

# TITLE News

MAY/JUNE 2000

OFFICIAL PUBLICATION OF THE AMERICAN LAND TITLE ASSOCIATION

## The Future According to Fannie Mae & Freddie Mac



*Also in this issue:*

- E-Commerce from EDI to XML
- Demystifying Tax Deferred Exchanges
- Employment Practices Liability Insurance
- Federal Conference Highlights



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## Title News

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# ALTA COMING EVENTS



2000

## May

- 6-10 Internal Auditors Meeting**  
Key West, FL
- 17 International Development Committee Meeting**  
Washington, DC

## June

- 4-6 Land Title Systems Committee Meeting**  
Napa Valley, CA
- 14 ALTA Board of Governors Meeting**  
Washington, DC

## August

- 18-19 Research Committee - Abstracter/Agent Subcommittee Meeting**  
Annapolis, MD
- 20-22 Reinsurance Committee Meeting**  
Vancouver, British Columbia

## September

- 16-20 Title Industry Accountants Meeting**  
Vancouver, British Columbia

## October

- 18-21 ALTA Annual Convention**  
Kamuela, Hawaii

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## A Message From the Underwriter Chair

*E-Commerce is the New Economy Business Model*



**W**e live in rapidly changing, or should I say radically changing, times. I bet *that's* a statement that you've never heard before. In my view, what has changed in recent years is not the fact of constant change in the real estate industry, but the accelerating pace of change. Anyone working in the title business who ignores this fact is doomed for failure or extinction. Pick your poison.

### New Economy

Excerpts from a recent Executive Summary I reviewed stated the following: "E-commerce is the 'New Economy' business model. Use of the Internet in conducting global business is not a technology issue; it is a strategic imperative. The driving force for E-commerce is coming from business itself, not from Internet providers. It is a logical transition to a digital economy from a paper economy. The challenge for business leaders is not whether to make this transition, but how to move out of legacy systems into E-commerce with confidence. Companies no longer have the luxury of taking time to develop and invest in new technology; they must find a way to have the capacity to conduct business in this new model in the shortest possible time with the least amount of investment and re-education of their organization members."

These statements are profoundly applicable to the title insurance industry and are echoed in the articles by Freddie Mac and Fannie Mae in this edition of *Title News*. The Gartner Group is predicting worldwide business-to-business E-commerce will grow from \$145 billion in 1999 to \$7.29 trillion within five years. Thus, it is imperative that we properly position ourselves within this new E-commerce business model.

### Predicting the Future

Interested in a prediction? Try this one. Within five years, 15 percent of all first mortgage title insurance policies will be purchased over the Internet. Additionally, a large percentage of these policies will be sold directly by non-traditional sources. What is the basis for this prediction? Simple logic. Logic dictates as an increasing number of mortgages are procured on-line, then the Internet-savvy (and ever-younger) customers securing these mortgages will demand they be able to purchase all the products, *i.e.*, *title insurance*, they need to complete a home purchase over the Internet.

### The Challenge to Our Industry

The prospect of selling title insurance directly to consumers on-line poses two great challenges in our business: 1) continuing capital investment in technology; and 2) renewed efforts to guard against fraud. Whether you are an underwriter or an agent, this trend will significantly affect you and your business. In the case of underwriters, an appropriate portion of capital must be redirected from buildings and title professionals to technology and technologists who understand the title business and its myriad of paper-intensive legacy processes. How much capital is enough? Each underwriter will struggle with this decision. Some will make the right call and others will falter. In many ways, agents face a more challenging road as the timing, not the necessity, of

change will be sharply influenced by their relative demographics. Locally oriented or rural agents may move more slowly to E-commerce than larger urban or regional agents. However, competitive forces will ultimately require all agents to heavily invest in E-commerce technology as the Internet erodes the geographic boundaries and obstacles of doing title business any time or any place in the country and perhaps the world.

The specialized, unique and relationship-oriented characteristics of our business, products and services are adopting the features of a "commodity." Title vendor selection will be based on efficiency and cost of distribution, *i.e., faster, cheaper, better.* Customer relationships and customer service will not be eliminated or diminished but their meaning and application will be redefined. "Technology and the technology of the future will

continue to need small and crucial parts of our heritage" (Edward Tenner, "We the Innovators," *U.S. News and World Report*, January 3-10, 2000 issue).

Regardless of how quickly we move toward E-commerce, everyone involved in our industry will need to develop technology solutions that do not open the door to fraud. A certain amount of trial by fire may be inevitable in this area, but we must as an industry transfer our vigilance against fraud on the paper side of our world to our new on-line ventures.

### We Must Band Together

I don't have the answers, of course. Nobody does. The accuracy of any of our predictions will be proven by time and rapidly changing times call for pooled thinking. "Life must be lived forward but understood backward.

The way to verify our sense of what will be is to live long enough to experience it." (Edward Tenney, *ibid.*). To continue to prosper as an industry, we must band ever more tightly under the ALTA umbrella to continually exchange ideas and share broad-based strategies for dealing with these challenges and great opportunities. Our success will be based on our ability to anticipate where our industry is going, not where it has been. Successful anticipation is a function of our current level of knowledge and experience. Don't get lost.



