

# TITLE *News*



MAY-JUNE 1999

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# TITLE *News*

MAY•JUNE 1999

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*On the cover: Technology is changing the way we communicate, process, and store information. As we strive to keep up with the demands of transferring and utilizing new technologies, how can title companies hang on to the "people" part of the business? For more information on what companies are doing to juggle these two crucial elements of their business, turn to the lead article on page 15, "Hi-Tech vs. Hi-Touch."*

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# ALTA COMING EVENTS



1999

## May

- 1-5 Internal Auditors Meeting**  
Key West, FL
- 2-4 Title Agents Executive Conference**  
Phoenix, AZ
- 2-4 Title Counsel**  
San Francisco, CA
- 16 TRC Meeting**  
New York City, NY
- 23-24 Title Insurance Forms Committee Meeting**  
Denver, CO
- 24 Public Relations Committee Meeting**  
Chicago, IL

## June

- 3-5 Title Insurance Executive Conference**  
Braselton, GA
- 5-8 Systems Committee Meeting**  
Denver, CO
- 9-10 ALTA Board Meeting**  
Washington, DC

## July

- 23-24 Education Committee Meeting**  
San Diego, CA
- 24-27 Accountants Meeting**  
Montreal, Canada

## August

- 14 TIAC Board Meeting**  
Grafton, VT
- 15-17 Reinsurance Committee Meeting**  
Woodstock, VT

## October

- 6-9 ALTA Annual Convention**  
Colorado Springs, CO

## December

- 6-9 Systems Committee Meeting**  
Las Vegas, NV

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## A MESSAGE FROM THE PRESIDENT



Linda and I find it difficult to believe that we are half-way through the presidential year at ALTA, that the Annual Convention in Colorado is just around the corner, and that the New Millennium is upon us. I think this is true because the Association has been working so hard to improve, defend, and protect our industry in this fast-changing and technology-driven business environment that we have forgotten about time altogether.

Your Association has accomplished much in the fields of technology, education, government relations, and communications. These accomplishments have been due to the combined efforts of many dedicated volunteer committee members and section executive committees, the Board of Governors, and our outstanding ALTA staff. We have elaborated upon and analyzed our accomplishments in the above areas, and we are now planning future tactics and strategies in all of these areas.

However, when I think of ALTA, I always think first of the personal relationships which we establish over the years. Whenever we ask for feedback from our members regarding what is most valuable in terms of conventions, publications, committee meetings, and other functions, one of the main comments is, "the ability to network with other people from other parts of the country who are in the same business as I am." As a case in point, we have just completed a tremendously successful Mid-Year Convention in New Orleans, where I observed constant examples of our members networking with one another, both from a business standpoint and socially.

When you go through the chairs of this Association, you have the opportunity to visit other parts of the country, to talk with people about their business, and to observe the different methods of evidencing title. In spite of all our differences in the way we do business, and the fact that there is competition within our business, our members have managed to pull together to work for the good of our industry. Our industry seems to attract people who are devoted and loyal to their business as well as to their local and national associations.

Linda and I have enjoyed all aspects of serving the Association, but what stands out the most with us is the lifelong friendships we have established with ALTA members and title insurance people in all parts of this country. As we face the challenges of a new technological world and the advent of many others wishing to get into our business, I am sure that the dedicated and loyal people whom I have met in this industry will find a way to survive.

Since we have several more state conventions to attend this year, we are looking forward to continuing to meet and work with members of our Association and discuss their issues on a local level.

As the year winds down, I, like any other officer of the Association, can only say that I hope I have contributed something. Nonetheless, I have benefited and learned much more from knowing and relating to our members than I could possibly ever contribute. For this I thank all of you.

No matter what anyone says or what challenges we face in the future, the evidencing, servicing, and insuring of titles will remain a "people" business.

*Joseph M. Parker, Jr.*  
Joseph M. Parker, Jr.

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# Title Company Workflow Model Must Change

By Ronald I. Nelson

**M**ost title executives know that the business model which will take this industry well into the 21<sup>st</sup> century won't look much like the one we have all known for years—decades, really. A year or two ago, few had any clear concept of what this new model might even look like. It was not even clear who the players were going to be. So, what's changed? It's still not clear, is it? But we do know that in the near future, seamless electronic receipt and delivery of information to all participants is a certainty for the settlement of a real estate transaction. It is just a matter of how and when this will happen, not if.

Every time we pick up a business publication, we see another behemoth who has decided to participate at some point in the process of a real estate transaction. Names like Microsoft, Intuit, major banks, mortgage lenders, and many others. We have all gone out to the web site of HomeAdvisor, which Microsoft recently launched, and clicked around. It is an interesting beginning. But rest assured, it is just a beginning. Others we have not even thought about will find this market attractive and once they have developed a presence on the Internet that is viable in our market, it is less and less difficult to add the additional pieces necessary for the one-stop shopping everyone is talking about.

Now, we can all easily say that the reality of this happening is well down the road because most people do not have or use a PC. Every year that goes by is another year closer to when it truly is viable. Meanwhile, there are two key inhibitors to pervasive use of seamless electronic delivery of information in this industry, or any other industry for that matter. The first is a PC in every home/

business or at least access to the Internet; and the second is cheap, wide bandwidth available everywhere. Historically, whenever a new, significant technology is developed, it grows slowly to where it has penetrated 50 percent of the households, but makes the rest of the penetration in a *very* short period of time. If this is graphed, it is the classic "hockey stick" graph. We are, right now, approaching the 50 percent penetration mark for PCs and will reach it in the not too distant future with their price approaching that of an appliance. And consider all of the players in the market, such as WorldCom, who are rapidly stringing fiber all over this world and about to blanket the skies with satellites to give us cheap *and* wide bandwidth.

What does that mean to you, and how does it relate to workflow modeling? After working with title companies all across the country, I can categorically report that we as an industry are not ready to plug into this digital network of opportunity today. If we do not begin to accelerate our transition to a business model that highly values information, speeds up the velocity of the transaction, lowers cost, and becomes seamless, others will. For the most part, we

are still operating in our old paradigm. We continue to produce an incredible amount of paper in a very people-intensive, costly process, devoid of information flow for our employees, far removed from seamlessly serving it up to our customers.

From what we have seen from the work we have done across the country, this means that most title companies must dramatically change their workflow model to support the new business model that is coming. For you, the owner/manager, we believe that this begins with analyzing your present workflow model and tying it back to your financials so you have a benchmark to work from. This is a critical process and one that most of us like to move ahead without doing. The parallel I would draw would be to software development. Too many times, there is an incredible urgency to get started coding, and then the up-front planning does not happen. That is why such a high percentage of software development projects fail. The same is true for changing your workflow model. You must first lay a good, solid foundation for change that will continue to serve you well into the future.

There are many other benefits that emerge from first addressing your present workflow model, if done properly. If you involve people from all levels of the organization, many critical dynamics occur that set up the prescription for success. First, everyone gets on the same page. While you may think you are all in agreement about how things happen today, the reality is that you each have a different model in your heads. You emerge from this process forced onto the same page. That creates tremendous opportunities down the road. You have somewhere concrete to



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*ment and consulting firm located in Tacoma, WA. He can be reached at [ronn@infostr.com](mailto:ronn@infostr.com) or at (800) 877-7667 ext: 106.*

begin, as a united team, and from there you can build a vision for what your model will look like in the future.

Next, you build a team within your company that has gone through the process together. These ideas have not come down from management or been spawned from some remote corner of the company. This team has worked through the process together and arrived at what the workflow model is — together. We find the development of this team to be the most valuable catalyst that can come out of this process.

As a result, the next benefit is that employees begin to see ways to improve the model in that same team environment. We find that when we come back in the wrap-up meeting for an engagement, there are no surprises when we review the list of suggested changes. There is tremendous power in that. What almost always stands out as the area for the most improvement is reducing hand-offs. Every time an order is handed off in its lifecycle, you have slowed it down, added cost, reduced quality, reduced customer service,

taken yourselves further from seamless electronic delivery, and increased your chances of losing the order.

Now that you have your workflow model, it is critical to tie it back to your financials to validate the work you have done and to set benchmarks and goals. You want to be able to come back in six to twelve months after you have begun to make changes and take another look at the revised workflow model, assessing the impact of those changes against your financial picture.

Now comes the dicey part—implementation. This is where the rubber really meets the road. Your team has been able to understand the model today and determine where they want to begin to change it. Generally, they are attacking hand-offs because this is where you will make the biggest impact, move your people closer to the customer, create ownership, and increase customer satisfaction. Now you have a road map, a team, and a view of what changes to make. What's left is to begin the process of making those changes, and this can be very difficult. It requires the will of

everyone involved to stay the course until you have been able to significantly change your workflow model. Too often, we want to make all of these changes at once. That is a prescription for failure. Select a number of breakthrough projects that all lead you toward the model you have developed, then take a very disciplined, consistent approach to successfully completing these projects.

When you have accomplished these changes in your organization, you will have changed your workflow model and your culture, and you will be ready to move aggressively toward the information flow model that we discussed earlier in this article. Don't make the mistake of **just** trying to throw technology at your present workflow model. You would probably fail, or at least be very unsatisfied with the results. Our clients are in agreement that while technology is a key enabler and is driving a lot of change, it is also not a silver bullet. Quite the contrary; improperly implemented, that silver bullet might go right through your foot. Begin with your workflow model—it will pay huge dividends. 🦋

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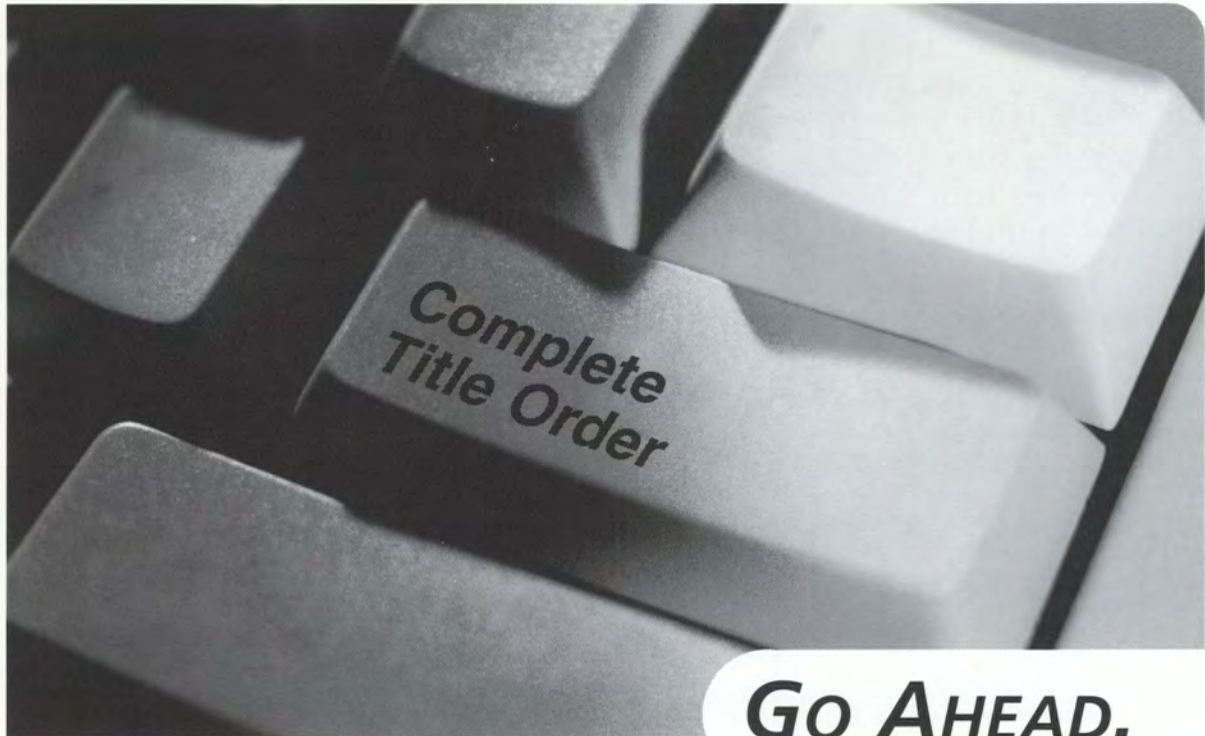
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# MDP Grooms Future Industry Leaders

One hundred nineteen of the title industry's best and brightest graduated from the Land Title Institute's (LTI) first-ever Management Development Program (MDP) in March and gave it an overwhelming "thumbs up" for content, format, and effectiveness.

According to the management "stars" who attended the five-day accelerated leadership program at Houston Baptist University (HBU), the MDP was well worth their investment. After all, they met the challenge and came away with an LTI-HBU diploma certifying they had completed nine intensive, university-level courses conducted by HBU faculty and adjunct professors ranging from "Leadership Skills" to "Finance" to "Managing Change in the Title Business."

In the eyes of its charter graduates, the main objective in creating the MDP—to give the title industry a process to recognize, motivate and groom its leaders for tomorrow—appears to have been met. LTI asked them to offer critical appraisal of every aspect of the program. Of the 82 course completion evaluation forms returned thus far 100 percent said "Yes," they would recommend the MDP to others. When asked why, the typical responses have been:

"Great reinforcement of management skills"

"Very beneficial, particularly interaction with other managers"

"I honestly believe this will make me a better manager"

"Gave me more confidence in my management ability"

The graduates appear to have been particularly pleased with the Hartman Value Profile—an assessment instrument designed to give insight into a person's values, thereby providing

greater understanding and self-assessment of their personal strengths and weaknesses. Eighty-five percent of evaluation respondents scored the Hartman Value Profile as "excellent."

In addition, 84 percent rated the university's facilities as "excellent;" 87 percent said the program materials were "excellent" or "good;" and 78 percent regarded the accommodations at the Westin Oaks Hotel as "excellent" or "good."

Separately, the MDP grads submitted nearly 700 individual course evaluation forms which found the "Communications/Listening Skills," "Managing Change in the Title Business," and "Customer Service in the Title Industry" as the top three of the nine courses offered. The next grouping included "Human Resources Management," "Principles of Managing," and "Finance for Land Title Managers." The final grouping included "Marketing Strategies," "Leadership Skills," and "The Internet and Intranet."

This year's grads cited several things they'd like to see continued in the next MDP—scheduled for February 28 to March 3, 2000 at HBU—including:

- Grouping students together for the entire program to facilitate bonding among the graduates for the future;
- Hartman Value Profile;
- Having title industry speakers participate in more courses; and
- Bringing back many of the same university presenters.

Members of the Class of 1999 have recommended that in future years the schedule allow for some "free time" mid-week. The students experienced a jam-packed, back-to-back schedule of classes beginning at 8 a.m. and concluding at 5 p.m. For next year's program a free afternoon for shopping, sightseeing, or recreation will be incorporated into the mix.

MDP graduates are being given special name tags for use at ALTA or state association functions so that they can recognize each other (and be recognized). Their badges will have the lettering "MDP Graduate." 🐦

*(Editor's note: A more comprehensive article on the MDP will be published soon)*



The Hinton Center, Houston Baptist University, site of the Land Title Institute's first Management Development Program.

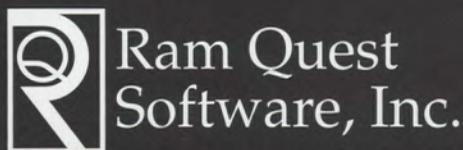


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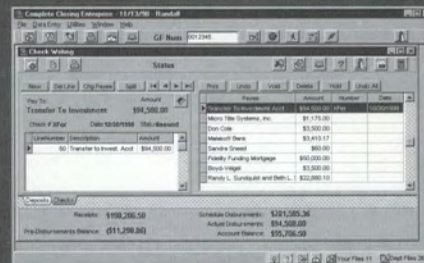
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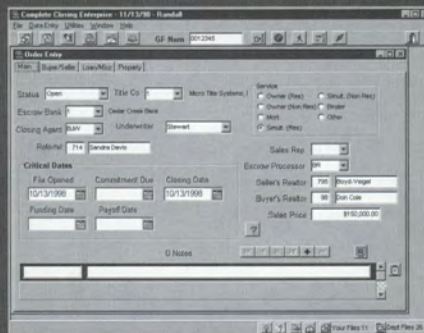
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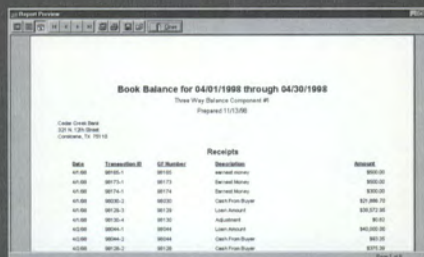
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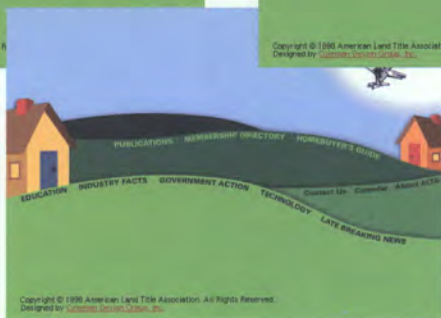
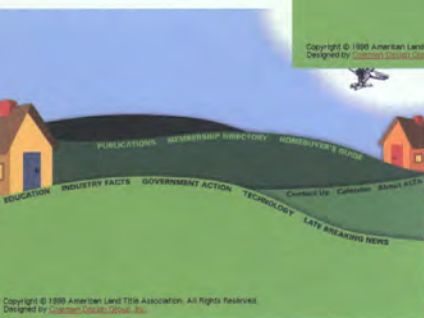
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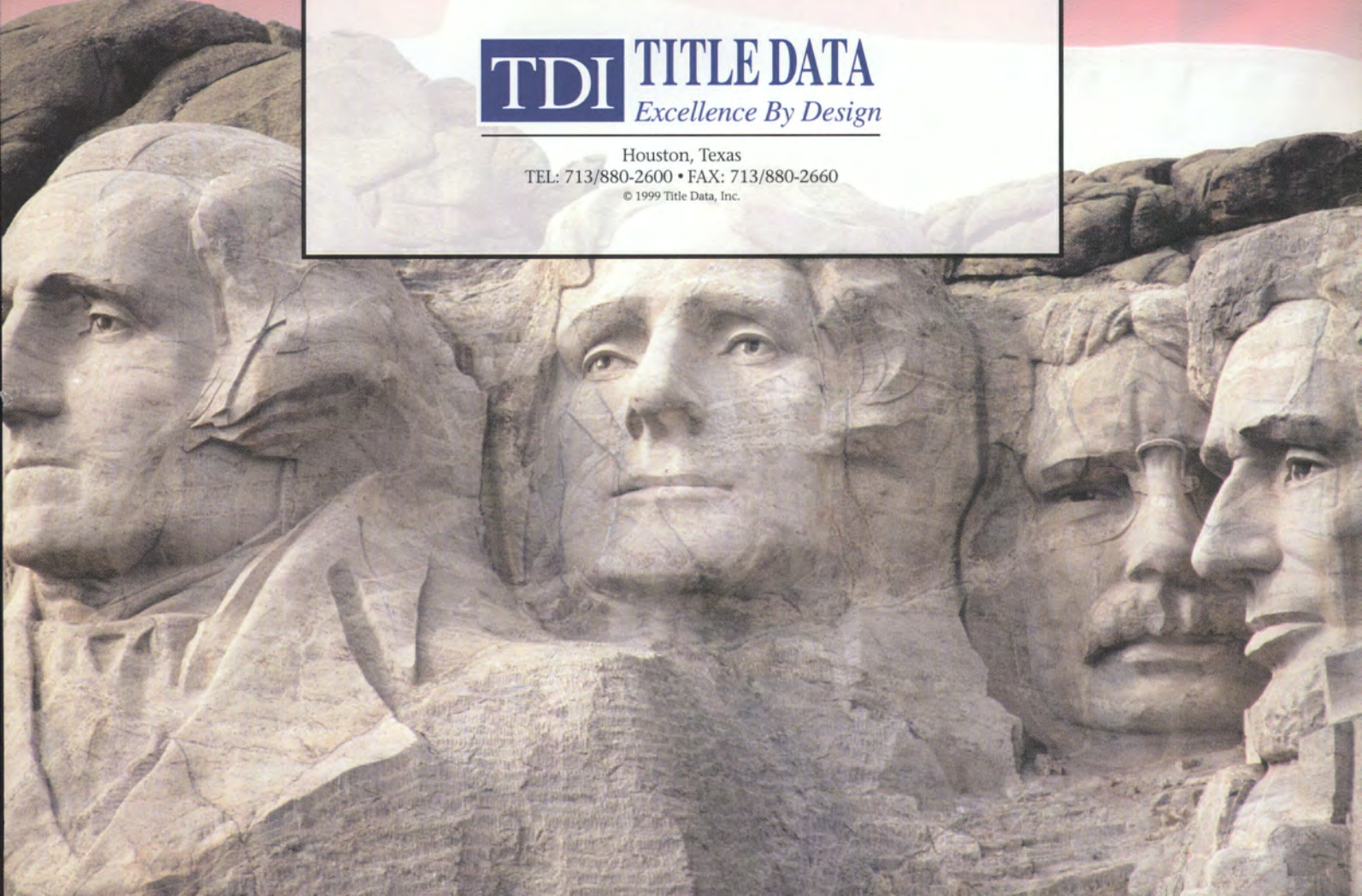
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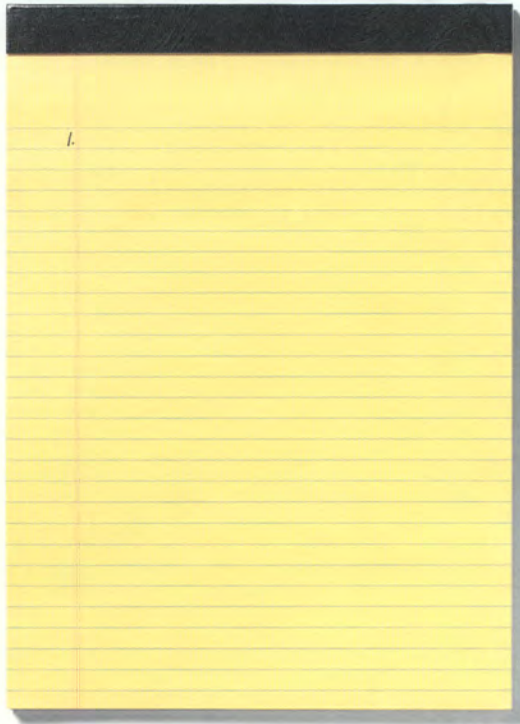
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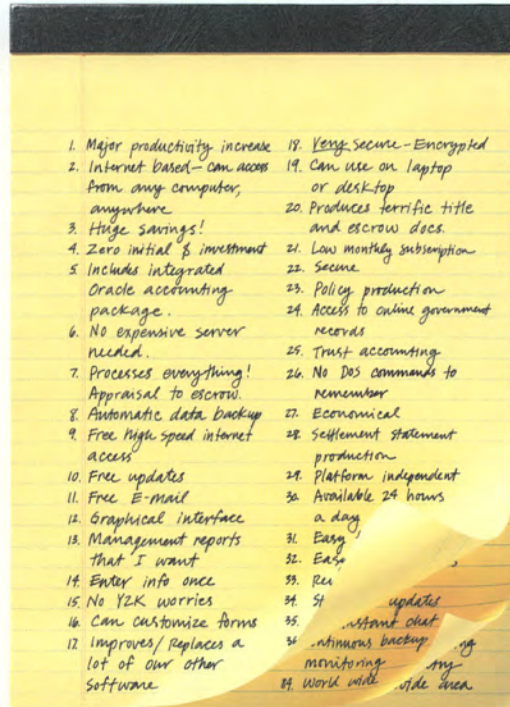
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# Hi-Tech vs. Hi-Touch: Are Companies Torn?

