fully accepted.

At this point, the first test of your commitment to the philosophy occurs. Life and business are not always that simple. We all have outside demands—wives, husbands, children, mothers-in-law, even dogs—who require time and energy. Every day when we come to work, these outside demands come along with us. What, then, is a reasonable compromise for you and the company to reach on the balancing of all these demands?

It is reasonable for the company to be the fourth, fifth or sixth most important

continued on page 28

usually 45 percent of title office expenses are salaries and benefits.

- Plan B: We will increase sales and income to a volume to achieve and exceed our goals.

The reaction is universal. All employees I have worked with have chosen Plan B. Interestingly enough, most of the people I have worked for have favored Plan A.

Having gained the attention of the entire group, the goal is clear—increase sales and income.

At this point, imagination and leadership swing into action. I favor small contests to emphasize teamwork and common goals.

For example, you want an increase in orders during January. From checking the order count for the past two years, you find a range of 325 to 360 orders. Then, you set up the contest like this: For every order over 325, you put \$5 into a pool to be divided equally at the end of the month. When I used these contests, it was not uncommon for some of my offices to exceed the goal by 50 percent. In this case, you would have

162 new orders. Now consider the math.

Increased profits from the contest=162 x \$350 (low average income/order)= $\$56,700$

To fund the contest, you pay= 162 x \$5= $\$810$

Net Financial Gain $\$55,890$

However, the dollar result is not the best part of the contest. The magic is seeing the checkout people, examiners, chain, sales, new orders, closers, processors and receptionist all asking for business. I have seen all levels of people calling their contacts, asking for an order so they can win the contest!

That is marketing at its best. You are presenting the best possible image of your office and employees. It is exactly the actions and results you want. Teamwork is everywhere. Orders are increasing. Expenses are decreasing. (Yes, it is possible, but we will discuss that at another time.)

And the sales force is public relating.

Why do most Realtors refer to title insurance sales people as "PR reps?" It's because our sales people leave them with the im-

pression that we're all the same. Certainly most, if not all, title policies read the same. So it's value, value, value that differentiates you from your competition. Your sales force is selling *value!* The market place each day is assessing and re-assessing the value of your bundle of services, compared to the competition.

The greatest myth in title insurance revolves around pricing. Although pricing is important, it's not the most crucial part of selling title insurance. A competitor is always willing to do a job for less. So, why do some people pay more for title insurance than others? It is simply value! Either the buyer, seller, loan officer or Realtor judges the services offered to be a value.

Title insurance professionals need to know how each customer is judging value. It is part of selling an intangible product such as title insurance and closing services. Without knowing how value is assigned by the customer, you are doomed to be a "me too" title company.

The basics of selling title insurance are:

- Understanding you are selling an intangible service. You are the ombudsman for the office and the customers.
- Knowing and being able to sell the value points in your service bundle.
- Asking for orders and referrals. Put yourself in the right place at the right time. Luck is preparation meeting opportunity.
- Anticipating and being ready for spoken and unspoken objections.

Practicing closing techniques such as:
 "next one who talks loses"
 "either or"
 "the assumptive"

And, my personal favorite, the guilt-ridden "can't you help me out?"

- Having excellent time management
- Writing down goals and objectives
- Using your imagination. Try everything at least once.
- Resisting the temptation to only go where they already like you.
- Measuring your success against your goals.

Once, I was asked by a senior management person what I would do to improve the company. I said I would close the doors at the front office, and only re-hire those who obtained an order for title insurance from someone they did not know.

Selling title services is not easy. The market is changing every day—more controlled business, faster and more expensive technology, lower margins and greater demands on service. Sounds pretty bad. However, you can win in the 90s and beyond with imagination, superior information and training.

Good luck! 🐾

President's Initiative Targets Ownership

Work is continuing through ALTA on a proposed uniform closing instruction letter, in connection with the Association's support of the initiative led by President Clinton that is targeted on increasing the national home ownership rate to an all-time high of 67.5 percent by the year 2000.

Four specific areas of activity within the initiative have been approved by the ALTA Board of Governors for participation by the Association. They are designated by the Administration as Alternative Approaches, Technological Improvements, Standardization of Settlement Instructions, and Bulk Purchase of Settlement Services.

ALTA support of the drive is in connection with the Association membership in the National Partners in Home Ownership, a voluntary group of 56 private and public sector real estate organizations dedicated to that activity.

Periodic figures released by the Census Bureau are used to track progress toward the national ownership goal. The most recent at this writing are for the first quarter, 1996, which indicates an ownership rate of 65.1 percent, matching the previous quarter as the highest quarterly showing since 1981. Comparative figures are in the accompanying table.

ATIM Conference Dates Scheduled

Dates for the 1997 Association for Title Information Management (ATIM) twelfth annual conference will be May 7-9, with the location Orlando, FL.

Approximately 150 persons were on hand for this year's conference in San Diego, which established a new high for attendance at the event.

Speakers included ALTA Past President Parker Kennedy, president of First American Title Insurance Company, and Dan McLaughlin, operations officer for Mortgage Electronic Registration Systems, Inc. (MERS). Errol Mackzum and Rick Carney, respective county recorders for San Bernardino County, CA, and DuPage County, IL, delivered presentations on their recently implemented document imaging systems for land records; Recorder Mackzum also discussed his county's pilot project for electronic recording of mortgage releases, jointly developed with Federal National Mortgage Association.

Fred Hemphill, ALTA Land Title Systems Committee member and senior vice president and chief information officer, Commonwealth Land Title Insurance Company, moderated a technology round table.

