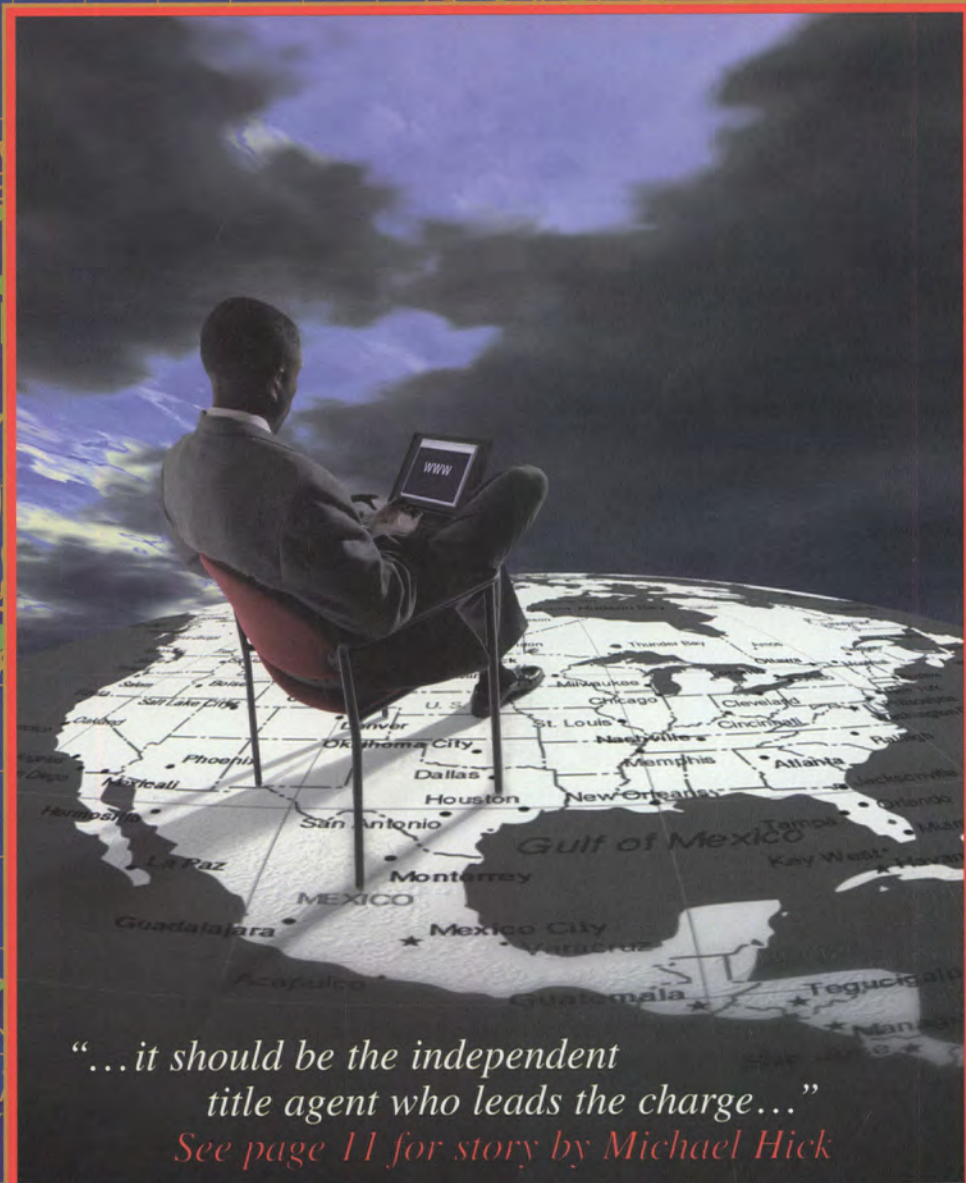


TITLE News



*"...it should be the independent
title agent who leads the charge..."
See page 11 for story by Michael Hick*

GOING GLOBAL

Why You Can't Afford to Stay Home

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Volume 77, Number 6

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On the cover: Globalization is changing the world, and changing it fast, with the United States taking the lead. While early global innovation was primarily conducted by large corporate entities, it is the small to medium sized companies who are going overseas now. For more information on what role title insurance companies may play in the global revolution, please turn to page 11.

FEATURES

11 Going Global: The U.S. Title Industry's Next Frontier

By Michael Hick

While there's plenty afoot in the domestic title insurance industry, there's also a lot to think about beyond our borders. In his article on globalization, Michael Hick provides both a historical perspective and a forward look at how the title insurance industry might respond to trends in other parts of the world.

22 1998 ALTA Annual Convention Pictorial

In the "City That Never Sleeps," ALTA members and guests experienced the sights and sounds of "The Big Apple" while attending a wide variety of educational sessions.

28 Becoming a 21st Century Leader: Prepare Today to Meet Tomorrow's Challenges

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Feel out of control? Out of sync with the rapid changes in today's marketplace? Dr. Canton, experienced futurist and industry prognosticator, says the only way to lead in the 21st century is to embrace change.

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By Ann vom Eigen

Louis C. Meyer, Jr., President of NIA/Lawyers Title, joined other real estate industry groups in Congressional hearings on the potential impact of RESPA/TILA reform. ALTA testimony concluded that such reform proposals would contradict basic principles of mortgage reform.

32 Presidential Profile: Joe Parker

The newest ALTA President believes strongly in the continued importance of small to medium sized agents. This profile provides an in-depth look at the man behind the title, and his vision for ALTA in 1998-99.

36 Title Agent's Executive Conference

Clark County, Nevada is not only the fastest-growing county in the United States, but also home to the *only* joint title plant. The Title Agents' Executive Conference in Las Vegas offered attendees many learning opportunities, including a visit to this unique title plant as well as other informative sessions and activities.

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ALTA COMING EVENTS



December

1998

**7-8 Systems Committee/M&O
Committee Meetings**

Key West, FL

**16 Packaging Subcommittee
Meeting**

San Diego, CA

January

1999

7-8 Research Committee

Key West, FL

February

3-4 TIAC Board Meeting

Miami Beach, FL

5-6 ALTA Board Meeting

Palm Beach, FL

7-9 Technology Forum & Expo

Disney's Coronado Spring Resort,
Orlando, FL

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

Houston Baptist University Campus,
Houston, TX

March

29-31 Mid-Year Convention

Hotel InterContinental, New
Orleans, LA

May

1-5 Internal Auditors Meeting

Key West, FL

June

5-8 Systems Committee Meeting

Denver, CO

9-10 ALTA Board Meeting

Washington, D.C.

October

6-9 ALTA Annual Convention

Colorado Springs, CO

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A MESSAGE FROM THE ABTRACTER-AGENT CHAIRMAN



The ALTA Annual Convention in New York City in October was an eye-opener for many attendees. The big city sights alone would have been enough, but what really held my attention were the reports we heard regarding the industry and RESPA/TILA reform. After hearing these reports, I concluded that at least in one area, the Abstracter-Agent's Section had a tremendous responsibility that we as individual members had perhaps not fully recognized. We need to be much more involved in providing grassroots support for the overall lobbying effort ALTA undertakes on our behalf. Without the grassroots foundation of the "voices from home," our message will not cut through the legislative noise.

At every state convention I attended this summer, my time was spent bringing folks up to date on the bank powers legislation and the packaging concept in RESPA/TILA reform. I also spent quite a bit of time urging folks to make legislative contacts. My message to all at those state conventions was to get involved at some level in grassroots lobbying, whether you are an ALTA member or not. And that is my message to you here.

ALTA needs your involvement in grassroots activities. To spearhead these efforts, ALTA has hired Michelle Covell, Director of Grassroots Advocacy, to assist Ann Vom Eigen, ALTA's Legislative Counsel. Michelle is our connection. If you don't understand the issue well enough to discuss it comfortably, then **call Michelle** and ask her to clarify it. If you know someone who can make the specific contact needed, **call Michelle**, and she will help make the connection. If you have helpful suggestions on grassroots efforts – **call Michelle!**

I have a feeling, though, that if you are reading this message, I may be "preaching to the choir." But honestly, I don't think so. If that were the case, when those red hot urgent faxes go out from Ann and Michelle for grassroots support, then there would be an overwhelming response from ALTA members. But that is not how it goes – at least as far as Ann and her staff know. You see, you may be making those contacts, but Ann and Michelle don't know it. Because we aren't telling them. We aren't copying them with our letters and faxes. We aren't telling them we made those calls and who we talked to. Consequently, Ann is empty-handed when it comes to proof of grassroots support from our members on any issue.

For those of you who are already politically astute, keep making those phone calls, writing those letters, and sending those faxes. But copy, fax, and tell Ann and Michelle what you are doing! Those of you who have not done much politically in the past, remember that ALTA has staff and information at your disposal. They have put together a great grassroots lobbying kit for the packaging issue on RESPA/TILA reform that will be coming up this next legislative session. Bank powers will be re-introduced in January, **and we must be ready**. Each of you must find your comfort level in lobbying. Do you have your Congressman's or Senator's ear? Or, will you write a letter? Send a fax? Make a call? Are you directly involved in campaigning through contributions, fund raising, canvassing, or signs? Let Ann and Michelle know the extent of your contacts and political activity. We need a contact person in every title office across the country.

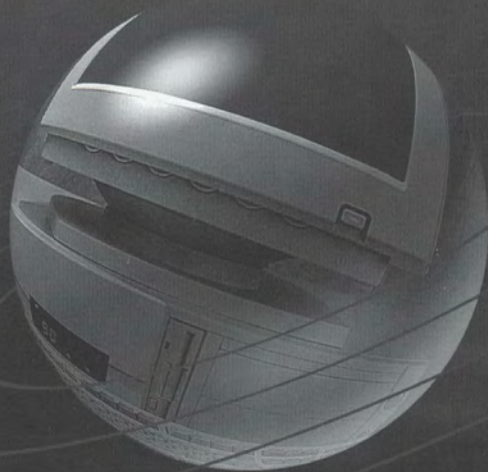
Past President Malcolm Morris challenged each of us to get every Representative and Senator into a title office for a visit by January. That is a reachable goal! I also urge you to contact your Representative and Senator, while they are at home, even if by letter, to let them know that you are paying attention to the issues before them regarding bank powers and RESPA/TILA reform. Our Congressmen and Senators need to know that we have a position and that we hold them accountable to us for the decisions they make. If they do not hear from us, can we blame them when they follow the recommendations of big business or other special interests?

Continued on page 38



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MERS: Coming Soon to a Mortgage Near You

By Sharon McGann Horstkamp and William Hultman

You may have heard the trade name "MERS®" or its full legal name, Mortgage Electronic Registration Systems, Inc., and wondered what MERS is. You even may have run across MERS in the chain of title of a mortgage loan. If you haven't heard about MERS yet, there is a strong likelihood that you will soon. This article should help to keep you from being caught off guard by explaining how MERS works.

What is MERS?

MERS serves two purposes. First, it is a national electronic registry for tracking servicing rights and beneficial ownership interests in mortgage loans. Second, MERS acts as nominee (a form of agent) for the servicer and beneficial owner of a mortgage loan in the public land records. MERS is designed to operate within the existing legal framework in all U.S. jurisdictions and did not require any changes to existing laws.

How is this made possible? Its members appoint MERS as the mortgagee of record on all loans that they register on the MERS System. This appointment eliminates the need for any future assignments when servicing rights are sold from one MERS Member to another. Instead of preparing a paper assignment to track the change in the county land records, all subsequent transfers are tracked electronically on the MERS System.

MERS does not create or transfer beneficial interests in mortgage loans or create electronic assignments of the mortgage. What MERS does do is eliminate the need for subsequent recorded assignments altogether. The transfer process of the beneficial ownership of mortgage loans does not change with the arrival of MERS. Promissory notes

still require an endorsement and delivery from the current owner to the next owner in order to change the beneficial ownership of a mortgage loan.

