

TITLE *News*

SEPTEMBER-OCTOBER 1998

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Volume 77, Number 5

\$5 per issue (member rate) \$8 per issue (non-member rate)

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On the cover: *It's time to plan for moving to the head of the class in technology during the 1999 ALTA Technology Forum & Expo, to be held February 7-9 at Disney's Coronado Springs Resort, Orlando, FL. Besides top-of-the-line guest speakers who will take a searching look over the horizon at technology's impact on the title business, plans include a computer classroom, two full days of continuing education credits, and a hands-on demonstration area. For more information on what's ahead, please turn to page 11.*

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By M. Kathleen Hendrix

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By Karen E. Koogler

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Beginning February 28, LTI will offer a week long, comprehensive, university-level, interactive manager education course designed specifically for the land title industry.

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AND MORE...

17 MERS - - Close-Up

Reprinted in this issue of *Title News* are the two most recent editions of the Mortgage Electronic Registration System (MERS) newsletter. Besides our own MERS coverage, ALTA will reprint additional future editions of the newsletter in its magazine, in order to keep Association members better informed on this important development.

27 Coming - - ALTA's Tax Information Reporting Compliance Telephone Seminar

Need to be in the picture on the latest tax information reporting requirements? ALTA will cover the subject in a nationwide telephone seminar to be held November 10.

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ALTA COMING EVENTS



SEPTEMBER

1998

**21-22 Title Insurance Agents
Executive Conference**

Las Vegas

OCTOBER

14-17 ALTA Annual Convention

New York Marriott Marquis, New York
City

NOVEMBER

2-3 Title Counsel

Santa Fe, NM

**16 Title Reinsurance Company
Board**

San Francisco

DECEMBER

**7 Membership and
Organization Committee**

Key West, FL

**7-8 Land Title Systems
Committee**

Key West, FL

FEBRUARY

1999

6 ALTA Board of Governors
Palm Beach, FL

6 Public Relations Committee
Orlando, FL

**7-9 1999 ALTA Technology
Forum & Expo**

Disney's Coronado Springs Resort,
Lake Buena Vista, FL

**28-March 5 ALTA Land Title
Institute Management
Development Program**

Houston Baptist University Campus,
Houston, TX

MARCH

29-31 ALTA Mid-Year Convention
Hotel Inter-Continental, New Orleans

AMERICAN
LAND TITLE
ASSOCIATION



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A MESSAGE FROM THE PRESIDENT-ELECT

ALTA Programs Meet Changing Business Environment



The American Land Title Association educational programs continue to rally and adjust to recent changes in our industry.

Much has been written recently about the changing business environment in which our industry now finds itself. As a result, questions have been raised as to whether or not the ALTA can adjust the pursuit of its goals in a manner which meets the new environment.

ALTA has been successful in meeting modern day challenges in several fields including government affairs but, what has been particularly pleasing to me, and I hope to all of us, is the way our educational programs have

immediately risen to these new challenges.

Several accomplishments should be mentioned. One, of course, has been the well documented success of our Technology Forum and Expo, which will be held again in February, 1999. I have just returned from attending the Agents Seminar on Strategic Alliances held in Chicago in August. The objective of the seminar was to provide information and ideas to agents, to help them adapt and plan for survival in today's changing business environment. Speakers included experts in the field of business alliances, underwriting executives and counsel, as well as agents who have entered into alliances and were able to speak of their experiences. The responses to the seminar were excellent, and I am sure it will not be the last seminar organized to quickly respond to a current need of the industry.

Another example of ALTA's continued response to a present need is the upcoming Land Title Institute Management Development Program to be presented February 28-March 5, 1999, at Houston Baptist University. Research has indicated a need for this type of seminar, particularly for mid-size agents and regional underwriters. This again demonstrates ALTA's ability to rise to the needs of its members.

In summary, ALTA is not sitting still while the new environment passes by, but instead is adjusting its programs and responding to its members needs. Many people in the ALTA should be congratulated for their help in meeting the new challenges. Particular credit should be given to our ALTA staff for planning, organizing and implementing the programs. ALTA also appreciates those members from both the agent and underwriter sides who voluntarily give of their time and talent to serve as speakers and panelists.

I hope that all of our members will take advantage of the effective and *timely* programs being presented.

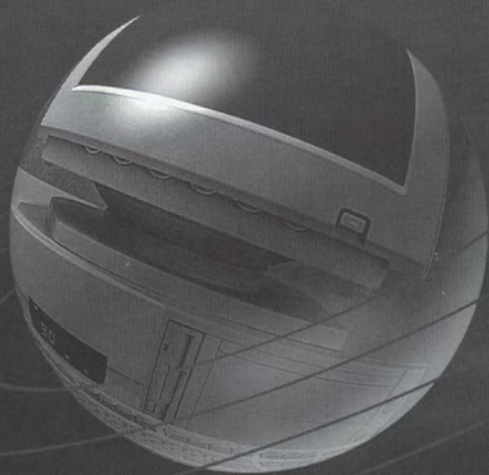
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Joseph M. Parker, Jr.



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Believe It! The Year 2000 Problem Is for Real

The Year 2000 Date Problem is for real. In the view of Peter de Jager, the most difficult aspect is convincing people the implications are indeed serious.

A globally prominent speaker on change, creativity and management technology who shares his views on the Internet, de Jager will provide his thoughts on Year 2000 to the title industry in person as a featured speaker during the 1999 ALTA Technology Forum & Expo February 7-9 in Orlando. In the meantime, here are selections from his previous World Wide Web musings that offer intriguing insight on what to expect.

In an Internet presentation entitled, "Early Warning," de Jager sets forth his perspective as follows.

More than 80 million PCs will be switched off as people leave work. When they return, their computers will be all but useless.

Early Warning!

This is just a test. It'll only take five minutes. It won't be painless, but... the results may save a lot of anguish in the not too distant future.

Set the date on your personal computer to December 31, 1999. Set the time to 23:58hrs (11:58pm) and then POWER OFF the computer. Wait at least three minutes and then turn the PC back on. Check the date and time. It SHOULD be a minute or two past midnight, on the morning of Saturday, January 1, 2000... My computer responds with January 4... 1980. Not exactly what you would expect.

The problem lies somewhere in your

computer. If the system has the wrong date, then all your software has the wrong date.

The good news is that this was only a test. The bad news is that on December 31, 1999, it won't be, it will be painfully real.

More than 80 million PCs will be switched off as people leave work. When they return, their computers will be all but useless.

How bad is the problem? How many PCs will really fail? Based upon predictions of people involved in the Year 2000 problem, upwards of 80 percent of existing PCs are unreliable.

On January 1, 2000, more than 80 million PCs will think the Berlin wall is still standing and that Trudeau is still the Prime Minister of Canada...

When this test was first explained to me, I didn't listen properly. I changed the date, and waited... The date and time



Peter de Jager is considered to be the world's foremost leader in creating awareness of the Year 2000 Computer Crisis, speaking to

technical and general audiences throughout the world and appearing on network television. He writes extensively on the subject and comments through his Internet home page, The Year 2000 Information Center. In Congress, he has testified before the House Science Subcommittee, and he has been invited to speak before the World Economic Forum in Switzerland and the Canadian House of Commons Standing Committee on Industry. A graduate of the University of Toronto, he serves as a special advisor to the United Kingdom Taskforce 2000.

behaved properly... I "knew" the operating system could not be wrong!

Powering off the machine during the roll-over makes all the difference.

Each PC responds differently to the year 2000. If I reset it to January 1, 2000, then it rolls over to January 2, 2000 correctly. Now all I have to do is remember to reset my computer on Saturday, January 1, 2000. Other PCs will not accept the year 2000, refusing to believe it exists.

All your applications, spreadsheets, accounting packages, day-timers, e-mail systems, even backup cycles will be at risk a few years from now, unless you solve the problem.

What can you do? You've several options. Replace all your computers. A few letters to vendors explaining how you're a tad upset... might be appropriate.

Apply a kludge to your operating system. Have it read 1980 from the BIOS and add 20 years. Trouble is, each PC fails differently, making sure all your PCs have been fixed, and remain fixed, will be a logistical nightmare.

Another option is, do nothing. Why? Because, the problem won't take effect for a few years; you'll probably be in a different job; someone else will fix it; it can't be as bad as I make out, etc. etc.

In the meantime, your problem is growing. Right now, a new PC is being installed. Is it Year 2000 compatible? What about the PCs you buy tomorrow, next week and in 1996?

I think the 80 percent failure rate is too high. This is not based upon any lack of faith in predictions. It's more an unwillingness to believe such a "stupid" error, could be so prevalent. On the other hand... I have great faith in the laws of Murphy. If anything can go wrong...

(Actually I was wrong... after this article was printed in *Information Canada*, I received more than 140 responses... 97 percent of the PCs tested... failed. PdJ)

Did you test your computer(s)? How

many failed? Now do you believe in the Year 2000 Date Problem?

The power of this little demonstration lies in its simplicity. It doesn't take much to imagine all the PCs in the world... all of them... producing some very strange reports. Does this place you at risk?

Where exactly does the problem lie? Is it in the RTC? (Real Time Clock) Or in the BIOS? Or in the operating system? Does it matter? The fact is, an error in processing the Year 2000 will occur more than 80,000,000 times.

Many folks point out that (a) the computer on their desk will be replaced before the Year 2000, (b) that someone will fix it with a software patch, (c) that the next release of the operating system will solve the problem!

All of these observations are true... but they don't eradicate that this error was replicated millions of times... now... ask yourself the question. If the manufacturers of PCs could make this type of error... what leads you to believe your accounting software is safe... and will handle the Year 2000 correctly?

More specifics on the Year 2000 Problem are found in de Jager's 1997 Web offering, "You've Got to be Kidding!"

You've Got to be Kidding!

Unless they are fixed... all computer programs... everywhere in the world... will go on strike on January 1, 2000. Can you imagine... just for a moment... the chaos this would cause? There would be no air traffic, no traffic lights, no lights in your company, companies could not produce goods, no goods delivered to the stores, stores could not send you bills, you could not send bills to anyone else. Business would come to a halt.

Could such a catastrophe happen? Well, if you read this article and think about the consequences, then you'll decrease the likelihood of this unsettling event. If you ignore this warning, or fail to ask yourself the question, "Could this happen?," then you become a part of the problem.

How could computers possibly go on strike? The explanation is very simple, so simple, that many people like yourself, have great difficulty believing the problem is real.

After December 31, 1999, computers won't know what year it is.

This sounds insane. It sounds like a science fiction story. It just happens to be very true. Here's why.

We programmed computers to store the date in the following format: dd/mm/yy. This means that we've allowed 2 digits for the day (dd), 2 digits for the month (mm) and only 2 digits for the year (yy). Can you see the problem?

Some examples might help. I was born on January 23, 1955. So we store that information in the computer as 23/01/55. The Wright Brothers achieved their first flight on December 17, 1903 and that's stored as 17/12/03. When we get to January 1, 2000 we'll store that information in the computer as 01/01/00.

All your applications, spreadsheets, accounting packages, day-timers, e-mail systems, even back-up cycles, will be at risk a few years from now, unless you solve the problem.

See the problem yet? We've told the computer to assume that 23/01/55 means 23/01/1955, and that 17/12/03 means 17/12/1903. What will it assume 01/01/00 means? It will assume that 01/01/00 means 01/01/1900 or January 1, 1900. That's it. That's the problem. The computer, all computers, will think that all "dates" past December 31, 1999 are 100 years in the past.

So what? To understand the implications of this little error, we must look at one of the most basic, and most common, calculations performed by the computer. The calculation that determines how much time has passed from one event to the next. For example, how old are you?