Other topics at the conference included panel and round table discussions on the problems of narrowing open records laws and increased competition from the county recorder/clerk; a discussion of electronic data interchange (EDI) and the Internet; case studies on how to post a title plant from electronic document images; plant operations issues; and starting up in the sale of real estate information.

Progress Toward National Home Ownership Goal of 67.5 percent by the year 2000

	Current Rate (1st qtr. 1996)	Previous Rate (4th qtr. 1995)	Rate at the end of 1994
Nation Overall	65.1%	65.1%	64.2%
Minorities	44.3%	44.3%	43.7%
Households with Less Than Median Income	49.4%	49.4%	48.6%
Households Under Age 35	57.7%	57.9%	57.1%

Increase in Number of Home Owners Since End 1994
1,506,000



Mid-Year Strengthens Federal Communication

Members of ALTA became interactive participants in a window on the workings of Washington during the Association's 1996 Mid-Year Convention in the national capital. Besides visiting individually with their Senators and Representatives and staff on issues of major concern to the title industry, title professionals on hand for the event took advantage of an opportunity to engage in dialogue with leading national figures from the public and private sectors who delivered program presentations.

Joining Convention attendees to deliver commentaries and take questions were Senator Arlen Specter (R-PA), member of the Senate Appropriations and Judiciary Committees, and House Banking Committee Member Doug Bereuter (R-NE), who has introduced RESPA regulatory relief amendments supported by ALTA.

Federal Reserve Governor Lawrence B. Lindsey said current levels of consumer debt may indicate trouble is ahead for the national economy. Discussing proposals raised on Capitol Hill, he expressed the view that any changes producing true simplification and unification for the Truth in Lending Act and RESPA must be made by Congress and not by regulatory fiat. Governor Lindsey added that regulation in this area probably has become counter-productive, and said he hopes Congress will take the responsibility or give appropriate federal agencies the authority to sharply reduce paperwork and the regulatory burden in real estate transfers.

HUD Assistant Secretary and Federal Housing Commissioner Nicholas Retsinas also was a featured speaker, presenting his views on the outlook for RESPA. And, Federal National Mortgage Association's Roger Wolfgang, Federal Home Loan Mortgage Association's Jim Cotton, and R. K. Arnold, who recently was appointed general counsel for the new Mortgage Electronic Registration Systems (MERS), presented a provocative discussion on the impact of electronic commerce on real estate lending through initiatives in the secondary mortgage market (please see the accompanying coverage in this issue of *Title News*).

Overall, title professionals making the journey to Washington received a memorable update while providing input in the consideration of leading issues concerning their industry. Adding substantial depth to the experience was an opportunity to hear about it in person from national leaders close to the action.



Federal Reserve Governor Lawrence Lindsey and HUD Assistant Secretary Nicholas Retsinas deliver their views on improving RESPA (top and center photographs, respectively). ALTA Governor Malcolm Morris questions a speaker from the audience at bottom, left. In the other photograph are ALTA President Herb Wender, right, and Senator Arlen Specter.





ADDED DIMENSION

ALTA Members Receive Updates, Provide Input

As shown here, the 1996 Mid-Year presented an "up close" opportunity for title professionals to engage in an updating discussion on important issues with leading national figures involved. This provided a unique dimension beyond what might be expected in a traditional meeting format.

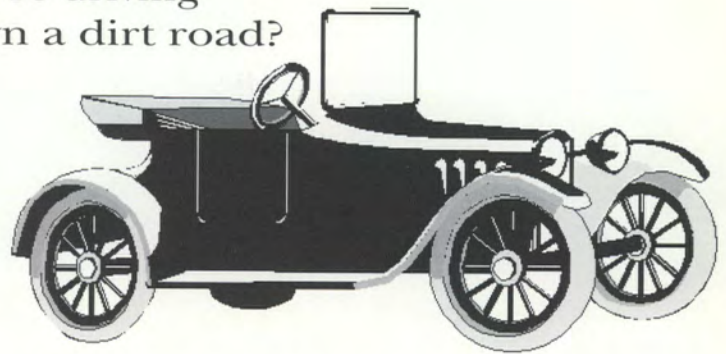
Besides receiving the latest information, ALTA members took advantage of an opportunity to present their individual thoughts on items under discussion. Result: An illuminating discussion for everyone present.



At top, left, ALTA President Herb Wender and Association Governor Cara Detring talk with House Banking Committee Member Doug Bereuter (center). Association President-Elect Dan Wentzel (right) and Freddie Mac's Jim Cotton are in the photograph at top, right. Senator Arlen Specter engages in close communication with title professionals in the center view. In the lower photograph, Con-

gressman Bereuter receives a Cornhusker welcome on Capitol Hill from Nebraska title people, who are, standing, from left, Roy Hahn, Patty Beckner, Mardy McCullough and Nebraska Land Title Association President-Elect Claude Berreckman, Sr. Seated, from left, are David Hunter, Sharon Johnson and NLTA Secretary-Treasurer Kathie Nathan.

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Cotton



Arnold



Wolfgang

Electronic Commerce

**New Day
in the Market**

Electronic commerce networks are beginning to transform the secondary mortgage market, bringing steadily increased pressure for lenders, title companies and other participants to implement the technological capability that will allow improved, faster service at lower cost.

Both Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) offer their respective, now existing electronic networks as convincing evidence of market response to the growing downward pressure on prices for origination and related services. Both of the secondary market giants point to their networks as (1) a source for technological solutions, and (2) an infrastructure offering participants an opportunity to communicate as business partners.