MERS is a Delaware corporation with a broad base of ownership from the mortgage industry. American Land Title Association is among our owners and has a seat on the MERS Board of Directors. Other owners with substantial investments in MERS include the Mortgage Bankers Association of America (MBA), Fannie Mae, and Freddie Mac. These parties, along with Ginnie Mae, decided several years ago that MERS would be a major benefit to the mortgage industry and worked together to create the MERS of today.

The MERS System operates on a membership basis and came on line in April of 1997 with Norwest Mortgage, Inc. and Allied Group Mortgage Company being the first companies to register loans on the system. Over 118,000 loans have been registered on the System to date with the number rapidly growing as many more members are

gearing up. Our membership includes mortgage lenders and servicers, title companies, mortgage insurers, investors, conduits, document custodians, and county recorders.

What Do I Need to Know About MERS?

With every new loan that is registered on the MERS System, it becomes more likely that you will come in contact with a mortgage loan having MERS as the mortgage holder in the chain of title. MERS is put in this position in one of two ways: the first is by an assignment from a lender or servicer to MERS. This method is usually associated with bulk transfers of servicing. The second way is with the lender naming MERS as the mortgagee of record as nominee for itself (and its successors and assigns) in the original security instrument at the time the loan is closed. We call this second option "MOM", which stands for MERS as Original Mortgagee.

"MOM" was a significant milestone for MERS and the mortgage industry.



Sharon serves as Corporate Counsel and Assistant Secretary for Mortgage Electronic Registrations Systems, Inc. She has worked with Fannie Mae and Freddie Mac on policies and procedural changes to the uniform security instruments. Sharon played a key role in gaining approval for MERS to serve as the original mortgagee as nominee for the originator of mortgage loans.

Sharon is a member of the New Jersey State Bar and the Virginia State Bar and received her law degree from University of Richmond in Richmond, VA.



As Vice President and Corporate Group Manager, Bill is responsible for law, finance, and human resources at Mortgage Electronic Registration Systems, Inc. He joined MERS in February, 1998 after serving as Director of Asset Liability Management for Barnett Banks, Inc.; Asset Liability Manager at Marine Midland Bank; and Treasurer of Empire of America FSB.

Bill holds a B.S. in Physics, an M.S. in Statistics, and a J.D.

Fannie Mae, Freddie Mac, and Ginnie Mae have each approved the use of MERS as original mortgagee as nominee for a lender on the security instrument for loans sold to them and registered on the MERS System.

In order to make MOM work, changes were made by Fannie Mae and Freddie Mac to their uniform security instruments allowing MERS to be named as the mortgagee in a nominee capacity for the lender. First, to reflect the interrelationship of the promissory note and mortgage and to ensure these two instruments are tied together properly, the recital paragraph names MERS, solely as nominee for Lender, as beneficiary. Second, it is made clear that the originating lender rather than MERS is defined as the "Lender". This change was made so that everyone understands that MERS is not involved in the loan administration process. Third, as mortgagee of record, MERS needs to have the authority to release the lien of security instrument, or if necessary, foreclose on the collateral on behalf of the lender. Such authority is provided by adding a paragraph to the security instrument informing the borrower that MERS holds only legal title to the interests granted by the borrower. It also informs the borrower that, if necessary to comply with law or custom, MERS may exercise the right to foreclose and sell the property and may take any action required of the Lender to release or cancel the security instrument.

Once MERS is named in the original security instrument or by way of an assignment, the document is then recorded in the appropriate public land records. From this point on, no subsequent assignments of the mortgage to a MERS member needs to be recorded. MERS remains in the land records, as mortgagee, throughout the life of the loan so long as servicing is not sold to a non-MERS member. All subsequent transfers of ownership in mortgage loans and servicing rights for that loan are tracked electronically between MERS members through the MERS System. This process eliminates the opportunity for a break in the chain of title.

Moreover, unless a MERS member transfers servicing rights to a loan registered on the MERS System to a non-MERS member, the loan stays on the system until it is paid off. The process to transfer servicing rights between MERS members requires an electronic

confirmation from the buyer. It begins with the seller entering loan transfer information into the system, including the Mortgage Identification Number (explained below), the new servicer organizational identification number, the sale date, and the transfer effective date. The buyer then must submit a confirmation acknowledgment to the system. The old servicer and the new servicer are still required to notify the homeowner in writing when loan servicing is traded as required under the Real Estate Settlement Procedures Act (RESPA), 12 U.S.C. § 2601 et seq. A loan is de-registered from the system only if its servicing rights to a loan are transferred to a non-MERS member.

How is a Loan Registered on the MERS System?

First, a Mortgage Identification Number (MIN) must be assigned to each loan being registered on the MERS database. The MIN is a unique, 18-digit number that will not change during the life of the loan. The first 7 digits are the member's organizational identification number, the next 10 digits are a sequential number (which can be the lender/servicer's existing loan number), and the last digit is a check digit.

The constant MIN is an improvement over the current process. Usually, when loan servicing is sold, the loan receives a new loan number. Multiple loan numbers can be confusing and may lead to additional record keeping over the life of a 30-year loan. A loan registered on the MERS System will receive only one identifying number for as long as it remains on the system. It is not hard to imagine that many lenders may ultimately abandon their own loan number system in favor of the MIN.

The second step is to register the loan on the MERS System. The MERS member registers a mortgage loan on the MERS System by entering specific data into the system. The MERS System is a secured network. Access level depends on the member's relationship to the mortgage loan. Servicers and investors can update only their own loans. There are three levels of identity validation that must be entered in order for a member to access the System: organizational number, operator identification, and the operator's password. Attempt to access the system will be denied unless all three tiers of security

have been met.

Finally, as noted above, at some point before or after the loan is registered, MERS needs to be established in the county land records by the MERS member as the mortgagee of record or the beneficiary to the deed of trust.

MERS also tracks changes in the beneficial ownership interest of the loan (generally, the promissory note holder), or as often referred to in the mortgage industry, the investor. If the beneficial ownership of the mortgage loan is transferred to a non-member, such non-member beneficial owner may choose to have the loan either de-registered from the MERS System or continue to be registered on the MERS System provided that the servicer of the loan is a MERS member.

If the beneficial owner is not a member but chooses to have the loan registered on the MERS System by the loan servicer/member, MERS is required to comply with instructions given by the loan servicer/member on behalf of the non-member beneficial owner (investor).

What Interest does MERS Hold in Loans Registered on the MERS System?

MERS does not have a beneficial ownership interest in the loans and does not service the loans. The holder of the promissory note remains the beneficial owner of the mortgage loan and is the party entitled to repayment of the loan. Just like the current practice today, the servicer contracting with the beneficial owner will continue to collect the payments from the borrower, send the payments to the beneficial owner, make certain that the insurance and taxes on the mortgaged property have been paid, and take corrective action when a borrower is delinquent in their payments. A servicing contract is not an interest in real property, but rather it is defined as personal property under the Uniform Commercial Code (UCC) Article 9-106. Prior to the inception of MERS, the servicer typically appeared in the county land records in order to service the loan. This practice allowed the servicer to be recognized as the mortgagee of record and receive legal process. As a result, the promissory note and the mortgage often became bifurcated, with the beneficial interest (evidenced by the note) being held for the beneficial owner and the legal interest (represented by the mortgage) held by the servicing company

as mortgagee.

Under the MERS System, MERS now becomes the mortgagee of record in place of the servicer and receives service of all legal process related to the property. To facilitate this process, MERS operates a state-of-the-art electronic mailroom. The mailroom is responsible for the receipt, scanning, and handling of physical mail documents into electronic images. All mail is indexed to the appropriate MIN and routed electronically to the corresponding servicer. The servicer then responds as required under its servicing contract with the investor.

How Does MERS Benefit the Title Industry?

The biggest impact that MERS System generates for the title industry lies in the area of payoffs and lien releases.

It has become very common for servicing transfers to occur multiple times over the life of a loan. To properly preserve the chain of title to a mortgage, the best practice would be to record an assignment between the transferring and receiving servicer. As we all know, assignments are often not recorded, or the recording can significantly lag the transfer, and as a result, the public land records in the county recorders' office does not identify the current servicer of the loan. The failure to record assignments typically causes a significant delay in obtaining payoff figures and processing lien releases. Before MERS, there was no industry-wide standard for the processing of assignments and lien releases. With MERS becoming the mortgagee of record, the current process and cost of preparing and recording assignments when servicing is transferred are eliminated. No longer will you need to track down missing assignments because of a break in the chain of title.

When a payoff figure is needed on a loan registered on MERS, calling the MERS Voice Response Unit (VRU) by using a toll free number easily identifies the current servicer. Information available from the VRU includes the servicer name, address, and telephone number. The servicer can then be contacted for the proper payoff figure. This service is a huge benefit for consumers because it allows title insurer offices and agents to get accurate payoff information more easily, making loan closings more efficient. You can access this information by calling our toll free telephone number: 1-888-679-6377.

When a mortgage loan is paid-off, the servicer records a lien release and enters the paid-off status on the MERS System. With MERS as the mortgagee in the public land records, the lien release is executed in the name of MERS. The servicer will prepare the appropriate lien release instrument and have it executed by one of its employees acting as a certifying officer of MERS. A certifying officer of MERS is an employee of the MERS member who is nominated by such member to act on behalf of MERS in performing certain duties expected of a mortgagee of record. Each certifying officer is approved by the MERS Board of Directors and a MERS corporate resolution is provided empowering the certifying officer to execute lien releases as well as initiate foreclosure proceedings in the name of MERS. The appointments and the authorities of certifying officers are all pursuant to a contractual agreement among MERS, the servicer and the owner of the mortgage debt. MERS performs ongoing quality assurance checks to ensure that liens are being properly released and released on a timely basis.

How Does MERS Impact Title Policies?

MERS does very little to affect the way title policies are issued. The originating lenders still requests a loan policy from its title company at the time the mortgage loan is originated. The ALTA Loan Policies insure the named insured (usually the originating lender), the owner of the indebtedness secured by the insured mortgage, and each successor in ownership of such indebtedness.

No change to the title policy is necessary when MERS is assigned a mortgage loan since MERS is considered a successor or assignee of the mortgage loan. Only when MERS is named as the nominee for the lender on the original security instrument, we recommend to the lender that MERS be named as an additional insured on the owner's policy. The lender instructing its title company to name MERS on the policy accomplishes this step.

What Happens when a Mortgage Loan is Foreclosed in the Name of MERS?

There is another time you will come into contact with MERS: in a foreclosure proceeding. Many times, a title company will insure the trustee's or sheriff's sale of the real estate following a fore-

closure proceeding. The assured in the guarantee will be the trustee or sheriff and MERS. This situation results because foreclosure can be conducted in the name of MERS when MERS is the mortgage holder.

The mortgage establishes the remedy to foreclose and sell the property if the borrower does not pay back the amount loaned to the borrower according to schedule. Typically, the loan servicer, as the mortgagee of record, is the party that initiates the foreclosure proceedings on behalf of the investor. When MERS is the mortgagee of record, the foreclosure can be commenced in the name of MERS in place of the loan servicer.

For another entity to foreclose, an assignment is required from MERS to the other entity.

Establishing MERS as mortgagee of record will not cause any significant changes to current foreclosure practices in any state when the beneficial owner wants to proceed with foreclosures in the name of MERS.