Frank P. Willey

## *Don't take our word for it!*

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*Isidore Teitelbaum, President,  
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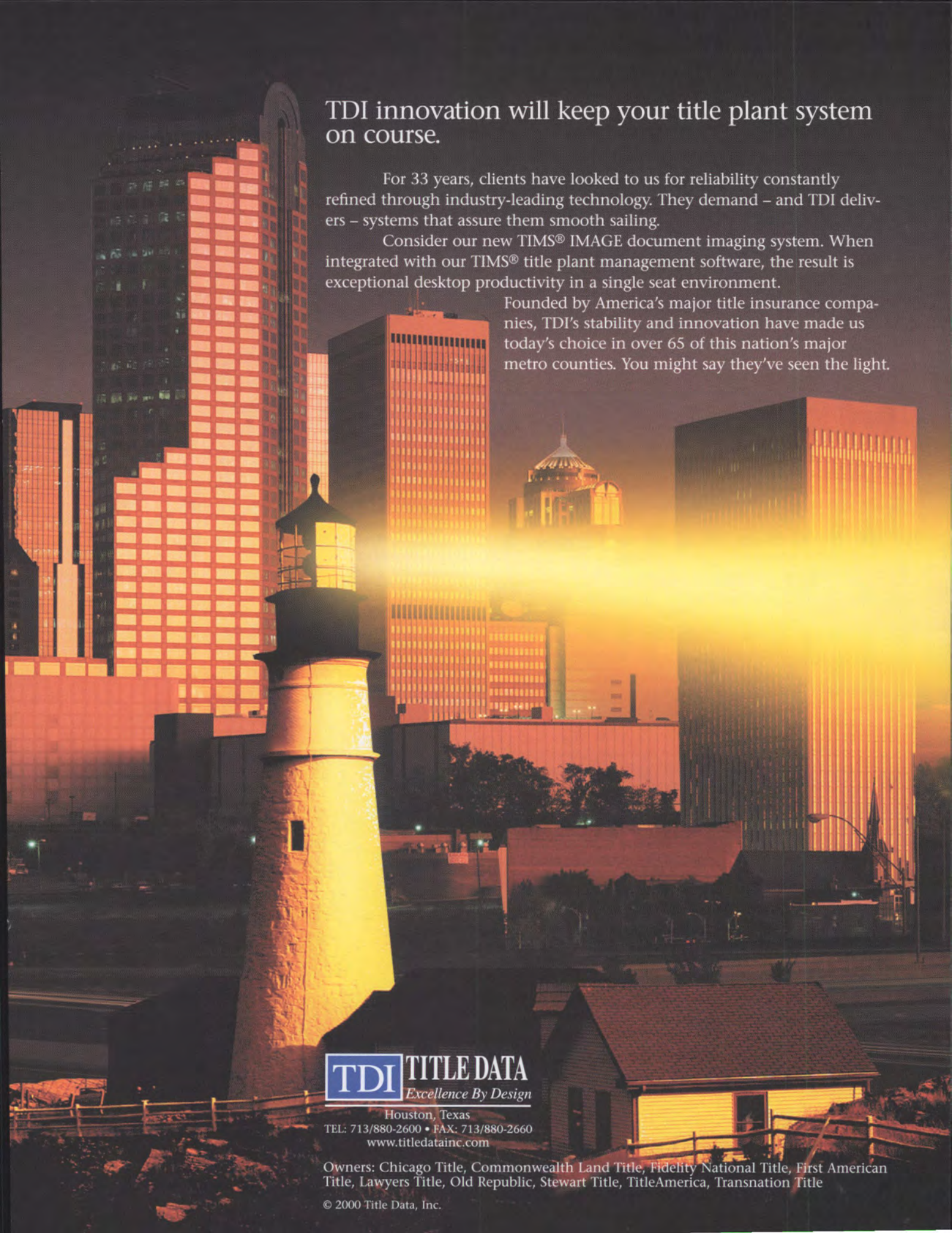
"Our experience as a Member of T.E.A.M. has been excellent. Their smooth processing system provides outstanding service and their **HOTLINE** exchange advice is greatly appreciated. I would definitely recommend T.E.A.M. membership to any ALTA member."

*Lane T. Young, President, Evansville Titles Corp.*

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# E-Commerce Is Changing Traditional Business Concepts

by Karun Khanna

In the world of E-commerce, customers set the rules rather than market leaders, and the business focus is shifting—from increasing revenues only to serving customer needs more effectively, from market share to mind share, and from product-centric models to business-centric models. What's more, competitors are partnering to create opportunities as evidenced by the creation of industry exchanges to facilitate business-to-business E-commerce. To meet the E-commerce needs of increasingly demanding customers, more companies are forming strategic alliances with other companies that can complement or supplement their products and services.

Financial service companies are starting to see the promise of E-commerce reflected in the marketplace, and the electronic origination of financial service products should achieve critical mass by 2003. For traditional players in the mortgage industry, E-commerce is one of senior management's top issues. Although consumer demand and markets for E-commerce mortgage services are not yet fully understood, today's E-commerce leaders in this area are providing on-line interactive transactions and loan applications—and in some cases real-time loan decisions. These leaders are a mix of innovative traditional mortgage lenders and a new breed of specialty on-line mortgage firms made up of experienced small-scale mortgage lenders, brokers, entrepreneurs, and technologists.

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*To meet the E-commerce needs of increasingly demanding customers, more companies are forming strategic alliances with other companies that can complement or supplement their products and services.*

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At Fannie Mae, we measure the effectiveness of our technology against three goals:

- Cutting the time, cost, and complexity of mortgage origination for our lenders and their customers;
- Helping our lenders expand their markets and increase their profitability through access to new mortgage products; and
- Adding flexibility and choice for our lenders in determining how they want to do business.

In short, we try to find technology solutions for our customers, not customers for our technology. And because the Internet is now a real part of our lenders' business, we want to work with lenders that need our help in using our technology to expand their reach to customers or to facili-

tate business-to-business transactions.

Fannie Mae's technology solutions follow industry standards for open networks and access, open transactions and data, and open applications and system interfaces. We began our efforts to facilitate business-to-business transactions when we developed the Form 1003 reduced data set that is leveraged across our MORNETPlus® Network and Desktop Underwriter® and Desktop Originator®, and when we created a standard interface for doing business with our Service Based Architecture.

Our MORNETPlus® Open Access initiative is all about giving lenders choices—not just choices in automated underwriting systems, but choices in other industry services (like appraisal, credit, flood, and title information), choices in methods of integration, and choices in connection options—all available seamlessly and securely through one access point.