I was born on January 23, 1955. If I ask the computer how old I am, it subtracts my birthdate from the current date. So it'll perform a calculation similar to 96-55 (remember it only has 2 digits for the year information) and gives me the answer of 41 years old. Which, while unfortunate, is also true!

On January 1, 2000, the calculation will be exactly the same. Subtract my birth year from the current year, 00-55

and the computer will loudly and proudly proclaim that I'm -55 years old. Which is silly, and wrong, and will cause havoc with every type of interest calculation in every program in every company in every country, worldwide.

It affects more than just interest calculations. It affects all information based on time. When will your driver license expire? When will your credit card expire? When will this drug no longer be safe? When should this machine undergo regular maintenance? When was this product built? How long has this invoice been overdue? Has this subscription expired? All of these calculations are based on the date, and if the computer does not know what date it is, then these calculations are no longer possible.

If I were a mind reader, I'd say the thoughts in your head at this moment would be a collection of "How could computer programmers be so stupid? Didn't they know the year 2000 would arrive? Why didn't they store all 4 digits for the year?" And last, but not least, would be, "Well... just put the extra digits back into the program! How difficult could that be?"

These are very natural responses from anyone just hearing about the Year 2000 Computer Date Crisis. The listener becomes even more incredulous when I mention that the estimated costs of fixing this problem are upwards of \$600 billion (US) worldwide.

\$600 billion to fix 2 missing digits, otherwise all the computers worldwide go on strike... you're right. It does indeed sound like science fiction. Unfortunately, it's not. It's very real and affects everyone on earth.

Why Only 2 Digits?

Let's answer your obvious questions. "Why did we use only 2 digits when we knew we'd need 4 of them when the Year 2000 rolled around?"

Well, the bad news is that we did it deliberately, but with the very best of intentions. Honest!

When computers first entered the business world in the late '60s and the early '70s, they were very expensive. This 'expense' was tied directly to two aspects of computing, how much data could the computer store and how fast could it process that data. Even tiny, incremental increases in either attribute resulted in huge cost increases.

One way to store data, was on a piece of stiff cardboard known as a Hollerith card. By literally punching holes into this Hollerith card according to a set of patterns, and reading those patterns with a beam of light, one could store and retrieve information.

Each of these cards had enough space to hold only 80 characters of information; 80 characters is not a lot of information. Write down your full name, address, birthdate, bank balance and bank account number. The chances are very good you'll have written down more than 80 characters.

Which means you'd have trouble storing all that necessary information onto a single Hollerith card.

This is exactly the problem programmers ran into in the late '60s and early '70s. Hollerith cards were not big enough to store all the data they needed to store. So they compromised. They wrote 230155 instead of 23/01/1955, thereby saving themselves 4 precious characters, 2 of which were the crucial "19."

When designing a computer application you're always making compromises. There are compromises between what you'd like the computer to do and what you can afford. You compromise between the speed of delivery and the quality of the final product. Hopefully, you understand the consequences of the compromise, because compromises are never perfect solutions.

We compromised on accuracy vs. cost when we decided to store only 2 digits of the year. Our reasoning, even now, makes a lot of sense. Especially if you keep in mind when this compromise was taking place. It was the '60s and '70s, when the year 2000 was 30 or 40 years away! Part of our reasoning was that surely our code would be replaced by then. We assumed that the program we were writing in the '60s would not be in use 30 years from now.

That particular assumption was wrong, very wrong. We have way too much old code, known as "legacy systems" in use today. Major applications are still using code developed in those early days.

Another interesting fact to take into account is that the programs were written by programmers who themselves were most likely less than 30 years old. Surely their code would not last longer than they'd been alive? It seemed a very reasonable compromise to make at the time.

Also, keep in mind, compromises are

never made in isolation, compromises are always a conspiracy or collaboration. Computer managers would tell the client that if they stored all 4 digits, they'd have to buy a bigger computer or they'd have to write a much more complicated program to store the data of 2 or 3 or 4 Hollerith cards. The client would typically respond "Are you crazy? You want me to spend another million dollars to store an extra 2 digits that won't even be used for 30 years! Just store the 2 digits and leave me alone! In fact, store a single digit and save even more money?"

Compromise Becomes Standard

So, this compromise became an industry standard. Computers have remained very expensive until only the last decade, when it became possible for nearly anyone to purchase a computer for their home. These home computers are much

*As we move forward,
urgency increases and the
difficult decisions are
finally being made.*

more powerful than the computers used by entire businesses in the '70s.

Trouble is, while computers changed, the standard didn't. Many programmers, even as you read this, are writing code that will fail in the year 2000. Why? Because business is not very proactive when it comes to anything happening after the next annual report. Our focus is on immediate cost savings, immediate profits and immediate consequences.

We're not very good at looking out into the future and planning for events that'll take place 5 years in the future. Another unfortunate chapter in this story is that computer "professionals" are very mobile. It is unusual in the computer industry to work for a company for more than 5 years. Why worry about a problem that will take place in the future, when you'll most probably be working somewhere else?

"Okay," you say, "How we got here is understandable, but surely the problem is easy enough to fix. Just put the 2 digits back in... how difficult is that?"

Well, in a sense, it's not difficult at all. Practically any programmer can look at a line of code containing a date

calculation, and make the necessary changes to the program to make the problem go away. The problem is... that's not the problem!

When someone makes the statement, "Put the 2 digits back in," they are making an assumption. The speaker is not even aware of the assumption they are making, which makes it all the more dangerous.

The assumption is that we know where the dates are.

That's right. We don't know where the dates are, we have to go find them.

Finding them is a large part of the problem, for two reasons.

First, do you have any idea how much programming we've done in the past 30 years? It is not unusual for a company to have more than 100,000,000 lines of code! (For the purposes of this article, assume your company has 100,000,000 lines of code.)

100,000,000 is not a number we run into very often, and it's rather difficult to get a sense of just how much work that represents.

How long would it take you to just look at all that code, if you spent just one second on each line?

Assuming 8 hours a day, 5 days a week... It would take you just over 13 years to look at all your code. Or it would take 13 people one year. Or 156 people could do it in a month.

So the haystack we're searching, to find all these little date needles, is huge.

What's A Date?

The problem though, is more than just the sheer size of the haystack. The problem really lies in the next, almost philosophical question.

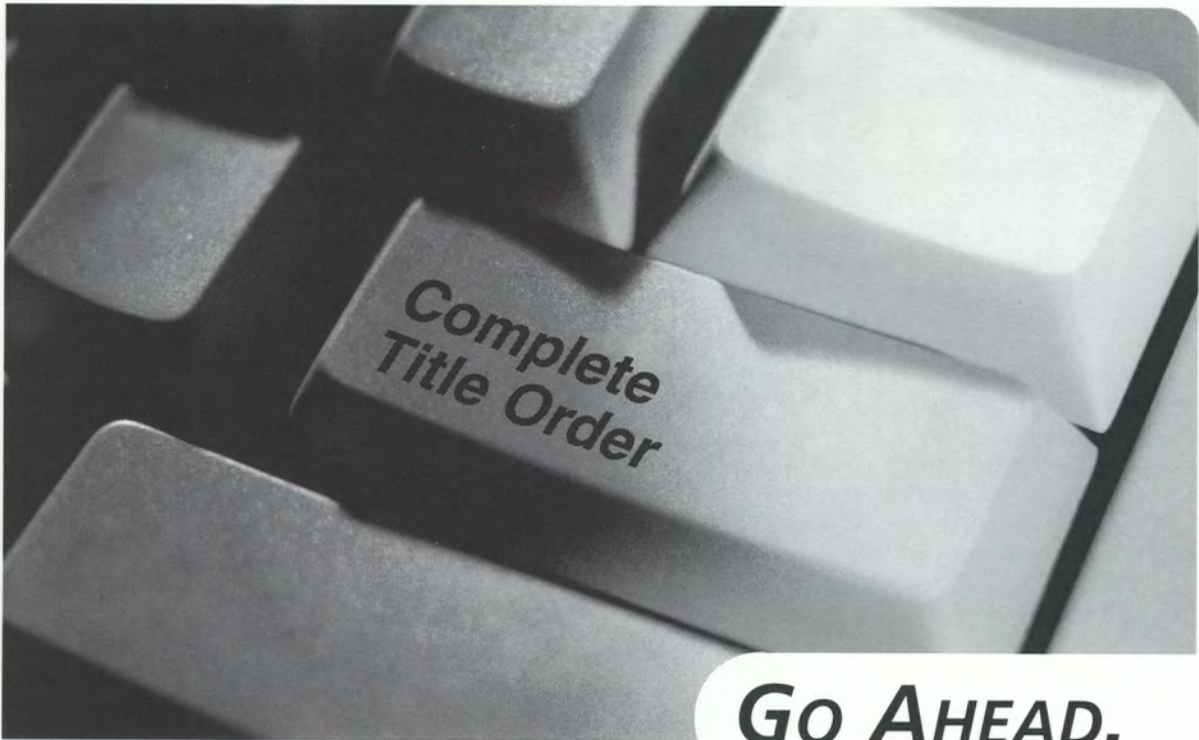
What's a date?

That's not a facetious question. It's very serious. It sits at the heart of this whole problem, and if we had a clear, 100 percent accurate (and useful!) answer, then the problem would be much easier to solve.

To understand the complexity of the question "What's a date?" we need to understand a key concept regarding computers. Computers are idiot savants. They perform miraculous tasks, but have no understanding of what they are doing.

One way to describe computers is to assert that they are nothing more than

Continued on page 28



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Moving to the Head of the Class



By M. Kathleen Hendrix, Director of Membership & Marketing

Make plans now to attend the 1999 ALTA Technology Forum & Expo, scheduled for February 7-9, at Disney's Coronado Springs Resort, in Orlando, FL.

The 1999 Technology Forum & Expo theme, "Moving to the Head of the Class," captures the spirit of attendees seeking to expand their knowledge. An old fashioned atmosphere of learning will guarantee that attendees take home an abundance of useful information. Plans are being made for a computer classroom, continuing education certification, and a hands-on demonstration area.

The latest industry advancements will be featured throughout the 1999 Tech Forum. The best professional speakers available have been hired to enlighten attendees on such concepts as using technology to shape the customer relationship and preparing for the year 2000. Additionally, two full days of continuing education credits will be offered.

EDUCATIONAL TRACKS AND SESSIONS

IMAGING & TITLE PLANT TECHNOLOGIES

Imagine a world without paper. The sessions in this track will help you convert your paper plant to images, integrate your image plant into your workflow, and show you ways to make your plant interact with other offices and the county courthouse.

INTERNET & THE WORLD WIDE WEB

Your customers are using the Internet to do business. It has never been more important for successful companies to get on-line. Attend these sessions to learn how to make your company Internet-savvy and when to establish your own web site.

ELECTRONIC COMMERCE

Put your company on the road to more efficient, less paper-intensive customer service and product delivery. The experts speaking at these sessions will show you how to streamline your delivery process using today's technology.

MAKING TECHNOLOGY WORK FOR YOU

Technology can help you increase your business. The proper technological tools can make your staff more efficient in the jobs they already do. Attend these sessions and learn how to use technology to improve customer service, sales and marketing.

STRATEGIC TECHNOLOGY MANAGEMENT

How can you use technology to help you work more efficiently, increase your business and maximize employee time? Strategic technology management answers those questions. Learn to use your technology not just to survive but to help you thrive.

COMMUNICATIONS TECHNOLOGIES

Mobile phones, pagers, desktop faxing — all are important tools. But how do you make the most of them? Getting the most out of your communications gadgets is a problem all title managers face. Learn to maximize employee time by making the most of your communications technologies.