By Lisa Cole, ALTA Director of Communications

## Overview

"Hi-tech" vs. "hi-touch" is certainly not a new idea. This phrase has existed in the world of "Management Speak" ever since Tom Peters and other popular management gurus/authors started "wowing" readers worldwide in the early '70s with their views of the business world. How do these concepts apply to the title business? Perhaps at this point in the industry's life cycle, this concept (and its implied trade-off) has gradually risen to a position of importance in terms of its meaning and implications for the industry's future success, and therefore bears closer scrutiny. And if "commoditization" in the delivery of real estate information is really the wave of the future, as some experts have pronounced, how do we find that delicate balance? Or will hi-touch really become obsolete?

Three factors have contributed to these puzzling thoughts about hi-tech and hi-touch. First, as a relative newcomer to the title industry, it occurred to me after making the rounds at the **ALTA Technology Forum & Expo** that title companies must be spending some substantial dollars to prepare themselves to compete in a world revolving around the latest and greatest computerized **processes**. At the same time, however, I saw in no uncertain terms that, like the Realtors where I was previously employed, title people see themselves as being very **people-oriented** because that face-to-face contact remains a crucial element of the overall success of the transaction. Finally, after publishing ALTA's **Agent Characteristics Survey** results in the March/April issue of **Title News**, I learned that recruitment and retention of employees are major issues for many title insurance companies today, and that many are paying out bonuses and top-notch benefits packages to hire and keep the best people.

Being a logical person, I reasoned that, based on the three factors above, there must be some friction between these two diametrically opposed, driving forces, processes vs. people, causing title company owners and managers to face some

very difficult decisions, particularly concerning resource allocation. For example, if I purchase all the hi-tech goodies that I think I'll need to get up the technology curve and move toward "faster, better, cheaper," what will I have leftover to recruit, train, and retain high-quality employees in an industry where the labor market is very competitive, and turn-over is recently fairly high? Finally, all this takes place against a backdrop of record-breaking, unrelenting transaction volumes and closings. Companies are maxed out, and in many cases stressed out. How can either hi-tech or hi-touch help?

## Re-thinking the Premise

Well, so much for my logic. After interviewing six people in the title business, and talking to many others (all of whom were eminently qualified to discuss these issues), I learned a lot. And I was wrong in my initial premise. Companies do not generally feel that they are being squeezed into making either/or decisions regarding investments in technology vs. investments in human beings. So although I have revised my initial premise, I am hoping that what I have learned during this process about how title people are looking at the whole issue of technology and the way that it impacts their human assets and business plans may help those who have yet to completely formulate their business strategies for the New Millennium.

## Doing Both and Doing Well

The first person to set me straight on some of these ideas was Carrie Hoyer-Abbinante of Wisconsin Title Service Company, Inc., Waukesha, WI. Carrie told me right off the bat, "I see no direct relationship between the dollars spent on technology and on human resources." As I was trying to recover from this initial blow to my carefully constructed premise, Carrie went on to explain that technology, at least in her company, is viewed and used as a tool to achieve "better, cheaper, faster," while at the same time freeing up

employees to do a better job of relating to their customers. For her, the defining issue is not one of resource allocation, but more one of technology transfer. How do you help your employees, all of whom are working at maximum capacity, find the time to learn new systems and feel good about using them? How, as a manager, do you help them up the learning curve?

The answers to some of these questions, and in fact the very nature of the questions themselves, differs from one market and geographic area to the next. While this is somewhat frustrating to those attempting to analyze industry trends using only anecdotal information, it is true nonetheless. In Carrie's market area, like many others, finding and keeping good escrow/closing people is very difficult, and bidding wars are not unusual. However, even traditional perks and bonuses are often not enough any more, and in some areas, closers are actually given a certain number of dollars per closing, just to keep them "incentivized." Mark Bilbrey of Warranty Title and Abstract, Inc, El Reno, OK, has a somewhat different technique and has garnered a great deal of employee loyalty by providing some personal touches of his own. Several times during the year, he lets employees know their contributions are vital, and personally delivers a \$100 bill to each employee as a way of saying, "thanks."

Speaking of money, is there any leftover to send employees to training programs, after purchasing new computer systems and paying bonuses or other incentives? Most definitely, according to many of the folks interviewed. Again, hi-tech vs. hi-touch does not seem to be a zero-sum equation, and many companies seem to be doing them both and doing them well. Furthermore, it would appear that *integrating* processes and people may be the most important objective of all. When integration is successful, then and only then does the capability exist for such new and sophisticated marketing techniques as "mass customization," the business/management buzzword for targeting appropriate customer sub-segments and delivering customized products to them through computerized systems and processes. The end-product of this process is certainly "hi-touch" for the ultimate consumer while being both people-intensive and hi-tech on the delivery side.

## Adapting and Adopting

So how do title company employees view the adoption of new technology, and how are their perceptions of it influenced by management? Again, the story is very different depending upon whom you ask and what part of the country they come from. In Carrie's firm, management makes a concerted effort to get people to let go of old (manual) habits in favor of new systems. New "toys" that are introduced are

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*“. . . hi-tech vs. hi-touch does not seem to be a zero-sum equation, and many companies seem to be doing them both and doing them well.”*

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accompanied by an attitude of "let's see what this can do, let people play around with it for awhile without a lot of pressure, and then help them incorporate it into their work without feeling threatened." This seems to be working well, but for Carrie, there is still a lingering issue of "learning to manage a whole new and younger generation of employees where there is no such thing as loyalty, and the employee can and often does go to the highest bidder."

For others, however, there has been somewhat less success on the technology transfer front. An issue for Mark Bilbrey, for example, has been an older generation of employees who are closing in on retirement and would seemingly rather fight (technology) than switch. Mark recalls occasions where older workers would rather quit (and actually do so) rather than adapt to new processes and technology. For some of these situations, there would seem to be no real "fix," and those who would rather quit than adapt or adopt will be weeded out of the industry in favor of younger, more computer-literate workers; on the flip side, those younger workers may understand and be more adept at technology, but they also know their value in the marketplace and are not loathe to exercise their own right to move on to other (read greener) pastures.

For Richard Patterson of Connecticut Attorneys Title Insurance Company,

Rocky Hill, CT, business is conducted differently since Connecticut is an attorney-agent state, yet many of the basic issues remain. How does his company solve them? For one thing, to help handle the overwhelming amount of work and subsequent employee stress, they started an "evening shift" which permits them to push through additional volume without a concomitant increase in overhead. It maximizes their output by creating more capacity, using the same physical facilities. The evening shift personnel are generally part-time, so they are very cost-effective in terms of labor. What about technology transfer? So far, it's not too much of a problem. In fact, says Richard, "we have a 78 year-old woman now running a digitizer. Once she saw what it could do in terms of increasing her efficiency and that of the company, there was no question, and it has worked out very well."

## The Real Trade-Off

In conversations with title executives, it would appear then that the real trade-off, especially in this operating environment, is in fact not technology dollars vs. human resources dollars but total dollars vs. time. Employee stress levels are at all-time highs, between learning new systems and technologies and pushing through those record volumes of business. What else are companies doing to help alleviate this kind of stress? After all, even generous bonuses and perks cannot completely compensate for chronic burn-out and off-the-charts stress levels.

Several companies echoed these sentiments regarding the importance of the dollars vs. time trade-off. In order to keep cranking out the business, keep up the hi-touch interface with customers, and keep the breakneck pace of adopting new technology, Ted Rogers of The Security Title Guarantee Corp. of Baltimore in Baltimore, MD, finds that increased cross-training and flexible work hours have really paid off. This works because the company is relatively small for an underwriter, its employees have embraced and even seek-out new technologies, and management feels that time is a commodity that can be used as an employee benefit. If someone calls in to take a day off and cross-training has provided a solution as to who will cover for that individual, that is a win-win situation all the way around. Additionally, the company has expanded its use of all sorts of temporary and outsourced personnel to keep up with the



volume of business currently being generated.

### The Future is Integration

It is clear to me after speaking with so many in this business that the future belongs to those companies who can carry out the challenging balancing act of serving two masters: those companies that are both hi-tech (process-oriented) and hi-touch (people-oriented.) Most importantly, these companies are able to integrate the two powerful forces, with each serving and yet benefiting from the other. As the real estate settlement transaction moves inexorably toward complete automation, there will be a proportional need for the hi-touch element whenever and wherever it can be asserted. As Karen Koogler, educator and title industry futurist, says in her book, *Technotitle: FutureFocus on the Settlement Services Industry*,

“Your success (or lack of it) will be dependent upon your willingness and ability to foster strong relationships with your constituents — from consumers of your products and services to coworkers, ‘collabotition’ partners, and other customers. Serve the relationship well (do right by people), and the relationship will serve you well in return. It’s that simple.”

Perhaps ALTA President Joe Parker says it best in the closing paragraph of his message in this issue of *Title News*: “No matter what anyone says or what challenges we face in the future, the evidencing, servicing, and insuring of titles will remain a “people” business.”

**FOOTNOTE:** Many thanks to the following individuals, who graciously agreed to be interviewed for this article and without whose contributions it could not have been written:

- Mark Bilbrey, Warranty Title and Abstract, Inc.
- Carrie Hoyer-Abbinante, Wisconsin Title Service Company, Inc.
- Richard Patterson, Connecticut Attorneys Title Insurance Company
- Ted Rogers, The Security Title Guarantee Corp. of Baltimore
- Paul and Connie Sawtell, Real Estate Information Service



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# ALTA's 1999 Technology Forum & Expo Gets Top Marks!



*The computer classroom, with its 20 monitors, enabled attendees to chalk up some "hands-on" learning experiences.*



*Exhibitors and attendees found the spacious Exhibit Hall ideal.*

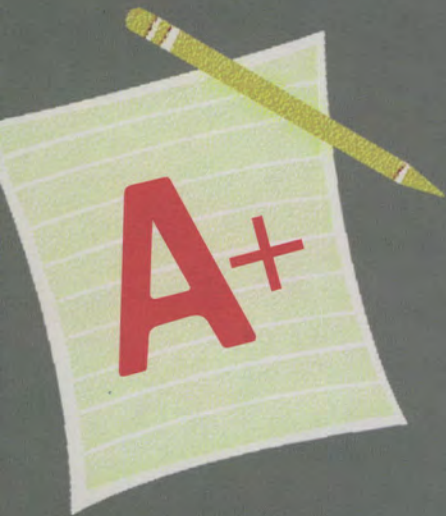
“ The ALTA Technology Forum and Expo was wonderful... I am not a computer technology person, but I am responsible for paying for it. I think all owners and managers should attend the Expo with their technology staff. The speakers are knowledgeable, the Exhibit Hall was set up so that you could view the products without being crowded and spend as much time with each vendor as possible. ”

Judy Lehman  
Lehman Title, Inc.



*Serious technology shoppers paused to examine interesting new products and services on display. Demonstrations were very popular, made possible by such features as the "Internet Playground" (not shown).*





*Multiple prize-drawings yielded many smiles and surprises, such as the unexpectedly popular "Pooh Bear."*

*"As the owner of a title company in a mid-size market, I have found the Technology Forum & Expo to be extremely enlightening... As the year 2000 approaches, it has become crystal clear that if we don't understand the advantages technology avails us and use them, we will be left at the starting gate. I plan on attending next year."*

**Pat O'Rourke**  
O'Rourke Title Company



*Great food was abundant, perhaps contributing to attendees' wide-spread interest in "thin-client technology?"*



*Renowned Y2K expert and sought-after speaker Peter de Jaeger laid it all out for attendees regarding Y2K issues. Where will he go to be safe on 12/31/99? Thirty-thousand feet up in the air!*



*"The ALTA Technology Forum & Expo has been a lifesaver for our company. We had been using a proprietary system from a company that stopped supporting it... ALTA's Forum exposed us to a myriad of companies that gave us the options and support we needed... and also allowed us to exchange ideas and problems with other title pro's."*

**Isidore Teitelbaum**  
Title Services of New Jersey, Inc.

# '99 Technology Forum a Huge Success

**T**he recently held 1999 **Technology Forum & Expo** was a great success: ALTA went to extremes to make sure that everyone got their money's worth, and more. The American Land Title Association was pleased to welcome 600+ attendees to the show, where they were impressed with and educated by the 30+ educational sessions and more than 60 exhibit booths, double the number available last year. In fact, the impressive quantity and variety of educational opportunities left many attendees wondering "Which session should I choose?"

But even if you missed a session (or couldn't attend), there is still time to order session audiotapes. Please see page 28 for a complete audiotape order form. For additional information, the 1999 **Technology Forum & Expo Proceedings Book** (containing handouts from educational sessions) is available for \$40 to ALTA mem-

bers and \$120 to non-members — just call 1-800-787-ALTA to order.

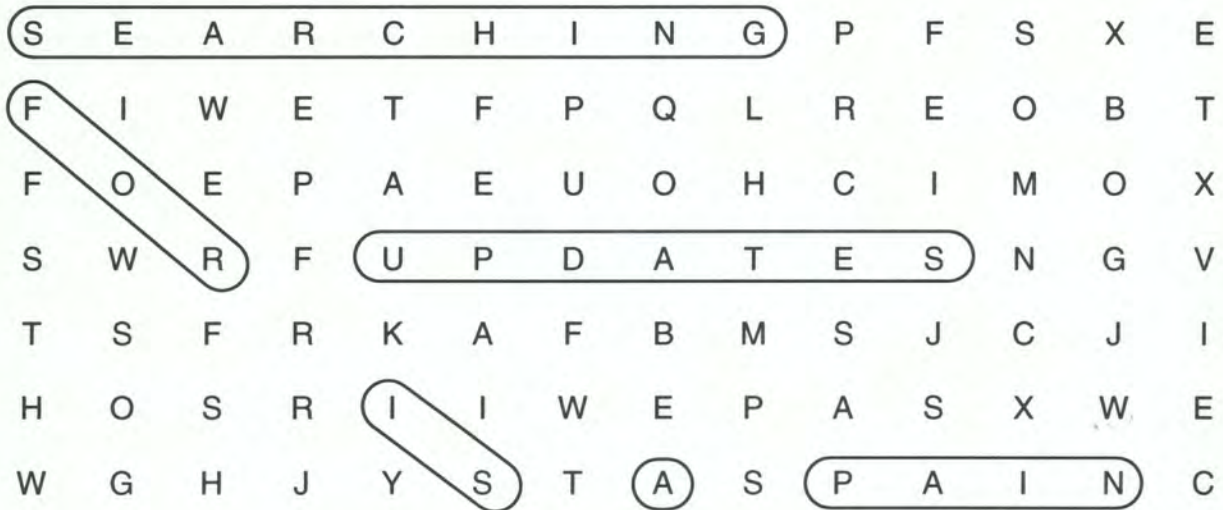
## Looking Ahead - Tech Forum 2000

Plans are currently underway for an even bigger and better **Tech Forum** in the year 2000. The Mirage Resort and Casino in fabulous Las Vegas, Nevada, will host the 2000 **Technology Forum & Expo**, February 13-15. A city of pure excitement, the Las Vegas venue will make a welcome change, offering the ultra-plush Mirage, which is sure to impress even the most discriminating of travelers.

If you've never been to the Mirage, you're in for a real treat: a volcano that erupts every few minutes; a tropical rainforest with soaring palms and sparkling waterfalls; a giant aquarium where live sharks swim; the gourmet delights of Paris, Rome, and the Orient; a luxurious spa and salon; a European shopping bou-

levard; the magic and illusions of Siegfried & Roy. A habitat where white tigers frolic and play; and much more. To make your hotel reservations call the Mirage directly at 1-800-374-9000. ALTA has reserved a super-low room rate of \$149 for single or double occupancy. Although you've got plenty of time, be sure to make your reservations early as the Mirage is an extremely popular destination.

As always, ALTA is planning the 2000 **Tech Forum** as the best educational event for technology in the title industry. A continuing education credit course again will be offered, as will numerous technology education sessions. You can expect the 2000 **Tech Forum Expo Hall** to hold even more vendors than in past years. ALTA committee members and staff are working hard to bring you the best the industry has to offer — all at an incredibly affordable price.



Grueling, isn't it? That's what your branch office staff has to go through every time they want the latest alerts and information. Unless, of course, you send them via broadcast fax and e-mail from MediaTel. MediaTel gives you unsurpassed immediacy and impact, customization, and—if you so desire—the ability to mix faxes and e-mails in one broadcast. But more importantly, it proactively gives your branches the information they need. Which can help them make the most of everything they've got. To learn more, call 1-800-800-5450.

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# NEW KIDS ON THE BLOCK

*Just in case you weren't able to make it to the ALTA Tech Forum in Orlando, we thought we'd provide you with a snapshot of two interesting new exhibitors who came to "show their stuff" to the title industry. **Comforce Information Technologies** and **Escrowdata.com** are the two vendors we decided to feature on this page, but in years to come they will surely be followed by others!*

## COMFORCE

Comforce is a \$450 million corporation, which employs more than 9,000 personnel worldwide. The company has become one of the leading providers of staffing, consulting, and outsourcing solutions for the high-tech industry.

Comforce Information Technologies is a wholly-owned subsidiary of the Comforce Corporation. It employs more than 1,550 information technology professionals and is a \$120 million enterprise.

The company provides experienced technical manpower on a contract or contract-to-hire basis, short-term or long-term, for a range of services including systems and application development, database design and maintenance, LAN/WAN implementation, and Internet/Intranet development. Any technology can be supported, and the firm can provide customized advice as to technical direction, no matter what size the title agency, underwriter, or industry-specific vendor.

For smaller title companies, this translates into little or no overhead, no selection or interview headaches, and no need for technical screening of candidates. It could also conceivably mean less hassle and fewer fears based on lack of technical know-how to hire technical staff. For the larger company, the firm's approach provides a cost-effective way to identify, attract, and retain the highest skilled technical staff, because Comforce provides them with aggressive benefits and compensation plans. In addition, the company offers continuity of employment, along with variety in their workplace.

For further information on Comforce Information Technologies, please contact Meg Bonik at 1-800-856-1050 ext. 5119 or [mbonik@comforceit.com](mailto:mbonik@comforceit.com). The company's website is located at [www.comforce.com](http://www.comforce.com).

## ESCROWDATA.COM

This brand new title/escrow software firm claims there are 114 reasons to buy and use their product. While this may sound like ad-talk, title professionals who look closely at this product may find some surprises.

Part of the appeal here is that the approach this company uses is unique: the software resides at Escrowdata.com's office, not the client's, and it is accessed via the Internet. So what does all this mean to a title pro?

- 1) 100 percent accessibility anytime, anywhere you can get on the Internet;
- 2) No front-end cost for the software (read, \$0.00). Purchasers pay a monthly fee that averages \$100 per user;
- 3) Low hardware costs. Why? Because the system is hosted on EscrowData.com's hardware system, not the client's;
- 4) A powerful partnership with Oracle, the world's second largest software company. The entire "Oracle Financials" software package is part of the deal, so all your financial information flows automatically into the Oracle module, where it produces and tracks invoices, accounts payable and receivable, general ledger, financial statements, etc.

Finally, many of those nasty little technological details are taken care of in the package: The software is Y2K compliant; very high-speed Internet access is provided; there are levels of built-in encryption and security; and automatic upgrades are provided.

For more information, see a demo at [www.escrowdata.com](http://www.escrowdata.com) on the Internet, or call toll free at 1-877-895-1202.

*ALTA does not officially endorse or recommend any vendors. It is our intention to bring information to readers, present it clearly and fairly, and let members make their own analysis and judgments.*

# The Mysterious "Gap" and Ways to Resolve It

By James L. Gosdin

## What is it?

Oftentimes, a complex issue or phenomenon can best be described by giving multiple examples of its existence, rather than by creating an all-encompassing definition. So it is with the "gap." In the title insurance business, the "gap" can appear under varying circumstances, can be handled in a variety of ways, and can have a variety of implications, including claims. In each case, the "gap" basically consists of a difference in time between the date through which the last examination of title is made and the date of record notice (by filing or recording) of the insured's deed or mortgage. This, essentially, is the "gap."

## What forms can it take?

The following represent a good cross-section of the many faces the gap can assume:

1) The county recorder's office records instruments approximately one month after they are filed or presented to the recorder. The courthouse examination at time of filing does not include those previously filed instruments not yet recorded. (In many states an instrument is record notice from filing or presentation to the recorder; in some states the instrument is not record notice until later recorded by the recorder.) This is a gap.

2) The title company's plant is currently posted seven business days prior to today. This is a gap.

3) The title company closes and files for record without down dating, extending or continuing its prior search of records. This is a gap.

4) The title company closes the real estate transaction and disburses, but fails to file the instruments for two weeks. This is a gap.

5) The title company secures execution of the documents on a loan subject to right of rescission, but does not continue the examination when the mortgage is filed for record after the three day right of rescission expires. This is a gap.

## How big is this gap?

The gap between the date of filing or recording of instruments and the date



*James L. Gosdin is Senior Vice-President and Senior Underwriting Counsel for Stewart Title Guaranty Company. He received his bachelor's degree from the University of Texas and his Doctor of Jurisprudence degree with honors from the University of Texas School of Law. Jim is a member of the American Land Title Association Forms Committee and is chair of the ALTA Liaison Committee with the National Association of Insurance Commissioners. Jim may be reached via email at [jgosdin@stewart.com](mailto:jgosdin@stewart.com).*

through which a current examination will be made varies widely. In some locations, the examination customarily is done through time of recording, with no gap in the time between the examination and Date of Policy, or is done to within a few hours of the current filing. Most common is a gap of anywhere from a few days to about two or three weeks, if the title is down dated or continued until time of closing or filing. In several counties sprinkled throughout the U.S., the gap ranges from two to eight months. For example, in the area around Atlanta the gap can be up to four months. In Minnesota, the switch to imaging has been followed by an increase in the gap of up to four months.