We are creating unlimited access to the widest variety of automated underwriting systems (AUS) in one place for one charge. By combining the benefits of Desktop Underwriter with links to other underwriting services, we can provide the most comprehensive automated underwriting platform in the mortgage finance industry. Currently, these links include Caledon's Second Source, Countrywide's CLUES™, GE Capital Mortgage Services' Good Decisions<sup>SM</sup>, GMAC/Residential Funding Corporation's AssetWise<sup>SM</sup>, Merrill Lynch Credit Corporation, the pmiAURA™ system for FHA and VA



*Financial service companies are starting to see the promise of E-commerce reflected in the marketplace, and the electronic origination of financial service products should achieve critical mass by 2003.*

loans, and Standard and Poor's (S&P) LEVELS™ rating service.

The MORNETPlus® Connections service, enables lenders to order and receive flood certificates, title insurance and other services from RealEC's open, multi-vendor E-commerce network. Chicago Title Corporation will make appraisal, flood certificates, and title insurance available to our users through its single-source, nationwide mortgage settlement service. And MORNETPlus® Connections users soon will have access to the products and services of First American Financial to request and receive title insurance, flood certificates, and appraisals from First American's family of companies.

As E-commerce alters the business landscape, Fannie Mae is committed




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to developing more open platforms and a variety of channels for accessing our technology. Lenders have long been able to access our systems via our MORNETPlus® Network. MORNETPlus® on the Web will now provide our customers with a business-to-business portal for single-family mortgage transactions and services. Lenders and their sponsored originators will have access to Desktop Underwriter/Desktop Originator via MORNETPlus® at <http://www.fanniemae.com>—providing yet another choice in automated underwriting connection options, including a private network, dial-up access, and multiple Internet solutions.

Fannie Mae's state-of-the-art technology and industry partnerships are focused on providing lenders, the title industry and other industry service providers an effective platform to stream-

line processes and reduce costs through business-to-business E-commerce.

We look forward to working with the American Land Title Association and title industry players in our continuing efforts to further streamline the mortgage origination and closing processes. 

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Lawrence E. Kirwin, Editor

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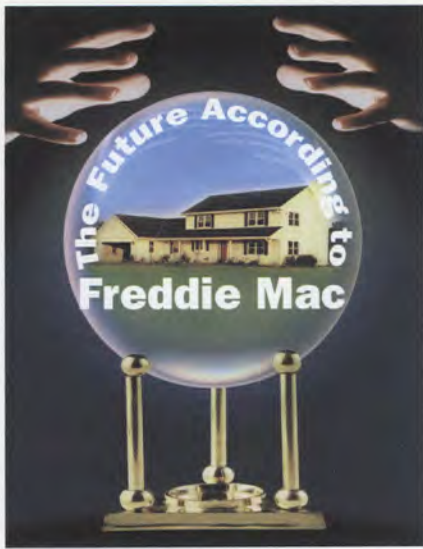
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# Emergence of Internet Technologies in Real Estate Transactions

by Elizabeth Rohn and David Barkley

**T**he day is coming when every component of the home-buying transaction will be automated or enhanced through the use of Internet technology. Personal computers, user-interface software applications, and automated underwriting services (AUS) have become mortgage industry mainstays as the Internet increasingly becomes a channel for conducting business-to-business and business-to-consumer transactions.

Electrasonic commerce offers no geographic limits when compared to the way businesses have traditionally operated. Neither businesses nor consumers are constrained by geography or bricks-and-mortar retail locations. The availability of on-line, real-time information has empowered consumers by allowing them to analyze real estate and home finance options as part of their comparison shopping. This empowerment has raised consumers' expectations for quick, reliable and customized service. And while most still shop for a home and complete the real estate transaction in the traditional way, the growing Web-based culture is changing traditional roles and business models.

Processes must be further streamlined to reduce transaction time and expense. To succeed, all industry participants must use technology to better serve their customers and meet their business objectives. Mortgage lenders and service providers may find that they need to offer both tra-

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*The home-buying transaction is undergoing revolutionary change, driven largely by advances in technology and the proliferation of E-commerce.*

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ditional and Internet-based services to be competitive in the future.

## Freddie Mac's Approach

Freddie Mac leverages its risk management expertise by working with our mortgage industry partners to expand homeownership and lower the costs associated with the home-buying transaction.

Part of our approach has been to use technology to reengineer the mortgage origination process. To this end, Freddie Mac launched its Loan Prospector<sup>®</sup> AUS in 1995. Loan Prospector<sup>®</sup> has successfully wrung unnecessary costs and delays from the traditional manual loan evaluation process, thereby reducing the time it takes to underwrite a mortgage and deliver a credit decision from weeks to just minutes.

The service was recently made available on-line with the release of *Loan Prospector<sup>®</sup> on the Internet* in June 1999, enabling the broad use of automated underwriting at the point of

sale. Using the Internet to deliver point-of-sale service provides homebuyers with the most convenient and cost-effective mortgage experience possible. Only through a lender's direct use of these services with the consumer can the mortgage industry approve a broader range of prospective borrowers, including those who may not otherwise be approved using traditional underwriting practices.

The Internet holds the promise of more powerful and far reaching services among trading partners, retailers, and consumers. And industries and companies that can offer low-cost, high-quality service will have a decisive competitive advantage in the future.

## Stumbling Blocks

Even though the Internet's potential has been recognized, there are some hurdles to overcome in making the real estate and mortgage businesses ready for wide-spread e-business. Inconsistent technology usage among business partners has made integration difficult at times. In addition, electronic technologies with proprietary formats lacking consistent standards have restricted access to existing technologies while hindering the pace of innovation.

The industry, however, is successfully addressing many of these technology implementation and access hurdles. The Mortgage Bankers Association of America (MBA) has estab-



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lished an industry group charged with ensuring the rapid development and distribution of technology-enabling standards. The group, known as the Mortgage Industry Standards Maintenance Organization (MISMO), includes representation from the American Land Title Association and other lending, servicing, credit, title, mortgage insurance, and technology organizations.