CONTINUING EDUCATION

Nationally recognized speaker Karen E. Koogler will lead two days of continuing education geared specifically for the title industry. Title professionals across America know Ms. Koogler for her interesting, entertaining, and informative presentations. While attendees may choose to attend as many or as few individual sessions as they wish, only those persons pre-registering for and signing into each session will receive full C.E. credit. Monday's topic "Fraud Forgery and Embezzlement" and Tuesday's topic "Customer Service for the 21st Century" have been pre-approved for credit in a select number of states. (Please contact Pat Berman, ALTA Director of Education, at 1-800-787-ALTA for more specific information.)

IMAGING & TITLE PLANT TECHNOLOGIES	INTERNET & THE WORLD WIDE WEB	ELECTRONIC COMMERCE	MAKING TECHNOLOGY WORK FOR YOU	STRATEGIC TECHNOLOGY MANAGEMENT	COMMUNICATIONS TECHNOLOGIES	CONTINUING EDUCATION
Imaging 101: How and Why	Getting your LAN Online & Surfing the Internet	Electronic Commerce 101: How & Why	Workflow	Strategic Alliances	Bring On the Bandwidth! ISDN, DSL, or T1	Check Fraud
Case Studies: Conversion from Paper	When to Establish a Home Page	EDI and the Internet	Cross-Training Your Staff	Disaster Recovery	Choosing an Internet Service Provider	New Technology/ Availability of Supplies
E X P O S E S S I O N S						Spotting Forged Checks
						Counterfeit Currency, Embezzlement and Loss Prevention
Coordinating with Your County Recorder	Closing Systems	The Paperless Office	Customer Service via Technology	Thin Client Technology	Telephones & Voice Mail	Changes in the Title Insurance/ Settlement Service Industry
Joint Image Repositories	Plant Systems	Secure Transactions	Sales & Marketing via Technology	Copiers & Multi-Function Products	Cellular Telephones & Pagers	FutureFocus on Tomorrow's Secondary Customers
Imaging Online: LAN, WAN, T-1	Buying a Home on the Internet	Digital Signatures & Certificates	Connecting Multiple Offices: LAN/ WAN/ VPN	Computer Hardware & Peripherals	Fax Machines & Desktop Faxing Software	Beyond Ancillary Services
E X P O S E S S I O N S						Collabotition: Collaborating with your Competition

HIGHLIGHTS



CALENDAR

FEATURED SPEAKER

Dr. James Canton "Emerging Technologies: Shaping The Customer Relationship"

Sunday, February 7, 4:00 p.m.

Dr. James Canton is an internationally known expert on the future of technology and its impact on business and society. He has accurately predicted the influence of many technology trends such as the personal computer, the Internet, the modem, and satellites. Dr. Canton will share with us his insight into the future and how technology will become increasingly crucial to successful customer relationships.

FEATURED SPEAKER

Peter de Jager "The Year 2000 — It's Not too Late!"

Monday, February 8, 8:00 a.m.

With only months to go, the year 2000 is nearly here. But there is still time to make sure your business will thrive and survive. Peter de Jager is the foremost leader in creating awareness of the year 2000 computer crisis. Since 1993, he has written numerous articles, testified before Congress, and appeared on NBC, ABC and the Discovery Channel. He will offer solutions for what you still can do to avert disaster.

CONTINUING EDUCATION FEATURED SPEAKER

Karen E. Koogler "Fraud Forgery and Embezzlement"

Monday, February 8, 10:00 a.m. - 4:45 p.m.

"Customer Service for the 21st Century"

Tuesday, February 9, 8:30 a.m. - 3:00 p.m.

Nationally recognized speaker Karen E. Koogler will lead two days of continuing education geared specifically for the title industry. Title professionals across America know Ms. Koogler for her interesting, entertaining, and informative presentations.

LOCATION

The newest jewel in Disney's crown, Disney Coronado Springs Resort, will host the ALTA Tech Forum for the second consecutive year. This "mid-priced hotel" offers many amenities found at more expensive locations while maintaining room rates at just under \$120 a night. And, of course, the service, food and fun are up to Disney's impeccably high standards. As with other Disney properties, the Coronado Springs offers free transportation to all areas of Walt Disney World.

Look for registration materials for the 1999 Technology Forum & Expo to arrive on your desk in October. Be sure to mark February 7 - 9, 1999, on your calendar. Once again, we'll look forward to seeing you in Orlando — for the best buy anywhere in title industry technology education!

SUNDAY, FEBRUARY 7

4:00 - 5:30 p.m.

Opening General Session

Featured Speaker

Dr. James Canton

"Emerging Technologies:
Shaping The Customer Relationship"

5:30 - 7:00 p.m.

"Back to School Night" Reception & Expo Opens

Get ready to learn! Join your peers in exploring over 50 exhibit booths for the latest technology available to the title industry.

MONDAY, FEBRUARY 8

7:30 - 10:15 a.m.

Continental Breakfast Served in
the Exhibit Hall

8:00 - 9:45 a.m.

Featured Speaker

Peter de Jager

"The Year 2000 — It's Not too Late!"

10:00 - 12:15 p.m.

Educational Sessions
Continuing Education Session

12:15 - 1:30 p.m.

Lunch and Entertainment featuring the comedy of **Tim Bedore**

Nationally known comic Tim Bedore has appeared on numerous programs including Comedy Central's "Comic Strip Live" and A&E's "An Evening at the Improv." Come for lunch, stay for the laughs as Tim shares his unique observations on many of life's little annoyances.

1:30 - 2:30 p.m.

Dessert Served in the Expo Hall

2:30 - 5:00 p.m.

Expo Sessions
Continuing Education Session

5:00 - 7:00 p.m.

"Extra Credit" Reception

After a day and a half of education, you may need a little something extra! Join your fellow Tech Forum attendees for an evening of networking and winding down.

TUESDAY, FEBRUARY 9

8:00 - 10:00 a.m.

Continental Breakfast Served in
the Exhibit Hall

8:30 a.m. - 12:00 p.m.

Educational Sessions
Continuing Education Session

12:00 - 2:00 p.m.

Lunch Served in the Exhibit Hall

2:00 - 3:00 p.m.

Expo Sessions
Continuing Education Session

3:00 - 3:30 p.m.

Last Chance to Visit the Expo Hall!

3:30 - 5:00 p.m.

Closing General Session

5:00 p.m.

1999 Technology Forum & Expo Adjourns

Moving to the Head of the Class...



Compliance with Tax Information Reporting Requirements Telephone Seminar (#ALT4264-0)

Tuesday, November 10, 1998 at 3:00 p.m., EST



**Chip K. Collins, Partner
KPMG Peat Marwick, LLP**

At this Big Six accounting firm, Chip's focus is on tax information reporting and backup withholding. He has also worked extensively as an IRS advisor. Mr. Collins is author of the essential book "A Guide to TIN Compliance."







**Ann vom Eigen,
ALTA Legislative Counsel**

As the primary lobbyist for ALTA, Ann spearheaded change on several tax issues including the 1099-S Certification Alternative. Ann is also a former member of an IRS information reporting advisory committee.

Telephone participants across the country will have an opportunity to question the speakers in a format similar to a radio call-in program.

Chip K. Collins, partner, KPMG Peat Marwick, LLP, and Ann vom Eigen, ALTA legislative counsel will lead the 90-minute telephone seminar on issues that affect how you do business, including topics such as:

-  New Attorney Fee Reporting
-  TIN Solicitation
-  1099-S Form vs. Certification
-  Review FIRPTA Procedures

Register today for the November 10 ALTA Telephone Seminar

Registrant Name _____

Title _____

Company _____

Street Address _____

City, State, Zip _____

Phone _____ Fax _____

E-mail _____

Compliance with Tax Information Reporting Requirements

Telephone Seminar, \$100 (\$115 for registrations received after Oct. 23, 1998.)
The registration fee includes: one telephone connection, one set of handout materials and unlimited participant attendance at your site.

Audiocassette and materials package, \$115 +\$5.50 shipping & handling

Payment: Check enclosed payable to KRM Information Services, Inc.
 MasterCard VISA AMEX Discover

Card Number _____ Expiration _____

Signature _____

Three Ways To Register:

1. **Fax** completed form to KRM at 800-582-8456;
2. **Mail** completed form with payment to KRM Information Services, Inc., P.O. Box 1187, Eau Claire, WI 54702-1187;
3. **Phone** KRM at 800-775-7654 with credit card information ready.

Customer Service for the 21st Century

By Karen E. Koogler

The opinions expressed in this article are those of the author and not necessarily of the American Land Title Association. Portions of the text have been extrapolated from the book, "TechnoTitle 2020: FutureFocus on the Settlement Service Industry" (copyright © 1998 by Karen E. Koogler).

Unless you've been visiting a foreign country or hiding under a barrel, you've probably noticed that the title insurance indus-

Today (and tomorrow), Boomers/X'ers demand freedom of choice and will likely choose not between individual service providers and products but, rather, among various packaged services offered through affiliated providers....

try - - make that the entire settlement service industry - - is in a state of flux. McSettlements of yesterday are rapidly giving way to just-for-you mass-customized buffets, where consumers can select from a vast array of settlement service choices, partaking of only those they need, want, desire and are willing to pay for.

For a "multi-cultural" industry (real estate, lending, title, settlement/escrow) which has been likened to a sleeping dinosaur by outsiders, much of the changes occurring within the industry



A nationally prominent speaker, the author heads The Koogler Group, based in Largo, FL. She also has written,

TechnoTitle 20/20:

Future Focus of the Settlement Service Industry, and a series of job skills training textbooks including **Closing Concepts, Title Basics and Liability 101**. She will present two continuing education courses during the ALTA Technology Forum & Expo to be held February 7-9, 1999, Orlando, FL: **Customer Service for the 21st Century and Fraud, Forgery and Embezzlement**.

In order to receive CE credit for these courses in Orlando, attendees must sign in for every hour of the session concerned. At this writing, insurance departments in the following states have approved credits for the sessions as follows (the first number shown is for the fraud session, the second for the customer service session):

Florida (5-5), Indiana (4-4), Kansas (4-4), Nebraska (4-4), New Jersey (5-5), Oklahoma (4-2), Texas (4-4), Utah (4-4), Virginia (4-4), Wyoming (4-4).

During the upcoming ALTA Forum/Expo, she will introduce her latest book, **Walking in Integrity: Fostering Relationships and Leading Change in the Marketplace and Workplace (and That Place You Call Home)**. Additional information on her books, courses, consulting and seminars is available by telephone (727-391-6848) or fax (727-393-0324).

have been met with a resentful and resistant roar. "It's technology's fault," goes the common cry. "If it weren't for technology, things would be the same." Not so. As everyone's attention is turned in the direction of what some refer to as the technological revolution - - with industry professionals concentrating on gigabytes and electronic commerce - - there has been another massive change underfoot. The **generational** evolution. That's right. Not only have processes changed. People, too, have changed. The collective customer of industry professionals today is no longer of the Mature/Senior variety. The dominant purchasing power for the 21st century are Baby Boomers, in the process of purchasing second homes, vacation homes and, for a lucky few, retirement homes; followed closely by Gen-X'ers.

The last statement is an important one in two respects. First, the reference to the generational shift in purchasing power. Until now, the settlement service industry has been serving the same customers for more than three decades, complacent in their understanding of what made such customers "tick." Second, the reference to the collective customer. In the past, most sub-settlement industries (title, settlement/escrow, appraisal, survey) have served transaction middlemen (real estate salespeople, lenders, builders) rather than those who actually pay for their services and products. Consumers. Fortunately, there is promise that future purchasing decisions will be made not by middlemen seeking to line their pockets with illegal referral fees, but by consumers themselves. This can be attributed to two main factors: (1) the demand by Boomers and X'ers for information which will place them in control of their own

purchasing decisions; and (2) the advent of *technology* which provides the *vehicle* by which industry professionals can (and will) provide such information.