## How can we cover this gap?

*The ALTA Commitment Form-1966* and the *ALTA Commitment Form-1982* are subject to defects, liens, encumbrances, and other matters created, first appearing in the public records or attaching subsequent to the effective date of the commitment. Considered alone, the commitments do not provide liability for gap issues, if the effective date of the commitment is the date through which the title examination is effective. However, the title company may assume liability for the gap in a number of ways: The *Short Form Residential Loan Policy (10/17/92)* and the *Residential Loan Certificate to the Master Residential Loan Policy (10/17/92)* define the Date of Policy as a stated date (settlement) or date of recording of the insured mortgage, whichever is later. It is not uncommon to insure over the gap with these forms.

The *ALTA Homeowner's Policy of Title Insurance (10/17/98)* defines the Policy Date as the time of recording of

the vesting deed if the insured acquires title by instrument recorded after the stated Policy Date. This form contemplates insurance of any gap.

The title company may issue its ALTA owner's or loan policy, effective as of date of settlement, with the Date of Policy language shown on the Short Form Residential Loan Policy. This may be used as a means of providing gap coverage, without delaying delivery of the policy to secure recording information.

Closing instructions (e.g. the lender's instructions, escrow instructions, or the sales contract) received by the title insurance agent, will not allow additional exceptions if the title company closes and disburses. The lender's closing instructions may, for example, require that the requirements on the commitment (or binder or preliminary report) be satisfied before requesting funding authorization or disbursing. Given these instructions, the title insurer may be obligated to issue its policy without exception to matters in the "gap," if the title insurer has issued a closing protection letter to that lender. Likewise, if the title insurance agent closes, disburses, and collects the title insurance premium, the title insurer may be obligated to issue a title policy without additional exception, because of the evident agreement to issue without additional exception.

The title company may "mark-up" the commitment, such as in a New York style or table funding closing, at which time the provisions relating to subsequently recorded or attaching matters would be deleted.

The title company may be required to provide gap coverage by regulation. In Colorado, for instance, gap coverage must be given if the title insurance agent is responsible for closing the real estate transaction and filing the instruments for record. In New York, the mandatory endorsement to the policies provides gap coverage.

The title company may issue a gap endorsement at closing, to insure against intervening matters. This is periodically done on commercial transactions.

The title company may by custom simply insure the gap by issuing its policy, without a search through date of recording.

### **Are there claims because of the gap?**

Title claims can and do occur be-

cause of documents that sneak into this gap period. The borrowers may have a judgment or tax lien filed against them, the sellers may get a home equity loan, or the builder may grant an easement on the land. In the minority of states with a "notice" recording system, it also is possible that the insured's instrument may not have priority over a later unrecorded deed or mortgage executed before the insured's instrument is filed or recorded, even though the insured's instrument is filed or recorded first. Historically, however, gap claims have not been a major cause of losses.

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### *Title claims can and do occur because of documents that sneak into this gap period.*


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### **What can be done to reduce the risk of the gap?**

Where there is a gap, practices vary, depending on the state, size of transaction, and parties. In some locations, the risk is virtually eliminated or reduced by doing a continuation of title shortly before the closing.

In other jurisdictions, a continuation may be done at or about time of filing or recording. If the closing is subject to right of rescission, practices will vary; some will do an additional continuation at time of funding, and some will not. Generally, title will be continued once before the closing, at least where the commitment was not issued recently before the scheduled closing. In some cases, title companies also require gap affidavits and indemnities, but in other cases, the title companies simply assume the risk. However, this practice varies from state to state.

### **Conclusion**

Being aware of how your local practices (both internal to your company and in your recorder's office) can alert you to risks associated with gap issues. Such awareness can promote improved practices designed to reduce such risks or at least understand that a risk is being taken. 

## **Call for Editorial Content**

*Title News*, the official magazine of the title insurance industry, is looking for a few good men and women.



We're forming an ALTA Editorial Advisory Group for the purpose of identifying new and interesting information for *Title News* readers.



If you have an interest or background in communications, some fresh and interesting story ideas, and would like to join this informal group, please contact Lisa Cole, ALTA Director of Communications, at 1-800-787-ALTA, or [lisa\\_cole@alta.org](mailto:lisa_cole@alta.org).



There will be no travel associated with this group, as all communications will take place via fax, email, and conference call.



Thanks for your interest and support.



# America's Mortgage Loan Registry

Volume 2, Issue 3

www.mersinc.org

March 1999, Periodic Newsletter

## MERS on Target for 1999 Goals

By R.K. Arnold

Things are really starting to heat up at MERS. We now have more than 242,000 cumulative registrations and we expect to exceed our registration targets for the first quarter 1999. We also have written agreements with several members for registrations that will cause us to exceed our second quarter targets as well.

In this issue you can read about our latest triumph: Rated Securities. MERS now serves as mortgagee of record for rated securities. That means that we can offer the same up-front cost savings for retail jumbo loans as we do for correspondent production. Bill Hultman's article will give you more detail.

Also in this issue you can read about our membership fee structure which, like everything else at MERS, has been simplified over the past year. Juanita Russell explains the different categories of MERS Membership in her article. Our web site is undergoing a major face lift as well, which you can read about in Dan McLaughlin's article. And finally, Carson Mullen will bring you up to speed on our latest effort to serve you better, The MERS Negotiated Transactions Desk, created for trading partners that want to leverage their relationship to compound the benefits of MERS.

|                                    |   |
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| Upcoming Events .....              | 2 |
| Web Site Update .....              | 2 |
| Negotiated Transactions Desk ..... | 2 |
| Executing MERS Documents .....     | 2 |

## MERS Registered Loans in a Rated Security

By Bill Hultman

For the first time, MERS registered loans were included in a mortgage pass-through security rated "AAA" by Standard & Poor's, Duff & Phelps and Fitch. (Moody's did not participate in this deal but has indicated that they too would have rated this deal.) The rating agencies did not require an assignment from MERS to the trustee. Instead, the MERS System will show that the beneficial ownership interest is held by the trustee. That means that issuers can save \$22 on every loan in a rated security using MERS.



## MERS is America's Electronic Mortgage Loan Registry System

An affiliate of Lehman Brothers, Structured Asset Securities Corporation, issued these securities on February 26, 1999 as SASCO Mortgage Pass-through Certificates, Series 1999-ALS1. Lehman Brothers underwrote the transaction and the loans are serviced by its affiliate, Aurora Loan Services, Inc.

With this step, MERS is now able to serve all segments of the mortgage industry beyond those participants selling to Fannie Mae, Freddie Mac and Ginnie Mae. Mortgage originators accessing the rated securities market can now avail themselves of the MERS process and reap the benefits associated with MERS.

## MERS Membership Fee Structure

By Juanita Russell

MERS has several membership categories to accommodate the variety of customers that we serve. Whether you are a Lender/ Servicer, Title Company, Document Custodian, Vendor/Consultant, Lawyer etc. we have a membership class for you. In order to select the appropriate membership classification that fits your needs, you must first determine how your organization plans to utilize the MERS® system.

MERS membership classifications are as follows:

*Regular Member*

*MERS® Lite Member*

*Patron Member*

**Regular Membership:** \$500 - \$7500 (depending on the greater of your annual purchase volume, annual origination volume or size of servicing portfolio).

**MERS® Lite Membership:** \$250 – This classification is reserved for organizations that will originate loans using MERS as original mortgagee on the security instrument and sell all those loans servicing-released to another MERS member.

**Patron Membership:** \$1,000 – For those organizations that will not register loans on the MERS® System themselves but would still like to take advantage of the many opportunities that MERS membership provides.

Membership fees are billed in January of each year. A pro-rated membership fee for the first year will be charged for those who sign up after January of the current year.

For a more detailed explanation of the various membership classifications or to receive a membership package, please contact our membership department at (703) 761-1270 or 1-800-646-MERS. You can also visit us online at www.mersinc.org. We look forward to hearing from you.



### Foreclosures Completed by State

|    |    |    |   |
|----|----|----|---|
| AK | 0  | MS | 0 |
| AL | 0  | MT | 0 |
| AR | 2  | NC | 0 |
| AZ | 1  | ND | 0 |
| CA | 23 | NE | 0 |
| CO | 0  | NH | 0 |
| CT | 0  | NJ | 0 |
| DC | 0  | NM | 0 |
| DE | 0  | NV | 2 |
| FL | 0  | NY | 0 |
| GA | 2  | OH | 0 |
| HI | 0  | OK | 0 |
| IA | 0  | OR | 0 |
| ID | 0  | PA | 0 |
| IL | 0  | RI | 0 |
| IN | 0  | SC | 0 |
| KS | 0  | SD | 0 |
| KY | 0  | TN | 1 |
| LA | 0  | TX | 7 |
| MA | 0  | UT | 0 |
| MD | 0  | VA | 0 |
| ME | 0  | VT | 0 |
| MI | 1  | WA | 0 |
| MN | 2  | WI | 0 |
| MO | 1  | WV | 0 |
|    |    | WY | 0 |

**Total 42**

**MERS looks forward to seeing you at the following events:**

**MBA National Technology in Mortgage Banking Conference**  
Chicago, March 24 - March 26

**Alltel Conference**  
Orlando, April 19 - April 21

**MBA National Secondary Conference**  
New York, April 19 - April 21

### **AMERICA'S MORTGAGE LOAN REGISTRY**

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Suite 350  
McLean, VA 22102  
1-800-646-MERS (6377)

## *MERS Progress Tracked on Web Site*

*By Dan McLaughlin*

The MERS web site at [www.mersinc.org](http://www.mersinc.org) will soon be updated to reflect the tremendous progress that MERS has made recently in the industry. We will also be adding the following documents:

- All past issues of this newsletter
- Recommended Foreclosure Procedures (by state)
- MERS System External Impact Documents
- MERS System Release Notes
- MERS Policy Bulletins

These documents can be downloaded by clicking on the "Download Documents" button on the Home Page.

We will continue to add features to the web site to improve our communication with our members and the industry as a whole. We also plan to leverage web based technologies to more efficiently provide products and services.

We hope you will find the web site to be a convenient and timely way of retrieving useful information about MERS. If you have comments on or suggestions for improving the web site, please e-mail me at [danm@mersinc.org](mailto:danm@mersinc.org) or call me directly at (703) 761-1277.

---

## *The MERS Negotiated Transactions Desk*

*By Carson Mullen*

We've promised our members that MERS would look for ways to be more responsive and helpful to you. The MERS Negotiated Transactions Desk in the Customer Division has been established to facilitate transactions between trading partners and MERS.

We have recognized that special circumstances sometimes require us to look for innovative solutions that can be used among trading partners to achieve their mutual objectives while they are simultaneously working with MERS to get loans registered to take advantage of the cost savings available by eliminating assignments.

Negotiated transactions cover the full gamut of activities from special pricing for bulk registrations to arrangements between trading partners for streamlined means of registering loans on the MERS System. At times, MERS may recommend a Preferred Consultant to help you in structuring the operating parameters to get the deal done. On other occasions, MERS can structure interparty agreements to streamline the registration process to facilitate a bulk purchase, correspondent transaction or wholesale fundings.

MERS is available to explain the processes to warehouse lenders, help clear any custodial issues and coordinate the efforts of many different trading partners in various transactions. MERS Negotiated Transactions means special services delivered in a timely manner. We wish to make it easy for you to use MERS services. Just call me at (703) 761-1276 or Doug Danko at (703)761-4385. We'll get started on your special transaction right away.

---

## *How to Execute MERS Documents*

*By Sharon Houskamp*

Each member of MERS is given a MERS Corporate Resolution that appoints employees of the Member as officers of MERS. This allows the member to continue to sign all necessary documents on mortgages that are registered on the MERS® System by that member. We call these people certifying officers. They hold the title of assistant secretary of MERS and that title should be put on all documents that are signed for MERS by a certifying officer. In a few states, it has been brought to our attention that the signatory must hold the office of a vice president or above. Therefore, it is acceptable to use the title of vice president in Maryland, Mississippi, Nebraska, Oklahoma, Kansas, North Carolina, South Carolina and Pennsylvania.



# America's Mortgage Loan Registry

Volume 2, Issue 4

www.mersinc.org

April 1999, Periodic Newsletter

## MERS Exceeds

### First Quarter Targets

By R.K. Arnold

It's official now - MERS exceeded our first quarter 1999 targets for registration volume. Our Members have registered 94,839 loans so far this year. We now have more than 270,000 cumulative registrations on the MERS) System, and more and more companies are jumping on the savings bandwagon.

Our Members have registered more than 12,000 MOM loans (MERS as Original Mortgagee). Every registration saves \$22. That means that they have saved at least \$264,000 up front on assignments. That doesn't even count the back office savings for them from not chasing down all those unnecessary assignments. Any loan registered on the MERS) System is inoculated against future assignments because MERS remains the nominal mortgagee in the county land records no matter how many times servicing is traded.

We also have advance contracts for bulk registrations which exceed our second quarter 1999 registration targets already, and we are rapidly approaching the day when companies are wanting to join MERS faster than we can accommodate them. Those are challenges we look forward to overcoming.

Most recently, we finalized a renewed arrangement with EDS to make sure we keep the MERS) System up to the high standards you expect. Please give us a call if you see something we can improve.

## Judicial Foreclosures

### Completed

By Sharon Horstkamp

Currently, 430 loans are being foreclosed in the name of MERS around the country. A total of 55 foreclosures have been completed in sixteen (16) states encompassing both judicial and non-judicial procedures.

Foreclosures with MERS as the plaintiff have been completed in four (4) judicial states. Two (2) foreclosures were completed in Florida as well as two (2) foreclosures in Oklahoma. In addition, Illinois and South Carolina have seen their first MERS foreclosures completed with one in each state.

Attorney Sam Waters of the law firm of Rogers, Townsend & Thomas in Columbia, SC, said, "The case went smoothly. I have had no questions or complaints regarding the validity of the foreclosure from any source."

Regarding the process of judicially foreclosing a mortgage in the name of MERS, attorney Don Timberlake of Baer & Timberlake, P.C. in Oklahoma City, OK, says, "Foreclosing in the name of MERS is virtually identical to the process in any other normal and routine foreclosure."

Many attorneys say they look forward to their clients fully utilizing the MERS) System because it will clear up one of the major delays in the foreclosure process, which is tracking down missing assignments. Don Timberlake adds, "The MERS concept effectively eliminates these prolonged delays and materially reduces our time and effort in the pre-litigation stage."

In Pennsylvania, a few foreclosures are in the "after-sale" phase. Attorney Tom Federman of Federman & Phelan in Philadelphia commented that the foreclosure "went very smoothly, just like any non-MERS file that we process."

## MERS Success Stories

By Ron Crowe  
and Doug Danko

Change is never simple; often, improvement in the way business evolves can be painful. Being a seasonal runner, I equate the state of being "MERS-Ready" to a runner getting in shape and reaching the top of heartbreak hill. Once completed, it is all down hill from there and then comes the next one. Working with MERS Members is similar; no matter what strategy you employ; once you reach a certain point in the process it all begins to fall into place. In this article we want to share some recent examples:

### Ivy Mortgage - Branchburg, NJ

When we met with Paul Heckman, EVP of Production for Ivy, in November 1998 at their office in Branchburg, NJ. Paul saw the value proposition for MERS right away, he repeated what I had said about MERS when I worked in the Secondary Market - "I wonder why everyone ("The Industry") isn't doing this already?" Success with Ivy came quickly; they produced their first MOM loans (MERS as Original Mortgagee) on December 15, 1998 which were sold to Norwest and subsequently registered on MERS. Today, Ivy is producing MOM documents on all loans which it is then selling to all of its wholesalers. Knowing that Paul is an avid soccer player, we just can't resist yelling "GOAL!"

### Bell Mortgage - Minneapolis, MN

As we began to write this article, Bell Mortgage registered its first MOM loan. I couldn't resist calling Tim Rath in Bell's marketing department. He said, "MERS is great! We will cut the cost of closing and selling mortgages using MERS." In less than 30 days, Bell began to produce MOM documents, create and affix the MIN (Mortgage Identification Number) and deliver loans to its Investors. Here's to you Bell, the bell tolls for you every time a loan is sold through MERS.

## This Month

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| MERS Success Stories .....  | 1 |
| Foreclosure Update .....    | 2 |
| Upcoming Events .....       | 2 |
| MERS System Release .....   | 2 |

## Foreclosures Complete By State

|    |    |    |   |
|----|----|----|---|
| AK | 0  | MS | 0 |
| AL | 0  | MT | 0 |
| AR | 2  | NC | 0 |
| AZ | 1  | ND | 0 |
| CA | 24 | NE | 0 |
| CO | 1  | NH | 0 |
| CT | 0  | NJ | 0 |
| DC | 0  | NM | 0 |
| DE | 0  | NV | 2 |
| FL | 2  | NY | 0 |
| GA | 2  | OH | 0 |
| HI | 0  | OK | 2 |
| IA | 0  | OR | 0 |
| ID | 1  | PA | 0 |
| IL | 1  | RI | 0 |
| IN | 0  | SC | 1 |
| KS | 0  | SD | 0 |
| KY | 0  | TN | 1 |
| LA | 0  | TX | 9 |
| MA | 0  | UT | 0 |
| MD | 0  | VA | 0 |
| ME | 0  | VT | 0 |
| MI | 1  | WA | 0 |
| MN | 3  | WI | 0 |
| MO | 2  | WV | 0 |
|    |    | WY | 0 |

**Total: 55**

MERS looks forward to seeing you at the following events:

**National Association of Mortgage Brokers Conference**  
Phoenix, 6/5-6/9

**MBA President's Conference**  
Carlsbad, 6/6-6/9

**MBA National Servicing Conference**  
Atlanta, 6/17-6/18

### AMERICA'S MORTGAGE LOAN REGISTRY

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Corporate Offices:  
8201 Greensboro Drive,  
Suite 350  
McLean, VA 22102

## MERS® System Enhancements Scheduled for Spring Release

By Weyman Lew

This Spring the MERS® System will be enhanced to incorporate members' suggestions for ways to improve MERS. The release will also fix maintenance items identified in the current release.

Software for the new release will be distributed to members shortly after the completion of user acceptance testing. This testing is scheduled to be completed by the end of April. Release Notes will be distributed to members and other interested parties in early April.

Among the enhancements in the upcoming release are:

- **Edit on the zip code extension field relaxed.** The 4 digit zip code extension is an optional field when a member is pre-registering or registering a loan. Currently if anything other than 4 digits was provided, the system rejects the pre-registration or registration of the loan even if all other edit requirements were met. The new release will allow the pre-registration or registration of the loan even if invalid zip code extension data is provided but all other edit requirements are met. The system will not process the invalid zip code extension data and leave the field blank. Members will be given an error warning message when invalid zip code extension data is provided.
- **Automatic confirmation of a transfer of beneficial rights (TOBR) batch when the member uses "non-MERS member" in the current investor field.** Prior to this change a member using "non-MERS member" (OrgID 9999999) as the current investor for a TOBR transaction could not be processed since both the current investor and new investor of the TOBR has to confirm for the system to process the transaction. With this release members can now set up a TOBR with a non-MERS member as the current investor and the system will process the transaction after the new investor confirms the transaction.
- **Automatic confirmation of an Option 2 TOBR batch when the current servicer/sub-servicer is the same entity as the current investor.** The current investor and new investor are required to confirm an Option 2 TOBR for the system to process the transaction. Prior to this release if the current servicer or sub-servicer member was also the current investor, the member had to confirm the transaction as the current investor. The next release eliminates the need for this confirmation, provided the member identified as the current investor for the transaction has the same OrgID as the current servicer or sub-servicer. The new investor will still have to confirm the transaction.
- **Transfer of Servicing Rights (TOSR) on-line improvements made.** Changes to the internal processing of TOSR batches were made to help reduce the amount of time it takes to create and confirm TOSR transactions.
- **MIN Cross Reference Report enhanced.** The following fields were added to the Report: MOM Indicator, Registration Date, Deactivation Date, and Foreclosure Status. *Investor removed by an Option 1 investor report now distributed to all members associated with the loan.* The report will now be distributed to all members associated with the loan. Previously only the investor that was replaced by the Option 1 investor received the report.
- **Borrower and co-borrower full names added to the Lien Release Data File.** The file has been enhanced to include the borrower and co-borrower full names. The file previously only included the borrower last name.
- **Registration Assignments Not Sent Report and Registration Without Recording Information Reports will no longer be produced on a weekly basis. The Reports were also changed to be non-cumulative reports.** The Reports previously were produced weekly and in a cumulative format, creating large and cumbersome reports for members over time. The Reports will now be produced daily showing only those MINs that meet the selection criteria for the period the Report is covering. The Reports will be non-cumulative.
- **Foreclosure Pending Status Change.** Whenever a member puts a MIN in a pending foreclosure status a MIN milestone is created on the system. Previously, the system did not block a member from putting a MIN into the same pending foreclosure status more than once, which created multiple MIN milestones for the same pending foreclosure status. The new release will now prevent a member from being able to put a MIN in the same pending foreclosure status more than once.

Please call me at (703) 761-1273 if you have any questions about the upcoming release.



# Audio Cassette Order Form

## GENERAL SESSIONS

- 1 "Emerging Technologies: Shaping the Customer Relationship"  
*Dr. James Canton*
- 2 "Technology Strategies for Today's Customers & Partners"  
*Rod Scott*

## CONCURRENT SESSIONS

- 3 Imaging 101: How and Why
- 4 Internet & E-mail: Business Tools for Success
- 5 Electronic Commerce 101: How & Why
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- 8 Bring On the Bandwidth!
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- 12 Cross-Training Your Staff
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- 15 Coordinating With Your County Recorder
- 16 Closing Systems
- 17 The Paperless Office
- 18 Customer Service via Technology
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- 20 Cellular Telephones & Pagers
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- 22 Plant Systems In Your Operation & On the Internet
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- 25 Thin Client Technology
- 26 Telephones & Voice Mail
- 27 Imaging On-Line: LAN, WAN, TI
- 28 Buying a Home on the Internet
- 29 Digital Signatures & Certificates
- 30 Connecting Multiple Offices: LAN/WAN/VPN
- 31 Computer Hardware & Peripherals
- 32 Fax Machines & Desktop Faxing Software

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- 33 Infostream
- 34 ScreenScan Systems
- 35 Ultima Software
- 37A,B (*Two Tapes*) Stewart Information Services Corp.
- 37 Indus MIS, Inc.
- 38 SAFEChecks
- 39 Digital Delivery
- 40 halSystems
- 41 Softpro Corporation
- 42 Eureka Electronic Publishing

|   |                  |
|---|------------------|
| Total Tapes x \$9.00                          | \$ _____         |
| Any eight tapes in FREE album                 | \$ <u>72.00</u>  |
| Any twelve tapes in FREE album                | \$ <u>108.00</u> |
| Any sixteen tapes in FREE album               | \$ <u>144.00</u> |
| <br>  |                  |
| Complete set 43 tapes in FREE Albums          | \$ <u>379.00</u> |
| <br>  |                  |
| Florida Sales Tax • 6% in Florida only        | \$ _____         |
| <br>  |                  |
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| <br>  |                  |
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# County Recording: A Future View

By Carol Foglesong

"Great day. The closings went smoothly. All the customers are happy — and have left our office. The money is being dispersed to everyone. We're finished, right?"