Fannie re-emphasizes that it is publicly committed to a \$1,000 reduction in mortgage origination costs by 1997, noting that the closing area is critical in efforts toward this streamlining. Representatives from both Fannie and Freddie in program remarks during the 1996 ALTA Mid-Year Convention suggested that lenders and settlement service providers who are unable to swim in the oncoming secondary market electronic wave may find it necessary to seek another line of business. Roger Wolfgang, Fannie Mae director of industry technology initiatives, said the pressure on lender prices is being intensified by a strategy of improving profits through cost containment that is being seen increasingly among the organization's customers. He said this tactic contrasts with the improving revenue through volume approach that was commonplace during the refinancing surges of the early 90s.

Making technology solutions available to users of Fannie Mae's MORNETPlus electronic commerce network is a primary strategy of the organization in moving lenders toward a low-cost structure, Wolfgang added. He said networks including MORNETPlus and Freddie Mac's GoldWorks are serving as a catalyst in the major changes that are coming to mortgage lending.

Wolfgang cited three Fannie Mae-related initiatives considered important in streamlining origination costs through activity in the area of closing:

- Development of Mortgage Electronic Registration Systems (MERS) scheduled to begin operation early next year, which will provide electronic book entry for registering and tracking mortgage ownership rights
- Fannie Mae introduction of an elec-

Success Favors the Opportunist

By Peter Nichols

(The author is chairman of the ALTA Land Title Systems Committee Electronic Commerce Subcommittee, and is a vice president for Chicago Title and Trust Company.)

As the representatives of Fannie Mae, Freddie Mac and MERS point out in the accompanying article, electronic commerce is becoming a reality in the title industry. After talking with us during recent ALTA Conventions about developing their networks, spokesmen for these mortgage lending organizations now have told us the technology is happening. Their message to primary lenders and settlement service providers including title companies: Just do it.

And so, secondary market pressure for greater speed and lower cost will drive the title business into the next century. Title information extends throughout a real estate transaction. If the secondary market and the rest of the lending community want faster delivery of title information through electronic communication, those of us who visualize a successful future in this industry are going to respond.

If technologies are becoming oriented toward electronic commerce and increased network use, title professionals will need to receive and deliver information electronically in order to do business. For example, when electronic mortgage registration arrives after MERS swings into operation next year, title companies will encounter the challenge of obtaining or

verifying payoff information as assignments are registered with MERS and not recorded with the county recorder/clerk. As is true throughout electronic commerce, this change will be accompanied by an opportunity to increase individual efficiency—verification of assignments electronically instead of calling the lender for confirmation.

Especially fascinating is Fannie Mae's report on its San Bernardino County pilot program that electronically records release documents for its internal mortgage portfolio. This indicates the technology is present to electronically record *all* documents—with the remaining issues being business and legal related. Think about the gains in efficiency if *all* documents were electronically recorded, eliminating trips to the county offices.

Reference to standards is prominent in reports from the secondary market organizations—both for information (electronic data interchange) and for underwriting. Although there are areas where local customs will remain intact, it is clear that Fannie Mae, Freddie Mac and MERS will aggressively introduce standards wherever possible. Standardization fosters efficiency as a single way of doing business—simplifying work flow and enabling technology to create business value.

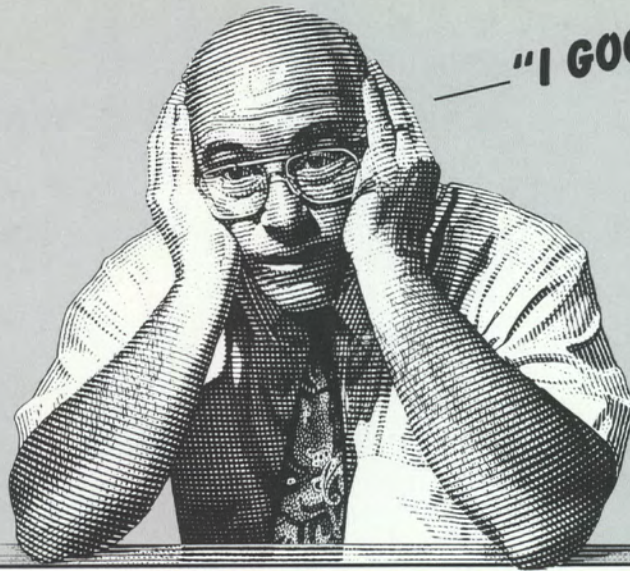
Not that many years ago, Fannie Mae's automated payoff system was in the discussion and preliminary development stages. MERS was a proposal known as Whole Loan Book Entry, alive with potential but not solidified as to organizational future. Now Fannie Mae and Freddie Mac have their own electronic commerce networks and MERS is preparing to carry out its nationwide mission. Although electronic commerce currently is familiar in many industries, the real estate sector in general and the title business in particular have lagged the technology curve. That is all about to change. With downward pressure on costs and applications identified that deliver emphatic business value, electronic commerce will continually dominate real estate and title activity—driving speed and efficiency into our processes.

That may be viewed as a threat or as an unprecedented opportunity by title professionals.

Almost without exception, those who achieve the greatest success will be the opportunists.



Nichols



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tronic recordation pilot program with San Bernardino County in California as its first step toward a paperless lien release process; Wolfgang said other counties in the state may be added to the project

- Fannie Mae's Desktop Closing Manager payoff assistant designed with input from ALTA members and lender customers, which is designed to electronically link all participants within the closing process

In San Bernardino County, upon notification of payoff and lien release, the Fannie Mae document custodian transmits an image of the release document to the imaging vendor. The release is recorded electronically on the system by the county recorder and the image is routed back to the Fannie Mae document custody facility, where it is made available to lenders.