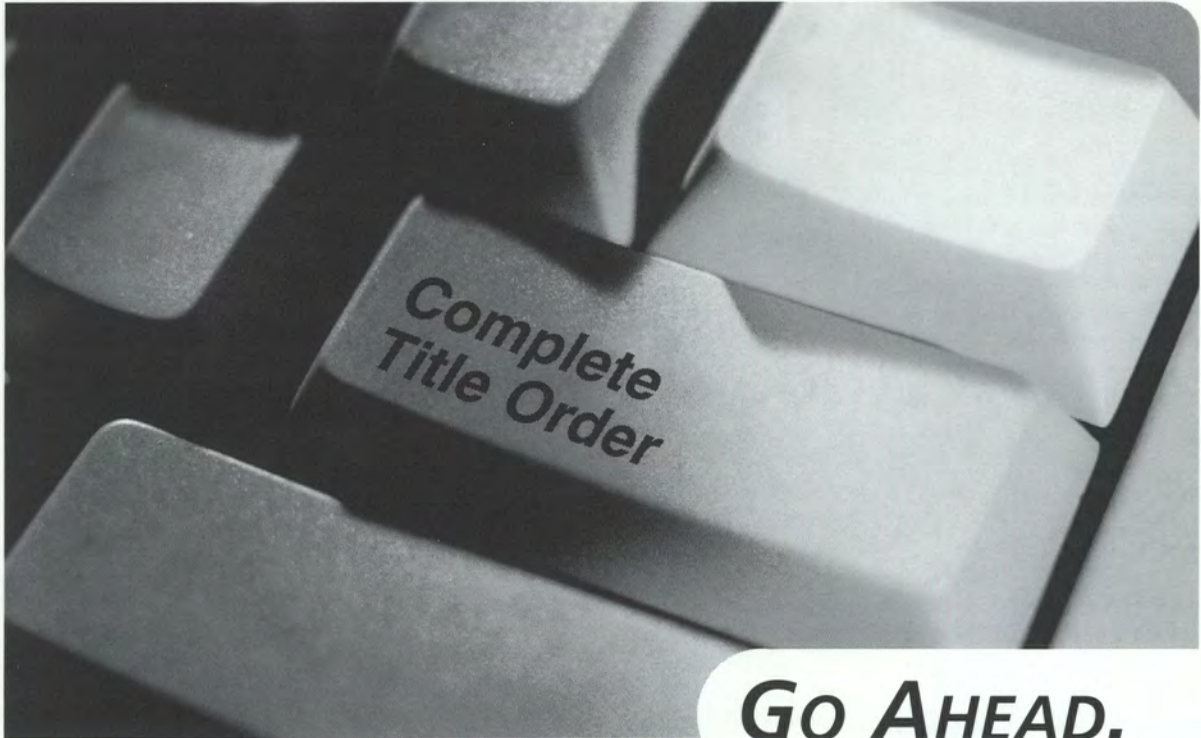
There are two basic methods for foreclosing a residential mortgage loan, either judicially or non-judicially. Each state has its own preferred method of foreclosure, depending upon the type of debt instrument used and the state's statutory provisions.

If a non-judicial method is used and the debt instrument is a deed of trust, the certifying officer of MERS would appoint any desired substitute trustee and direct the trustee to foreclose under a power of sale provision in the deed of trust or state statute. If a mortgage is used and is foreclosed under the power of sale provision, a certifying officer of MERS would execute the deed upon confirmation of the sale.

In a judicial foreclosure, the certifying officer of MERS would direct the foreclosing attorney and MERS would be the named plaintiff. The certifying officer of MERS is authorized to sign all necessary documents. After judgment has been entered, and the foreclosure proceeds to a foreclosure sale, the certifying officer will perform any functions required of MERS.

Once the foreclosure process has started, this same individual, either as a certifying officer of MERS or as an employee of the servicer, will follow the foreclosure from start to finish.

continued on page 38



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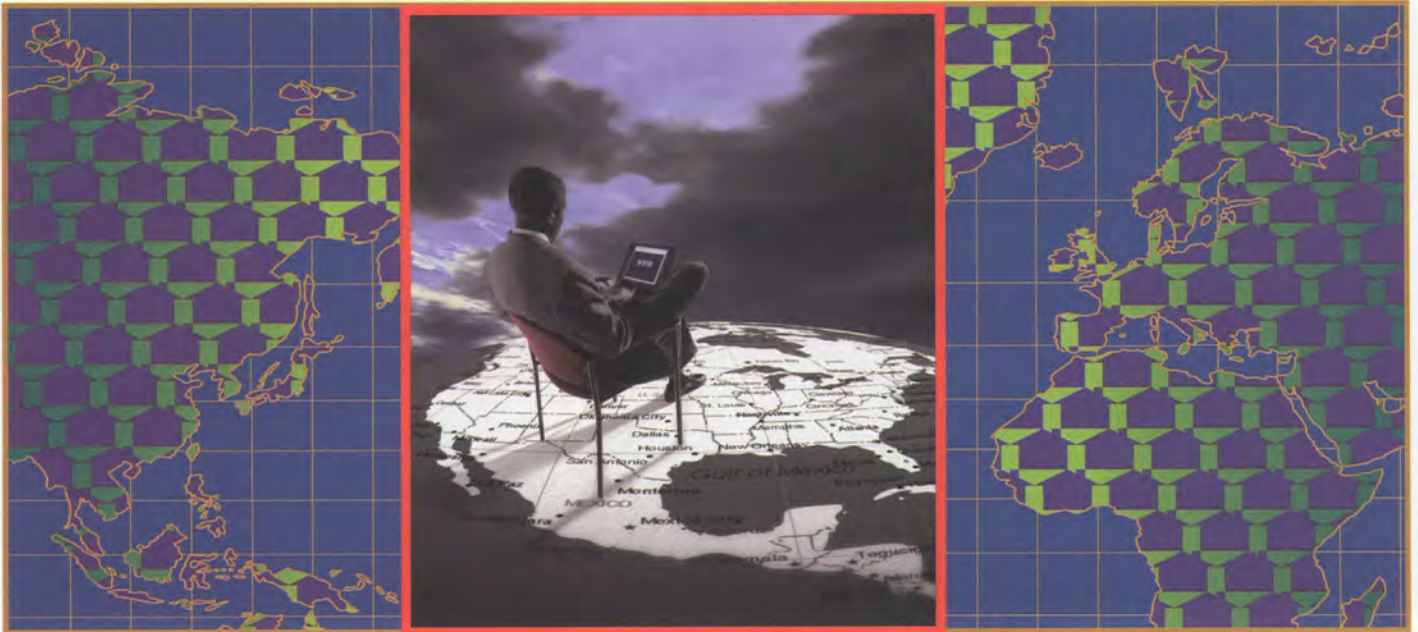


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GOING GLOBAL

The U.S. Title Industry's Next Big Frontier



By Michael Hick

In Australia, a popular map shows the world with the South Pole at the top. It has the caption, "Now look who's Down-Under"! Meanwhile, astronauts looking at planet Earth from outer space do not see the North Pole as being at the top – in fact there is no top or bottom to anything from out there.

In this age of extraordinary change, whether you're on the top of the world or the bottom, it's time to step back and rethink the many preconceived ideas that come out of culture, background, and education. One of the major sea changes of our time is that "The World has gone Global." This glaring oxymoron carries a description of one of the most dramatic revolutions mankind has ever experienced. More than the invention of the wheel, of printing, or even the entire industrial revolution, the "global" revolution has started to change the way we think, live, and do business. Even more important is the speed with which these changes are taking place. The world is nothing like it was, even ten years ago, and the speed with which it is changing is simply incredible.

There are numerous reasons for this global revolution. The political ones are

of course the toppling of the Berlin Wall and breakdown of central European and USSR communist regimes, the revival of free enterprise in China, and the acceptance of the free market system as an alternative to planned economies in many countries. In terms of the social reasons, large numbers of educated people are leaving their country and traveling the world to satisfy their curiosity and round out their education, an experience previously only available to the rich and leisured classes. This experience particularly applies to many young people who are now entering the workforce as experienced world travelers with a global network of friends. Then there is the most obvious reason, that of technology, which is the real engine of "globalization." Suddenly, we have all become connected. One way to think of this change is to consider where you were with your electronic understanding and connection only five years ago. That recollection will help you project where the world will be in five years time. The extraordinary facility of the web for business, connecting people as well as ideas, and its impact on political and social systems throughout

the world can only be imagined.

America's Destiny

The United States leads the charge of change. The rest of the world's nations take their cue from America, whose culture, attitudes, systems, and beliefs are taking hold in the most surprising places. From Tashkent to Tanzania, American influence is present in one form or other. "Even in the most remote places of the world", they say, "you can find a Coke." There is, as we know, a reaction against this tide. Many people are deeply concerned about the "Americanization" of their culture and are committed to its prevention by almost any means. This is a fact of the developing story of mankind, and it has happened before to many cultures. It is America's destiny to deliver some of its best attributes to a needy world. One of these is the American method of real estate conveyance – the title industry and its associated services.

The wild rush for land and the inventive entrepreneurial spirit of the 19th century presented special challenges to the security of real estate ownership.

Problems produce progress, and the title insurance system was conceived. In a period of not much more than four decades the title insurance process was able to cope with the vast expansion of this country, and in more recent times has proven that it is flexible enough to deal with some of the most complex real estate transfers known to man. In short, the American title insurance process is arguably the most efficient and cost-effective in the world.

This proven benefit to the people of the United States needs to be exported to the rest of the world. It's a job that will keep the industry busy for the next one hundred years and beyond, and one which will bring incalculable benefits to the human race; however, the task is massive, difficult, and presents huge challenges. But not more than those faced by our predecessors when they looked across this untamed continent over a century ago.

Crushing competition at home

Sometimes it seems that here in the United States there is little else to do day after day but try to beat the competition at their own game. Fighting over the same business, trying to find a new edge to customer service, cutting costs here and there, and hassling with regulatory issues. It is almost as if the Title business has outgrown its market; "all dressed up and nowhere to go!"

This has happened before in other countries. In the second half of the 19th century, Britain experienced the same thing. Its industry had grown to the point where the domestic market alone could no longer satisfy the output, so there was only one way to go – overseas. In Japan in the 1970's the same thing occurred. Its vibrant productivity was too large for internal consumption, so it had to export, then manufacture abroad.

The U.S. title industry, however, does not have to look far for its foreign business. Its customers are already over there. If an effort is not made soon by the industry to offer title services to its customers overseas assets, then maybe the customer will get used to the idea of doing without these services.

American business started to go global after WWII. Major corporations like Ford, General Motors, and the oil companies were quick to see the opportunities before them, but the big push by Fortune 500 companies came in the

1950's and 60's. Since then, most of this category of industrial and commercial giants proceeded to establish assets abroad. Then the great hotel groups followed to provide lodging for the traveling American executive, and fast food franchises sprang up like mushrooms in the night to help our weary traveler feel at home. They were soon followed by insurance agents, accountants, consultants, and law firms, who were all anxious to serve the needs of their customers from back home.

While the first overseas expansion was mainly confined to major corporations, in this new revolution it is the small- to medium-sized companies who are now going overseas, and it should be the independent title agent who leads the charge to get this global business. The agent who recognizes this will make contact with the end buyer, the original insured, convince them of the value of their services, and then follow them along their international trade routes, wherever they may go. It is the bread and butter insureds of the title industry who are going global.

To put things into perspective as well as to remind us how widespread this phenomenon really should be, Tom Peters says that any firm doing over \$2 million in revenue should be in the global marketplace, and every firm over \$25 million "should be alarmed if it is not doing 25 percent of its business overseas." He wrote that in 1987.