"Almost. All we need to do is get the documents recorded, returned to us, and then sent off to ABC Mortgage. Based on my past experience, that process will only hold us up, oh, say, 10 days to two weeks. Why can't the recorder do it faster?"

Ever have that conversation, or one similar to it, in your office or with your customers?

What does happen, anyway, when the document gets recorded?

Well, let me tell you the tale. The paper(s) arrive, usually with a check and sometimes with "just-in-case" cash. They come to the recorder's office by runner, by express mail couriers, or by regular U.S. Postal Service. Someone scans the document trying to decide what it is and if it meets the "can-it-be-recorded?" standards of that particular office. Then, that same person — or another person — decides if there is the right amount of money to record the document. They "cash-it-in." Then ugly numbers get stuck via hand-printing, label, or imprint on each page of the document. Then another person indexes the parties, the document type, maybe a short legal description, and other "find-it-later" identifying numbers. Then another person checks the data that has been entered (typically by "blind key stroke," meaning the second person can't see what the first person entered).

If the data being entered matches in every particular, indexing is complete. If

not, ah well, then it has to be redone, reviewed, discussed, and a final decision reached (again, often following the "how-to-index" standards of that particular office). Then another person archives the document (could be by making a paper photocopy, shooting a microfilm copy, scanning it, or any combination of these options). Then another person has to figure out to whom to return the documents, find the incoming envelope, or make one, stuff the papers inside, seal the envelope, and hope the office runner shows up to get the envelope(s) to the mail room.

See why the process of recording takes so long?

Should it take this long? Easy answer: NO!

So, how do we change it? Where are the recorders heading and why? What role(s) can or should the title companies, titles searchers, title underwriters, title plants, title closers, Realtors, mortgage brokers, and mortgage bankers play?

*Carol Foglesong is Assistant Comptroller, Records Administration Division, Orange County Comptroller's Office in Orlando, Florida. She is responsible for overseeing and managing the Official Records process from start to finish: receiving the documents, collecting the fees, recording, indexing and archiving, as well as public and professional research of the Official Records from within the office and outside of the office. When not at the office, Carol can be found either volunteering at various arts and community organizations or sailing with her family on their 27' sailboat. Carol may be reached at 407-836-5695 or via email at carol.foglesong@comptroller.co.orange.fl.us*

There are many answers to these questions, from many perspectives. I'd like to focus on a particular future view, and I challenge you to help make that view, or a variation of it, reality.

A customer (Realtor, mortgage broker, Joe and Sally Buyer, the XYZ Company) contacts you. A property is identified, and your customer wants to change who owns that property. You jump on the Internet, pull down the information already provided by your customer to the financial institution, or you help your customer load in the data for a financial institution. The financial institution qualifies and then confirms that the loan amount is a go — within hours and certainly within 24 hours.

You find the statewide Official Records Index site, pull up the name(s) of the current property owners (or the existing cross-reference to property/parcel location), click once, see the actual title and lien documents connected to that owner and that piece of real estate. You print out whatever copies you want/need, sending a copy via e-mail to your title underwriters, the surveyor, the pest inspector, the bank/mortgage company, and anyone else you can think of. Your title search is completed in two to four hours. Okay, resolving discrepancies or problems and examining or evaluating the title might take another day or two.

You also check out MERS and within an hour or two confirm final payoff of any existing mortgages.

Draft deeds, closing documents, mortgage papers, etc. are prepared via e-mail. Surveyor and pest inspection reports are received via e-mail. Details of what is, or isn't, included in the sale are confirmed via e-mail, and the corresponding closing documents are adjusted. Allow two to three days for this part of the process.

Closing happens, maybe in your office with everyone face-to-face, maybe via

Internet with secure passwords, maybe via teleconference video. Documents are signed and notarized by a person authorized/certified to perform electronic notarial services. Closing takes, oh, 30 minutes. At the click of a button, the money moves electronically among the parties. With a second click, the satisfaction, new deed and mortgage are sent electronically to the recorder. The recorder opens the e-mail message, confirms receipt of electronic money, types in a few codes to register/record the document, adds the recorder's electronic version of a seal, and ships the documents back to whomever or wherever the incoming e-mail said they should go. Oh, and by the way, since the documents were received electronically, they are already scanned and archived, and indexing took only a few seconds. Total time from sending to the recorder until the documents are "back" to you? Let's say 12 hours (just in case your document arrives after 5 p.m., and the night shift isn't working that night).

Is this scenario too far-fetched? No. Could it become a reality? Yes. In fact, multiple parts of this scenario are al-

ready in existence. Quick financing approval is happening. MERS is beginning to compile the data on mortgage assignments. Georgia has created a statewide Official Records Index site. Individual counties have made their index accessible via the Internet (check out Orange County, Florida). Counties that are imaging documents are lifting them to the Internet (check out Maricopa County, Arizona). Electronic notaries are already provided for in Florida law. Electronic

---

*"Closing happens, maybe in your office with everyone face-to-face, maybe via Internet with secure passwords, maybe via teleconference video."*

---

transfer of funds is certainly a reality. Maybe every piece is not yet in place in every state, but the edges of the title industry envelope are being pushed every-

where I look.

What part do you intend to play? All of us (title searchers, title companies, title underwriters, title plants, title closers, Realtors, mortgage brokers, mortgage bankers, recorders, and anyone else I forgot to name) need to shake our thoughts, our policies, our procedures, our staff, our customers, our vendors, and our laws from the "I've always done it that way!" mode and refocus on the "why can't I?" mode.

Start by:

- Talking to your recorder(s) on what plans they have for changes;
- Proposing legislation to make electronic commerce and notaries a reality;
- Convening a meeting with an assortment of your customers (bankers, Realtors, recorders, underwriters, surveyors, inspectors, etc.).

Don't be overprotective of your job or your turf. **EXPAND IT.** The future has challenges and is exciting. And it is ours for the taking! 

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## NAMES IN THE NEWS

**S**arah Roy Amat has been named senior vice president-agency operations for Florida-based title insurance underwriter Alliance Title of America, Inc., where she will direct the marketing efforts of Florida's newest underwriter with agents, investors, and related industries. Also in Florida, **Jeff Lange** has been named vice president and Central Florida agency manager of First American Title.

In other Florida promotions, title insurance executive **Larry Furlong**, who has been instrumental in the growth and success of Fidelity National Title's Florida Agency Division, has been named senior vice president and state agency manager. As such, he will oversee the management of more than 350 Fidelity National title agents in Florida, the Caribbean, and Puerto Rico. And in Winter Park, Florida, **Vicky Bushey** has been named branch accountant for Fidelity, where she will be responsible for managing the day-to-day operations of the accounting department.

In Kansas, attorney **David Wood** has joined the staff of Security Abstract and Title Company as senior title counsel. In discussing the new position, President Roger N. Bell stated, "The area's strong housing market continues to impact our business. . . Having an in-house attorney saves time preparing for closings, so customers can take possession without undue delay."

At Chicago Title and Trust Co., the following people have received promotions: **Laura Dalton** of Walnut Creek, CA (to escrow officer); **Joel DeSpain** of Austin, TX (to underwriting counsel and manager, commercial escrow division); **Mark Hathaway** of Richmond, VA (to manager and counsel); **Amanda See** of Hartford, CT (to assistant vice president, CTIC, remaining agency representative); **Kathy Speight** of Greenville, NC (to underwriting coordinator, remaining office manager); **Jim Steller** of Michigan (to operations manager, remaining vice president); and **Karen Wilson** of Austin, TX (to escrow officer). In addition, **Louis A. Iannaccone** has joined the company as executive vice president, chief technology and information officer, and will be joining the ALTA Land Title Systems Committee.

Smart Title Solutions, based in Ana-



Amat



Wood



Steller



Thomas



Furlong



Hathaway



Henney



Juvinall

heim, CA, has recently named **Mike Henney** president. Mr. Henney has been with the organization for three decades and was previously its senior vice president. Also on the west coast, Glenn County Title Co. announced its new president, **Richard M. Thomas**, formerly vice president and operating manager. This change occurred as a re-

sult of the recent sale of the company from **Glenn and Shirley Felder** to **Richard M. and DeAnnah L. Thomas**. Says Felder, "I am pleased that the Company remains in family ownership and control; Rick has and will serve Glenn County well."

**Kenneth Kirkner**, assistant vice president of T.A. Title Insurance Com-

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Lawrence E. Kirwin, Editor

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Morris



Wender

pany, has assumed the responsibility of district manager of Title Alliance on March 1, 1999. Title Alliance is a subsidiary company of T.A. Title Insurance Company, a full service title insurance provider headquartered in Media, PA.

At Ohio Bar Title Insurance Company in Columbus, OH, **Cynthia L. Juvinal** has been promoted to business development manager for both the commercial and residential divisions. She will be active in business development as well as serve as the company's community affairs representative.

**Stewart Morris, Jr.**, president of Stewart Title Company, a wholly-owned subsidiary of Stewart Information Services Corporation, was recently named the 1998 Title Industry Leader of the

Year by the Houston Association of Realtors (HAR). HAR annually recognizes the title professional who they believe has made the most significant contribution to the real estate industry. Said HAR Chairman of the Board Mark Woodroof, "We're distinguishing Stewart Morris, Jr. for leading one of the most forward-thinking companies in the business, and making the future of the real estate industry a reality today."

At LandAmerica Financial Group in Richmond, VA, company officials recently announced the retirement of vice-chairman and chief operating officer **Herbert Wender**, effective May 31, 1999. Mr. Wender will, however, continue to serve as a member of LandAmerica's Board of Directors until the end of his term in 2001. He was a past president of ALTA and served as chairman and chief executive officer of Commonwealth Land Title Insurance Company and Transnation Title Insurance Company, both of which combined operations last year with Richmond-based Lawyers Title Insurance Corp. under the LandAmerica umbrella.


In this column, we also regretfully

mark the death of a past ALTA employee and honorary member, **James W. Robinson**, on March 30, 1999. He was 83, having retired as senior vice president from American Title Insurance Company in Miami in 1982. Mr. Robinson worked in the title business for 48 years, except for a brief period in association management, most of that time in a public relations capacity. He is survived by his wife, Alice, whose presence on his many travels created a dynamic team remembered by many. Also surviving are a son, Thomas A. Robinson of Winfield, IL, a daughter, Joan Yalken of Poolesville, MD, a sister, and both grandchildren and great-grandchildren.

James' other son, Sergeant James W. Robinson, Jr., was posthumously awarded the Congressional Medal of Honor after his death on April 11, 1966, during a voluntary tour of duty in Vietnam; following his death, **James W. Robinson High School** in Fairfax, VA was named after him, in order to commemorate his acts of heroism and his dedication to serving his country.

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# 1999 Affiliated Association Conventions

## May

6-8 **New Mexico**, Clovis, NM

18-21 **California**, Laguna Cliffs Marriott, Dana Point, CA

20-23 **Palmetto**, Hyatt Regency, Greenville, SC

23-26 **New Jersey**, Nemaconlin Woodlands Resort, Farmington, PA

## June

3-4 **South Dakota**, Deadwood, SD

3-5 **Texas**, Santa Fe Hilton & El Dorado Hotel, Santa Fe, NM

4-6 **Virginia**, The Omni, Richmond, VA

6-8 **Pennsylvania**, Castle Harbour Resort, St. George, Bermuda

6-8 **Iowa**, Lake Okoboji, IA

11-12 **Arkansas**, Bentonville-The Clarion, Bentonville, AR

17-18 **Colorado**, Great Divide Lodge, Breckenridge, CO

24-27 **New England**, The Black Point Inn, Prouts Neck, ME

27-29 **Oregon**, Sunriver Resort, Bend, OR

## July

8-10 **Illinois**, Heidel House Resort, Green Lake, WI

18-20 **Michigan**, Shanty Creek Resort, Bellaire, MI

22-24 **Utah**, Sun Valley, ID

## August

5-7 **Montana**, Fairmont Hot Springs Resort, Fairmont, MT

5-8 **Idaho**, McCall, ID

8-11 **New York**, Charleston Place, Charleston, SC

12-14 **Indiana**, Omni Severin Hotel, Indianapolis, IN

# MARKETPLACE

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

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

12-15 **North Carolina**, Grove Park Inn & Resort, Asheville, NC

13-15 **Minnesota**, Breezy Point Resort, Brainerd, MN

19-21 **Kansas**, Overland Park Marriott, Overland Park, KS

19-21 **Wyoming**, Holiday Inn, Rock Springs, WY

## September

9-11 **Missouri**, Westin Crown Center, Kansas City, MO

12-14 **Ohio**, Dayton Marriott, Dayton, OH

16-18 **Dixie**, Grand Casino, Gulfport, MS

16-18 **North Dakota**, Gladstone Inn, Jamestown, ND

16-18 **Wisconsin**, Stone Harbor, Sturgeon Bay, WI

17-19 **Maryland, DC, VA**, Cavalier Hotel, Virginia Beach, VA

22-24 **Nebraska**, Mid Town Holiday Inn, Grand Isle, NE

23-26 **Washington**, Coeur d'Alene, ID

## November

10-13 **Florida**, Westshore Hotel, Tampa, FL

## December

2-3 **Louisiana**, Chateau Sonesta, New Orleans, LA

# TITLE NEWS ADVERTISERS

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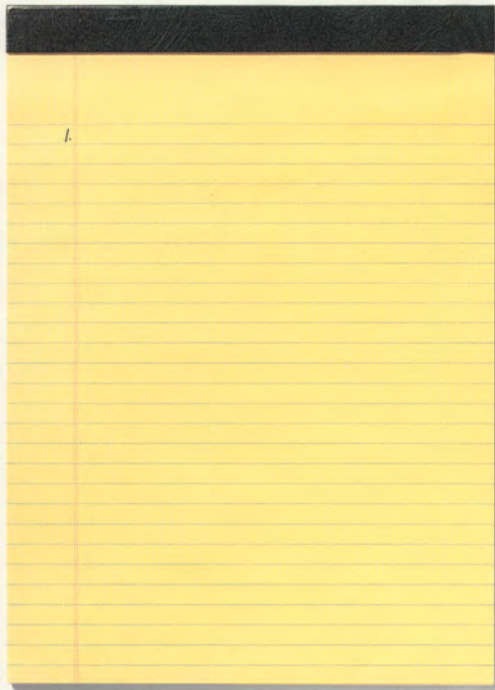
What's in a name? Visit our booth at the ALTA show and discover why STSS is the smarter solution for today and the future.

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

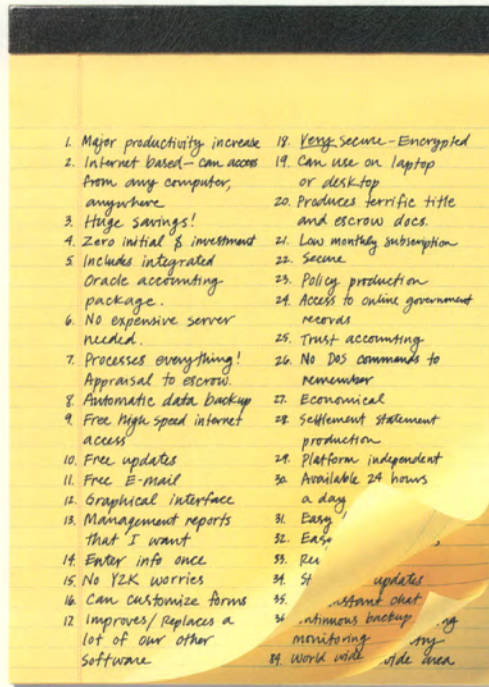
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JULY-AUGUST 1999

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# TITLE JULY•AUGUST1999 *News*

Volume 78, Number 4

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

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## On the Cover:

Colorado's Rocky Mountains are home to ALTA's 1999 Annual Convention in Colorado Springs. Mountain air and majestic views are sure to inspire attendees to reach new heights, as they "blaze new trails" into the year 2000. For details, please turn to pages 20-21.

## FEATURES

### 11 Bring on the Bandwidth

*By Ted Smith*

Your electronic pipeline is becoming more and more critical to the success of your title operation, and the capabilities are growing exponentially. How do you quantify your "need for speed" today, or more importantly, for tomorrow? Ted Smith explains everything you need to know about bandwidth, including an easy-to-understand glossary of terms.

### 14 Recollection of MDP Program

*By Patricia L. Berman, LTI  
Director of Education*

Where can you learn about finance and customer service, while playing with balloons and hula hoops? At the Land Title Institute's Management Development Program, creative courses combined with a practical curriculum pack a powerful educational punch.

### 21 Westward Ho! to ALTA's 1999 Annual Convention in Colorado

*By Liza Trey, ALTA Director of  
Meetings and Conferences*

Although summer is just hitting its stride, the time is here to plan for a wonderful fall trip to the beautiful Broadmoor resort nestled in the Rocky Mountains of Colorado Springs. New educational programs and some unique tours and activities are sure to make the Annual Convention a "peak" experience for ALTA members.

### 26 International Update

*By Bruce McKenna*

How is the title insurance product faring offshore? Bruce McKenna provides an updated glimpse of title insurance in other countries. Learn how title insurance and related services are expanding in the international marketplace, and where the challenges and opportunities lie in this important growth area.

### 32 Discover How ALTA's Retirement Program Can Help Recruitment and Retention

The good news is unemployment is low. The bad news is unemployment is low! During this period of low interest rates and low unemployment, title companies are fighting to hire and keep good employees. One way to help is by offering a strong benefits program. The ABRS program offers high-quality investment options and little-to-no administrative fees.

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Anyone is invited to contribute articles, reports and photographs concerning issues of the title industry. The Association, however, reserves the right to edit all material submitted. Editorials and articles are not statements of Association policy, and do not necessarily reflect the opinions of the editor or the Association.

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# ALTA COMING EVENTS



## July

1999

**23-24 Education Committee**

La Jolla, CA

**24-27 Accountants Meeting**

Montreal, Canada

## August

**14 TIAC Board Meeting**

Grafton, VT

**15-17 Reinsurance Committee Meeting**

Woodstock, VT

**28-30 Abstracter/Agent Research Committee Meeting**

Annapolis, MD

## October

**6-9 ALTA Annual Convention**

Colorado Springs, CO

## November

**7-9 Title Counsel Meeting**

Key West, FL

**13-16 TRC Board Meeting**

San Francisco, CA

## December

**6-7 Systems Committee**

Las Vegas, NV

2000

## February

**13-15 Tech Forum 2000**

Las Vegas, NV

**27- March 3 Land Title Institute Management Development Program**

Houston, TX



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## A MESSAGE FROM THE PRESIDENT-ELECT



As this is being written, the swirling forces of Congressional legislative activity for financial services modernization and the mystical gyrations of the Federal Reserve Board are front page news. Everywhere one turns there is yet another article on the revolution of electronic commerce.

In recent years there has been a growing question from our traditional lender customer base, and from emerging customer sets, as to the value proposition of title insurance. Now the protagonists for financial services modernization and mortgage reform seem to be viewing us more with disdain rather than as a representative voice, and in some circumstances as a nuisance factor rather than a contributor to the solution. I see it as a troubling indicator, but not a problem we cannot solve. Let's face it, these are confusing and frustrating times. We unfortunately seem to have positioned ourselves as against things, trying to buy time, rather than looking for ways or conditions upon which we would begin to accept proposals of change. As I have come through the chairs of

---

*"In recent years there has been a growing question from our traditional lender customer base, and from emerging customer sets, as to the value proposition of title insurance."*

---

ALTA, I have come to appreciate the demands on the members of the staff of our trade association.

In the next few weeks, the Board will convene to review the strategic plans and direction of the Association. The value proposition of the ALTA will be brought under the microscope. It may be time for a tweaking. It may be time for an overhaul. It certainly isn't time for the status quo.

Charles H. Foster, Jr.

# Now you can search your **local public records** with the **touch of a key.**

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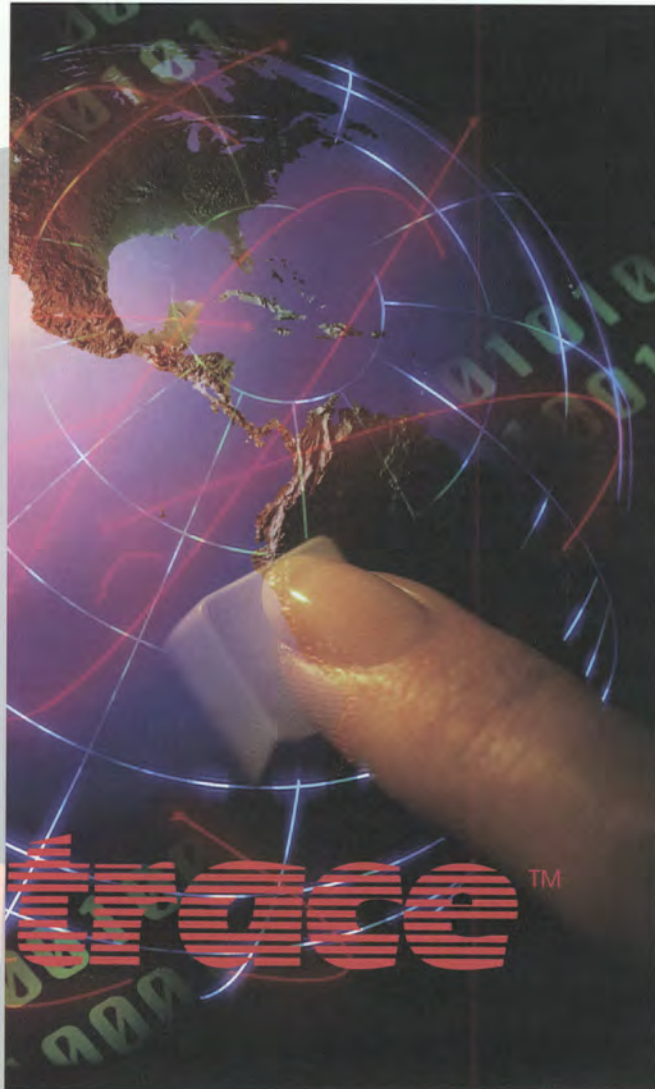
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# Legislative/Regulatory Update

As of June 23, 1999

## ISSUE

## SYNOPSIS

## STATUS/HISTORY

Limitation of national bank and financial holding company powers to sell and underwrite title insurance (parts of H.R. 10/S. 900, Financial Modernization Act of 1999)

In S. 900, national banks would be allowed to sell and underwrite title insurance directly from the bank, from an operating subsidiary, or through a financial holding company. ALTA was successful in achieving: 1.) favorable amendments in the House Banking Committee; 2.) closing the "small towns" loophole in the House Commerce Committee; 3.) limiting national banks "parity" with state chartered banks to eliminate "wild card provisions" linked to federal law as state authority to sell title insurance; 4.) report language to cover specific state title laws.