Marketplace Tilt

We need only look to the past commoditization of industry services and products - - coupled with the main traits of the *Mature/Senior* generation - - to see how transaction middlemen first came into power. When *price*, *service* and *product* became nearly indistinguishable from provider to provider, such providers looked for a *tie-breaker* - - something or *someone* to tilt marketshare in their favor. After competing on *price*, where "it" couldn't be done any *cheaper*; then on *service*, where "it" couldn't be done any *faster*; then on *product*, where "it" was virtually the same contract or loan package or title policy or appraisal or survey or pest inspection as that of the nearest competitor - - it's no wonder settlement service providers were looking for something or someone to help them stand out from the crowd. That *something* was controlled business and *someone* were transaction middlemen who were in the enviable position of being first to meet-and-greet consumers. Middlemen who - - thanks to the dominant traits of the prior generation (*high conformity*, *high trust*, and *respectful of authority and expert advice*) - - were easily able to easily lead consumers in the direction of the *highest bidder*. Give me a trip and I'll give you my next deal. Give me a computer and I'll send the next loan your way. Give me free printing and I'll promise you all future business. "What's in it for me," quickly replaced "what is best for the consumer" in the thought-process of far too many industry professionals.

Enter Boomers and X'ers whose dominant traits include *high non-conformity*, *low or no level of trust* and *low or no respect for authority and expert advice*. These are *not* people to be taken lightly. They are the current dominant purchasing power in America (make that the world) and will remain so for the next two to three decades. These people - - our *collective customers* - - want what they want, *when* and *how* and *where* they want it, at a *price* they are willing to pay. They do not want *hype*. They are tired of *empty promises*. They are sick of *slick sales pitches*. And they can spot a *phony* a mile off. Their message to *Corporate America* is clear. They are not a generation to be trifled with or cast

aside in favor of business-as-usual. *McSettlements* of the *one-size-fits-all* variety are not for them. They demand our *respect* - - of their *time* and *intelligence* and their *right to choose*. They, like their predecessors are looking for *faster-better-cheaper* and they are not averse to *packaged services*; however, they are averse to *controlled business* of old. They are willing to consider packaged services provided through *affiliated business arrangements (strategic alliances)* whereby the savings derived from the relationship are passed through to *them*, as consumers.

There is a subtle, but marked, differ-

The relationship with consumers (the collective customer) is not dead. It is, however, nearly mortally wounded. And it will take much effort on the part of all settlement service providers to resuscitate it and rebuild the level of trust once enjoyed by the industry.

ence, between *controlled business* and *affiliated business relationships*. Yesterday, *Mature/Seniors* allowed themselves to be *told* what service providers to use and which products to purchase, making the transactional *relationship* heavily one-sided, in favor of the person making the referral. Today (and tomorrow), *Boomers/X'ers* demand *freedom of choice* and will likely choose, *not* between individual service providers and products but, rather, among various *packaged services* offered through *affiliated providers* - - and the deciding factor will likely be based upon the ability of providers to *serve the relationship* which will be weighed heavily in favor of consumers.

Kickbacks: Trouble Ahead

In the recent past, the National Association of Realtors has attempted to convince HUD that consumers want *Realtors* to take charge of the transaction while the *lending* community has tried to convince HUD that consumers want

lenders in charge - - hence the interest in the ill-advised *lender pay provision* under current consideration. Should it pass, lenders would be exempted from RESPA Section 8, thereby allowing them to beat down the prices of other industry professionals; pocket part of the profit *re* same, rather than passing it on to consumers; and enable them to *re-quire use* without providing *disclosure*. Anyone with a modicum of *common sense* can see that such exemption will quickly stretch beyond "legalized kickbacks" into *illegal kickbacks* of gargantuan proportions, the like of which the settlement service industry has never before seen. Perhaps HUD should have considered the 1997 *Gallup Poll on Honesty and Ethics* in business practices, where consumers ranked Realtors, lenders and other industry professionals embarrassingly low on the ethical totem pole. Or perhaps HUD should have asked themselves the question, "Have lenders done right by consumers in the past?" To which the answer is a resounding "No." We need only look to the following to substantiate the answer: (1) lender-hoarded excess escrow deposits which proved as beneficial to lenders as they did detrimental to consumers; (2) the sweetheart deal between lenders and mortgage brokers where lenders paid higher commissions and bonuses to mortgage brokers who were willing to sell consumers higher-cost loans than what they could otherwise qualify for; (3) and the fact (which any closing agent or escrow officer can attest to) that lenders have consistently *not done their job* in explaining loan terms and disclosing related costs to consumers at the *inception* of the loan, preferring instead to say as little as possible and allow the chips to fall where they may - - at the *closing table*.

Frankly, consumers are more than a little *annoyed* with *Corporate America*, government inaction and *business-as-usual*. They are tired of being sold second rate services at inflated prices. They are sickened by the bevy of slick sales pitches and empty promises. They are looking for answers. They are looking to build life-long relationships with service providers they can trust. Relationships such as those they have built with family doctors, dentists, financial advisors and attorneys. Relationships they

continued on page 32



America's Loan Registry

Volume 1, Issue 5

WWW.MERSINC.ORG

August, 1998, Periodic Newsletter

First MOM Loans Registered in July

MERS Tops 100,000

By R. K. Arnold

A tip of our hat, and profound appreciation to John Wheeler and the folks at Merrill Lynch, for achieving the distinction of being the first member to register MOM loans on the MERS system that were originated and closed naming MERS as the Original Mortgagee (MOM).

The first two MOM loans were registered on July 24, 1998, and were originated by Cendant Mortgage, a private label originator for Merrill Lynch. MOM loans are now being originated and closed nearly daily, representing a continuing flow of Original Mortgagee loans on the MERS System.

At about the same time, MERS passed the 100,000 registration mark.

We are delighted to exceed this initial milestone and achieve registrations in the six-digit range.

Norwest and NationsBanc are readying their MOM loan purchase programs for correspondents beginning this August through the fall. We expect greatly increased MERS registrations as these programs come on line.

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Congratulations, MOM!
It's TWINS!



Friday, July 24, 1998



MERS is America's Electronic Loan Registry System

Your Comments Are Welcome

America's Loan Registry is published and mailed to each member and user of the MERS system every month, as well as other interested parties. You may receive the publication by electronic mail if MERS has your e-mail address. Otherwise, the newsletter is mailed during the first week of every month. Just call us and asked to be added to our Newsletter list if you're not currently on it.

The focus of the newsletter will be to bring you up to date on industry developments, news about MERS, loan registration progress and issues concerning implementation of electronic loan registration throughout the country. We'll also introduce members of the MERS staff through articles authored by them appearing here.

Member and user comments are welcome at 1-800-646-MERS(6377).

Blazing the Foreclosure Trail

By Sharon Horstkamp

The foreclosure pioneers have set off on the foreclosure trail. MERS, First Nationwide Mortgage, Norwest Mortgage and Aurora Loan Services have teamed up to forge the way for other MERS Members to follow their lead.

For the past couple of months, an experienced group of representatives from these members along with Freddie Mac, Fannie Mae, FHA and VA have been working together on starting the process of foreclosing loans in the name of MERS. Together, we have been reviewing and discussing the MERS recommended procedures so that MERS Members can begin implementing foreclosures in 25 target states. The target states are a mix of judicial and non-judicial states.

Currently, Aurora Loan Services has foreclosures filed in the name of MERS in Arizona, California, Illinois, Nevada and New Mexico with many other states to follow. First Nationwide Mortgage and Norwest Mortgage are gearing up to begin a limited number of foreclosures in target states sometime in September.

MERS commends these three members for their leadership in blazing the foreclosure trail. We also thank Freddie Mac, Fannie Mae, FHA and VA for being a part of this important default team. As the foreclosures progress and as we continue to gather information, we will refine our recommended procedures if need be.

Continued on next page...

MERS Is Traveling To:

MBA Document Custody Conference,
Minneapolis, MN,
September 14, 15

Eastern Regional Secondary Market Conference, Charlotte, NC, September 12 -15

MBA's 85th Annual Convention, Chicago, IL, October 17-21

Hope to See You There!

*Foreclosure...
... continued from front page.*

The MERS recommended procedures reflect as closely as possible the current foreclosure procedures when foreclosing a non-MERS loan. What we have learned is that even though each state has their own foreclosure procedures, MERS role in the foreclosure is similar to the role the servicer plays.

In most instances, it is a matter of simply substituting in the name of MERS where the servicer's name usually appears. MERS will continue to keep you posted as we move along the trail. We look forward to guiding other Members on the trail when they are ready to go.

AMERICA'S LOAN REGISTRY
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Corporate Offices:
8201 Greensboro Drive, Suite
350,
McLean, VA 22102

Every Loan Needs A MOM!

By Doug Danko

MOM is simply the best way to originate mortgages. We're speaking of MERS as Original Mortgagee, of course. By adopting a policy now to close all your originations as MOM loans, you'll achieve real cost savings now and in the future as mortgage rights are traded. MOM is the nominee language used in mortgage security instruments approved by Fannie Mae, Freddie Mac, FHA and VA that allows MERS to be the original mortgagee in all 50 states.

You may finally stop the assignment paper chase and eliminate all assignments forever. MOM creates real up front savings. If you are the correspondent selling your loans on a flow basis, you could save as much as \$22 per file.

In the event that an end investor is not yet ready to accept a MERS loan, all that's required is to prepare an assignment for that investor in the same manner as you do now. Since your company will have a Certifying Officer when you become a MERS Member, you can produce a paper assignment for MOM loans if ever necessary just as you do your non-MOM loans now. MERS will work with you to encourage new investors to accept MOM loans in the regular course of business, so that paper assignments are never necessary again.

I believe that you'll find the majority of your major secondary sources will accept MOM loans very soon. Eliminating the assignment paper chase is in their best interest too. MERS will be pleased to coordinate these efforts with you. Just give us a call.

MOM benefits are too good to ignore: cleaner chain of title, elimination of assignment chain of title problems, eliminating assignments in bulk sales, less time tracking down assignments from your correspondents, and speedier processing of lien releases. Did I mention that you save (make) money, too? MERS is coming to a town near you, and remember... **"Every loan needs a MOM"**.

What is a Certifying Officer?

By Sharon Horstkamp

How are Members able to sign necessary documents on loans that are now assigned to MERS? The answer is by certifying officers of MERS. What is a certifying officer? A certifying officer is an employee of a member who becomes a dual officer of MERS and the member with the authority to sign documents on behalf of MERS. How do employees become certifying officers? The Member submits the names of their nominated employees to MERS. A corporate resolution is then signed by MERS that grants specific powers to the certifying officer. This corporate resolution empowers the certifying officer to continue to sign the same documents that now need to be signed by MERS because MERS is the mortgagee of record.

What authority is granted to the certifying officer? The certifying officer is authorized to do the following on mortgage loans that are registered on the MERS System to the member:

- **release or assign the lien of the mortgage loan;**
- **execute any and all documents necessary to foreclose upon the property securing the mortgage loan;**
- **take any and all actions and execute all documents necessary to protect the interest of the member, the beneficial owner of such mortgage loan, or MERS in any bankruptcy proceeding; and**
- **take any such actions and execute such documents as may be necessary to fulfill the Member's servicing obligations to the beneficial owner.**

The title given a certifying officer does not necessarily correspond to the title held as an employee of the member. A certifying officer of MERS is an assistant secretary unless the member shows that certain states require the signatory of a document to hold another office.