It's different overseas

Outside the boundaries of the United States, the land registry system is mainly the responsibility of the central govern-



Michael Hick is Director of The Success Resource Center, Houston, assisting the title industry to achieve its growth potential and prepare for future opportunities. A professional speaker and consultant, he has spoken at numerous state association conventions, ALTA Executive meetings, and many underwriter management seminars. He has worked as a consultant overseas on behalf of title underwriters expanding their global operations. He can be contacted at (713) 465-9697. Email address is global@MichaelHick.com.

ment, and the process of conveyancing is in the hands of lawyers. The systems and the protocol are inevitably locked in tradition, and the only legal recourse open to a property owner is against his lawyer. Lenders depend on the central registry for confirmation of title and sue the lawyers in the event of negligence in the conveyancing procedure, very few title claims ever seem to develop against the land registry. It is, of course, like suing the government. In many countries such as The United Kingdom, Canada, Australia, and New Zealand the Land Registry provides Title Certificates supported by the full faith and credit of the Government. This method is known as the Torrens System, named in 1858 after a South Australia public official Robert Torrens. Torrens explained that "an act of registration alone created title and that title was indefeasible".

The Torrens System has its roots in the confused conditions of colonial settlement. The question is "Can it handle the flexible and litigious conditions of modern business and the rapidly changing world of lenders?"

The English system is a case in point. The United Kingdom Land Registry was established in its present form over 100 years ago. It works within law drafted around the Torrens System. Solicitors have access to the registry on-line if they have the facility (very few do) and they provide contract preparation and search services to their client, the buyer. This same solicitor also acts for the lender and the seller also appoints their own solicitor to deal with contractual issues.

This age-old procedure worked without customer complaint for many decades, except for the subdued moaning about the high costs of solicitors, until the property reversals of fortune of the mid-1980's revealed some serious conflicts. Lenders started to sue the solicitors who acted for them in transactions that turned into foreclosure on the grounds of negligent review of the initial proposal – in other words, getting the lender into bad loans. They also sued valuers (appraisers) for over-valuation of property against which loans were made.

The result of all this litigation, which was unusual for England, was that the Solicitors Indemnity Fund, which is the only carrier an English solicitor can use for primary professional liability, ran into deficit on their claims account to the tune of almost 4 million pounds and growing. British lenders have become increasingly concerned about depending on litigation recourse and are now considering how some

form of title insurance can give them better protection. Likewise solicitors are becoming increasingly concerned about their exposure and are now actively buying "Defective Title Insurance" on those risks which present special problems which, in England, can be obtuse and complex often wrapped up in long forgotten historic rights and privileges.

The UK is a perfect example where the understanding of the principles of Title Insurance coupled with support technology, can best be provided by the US Title industry. Of course there has to be considerable modification, localization and improvisation, but the understanding of primary lenders needs and the concept of one-stop property transfer is at the heart of the American title experience, which is an intellectual property in serious need of export.

Innovative opportunities

Not only have many of your customers gone global, but the secondary mortgage market is springing up in every international nook and cranny. This entrepreneurial and innovative activity is largely American owned and managed, and financed by global funds. Here is a splendid opportunity for enterprising title professionals to sell the security and services of title insurance to a market that already understands its values.

The Second Annual Investors Summit on Global Asset Securitization was held June 24 - June 27, 1998 in Barcelona, Spain. It attracted over 700 delegates from worldwide banking, professional accounting, secondary lending, international law, insurance and reinsurance, property lenders, and building societies. There was nobody there from the U.S. title industry. Why? Securitization is an American invention. Its concepts are spreading around the world like wildfire. Title insurance can be part of the securitization system, but the industry needs to be sitting at the table when the first international deals are being consummated. Here is a massive new global opportunity, which rightly belongs in part to the U.S. title business.

After the fall of Communism, there was a gigantic task to be undertaken in the work of land reform and conveyance of real property. In a back to basics effort to establish systems and laws, the countries of Eastern Europe, helped by a U.S. title underwriter, are making strides to assemble information and put in computer systems. In Hungary one underwriter, working with the government sponsored

enterprise fund, has installed a system to register government land and to develop tax information from tax maps. An intriguing program for farm management springs from the software of a U.S. title company. Data processing of farm fertility assisted by satellite tracking and mapping provides valuable information to bankers considering loans for farmers. In Slovakia, title industry-developed software is building the country's ad valorem taxation systems.

The "New Democracies" of the world have only the United States to look to for guidance, for advice, and for practical help as they move uncertainly into the wilderness of the free economy. The very basis of a free economy is the private ownership of land. The title industry is working with the U.S. Agency for International Development in some of the new republics of Eastern Europe by helping them to

establish land registry systems. As the old collective farms are sold for token sums to the families who have farmed them for generations, title professionals from America are issuing certificates of ownership. A look at a photograph in the **Spring** 1997 edition of **Stewart Times**, a publication of Stewart Title Guaranty Company, shows the proud, smiling faces of the new owners of Nisporeni Farm, Moldova, clutching their documents on closing day. To be able to participate in and even create these momentous occasions makes the effort worth while, because when it all comes down to it, it is not just for money, growth, or the bottom line. It is for the sure knowledge that the system of land title transfer, as invented and developed by the U.S., is worth exporting to the world, and is a gift of profound benefit as well as a wealth of opportunity. 🇺🇸

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Springtime in the Big Easy

1999 ALTA Mid-Year Convention

By Liza Trey
Director of Meetings & Conferences

Welcome to New Orleans, and “laissez les bons temps rouler.” Translation: “let the good times roll.” Join ALTA for title industry discussion and education at the ALTA Mid-Year Convention, March 29-31, at the Inter-Continental Hotel just three blocks from the French Quarter.

Our featured General Session speaker, P.J. O'Rourke, will entertain and enlighten everyone on Wednesday morning. O'Rourke is called “the funniest writer in America” by both *Time* and *The Wall Street Journal*. P.J. is quoted in *Penguin Dictionary of Humorous Quotations* more often than any other living person and is firmly established as the country's premier political satirist and best selling author. In addition to the informative General Session on Wednesday, Tuesday is devoted to educational programming.

Travel Arrangements

Hotel accommodations may be reserved by calling the Inter-Continental Hotel at 1-800-445-6563, and identifying yourself as an ALTA Mid-Year Convention attendee. Rates are \$144 single and \$158 double, excluding tax. The hotel cut-off date is March 5, 1999.

Delta Airlines (1-800-241-6760) has been designated as the “official” carrier for the Convention and may be contacted regarding discounted fares. Please refer to star file #120411A, when you call the airlines.

New Orleans Style

Rollicking streetcars and the Roman Candy Man. Lively parades with giant



floats and marching bands. Fireworks, colorful museums, and spooky haunted houses. Nature centers, petting zoos, aquariums, and river boat rides—is this the Magic Kingdom? No, this is New Orleans, with a rich cultural heritage added for spice and flavor—a total package that must be experienced first-hand to be appreciated. This bayou city blends the mysterious and magical with the majestic and historic. Attendees can roam through the centuries-old French Quarter, taking in a carriage ride while listening to tales of voodoo queens and pirates.

The more adventurous can catch an alligator-packed swamp tour. Add to this list the numerous plantations, specialty tours, wonderful restaurants, shopping and seasonal festivals, and any convention attendee will feel right at home. Welcome to N'awlins! 🦩



Photos courtesy of New Orleans Convention and Visitors Bureau

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America's Mortgage Loan Registry

MERS Welcomes You to the MBA's 85th Annual Convention

By R. K. Arnold

Hello again. MERS continues to make steady progress toward our goal of becoming America's Mortgage Loan Registry.

There are many reasons why the MERS concept is working now: MERS as Original Mortgage (MOM) was critical to establish a solid value proposition that our members could accept, recapitalization was essential to give us the staying power to accomplish our mission after a slow start, and commitment from the MBA, Fannie Mae, Freddie Mac and other industry leaders really made a huge difference.

MERS is very much a team effort, and the team looks forward to serving you - the members. We want to say thank you again for all the support MERS has received from the mortgage industry and, in particular, to Marc Smith, MBA president, whose support this year was so key to our success.



MERS Executive Team. Standing, L-R: R.K. Arnold, Bill Hultman. Seated, L-R: Carson Mullen, Dan McLaughlin

Temple Inland Hosts Third MERS Integration Forum

By Dan McLaughlin

Congratulations to Angie Kolb of Temple Inland Mortgage for hosting a very successful MERS Integration Forum in Austin, Texas on September 22 & 23.



MERS is America's Electronic Loan Registry System

Over forty people from eighteen companies attended the forum, which allowed members to share information and experiences on how to effectively integrate MERS into their business and sitemaps environment. Representatives from MERS, EDS, Alltel, Fannie Mae and

See 'Integration Forum' on next page...

This Month

- MBA Convention1,2
- Integration Forum1
- Foreclosure Update ..1
- Integration Corner2
- Help Desk2

Foreclosure Update

By Sharon Horstkamp

The pioneers on the foreclosure trail continue to move ahead and forge new ground. Currently, there are 105 mortgage loans being foreclosed in the name of MERS. This covers 25 states; half of which are judicial states and the other half non-judicial states. The non-judicial states tend to have shorter time frames from start to finish and, therefore, we should see foreclosures completed in the non-judicial states first. We already have five foreclosures successfully completed in California, Georgia and Texas.

The local foreclosure counsels that handled the completed foreclosures did not report encountering any difficulties along the way. Four other non-judicial states — Michigan, Missouri, Minnesota and Arizona — are targeted to have foreclosures completed in the name of MERS during the month of October. In the judicial states, the statutory time frames mean that it will tend to be longer before a foreclosure is completed.

We encourage members to get their foreclosure departments involved with the implementation process. It is important that loans with MERS as the mortgagee of record are flagged so the member can give proper instructions to their foreclosure counsel. MERS welcomes the opportunity to speak with foreclosure departments and foreclosure counsel to ensure that every member enjoys a smooth ride on the foreclosure trail.

Some members grant signing authority to their foreclosure counsel to sign necessary foreclosure and/or bankruptcy documents on their behalf. To facilitate this practice,

See 'Foreclosure Update' on next page...

MERS is Traveling to the MBA's 85th Annual Convention!

Please stop by our Hospitality Suite at the Hyatt Regency:

Sunday 10/18/98 2-5 p.m.

Monday 10/19/98 3-5 p.m.

Tuesday 10/20/98 8:30-11 a.m.

Representatives

R. K. Arnold

Bill Hultman

Carson Mullen

Dan McLaughlin

Doug Danko

Weyman Lew

Connie Davies

We Look Forward to Seeing You There!

'Integration Forum'... continued from front page.

Freddie Mac provided updates to the attendees, fielded questions and resolved issues. NationsBanc Mortgage Corporation has offered to host the next MERS Integration Forum in the latter half of January 1999. Look for details in the next America's Mortgage Loan Registry.

AMERICA'S MORTGAGE LOAN REGISTRY

PUBLISHED MONTHLY

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CONTRIBUTING EDITORS:

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8201 Greensboro Drive, Suite 350,

McLean, VA 22102

The MERS Help Desk: Serving the Needs of our Members

By Weyman Lew

The MERS Help Desk is an integral component of the overall support a member receives from MERS. The Help Desk provides assistance with members' questions about how to use the MERS system, technical support on MERS connectivity, and support for MERS electronic mail and document images.

On October 1, the Help Desk's hours were expanded an additional three hours to handle the growing list of companies that have implemented MERS. The Help Desk is now staffed from 8:00 a.m. to 8:00 p.m. Eastern Time. (Previously, the hours were 8:00 a.m. to 5:00 p.m.). Members that need assistance after hours can contact the Help Desk via pager. After hours calls are returned within a half hour of pager notification. Help Desk hours will be further expanded as dictated by members' needs.

Members can request the MIN Cross-Reference Report from the Help Desk. This Report provides members with basic information on the loans they have registered on MERS against the loans boarded on a member's servicing system. The Report is made available in electronic format, tab delimited, allowing members to download the Report into an existing reporting system or into a spreadsheet application such as Excel. The Report can also be retrieved in hard copy format. Members can receive the Report free of charge once a month.

A member can also call the Help Desk if the member needs a customized MERS report. The member will need to provide the Help Desk with the specific data elements and sort criteria required. The Help Desk will work with the programming staff to determine what resources are needed to create the report. The Help Desk will then let the member know what the cost will be for producing the customized report.