Legislation expanding national bank powers has passed the Senate and is awaiting floor consideration in the House.

6/29 — House floor consideration expected before the July recess

6/20 — H.R. 10 passed House Commerce Committee, voice vote

5/6 — S. 900 passed Senate, 55-44

3/11 — H.R. 10 passed House Banking Committee, 51-8

3/4 — S. 900 passed Senate Banking Committee, 11-9

Regulatory Expansion of the Powers of National Banks

National banks have been seeking opinions from the Office of the Comptroller of the Currency (OCC), the regulator of national banks, to expand their ability to sell title insurance.

The OCC has issued a series of opinions broadening insurance powers of national banks to sell insurance from "small places." These cannot be challenged in court.

RESPA Reform-proposed—new exemption from Section 8 for "packaged" settlement services

The Board of Governors of the Federal Reserve and the Department of Housing and Urban Development submitted a report to Congress in July 1998 suggesting reform proposals including a new RESPA Section 8 exemption for bundled closing costs.

ALTA testified at the only real estate industry hearing in the 105<sup>th</sup> Congress. ALTA supported improved consumer disclosure, but objected to an exemption from Section 8 for "blind packaged" settlement services. No legislation has been introduced in this session.

RESPA Yield Spread Premium Lawsuits

HUD Statement of Policy on Yield Spread Premiums released on February 22, 1999 is primarily focused on the yield spread premiums and the disclosures of these payments. Clearer disclosures are required on both the Good Faith Estimate and on the HUD-1.

**Implementation requirements for settlement agents.** The recipient of the YSP fee and the fee received from the lender is to be clearly labelled. Ex. "Mortgage broker fee from lender to XYZ Corp. (P.O.C.)."

Bankruptcy reform (H.R. 833/S. 625) *McConville*- title insurer liability for undisclosed bankruptcies

ALTA obtained provisions overturning the Ninth Circuit decision denying protection for lender's liens under section 549(c) of the Bankruptcy Code.

Late June — pending Senate consideration

5/11 — placed on Senate calendar

5/6 — passed House, 313-108

4/28 — passed House Judiciary Committee, 22-13

4/27 — passed Senate Judiciary Committee, voice vote

Fannie Mae\Freddie Mac Uniform Instruments

Fannie Mae and Freddie Mac have issued a new uniform instrument.

**Implementation required for sale transactions effective July 1, 2000.** Of interest to the title industry are the following: The instruments do not provide specific fees for specific services. However, there is language which provides that the lack of specific fee charges not be interpreted as a prohibition. Notice Provisions: There have been no changes on the notice provisions relative to state foreclosure laws and due on sale provisions. However, there is a new provision applicable to both lenders and borrowers which allows parties to give notice that they have a problem with the security instrument.

Information Reporting on Qualified Settlement Funds

Proposed IRS regulations on reporting of interest income earned on qualified settlement funds set filing standards.

5/12 — ALTA filed comment and testified at IRS hearing objecting to requirement that "escrow administrator," rather than entity paying interest, file information reports.

Information Reporting on Real Estate Transactions: tax information return penalty increase

Administration proposal would increase information return penalty on incorrect filings from \$50 to 5% of transaction amount (the house sales price)

4/28 — ALTA filed comment with IRS to replace current taxpayer identification number liability with good faith exemption. House Ways & Means and Senate Finance Committees - Action Pending

Information Reporting on attorney fees

IRS proposes regulations requiring filing of Form 1099-MISC on attorney fees

Comments due August 19.

Asset Forfeiture (H.R. 1658)

Would adjust standard for "innocent owner"

Summer '99 — pending House floor consideration  
6/15 — passed House Judiciary Committee, 27-3

*\*Summary information. For more details please contact Ann vom Eigen, Legislative Counsel, or Charlie Frohman, Director of Grassroots Advocacy at 1-800-787-ALTA.*

# PHOENIX

## Title Agents Executive Conference Draws Agents

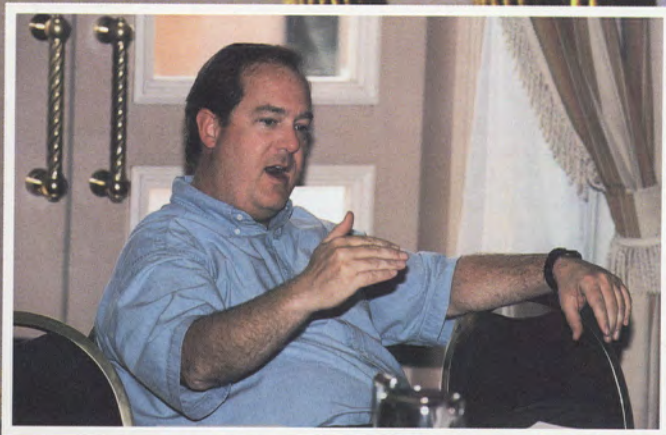


*Participants found plenty of opportunities for interaction, as demonstrated by Dick Johnson and Bob Newlon.*

*Participants come together to share information about their industry experiences at the Monday evening reception.*



*Jack Rattikin, III, captured in mid-sentence, shows active involvement in the topic at hand.*



*From left to right, Mike Kehoe, Greg Wick, John Freyer, and Ken Lingenfelter deliberate and discuss in one of the afternoon sessions.*



## **NETWORKING OPPORTUNITIES ABOUND AT 1999 Title Agents Executive Conference**

**By M. Kathleen Hendrix**

Are 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 original purpose of the Large Agents Meeting was 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 established 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. In 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 can catch a glimpse of how their peers operate, and they find it to be invaluable. Past meetings have been held in Denver, Chicago, and Las Vegas. The 1999 meeting was held May 3 - 4 in Phoenix, Arizona.

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 1999 program.

Plans are already underway for the 2000 **Title Agents Executive Conference** to be held at another sunny location. The conference will again be scheduled on a

Monday and Tuesday, allowing attendees to take full advantage of a weekend stay-over. 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 1-800-787ALTA.*

---

### **1999 TITLE AGENTS EXECUTIVE CONFERENCE**

*(Held May 3 and 4, 1999, Phoenix, AZ)*

#### **DAY ONE**

##### **Presentation: Doing Business on the Internet**

*David Tandy, Stewart Information Services Corp., SISCO  
John Gosselin, Gosselin & Associates, P.C.*

Yes, you can actually use the Internet as a business tool! This presentation focuses on how to increase business and make more money by using the Internet. Presented by a title insurance agent who is doing business online and the underwriter whose technology makes it possible, this session caught everyone's attention.

##### **Presentation and Discussion: Partnering with Banks to Increase Your Business**

*Ann vom Eigen, American Land Title Association*

Although ALTA works every day to keep banks out of the title industry, we know that their presence is a reality. Join this informative discussion to learn what is being done to slow bank progress and how you can best prepare for this business trend.

#### **Cocktail Reception and Dinner**

#### **DAY TWO**

##### **Discussion: Using the Media to Attract Customers**

*Gay Alberts Ruby, Ruby Communications*

This interactive workshop teaches how to build positive, mutually beneficial relationships with editors and news directors from magazines, newspapers, radio stations, and television stations.

- Become a resource to the media so the media calls YOU when an expert opinion is needed.
- Identify creative, inexpensive ways to publicize your title company.
- Create and maintain a positive public image.
- Handle publicity challenges with knowledge and confidence.

#### **Lunch**

##### **Tour of Stewart Title, Phoenix Office**

Mr. Brian Hughes hosts this tour of the second most profitable Stewart Title office in the nation. Mr. Hughes shares many insights into how he keeps this multi-office operation running smoothly. Join Mr. Hughes as he reveals the secrets of this ultra-successful title operation.

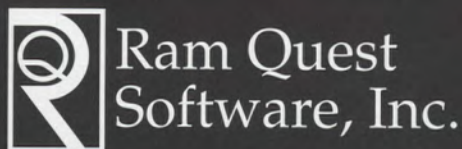


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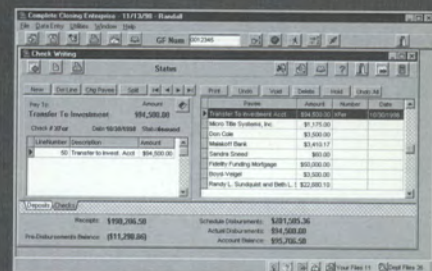
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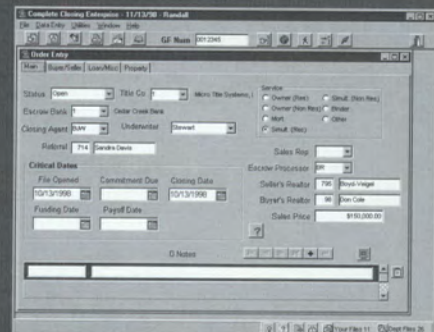


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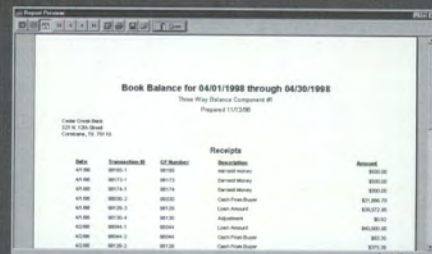
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# Bring on the Bandwidth

By Ted Smith

**B**andwidth is something your organization uses on a daily basis. Like most of the finer things in life, it is usually not noticed until it is gone. This short discussion of bandwidth will include a working definition, a "how to" approach on evaluating your business's need for speed, and an overview of some cost-effective telecommunication options.

## What Is It?

Our first goal should be to obtain what might best be deemed a standard industry definition of what bandwidth is and how it can be increased. The term "bandwidth" refers to the amount of data, usually measured in bits-per-second, that can be sent through a dedicated (leased) transmission circuit. In other words, "How much stuff you can send through a connection..." as colleague likes to say. A fast modem can move about 15,000 bits in one second; full-motion, and full-screen video would require roughly 10,000,000 bits-per-second, depending on compression. Although this may be a bit optimistic, in practical terms a one-page text document can, all things considered, be transmitted in about one minute over a fast modem connection.

In short, when one speaks of bandwidth it is a reference to the size and speed of a data circuit - or the ability of any network connection to move data, and at what relative speed. To increase bandwidth, you can do one of two things:

You can buy **all** the latest and greatest techie toys and tools simply because you can; or,

You can buy only what you need today and plan to up-

grade as your company and desired network function grows.

I would encourage you to take the latter (and higher) road, which involves a detailed and well-documented technical approach. Although it is a somewhat technical exercise, determining your business's "need for speed" does not need to be an intimidating undertaking. It should be viewed as a very practical venture.

## How Much Speed do you Need?

As we walk through this "how to" approach in evaluating your company's need for speed, try not to take any of the elements for granted. These points need to be investigated as you define your communication needs. It is important that, before you begin to shop for system hardware, software and connectivity options that you put together a requirements document that expresses your needs based on your company's goals for a system. There are many great software packages, lots of fancy hardware and multiple ways to communicate

*Ted Smith began at Centex Title and Insurance Operations' network in 1996 as a Network Specialist and currently serves as the Network Project Manager. Prior to joining the Centex Title team, Ted served as a Data Communication Technician with Dal-Tile, a 230-site Frame Relay network, for several years. Ted is a graduate of Dallas Christian College and is currently juggling his career, family life, and graduate studies.*

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*"Whether you have a network today or not, the project of determining your organization's bandwidth needs involves the same foundational questions."*

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(designed to go faster and faster) out there on the market. However, you want to measure the vendor's product against your desired results, not flashy interfaces and pretty pictures. If you will take the time to document the answers to the following questions you will be well on your way to having a blueprint showing where your company is technically and where you want the network to be in terms of network functionality and faster processing or bandwidth. You will be able to speak with vendors and understand their product within the context of your needs.

Whether you have a network today or not, the project of determining your organization's bandwidth needs involves the same foundational questions worthy of your company's consideration. As you evaluate your current Information Technology and network effectiveness in terms of bandwidth, you may ask: How many users are in your organization? How will your people access the system? Is your system running on a LAN (local area network) or WAN (wide area network)? Is your office a stand-alone office utilizing a local area network or is your office one of multiple offices in your organization utilizing a wide area network? How do you access your system? Do you connect via in-house connectivity (Ethernet, etc.)? Or do you utilize a wide

area network approach via remote dial in connectivity, twenty-four seven WAN connectivity, such as tacked up ISDN lines, dedicated circuits, or Internet connectivity? After collecting this data, you can determine how you are communicating today and how to look for ways to "bring on the bandwidth."

### What are your Options?

It is important not to fall into the trap of thinking that one type of bandwidth technology is best for your organization. Although claims of super speed abound for some typologies, do your homework! Document, test, and evaluate your communication needs. Note: One does not need to choose between connection types in order to arrive at the most bandwidth for the cost. Many technologies can work well together and complement each other for big bandwidth at a lower overall cost model. Our company utilizes both ISDN and Frame Relay circuits on our network. (See Glossary for definitions.) We use ISDN technology when and where local call pricing and non-metered services are offered, and we use Frame Relay when ISDN is not cost effective, in those areas where long distance charges and metered services come into play. Fortunately, we have been able to create a pseudo "hub-ring" typology in our major markets in Texas by going with Frame Relay (256k pipes) to centralized offices and then ISDN (128k) to remote sites in that area. We are experimenting with Southwestern Bell's version of xDSL, called ADSL, in the Austin area to the Internet and then to our Network via our T1 Internet connection to our ISP in the computer room. For smaller offices and remote connectivity, we also offer analog modem dial-up connections local and toll-free to Cisco 2500 routers.

There are various options on the market today to increase bandwidth. For example you may have a small office currently using a few PCs or terminals, some type of modem/router, and you may be sending a small amount of data across the wire. A dial-up solution (28.8 as mentioned above or up to 56k) may still be your best option. However, as analog lines generally cost fifty dollars per month, you might consider stepping up to an ISDN line for seventy-five dollars per month. (Note: Consult your local service providers, because mileage and markets vary; these price quotes may not apply in your area.)

The advantages of ISDN are dependent upon the local telephone/telecom-

munications company providers, latas, etc. In some markets and geographical areas you can "tack up" an ISDN line (leave the call placed 24/7) and bind the channels providing 128k. For little more than the cost of an analog line, you can in effect double your bandwidth. Beyond ISDN you might want to check out xDSL which claims a much faster stream of data at comparable cost models to ISDN. (Again, consult locally for prices in your market.) Note: ISDN and xDSL lines are often called dial-up connections as many companies and individuals use them for dial on demand calls or transmissions. Yet these circuits, in certain markets, can be tacked up thereby functioning as a dedicated circuit at a third of the cost of true dedicated circuits. When your communication needs exceed more bandwidth than 128k, dedicated circuits are the way to go. Generally speaking, dedicated circuits are more costly than dial-up connections; however, some would say they are

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*"Although a technical exercise, determining your business's need for speed does not have to be an intimidating undertaking. It should be viewed as a very practical venture."*

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also much more dependable. Our ISDN lines have proven themselves trustworthy and stable. Dedicated circuits do have their advantages, in that they offer at least the 56k bandwidth of a typical dial-up line and are scalable in the form of fractional T1s. Frame Relay circuits provide a very scalable approach to networking and can be monitored easily. They are also good for long hauls across latas and geographical areas.

Finally, bandwidth is utilized in all of these various connection types but is not limited to a discussion of just WAN environments. Taking the view that all data moves through any network connection at some speed or size, one realizes that bandwidth in its truest form is a part of the economy of both WAN and LAN networks. Many companies specialize in evaluating WANs and LANs or any combination thereof and would be glad to have the opportunity to evaluate

your network.

However, if you have a technical support staff today you may need only a software package, basic hardware, or other monitoring tools in order to equip your folks to complete the project in house. Do not be intimidated by the process. Allow your local telephone/telecommunications company and other service providers to work with your support staff, if applicable. Together, they can perform evaluations of the communication lines or data circuits you currently utilize. Any telecommunication vendor worth its salt should be able to tell if you are within the limits of productive bandwidth. I would recommend increasing bandwidth if you are at 60 percent of your total available throughput. If you are maximizing your circuits, then it is time to upgrade to the next level of circuitry or size: Bring on the bandwidth! 🐉

### Sources Cited:

<http://www.matisse.net/files/glossary.html#B>

### For further Reading:

"The Internet Business Companion: Growing Your Business in the Electronic Age" by David Angel and Brent Heslop

"Switching Technology in the Local Network: From LAN to Switched LAN to Virtual LAN" by Mathais Hein and David Griffiths

"Maximum Bandwidth: A Serious Guide to High-Speed Networking" by Dan Blanharski

"Voice and Data Communications Handbook : Signature Edition" by B. J. Bates, Donald Gregory and Regis J. Bates.



# GLOSSARY

**ADSL**—(Asymmetric Digital Subscriber Line)—A circuit that passes data over existing telephone lines. ADSL claims to be much faster than other types of connections, 1.544 megabits per-second with data speeds of 128 kilobits per second (requires a special modem or router).

**ANALOG**—Analog lines are commonly used for modem connections. The term analog refers to both the physical copper cable and the way data is transmitted over that cable through a local telephone company's system switch. These switches can provide both voice and data communication. Note: Data over analog lines has limited transmission speed because of the narrow bandwidth of voice lines.

**DEDICATED CIRCUIT**—A circuit, usually called a "leased line," that connects two networks together via WAN routers and some type of WAN protocol for consistent data flow and network access. A 56K circuit offers the bandwidth of a single channel ISDN call.

**DIGITAL**—When the same analog data is converted to digital data, via a digital switch, it can be transmitted over digital signals faster and without much distortion. Digital data is more precise, but does not have the transmit range of analog.

**ETHERNET**—One method and cabling type used to connect PCs, printers and/or terminals together with a File Server or Main Frame.

**FRAME RELAY**—A high bandwidth data circuit service or protocol connecting two networks across some type of dedicated circuit in scalable bandwidth portions to end users (requires a router).

**"HUB-RING"**—A term used to describe a networking concept where one office serves as a hub, or central point of contact, for other surrounding or remote sites.

**ISDN**—(Integrated Services Digital Network)—Like a modem line, but offering much more bandwidth, a digital dial-up circuit capable of 56K per channel—these channels can be bound for up to 128K speed (requires a special modem or router).

**LAN**—(Local Area Network)—A network that restricts its user-base to those located **ONLY** in the same physical location, floor or building.

**LATA**—(Local Area & Transport Access) —A telephone company's geographical boundary of service, where dial-up calls are usually free.

**ROUTER**—A unit that allows two networks to be "routed" together by searching for a specific IP address across LANs and WANs and getting the data to specified locations.

**T1**—A leased line that offers a bundle of 56K circuits offering the bandwidth of 24 single channel ISDN circuits.

**"TACKED UP"**—A term used to describe a dial-up circuit, such as ISDN, that is used for dedicated connectivity. Placing a call to another network and leaving the call up twenty-four hours a day, seven days a week—for anytime connectivity (avoid per minute charges by staying within a specific LATA).

**WAN**—(Wide Area Network)—A network that allows those outside the physical location of the LAN to access the system using some type of dial up or dedicated circuit connectivity.

**xDSL**—A generic representation of some form or product based on DSL, such as ADSL seen above. Some companies offer IDSL (ISDN Digital Subscriber Line).

# Recollection of LTI's 1999 Management Development Program

By Patricia L. Berman, LTI Director of Education

**W**OW! It was quite a week for the students, instructors, and staff. Starting with Sunday's Opening Session and receipt of their Hartman Value Profile analysis, students experienced a week of intensive training, interspersed with some fun. Each of the five groups of 24 students developed a unique bond—friendships forged by mutual experience. The Management Development Program concluded with a formal graduation ceremony, complete with brief speeches, cheers, chants for planning a reunion, and the awarding of Certificates of Achievement. The electricity and excitement in the graduation ceremony were memorable.

Throughout the week, the students' work and play activities provided many photo opportunities. Included with this article is a sampling of the many pictures taken depicting special moments. A photo album of the Class of 1999 has

been assembled and will be available for viewing at the Land Title Institute table at future ALTA conventions.

Analysis and feedback from the 119 graduates of the Class of 1999 were very

---

*“One of the interesting developments of the program, and one not anticipated, was the group synergy...each group became a ‘tribe,’ united together to do their best and to beat the rest, particularly in the customer service course.”*

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positive. The quotation below is just one of many complimentary responses to the question, “Would you recommend this program to others?”

“I would definitely recommend the program to others. In fact, I already have suggested it to two other managers. I think the information covered was very valuable and will strengthen the skills of even a “seasoned” manager. Another important aspect of the class was the sharing of ideas with respect to the management issues that we all face. Within your own organization, sometimes it seems that there is only one way to handle a certain situation. The MDP allowed for discussion of many different approaches to the same challenge.”

## Demographics

The 119 graduates of the Class of 1999 included 65 men and 54 women. Eighty-one were agents and 38 were under-



Working together in small groups.



Enjoying the wonderful weather and conversation with new “friends.”

writer employees. The graduates represented 38 states.

### Facilities

The facilities in the Hinton Center at Houston Baptist University (HBU) were top-notch. The classrooms were state-of-the-art and adaptable to different configurations for learning, such as small group discussions and group projects. Some of our small group discussions moved outdoors for an opportunity to develop a consensus and to enjoy the warm temperatures and sunshine. We used multi-tiered classrooms, some rooms with movable worktables, two computer labs, and the sidewalks outside for a mental exercise with two hoola hoops.

### Program Accessories

Upon their arrival on Sunday afternoon, students received their MDP accessories — a three-ring binder with more than 200 pages of printed materials, badge, identification place card for their classroom table, folder with pad of paper and pen, carryall shoulder bag, and their personal analysis of the Hartman Value Profile.