Members should submit a list of nominated employees to MERS during their integration process. MERS will keep on record the official master list of all certifying officers. It is requested that the member notify MERS any time their certifying officer list changes for whatever reason.

Breaking New Ground

By R. K. Arnold

Welcome to another edition of our newsletter. We hope you find the newsletter format to be informative and easy to read. Several good things have happened this month.

First, Norwest is now open for MERS business. They mailed a marketing brochure to all their Correspondent lenders introducing MERS and encouraging them to originate and deliver loans to Norwest naming MERS as Original Mortgagee (MOM). Of course, every MOM loan saves the Correspondent \$22, so we expect this to stimulate a significant amount of registration activity.

Second, we have accomplished the first foreclosure sale with MERS as mortgagee of record. Aurora Loan Services was the first company to push through a foreclosure in the name of MERS and we appreciate their efforts. Moreover, the foreclosure sales were in California and Texas—by far the largest states. We also finished one in Georgia. Congratulations to Aurora Loan Services. You can read more about the foreclosure details in Sharon Horstkamp's article on page 2.

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Special Invitation!



Norwest Funding has announced its national correspondent program for purchasing MERS registered loans. Details below.



MERS is America's Electronic Loan Registry System

Norwest Launches Purchase Program

By Carson Mullen

Norwest Funding has mailed special announcements to all of its correspondents throughout the country, inviting them to join MERS and begin to submit MERS-registered loans to Norwest for delivery on and after September 28.

Norwest is the first major wholesale lender to announce its program for correspondents. Norwest will accept loans that have been closed on security instruments with MERS as Original Mortgagee (MOM) or loans that are assigned into MERS using regular paper assignments.

See 'Norwest Correspondent' on next page...

Is MERS in Your 1999 Budget Plan?

By Dan McLaughlin

For most of us, it's budget time again. If you need even minimal support from your IT department to support your MERS implementation plan, now is the time to bake it into your 1999 budget plans.

Furthermore, if you are in the process of selecting a new origination or servicing system, be sure to include MERS compatibility as a requirement in your Request for Proposal or contract. Service bureaus and software vendors are planning for 1999 as well. They won't include your requirements for MERS unless you make it a priority.

If you need assistance in writing requirements or would like to discuss approximate costs for modifying systems for MERS, please call us at (703) 761-1277. My staff and I will be happy to work with you.

Data Verification

By Lia Ingersoll

COMMUNICATION! ... a term that MERS takes very seriously. To meet our commitment to providing the best in customer service and the most up-to-date information, we regularly confirm the data in our corporate database.

In early September, we sent all of our members a Data Verification form. Reflected on the form is the information currently in our database about your company, and a request for updates and data that may be missing. Please take a moment to complete and return it. To obtain another copy, please contact me at (703) 761-1278, or by e-mail at liai@mersinc.org.

Continued on next page...

MERS Is Traveling To:

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Eastern Regional Secondary Market Conference, Charlotte, NC, September 12-15

MBA's 85th Annual Convention, Chicago, IL, October 17-21

Hope to See You There!

Norwest Correspondent Purchase Program...
... continued from front page.

Norwest has taken a leadership position in introducing MOM loans for purchase from its correspondents. Companies joining MERS through this special Norwest campaign will receive special membership pricing from MERS.

Correspondents may register MERS loans themselves or ask Norwest to register loans for them.

The procedures are simple and getting started is easy. Just telephone Customer Service if you have questions at 1-800-636-6377.

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350,
McLean, VA 22102

First MERS Foreclosures Completed

By Sharon Horstkamp

The first foreclosures to be commenced in the name of MERS have been successfully completed in the states of California, Texas and Georgia. **Congratulations to Aurora Loan Services** for having the foresight to be the leader in foreclosing loans in the name of MERS that were assigned to MERS and registered on the MERS System.

For the last four months, MERS has been working closely with a group of foreclosure pioneers that are ready to implement the process of foreclosing loans in the name of MERS. The group is composed of First Nationwide Mortgage, Norwest Mortgage, Aurora Loan Services, Fannie Mae, Freddie Mac, FHA and VA.

Foreclosing a loan in the name of MERS is based upon the premise that MERS, as the mortgagee of record, is the proper party to commence a foreclosure. This premise is consistent with the process followed today of foreclosing loans in the name of the servicer when the servicer is the mortgagee of record. In other words, after examining the current foreclosure procedures in all states and the District of Columbia, MERS stands in the same shoes as the servicer by virtue of being the mortgagee of record.

As a team, we decided that the best course of action was to begin foreclosing loans in the name of MERS in a certain pre-determined number of states. The combined total number of target states for First Nationwide, Norwest and Aurora Loan Services is 35 states, plus the District of Columbia. The remaining states will be in the second stage. The three members have divided the 35 states among themselves so that we can effectively monitor the progress. Currently, foreclosures have been filed in the name of MERS in Arizona, California, Florida, Georgia, Hawaii, Illinois, Indiana, Michigan, Minnesota, New Mexico, Nevada, Ohio, Texas and Washington.

MERS, together with our state counsels, developed state by state recommended procedures for our members to follow. We have been able to keep the MERS recommended procedures consistent with each state's existing foreclosure procedures. The goal of the recommended procedures is to avoid adding any extra steps or incurring any additional taxes or costs by foreclosing in the name of MERS instead of the servicer.

We anticipate in the coming months to rapidly add states to the list of states where loans have been successfully foreclosed in the name of MERS.

System Maintenance Scheduled for October 12

By Weyman Lew

In response to members' suggestions for ways to improve MERS and to address some server maintenance items, we will electronically distribute a system maintenance release on October 12th. With the new release, if a member opens the MERS desktop application and does not enter any activity for 15 minutes, the application will automatically time out and shut down.

Prior to the release the application was timed to shut down after 30 minutes of inactivity. Members felt that the 30-minute time out increased the risk for unauthorized transactions to be entered into the system if the PC was left unattended with the application open. The 15-minute time out minimizes that risk and reduces unnecessary on-line access charges.

The new release will also provide specific error messages when duplicate borrower or corporate information is provided for registration. For example, if the same social security number is given for the borrower and co-borrower an error message will indicate the same social security number was given at registration. Prior to the release the error message simply indicated duplicate borrower information was provided at registration.

The Release Notes are being distributed to members in production and other interested parties. The release will be downloaded through the network on October 12th when members access the system on that day, or the next time a member accesses the system after October 12th. Please call me at (703) 761-1273 if you have any questions about this release.

SMART TITLE SOLUTIONS



Introducing Smart Title Solutions. For your information.

If this were a simple F.Y.I., we would leave it at that: we're now Smart Title Solutions (STSS), formerly Experian Title Information Services.

But our new name is just the beginning. You'll soon be hearing a lot more about us. About our expanded geographic coverage, from Seattle to Detroit, from Chicago to Orlando. About our new imaging capabilities. And about our new Windows-based Smart Title System, a smarter, single desktop solution for accessing tax and title information, maps, document images and more.

What's in a name? Visit our booth at the ALTA show and discover why STSS is the smarter solution for today and the future.

- A new name. A new commitment.
- Expanded coverage across the country.
- A new Windows-based information retrieval system.
- New imaging capabilities.
- Formerly Experian Title Information Services.

SMART TITLE SOLUTIONS

C a l l 8 0 0 4 2 6 - 1 4 6 6

Land Title Institute Employee Education Moves to Manager Training Level

By Patricia L. Berman
LTI Director of Education

Business is great! Your staff is working hard. You have invested in new technology – computers and programs – and maybe even your core employees have completed one or both of the Land Title Institute's Correspondence Courses. Now it's time to think about your managers and their education.

LTI is moving to this next level of employee education – the new Management Development Program – a week-long, comprehensive, university-level, interactive manager education course designed specifically for the land title industry. Held primarily on the beautiful campus of Houston Baptist University in Houston, the program will begin the afternoon of February 28 and conclude early afternoon on Friday, March 5, 1999.

Its aim is to broaden the participant's perspective and to sharpen management skills by providing a diverse and highly interactive format....

The Management Development Program is offered for present and future managers and emerging leaders of the title industry. Its aim is to broaden the participant's perspective and sharpen management skills by providing a diverse and highly interactive format to learn – to facilitate acquisition of – the newest management and leadership techniques. The Management Development Program will be taught by HBU faculty, supplemented by guest lecturers from the title industry.

Nine Program Courses

Nine program courses, each in four-hour segments, have been selected as the core material. They include:

- Principles of Managing
- Leadership Skills
- Human Resources Management
- Finance for Land Title Managers
- Communication/Listening Skills
- Marketing Strategies
- Customer Service in the Title Industry
- Managing Change in the Title Business
- The Internet and Intranet

Members of the HBU faculty are interviewing approximately a dozen title industry representatives, both from the

agent and underwriter communities, to define management issues of particular concern. In addition, a number of these industry representatives will be invited to participate as guest lecturers in various components in the program.

Who should attend? For the mid to large size title agency, participants for the Management Development Program should be your key managers, your rising stars, your one or two employees whom you believe are ready for this university-level-management-training. For the smaller title agency, this course is perfect for the owner/manager who wants to better manage his or her company.

Sometimes referred to as our "mini-MBA course," the Management Development

continued on page 33



Hinton Center -- Houston Baptist University

NAMES IN THE NEWS

Chicago Title Corporation has appointed **William E. August** vice president and audit director. **Bryan R. Willis** has joined the company as vice president and corporate controller, replacing **August** in that position.

Elsewhere in the organization, recently appointed resident vice presidents for Chicago Title Insurance Company include **Mark Lotterer**, Lockport, NY; **Barbara Mueller**, Rochester, NY; **Jeffrey Pallin**, Buffalo, NY; **Benedict Sander**, Syracuse, NY, and **Gary Urquhart**, New York. All remain district managers except for **Urquhart**, who remains senior claims counsel.

New assistant vice presidents for Chicago Title Insurance are **Mark Burnham** (remains underwriting counsel), Lockport, NY; **Gilbert Hoffman** (remains underwriting counsel), Syracuse, NY; **Molly Irvin-Peter**, **Mary Jane Keyse** (remains underwriting counsel), **David Mineo** (remains area claims counsel), **Katherine Rusek** (remains



August



Willis



Ostrander



DeSalvo

agency coordinator), all Buffalo, NY, and **Shaun Ryan** (remains underwriting counsel), Rochester, NY.

James Rauber has been appointed branch manager, Porterville, CA, and **Jane Cox** and **Janet Johnson West** have been named senior escrow officer, Chicago, where **Chrystyna Cameron** has been appointed escrow officer and **Ann Manarik** is now title officer. **Karen Walquist** has been named manager, Concord, NC, while **Jacqueline Stuck** has been appointed metro marketing manager, Crown Point, IN, and **Wayne Williams** is now technology manager, CastleLink, Chicago. **Jane Depeaux** has been named product manager, Chicago Title Credit Services, Inc., Kingston, NY, and **Diana Meyer** now is market information manager, Pasadena, CA.

Jeffrey D. Vaughan has been named

executive vice president—real estate services and president of the OneStop subsidiary, LandAmerica Financial Group, Inc., Richmond, VA. Previously, he was executive vice president of LandAmerica's national commercial services. Elsewhere, **Peter H. Ostrander** has been appointed vice president—sales for the company's National Commercial Services division, Seattle.


T. Tolly Spence, Jr., has joined Investors Title Insurance Company, Chapel Hill, NC, as vice president—lender relations, **Stephen J. Smith** has been named assistant vice president—Michigan operations, and **Leslie A. Smith** now is national accounts operations manager. **Brandon F. Garren** has been named Mid-Atlantic operations support manager.