MISMO is currently building a framework for providing and maintaining E-commerce standards for the mortgage industry. Recently, the group achieved one of its most important goals.

On March 23, 2000, MISMO approved an XML (extensible markup language) mortgage origination and underwriting data standard. XML is critical to simplifying and streamlining Internet-based transactions. The adoption of this particular XML standard solidifies the Internet as the mortgage industry's common platform for automated underwriting services. By using the standard, the industry will be able to reduce the time and costs of mortgage origination. These savings are made possible because the new XML standard simplifies the Internet-based technology integration process between lenders and loan origination software providers.

Next on tap for MISMO will be approving XML document type definitions (DTDs) for other parts of the

lending transaction, such as credit, appraisal and mortgage insurance.

Also in the works is the development of a business data dictionary and DTD for the land title industry. ALTA's representative will attend a meeting of the Title Industry Work Group (a MISMO subgroup) this month in San Diego to discuss title services data needs in conjunction with the MBA's MISMO Work Group meetings, which will be held during the association's National Secondary Market Conference.

It is important to note that the underpinning of all of MISMO's initiatives relies on the successful promotion of digital signature standards that will further enable E-commerce within the mortgage finance and real estate industries. The ongoing development of digital signatures, and the level of security they provide, is key to allaying legal and regulatory concerns standing in the way of on-line listing-to-closing real estate transactions.

And, while the on-line closing process still has a way to go, the corresponding possibilities and necessities are being addressed by groups such as MISMO. It is these sorts of working groups that will provide industry players with an opportunity to define their roles and create new business partnerships.

### Shaping the Future

The home-buying transaction is undergoing revolutionary change, driven largely by advances in technology and the proliferation of E-commerce. E-commerce is introducing new business models, expanding growth opportunities, and leading to new roles for industry participants to play.

As the dot-com age continues to shape the industry's future, business partners will increasingly demand and require the added benefits that

innovative technologies and products can bring. And, as the ultimate beneficiaries of these technology advances, consumers will not settle for anything less than the most convenient and affordable mortgage experience available.

To meet these emerging challenges, Freddie Mac will continue to work with its mortgage and real estate industry partners. We will seek to streamline business processes by identifying best practices and utilizing best-of-breed technologies. As part of these efforts, we are looking forward to discussions with organizations such as the American Land Title Association so that we may identify



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the best ways to work together to streamline mortgage processing and closing procedures.

For its part, Freddie Mac will remain visible and active at ALTA conferences and seminars. We look forward to learning more about the issues and challenges facing ALTA's members. Through our mutual cooperation, we can ensure that all parties who currently have a hand in the mortgage transaction will have a way to use technology to improve their competitive position in the future. 🐦

# Demystifying Tax-Deferred Exchanges

by John R. Galley, Esq.

## What Are Exchanges?

Every year, real estate owners and investors pay *billions* in unnecessary dollars to the government as capital gains tax on real estate sales. Either taxpayers and their professional advisors didn't know enough about tax-deferred exchanges to even consider the technique, or what they knew was incorrect or incomplete and therefore this option was rejected.

In 1997, Congress passed new, generous rules that effectively eliminated capital gains tax on the sale of most people's primary residence. But sales of other classifications of real estate (investment property, business property, vacation home, etc.) will be taxed on their profit unless buyers use the IRS Section 1031 Exchange Rule. (These transactions are often called tax-deferred exchanges or Starker exchanges.)

By using Section 1031, a person sells their existing non-primary residential property, follows the prescribed rules for handling the sale proceeds, and then reinvests these proceeds in a new purchase of an equal or greater value. This technique will not trigger any gain for tax purposes. Any tax is postponed.

Don't think of this as an "exchange" (the term "exchange" is unnecessarily confusing). It is a "sale and new purchase" that are linked by a "legal fiction" that is called an "exchange." The sale and new purchase are interdependent. The simplest label to give this technique is "The Investment Roll-Over Rule." Think of

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*Don't think of this as an exchange (the term exchange is unnecessarily confusing). It is a sale and new purchase...*

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this technique as being a "first cousin" to the well-known former "Residential Roll-Over Rule" (formally Section 1034). The only noticeable difference is that the time period is shorter—six months instead of two years. And the two events (sale and subsequent purchase) are linked together with special paperwork and treatment of the sale proceeds.

How is the title industry involved? Prospective exchangers and their advisors have historically looked to title agencies to help them with their exchange needs.

## Historical Development

Section 1031 has been in the tax code for decades. In the Dark Ages, exchanges were furtively practiced by the very wealthy and small cliques of

exchange-savvy investors on the West Coast. Exchanges were simultaneous. The exchanger (taxpayer) transferred the relinquished property and acquired the replacement property at the same time.

The landmark case, *Starker vs. United States* (9<sup>th</sup> Cir. 1979), dramatically changed the prevailing *modus operandi*. By sanctioning an expanded time envelope, the relinquished property could be transferred immediately and the replacement acquisition delayed until a future date. This ruling considerably expanded the desirability and usefulness of the technique and opened the floodgates for its use. The Internal Revenue Service finally acquiesced to this expanded use by codifying a delayed exchange in the Tax Reform Act of 1984. Specific mechanical rules for doing exchanges and "safe harbors" to induce their use, were then promulgated in 1991. When done correctly, a Starker exchange is a totally approved, code-sanctioned, tax-avoidance technique.