### Hartman Value Profile

According to evaluation forms and comments made while at HBU, students particularly enjoyed the opportunity to learn about their personal strengths and weaknesses as identified by the Hartman Value Profile. Dr. Steve Byrum provided two explanations of the Hartman Value Profile — first during the second half of Sunday's Opening Session, and then during his course "Man-

aging Change in the Title Industry." Some of our manager students have returned to their offices to offer the Hartman Value Profile analysis to all their employees and have contracted with a consultant to offer explanations of the individual profiles.

### Hotel Accommodations and Private Bus Transportation to HBU

The Westin Oaks in the Galleria was the primary hotel for attendees, although a few students stayed at another facility. The Westin Oaks is adjacent to the Galleria, a large shopping center with numerous restaurants, stores, and an indoor ice skating rink. Transportation between the hotel and HBU was provided by a private bus company, and we rode in style in brand new buses.

### Ice-Breaker Reception, Daily Meals and Evening Events

Sunday's Ice-Breaker Reception was held on the top floor of the Westin Oaks Hotel, which offered a panoramic view of the uptown Houston area. HBU provided Continental breakfast and lunch all five days, as well as two dinners and entertainment for students and faculty on Tuesday and Thursday evenings. About half of our students attended the rodeo at the Astrodome on Wednesday evening as guests of Stewart Title Guaranty Company.

### Distinguished Industry Speakers

We were most fortunate to have four very distinguished and knowledgeable title industry experts present during the week, and they offered a title industry "spin" on certain courses. Our guest

speakers and their topics were:

Ginny Abiassi  
Marketing Strategies  
Stewart Title Guaranty Company  
Houston, TX

Janet A. Alpert  
Leadership Skills  
Finance for Land Title Manager  
LandAmerica Financial Group, Inc.  
Richmond, VA

Cara L. Detring  
Leadership Skills  
Managing Change in the  
Title Business  
Preferred Land Title Company  
Farmington, MO

Kenneth R. Jannen  
Managing Change in the  
Title Business  
Finance for Land Title Managers  
First American Title Insurance  
Company  
Fort Lauderdale, FL

### Reunion for Class of 1999

By popular request made during the graduation ceremony, a reunion for the Class of 1999 will most likely occur during the ALTA Annual Convention in Hawaii in 2000.

### Special Badges

Each of our 119 graduates has been given a special identification badge on which is imprinted "MDP Graduate." If you see one of our graduates at a title industry function, please introduce



One of the "customer service" classes lined up to hear the rules of the outdoor exercise using two hoola hoops.



Working with construction paper, balloons, straws, strings, and scotch tape.



One of the many groups posing for a photo on graduation day.

yourself and ask about their experience at LTI's Management Development Program—they have tales to tell. Congratulations to the Class of 1999!

### Group Synergy

One of the interesting developments of the program and one not anticipated was the group synergy or group dynamics. Each group became a "tribe" united together to do their best and to beat the rest, particularly in the customer service course. One group called each other by their nicknames, chosen on the first day during an introduction lesson. People exchanged business cards, e-mail addresses, and phone numbers because they wanted to stay in touch with their "group." One of our graduates wrote:

"All in all, the week was a wonderful learning experience steeped in much fun, laughter and camaraderie. Age, sex, national origin, or title company made no difference here. The networking crossed all preconceived lines of underwriter/agent; your company vs. my company. We were one and we wanted to win! You could not have walked away from this program unchanged. For one week, in Houston at the first annual MDP, we were one—we were united."

### Unique Faculty Development

I am delighted to report developments

on two of our top-rated MDP instructors. Dr. Karen Morton was eight months pregnant when she taught the "Communication/Listening Skills" course. She is now the proud mother of a daughter. Dr. Steve Byrum, our instructor on the Hartman Value Profile and "Managing Change in the Title Business" course, has agreed to present an educational session entitled "Ethics in the Workplace" at the 1999 ALTA Annual Convention in Colorado Springs in October.

### Next Year's Program

Because of the success of LTI's first Management Development Program, we are planning to offer the management/leadership course again next year—(roughly) the same time and same place. The dates for 2000 are February 27-March 3. Course instruction will be held on the campus of Houston Baptist University, and hotel accommodations will be available at the Westin Oaks in the Galleria. Due to an almost unanimous request, next year we will insert some "free time" on Wednesday afternoon so that participants have an opportunity to sightsee, shop, maybe play golf, or rest. Specific details about the 2000 MDP will be announced this Fall. 🐾

*The Land Title Institute (LTI) created the Management Development Program in 1999 in response to the title industry's needs, with the main objective being to give the industry a process to recognize, motivate, and groom its future leaders. Products of LTI also include seminars, videotapes, and correspondence courses.*

## Call for Editorial Content

*Title News*, the official magazine of the title insurance industry, is looking for a few good men and women.



We're forming an ALTA Editorial Advisory Group for the purpose of identifying new and interesting information for *Title News* readers.



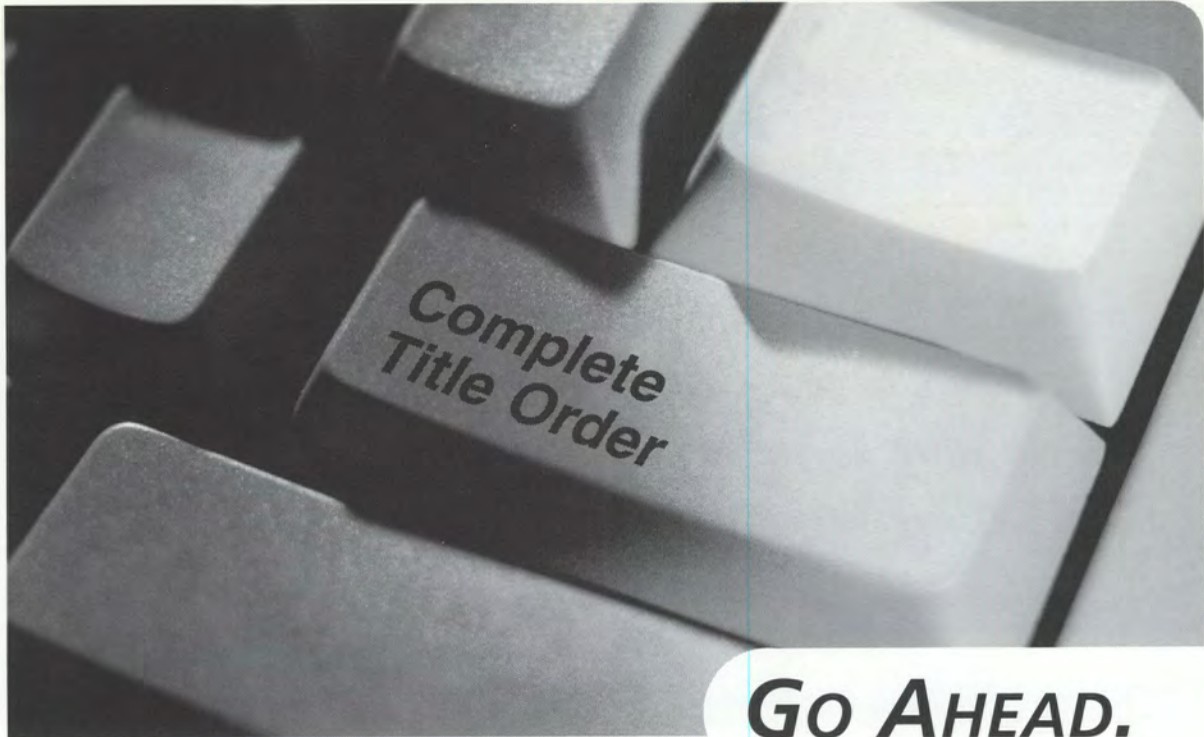
If you have an interest or background in communications, some fresh and interesting story ideas, and would like to join this informal group, please contact Lisa Cole, ALTA Director of Communications, at 1-800-787-ALTA, or [lisa\\_cole@alta.org](mailto:lisa_cole@alta.org).



There will be no travel associated with this group, as all communications will take place via fax, email, and conference call.



Thanks for your interest and support.



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## America's Mortgage Loan Registry

Volume 2, Issue 5

www.mersinc.org

May 1999, Periodic Newsletter

### MERS 1999 Annual Meeting

By R.K. Arnold

MERS held its third Annual Meeting on April 29. We were pleased to report to the shareholders that MERS finally seems to be delivering on its initial promise to save the mortgage industry money by eliminating assignments. The shareholders are happy so everybody's happy!

It hasn't been easy. As many of you know, we had to engineer a turnaround. MERS was launched back in 1997 before approval of MOM (MERS as Original Mortgagee). That meant that to register loans on the MERS® System a member had to create an extra assignment. In other words, MERS increased up-front costs in return for potential future savings over the life of the loan. The MERS concept was going nowhere fast because the value proposition wasn't good enough.

Since then, we got approval for MOM from Fannie Mae, Freddie Mac, Ginnie Mae, FHA and VA, and all four major wall street rating agencies have approved it as well. Now our members eliminate an assignment when they register a loan on the MERS® System, so they save money up-front. MOM has completely changed the MERS concept from a theory into something that will soon be a way of life in the entire mortgage industry.

To date, MERS members have registered more than 300,000 loans. Of those, about 23,000 are MOM loans. The daily MOM registrations are growing at an increasing rate. Every MOM loan saves at least \$22 in up-front assignment costs, so our members have saved \$506,000 so far in hard dollar savings using MERS. That doesn't even count all the soft dollars they have saved by eliminating the headaches from those assignments.

#### This Month

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### Bringing the Industry Together for a Change: The Integration Forum

By Carla Haase

When was the last time you learned from your competitors how to lower your costs? That's what the MERS Integration Forum is all about; the opportunity to learn how to implement MERS from members who have completed their integration projects.

Integration topics include strategies, planning, and implementation of the business processes. There is a three part agenda:

- 1) Updates on policy and procedure changes and system enhancements by MERS staffers, Fannie Mae, Freddie Mac, Ginnie Mae, the MBA and others.
- 2) Members share their experiences on one or more of the following subjects: origination, retail, correspondents, warehouse lending, post closing, loan servicing, foreclosure, payoffs, acquisitions, bulk/mini-bulk sales and other subjects of interest.
- 3) The host leads a question and answer period to address any subject presented by the attendees.



The first integration forum was hosted in 1997 by First Nationwide Mortgage. Since then, Norwest Mortgage, Temple Inland and NationsBanc Mortgage have each sponsored a forum. A member hosts the one-day event and works with MERS to develop the agenda and the invitation list. MERS/Alltel and MERS/Data-Link user groups meet the following morning with representatives from those companies to discuss future MERS enhancements.

Who should attend a forum? Project leaders and team members in any stage of their integration project; members willing to share with others (and perhaps learn more themselves); new members just beginning; software vendor representatives who want to understand the MERS process; custodians and other interested parties.

Merrill Lynch will host the next integration forum and user meetings on June 24- 25, 1999 in Jacksonville, FL. Invitations will be mailed mid-May.

If you need more information about attending or hosting a forum, please call Rachel Swanston of MERS, at 1-800- 646-MERS (6377).

### MERS Overcomes MOM

#### Legal Challenge

By Sharon Horstkamp

Some members recently encountered difficulties in Massachusetts when they tried to record their mortgages naming MERS as nominee for the originating lender (MOM) on registered land. Massachusetts is one of the few states where some land falls into the category of registered land. The Department of Land Registration in Massachusetts is a separate unit from the regular section of the Registry of Deeds. The Land Court is a Department of the Massachusetts Trial Court, which has control over ownership of real property which has been disputed at some point in history.

This was the first time that the MOM concept had been challenged. In response, MERS submitted a legal memorandum to a Massachusetts Land Court Judge for a decision. We knew that the law supported our position, and therefore the memorandum had a good chance of succeeding. MERS as Original Mortgagee (MOM) is based on the legal principle that a nominee is a legally acceptable way for a party to hold a mortgage on behalf of another party. The concept is in use nationwide. The Judge agreed with MERS and approved our request, directing that all MOM documents presented to land court clerks in Massachusetts be accepted for recording.

Margaret Cronin, the Chief Title Examiner of the Massachusetts Land Court (who supported the request) is now working on a written memo to all land court clerks in Massachusetts to inform them of the Judge's decision. If a member experiences any difficulties with a land court clerk in recording MOM mortgages on registered land in Massachusetts, the clerk should be told to call Ms. Cronin directly.

#### Foreclosures Complete By State

|    |    |    |   |    |    |
|----|----|----|---|----|----|
| AK | 0  | KY | 0 | NY | 0  |
| AL | 0  | LA | 0 | OH | 0  |
| AR | 2  | MA | 0 | OK | 3  |
| AZ | 3  | MD | 0 | OR | 0  |
| CA | 29 | ME | 0 | PA | 0  |
| CO | 1  | MI | 2 | RI | 0  |
| CT | 0  | MN | 3 | SC | 1  |
| DC | 0  | MO | 2 | SD | 0  |
| DE | 0  | MS | 0 | TN | 1  |
| FL | 4  | MT | 1 | TX | 13 |
| GA | 3  | NC | 0 | UT | 0  |
| HI | 0  | ND | 0 | VA | 1  |
| IA | 0  | NE | 0 | VT | 0  |
| ID | 1  | NH | 0 | WA | 0  |
| IL | 2  | NJ | 0 | WI | 0  |
| IN | 0  | NM | 0 | WV | 0  |
| KS | 0  | NV | 2 | WY | 0  |

Total: 74

**LAN Version of MERS  
Desktop Software &  
Internet E-mail Support  
Now Available**

**By Dan McLaughlin  
& Brad Wanzor**

The MERS Desktop Software is now available in a version that runs on NT and Novell networks. This software is functionally identical to the Desktop version except that it is designed to allow PCs attached to a server to access MERS from the server rather than from the hard drive of an individual PC. Any PC used to access the MERS software on the LAN must still run Windows 95 or higher or NT and have TCP/IP connectivity to the MERS environment. The LAN version will not support the MS Exchange client (e-mail). However, you now have the option to direct MERS to begin sending all MERS-related e-mail to your designated Internet e-mail address if you have an Internet e-mail provider. We will assign the first part of your Internet e-mail address and you tell us the remainder. We can also convert any existing e-mail addresses that you are using for the Desktop Version. For instance, if your current MERS e-mail address is 1000555ABCMORT@MERSINC.ORG, we can convert the address to 1000555ABCMORT@ABC.COM. Simply call us at 1-800-646-MERS (6377) and ask for an e-mail conversion. We will coordinate the switch with you when you have setup the new address with your Internet provider. Please note that we can maintain only one Internet e-mail address per Organizational ID number.

**AMERICA'S MORTGAGE LOAN  
REGISTRY**

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**MERS: Race to Increased Profitability**

*By Ron Crowe*

The crush is on! As we begin to work with more and more new MERS Members, I pause and think about the crowd crossing the starting line at the Freddie Mac sponsored run during the MBA Secondary Conference in New York. Taking the first steps with a new MERS Member is like starting the race. We establish our pace by developing a plan to finish at as fast a pace as possible and we win the race. The MERS Member Wins the Race by beginning to register loans. In doing this they get more than a T-SHIRT, they begin to save MONEY. Below are two recent MERS Race Winners:

**Ameri-National Mortgage – Overland Park, KS**

When we first began integration activity with Jim Tinsman, Jr. – President of Ameri-National - in December last year, Ameri-National was experiencing tremendous origination volume. Great news for them, but it stalled the integration. Jim indicated that in January 1999 they would start again and get themselves “MERS-Ready”. He dedicated the resources of Mary McClure, their Project Manager, and by February they had registered their first MOM Loan. Since then, we have seen the registrations flow onto the MERS system from Ameri-National daily. They have now begun their next stage of integration to begin using the MERS Desktop Software to register the loans themselves. Way to go Jim and Mary!

**Com Unity Lending – San Jose, CA**

Martha Collins-Berryman has been an inspiration to me. She always has a positive “can-do” approach to getting her company “MERS-Ready”. After many weeks of conference calls and completion of scheduled changes to her mortgage documents to include the MOM language, Com Unity Lending has finished implementing MERS. Today, they are closing all loans on MOM documents, affixing the MIN, and their trading partner is registering loans for them. Martha, her IT Team and Thong Hong, CFO (and systems guru) are developing their MERS interface. Once integrated, they will do daily batch processing directly to MERS further automating their use of MERS. Congrats, team!

Join the race to increased profits today. Call me at (770) 761-3226 or write to my e-mail address (ronc@mersinc.org) to get an entry form into the MERS Race! And remember... “Every Loan Needs a MOM.”

**Alltel Adopts MERS User Group**

*By Gary Vandewater*

Since September 1998, several MERS Members that utilize the Alltel MSP system in their servicing operations have been meeting as an ad hoc Alltel/MERS User Group. The objective of these meetings has been to provide feedback to Alltel on the existing MSP MERS functionality, to document problems, prioritize future enhancements and to share experiences.

The information gathered so far has been used to help eliminate manual processes that had not been previously addressed in the initial enhancement design. For example, concerns over incorrect county codes and the need for a MOM flag on the system will soon be a thing of the past. Future functionality includes a dedicated MERS Screen containing loan level MERS data, a Flow Transfer of Servicing indicator, and automation of the Foreclosure Reinstatement Process.

Recently, this ad hoc group became an official entity as an advisory committee to the Alltel Loans Added and Released (LAR) FAC (Functional Advisory Committee). Bob McKee of Alltel was instrumental in getting the group formalized. MERS Members will be represented on the FAC by Carol Capek (Old Kent Mortgage) as Chairperson of the MERS Subcommittee. Other MERS Subcommittee members include Jan Walsh (Aurora Loan Services), Marlene Ortlieb (Merrill Lynch Credit Corp.), Sue Haumesser (Bank of America Mortgage), Diane Coats (Wendover Funding), Craig Thompson (Norwest Mortgage) and Barbara Frisch (Standard Federal).

We applaud Alltel for its ongoing support of MERS and we look forward to working with the LAR subcommittee to continue building a seamless interface between Alltel and MERS.

# Convention Schedule

## Monday, October 4

3:00 p.m.-5:00 p.m.

Registration

## Tuesday, October 5

8:00 a.m.-6:00 p.m.

9:00 a.m.-11:00 a.m.

9:00 a.m.-5:00 p.m.

9:00 a.m.-5:00 p.m.

9:00 a.m.-5:00 p.m.

Noon-5:00 p.m.

1:00 p.m.-5:00 p.m.

2:00 p.m.-4:00 p.m.

Registration

Membership/Recruitment & Retention Committee Meeting

Title Insurance Forms Committee Meeting

Public Relations Committee Meeting

Education Committee Meeting

Land Title Systems Committee Meeting

Miners to Millionaires City Tour (off-site tour)

Government Affairs Committee Meeting

## Wednesday, October 6

8:00 a.m.-7:00 p.m.

9:00 a.m.-Noon

9:00 a.m.-Noon

9:00 a.m.-Noon

9:00 a.m.-1:00 p.m.

9:00 a.m.-5:00 p.m.

9:00 a.m.-5:00 p.m.

11:00 a.m.-4:00 p.m.

Noon-3:00 p.m.

1:00 p.m.-5:00 p.m.

1:30 p.m.-5:00 p.m.

5:30 p.m.-6:30 p.m.

6:30 p.m.-8:00 p.m.

Convention Registration

Abstracters & Title Insurance Agents Section Executive Committee Meeting

Underwriter Section Executive Committee Meeting

Title Insurance Forms Committee Meeting

Colorado Rockies Jeep Tour (off-site tour)

Lender Counsel Meeting

Life Counsel Meeting

Affiliated Title Association Officer-Executive Brunch Session and Seminar

Indian Land Claims Committee Meeting

Miners to Millionaires City Tour (off-site tour)

ALTA Board of Governors Meeting

First Time Convention Attendee Mixer

Ice-Breaker Reception

## Thursday, October 7

5:30 a.m.-9:00 a.m.

7:30 a.m.-8:15 a.m.

7:30 a.m.-8:15 a.m.

8:00 a.m.-1:30 p.m.

8:00 a.m.-4:45 p.m.

8:30 a.m.-11:30 a.m.

11:30 a.m.-Noon

11:30 a.m.-Noon

Noon-1:15 p.m.

12:15 p.m.-2:00 p.m.

12:30 p.m.-5:00 p.m.

2:00 p.m.-4:45 p.m.

2:00 p.m.-4:00 p.m.

2:15 p.m.-3:30 p.m.

Hot Air Ballooning (off-site tour)

TIPAC Board of Trustees Meeting & Breakfast

International Development Committee Meeting

Exhibits Open/Continental Breakfast

Convention Registration

General Session

Title Insurance Abstracters/Agents Section Meeting

Title Insurance Underwriters Section Meeting

Buffet Lunch in Exhibit Hall

TIPAC Luncheon

Pikes Peak Cog Railway (off-site tour)

Exhibitor Information Sessions

TIAC Board & Shareholders Meeting

Educational Sessions

## Friday, October 8

7:00 a.m.-8:15 a.m.

7:00 a.m.-8:15 a.m.

8:00 a.m.-11:45 a.m.

8:00 a.m.-4:30 p.m.

8:30 a.m.-9:45 a.m.

9:00 a.m.-2:00 p.m.

10:15 a.m.-11:30 a.m.

Noon-1:15 p.m.

11:45 p.m.

1:00 p.m.

SLRAC Meeting

Abstracter/Agent Research Subcommittee Breakfast

Exhibits Open/Continental Breakfast

Registration

Educational Sessions

Companion/Guest Event

Educational Sessions

Exhibit Hall Lunch

Golf Tournament

Tennis Tournament

## Saturday, October 9

8:00 a.m.-4:45 p.m.

8:30 a.m.-1:30 p.m.

8:30 a.m.-11:30 a.m.

9:00 a.m.-2:00 p.m.

11:45 a.m.-Noon

Noon-1:30 p.m.

12:30 p.m.-4:30 p.m.

1:45 p.m.-4:45 p.m.

6:30 p.m.-7:15 p.m.

7:15 p.m.-11:30 p.m.

Registration

Exhibits Open/Continental Breakfast

General Session

Soaring (off-site tour)

Executive Session

Exhibit Hall Lunch

Air Force Academy/Gardens of the Gods (off-site tour)

Educational Sessions

Reception

Annual Banquet

NEW TRAILS

ALTA ANNUAL CONVENTION

COLORADO SPRINGS, CO

OCTOBER 6-9, 1999



# Blazing New Trails at the ALTA Convention

By Liza Trey, ALTA Director of Meetings and Conferences

**A** Rocky Mountain resort, nestled in the foothills of Pike's Peak, awaits ALTA's 1999 Annual Convention attendees. The Broadmoor is one of the premier resorts in the world; in addition to the splendor of its majestic mountain setting, it boasts time-honored traditions of outstanding service and extraordinary dedication to quality. To those who are planning to enjoy it for the first time, WELCOME. To those returning for yet another successful convention, the ALTA Convention will be everything you remember, and more.