The Help Desk is ready to assist all members with any questions, issues or requests that may arise.

Integration Corner: The Action Log

(Second in a Series)

By Carla Haase

There are many resources and tools utilized by members in the MERS implementation process. The Implementation Project Plan was explained in the first article of this series.

The Action Log, used in conjunction with the Project Plan, is a very effective tool in tracking questions and issues that occur as the Project Plan progresses. Centralizing these items in a common format shared by the whole Project Team and MERS assures that everyone is informed and makes certain that no issue is unresolved, no question goes unanswered, and nothing is overlooked. Usually the Project Manager maintains the Log and sends an updated copy weekly to each participant prior to discussing open items during conference call meetings.

Components of the Action Log are: who raised the issue/question, its description, who is responsible for the follow-up or resolution, description of status and resolution, and finally the date the item is closed.

Effective use of an Action Log promotes "buy in" from your project team members and greatly reduces the risk that unresolved issues surface just as you go into production.

A template designed in Excel is available from MERS, as is a hard copy that can be mailed or faxed. To request your template or copy, please call me at 703-761-1281 or e-mail me at carlah@mersinc.org.

Next in the Series: The Business Integration Specialist.

'Foreclosure Update'... continued from front page.

MERS has developed a special category of membership so that foreclosure counsel can be appointed as a certifying officer of MERS. This allows the foreclosure counsel to continue to perform their duties for mortgage loans that name MERS as the mortgagee.

Foreclosing loans in the name of MERS is still in its early stages, but at this pace it will soon be a routine practice nationwide.

MERS at the MBA

By R.K. Arnold

We had a very successful showing at the MBA Annual Convention in October. We want to say thank you to the MBA for featuring MERS at the Convention, and welcome to Don Lange as the new MBA President.

MERS has solid name recognition within the mortgage industry, so even though many people need more detail about MERS, most of them have heard of us. That is a big advantage. Our efforts at the Convention were geared to build off that name recognition. MERS as Original Mortgagee (MOM) was our theme.

In a typical correspondent scenario, lenders can save \$22 or more per loan by using MOM on the security instrument. From that point forward, MERS acts as nominee for the servicer and lender in the county land records. That way, MOM eliminates all assignments when the loan is transferred to the wholesaler.

The current servicing rights are always reflected on the MERS® System. With MOM, the mortgagee of record never changes for the life of the loan. Even foreclosures can be done in the name of MERS.

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MERS Ready for Private Rated Securities

By Bill Hultman

Following extensive discussions with all of the major rating agencies (Standard & Poor's, Moody's, Duff & Phelps and Fitch), mortgage loans registered on the MERS® System are now eligible for inclusion in pools of private rated securities. In other words, now members securitizing non-conforming and second mortgages can register those loans with MERS. MERS eliminates assignments to the trustee for rated securities.



MERS is America's Electronic Mortgage Loan Registry System

MERS is creating a wholly owned subsidiary to act as the mortgagee in the public land records on behalf of the servicer and lender. The subsidiary will operate under the name "Mortgage Electronic Registration Systems, Inc." to minimize operational changes and make the change transparent to our members.

Fannie Mae and Freddie Mac have also approved the use of the same subsidiary to serve as mortgagee of record for mortgage loans owned by them.

Introducing MINGen™

By Dan McLaughlin

You asked. We delivered. We are introducing MINGen™ for those MERS members that need a stand-alone tool for generating Mortgage Identification Numbers (MINs). MINs are unique-life-of-loan 18 digit numbers that a member assigns to loans registered on MERS.

MINGen™ (developed for MERS by Mortgage Dynamics, Inc.) allows you to:

- ◆ generate MINs using a 10 digit numeric sequence number that you provide or MINGen will automatically assign a sequence number
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- ◆ print MINs on labels and print a report on MINs generated
- ◆ sort and display generated MINs using a variety of sort criteria
- ◆ export and import MINs from other systems
- ◆ assign passwords to individual users and restrict functionality per user
- ◆ learn how to use each feature through on-line help

MINGen™ is easy to use, inexpensive and can simplify your MERS implementation process. You may purchase a license for a single desktop computer or for use on a local area network. For more information, call us at 1 800 646 MERS (6377).

Foreclosures Complete by State

| | |
|--------------|-----------|
| CA | 5 |
| GA | 2 |
| NV | 1 |
| TN | 1 |
| TX | 3 |
| Total | 12 |

Foreclosures Active by State

| | | | |
|--------------|------------|----|---|
| AK | 1 | MS | 0 |
| AL | 1 | MT | 0 |
| AR | 2 | NC | 0 |
| AZ | 1 | ND | 0 |
| CA | 57 | NE | 0 |
| CO | 1 | NH | 0 |
| CT | 0 | NJ | 3 |
| DC | 1 | NM | 1 |
| DE | 0 | NV | 4 |
| FL | 16 | NY | 6 |
| GA | 2 | OH | 3 |
| HI | 1 | OK | 7 |
| IA | 6 | OR | 8 |
| ID | 1 | PA | 8 |
| IL | 8 | RI | 0 |
| IN | 2 | SC | 3 |
| KS | 1 | SD | 0 |
| KY | 1 | TN | 0 |
| LA | 0 | TX | 4 |
| MA | 0 | UT | 1 |
| MD | 1 | VA | 2 |
| ME | 0 | VT | 0 |
| MI | 2 | WA | 1 |
| MN | 2 | WI | 4 |
| MO | 1 | WV | 0 |
| | | WY | 0 |
| Total | 163 | | |

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Integration Corner: The Business Integration Specialist

(Third in a Series)

By Carla Haase

As a member begins the Implementation process, it can appear that "you can't see the forest for the trees." That's why MERS assigns one of its employees, called the Business Integration Specialist (BIS), to every account as your guide for your trip through those trees.

Okay, so what does your BIS do for you? Here is a partial list: assists the Project Manager with defining your implementation strategy, determining your project team members, developing your project plan and task lists, and analyzing your business processes and systems requirements; provides manuals and other materials, contact names and phone/ e-mail addresses, explanations, and information on avoiding pitfalls; offers support, encouragement, a problem-solving attitude, and the benefit of the experience gained from working with other members.

The BIS also works with you and the EDS Integration Specialist to ensure that all technical requirements are met.

In other words, your MERS BIS is your key to one-stop shopping for all MERS services.

Next in the Series: The Weekly Conference Call

Foreclosure Update

By Sharon Horstkamp

The Pioneers on the foreclosure trail have cleared the way for other members to follow. They have now successfully foreclosed mortgage loans in the name of MERS in Nevada and Tennessee. These states are in addition to successful foreclosures in California, Georgia and Texas. To date, twelve (12) loans have been successfully foreclosed in the name of MERS in five (5) states.

In the past month, many other loans were set for foreclosure sale, but as mortgage lenders like to see, they reinstated. The reinstatement of a loan in foreclosure magnifies the advantage of foreclosing mortgage loans in the name of MERS. There is no assignment from MERS to the Member when loans are foreclosed in the name of MERS, so the loan can remain on the MERS® System and there is no need for an assignment back to MERS if the loan reinstates.

The tables at left show that there are currently 163 loans being foreclosed in the name of MERS nationwide. We haven't received any reports of problems with the progress of the foreclosures in any of the respective states. We will make available a state by state MERS recommended foreclosure procedure manual this month for our members to distribute to their foreclosure counsels.

Members to Test MERS® System for Y2K Compliance

By Weyman Lew

The MERS® System was developed during the period of April 1996 through April 1997 and was built to be Year 2000 compliant. Beginning in November, six members will be testing the MERS® System for Y2K compliance. Testing will span eight business days. The objective of the test will be to allow participants to enter transactions involving the year 2000 and to prove the readiness of the MERS® System for Y2K compliance. The MERS® System already has undergone two successful rounds of Y2K testing without any defects found. Most of the participants were involved in user acceptance testing of new releases of the MERS® System. Participants will be provided with a test script covering hundreds of different MERS transactions. Participants will also execute ad hoc test scripts to ensure complete testing of the system.

Test participants were selected from active members and those that will implement MERS in the near future. We do not anticipate the need for a new release of MERS® System software.

Please call Weyman Lew at (703)761-1273 if you have any questions regarding Y2K testing of the MERS® System.

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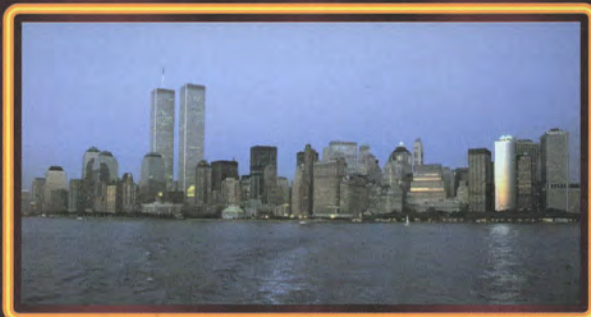
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MEET ME ON

The unmistakable silhouette of the New York City skyline set the stage for ALTA's 1998 ANNUAL CONVENTION. The newly renovated Times Square proved an entertainment highlight for the 900 ALTA members and guests who attended the Convention, many of whom also took in the sights and sounds of Broadway. In the "City That Never Sleeps," Convention attendees networked with colleagues, attended educational sessions, debated current legislative and industry issues, heard stimulating speakers, and experienced fine dining and sightseeing. Photos by Ken Abbinante.



Clockwise from top, the New York City skyline, Bill Moize and his companion pause for refreshment, exhibitors show members new technology, attendees enjoy a cruise along the Hudson River, TV celeb Matt Lauer chats up Marie McDougal, and John Dozier discusses ALTA's new website with Patrick Walsh.

BROADWAY

Working, touring, transitioning...

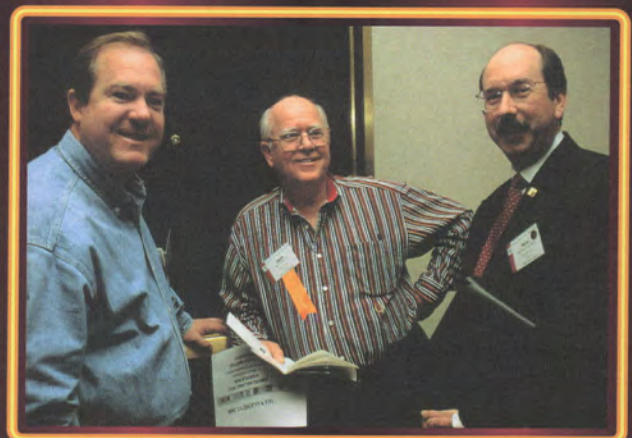
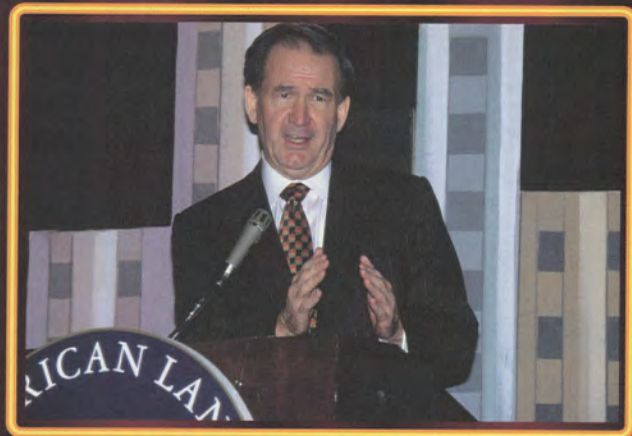


Clockwise from top left, Abstracter/Agents Section Executive Committee Meeting, more interesting exhibits, Gerard Knorr and Cathy Wiese explore history at Ellis Island, outgoing President Malcolm S. Morris recognizes incoming President Joe Parker, ALTA members take in the sights in Times Square, and President-Elect Charlie Foster, Linda Parker, Betty Foster, and President Joe Parker (left to right).