## Section 1031 in Plain English

Here's a translation in one paragraph. If you sell a property and correctly reinvest the proceeds in a new purchase of equal or greater value, you don't have to pay any tax at this time. Both the property you start with and the one you end up with must be for your business or investment. Both must be the same kind of property ("like-kind"). This doesn't apply to inventory or dealer property (like a builder or developer). You have to

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% revenues as: (=100%)	TitleAgent _____	Abstract Search _____	Escrow Closer _____		
Requested Limits: (Please Circle)	\$100k	\$250k	\$500k	\$1m	\$Other
Requested Deductible: (Please Circle)	\$100k	\$250k	\$500k	\$1m	\$Other
Do you currently have E & O?	Yes	No			
(If yes, please answer the following:)					
Expiration Date: _____	Retroactive Date: (years of continuous coverage) _____				
Agent: (person or group that sold you the policy) _____	Insurance Company: (policy is issued from) _____				

"identify" the property you want to acquire by the 45<sup>th</sup> day after you closed on the initial property you sold. And, you must close on the new property within 180 days of the initial sale.

Most lay persons, and even many professional advisors, misunderstand the correct interpretation of "like-kind." This results in frequent failure to use the technique and the ensuing payment of unnecessary taxes. Common sense would seem to define the term narrowly when the exact opposite is true. (1031 can be used for certain other asset classifications. In these instances, the term "like-kind" is construed narrowly.) When the classification is real estate, "like-kind" means simply that—real estate!

### The Key is a Qualified Intermediary

The 1991 Regulations created the role of qualified intermediary. The intermediary helps preserve the fiction of an exchange and solves the problem of actual receipt or constructive receipt of the sale proceeds. Most title companies have separate entities that will serve as qualified intermediaries.

Here's how it works. The exchanger enters into an agreement with an intermediary. (Any special exchange relationship with the buyer or subsequent seller is unnecessary.) Even though the intermediary can instruct the parties to deed directly between themselves, the intricate intermediary paperwork preserves the fiction of an exchange by routing the transactions through the intermediary.

This agreement will also describe a trust or escrow mechanism for holding the sale proceeds between the sale and subsequent purchase. If the exchanger has actual or constructive receipt of the proceeds, then the legal conclusion must be that a sale took place, and hence a taxable event has occurred. Properly drafted intermediary paperwork is critical and defeats this problem.

The qualified intermediary cannot be a relative or a professional advisor with

whom the exchanger has an ongoing relationship. It will usually be an arms-length, third-party who offers professional intermediary services and has not been disqualified by the 1991 rules.

### Safe Harbors

To induce exchangers to use the procedures of the 1991 Regulations, the IRS created safe harbors for critical elements of their recommended methodology. The comfort that occurs from the use of safe harbors is obvious, but there is a sinister downside. Failure to correctly use safe harbors

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*Offering this ancillary service, and helping save clients unnecessary taxes, will generate infinite good will and positive "word-of-mouth" advertising for your title business.*

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is almost certain to be fatal.

Safe harbors include the use of an intermediary, trusts and escrows for money safety, and a growth factor (interest) for the exchange funds. One does not obtain complete safe harbor for an exchange merely by using just one of the safe harbors. Some are optional and some are mandatory. All competent exchange practitioners agree that the use of a qualified intermediary and a constructive receipt-defeating mechanism are mandatory to reach safe harbor. An exchange that does not use an intermediary and an accompanying agreement containing specific language will be "dead on arrival" in the event of an audit. An attempted exchange that only uses a trust or escrow safe harbor, and not an intermediary too, is fatally flawed. Foolish people who attempt a "Do-it-Yourself" exchange will learn this lesson the hard way!

### Exchanges Must Meet Three Criteria

The replacement property (new acquisition) must have a value equal to, or greater than, the transferred property (net purchase price vs. net selling price). It is not enough that the equity be equal or greater.

The exchanger must not have "debt relief." If a mortgage is retired or assumed with the sale of the transferred property, then a mortgage of an equal or greater amount must be assumed or placed on the acquired property. If it is less, this is called "debt relief," which the IRS considers to be income, and the exchanger will be taxed on this difference. However, the debt relief can be canceled or off-set if the exchanger puts new cash into the purchase of an amount at least equal to the debt relief.

The exchanger must use all of the proceeds money from the transferred property to acquire the replacement property. If the exchanger retains any of the cash proceeds after the exchange has been completed, tax will be owed on this money that is kept.

### More Opportunities Than You May Realize

Certain exchange opportunities may be obvious, but this technique has broader use than many imagine. You should print the following sentence indelibly into your brain. *Every sale that is not a sale of the seller's personal residence, is a potential exchange!* The scope of this article does not permit a detailed analysis of this assertion, but my decade-plus experience doing exchanges has shown this to be true.

For example, taxpayers are aggressively using the exchange technique on vacation homes (second homes) everyday. Even builders and developers have the right to also be real estate investors—if they can document an investment use for the property. Bottom line: never assume the exchange technique is inappropriate.

## Why Aren't More Exchanges Happening?

We have analyzed and observed and have concluded there are three primary reasons prospects forgo using the technique. And the sad thing is, all of them have workable solutions.

### Education

The exchange technique largely remains a secret. People either don't know about it, or what they think they know is incorrect! There are many myths and misunderstandings about exchanges. Many people insist on believing they are difficult when in fact, they are not.

I'm sorry to say that many professionals simply don't know what they should. Admittedly, it may not make sense to become an expert in something one does only occasionally, but considering the technique's potential usefulness, any professional ought to have an accurate, rudimentary working knowledge. Minimally, they ought to recognize an exchange opportunity when they trip over it in the dark. I suspect many professionals take a passive approach to the subject. A passive approach simply isn't good enough. Exchanges can't be treated as an afterthought. Professionals need to take a proactive stance about the exchange technique because of its great benefits.

When distilled to its essence, there is nothing difficult about most exchanges. (Sell then buy—rolling over your money with the proper paperwork and timing.) When you are explaining or discussing the exchange technique with a client or prospect, stay focused on two watch words—simplify and demystify.

### The Prospective Exchangor Needs Money

Sometimes a seller has a compelling need for the sale proceeds. There may be no choice, but the "price" of accessing this money will be to pay

taxes. However, the exchange technique is not "all or nothing." There are ways to access some money—and possibly not even pay taxes.