Convention activities will be launched on Wednesday evening, October 6, when the International Center is transformed into Colorado. Those attending will experience the sites, tastes, and sounds of this marvelous state. Colorado's Winter Wonderland will be brought inside the Rocky Mountain Ballroom for the closing Banquet Saturday night, where show time entertainment will be presented, along with music for dancing cheek to cheek.

In addition to the informative General Sessions on Thursday and Saturday, a far-reaching array of Educational Sessions will be available on Friday, including topics such as E-commerce, changing technology in the county recorders' offices, customer service, and life after the title industry. Saturday afternoon will feature agency management workshops which will include: Using the Media to Attract Customers, Attracting and Keeping Good Employees, and The Importance of Nonverbal Communication in Title Negotiations.

The latest in technology available to the title industry will be showcased through Convention exhibits and accompanying information sessions and other events featuring leading exhibitors.

Among the special attractions will be Friday's companion/guest brunch at Cliff House at Pikes Peak. Appearing as a guest speaker during the brunch will be Dudley

Shearburn, who will share her thoughts on how to "Get a Good Life."

## Wolf Blitzer Featured

CNN Senior White House Correspondent, Wolf Blitzer accepted ALTA's invitation as Keynote Speaker for the General Session on Saturday, October 9. Blitzer has covered President Clinton since his election in November 1996. Previously, he served as CNN's Military Affairs Correspondent at the Pentagon. Most notably, he was among the team of CNN reporters who won the prestigious GOLDEN ACE Award for their coverage of the Gulf War. Don't miss this session to hear this well respected journalist's view of the world today.

Other prominent guest speakers who have accepted speaking invitations are R.K. Arnold, president of MERS, and Marlin Fitzwater, who will be highlighting the Title Industry Political Action Committee luncheon as guest commentator on Thursday. Fitzwater served as press secretary to Presidents Reagan and Bush. Today he is an author, lecturer, and humorist whose presidential anecdotes, political analysis, and television commentary make him a world wide celebrity.

## Tours Widen Horizons

For an even wider perspective, take a tour! For more information on the tours, consult the preliminary program or call ALTA's Meetings Department at 1-800-787-ALTA.

**Miners to Millionaires City Tour.** A motor coach tour of city highlights. (Departs 1:00 p.m., Tuesday and Wednesday.)

**Colorado Rockies Jeep Tour.** Get up close and personal with the Colorado Rockies in a open-sided jeep. (Departs 9:00 a.m., Wednesday.)

**Hot Air Ballooning.** Come get your Rocky Mountain high! Take the ultra-quiet ride through scenic Colorado Springs. (Departs 5:30 a.m., Thursday.)

**Pikes Peak Cog Railway.** Take an unforgettable trip to the 14,110 foot summit

of Pikes Peak. Sit back, relax, and take in the splendors of Colorado. (Departs 12:30 p.m., Friday.)

**Soaring.** Discover the freedom and fascinations of the finest form of flight. You and a pilot will be towed a few thousand feet above the ground, then released to enjoy the beauty and quiet of motorless flight. (Departs 9:00 a.m., Saturday.)

**United States Air Force Academy & Garden of the Gods Tours.** At the Academy, you will visit the famous Cadets Chapel, Visitor's Center, and an authentic B-52 from a tour in Vietnam. After the Academy, you'll travel to the Garden of the Gods, one of the most scenic areas in all of Colorado. (Departs 12:30 p.m., Saturday.)

## The Broadmoor — Reservations

Hotel accommodations may be reserved by calling the Broadmoor at 1-800-634-7711, and identifying yourself as an ALTA Annual Convention attendee. Rates are between \$205 for a Traditional Room and up to \$295 for a Premier Room, plus 8.1% tax, plus a daily service fee of \$10 for single occupancy and \$12.50 for double occupancy. The hotel cutoff date is September 3, 1999; a timely response is advised since the available room block is expected to sell out.

Convention registration fees have been set at \$460 for members and \$240 for companions and guests. ALTA members may call the Association meetings department toll free at 1-800-787-ALTA for updates, and to request registration forms.

Delta Air Lines (1-800-241-6760) and American Airlines (1-800-433-1790) have been designated as official carriers for the Convention, and may be contacted regarding discounted fares. For Delta, please refer to star file #120411A; for American, star file #S11569. Seats are limited, and certain restrictions may apply. ✈

# READY, SET . . . MERS

By Sharon McGann Horstkamp

"I have a document in front of me that has this 'Mortgage Electronic thing' on it. What is this, and what does it mean?"

This is a question often asked by title agents encountering their first MERS document. Now that more and more lenders are using the MERS® System, MERS is becoming visible in the title industry.

This "Mortgage Electronic thing" is a company called MERSCORP, Inc. It is a Delaware Corporation that is owned by a broad base of organizations in the mortgage industry. The name that you have seen or will see on mortgages, deeds of trust, assignments, lien releases and other related documents, (if you haven't already) is its wholly-owned subsidiary: Mortgage Electronic Registration Systems, Inc. (MERS). The subsidiary was created to be bankruptcy remote and is named as the mortgagee of record in a nominee capacity on all mortgages that are registered on the MERS® System by MERS members.

The appointment of MERS as the mortgagee of record eliminates the need for any future assignments when servicing rights are sold from one MERS member to another. Instead of preparing a paper assignment, such as traditionally has been used to track the changes in servicing rights in the county land records, all subsequent transfers can now be tracked electronically on the MERS® System because MERS always remains the mortgagee of record for the servicer. There is no need to create assignments once a loan is registered.

Who are MERS members? They are organizations in the mortgage industry that fund, acquire, lend or service mortgage loans including investors (Fannie Mae and Freddie Mac) as well as organizations that are primarily engaged in providing services to the mortgage industry. Membership includes American Land Title Association (ALTA), who also has a seat on our Board of Directors. First

American Title and Stewart Title are also members and shareholders.

## What is the MERS® System?

The MERS® System is an electronic database that was built by our technology partner, Electronic Data Systems Corporation, Inc. (EDS). It is through this database that changes in servicing rights and beneficial ownership interests are tracked electronically. It operates on software that allows MERS members access to a central database. It is a secured network. Members can access information only on loans that are identified as belonging to them. 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.

## Having a First-Time MERS Encounter

There are two ways that you will encounter MERS as the mortgagee of record. One is on a mortgage or deed of trust for a newly originated loan on which you may be asked to write a title

policy. The other is on an assignment of mortgage. The latter is usually associated with a bulk transfer of servicing.

The appearance of MERS on these documents will allow you to perform your job more efficiently because it will be much easier to perform title searches, and just as importantly, you can access needed information quickly. It is now possible for the chain of title to the mortgage to start and stop with MERS. No more paper chase!

Let's talk about what you need to know if you see MERS on a mortgage or deed of trust. First, why is MERS on the mortgage or deed of trust? Second, is MERS a lender now that it appears on this document?

MERS appears on the mortgage or deed of trust for the sole purpose of holding title to the mortgage or deed of trust as a nominee for a MERS member. Specific language appears on the security instrument that allows MERS to be the mortgagee as nominee for the lender, its successors and assigns (this is called "MOM", which stands for MERS as Original Mortgagee).

In the Fall of 1997, Fannie Mae, Freddie Mac, Ginnie Mae, FHA, and VA all approved the use of MERS on the security instrument for loans sold to them and registered on the MERS® System. In early 1998, Fannie and Freddie authorized changes to be made to the uniform security instrument to accommodate the addition of MERS as nominee for the lender. The four major Wall Street rating agencies, Moody's, Standard & Poor's, Fitch, and Duff & Phelps have approved the use of MOM as well.

Recently, Fannie Mae and Freddie Mac have revised their uniform instruments, including slight revisions to the 1998 MOM language. There will be approximately a one-year time period during which some lenders may be using the old MOM document and others are



*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 is a member of the New Jersey State Bar and the Virginia State Bar and received her law degree from the University of Richmond in Richmond, VA. She may be reached at 1-800-646-MERS or e-mail sharon@mersinc.org.*

beginning to use the new revised MOM document. However, the substantive content of both versions is the same.

One new change to the uniform instrument is to define MERS on each of the state definition sections. Each state has its own form of security instrument, so there may be a slight variation in the MERS definition from state to state. An example of representative language is: "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the mortgagee under this Security Instrument. MERS is organized and existing under the laws of Delaware, and is located at P. O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

The instruments make it clear that the originating lender is still defined as the Lender. MERS is not lending any money and will not be collecting any money. Additional language is added so that the Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in the Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling the Security Instrument.

### **How MOM Impacts the Issuance of a Title Policy**

When MERS was in the process of gaining approval of MOM by the Agencies (Fannie Mae and Freddie Mac), it contacted major title companies to make sure that lenders would not have problems obtaining title insurance on a MOM mortgage. Joseph C. Bonita, Chief Underwriting Counsel of Chicago Title wrote, "Chicago Title and its subsidiaries issue the standard ALTA Loan Policies, whether in the full version or in the Short Form which is commonly used in residential transactions. These policies insure against, among other things, loss from the invalidity or unenforceability of the 'insured mortgage,' which in this case would be the mortgage or deed of trust running to MERS as nominee. The insured in these forms is both the named insured and the

owner of the indebtedness secured by the insured mortgage, and each successor in ownership of such indebtedness." Mr. Bonita stated that in their present form, these policies provide full coverage to purchasers of the debt secured by mortgages made to MERS as the nominee of the original lender.

Out of the handful of calls that we have received from title agents, most arose out of confusion over the lender's instructions given to the title agent when a broker originated the mortgage for the lender. For example, a title agent received instructions to name the lender, i.e., the MERS member, on the policy, but this member did not appear on the mortgage. Instead, a broker's name was on the mortgage. The process followed by this lender and broker before converting to MOM mortgages was to deliver an assignment from the broker to the lender concurrently with the mortgage. The title policy listed the broker and made a reference of the assignment to the lender.

However, this process changes when a MOM mortgage document is used. If MERS is named as the nominee for the broker, there will not be an assignment from the broker to the lender. That is one of the advantages of originating mortgages naming MERS as the nominee; the assignment from the broker to the lender is eliminated. If the lender who uses a broker sends the same instructions to the title agent to name the lender on the policy, it causes confusion because there will not be an assignment from the broker. In this case, the title agent called looking for an assignment to the lender because they could not name the lender on the policy without that assignment from the broker to the lender. The title agent was correct. What caused the confusion was the lender not changing their instructions to reflect the use of a MOM document. The outcome was that the title policy would name the broker, its successors, and assigns. The lender also was instructed to change future instructions to their title agents.

Naming the broker as the insured does not impact the coverage of the lender. What lenders often overlook is that it is perfectly acceptable that they are not named specifically on the policy by their company name. When the broker sells the loan to the lender, the promissory note is endorsed to the lender making the lender the owner of the indebtedness. As Joe Bonita points

out, the owner of the note, the lender in this case, will be covered under the policy by the virtue of its ownership.

Therefore, if lenders are originating loans in a broker's name using MERS as the nominee for the broker, the policy should list Mortgage Electronic Registration Systems, Inc. as the nominee for the broker, its successors, and assigns. This should not cause an increase in the premium.

### **Are You Lost Without Assignments?**

The answer is, "no." Instead, you should celebrate your good fortune! No more wild goose chases tracking down a missing assignment. Fine, you say, that's great in theory, but then how do I know that the loan has been sold to a new servicer if there is not an assignment recorded in the land records?

*Here is the part where the title industry really sees the benefits of using the MERS® System.* The MERS® System has the unique ability to provide that information to you instantaneously through a Voice Response Unit (VRU) which is a toll-free number 1(888) 679-MERS. The VRU provides the name and telephone number of the current servicer of a mortgage loan that is registered on the MERS® System. Every mortgage that uses MOM language and every assignment to MERS will be recorded in the respective county land records. All documents will have a Mortgage Identification Number (MIN) on it. This is an 18-digit number that is unique to a particular mortgage loan.

Anyone can dial up the toll-free number and put in the MIN. There is no fee to use the System. Instantaneously, the database is searched and the current servicer's name and telephone number are provided. Don't worry if for whatever reason the MIN is omitted, or you can't read it. You can also access the same information by using the borrower's name, property address, or Social Security number. This information can also be faxed to you by inputting your fax number when the system prompts you for it.

Once you access this information, the servicer is contacted for payoff information or for other information regarding the loan. No more wondering if the assignment recorded in the land records is the most current one, and then finding to your chagrin that it is not, forcing you to go on the all too familiar paper chase.

Plus, don't worry that it will be impossible to get through to the MERS® System. The average time it takes for a search of the MERS® System is 8.0 seconds. MERS monitors the response time on a monthly basis and will make appropriate changes if needed for timely responses. Also, MERS is developing a member-only side to our current website that can access the MERS® System through the internet. This will be a big benefit to the title industry when the volume of loans on the MERS® System has substantially increased. This would allow a title agent to find the servicer information on a number of loans by Internet access instead of by inputting the MIN on a telephone keypad.

### What Happens When the Loan Pays Off?

MERS is not the servicer of the loan, and cannot provide payoff information. What MERS does provide is easy access to the name and telephone number of the current servicer. This is an improvement over the current process where up to date assignments are frequently missing.

Out of the 500,000 loans that have

been registered on the MERS® System, approximately 35,000 loans have been paid off. Occasionally I receive a phone call asking to explain why if MERS is the mortgagee of record, is the check made payable to another entity. The explanation is that MERS is the mortgagee in a nominee capacity for the beneficial owner. MERS is not servicing the loan and therefore not collecting payments. It is the servicer who processes the payment and prepares the necessary documentation for payoff. Out of the 35,000 loans paid off, only about 40 times have I been requested to send a written letter assuring the title company that upon payoff to the servicer, a lien release will be executed by MERS.

Once the servicer receives the payoff funds, the lien release is prepared, executed by an officer of MERS, and recorded. The mortgage is then de-activated off of the MERS® System. If the VRU is called for information on an already paid-off loan, you will be told 1) that the loan was de-activated on whatever date it was de-activated, due to a payoff; 2) the name and telephone number of the last servicer. The MIN for this

loan will not be used again.

### What the Title Industry is Doing to Get Ready for MERS

ALTA is actively working to get the word out to all their members. The MERS monthly newsletter is reproduced in every issue of *Title News*. Some state land title associations have invited MERS to speak at meetings and conferences. The word on MERS is spreading, but a lot of title agents still need to be reached. Some title companies are taking a proactive approach.

For instance, Stewart Title Guaranty Company has issued a national bulletin to all of its issuing offices explaining MERS. On MOM mortgages, Stewart's policy is to show the original beneficial owner on the mortgage as the insured. If the lender requests, Mortgage Electronic Registration Systems, Inc. can be named as an additional insured. Jim Gosdin, Senior Vice President and Senior Underwriting Counsel, spearheaded this effort to educate Stewart agents. He states, "MERS will facilitate

*continued on page 38*

Windows 95/98  
Novell/Client 32  
Windows NT

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Common Sense Pricing  
Seamless Upgrade Path  
Integrated with MS-Office

•  
Automated Calculations  
Once-n-Done Data Entry  
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# Title Insurance Around The World: An Update

By Bruce McKenna

**E**ighteen months ago, I wrote about the developing market for title insurance and related services in Canada in an article entitled "American Title Insurance: An Emerging Presence in Canada," published in the January/February 1998 issue of *Title News*. At that time, the degree to which title insurance had penetrated the Canadian market was relatively small, although other countries' title insurance activities had been touched upon by others. *Title News* published an article about title insurance in Mexico in its January/February 1998 issue. Last September, the International Bar Association held a program at its 1998 Vancouver Conference entitled, "Title Insurance vs Investigation Of Title: Friend Or Foe?" with speakers from the United States, Canada, Australia, New Zealand, and Europe. *Title News* also published an article entitled "Going Global: The U.S. Title Industry's Next Frontier" in its November/December 1998 issue. ALTA recently created an International Development Committee under the chairmanship of Mark Winter.

Title insurance and related services are expanding in the international marketplace and this article will update *Title News* readers about developments here in Canada, as well as in a number of other nations around the world. In Canada, there is a much higher degree of market penetration by title insurers than there was a year ago, with Land America joining Chicago Title, First American, our bar insurer (Lawyers Professional Indemnity Corporation or "LPIC"), and Stewart Title. The current market leader, First American, issued more than 100,000 policies last year, a remarkable number when you consider that title opinions were the only available option just ten years ago.

In the United States, title insurance de-

veloped into the standard approach to assuring title to purchasers and lenders for a number of reasons related to the specific laws, recordation systems and business practices of the U.S. Historically, many of those factors were never as prevalent in Canada. The standard of Canada's registration regimes and the laws regarding solicitor's negligence were generally reliable. Canada has had national mortgage-lending institutions which performed the fund raising and allocation functions of the securitized mortgage market in the United States. The chartered banks effectively serve as a national clearing house for mortgage funds. Finally, in Canada the federal *Interest Act* contains a provision which allows individuals to prepay mortgage loans after five years. Accordingly, Canada has an effective 5-year limitation on the terms of mortgages given by individuals and consequently does not have the long-term debt instruments which would be more conducive to securitization.



*The author is a partner in Lang Michener (Toronto). Bruce has written and lectured extensively on title insurance in Canada. He is the author of three extensive sections on title insurance in the CCH Ontario Real Estate Law Guide, and is the contributing editor of the book "Title Insurance - A Guide to Regulation, Coverage and the Claims Process in Ontario" by Lang Michener. The author may be reached by telephone at (416) 307-4112, or by e-mail at [bmckenna@toronto.langmichener.ca](mailto:bmckenna@toronto.langmichener.ca).*

These kinds of differences exist between the United States and virtually every other country in the developed world. As a result, it is convenient for competitors to argue that the conditions that gave rise to title insurance in the United States don't exist in their country, that everything is "fine" and they don't need that American product. I heard those arguments in Ontario and Canada a number of times before our own bar insurer, Lawyers Professional Indemnity Corporation (LPIC) decided, in 1996, to issue title insurance policies itself. When I attended the IBA program at its 1998 Vancouver Conference, I heard variations on that same theme from lawyers from England, Germany, Spain, New Zealand and Australia. Unfortunately, that argument, while a convenient way to attack title insurance, doesn't actually compare and analyze the relative strengths and weaknesses of the local title assurance approach and title insurance. When the product compares favorably, as it now does in Canada, its adoption seems inevitable, despite the historical differences.

The basic characteristics necessary for the provision of title insurance are: 1) that there is a reliable, systematic form of land in existence in the country in question, and 2) that there exists a reasonable system of enforceable laws to support that system. Accordingly, title insurers are currently working in a number of countries around the world to help attain these basic pre-requisites so that a title system and title insurance can operate. These countries include Bolivia, Costa Rica, Hungary, Moldova, and St. Lucia. Stewart Title is the clear leader in assisting nations in developing these standards.

There are at least four strong challenges that title insurance poses to the various local title assurance systems

around the world. The first, as with any commercial product, is cost. The second is the ability to insure over hidden or future defects. The third is the manner in which title insurance responds to title defects or claims. The last is the impact of the modern global financial world. I will discuss each of these factors briefly, with examples of how they impact on other jurisdictions.

Costs will vary, but title insurers are not political entities that have a goal of "preaching the gospel," despite the eloquence of Mark Winter of Stewart Title, Hugh Brodkey of Chicago Title, Oscar Beasley of First American, and others. Title insurers are corporations in the business of earning income for their shareholders and, given the investment required to become licensed, hire staff, and market product in a new jurisdiction, they must have the clear belief that a profitable business will result from the contacts and clients developed. Since competitive price is the foundation of a successful business, the insurers are operating where they feel that they can compete successfully on that basis.

In Canada's largest province, Ontario, all title insurers are routinely insuring over residential survey issues and also reducing costs by not requiring that certain searches or enquiries be completed. First American offers "closing centres" that provide standard services to assist (or compete with) lawyers who carry out such searches and enquiries individually for each purchaser. Stewart Title offers an "Examining Counsel" program, where lawyers are paid a fee for the preparation of policy particulars. LPIC has reduced its premium levels and has recently made its TitlePLUS policy available by phone or by fax as well as on-line. LPIC offers a fixed price to new home purchasers with certain approved lawyers. Price competition is fundamental to success in this jurisdiction.

In England, First American is marketing a title insurance system that it claims will reduce the complexity, length and cost of the conveyancing process – halving costs. Stewart Title also offers title insurance in the English market. English solicitors point to the value and protection offered by the traditional conveyancing system, but seem to concede that there may be time and cost advantages to the title insurance approach.

In this area, the arguments of the supporters of the traditional roles often focus on real estate agents rather than title insurers. In 1998, for example, the New

Zealand Law Society's President, Ian Hayes, made a speech entitled "*Refocusing the Conveyancing Debate*," in which he suggested that real estate commissions, not legal fees, were the primary drivers of conveyancing costs. New Zealand lawyers are now entering the residential sales force. The best example of this approach comes from Scotland, with the Edinburgh Solicitors Property Centre (ESPC). Since its incorporation in 1971, the ESPC has grown to become a leading force in residential property marketing throughout east-central Scotland, with 1998 sales in excess of £1.1 billion in residential property, about 90% of the resale market in and around the Edinburgh area. This sales system is seen as a way for lawyers to recover their

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*"While the German speaker at the IBA conference proudly said that 'we don't need your American money to fund our transactions,' that statement is becoming less and less true as time goes on and the world becomes a more integrated financial entity."*

---

residential conveyancing income and, while not a direct response to the pressures of title insurance, is often discussed in articles about title insurance as a way to protect lawyers' interests.

The second challenge relates to the ability of title insurers to insure over hidden or future defects, an area where they can compete very effectively. This is often discussed in the context of forgery, fraud, capacity, and marital status in the United States. While these arguments are relevant in other jurisdictions, there are two other aspects of title insurance which are just as valuable. One is the future coverage offered to residential purchasers and lenders under extended-coverage policies. Such provisions are now being offered by all of the title insurers in Canada. The other is insurance over the "gap"—the time period from the date of the policy to the completion of recordation. (See *Title News* article in May/June issue, page 22.) Title insurance provides a material

advantage over traditional title investigation approaches, which leave the risk during the "gap" period with the client.

That last coverage can be particularly advantageous in England, where the current system permits vendors to sell to a new purchaser at a better price where an offer is received before the conveyancing process is completed. That process can take from a few days to a few weeks, and if the vendor accepts the new offer, the original purchaser is considered to be "gazumped." Title insurance can speed up the process and insure over the gap to eliminate the risk. This has been a material part of the First American marketing program in England.