Joseph DeSalvo has joined L & H

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Abstract Corporation, White Plains, NY, a division of First American Title Insurance Company of New York, as counsel.

AmeriTitle has appointed **Jenifer Lis** as branch manager, Mill Run, OH, office. **Debbie King** has joined the organization and has been assigned to that office and the downtown location.

David Tandy has been named chief information officer for Stewart Information Services Corporation, Houston. **Andrew Sloan** replaces **Tandy** as president of Landata Systems, Inc., Stewart's technology arm, and **Jason Nadeau** has been promoted to chief technology officer for Stewart Information Services.

Oklahoma Search Helps Distant Need

For ALTA Abstracter-Agent Section Research Subcommittee Chairman Mark Bilbrey of El Reno, OK, it simply meant doing the right thing.

After learning financial reasons kept an elderly Los Angeles woman from successfully obtaining a report of possible ownership interest in her grandfather's farm in Okmulgee County, OK, the Oklahoma title executive and his associates at Warranty Title & Abstract went to work.

Cheryl Cox, a licensed abstracter from Warranty Title, drove to the Okmulgee County Courthouse in that distant location and spent a day searching the records there on the elderly woman's behalf.

By piecing together the woman's memories of her childhood in Oklahoma and her known family history, along with searching the public records, it appears that any beneficial surface interest may have long been extinguished, although the number of deceased heirs outside Oklahoma makes that unclear from the public records. However, Chairman Bilbrey is attempting to determine whether the woman may still have a mineral interest and has asked her to provide him with the names of now deceased relatives to possibly facilitate that part of the search.

Warranty Title has provided its service without expense to the woman.

"We do this sort of thing for people in our area when the need is apparent," Chairman Bilbrey said. "It is just a normal response for community minded title people throughout the country."



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Telephone Seminar Covers Compliance

Compliance with Tax Information Reporting Requirements is the topic for the next ALTA-sponsored telephone seminar, which will be held on Tuesday, November 10. The speakers will begin the program by reviewing basic information reporting requirements on such topics as attorney fee reporting, which is required for the first time for 1998; TIN Solicitation Requirements; 1099-S implementation and the certification; and Foreign Investment in Real Property Tax Act (FIRPTA) procedures.

Ann vom Eigen, ALTA legislative counsel, and Chip K. Collins, partner, KPMG Peat Marwick, LLP, will be the speakers for this hour and a half program beginning at 3:00 p.m., Eastern time. During the last half hour of the program, seminar participants will have an opportunity to ask questions of the speakers. The experience is similar to a radio call-in program.

The telephone seminar is designed for educating staff right in the office – all at

one time. The only equipment needed is a touch-tone telephone. For more than one person, a touch tone speaker phone is required.

Persons who will benefit from this program include title owners and managers, closers, settlement officers, processors, escrow closers, paralegals, attorneys and counsel. Invite as many participants as you like and pay only one connection charge. This is also an opportunity to invite customers (Realtors, lenders, etc.) to join in an educational event of great interest to them.

The registration fee of \$100 (\$115 for registrations received after October 23) covers:

- One telephone connection (no long distance charges)
- One set of handout materials

- Unlimited participant attendance at a site

KRM Information Services again will be the service provider for the telephone seminar. In addition, KRM will handle the registrations for the seminar. Approximately one week before the event, each registrant will receive the toll free number to dial in for the seminar, their unique PIN number, and their handout materials.

Unable to participate on November 10? Audiocassettes and the materials package from the telephone seminar may be ordered in advance or after the event. (Audiocassettes will include the entire program plus the question and answer session.) The purchase price is \$115 plus \$5.50 shipping and handling.

Questions? Please call Sherri-Lynn Kirby toll free at ALTA, 1-800-787-ALTA.

1998 AFFILIATED ASSOCIATION CONVENTIONS

September

10-12 **Missouri**, Holiday Inn, Cape Girardeau, MO

17-19 **North Dakota**, Holiday Inn, Bismarck, ND

17-19 **Wisconsin**, Concourse Hotel, Madison, WI

18-20 **Dixie**, Brasstown Valley Resort, Young Harris, GA

20-22 **Ohio**, Akron West Hilton, Akron, OH

23-25 **Nebraska**, Regency Inn (formerly Holiday Inn), Kearney, NE

24-27 **Washington**, Rosario Resort - Orcas Islands de San Juan, East Sound, WA

November

3-7 **Florida**, Buena Vista Palace, Buena Vista, FL

December

3-4 **Louisiana**, Chateau Sonesta Hotel, New Orleans, LA

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symbol manipulators. The symbols themselves have no "meaning" to the computer. The symbols might mean something to us, but to the computer they are "just" ones and zeroes being manipulated according to the rules we've defined.

When the computer subtracts 55 from 00 and offers the result of -55, it does so following the rules of arithmetic and does so correctly. The answer it provides is arithmetically correct.

It's correct until -- we -- decide those numbers represent years and since these numbers don't contain all the necessary year information, the answer is meaningless. It's meaningless because 00 should represent 2000, but we have instructed the computer to "assume" that 55 represents 1955 and also that 00 represents 1900. And these incorrect instructions result in the error.

If we had labeled all the dates according to some naming standard, for example all dates must be prefaced by the word DATE. Then finding the dates in our programs would be easy. We didn't create such a standard. (Hindsight is a wonderful skill, pity it's not around when you need it!) Dates have been labeled everything under the sun. Everything from 'Bdate' (for Birthdate) to Snowball (for reasons known only to the programmer).

So the advice that we should "Just add back the 2 digits," while well intentioned, is, to put it kindly, useless.

There are some other alternatives to the "just add in the 2 digits," although this happens to be the simplest to communicate. Here are two more "solutions" to the problem.

Create another bit of data known as the "century" indicator. If the indicator is set to 0, then the year of 55 refers to 1955, if it's set to 1, then 55 refers to 2055. This is a little bit more complicated and takes more time to communicate. It also creates a second problem. Will all companies use 0 to indicate "19" or will some of them use 0 to indicate "18" and 1 to indicate "19"?

Another solution, much more complicated to explain and therefore much more susceptible to error, is to use "date logic" to have the computer determine the proper century.

For example. If I'm entering in new birth records to the computer for the purposes of enrolling students into

kindergarten, then I can assume that any year greater than 90 is a "19nn" year and that those less than 10 are "20nn" years. Of course, I'd either have to update this "date range" on an annual basis or have the computer change the range depending on the current date. (I warned you it was more difficult to explain!)

There are other more esoteric solutions to the problem. None simpler than what we've already described and all suffering from the same failing... there are still 100 million lines of code to change in your company.

So, no matter which solution you choose, you're still left with 100 million lines of code, containing an unknown number of errors, that are difficult to identify, and have to be fixed by December 31, 1998.

Many programmers, even as you read this, are writing code that will fail in the year 2000.

1998? That's another part of the bad news. No matter how much code you have, no matter how much budget you have available for this task, no matter how skilled you are at the conversion, you have the same deadline. December 31, 1998. You must be complete by this date so you can test the hundreds of thousands of changes you'll have made to your applications.

Full Year of Testing

You'll need a full year of testing because you need to test the full suite of applications required to process the full fiscal year for your company.

You must do this before the year 2000 because, it is risking the business to discover errors when you have no idea how long it will take to fix them. Meanwhile, your production line is stopped, you're unable to bill your clients or ship your product, because the programs which drive these functions are not working.

As of September, 1996, you had less than 120 weekends to fix all your systems. As I write these words in early 1997, less than 35 percent of North American businesses have addressed this issue in any significant manner. Based upon informal surveys, Europe is

even further behind, with less than 10 percent of organizations actively solving this problem.

Those companies who have begun to address the issue, have never overestimated the amount of time required to solve the problem. The problem has always proved to be larger, uglier and more costly than anyone imagined.

Costly... more costly than you can imagine. Those are chilling words. Yet we have to talk about the cost. How much will this cost to fix? A mercenary consultant might ask, with an evil grin... "How much do you have?"

Here is a very rough guideline being used in the industry: \$1.00 for every line of code. Which means that, if you have 100 million lines of code, then the cost will be \$100 million (Please keep in mind that this is a very difficult project to estimate and the final cost will be dependent upon a hundred different variables).

Remember how big 100 million was? If you spent a dollar every second 8 hours a day, 5 days a week, it would take you more than 13 years to spend \$100 million.

Companies have discovered to their amazement it will take them hundreds of years to solve this problem. That they must place 30 or 50 people on the project. That these people will do nothing else for the next 2 or 3 years but work on the Year 2000 project until the problem is solved.

Other companies are suggesting someone will come up with a simple solution. That they can leave the problem until later, because like in the old cowboy movies, the cavalry will ride in to save them at the last moment.

Those experts who have studied this problem in depth agree on very little, but they do agree on one thing. The likelihood of a magical solution is non-existent. Personally, I don't gamble much, and I certainly never bet on a loser, so I'd suggest a different, less risky strategy.

So it's big and it's ugly, and unless you solve it, the computers go on strike. Where do you start? You start by checking to see if the problem is real.

The only good thing about this problem is that you don't have to believe this writer or anyone else who claims this problem is real. All you have to do is examine your systems to see if a date of 01/01/00 will be processed correctly.

Before you start examining your business systems, open your purse or take

out your wallet and examine all the documents you carry. Look at your bank card, your credit card, health card, driver's license, insurance, identification card, etc. etc. How many of them contain 2 digit years? How many systems that use the data contained on these documents will assume an expiry year of 00 implies 1900?

To continue this mini-audit, go to all your systems and see if they accept 4 digit dates. If they don't, then the chances are very good that those systems will be adversely affected by the year 2000.

Then get a bit more aggressive in your testing. Start entering some test information into your system. Where the computer can only accept 2 digit years, enter 00 as the year and see what happens. If it accepts the data, don't rejoice too soon. Wait until the computer tries to process that data and look at the results. Did the computer assume the 00 year was actually 1900? If it did, then you now have conclusive proof that you have a problem.

What are you going to do about it? That's the key question. Will you ignore it until your system fails? And then try to fix it? Or will you fix it now?

Steps to Fix It

To fix it, you must follow these steps.

Appoint someone as responsible for making sure your company can sail into the future and not crash against the reefs of 00. Someone who has no other responsibility except making sure your company can operate in the Year 2000.

If you try, as some have tried, to make this a part time responsibility, you'll fail. You'll fail because, if this is not a first priority, then there will be too many other demands on this person's time and the project will either never start, or it'll never finish.

Next, you need to find out how much code you have in your organization. If you only have 50 thousand lines of code, then your problem is very different than if you have 500 million lines of code.

The first thing you'll find out as you try to identify how much code you have is that no one will know the answer. Why? Because we've never had any project that spanned the entire organization. Companies have found that just getting the answer to that first basic question takes anywhere from 3 to 6 months, sometimes longer.

While you're getting the program inventory together, you can start taking a look at what tools and services are being offered by the blossoming Year 2000 conversion marketplace.

Despite what I said earlier about the difficulties in identifying dates, there are some very good tools available to perform automated inventories. There are also some extremely clever tools that can actually change some, not all, of your code automatically. The ability of these tools to help in the process depends greatly on what language you used to develop your applications.

Be prepared for some disappointment when examining these tools. Chances are there will not be any tools available for a substantial portion of your program inventory.

There are close to 500 programming

With a project plan in place, you can begin the largest, most important project you'll ever work on.

languages used to develop applications. Most of these conversion or inventory tools are directed toward a very small subset of those 500 languages. A majority of the tools are focused on COBOL, the most popular business programming language in the world. Very few tools, if any, have been designed to help in the area of APL or JOVIAL for example.