One strategy is to initiate the exchange, purchase the replacement property, but not use all the money in the exchange account. Once the exchange is completed (but not before), this money can be taken—but it will be taxable. This gives the exchangor

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*The exchange technique offers compelling benefits and has more flexibility and opportunities for creativity than most imagine.*

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the option of taking only what is needed (and paying taxes only on that amount) and sheltering most of the capital gains.

A more creative alternative is to perform the exchange, exactly as the rules require, putting all the equity into the new property. Then when the exchange is completed, borrow some of the equity with a commercial loan. Loan proceeds are not taxable and tenants effectively repay the loan with their rent. What a concept—borrow money and have others repay it! However, do not try to pull equity out of a property just before it is sold. There is an unfavorable ruling about that process.

The key is to examine what a client's true needs may be and develop the appropriate strategy. If it is mandatory to access all the money, so be it. But if only some of the money is truly needed, then there are tax favorable alternatives.

### Landlord Burnout

Most real estate investors tend to think only in terms of being an active landlord. And they usually pursue properties that require "hands-on

management." But you may have a client who is tired of being a landlord. They want out—even if the price of that exit strategy is paying taxes. They are a victim of "landlord burnout."

This scenario is now producing fascinating new products in the real estate marketplace. Investors can now purchase a percentage of the fee simple interest in commercial projects that have nationally known credit tenants, triple-net leasing, professional management, and double-digit returns. Owning this investment is totally passive. The owner gets a monthly check just like a CD or a Bond. The return is very attractive and competitive, no landlording or management is necessary—and all of that important equity is still intact!

The exchange technique offers compelling benefits and has more flexibility and opportunities for creativity than most imagine. The technique should be rejected only after careful analysis shows it cannot, in any way, meet the client's needs.

Once a sale takes place, and if the exchange technique has not been initiated, the game is over. A taxable event has now occurred. The spilled milk cannot be put back in the bottle. If there is even a remote chance the client may want to do an exchange, preserve the option by initiating an exchange at the closing. (The cost of the exchange, as an insurance premium compared to the tax liability, is a small price to pay.) The client can always call it off later if they like, receive their money, and simply have a taxable event (which is what would happen anyway). Keep their options open!

Offering this ancillary service, and helping save clients unnecessary taxes, will generate infinite good will and positive "word-of-mouth" advertising for your title business. 🐾

# E-Commerce: From EDI to XML

by Darren G. Ross

It was five years ago that I was seated at a table, in some dimly lit hotel meeting room, discussing with fellow American Land Title Association Systems Committee members which steps were needed to enable the title industry to facilitate paperless transactions. The objective, of course, was to design and develop uniform transaction sets (standards) for the title industry for the purpose of ushering in electronic data interchange (EDI) into our daily operations and business systems. There we were, surrounded by stacks of paper documentation on business data elements, data dictionaries, business scenarios, sample data streams, and, of course, the two 3-inch thick volumes of X12 standards created by the Accredited Standards Committee (or X12 Committee) of the American National Standards Institute (ANSI). (If I've lost you so far with "techno jargon," please forward this article to your technical person!)

The ultimate result of all this was three industry X12 transaction sets: the 265 (Title Order Request/Response), the 197 (Title Evidence), the 199 (HUD Settlement Information) and their corresponding ALTA Implementation Guides. We all reveled in our satisfaction of seeing the culmination of our hard work result in approval and publication by the Data Interchange Standards Association (DISA) and ALTA. Now, we would sit back and watch our industry transform its manual, paper-intensive processes into faster, more efficient automated ones. Unfortunately, many people, outside of those involved with

the X12 development efforts, found the X12 syntax confusing and difficult to understand. Additionally, the front-end costs of purchasing translation software, and hiring/training EDI-savvy personnel were considered to be way too expensive and prohibitive for small and even medium-sized operations to consider. Secretly, behind the scenes, a new technology was emerging.

## Markup Languages—Separating Content from Presentation

In the early 1970s, Dr. C.F. Goldfarb of IBM had developed a method for describing text (hint—"data") that was not specific to any one application. It focused on describing the structure of a document (not the formatting and styles) and its syntax was clear and easy to read by humans. This language was the precursor to what became known as SGML (Standard Generalized Markup Language) in 1986. With the explosion of the World Wide Web and Internet browsers, HTML (Hypertext Markup Language) was introduced in 1991.

The primary purpose of HTML

was that of formatting and presenting information, not providing for a structured framework of documents and data. What was needed was a markup language which could accommodate both presentation (for browsers) and content information (for applications). Thus XML, or eXtensible Markup Language was born. XML is a metadata markup language, meaning that it contains data about the data in it. Additionally, XML allows for the creation of new tags (or elements), thus giving it extensibility for a wide range of applications.

We now have the capability to define tags for application business data elements, such as <Borrower-FirstName> and be able to easily process the file, find the <Borrower-FirstName> element, and retrieve its associated data (the actual borrower's first name). Unfortunately, the very feature that provides such powerful capabilities can also be the one to inflict the most damage.

## What About Rules?

Ah, rules. Life just wouldn't be manageable without some sort of rules. If we are to consider XML as the data interchange format for future B2B (business-to-business) E-commerce, we and our business partners certainly don't want strange new data elements and unpredictable files flying around, blowing up our applications or causing us to sift through error logs and data files trying to determine the source of the problem. Thus, we need some rules in place for which we will all abide



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by when constructing XML documents. You will recall in paragraph two, that one of the end results of the ALTA's EDI work was the publication of our industry X12 Implementation Guide(s). Each transaction set had specific structures, required records, data types, and code values which were to be adhered to when implementing that transaction set. In the XML world, the equivalent (at least for the time being) is the DTD (Document Type Definition). It is valuable both for using when you are first developing instances of XML documents for testing, and more importantly, it is used for run-time validation of XML files.