Developing a standardized lien release form through close cooperation with the National Association of County Recorders and Clerks was credited by Wolfgang as contributing substantially to the California pilot project. This included a survey of more than 200 counties in 38 states that provided the basis for a release form acceptable to a majority of the jurisdictions involved.

Wolfgang said it is anticipated that the closing manager application will have substantial impact on the cost structure of the payoff process, providing the participants with improved capability for tracking their lien release status as payoffs move electronically through the system. Initial phases of the pilot program include electronic exchange of payoff data between settlement agents and servicers. Increased process management capabilities enabling better direction of work flow by settlement agents, and reduced lender interest expense on Fannie Mae mortgage backed securities, are other advantages, he said.

As the electronic marketplace takes shape across the country, participants will need to create or modify business plans to exploit new technologies, according to Jim Cotton, Freddie Mac marketing vice president. Participants will need to remain responsive to customer needs and industry changes that develop, while keeping an eye on pricing relative to overall costs. Electronic commerce has eliminated the option of sitting on the sidelines if a successful operation is to be maintained, he added.

Cotton said downward pressure on prices will emphasize a need for lower closing costs that will impact throughout the mortgage credit delivery system. These reduced costs will emerge from a single net-

work connection replacing multiple leased lines, direct communication with trading partners, elimination of paper, and lower e-mail, fax, and other expenses, he added. There will be significant productivity increases from the resulting shorter processing cycles.

Bringing different levels of automation together in one place is a major advantage of an electronic network so that information is entered only once for access by all interested areas, Cotton said. As an example of pricing impact, he pointed to Freddie Mac's existing Loan Prospector automated underwriting tool, through which more than 40,000 loans were processed last year, and which was handling over 1,000 loans per day in the early months of 1996. According to Cotton, Freddie Mac lenders are reporting they save up to \$400 per loan with this system. Resulting speed, error reduction and cost saving achieved with Loan Prospector create pressure elsewhere in the mortgage processing and delivery system, he added, emphasizing the need for network participants to continually be aware of developments.

Loan Prospector, Cotton pointed out, changes market focus to the process steps which are more costly and which traditionally have been less time sensitive. This emphasizes the need for trading partners to implement a quality network and support in order to communicate electronically with the desired speed.

Cotton focused on what he described as two core competencies that Freddie Mac brings to the electronic marketplace:

- A knowledge of risk management, re-

continued on page 24

Former Governor Winczewski Dies

Services and burial were at Winona, MN, for Anthony L. (Tony) Winczewski, 70, former ALTA governor who had retired after 30 years as Minnesota Land Title Association secretary-treasurer, who died there after an extended illness.

In addition, he retired in 1987 as president of Winona County Abstract Co., Inc., following 40 years with that concern. He was a former MLTA governor and served 20 years as a member of the Minnesota State Board of Abstract Examiners.

Survivors include his wife, Rosemary; a son; three daughters and two grandchildren. His son, Tony Winczewski, Jr., currently is MLTA secretary-treasurer and is president of Commercial Partners Title, LLC, located in Minneapolis.

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NAMES IN THE NEWS



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Riley



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Murrell



Steller



Taylor



August



Naye

Steven H. Newman and **Robert E. Riley** have been elected to the combined board of directors of Chicago Title and Trust Company and Chicago Title Insurance Company. Respectively, they are chairman and chief executive officer, Underwriters Re, Woodland Hills, CA, and president and chief executive officer, Leggat McCall Properties, Boston.

Newly-elected vice presidents at Chicago Title Insurance are **Marcus N. May**, northern Ohio area manager; **Thomas A. Murrell**, southern California area manager; **James R. Steller**, Bay Area Business Center manager; and **Alan N. Taylor**, northern California area manager. **William E. August**, vice president, has been named controller for the companies and **Paul A. Naye**, vice president, audit director for Chicago Title and Trust; both are based in Chicago.

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Shutinya

Christine Chan-Wasiak has been appointed assistant title officer, Chicago. In Baltimore, **Terry Arenson** and **John Bell** have been named resident vice president (commercial and industrial sales and senior commercial closer, respectively), and **Catherine Jenkins**, underwriting counsel, has been appointed assistant vice president. New assistant vice presidents at Wheaton, IL, are **Michael Carsella** (also named title production manager) and **Linda DeRue** (remains Metro Home Equity Department manager).

Also named assistant vice president are **Michael Appleby**, Everett, WA (remains assistant branch manager); **Robin Jurczak**, Naperville, IL (remains southwest area sales manager); **Thomas Knock**, McLean, VA (also appointed commercial marketing director); and **John Sawyer**, Toronto.

Robert Capozzi has been appointed Massachusetts state counsel, Boston; **Robert Simins** has been named senior underwriting counsel, New York; and **Kimberly McAndrew** has been appointed underwriting counsel, Philadelphia. **Diana Bannon** has been named branch manager, Billings, MT, while **Sharon Leslie** is the new office manager, Aurora and Yorkville, IL. **Cindy Hill** has been named title officer, Coos Bay, OR; **Trong Huynh** is now title operations officer,

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Franks



Van Meter

Memphis; and **Jeffrey Moreau** has been appointed northwest area accounting officer, Bedford, NH.

Kevin Beach has been appointed vice president and marketing/sales manager for Chicago Title's subsidiary, Security Union Title Insurance Company, with offices in Phoenix. He also has been promoted to vice president and manager of the organization's Western Information Technology Team there.