Once you've selected a vendor from the hordes of vendors entering the fray, you'll be ready to perform your first impact analysis. The purpose of the impact analysis is to determine in greater detail the nature of your problem.

There are important questions to be answered. Which are your mission critical systems? These are the systems that MUST work each and every day, otherwise you cannot do business. When will they fail? Many systems will fail before the Year 2000 arrives. They'll fail early because for some reason the application uses dates in the future. An example is a car rental agency which accepts driver licenses that expire in the future.

Once you have the information from the impact analysis, you can begin to create the project plan. Which applica-

tions must be changed? And when must they be ready? How many people will you need at each phase of the project? What are your critical deadlines and what will you do as you begin to miss deadlines?

Unlike every other project you've ever been on, this one has immovable deadlines. You cannot miss the January 1, 2000 deadline. It will NOT be postponed.

On that date, your systems will be on strike and will not work again until fixed. If your accounting system fails, then you will be unable to produce any invoices until it's fixed. How long can your organization survive without the ability to bill for its services?

With a project plan in place, you can begin the largest, most important project you'll ever work on. The road will be long, difficult and with the most uncompromising deadlines you'll ever face.

There is only one good bit of good news in all of this, and that is that salaries for programmers are expected to skyrocket in the coming years and company after company discover the Year 2000 problem is real and that they do require the services of a finite number of programmers.

(Of course this will not be good news to those who have to pay these salaries, seemingly to people who caused the problem in the first place!)

Do the math. Take the estimate of \$600 billion and spread it over three years, that's \$200 billion per year. Assume that a programmer makes \$100,000 per year, (they don't today, but they soon will!), that means we need 2 million programmers working on this, each year for the next three years. And all because programmers tried to save space on a Hollerith card 30 years ago!

Finally, de Jager sets a philosophical tone in these additional Web comments.

It would be amusing if it were not so sad. What a pitiful commentary on our well proven ability to overcome adversity.

I've been at this battle longer than most and my message has always been the same. The code is broken, let's fix it. In the beginning I was described as a doomsayer... today I'm seen as a moderate. Amazingly, by some, I'm now even described as a Pollyanna!

The message never changed. What changed was the general awareness of the problem. I have never underestimated the size or the severity of the problem. The code is broken. If today (August 5, 1998) were the first day of 2000, then civilization as we know it would stop and people would die. Having food, guns and money would be a good idea. But, it's not January 1, 2000, it's today.

We are now working on the problem.

Yes, we started late.

Yes, some management folks are still clueless.

Yes, our leaders are nervous and at a loss as to what to do.

Yes, the problem is serious.

So?

Awareness and understanding continue to grow. As it grows, more and more unnecessary activities are being put to the side. As we move forward, urgency increases and the difficult decisions are finally being made. We're finally facing the problem and beginning to treat it with the respect it deserves.

Will we fix everything? Of course not. But I honestly believe the mission critical stuff will get done. And where it doesn't get done, work arounds can, and will, be found.

Why this belief that, what must get done, will get done? For 7 years I've been baffled by the thick headedness of some individuals, the press, management and the politicians... How could they ignore and deny what could be, and was, demonstrated time and time again — that the code upon which society depends is broken...

...But I have seen one behavior pattern play out over and over again. Once someone gets it, no matter how difficult it was for them to get it, once they get it, they become fanatics about fixing it. Nothing else matters, everything else is put to the side and they become maniacal in their dedication. And, perhaps more importantly, they infect others with their zeal.

Consider some of the absolute worst cases imaginable. Please note, I'm not saying the following are going to happen or are even likely, I'm using the worst examples I can find to make a

point. The point is, we're not helpless children lost at sea in a fierce storm, we're grown ups, capable of fixing things when they break:

Social Security checks don't print on January 1, 2000?

Reprint the printfiles for the cheques you printed last week. And do that week after week until you fix what you now know must be fixed. A perfect solution? No! It stinks to high heaven. But it serves 99 percent of our immediate need.

Train switches don't work automatically?

Put men with lanterns along the tracks. An inhuman use of people, but the trains will move. If the switches no longer have manual capability, then replace them with those that do... none available? Build it! Take a piece of track and lay it down so it can be moved manually by a gang of men using crowbars... a ludicrous image? Of course it is... will it work? It worked for more than a hundred years... Will it handle the current level of traffic? Of course not, but Beanie Babies are not a vital part of our economy, don't ship them for a few weeks... or would you rather curl up in a corner and die?

FAA not ready or not 100 percent certain the systems will work okay?

Don't fly the planes at the same rate you're currently flying them. There are airports all over America which have no computers, no radar, no electronics, period. Planes take off and land every day. Is this a desirable situation? Of course not. But would this slowdown in air travel cause the death of civilization? I sincerely doubt it.

No dial tone? Worldwide?

That's unlikely in the extreme. Why? Because no matter how pessimistic you are, you have to concede that some of the people we've hired must be competent. So... no worldwide lack of communications.

No dial tone? In local areas?

We've already been without dial tone

for days and weeks at a time. Ice storms, hurricanes, earthquakes, etc., etc., are all recent examples. Did we survive them? You're reading this, so I guess your answer is yes.

Nuclear power stations go boom?

After a while, the solutions become childlike... turn the damn thing off if you're not 100 percent sure. Will turning it off have an impact on the power grids? Of course it will but, if planned for, the systems can handle the load. Will there be problems with the Grid? Of course there will but, once isolated, the problems can either be fixed or bypassed.

A worldwide recession?

Ahem... been through a few of those myself. Lived to tell the tale.

You get the general idea - - for every problem, there's either an ugly way to avoid it, or an even uglier way to cope with it. Let's move on.

Remember, part of the Year 2000 problem, perhaps the largest part, is that we don't know what will fail in advance, so we have to fix everything which might break.

However when it breaks, and we'll see enough computer breaks to last us a lifetime, we almost immediately know where the break is. True... we'll fix a problem, only to have a new one crop up and have to fix it again and have the same thing happen again and again. This is not going to be pretty, but the notion that we should all run for the hills is truly silly.

Why? Because it's like finding a hole in the boat, giving up immediately, and jumping overboard, only to either drown anyway in the deep water or looking like a fool standing in a foot of water.

Nobody, but nobody, knows how this one will shake out. Let's at least try to fix it, before we give up.

Don't misunderstand me. I'm not against contingency plans for applications and/or services. I live in Canada and they have lots of snow up here. It gets rudely cold in winter. Having a generator in the garage has always been a good idea. If I go for a long drive with my family in the dead of winter, it is irresponsible for me as a parent not to have some emergency supplies in the trunk.


But moving to the South Sea islands to escape the mere possibility of an ice storm AND advising everyone else to follow me, is irresponsible at a totally different level.

The Year 2000 project is most likely the largest, and most important, project we'll ever attempt. We could, I guess, look up at it and say to ourselves, that's too big for little 'ol me and run away to mommy.

For myself? I guess I'm just an arrogant SOB, I've never yet come across a problem too big to tackle...

So, I guess my final question to you is this... are you an arrogant SOB? If you are, then hang on, the ride gets interesting from here on in.

Yours in defiance of defeatism,

Peter de Jager
pdejager@year2000.com 

Visa Escrows Now At First American

Prospective homeowners now can use their Visa® cards to pay for selected escrow services at more than 100 First American Title Insurance Company locations in northern California, according to a recent announcement. According to the announcement, the California launch is the first phase of a planned national rollout of this service.

Consumers now can use their cards for non-recurring costs such as title insurance, escrow fees, miscellaneous fees for document preparation and notarization, and home protection plans. First American will accept credit and signature-based debit cards for up to 2 percent of the sales price or loan amount.

Nationwide Data Use Aids Elliptus

Elliptus Software Solutions, Inc., has announced the signing of a three-year agreement to use real property data of Acxiom/DataQuick nationwide in its NiteOwl product.

Previously, Elliptus used DataQuick to provide property information for several western states.

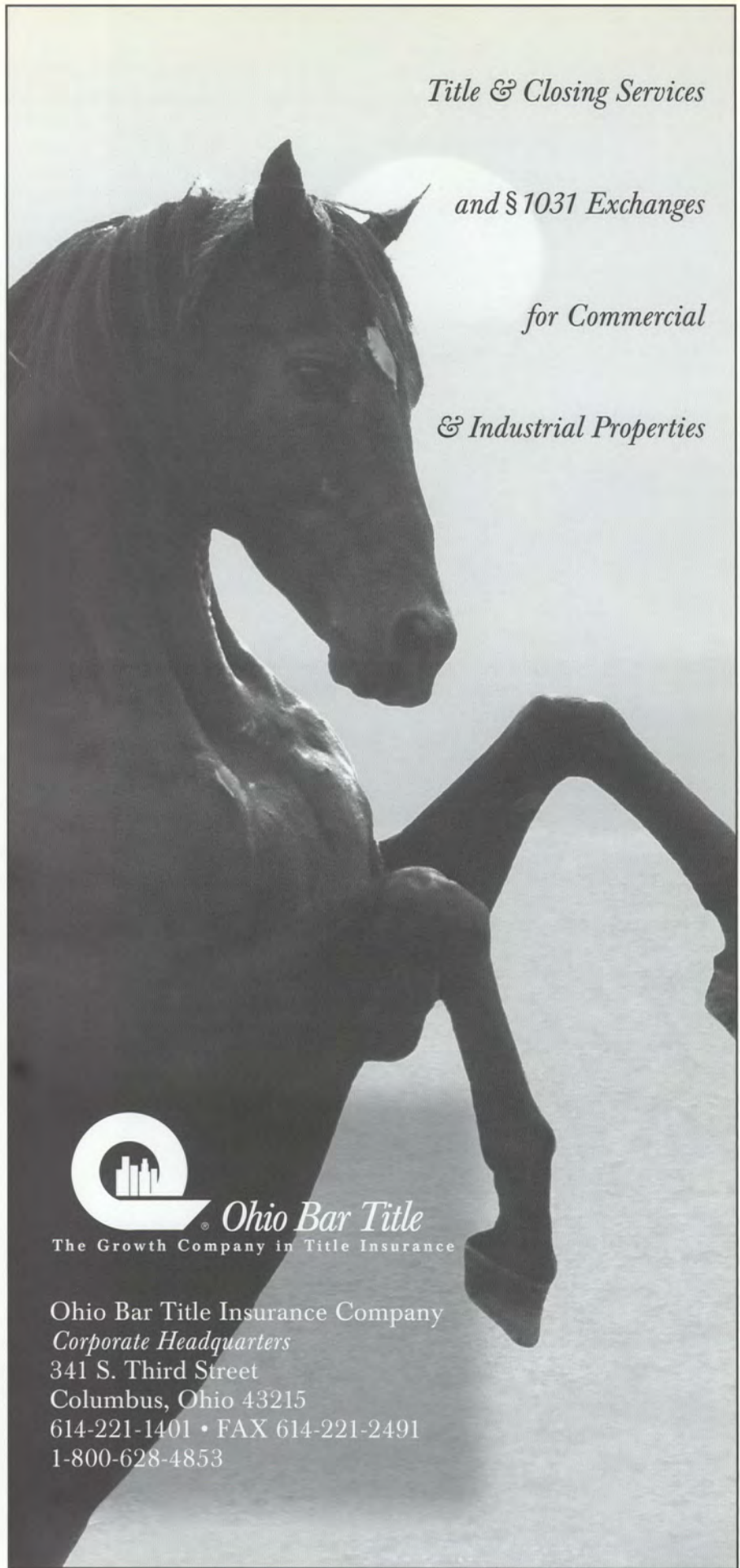
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can count on with people they can trust. To paraphrase the 1992 presidential election . . . "it's the **relationship**, stupid."