### How Does it Work?

The DTD describes all of the elements that the document should contain, the order that they should occur in, which ones are mandatory/optional, which repeat, and so forth. An XML file will/may reference either an internal DTD (the DTD is actually included inside of the XML document) or an external DTD (one which is located externally on the network, Internet, etc.). When an XML file is received, a software application called an XML Parser will check first to ensure that the syntax of the XML document is well-formed (syntactically correct by XML specifications) and that the structure and content of the XML document adheres to the rules specified by its associated DTD (if it has one—a DTD is optional). (Note: DTDs do have a number of limitations and are probably only a temporary solution.)

Microsoft and Netscape provide an XML Parser with their browser. Also included with the XML Parser is one or more APIs (Application Program Interface), which provide a standard set of classes and methods to process XML documents. There are currently two APIs available for processing XML documents—the DOM (Document Object Model) and SAX (Simple API for XML). Developers can easily write code either directly into their ap-

plications or externally via a scripting language such as VBScript, Jscript, ASP, etc., to interface with these APIs and process the XML documents.

Okay, enough "techno-soup." What does this really mean? Well, in direct comparison to X12 EDI, you don't have to purchase expensive translation software, spend time building maps between different file formats, or have X12 EDI expertise on hand. Developers can usually use a native programming language they

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*Giving folks a language where they can define their own vocabulary without giving them an industry-approved implementation could potentially be disastrous*

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are familiar with and the browsers, parsers, and program interfaces to process XML are already available.

### So Where Are We Now?

As with the X12 EDI efforts, the mortgage lending/finance community has led the way early and have been both researching and beginning initial XML development efforts for the past year. Some individual companies, even longer. The Mortgage Bankers Association (MBA) last year formed MISMO (Mortgage Industry Standards Maintenance Organization) to facilitate real estate industry representation, participation, and standards administration functions for the ongoing development and maintenance of XML DTDs. Last year, a group called the XML Mortgage Partners teamed up with MISMO to provide them more than 50 DTDs which had already been initially developed for various mortgage lending/secondary market business trans-

actions and datasets. DISA, the secretariat and U.S. data standards setting body of ANSI, has also stepped in this year to assist in MISMO's efforts. The title insurance industry is represented by a Title Insurance Workgroup and ALTA's Kelly Throckmorton as governing chair within MISMO for title insurance initiatives. The various workgroups are in the most critical phase in XML DTD development—defining the architecture of the XML documents (what to use, how to use it) and gathering industry consensus on the creation of readable, unambiguous XML tags for business data elements. Giving folks a language where they can define their own vocabulary without giving them an industry-approved implementation could potentially be disastrous and would certainly exclude any sort of standard implementation by software vendors. The aforementioned groups include devoted commitment and participation of the largest of mortgage lenders, mortgage insurance companies, ancillary service providers and secondary market. External from the real estate industry, there are hundreds of other XML initiatives in virtually every business sector. At last count, more than 60 free XML tools were available through the Internet and software vendors are clamoring to enable their applications to be XML-capable.

### Conclusion

So, here I sit, surrounded by mounds of paper...data dictionaries, business scenarios, data flow diagrams, XML books...beginning to draft sample DTDs and XML documents. I have no doubt that it's starting all over again. I just find it somewhat ironic, that to develop a technology which will enable us to facilitate paperless transactions, the process begins with a mound of it. 

# America's Mortgage Loan Registry

Volume 3, Issue 2

www.mersinc.org

March/April 2000

## President's Postcard

*By R.K. Arnold*

What a difference a year makes! We now have more than 1,250,000 loans registered on the MERS<sup>®</sup> System and it's growing at an increasing rate. The Integration Pipeline is full of companies moving forward and we've actually had to tighten the standards to enter the integration cue.

As companies lift their Y2K freezes and begin to allocate resources, MERS is moving higher and higher on their priority list. At this point, 20 of the top 30 mortgage companies are active with MERS in some way or another. Countrywide, Chase, Bank of America, Norwest and HomeSide all have MERS correspondent lending programs.

Moreover, every one of our members seem to be expanding their usage of the MERS<sup>®</sup> System. A big reason for the increased interest in MERS is the mandatory Fannie/Freddie uniform instrument document change this year. Almost every company we talk to is incorporating MERS as Original Mortgagee (MOM) into their process at the same time they are adopting the Fannie/Freddie document changes.

## Quality Assurance

### Reminder

*By Melva Moore*

The MERS Mail Center occasionally receives recorded documents that should be routed to the MERS Members. Typically, these documents are being routed to MERS because the appropriate "Return to" address was omitted on the security instrument or assignments sent to the recorders' offices.

Please remember to include the address of the appropriate party on the documents that are sent for recording. They should never be returned to MERS. Even though MERS forwards mail to the members quickly, we know you would like to eliminate any possible delays.

## Warehouse Lenders and MERS

*By Bill Hultman & Sharon Horstkamp*

Warehouse Lenders can take advantage of the benefits of the MERS<sup>®</sup> System without becoming a MERS member when their borrowers use MERS. We have finalized an Electronic Tracking Agreement (ETA) which in essence is a tri-party arrangement between the Warehouse Lender, their borrower (the MERS member) and MERS.

The ETA provides a way for all involved parties to agree that if their borrower defaults on the credit line to the warehouse lender, the warehouse lender can provide notice to MERS of the default. MERS is then authorized to cease following the instructions of their borrower and instead follow the instructions of the warehouse lender.

The advantage the warehouse lenders



receive by signing the ETA is that they do not have to worry about recording the unrecorded assignment that they normally require from their borrower in the county land records to perfect their interest. MERS remains the mortgagee of record the whole time; first for their borrower, then for the warehouse lender.

If you are a warehouse lender or use a warehouse lender and would like to review the ETA, please contact either of us at MERS and we will send you a copy.