The First American Financial Corporation, parent of First American Title Insurance Company, has announced the promotion of **Craig I. DeRoy**, general

counsel, and **Thomas A. Klemens**, chief financial officer, to the newly created position of executive vice president. **Robert A. Meredith** has been named vice presi-

Shapiro Honored By Conveyancers



Johnson Award, highest honor bestowed by that organization.

Haskell Shapiro, New England states counsel and vice president, Commonwealth Land Title Insurance Company, is the 1996 recipient of the Massachusetts Conveyancers Association Richard B. Johnson Award, highest honor bestowed by that organization. Presentation of the award included reference to the unanimous endorsement Shapiro received from MCA members throughout the commonwealth as "dean" of title underwriters in Massachusetts as well as elsewhere in the region. It was pointed out that he has served as mentor to virtually all members of the title industry in the area, along with hundreds of conveyancing attorneys.

Shapiro has lectured and written extensively on title insurance and its coverages. He received his law degree from the Boston University School of Law, and has been a Massachusetts Land Court examiner since 1956.

dent-state manager, western Michigan, for First American Title with offices in Grand Rapids, MI. **Jo Ann Johnson** has been promoted to assistant vice president-legal/claims administrator in the title company's Santa Ana, CA, headquarters office while, in Baltimore, **Frank Jablonski** has joined the company as Maryland agency director and **Harry Shutinya** has been named agency division account executive.

Daniel F. Hunt has been named president and county manager for Mid Valley Title & Escrow Company, First American Title's majority-owned subsidiary in Butte County, CA.

Sandra L. Swift has been elected vice president-MIS manager for Lawyers Title Insurance Corporation, Richmond, VA, where **Al Thacker** has been named assistant vice president-internal audit. Elsewhere, **Matthew V. Frasure** has been appointed assistant vice president-branch manager, Orlando, FL; **Anthony J. Alcalá** has been named assistant vice president-regional sales manager, Troy, MI; and **Lisa K. Nichols** has been appointed area agency manager, Fairfax, VA, office.

In Memphis, **Neil H. Givens** has been appointed head of agency and approved attorney management in the Lawyers Title area office, while **Ted Faust** has been named sales manager for Mid-South Title, the company division based there. Promotions in the Lawyers Title central Virginia branch at Richmond include **Sharon Shea-Britton**, to office services administrator; **Doris T. Woods**, to commercial sales coordinator; and **Elizabeth (Jamie) Giorello**, to residential sales representative. Joining the branch are **Edwin J. Montgomery** as commercial sales representative and **Paula J. Layman** as residential sales representative. **John F. McManus** has joined the company as branch counsel, Fredericksburg, VA.

Michael P. Franks has been elected president of Genesis Data Systems, Inc., Lawyers Title subsidiary based in Englewood, CO, which specializes in the development of software for the real estate and title industries. He previously was vice president-EDI for Genesis and is a member of the ALTA Land Title Systems Committee.

Judith K. Van Meter, co-founder of First Security Title, Edina, MN, has been appointed to head up expanding the organization's title operations by Burnet Financial Group, parent concern of the company.

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Closer's Nightmare Returning as Fall Convention Highlight



After a smash hit performance during the 1994 ALTA Mid-Year Convention, members of the Education Committee have begun work on another "Closing from Hell" interactive workshop for presentation during the Association's 1996 Annual Convention in Los Angeles. As those on hand for the earlier event will recall, the format calls for dramatic portrayals by committee members in a skit featuring exaggerated but all-too-realistic difficulties that can constitute a closer's worst nightmare. The show is stopped from time to time so persons in the audience can be assigned the various problems for discussion and recommended solutions. For the upcoming version this fall, a new settlement fright scenario is being built around the tribulations of a couple in the developer sales office for a new town house project. As the photograph of Committee Members LaNette Zimmerman and Peter Norden suggests in the 1994 presentation, there is no skimping on dramatic impact.

Lawyers Title, GM Form Joint Venture

Lawyers Title Corporation, holding company for Lawyers Title Insurance Corporation, has announced the formation of a 50/50 joint venture with General Motors Corporation to provide worldwide employee relocation services for the automotive company and other customers.

The new company, Argonaut Relocation Services, is located in Detroit and had been a department of GM for more than 50 years, managing the relocation of its employees. Before the announcement, the operation was averaging some 8,000 relocation moves per year, placing it among the five largest companies offering this type of service.

In beginning activity as a joint venture, Argonaut has 115 Lawyers Title employees, most of whom were co-located with GM. The new concern offers a full range of real estate and relocation services including marketing assistance, departure and destination services, home sale assistance, transportation of household goods, mortgage and financial assistance, counseling services, and policy support and development.

Robert F. Gregory, former GM manager of residential relocation, now is the chief executive officer and president of Argonaut.

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NEW DAY

continued from page 15

flected in the development of Loan Prospector for automated underwriting

- The ability to utilize a dominant market position, which led to the development of Freddie Mac's GoldWorks, as a means for delivering the organization's products and services--and as a market infrastructure that facilitates access to existing industry automation solutions

Further emphasizing the Freddie Mac role, Cotton said network access is improving the linkage with software enablers; existing business services including those available to title, appraisal, mortgage insurance, credit and other operations; and electronic commerce support--e-mail, file transfer, network management and fax, for example. He expressed reservations about including the Internet in the optimum support profile, advancing the view that the web is not a managed resource, lacks the desired levels of reliability and security, and falls short of the power needed for transferring information with preferred speed and dependability.