MEET ME ON

MANY THANKS TO CONVENTION SPONSORS STEWART TITLE AND

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Clockwise from top left, Malcolm S. Morris and Karen Brown showoff a prize; Pat Buchanan regales the crowd with political tales; TIPAC Chairman Mike Wille presents 1998 TIPAC Abstracter-Agent Fundraising Award to Dan R. Wentzel (ALTA past president); left to right Jack Rattikin, III (ALTA past president), Jack Rattikin, Jr., and Ken Lingenfelter; Malcolm S. Morris and Mario Cuomo; and Agency Management Education Discussion Group.

BROADWAY

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*G*littering, gliding, glowing... a gala extraordinaire!



Clockwise from top left, a kaleidoscope of dancers at the Banquet, Jim Kramer and his companion, ALTA belles and their beaux, Frank and Mary Drelicharz, an ALTA chorusline closing out the Banquet, and Cindy King dancing with her son.

MEET ME ON

*M*agnificent mugshots... can you name these people?



BROADWAY

Maybe your picture is here!



Don't miss the fun in Colorado Springs in 1999. Mark your calendar NOW for the
1999 ALTA CONVENTION, OCTOBER 6-9, 1999.

Becoming A 21st Century Leader: Prepare Today to Meet Tomorrow's Challenges

By Dr. James Canton

A new era is emerging. An era that requires a new breed of leader. This new leader needs to have the ability to change and adapt quickly, with a future-smart eye on what is possible. The 21st Century Leader recognizes that without keeping an eye on the future, you may be doomed to remain a prisoner of the past. With this eye on the future, the 21st Century Leader welcomes innovation, embraces change, and thrives on chaos.

The 21st Century Leader also recognizes that only the smartest will survive the immense challenges of the future. The good news is that by preparing today we can successfully meet the challenges of the future. But what skills are necessary to survive in the it? What do you need to do today? How will this affect you? Why should you be concerned now? By developing a futurist-leader's perspective, managers will learn new strategies for dealing with people and organizations.

Think You're Too Busy to Worry About the Future?

Many leaders in business today seem so overwhelmed with their current workload that suggesting they prepare for the future may seem impractical. Just the opposite is true. By preparing today to meet tomorrow's challenges, we set in motion a new leadership paradigm, one that will help better cope with today.

Understand the Challenge

We cannot hold back the forces of change. We cannot deny that our society and the very nature of business are changing daily. Yet some leaders resist change. Global commerce is redefining business in a virtually borderless world. But regard-

less of all of these changes, organizations will still need leaders to lead. The role of the leader in the 21st century will be even more critical to the success of the organization than it is today. Business will become more stressful, competitive, and chaotic. Leaders will be called upon to find order in chaos, fulfill customers and employees, and plan for tomorrow. It is the leaders who are the glue that will hold together the organization. Their intelligence and above all their ability to adapt will be valuable assets.

Embrace Change

There are leaders today that feel out of step with the future world that is growing up around them. These leaders need to learn new skills and new mindsets if they are to survive today and in the 21st century. It would be safe to assume that the 21st century will not be an easy, enjoyable, or stress-free time for business. But it will also be a time of great challenges, opportunities, profits, innovation, and imagination. Those leaders who understand this and have the foresight to prepare today to lay a foundation for learning, will be ahead



Dr. James Canton is a leading futurist, digital entrepreneur, and author. His area of expertise is the future of technology and its impact on business, individuals, and society. Dr. Canton will be speaking at the ALTA Technology Forum and Expo on Sunday, February 7, 1999 at 4:00 pm in Orlando, Florida.

of the game. Those that operate business as usual will be left behind. Preparing today for future challenges is a strategic endeavor worth every leader's effort. Rather than deny the changing forces that are ushering us into the 21st century, leaders need to learn to ride these waves. By using change as an ally, even chaos can be instrumental to a leader's game plan.

Adapt Intelligently

Above all else, the leader's ability to adapt to change will be a learning process. Much of the learning technology needed to fully cope with the challenges of the 21st century has yet to be developed. Nevertheless, a leader's openness to change, capacity to take risks, ability to experiment, openness to new ideas, and appetite for innovation will greatly help. This is an exciting time to be a leader. The 21st century welcomes us.

Prepare Strategically

We need to develop a strategy so that we can navigate through these uncertain times. Remaining cautiously optimistic is not enough. A 21st Century Leader needs a 21st Century strategy. Regardless of how chaotic, confused or stressful the 21st century will be, by preparing today, leaders can successfully meet the challenges of the future. Don't wait for the future to sneak up on you. A changing workforce, increased competition, a shifting marketplace, and a lackluster economy will all contribute to the high stress roller coaster ride into the 21st Century.

Being a 21st Century Leader means having a winning strategy that can maximize your leadership performance today and tomorrow. 🦋

Congressional RESPA Inquiry Reaches Out to Real Estate Industry

By Ann vom Eigen
ALTA Legislative Counsel

ALTA continues to educate members of Congress about the implications to the title industry of possible changes to the Real Estate Settlement Procedures Act and the Truth in Lending Act (RESPA/TILA). Representing ALTA members, spokesman Louis C. Meyer, Jr., President of NIA/Lawyers Title, testified on September 16 at joint hearings of the Housing Subcommittee and Financial Institutions Subcommittee of the House Banking Committee. Mr. Meyer asked Congress to defer any consideration of mandatory packaging of real estate closing services and costs until a full study can be made of the possible impact on consumers. He suggested that Congress should act only after developing full information on:

- 1) whether or not a freezing of the present settlement system would result, which would limit on-going technological advances in the delivery of closing services;
- 2) whether specific reform proposals could limit consumer choices and comparison shopping;
- 3) whether "packaging" could result in lower quality closing services from fewer providers;
- 4) whether reform proposals could result in kickbacks and referral fees with no consumer benefits.

Committee Chairs Marge Roukema (R-N.J.) and Rick Lazio (R-N.Y.) both expressed concern about approaches analyzed in the Federal Reserve and HUD report (FED/ HUD Report.) Rep. Roukema expressed concern that the proposal creates not only potential conflicts of interest between the packager and service provider, but also

raises questions about the quality of services provided. Chairman Lazio wondered if "there was a simpler way to address disclosure among all the lenders and service providers rather than what, [in the FED/ HUD Report] appeared to be a negotiated treaty among warring parties in the mortgage finance system." He also noted that the Report did not directly address the relevance of Section 8, the anti-kickback provision of RESPA.

The Subcommittee heard from a variety of stakeholders in the issue with widely different views on the scope and substance of reform. Many witnesses testified on a variety of aspects of reform as well as the FED/ HUD Report itself. This discussion will focus on only those aspects of the testimony likely to be of most interest to the title industry, primarily the reactions to the Section 8 proposal included in the

FED\ HUD Report.

Doug Webb, Vice President and General Counsel of Citibank, testified on behalf of the Consumer Mortgage Coalition in favor of broad-based reform, including changes to the origination process for disclosure, remedies for disclosure violations, and Section 8 issues. In addition, he promoted consumer protection policies, including foreclosure reform, limitations on specific loan terms and products, and prohibitions on certain practices. Of key concern to the title industry are proposals to pre-empt state laws which, if left untouched, would "preclude the uniform and consistent nationwide operation of new Federal provisions," according to Mr. Webb. Such state laws restrict business affiliations and require originators to allow borrowers a choice among available service providers.

The National Association of Mortgage



Louis C. Meyer, Jr., testifies before the Housing Subcommittee and the Financial Institutions & Consumer Credit Subcommittee.

SMART TITLE SOLUTIONS



Introducing Smart Title Solutions. For your information.

If this were a simple FYI., 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

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Brokers (NAMB) witness, Mr. Neil Fendly, focused on the yield spread premium issue, noting that one of NAMB's key reform proposals focused on elimination of Section 8 referral fee restrictions on services required by the originator to make the loan. Home equity lenders reported that the dual disclosure allowing lenders to guarantee loan closing costs or provide a modified good faith estimate would not simplify the loan process for the consumer. The combined testimony of several lender groups, including the Consumer Bankers Association, American Bankers Association, and the Independent Bankers Association, argued that Section 8 relief is necessary for lenders to guarantee closing costs and supported the concept of coupling guaranteed closing costs with Section 8 relief. However, these groups also noted that their members were "not of one mind" as to the merits of mandating guaranteed closing costs as opposed to permitting institutions to offer a guarantee as an option to the current good faith estimate.

Real estate industry representatives, including Rick Synder, Chair of the National Association of Realtors (NAR) Presidential Advisory Group on RESPA/TILA Reform, testified that in order to qualify for a Section 8 exemption, the FED/HUD Report requires a disclosure to the consumer that includes the rate, points, and package price, an approach that could prevent a Realtor (or any other potential packager who lacks a lending source) from marketing their services directly to the consumer. NAR also testified that it would support the ability of a packager to supplement a basic package with additional services such as a home inspection or warranty while retaining the section 8 exemption for the entire package. NAR also noted that failure to disclose the services within the settlement package was a real weakness with the FED/HUD report. Peter Hunt of HUNT Real Estate, testifying on behalf of RESPRO, agreed with NAR that packaged services should be optional not mandatory, that any provider should be able to package, and that services included in the package should be disclosed.

Consumer groups, represented by Margot Saunders of the National Consumer Law Center, noted that the large mortgage lenders have been pushing hard for a change in the law which would mandate a guaranteed closing cost package without a guarantee for rates and points. Ms. Saunders compared this to marketing tires to car buyers before they purchase the car – a borrower would apply for the loan based on the guaranteed closing cost package, without receiving any guarantee of the interest rate or points.

In analyzing the potential effects of some of the RESPA reform proposals, Mr. Meyer noted that the industry has evolved beyond an exclusively title focus. Mr. Meyer noted that ALTA's 2,400 members and their 100,000 employees are extensively involved in numerous aspects of residential real estate transactions. For example, many members now provide appraisals, credit reports, escrow services, flood certifications, relocation services, and closings. Through partnerships and affiliations, the title industry is effectively providing the one-stop shopping that has become a theme of the real estate industry. In recent years, the title industry has also invested heavily in technology, as automation can dramatically increase the efficiency of service delivery. An internet-based system for nationwide communication of title information is also part of his own company's operation.

Mr. Meyer also noted that ALTA had significant concerns with one aspect of the Report and with proposals aired in the Mortgage Reform Working Group—the concept that lenders package settlement services and guarantee the costs of the package. First, the Report is based on a presumption that the lender is the consumer of settlement services. Rather, the buyer and seller, who often negotiate among themselves, are actually the true consumers of settlement services. For example, in two-thirds of the country, the

seller pays for title insurance. The guaranteed loan closing cost proposal would shift that cost to the borrower. Also, consumers do shop for settlement services. Pointing out that a recent Gallup survey showed that 48% of consumers actually shop for title insurance services, Mr. Meyer noted that this trend might grow as consumers use the Internet and other technology resources to shop for real estate services.

ALTA hopes that Congress will carefully examine the basic premise behind packaging. Even the Federal Reserve Board has noted that having the lender as an intermediary in the purchase may be less efficient than having the consumer transact directly with the provider of the title service. In his testimony, Lou Meyer concluded that the precepts of the packaging proposal outlined in the report contradict a basic principle of mortgage reform: **The proposed exemption from section 8, the anti-kickback provision of RESPA, described in the Federal Reserve Board and HUD Report, would not require lenders or others who might package closing services to disclose the services or costs of products actually provided in the package.** It would allow lenders to charge hidden fees, which would not be linked to services. ALTA urged the Subcommittees to fully evaluate these proposals before introducing legislation that effectively mandates lender packaging. 🐾



The Honorable Marge Roukema, (R-NJ), Chairman of the Financial Institutions & Consumer Credit Subcommittee, speaks with Lou Meyer; Ann vom Eigen, ALTA Legislative Counsel; and Hank Shulruff, Attorneys' Title Guaranty Fund, Inc.