Government can continue to look the other way as controlled business providers and middlemen continue to sell consumers short in favor of lining their own pockets. Or government can get out of the way and let the *ethical majority* of the settlement service industry take over and weed out the bad seed that long ago took root and nearly destroyed the confidence consumers once had in the *honesty* and *ethics* of industry professionals. The relationship with consumers (the *collective customer*) is not dead. It is, however, nearly mortally wounded. And it will take much effort on the part of *all* settlement service providers to resuscitate it and rebuild the level of trust once enjoyed by the industry.

Predictions

Which brings us to the *FutureFocus* of the settlement service industry, where the following predictions *will* come to pass. Count on it. Plan for it.

- Consumers as kings whereby *freedom of choice* and *the right to choose* are respected.
- Packaged services at reasonable prices, with savings passed on to *consumers*.
- Establishment of an *industry identity (brand)* by the title insurance industry, based upon *consumer advocacy*. Eventual inclusion of *other* industry professionals (real estate, lending, etc.) who choose to take the ethical highroad in the transaction by *honoring the relationship* between the settlement service industry and *consumers*, as collective customers.
- Harnessing the *power of technology* and the establishment of *consumer-friendly* on-line malls and neighborhood *kiosks* for electronic shopping of homes, loans, and related settlement services and products.
- Strategic alliances between settlement service providers based upon *like minds* and *like values* where "*consumer satisfaction*" is the overarching

goal in the development of *faster-better-cheaper* services and products.

- Elimination of RESPA regulations and government involvement in industry practices, in favor of industry-wide *self-regulation* with the establishment of bipartisan ethics and enforcement boards, promising swift and decisive action against the *unethical minority*.
- Industry evolution from *one-size-fits-all* McSettlements to *just-for-you* mass-customized services and products.
- *Pay-per-service* fee structures placing financial control of the transaction in the hands of consumers who will order only those services and products for which they are willing to pay.
- *Collaboration* between small businesses (*collaborating* with competitors in the AM and *competing* with them in the PM) to enable "*micros*" to compete with "*megas*" on a level playing field. *Collaboration* in the sharing of *resources* - - financial, human and physical - - as well as in support of *consumers* through the establishment and dissemination of "*Know Your Rights*" quantifiable and qualifiable industry information designed to *serve the relationship* and protect consumers.
- *Electronic commerce* to evolve beyond its current form of *glorified e-mail*.
- Mergers and acquisitions resulting in a handful of big players in all areas of the settlement service industry - - real estate, finance and title insurance. Simultaneous expansion of smaller *niche* markets served by companies dedicated to *personal service*. Virtual elimination of *mid-sized* businesses (similar to the extinction of *middle management*). Such mid-sized companies will either merge to form *mega* organizations or will break apart into smaller *niche* entities.
- Proliferation of more *informal* business structures - - i.e., joint ventures in lieu of formal partnerships; strategic alliances between stand-alone entities in lieu of mergers and acquisitions.
- *Telecommuting*, *video-conferencing*

and other electronic support systems which will place industry professionals in front of consumers in new and innovative ways.

- Services and products based upon consumers' needs, wants, desires and expectations. When, where and how they want "*it*" and at a price they are willing to pay.

Finally, thanks to the *generational evolution* applying not only to *consumers*, but to society as a whole, we will see great strides made *within the workplace* - - as *Boomers* and *X'ers*, followed by *Echo's*, bring their dominant generational traits of *non-conformity* and *no (or low) level of trust and respect for authority* to bear on workplace issues. Organizations will flatten, hierarchies will crumble, position power will give way to people power and leaders will learn to serve their constituents with *credibility*. Mission, vision, values, goals and strategic direction will no longer be relegated to *book learning* and *theory*, but will become part of the fabric of organizations which recognize the *value of the relationship*. People will become as important as *processes* and workers will be viewed as assets rather than liabilities. *Principles* (integrity, honesty, fairness, equity, compassion) will become as important as *profits* - - perhaps *more so*, as companies discover that when you pay attention to *people* and *principles*, *processes* and *profits* are natural byproducts.

Your success (or lack of it) with respect to *Customer Service for the 21st Century* will be dependent upon your willingness and ability to foster strong relationships with your *constituents* - - from *consumers* of your products and services to *coworkers*, *collaboration partners*, and other *customers*. *Serve the relationship well (do right by people) and the relationship will serve you well in return*. It's that simple. 🐦

Arkansans Elect Wall New President



Gregg Wall, president, Tucker Abstract, Bentonville, AR, has been elected 1998-99 president of the Arkansas Land Title Association during the annual convention of that organization.

opment Program actually will be a sampling or brief study of the many business philosophies, practices, and skills necessary to succeed in today's changing title industry environment. There are other organizations that offer similar types of management training, but none are specific to the title industry. The Management Development Program is the Land Title Institute's effort to target our industry's future leaders.

The Management Development Program will begin at 1 p.m. on Sunday, February 28, at the Houston Oaks in the Galleria. During the first half of the Opening Session, entitled, "Managing in A New Millennium," participants will be addressed by industry representatives who will "set the stage" for the week-long event. They will discuss changes in the title industry that managers will need to meet in the next century.

...the Management Development Program actually will be a sampling or brief study of the many business philosophies, practices and skills necessary to succeed in today's changing title industry environment.

The second half of the afternoon will be devoted to a general explanation and confidential written analysis of the participant's scores in the Hartman Value Profile, which will be administered through the mail prior to arriving in Houston. The Profile is designed to gain insight into a person's "value package" — that system of values and evaluative capacities which derives attitude, behavior, performance, and excellence in the work environment. It is an excellent catalyst to greater self-understanding and self assessment. An individual who is exposed to the Profile and its interpretations will immediately find confirmation and affirmation of strengths and the clear challenge of weaknesses to be overcome.

The program on Sunday will conclude with an Ice Breaker Reception,

and participants then will be free for dinner and relaxation.

Classes Monday through Friday will be held on the HBU campus in the recently completed, state-of-the-art Hinton Center for Graduate Studies (see photograph). HBU is providing bus transportation between the Westin Oaks participant accommodations site and the HBU campus. Classes will begin at 8 a.m. and conclude at 5 p.m., Monday-Thursday. Friday's classes will start at 8 but the program will adjourn by 2 p.m., allowing participants to schedule flights home.

Computer Connections Available

For the "techy" participant who travels with a laptop computer, every seat in every classroom in the Hinton Center is wired for a computer hook up. Laptop computers are not necessary, however, because program materials will be bound in binders for ease of note taking. For the Internet/Intranet segment, the two computer labs in the Hinton Center will be used.

A block of rooms has been reserved at the Westin Oaks in the Galleria, which is located in "uptown Houston." The daily group rate is \$125 for a single room or \$140 for a double. During their several free evenings, participants may relax and eat dinner in one of the 30 restaurants, shop in over 300 stores, or even ice skate in the Olympic-size rink in the Galleria. Participants are responsible for making their own hotel reservations, as well as air fare and transportation between the airport and hotel.

The Management Development Program is a five-day, college-level course with a curriculum specific to the title industry. The tuition fee for this program covers:

- Opening Session, "Managing in A New Millennium"
- Ice Breaker Reception on Sunday evening
- Five-day program at Houston Baptist University
- Administration, scoring, and confidential interpretation of the Hartman Value Profile
- Notebook of Program materials
- Five lunches
- Two evening events, which will include dinner on campus
- Morning and afternoon refreshment breaks
- Transportation between the

Westin Oaks and HBU


- Graduation ceremony with awarding of Certificates of Achievement

CEU credits will be available through Houston Baptist University.

Early enrollments will help the HBU staff properly allocate their faculty and classroom requirements to meet our needs. As a monetary benefit to students or their employers, and as an incentive to register early, LTI is offering an early registration discount of \$199 for enrollments received before December 31, 1998. On January 1, full tuition for ALTA members is \$1,999; for non-members, it is \$2,499. Payment may be made by check or credit card -- VISA or MasterCard only.

The enrollment form and a descriptive brochure will be available at the LTI exhibit booth at the 1998 ALTA Annual Convention, and by mail later in October.

We have arranged for a sample of the Management Development Program to be presented at the ALTA Annual Convention in New York. One of the Friday, concurrent educational sessions, "Management 2000," will be offered by Dr. R. Bruce Garrison, director, Master of Science in Human Resources Management Program and Professor of Management at HBU. If you are going to attend the ALTA Annual Convention, please plan to sit in on this session and judge for yourself the quality of this program being developed for LTI.

ALTA Education Committee members are very excited about offering this new level of employee development, and we are confident that participants will return to the office reinvigorated, energized, more focused, and better informed about effective business practices. 

Greco Succumbs In Detroit Hospital

Services were in Grosse Pointe Shores, MI, for Philip F. Greco, 82, a well known ALTA member who in 1972 founded the title insurance agency bearing his name in Grosse Pointe. He died in a Detroit hospital after an extended illness.

A graduate of the Detroit College of Law, he was regarded by many as the leading authority on title insurance in Macomb and Wayne counties.

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Rates for situations wanted or help wanted are \$80 for first 50 words, \$1 for each additional word, 130 words maximum (per insertion rate drops to \$70 for first 50 words, \$1 for each additional word, for three or more consecutive placements). For sale or wanted to buy ads have a rate of \$250 for 50 words, \$1 for each additional word, 130 words maximum (per insertion rate drops to \$225 for 50 words and \$1 for each additional word for three or more consecutive placements). Placing a box around an ad cost an extra \$20 per insertion for help wanted or situations wanted, \$50 per insertion for sale or wanted to buy. Blind box service available upon request.

Those desiring to place classified advertising in Marketplace, send ad copy and check made payable to American Land Title Association to **Title News Marketplace**, American Land Title Association, Suite 705, 1828 L Street, N.W., Washington, D.C. 20036. Responses to classified placements should be sent to same address unless otherwise specified in ad copy.

Help Wanted

CHIEF FINANCIAL OFFICER being sought for title insurance company with annual revenues in the range of \$120M-\$140M. Subsidiary of major home building and financial services NYSE-listed company. Operations located in California, Arizona and Colorado. All phases of CFO responsibilities, including financial reporting, liaison with banks for cash management and credit lines, statutory insurance reporting, internal accounting and audit policy development. CPA or other graduate business degree preferred, insurance industry background helpful. Attractive salary and benefit package. Send cover letter, resume and salary history to **Marketplace, Box H-131**.

Bridges Retires From Dixie Post

Marguerite H. Bridges, executive director of the Dixie Land Title Association for 17 years and a prominent leader among regional/state title association managers across the nation, is retiring in September at the conclusion of the organization's 1998 convention.

During her tenure, she has watched the Dixie Association grow from a few members to nearly 100 companies and law firms across Alabama, Georgia and Mississippi. The Atlanta-based association executive has helped guide the organization through numerous initiatives, including legislative involvement and the establishment of title schools.

LandAmerica Moves Into New Quarters

LandAmerica Financial Group, Inc., has relocated corporate headquarters to a 126,000-square-foot office building at Gateway Centre, 101 Gateway Centre Parkway, Richmond, VA 23235-5153.

Some 450 LandAmerica employees have moved into the new quarters, including those with the company's OneStop and public record information subsidiaries.

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The background is a dark, starry space scene. A bright light source in the center creates a lens flare effect with rays of light extending outwards. Several stars are circled in thin white lines. The text is centered and rendered in a bold, yellow, blocky font with a slight glow.

Staying Ahead of the Future

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