Joining Wolfgang and Cotton on the ALTA Convention panel was R. K. Arnold, general counsel and secretary for MERS, who said the system is targeted on eliminating headaches and reducing monetary inefficiencies. He said objectives for MERS include the elimination of intervening assignments, reducing unrecorded assignments and re-recording costs, simplifying investor certification and--with a MERS mortgage identification number--reducing fraud. He added that MERS will have accessible information on mortgage rights--both legal and beneficial interests.

As MERS prepares to begin operations, Arnold said the system will not register deeds. Under its design, a mortgage will be executed and filed before there is an assignment to MERS. After that, MERS will be the mortgagee of record.

Arnold said he expects to see MERS implement a cross reference style of property identification. He emphasized that objectives of the system do not include description or location of property--but rather elimination of the need to record assignments that transfer servicing rights and beneficial interests that may be related.

MERS, Arnold summarized, is focused on streamlining the assignment process. He said MERS board members are convinced that the mission of the organization is lawfully acceptable, adding that the electronic registry has undertaken the task of setting up operations in accordance with individual state legal requirements. ✎



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RB	03/23/95		Receive Survey	memo	01	95-00005	02/24/95	RB
RB	03/23/95		Receive Survey	memo	01	95-00006		
RB	03/23/95		Order Survey	memo	01	95-00014		
RB	03/23/95		Order Tax Cert.	memo	01	95-00014		
RB	03/23/95		Receive Survey	memo	01	95-00007		
RB	03/23/95		Receive Survey	memo	01	95-00008	01	
RB	03/23/95		Commitment Due	memo	01	95-00001		
RB	03/24/95	08:30am	Closing Room 2	memo	01	95-00004		
RB	03/24/95	09:30am	Closing Room 1	memo	01	95-00005		
RB	03/24/95	01:00pm	Closing Room 1	memo	01	95-00007		
RB	03/24/95	03:00pm	Closing Room 3	memo	01	95-00008		

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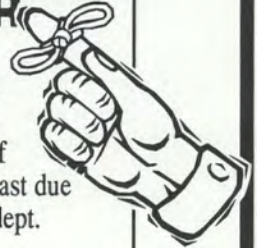
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1996 AFFILIATED ASSOCIATION CONVENTIONS

June

6-8 **Texas**, Hyatt Hill Country Resort, San Antonio, TX

6-9 **New Jersey**, Newport Doubletree Islander, Newport, RI

7-8 **Arkansas**, Ramada Inn, West Memphis, AR

9-11 **Pennsylvania**, ANA Hotel, Washington, DC

12-14 **South Dakota**, Kings Inn, Pierre, SD

13-16 **Colorado**, Steamboat Resort, Steamboat Springs, CO

23-25 **Oregon**, Sunriver Lodge, Bend, OR

27-30 **New England**, The Black Point Inn, Prouts Neck, ME

July

11-13 **Illinois**, Oakbrook Hills Resort & Spa, Oakbrook, IL

11-13 **Michigan**, Grand Hotel, Mackinac Island, MI

11-13 **Utah**, Stein Eriksen Lodge, Deer Valley/Park City, UT

August

1-4 **Idaho**, The Coeur d'Alene, Coeur d'Alene, ID

8-10 **Kansas**, Holiday Inn, Manhattan, KS

8-10 **Montana**, Fairmont Hot Springs Resort, Anaconda, MT

15-17 **Minnesota**, Riverport Inn & Suites, Winona, MN

15-17 **North Carolina**, Wintergreen Resort, Wintergreen, VA

18-21 **New York**, Southampton Princess, Bermuda

21-23 **Wyoming**, Holiday Inn, Cody, WY

September

5-8 **MD-DC-VA**, Princess Royale, Ocean City, MD

8-10 **Ohio**, Hyatt Regency, Cincinnati, OH

11-13 **Nebraska**, Holiday Inn, Hastings, NE

12-13 **Wisconsin**, Radisson, La Crosse, WI

12-14 **Dixie**, Sandestin Beach Resort,

Destin, FL

12-14 **North Dakota**, Ramada Plaza Hotel, Fargo, ND

12-15 **Washington**, Campbell's Resort/Lake Chelan, Chelan, WA

18-20 **Nevada**, Hyatt Regency, Incline Village, NV

19-21 **Indiana**, Westin Hotel, Indianapolis, IN

19-21 **Missouri**, Doubletree Hotel & Conference Center, St. Louis, MO

November

3-6 **Florida**, Hilton Innsbrook Resort, Tarpon Springs, FL

6-9 **Arizona**, Carefree Inn, Carefree, AZ

December

5-6 **Louisiana**, Omni Orleans Hotel, New Orleans, LA

ALTA Committee Candidates Sought

Once again, ALTA is issuing the call for members interested in an action dimension for its various activities through service on a committee of the Association. A listing of the organization's committees is found in the current edition of the ALTA membership *Directory*.

Those interested in being considered for appointment to a committee, to serve in 1996-97 during the presidential term of Dan R. Wentzel, current president-elect of the Association, are invited to write Dan care of David McLaughlin in the ALTA Washington office (Suite 705, 1828 L Street, N. W., Washington, DC 20036), specifying the committee or committees preferred. Correspondence should reach the office no later than July 12.

Letters should state the intention of the writer to attend both the 1997 Mid-Year and Annual Conventions of the Association, where most ALTA committees normally meet. This activity is entirely at the expense of the individual member.