Presidential Profile:

Joe Parker

Continuing cooperation between title underwriters and independent agents in the marketplace as they address major needs and issues through ALTA are critical elements seen for the future of the title industry by the Association's newly installed president, Joe Parker.

Shortly before taking office during the recent ALTA Annual Convention, the 1998-99 president in a *Title News* interview said it is important for members of the Association Abstractor-Agent and Underwriter sections to recognize that, while understandably diverse as constituents, they have strongly similar interests to pursue through the Association when it comes to government affairs, education, technology and the providing of information.

Leading examples of this need, the North Carolina title agency president said, are the challenges calling for vigorous title industry opposition to Congressional proposals calling for mandatory lender packaging of title services—including a projected exemption from RESPA Section 8 kick-back prohibitions for lenders who comply. The possibilities for conflict of interest and anti-competitive activity, along with an apparent disregard for consumer protection, make mandatory packaging an amazing concept in the view of this real estate lawyer whose background also includes service as a supervisory underwriting counsel for a national title insurer.

Also continuing to rank high among ALTA priorities on Capitol Hill, the new president said, is opposition to proposals that would allow national banks wide-ranging authority to sell title insurance. Before any federal legislation is enacted to extend bank sale of title insurance, it must be tempered to allow



Joe and Linda Parker in Winston-Salem, NC, with the Wachovia Corporation National Headquarters in the background.

independent title companies and banks to competitively co-exist, he added.

"Nothing is more important at present than increasing our membership and having Active members help with our ALTA positions on federal legislation in Washington," President Parker commented. "Unfortunately, I find that too many of our members simply do not appreciate the tremendous effect that a few issues in Washington can have on our entire industry."

A state regulatory issue receiving strong support from ALTA and President Parker in previous years, during his service as Association Abstractor-Agent Section chair, was a National Association of Insurance Commissioners proposal to develop a Title Insurance Agents Model Act. Although the total Model Act has received scant approval from individual state legislatures to date, the ALTA president considers the effort to encourage its development entirely worthwhile.

"Many states have adopted parts of the Model Act, but not its controlled business provisions," he said. "Our time was not wasted for two reasons: (1) Parts of the Model Act were considered and adopted, and the thoughts and philosophy behind it were placed in the forefront; (2) Our related appearances before the NAIC gave us needed exposure to insurance regulators, many of whom were not familiar with the various aspects and functions of the title industry."

Maintaining Survival Strategy

Viewing the title business from his nationally-focused vantage point, the president of Parker Title Insurance Agency, Inc., Winston-Salem, NC, is keenly aware of ALTA's role in helping independent agents maintain a survival strategy through education and awareness in the current fast-moving times.

"I think it was (ALTA Past President) Dan Wentzel who said a while back that he could not imagine a title insurance agent not wanting to be a member of our national Association," President Parker commented. "If we as agents do not keep up with what is going on nationally, and how we are being affected by matters outside our own immediate area, I do not think we will survive."

As title business becomes more national in scope, with increased influence from larger customers and title underwriters, President Parker is expecting technology-driven change to continue its

profound impact on the shape of the industry. The effects are being felt in markets where traditional methods might be regarded as having a firm foothold, including his home state of North Carolina.

"In my state, practicing attorneys or their paralegals continue to examine titles directly from the public records," he remarked. "We have a statute here which requires a title opinion by a practicing attorney, who is not an employee of the title company, prior to the issuance of a title policy. When I tell people in other parts of the country—particularly the midwest or the west—about this, they find it hard to believe. I think technology is going to have very noticeable effects on legal practice in the areas of title examination and closing, here and elsewhere."

Among leading topics now requiring concentration from agents around the country, he said, are faster and more efficient customer service through technology and—in some locales, at least—forming strategic alliances with competitors or former customers. ALTA's agent seminar on strategic alliances held this past summer is an excellent example of what needs to be offered in the way of

preparatory opportunity, President Parker added.

"Our ALTA committees must work together," he remarked. "For instance, the Education Committee needs to continue teamwork with the Land Title Systems Committee in offering up to date and meaningful information concerning technology. This was aptly done at our introductory Land Title Institute Technology Forum & Expo early this year, and will be repeated at our 1999 Technology Forum next February."

The ALTA educational mission extends to liaison with regional and state title associations, President Parker said.

"I still attend regional and state title association conventions where information seems to be lacking on what ALTA can provide them," he remarked. "We need to emphasize for some of these associations the importance of having their members be ALTA members as well. Because of the advancement of technology and the influence of national title customers including lenders, our business is fast becoming national in scope. It makes good sense for these regional/state members to be linked with ALTA as well."



President Parker is looking forward to continuing activity through the Public Relations Committee, which is geared toward improving the understanding and acceptance of title insurance among priority audiences across the country, under an expanded mandate from the Association Board of Governors.

"Many people around the nation certainly do not understand that title offices are actively involved in examining and clearing titles, issuing title insurance policies, serving as escrow agents, and closing transactions," he said. "Members of the Public Relations Committee will be hard at work on improving this favorable awareness. Also, the committee is scheduled to conduct a professional communications audit by an outside firm, which will help us determine the present effectiveness and future direction of ALTA media."

As an attorney, President Parker fully appreciates the determination in the recent ALTA strategic planning process that the Association Bylaws Committee be directed to re-examine the Bylaws with updating and necessary changes in mind, a task now being undertaken.

"Our Bylaws are the only document

our Association has upon which to rely for its organization and government," he said.

Marine Corps Influential

After spending his early years in the Durham, NC, area, President Parker attended Elon College on an athletic/academic scholarship before being offered an opportunity to receive a fellowship for graduate study at the University of North Carolina. Before he was able to pursue graduate studies, the Korean War intervened and he joined a friend in attending the Marine Corps Officer Candidate School at Quantico, VA. He spent four years on active duty before moving into the Marine Reserves for 22 years and ultimately retiring as a lieutenant colonel.

Although trained as an infantry officer, the ALTA president was sent to various military programs—including Atomic Biological and Chemical Warfare School. This ultimately led to Desert Rock, Nevada, where he was stationed and in exercises involving the explosion of the two largest atomic bombs detonated in the United States.

"Those two atomic bombs with their

tremendous fireballs, mushroom-shaped clouds, and soundwaves coming across the desert were the most impressive, unforgettable, yet at the same time frightening experience I have ever had," remembered Joe Parker.

Near the end of his military career, he was sent to Intelligence School, and while in the Reserves he served on the intelligence staff of the Commanding General of the Fleet Marine Force Atlantic. He was given a top secret security clearance, and his assignments included presenting briefings on various countries with regard to their economic, geographic, political, and cultural aspects.

Looking back on his military time, President Parker said, "you will never meet an ex-Marine who is not proud of it. I would not trade my experience in the Marines for any other. From the Corps, you learn lessons in discipline, self-sufficiency, and leadership as well as a certain amount of humility."

Through all his military experience, the ALTA president was not exposed to direct combat. However, his father's side of the family seemed to have a history of direct military involvement in wars. His grandfather, Jesse Parker, served in the Confederate Army during the Civil War, and his father, Joe, Sr., served in the Army during World War I. Joe, Sr., was wounded in the battle of Cantigny, was briefly hospitalized, then sent back to the front where he was wounded yet again in the battle of Soissons. "He never talked about it," said President Parker, "but I think he was one of many quiet American heroes, and he was proud of me when I became a Marine officer."

"Many of us feel a special debt to those in *all the Armed Services* who served in combat and in some cases made the ultimate sacrifice," he said.

Active military duty opened the door to law school for President Parker—and, subsequently, his career in the land title industry. Surrounded by classmates whose interests were focused toward Wall Street, trial or tax work, he found himself attracted to real property law. After graduation, he spent the next six years in real estate practice in two North Carolina counties—in a state where lawyers examine titles, give title opinions, draft documents, close transactions and give legal opinions on questions which may arise during transactions.

In the early 1960s, real estate attorneys were not paid a great deal.

"Therefore, my greatest day came when I ended up being a trustee on a deed



of trust which needed to be foreclosed, and I received not only a legal fee but the trustee's fee for performing the foreclosure," he said of those early times.

Underwriter Move Next

President Parker experienced a major change when the law firm with which he was associated disbanded when its senior partner, the "rainmaker," decided to run for Congress. At the time, he received an opportunity to join the legal staff of Lawyers Title Insurance Corporation in Richmond, VA, a company he had served as an approved attorney. This offer came through the late Bill Baker, general counsel, and Marvin Bowling, counsel who was later to be elected an ALTA president. Past President Bowling, who retired as company president; his wife, Ann; and the current company senior vice president and general counsel, Russ Jordan, and his wife, Andy, have been close friends of President Parker for 32 years. Also among his longtime close friends are Alton Russell, president of The Title Company of North Carolina, and his wife, Linda.

The new ALTA president spent the following 12 years with the Lawyers Title legal staff in Richmond—which began with issuing commitments and policies and later saw him moving into claims. Later, he was placed in charge of the Title Division of the company's home office, which handled policy underwriting and issuance. At the time, a majority of the Lawyers Title policies were issued from the home office. Later on, after the division was eliminated in a reorganization, he became a home office underwriting counsel, supervising the underwriting in 15 states including California, Texas and North Carolina, and handling a number of multi-state transactions.

Following the period in Richmond, President Parker returned to North Carolina, where he was placed in charge of the Winston-Salem office of an exclusive Lawyers Title agency. After 12 years there, he became president and general counsel for Lawyers Title of North Carolina and moved to Raleigh. The late James Poyner, the agency's majority stockholder, provided a significant influence.

"In Richmond, I had learned much about the legal aspects of title insurance but Jim Poyner taught me a great deal about being a businessman and the vital function of marketing and customer service," President Parker said of the Raleigh attorney.

During his years in North Carolina,

President Parker was very involved with the Real Property Section of the North Carolina Bar Association. He chaired their continuing legal education committee for real estate law, chaired the drafting committee for their new condominium act and was an annual lecturer at their CLE programs with regard to topics involving commercial and residential real property.

"The relationship between the title industry and practicing attorneys varies from state to state," he said. "In North Carolina, there has always been a close relationship and spirit of cooperation between the bar and the state title association."

When a majority of the agency stockholders decided to sell the organization

Looking ahead to his presidential year, the newly installed ALTA leader sees no decline in the importance of the smaller and middle sized, independent title agents.

to its underwriter, the new ALTA president began looking for an opportunity that would allow him to remain an independent title agent. The answer came in April, 1995, when he formed his present company in Winston-Salem, handling both residential and commercial transactions.

Part of the positive side of forming Parker Title, he added, has been working with the president of its exclusively represented underwriting company, ALTA Past President Parker Kennedy of First American Title Insurance Company.

"When Park was ALTA president, I enjoyed working with him as chairman of our Association Abstracter-Agent Section," President Parker commented. "Now, I have an excellent agent-underwriter relationship with his company."

Although he was well grounded in various aspects of the title business as he began Parker Title, the new president nonetheless found starting a new company to be an eye-opener.

"When you find yourself handling a great many tasks you formerly handed off to someone else, it is quite a change," he said. "Now, I am my own attorney, accountant, underwriter and marketer. In spite of all that, I would not trade this experience for anything. I now have empathy

for all the small and medium size agents around the country. I can readily relate to their problems as well as their accomplishments."

The new president has special appreciation for his wife, Linda, both in the operations of Parker Title and in his responsibilities as an ALTA officer.

"I am very fortunate that Linda is with me in all this," he remarked. "I absolutely could not do it without her."

The Parkers will celebrate their twentieth wedding anniversary with their four children next year. Their six grandchildren add a special joy to life.