The third challenge is the manner in which title insurance responds to title defects or claims. Title insurance contracts are contracts of indemnity and the duty-to-defend obligation in any such insurance contract requires that insurers take steps to defend and protect the insured's title. This is a positive obligation that is different and higher than that under either statutory claims procedure or lawyers' errors and omissions policies, which do not respond until a purchaser or lender has suffered a loss, which is then claimed. While commentators from various jurisdictions talk with pride of their statutory or errors and omissions coverage, such as the Solicitors' Indemnity Fund in England, Lawyers Professional Liability Insurance in Germany, the Solicitors' Fidelity Fund in New Zealand or LPIC coverage in Ontario, none disputes the superiority of the duty-to-defend obligation in a title insurance policy. Indeed, now that LPIC offers title insurance as well as solicitor's errors and omissions coverage, it highlights the duty to defend in its promotional material.

In addition, the various insurance funds of law societies around the world have been under a great deal of pressure with the dramatic rise and fall of real estate markets at the beginning of this decade. In the earlier issue of *Title News*, I outlined the LPIC deficit in Ontario. I can report that the deficit has now been completely eliminated. The New Zealand Solicitors' Fidelity Fund is available to the client of a solicitor from whom the solicitor has misappropriated monies. Because of a recent very significant claim, New Zealand's solicitors were advised to pay a "top up" bill of NZ\$10,000.00. In England, the Solicitor's Fidelity Fund is still in the midst of resolving a serious deficit in excess of \$450 million. That deficit should be paid off over the next five years. It is

clearly not appropriate to say that solicitor's insurance plans around the world are necessarily effective and adequate.

The fourth challenge is the globalization of the world financial community. Title insurance was developed in the United States to some extent because of the need to have national, not local, standards. As we move to a North American free-trade zone and a highly integrated world economy, the same problems that existed state-to-state in the 1930's now exist country-to-country. At the moment, not only is the title insurance industry in a position to cross international boundaries more easily than individual nations' errors and omissions programs, but it also has the advantage that America is the dominant player in the global economy. Title insurance is a system that American multinational corporations are familiar with. While the German speaker at the IBA conference proudly said that "we don't need your American money to fund our transactions," that statement is becoming less and less true as time goes on and the world becomes a more integrated financial entity.

In addition to the countries specifically mentioned above, title insurance is being offered in Australia, South Korea and throughout Latin and South America. Title insurance is likely to be offered in any jurisdiction in which title insurers feel that they can be competitively responsive to the needs of the country and can compete effectively.

Over the past few years, title insurance and related services have been offered more and more around the world. This is true not only in America's closest neighboring countries - Canada, Mexico and countries in the Caribbean - but also in South America, Europe, Asia, and Australia. As there was in Canada, there are and will be challenges from the suppliers of other local methods of assuring title, usually each country's bar. However, as has happened in Canada, the products, skills, and expertise developed in America's highly competitive title insurance industry, make growing acceptance for title insurance and related services likely. While Stewart and First American are most active at the present time, all major insurers are soon likely to compete throughout this growing worldwide marketplace. 



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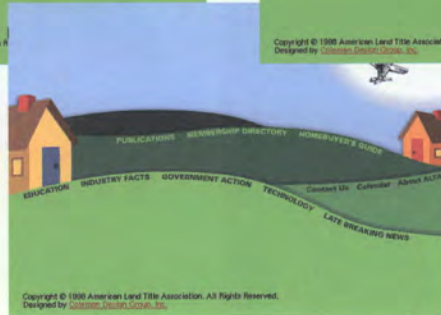
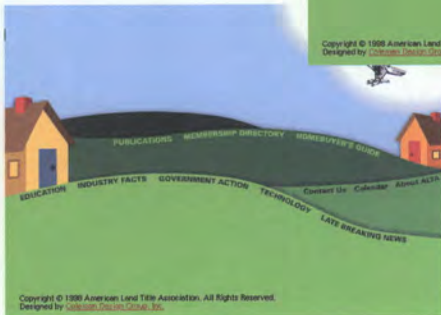
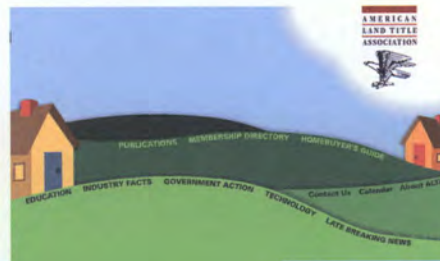
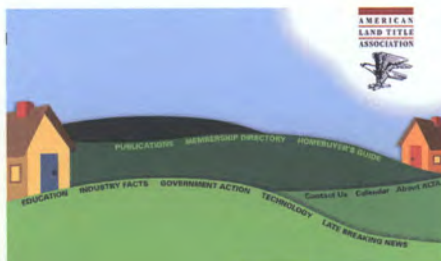
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# It was **SPRINGTIME** in the **BIG EASY** ALTA Mid-Year Convention, March 1999

## Working Session:



*The Marine Corps Color Guard provides a colorful kick-off for the opening session at the InterContinental Hotel in New Orleans.*



*Charles T. Nichols pauses to reflect during an educational session.*



*From left to right are Catherine Mullett, Dave C. Mullett, and Glenn Clements, proving that learning can be fun.*



*From left to right, Mike Currier, Dan Wentzel, and Malcolm Morris engage in some networking at the Past Presidents' Luncheon.*



*"Real Estate On-Line" comes alive with a little technical assistance from speaker David Tandy.*



*ALTA President Joe Parker presents a prize to lucky winner Hardin Halsey.*

## On the Town:



Despite a little drizzle, ALTA Mid-Year Convention attendees find lots to enjoy on the "Swamp Romp" tour.



Bill and Ann Thurman, and Mike and Winnie Currier enjoy a touch of class on their way to the Past Presidents' Luncheon.



President Joe Parker and wife Linda take a stroll in the surreal surroundings of Mardi Gras World during the Ice-Breaker Reception and parade.



With a wave and a wire whisk, the chef at NOLA's cooking school captivates ALTA culinary students.



Swamp gator is sorely tempted by a marshmallow, resulting in . . .



... "the one that **didn't** get away" from Mark Cheney (photo by Sally Cheney.)

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# Discover How ALTA's Retirement Program Can Help You Retain and Recruit Valuable Employees

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Today's labor shortage makes this retirement program much more than just a great plan for retirement. It's really a critical management tool for any business owner competing for the same small pool of talented employees. And, it's specially designed for small businesses. So you get top-quality benefits at significant cost savings.

The ALTA-endorsed plan with American Buying Retirement Services, Inc. (ABRS) features 401(k), profit sharing and executive retirement plans; collectively branded as the "Prime Years" program. The plans stem from nationally recognized providers and are serviced by a network of more than 150 retirement specialists throughout the country. ABRS' specialists have a focus on life insurance, financial planning, and retirement planning. Most are either CLU, ChFC, CFP and have substantial experience.

## Reduced Fees

The start-up and administrative fees are especially important considerations for smaller companies. Dom Firmani, CLU, ChFC, CPC, QPA, a financial expert and president of Firmani Pension Services, Inc., has more than 30 years experience in the industry. Firmani has found with other retirement programs, start-up costs for companies with more than 15 employees might be \$1,000 to \$5,000; annual fixed administrative costs can run from \$1,000 to \$3,000; and annual per-participant charges can range from \$25 to \$40. When your company has more than 15 employees with the American Buying plans, however, you have NO start-up fees and can save up to 100% of annual administrative and per-partici-

pant charges, depending upon which plan and which provider you choose. (Please refer to your provider's plan for complete details.)

Further, for a company with 50 participants, these reduced fees can save your company from \$105,500 to \$133,000 over 25 years. Asset management fees have also been reduced. This means lower costs for each participant. For larger cases (over \$1 million in assets) pricing is even more aggressive. Even if there are only a few employees in your organization, we offer you an excellent and competitive retirement plan.

Part of the cost reduction is due to the volume discounts that ABRS negotiated with the insurance companies that administer the plans.

## High-Quality 401(k) Plans Provided by Industry Leaders

ALTA offers members a choice of 401(k) plans provided by two highly rated industry leaders. Both provide quality program education and plan member services. Each one provides some unique features. One of them, for example, offers 20+ investment options that include both institutional managers and mutual funds. Your choices include an impressive collection of funds with names like Janus, Delaware and Fidelity. The line up of options also provides for the diversity requirement of IRS section 404 (c) for employee investment direction. And, if your employees want a very low-risk investment option, they also offer a Guaranteed account option, which is backed by \$26.1 billion in fixed maturities.

The other provider offers participants a choice of more than 19 well-known investment choices, including Alger, Fidelity, Janus, Scudder, and Twentieth Century. This provider specializes in high-quality employee education and communications before, during and after sign-up. Three plans and pricing opportunities are available de-

pending upon company asset size: MAPV for plans up to one million dollars in assets; Jumbo MAPV and Adapter for assets in excess of one million dollars.

## Qualified Profit Sharing Plans with Greater Benefits for You

New government regulations have come to the rescue of the small business. Traditional employer contributions of a profit sharing plan frequently allocate the same percentage of salary to every employee. No particular employee could be favored because of salary level, age, length of service, or contribution to the profits of the business. Recent changes in Federal law now allow business owners to contribute based upon needs rather than a single fixed percentage.

One particular plan is called "New Comparability." It offers small- to medium-sized companies a great deal of flexibility. Now, employees can be divided into classifications and each class can receive an allocation different from the others. Employees can be grouped according to salary, length of service, job classification or many other combinations. PLUS you don't pay *any* costs to administer your plan! **Also, all installation charges and all administrative charges have been reduced or waived because of your ALTA membership.**

## Executive Retirement Plans

Recent legislation limiting covered compensation for higher-paid executives in traditional qualified plans has created a climate of shrinking options. Compensation caps for 1999 are below what they were in 1993, leaving highly compensated executives with a form of reverse discrimination when it comes to building retirement income. ABRS is able to provide several solutions.

A value-added non-qualified executive plan can be designed with a range of options while allowing your company to select who will participate, the vesting requirements and how the plan will

be designed and funded. There are three main categories: non-qualified deferred compensation plans; executive bonus plans; and split dollar plans. Each design offers advantages and disadvantages, which an ABRs retirement specialist can help you explore.

Whether you're an executive of a small business or medium-sized company, ABRs' executive compensation plans can help you avoid the high-income obstacles with substantial cost-saving retirement plans.

More than 60 associations and chambers have endorsed the ABRs program for their members and employees. Those participants have discovered ABRs provides high-quality, significant savings and excellent local service. And, you get your choice of national providers.

If you would like additional information on how we can help you recruit and retain valuable employees, call the Member Benefits Desk at 1-800-495-4050.

## Traditional Qualified Plan Estimates: Can you live on this percentage of your salary?

| Salary   | \$70,000 | \$100,000 | \$150,000 | \$250,000 |
|--|----------|-----------|-----------|-----------|
| 401(k) Plan Deposit (10% of salary or \$10,000, whichever is less) | \$7,000  | \$10,000  | \$10,000  | \$10,000  |
| Annual Benefit at Age 65 from 401(k) Plan                          | \$20,696 | \$29,571  | \$29,571  | \$29,571  |
| Annual Benefit at Age 65 from Social Security                      | \$16,426 | \$16,426  | \$16,426  | \$16,426  |
| Total  | \$37,122 | \$45,997  | \$45,997  | \$45,997  |
| Percent of Salary  | 53.0%    | 46.0%     | 30.7%     | 18.3%     |

1. The maximum contribution for 1999 is \$10,000.  
2. Benefits from the 401(k) Plan assume an individual age 45 has made contributions for 20 years; annual contributions increase 2% per year, 401(k) assets accumulate at 8% annually; payout is based on a single life annuity.  
3. Social Security benefits are based on the 1999 scale. Please note: an individual age 45 in 1999 will not receive full Social Security benefits at age 65. Source: Pacific Life.

## Marketing Success of the Year

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## NAMES IN THE NEWS

SAFECO Land Title of Dallas recently announced the naming of **Roger A. "Bob" Blanchard** to the post of senior vice president and manager of the company's commercial office at LBJ and Preston Roads in Dallas. Blanchard has been in the title industry for 19 years, is a graduate of the University of Arkansas, obtained his juris doctor from The University of Arkansas School of Law in 1977. Also at SAFECO, **Dennis F. Houfek** has been named senior vice president of its downtown Dallas special projects office; he earned his juris doctor and his B.A. from the University of Nebraska at Lincoln. A final SAFECO promotion has **Terry Kennon** as the new senior vice president of SAFECO Land Title of Dallas. Kennon has a background in sales, acquisitions and dispositions, asset management, new product development, finance and portfolio liquidations.



Klein



Ramos

At LandAmerica Financial Group in Richmond, Virginia, **Thomas R. Klein** was recently elected senior vice-president, affiliated agents. Klein originally joined Lawyers Title Insurance Corporation, a subsidiary of LandAmerica, as manager of the Southeastern Virginia office in Norfolk in 1987. He graduated from the University of Virginia with a B.A. degree and from the University of Richmond with a J.D. degree. Also at LandAmerica, **Ronald B. Ramos** has been appointed senior vice president and treasurer at the company's corporate headquarters in Richmond. Ramos joined Lawyers Title as assistant treasurer in 1992 following several years with

Crestar Bank. He graduated from the University of Richmond and is a member of the Treasury Management Association.


Finally, LandAmerica recently announced the election of **Kathryn Andriko and Craig Feder** as vice-presidents and co-managers of the company's New York City National Commercial Services office. Ms. Andriko joined Lawyers Title as commercial transactions counsel in New York in 1992. She graduated from Cornell University and from Brooklyn Law School. Feder also had joined Lawyers Title as commercial transactions counsel in 1992. He graduated from the State University of New York at Binghamton, and from Brooklyn Law School.

**Paula Cokinos, Esq.** has been appointed associate counsel to the legal staff of Advance Abstract Corp., located in Great Neck, New York. She is a graduate of St. John's Law School and CW Post, LIU. For the past five years, her specialty has been real estate law, and

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she has represented several banks in their mortgage departments.

At First American Title Insurance Company, **Walter M. Reeves** has been named senior vice-president, national accounts. Working out of the Santa Ana, CA corporate office, Reeves will oversee national account operations throughout the country.

At Chicago Title and Trust Company, the following have received promotions: **Diana Bannon** (to branch manager and senior escrow officer); **Rick Connors** (to president and manager, Real Estate Index, Inc.); **Jerry Croft** (associate regional counsel); **Shelley Despotakis** (to marketing manager); **Leslie Faught** (to marketing manager); **Kimberly McAndrew** (to assistant vice president, CTIC and Ticor Title, remaining C&I underwriting counsel, Philadelphia); **Theresa Murphy** (to vice president, mortgage operations, Chicago Title Credit Services, Inc., Kingston, NY); **Lisa Peck** (to assistant vice-president, CTIC and Ticor Title); **Diana Sabol-Falcone** (to assistant vice-president, CTIC and Ticor Title); **Kathleen Straughan** (to

marketing manager); **Nancy Truskey** (to marketing manager); **Suzanne Williams** (to marketing director); **Sharon Yarber** (to vice president, CTIC); **Sandra Yohe** (to escrow manager).

In New Mexico, **Steve Parsley** of Rio Grande Title has decided to move to Las Cruces and will be taking a new position there. Also at Rio Grande, **Mark Bidwell** has been promoted to president and **Doug Stuart** to executive vice president. **Roy Bidwell** continues as CEO.

At the Texas Land Title Association (TLTA) Annual Convention, **Stephen A. Hester, Jr.**, Southwest agency counsel for Chicago Title Insurance Company, was installed as the 1999-2000 president of TLTA. He will serve one year, succeeding **William G. Moize**. Also at TLTA, **J.W. "Kirk" Kuykendall** was named president-elect for 1999-2000.

At Stewart Title Guaranty Company, **Marina Sadownick** has been appointed Connecticut state counsel. Ms. Sadownick graduated from the Pace University School of Law and has supported commercial and residential closing, serving for six years as coun-

sel for another major underwriter in Stamford. Also at Stewart, **R. Cass Tinsely** has been promoted to agency manager in Region D. Tinsely will service Stewart's agents and attorneys while building contacts to increase Stewart's presence in the market. He holds a J.D. from Cumberland School of Law in Birmingham, AL.

**G. Bickford Shaw**, executive vice president and general counsel for Title Insurance Company of America in Austin, TX was named "Title Man of the Year" by TLTA. Shaw received the highest honor conferred by TLTA, of which he was president from 1994-1995, and is a 25-year veteran of the title insurance industry. At the same TLTA Convention, **Bill Thurman**, president-emeritus of Gracy Title Company in Austin, and **Don H. Still** (recently retired) were named as "Honorary Members for Sustained Meritorious Service" of TLTA.

Finally, TLTA named **Lorrie Cornett-Cotton** the latest recipient of the TLTA's President's Award, and **Ginny Abiassi** was awarded the "Peggy Hayes Teaching Excellence Award" by the Texas Association.

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Nancy Walker




**“Partnering with Banks”  
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**O**n June 16, ALTA sponsored its third telephone seminar, entitled **“Partnering with Banks — Essential for Survival or Financial Disaster?”** The purpose was to provide information for effective strategic business planning. From 136 different office locations, more than 350 persons listened to and asked questions of three speakers who addressed five critical topics:

- How to partner legally
- Mandatory RESPA requirements for these new partnerships
- Choosing a valuable lender business partner
- Pro's and con's of pending federal legislation
- What the national bank regulator says you can and cannot do

The seminar speakers were: Ann vom Eigen, ALTA Legislative Counsel; Sheldon E. Hochberg, Partner, Steptoe & Johnson, LLP, Washington, DC; and James Gosdin, Senior Vice President and Senior Underwriting Counsel, Stewart Title Guaranty Company, Houston, TX.

If you were unable to participate in the **“Partnering with Banks”** program, you still have an opportunity to hear everything that was said during the 90-minute seminar, including the interactive Q&A session. These audio materials enable you to share with colleagues who could not attend the telephone seminar, keep a copy in your office archives, and/or keep a copy for yourself to use as a handy reference. The audiocassette and materials package (identified as **ALT5124-0**) may be purchased from KRM Information Services, Inc., at **1-800-775-7645**, for \$140 + \$5.50 shipping and handling. Please have your information, including credit card, ready. 

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# 1999 Affiliated Association Conventions

## July

8-10 **Illinois**, Heidel House Resort, Green Lake, WI

18-20 **Michigan**, Shanty Creek Resort, Bellaire, MI

22-24 **Utah**, Sun Valley, ID

## August

5-7 **Montana**, Fairmont Hot Springs Resort, Fairmont, MT

5-8 **Idaho**, McCall, ID

8-11 **New York**, Charleston Place, Charleston, SC

12-14 **Indiana**, Omni Severin Hotel, Indianapolis, IN

12-15 **North Carolina**, Grove Park Inn & Resort, Asheville, NC

13-15 **Minnesota**, Breezy Point Resort, Brainerd, MN

19-21 **Kansas**, Overland Park Marriott, Overland Park, KS

19-21 **Wyoming**, Holiday Inn, Rock Springs, WY

## September

9-11 **Missouri**, Westin Crown Center, Kansas City, MO

12-14 **Ohio**, Dayton Marriott, Dayton, OH

16-18 **Dixie**, Grand Casino, Gulfport, MS

16-18 **North Dakota**, Gladstone Inn, Jamestown, ND

16-18 **Wisconsin**, Stone Harbor, Sturgeon Bay, WI

17-19 **Maryland, DC, VA**, Cavalier Hotel, Virginia Beach, VA

22-24 **Nebraska**, Mid Town Holiday Inn, Grand Isle, NE

23-26 **Washington**, Coeur d'Alene, ID

## November

10-13 **Florida**, Westshore Hotel, Tampa, FL

## December

2-3 **Louisiana**, Chateau Sonesta, New Orleans, LA

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production of payoffs and will assure that we receive satisfactory releases of mortgages. Because of the MERS involvement in the real estate process, we expect that we too will be more efficient. MERS is one of the best ideas in real estate to develop in recent times."

First American is currently working on a memorandum to send out to its offices and will be placing information about MERS on its web-site. It sees the value of educating its agents up front on this timely topic.

Information about MERS is out there. This article is the second one to appear in *Title News*. You can also visit the MERS web-site for information at [www.mersinc.org](http://www.mersinc.org).

## Conclusion

The number of mortgages registered on the MERS® System exceeds 500,000 and is increasing daily as more and more lenders are registering loans. By the end of this year, one million loans will have been registered. There are currently 26 members registering loans, but this number is quickly rising. MERS is here, so Ready, Set ... MERS.

## Eleventh Edition CDS Performance of Title Insurance Companies

Lawrence E. Kirwin, Editor

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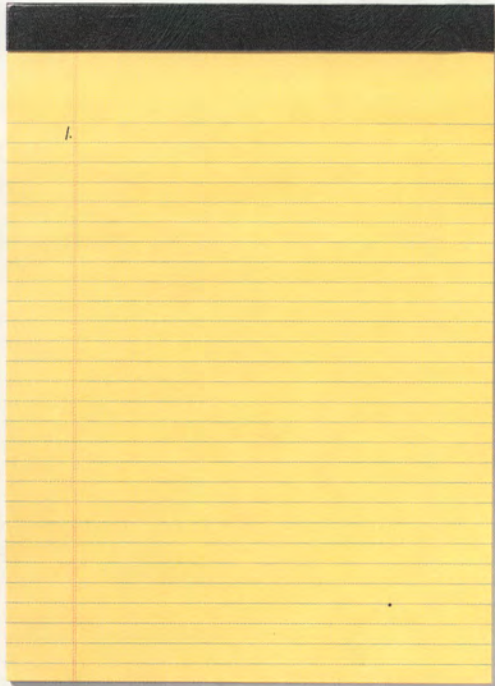
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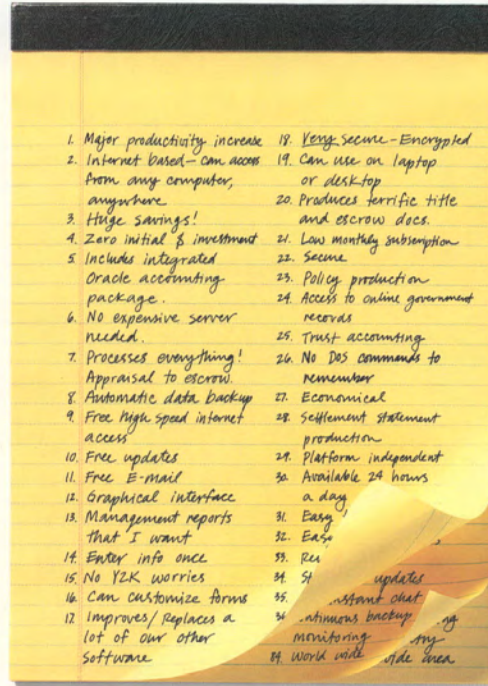
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