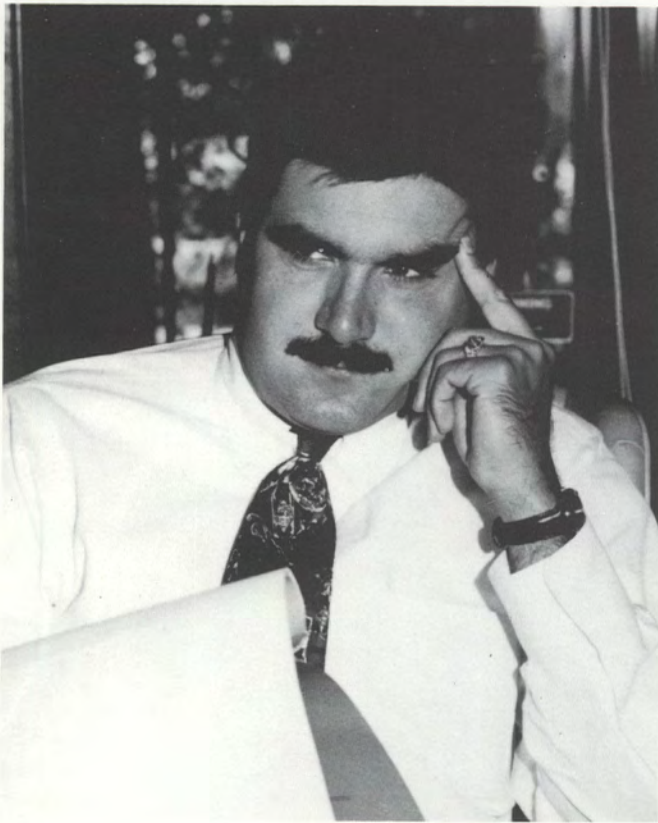
Also, title underwriter company employees are reminded that their requests for committee appointment consideration must first be approved by the chief executive officers of their respective concerns before submission.

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New York *Times* Article on Fraud Emphasizes Title Insurance Need

Fraudulent real estate schemes remain all too commonplace in the New York City region, emphasizing the ongoing need for caution among buyers and other investors, according to a recent *New York Times* Sunday article reminding of the importance of full title insurance coverage.

In the article, Gary Connor, enforcement chief in the New York state attorney general's real estate financing bureau, is quoted as stating his office receives some 1,000 complaints per year--and that about 20 percent of these involve actual fraud. The remainder consist of contractual disputes or unprofitable transactions, he adds.

A number of actual examples are reported in the article, providing details on specific instances of fraud. In one, four men drew up a fraudulent contract and documents for a \$1 million property owned by a foreign businessman--then arranged for a \$500,000 mortgage and deposit of the money in a new account.

Before the fraud was discovered, most of the money had disappeared in a Bahamas casino, the article continues.

Commenting on forgery in real estate fraud, Stuart Saft, chairman of the Council of New York Cooperatives, is quoted: "All the seller has to do is come to the closing with proper ID, an affidavit or certification signed by a corporation and it's accepted by the buyer."

Saft continues: "Some people say, 'Why should I spend money on title insurance?' This is why you buy title insurance!"

A title insurance agency executive is quoted as saying his organization has a representative at closings to check identification of those signing documents. The title professional goes on to point out that, should there be a forgery in a transaction where the title is insured accordingly, the insurer would be liable.

Some research into local title claims can provide a basis for developing similar media coverage elsewhere in the country.

CUSTOMER SERVICE

continued from page 7

thing in an employee's life. From time to time, the company may rise to one, two or three. But, on the average, fourth to sixth is just perfect. On the day the company becomes No. 7, everyone will know.

So what! How does that covert to your bottom line?

Simple. By associates giving each other unquestioned trust, the entire staff is free to provide memorable service to each other and their clients. Your trust and leadership will allow the staff to continually define and redefine memorable service.

This commitment to each other will increase orders, market share and profitability while decreasing claims. As with all forms of customer service, the quality of the service can only be judged by the receiver--with the provider's opinion rendered almost valueless.

Ask your staff when was the last time they experienced extraordinary customer service. If this service was not received from a fellow employee, then your goal is clearly outlined!

If the prospective employee was hired, I offered a final challenge. I would hand the person a list of everyone who worked there, and invite that person to call anyone or everyone on the list to see if what I said was true. I do not know if anyone ever called--but I'm willing to bet I know what the answer would have been and still would be today.

How about you?

My goal was always simple. When families gather and everyone is announcing, "My boss is dumb," or "My co-workers never help," I want people I work with to say--not just think but say--"I like where I work," and, "We're good at what we do!"

Changing how people think is a lot more difficult than handing out baseball tickets. But the benefits have a far greater return. 🐼

NEW MEMBERS

Active

Louisiana

Cenla Abstract and Land Services, Inc., Alexandria, LA

Massachusetts

Asset Discovery, Inc., Framingham, MA

Nebraska

Madison Land & Abstract Company, Madison, NE

New Jersey

Sharpe Title, Inc., Princeton, NJ

New York

Alliance Abstract of NY, Inc., Riverhead, NY

Benchmark Land Title Associates, Inc., New York, NY

Oregon

First Oregon Title Co., Madras, OR

Harney County Title Company, Burns, OR

South Dakota

Tripp & Todd Title Company, Winner, SD

Utah

Meridian Title Company, Murray, UT

Virginia

Nations Title Company, Newport News, VA

The Premier Title Agency, L.C., Salem, VA

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Shelly B. Rainen, Rainen Law Office, Boston, MA

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Michael J. Detmer, Title Insurance Agency, Inc., Rochester Hills, MI

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Title News Offering Classified Ads

Title News now offers "Marketplace," a classified advertising section for reaching the nationwide land title industry audience. The department features placements on situations wanted, help wanted, for sale and wanted to buy.