Carolina Attractions Abound

Among the favorite places the Parkers enjoy visiting in their native North Carolina are its Outer Banks with their barrier islands, and the Blue Ridge Mountains of North Carolina and Virginia. The new president spent early high school and college summers working in those scenic mountains, either as a park ranger or as a life-guard at a lake—where he taught canoeing, boating, and swimming.

"There still is nothing I would rather do than put a canoe in a mountain lake or river, and spend a few hours enjoying nature," he said.

Joe and Linda Parker are proud of their city, Winston-Salem, a burgeoning financial and industrial center that also brings widespread admiration as a cultural and arts magnet. Adding to the sparkle there are Wake Forest University, rapidly growing in prominence with its medical school and medical center, and Salem College, an outstanding woman's college founded in 1777. Linda Parker is an alumna of Salem.

Looking ahead to his presidential year, the newly installed ALTA leader sees no decline in the importance of the smaller and middle size, independent title agents.

"They will always be important," he said. "Because smaller and middle sized, independent title agents have the local contacts and are able to deliver local, personal service. Technology, in the minds of some, is supposed to delete the importance of personal service. If you work in the day-to-day world of a smaller or middle sized town, you will have difficulty believing this. I talk with my customers every day about their title problems. If not with me, they usually talk with another title insurance representative. I do not see how that will be eliminated—or how anyone associated with our industry can conclude the need for smaller or middle sized agents will be eliminated." 



Las Vegas

*Title Agents
Executive
Conference
Yields Great
Opportunity
for Larger
Agents*

*A*re you paying \$1500 or more in ALTA dues? If so, you qualify for the Title Agents Executive Conference. Each year, "Large Agent" members of the American Land Title Association are invited to attend this unique and valuable conference. Attendees spend two days networking with their peers and learning to handle important issues affecting their industry.

In 1995, the Title Agents Executive Conference was created from the meeting formerly called the Large Agents Meeting. The Large Agents Meeting was originally created by ALTA members to better serve the needs of high-grossing independent agents. Because agents within this group typically staff multiple locations and employ far more people than the average ALTA member, their needs are unique. Members sought an open forum that would allow free discussion of similar issues. The *Title Agents Executive Conference* was created to serve that purpose.

Each year, the *Title Agents Executive Conference* meets at a different location, and a tour of a local title operation is the highlight of each conference. As a matter of fact, the decision of where to hold the Conference is based largely upon where the group would like to tour. Typically, the site selected for the tour is unique in some way, offering a glimpse into the future of the industry. Attendees are able to catch a glimpse of how their peers operate, and find it to be invaluable. Past meetings have been held in Denver and Chicago. The 1998 meeting was held September 21-22 in Las Vegas, Nevada.

The fastest growing county in the U.S. surrounds Las Vegas and is home to a truly unique title entity — a fully automated joint title plant. Conference attendees were most impressed with Clark County Title Services and its ability to get the job done. Manager Betty

Waters was proud to display her impressive operation, while attendees marveled at the productivity of her small staff and the speed with which they operated.

As with all ALTA education, top-quality programming is the goal. To achieve it, professional speakers and industry leaders are often invited to speak to the Title Agents Executive Conference. Below is a brief summary of the 1998 program.

1998 TITLE AGENTS EXECUTIVE CONFERENCE

Held September 21 and 22, 1998
Las Vegas, NV

DAY ONE

Presentation: Preparing Your Agency for an Audit

Larry Davis, Stewart Title
Guaranty Co.
Richard McCarthy, American Land
Title Association

Letting someone audit you is rarely a pleasant experience. Nevertheless, there are steps you can take to help make the process relatively painless. ALTA is happy to provide experts to help you organize your office. Knowing the keys to proper preparation will eliminate unwanted surprises.

Presentation: Attracting and Keeping Good Employees

Jane Strom, The Mulvaney Group

Today's employee needs more than a competitive salary to inspire loyalty. Join Ms. Strom, a professional consultant, as she offers suggestions on how to attract and keep good employees. A lively discussion among peers is sure to be the highlight of this presentation.

Cocktail Reception and Dinner

DAY TWO

Discussion: Future of the Independent Agent

Michael Hick, The Success Resource Center

At best, the title industry faces an uncertain future. Competition from outside the industry, underwriters competing for business with agents, and decreased demand for our products directly affect our bottom line. Join Mr. Hick in this interactive discussion as we plan to be a part of the future.

Lunch

Tour of Clark County Title Service

Clark County, Nevada, home to Las Vegas, remains the fastest growing county in the nation. To keep up with the ever increasing demand for accurate title services, the ten title companies operating within the county joined together to form a fully automated title plant. Clark County Title Service, the result of their efforts, is now **the only title plant** operating within Clark County. Each of the ten companies holds part ownership in the plant and may place orders for information or conduct their own searches on-line via a computer. Please join your peers for a tour of this unique operation.

Plans are already underway for the 1999 **Title Agents Executive Conference** to be held in April in Scottsdale, Arizona. The conference will again be scheduled on a Monday and Tuesday, allowing attendees to take full advantage of a weekend in Scottsdale. While the conference is free, each attendee must pay all individual expenses.

Attendance is by invitation only and is limited to ALTA members grossing \$1.5 million or more. To learn more about this unique and valuable conference, please call Kathleen Hendrix, Director of Membership and Marketing, at 1-800-787-ALTA.

Las Vegas Title Agents Executive Conference



Touring a local title operation is always a highlight of the Title Agents' Executive Conference.



Betty Waters, Manager of Clark County Title Service, explains how the joint title plant she manages operates.



La Donna Joyner, President and CEO of Bidwell Title & Escrow, shares her insights with fellow attendees.



Louis C. Meyer, Jr., and fellow break-out session attendees jointly explore solutions to business/industry issues.

ABTRACTER AGENT MESSAGE
continued from page 5

I hope that you will all feel strongly about the legislative issues coming up and will get involved. Inform your staff, family members, and friends about the issues concerning the title industry. Make contact with your key Representatives and Senators. Be sure that Ann Vom Eigen and Michelle Covell are aware of your work. Don't wait for someone else to do it for you. Step up. Be responsible. Your representatives on the Section Executive Committee have accepted this challenge as the leadership of the Section. You must, too. Get involved for the sake of your future!

Sincerely,




Cara L. Detring

MERS continued from page 9

As of the date of this article, foreclosures have been filed in the name of MERS in approximately 35 states. Foreclosures have successfully been completed in the name of MERS in California, Georgia, Nevada, Tennessee and Texas.

Conclusion

The Title Industry is already experiencing some of the benefits of MERS. Today, title agents are using the VRU to find out the name of the current servicer of a mortgage loan in order to identify the current servicer and to obtain pay-off information. As the volume of loans registered on the MERS System continues to increase, more and more title agents will turn to the MERS VRU. As for the future, enhancements are projected for the MERS System that will enable title companies and agents to retrieve information about the current servicer from a member-only internet website.

MERS has come a long way over the past few years from being a concept to reality. It was developed by and for the mortgage industry. Title companies, as members of this industry, need to be knowledgeable of MERS. If you would like further information on MERS, please contact MERS at 1(800) 646-MERS. 

Title & Closing Services

and §1031 Exchanges

for Commercial

& Industrial Properties



Ohio Bar Title

The Growth Company in Title Insurance

Ohio Bar Title Insurance Company
Corporate Headquarters
341 S. Third Street
Columbus, Ohio 43215
614-221-1401 • FAX 614-221-2491
1-800-628-4853

NAMES IN THE NEWS

The following individuals have been promoted to assistant vice president-level positions at Chicago Title and Trust Co. or one of its subsidiaries: **Brenda Cannon**, **Charles Carroccio**, **Debra Kahoun**, **John Menkel**, and **Mary Lee Shields**. Also promoted at Chicago Title were **Keith Lee**, now accounting officer, **Michelle Moloznik**, now escrow officer, and **Louis Williams**, now resident vice president.

At LandAmerica Financial Group and its subsidiaries, **John A. Magness** has been named president of Commonwealth of Houston, succeeding **Richard Yeager**, who is now president/ceo of Partners Title Company, also in Houston. **Foster Bertagno** is now counsel at Commonwealth of New Jersey.

In Florida, **Margaret E. Randol** has recently been appointed vice president of National Title Insurance Company and is responsible for its mortgage banking division. Ms. Randol is a graduate of Washington & Lee University in Lex-



Magness



Bertagno



LaJoie



Wernersbach



Yeager



Randol



Johnston

ington, VA, and is the fourth generation of the Hoover/Randol family to be involved in the family business started in 1925.

John T. Lajoie has been named vice president-regional counsel for the Florida regional offices of First American Title Insurance Company, and the firm has also announced that **Palma J. Collins** has been promoted to vice president in its Virginia office.

Also in Virginia, the membership of the Virginia Land Title Association recently elected **William P. Johnston** their new president. He is senior vice president/director of marketing for Stewart Title and Escrow, Inc. and vice president/business development of Stewart Title Guaranty Company in Fairfax.

A new position for **Christine Wernersbach** is that of marketing direc-

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tor for Landmark Title, Inc. There, she will develop and implement Landmark's marketing strategies, support the sales force, and help direct staff in customer service. Wernersbach comes to Landmark Title after 13 years with United Way of Greater Manchester.

Recently named South Carolina marketing manager by Investors Title Insurance in Chapel Hill, NC was **Robin L. Flynn**, formerly of Maryland. Ms. Flynn brings over nine years of real estate experience to her new position with Investors Title.

At it's 77th Annual convention this past summer, the Pennsylvania Land Title Association (PLTA) recognized the accomplishments of four of its leaders recently by awarding them the Associate Land Title Professional (ALTP) designation. This award recognizes an individual's commitment to the title industry through education, service, tenure, and career accomplishment. They are **Danielle Double**, **Tamaar Herbert**, **John M. Nikolaus**, and **Craig Roberts**.



(L to R) Double, Roberts, Herbert, and Nikolaus

In addition, PLTA also installed four new officers: **Anne L. Anastasi**, president, **Thomas M. Croke, IV, Esq.**, vice president, **William D. Himmelreich, Esq.**, treasurer, and **Barbara Milnarcik**, secretary. Anastasi, PLTA's first woman president, is president of Genesis Abstract in Hatboro. She has chaired the liaison, title issues, and convention committees of PLTA and is a long-time member of the Board of Directors of the East Montgomery County Association of Realtors.



(L to R) Milnarcik, Himmerreich, Anastasi, and Croke



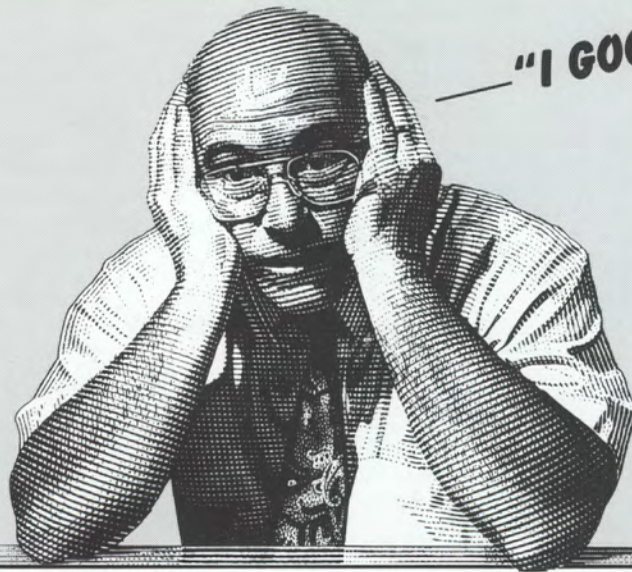
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1998 AFFILIATED ASSOCIATION CONVENTIONS

November

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

4-6 **Arizona**, Westward Look Resort, Tuscon

December

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

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