Basic format for the section is single column, text advertising placements. A box may be placed around an ad for an extra charge, and there is a discounted rate for three or more consecutive placements in the magazine. **Made-up** examples are shown below to provide an idea of style.

Rates for situations wanted or help wanted ads are \$80 for first 50 words, \$1 for each additional word, 130 words maximum (per insertion rate drops to \$70 for first 50 words plus \$1 for each additional word, for 3 or more consecutive placements). For sale or wanted to buy ads have a rate of \$250 for 50 words, 130 words maximum (per insertion rate drops to \$225 for 50 words, \$1 for each additional word for 3 or more consecutive placements).

Placing a box around an ad costs an extra \$20 per insertion for help wanted or situations wanted, \$50 per insertion

for sale or wanted to buy.

Those desiring to place classified advertising in the "Marketplace" department should send ad copy and check made payable to American Land Title Association to "Marketplace--Title News" care of the Association at Suite 705, 1828 L Street, N. W., Washington, DC 20036.

Sample: Help Wanted

LEAD ABTRACTER wanted for three-county Kansas operation. Must be certified or comparably qualified. Send resume to *Title News* Box H-326.

Sample: Situations Wanted

COUNTY MANAGER for northwestern title underwriter branch seeks competitive opportunity with improved growth potential. Excellent fast track record, references. Write *Title News* Box E-418.

Sample: Sale

TITLE PLANT for sale, Florida location. Microfilm, documents and tract books cover county for over 50 years. Computerized posting. *Title News* Box S-135.

Sample: Wanted to Buy

WANTED TO BUY: Used SOUNDEX system, needed by Indiana title agency. Particulars in first letter. *Title News* Box B-247.

1996 CALENDAR OF MEETINGS

June

14 **Land Title Systems Committee**, Le-Meridien Hotel, New Orleans

July

26-27 **Education Committee**, Woodstock Inn, Woodstock, VT

September

13 **ALTA's Land Title Institute/Oklahoma Land Title Association Regional Seminar**, Doubletree at Warren Place, Tulsa

October

16-19 **ALTA Annual Convention**, Westin Century Plaza Hotel, Los Angeles, CA

Investors Opens Underwriting Sites

Investors Title Insurance Company has announced the opening of North Carolina underwriting offices in Albemarle and Smithfield.

Misty Enoch is office manager for the new Albemarle facility and Lisa Gallimore is marketing manager. Betty Ann Tilson is office manager at Smithfield, working with Lois Rhoades, marketing manager.

Chili Currier Dies Following Illness

Services were in Artesia, NM, for Chili Currier, owner and manager of Currier Abstract Company there for 50 years, who died after an illness of some 18 months.

He, his father--the late George Currier, and his son, ALTA Immediate Past President Mike Currier--all served as president of the New Mexico Land Title Association. Theirs is the only family to hold this distinction.

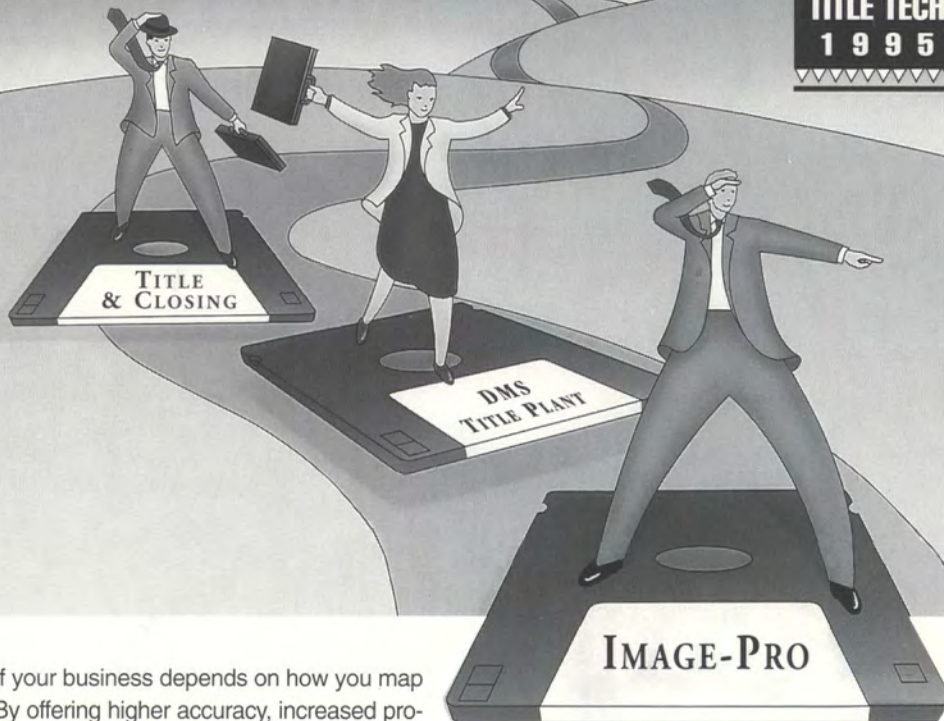
He had suggested that those wishing to do so send contributions to The Chili Currier Scholarship Fund, New Mexico Land Title Association, P. O. Box 1176, Hobbs, NM 88241-1176.

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Genesis	cover 2
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Ohio Bar Title	page 18
RBJ Computer	page 11
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