### National Secondary Conference

May 7 - 10, San Diego  
MERS Meeting Room:  
Coronado Rm., South Twr., Level 4  
For more information call MERS at  
(800) 646-MERS (6377)

## New MOM Documents for 2000

*By Ron Crowe*

A key ingredient in saving time and money with MERS is MOM (MERS as Original Mortgagee) language in the security instrument. MOM provides value to both the seller and servicer of mortgages. The seller saves the cost of preparing and recording assignments to the buyer. The servicer saves the cost of preparing and recording assignments when transferring servicing to another MERS member. MOM also eliminates broken chain of title issues, reducing costs in foreclosure processing and lien release.

Since Fannie Mae and Freddie Mac have required use of the revised security instruments for this year; many MERS members are in the process of updating their documents. If you have been hesitating, now is the time to include MOM in your security instruments. If you rely on a vendor to prepare your closing documents, be sure it has the ability to deliver "MERS-Ready" documents when you are ready to take advantage of MERS.

You can get a sample of the MOM Documents from the MERS website at: [www.mersinc.org](http://www.mersinc.org).

## WWW.MERSINC.ORG

*By Melva Moore*

We have made doing business with MERS even easier. You can now quickly access and download an electronic copy of all the MERS handbooks, as well as MINGen, and the MERS<sup>®</sup> Desktop Application software, and many other helpful tools from the MERS web site, [www.mersinc.org/manuals](http://www.mersinc.org/manuals).

You can request information, as well as see who else is in the MERS world. All MERS members with an assigned OrgID, User ID and password can enter the "Members Only" site and perform searches, view announcements and newsgroups. If you have not been assigned a User ID and Password, please call Melva Moore at (703) 761-1288.

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## *Upcoming MERS® System Enhancements*

*By Dan McLaughlin*

As the mortgage industry thaws out from the Y2K freeze, we are preparing to deliver system enhancements that will make it easier for you to do business with MERS. In May we will roll out a browser-based interface for registering loans on MERS. This interface is offered as an alternative to registering loans through the MERS® Desktop Software. A browser-based interface uses the browser that typically comes loaded with Windows (Internet Explorer and/or Netscape Navigator 4.0 or higher) to start your modem that dials a telephone number that accesses a web server located external to your business environment. The web server temporarily loads web pages to your PC when needed to provide the graphical user interface to MERS.

Some of the benefits of a browser-based interface are:

- No installation of initial software or upgrades from MERS required to your PC or LAN
- You choose the most cost-effective way to access MERS for your business
- You can access MERS from any PC that has a browser and access to a modem

Based on the results of the initial roll-out of the Registration Transaction, we intend to rapidly make additional transactions available through the browser-based interface.

We are also in the process of planning a MERS® System Release 1.5 for July 2000. The highlights of this release include:

Associated Members - this enhancement will enable the current servicer or subservicer to provide inquiry-only access at the loan level for entities that do not fit the description of Investor, Custodian, Interim Funder or Subservicer.

Registration Reversal - this transaction will enable the current servicer or subservicer to reverse a registration that was applied in error rather than having to request the transaction through the MERS HelpDesk.

TOBR/TOS Combination - this transaction will enable a member to initiate a Transfer of Beneficial Rights Option 2 and a Transfer of Flow Servicing Rights for a loan to another member in a single transaction.

We will be publishing a complete list of the enhancements in the MERS® System Release 1.5 in March. Watch the MERS Web Site [www.mersinc.org](http://www.mersinc.org) for more information.

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## *MERS User Conference a Success!*

*By Carla Haase*

We held a MERS User Conference at the Dulles Hilton Hotel, Herndon, VA on March 27-28. More than a hundred users attended the conference. MERS users attended various breakout sessions, including servicing system transactions, desktop software training, rated securities and the master servicer relationship, use of an interim funder, closing loans with MERS documents and report reconciliation.

Joint sessions with Fannie Mae, Freddie Mac and Ginnie Mae addressed delivery and reconciliation. In addition to MERS User Group meetings, Alltel and MortgageServ conducted special sessions on their MERS functionality.

Thanks to all the attendees and our sponsors, Stewart Title and Stewart Mortgage Services, for making the MERS User Conference a success.

Corporate Offices:  
8201 Greensboro Drive,  
Suite 350  
McLean, VA 22102  
(800) 646-MERS (6377)



# Effective Use of Voice Mail for Customers

It should come as no surprise that 70 percent of phone calls are not completed on the first try. This has made voice mail an essential communication tool for businesses.

However, for voice mail to work in the company's favor, staff members must use it as a way to be more accessible and customer-oriented — not a way to avoid callers and co-workers.

While technologies like voice mail add convenience and can enhance member service, they also alienate people, cause frustration and encourage resistance when used incorrectly.

To make voice mail work effectively, staff members should:

- **Encourage people to leave detailed messages.**

Voice mail is more effective if callers give specifics. If calls can be returned with all the needed information, staff members can avoid playing phone tag and wasting time.

- **Give the option of pressing a key to bypass ...**

... the greeting and bring the caller right to the tone to leave a message. Some greetings are necessarily lengthy, and this can aid callers. However, give frequent callers the courtesy of not having to wait through the greeting every time they call.

- **Allow people to review their message before sending.**

People will leave helpful detailed messages if they have a chance to review what they've said. Also, always give them the option of pressing "0" for operator (or other extension) for assistance.

- **Change your greeting often.**

Update greetings to reflect staff schedules, and give callers the best time to reach staff members. Callers should be able to determine when they can expect a call back. Also, leaving special announcements, when you are out of the office for example, can increase member service.



- **Check your voice mail regularly.**

It is not an effective tool if you don't use it. Voice mail should be checked several times a day.

- **Return all voice mail messages within 24 hours.**

Even if you do not have the information requested, give callers a courtesy call to let them know you received the message and are working on their request.

- **Answer your phone when you are at your desk.**

Don't use voice mail as a way to avoid callers or clients. Good service requires that members and others talk to a live person at least some of the time.

- **Remind callers to leave a phone number.**

In a rush to leave a detailed message and cover everything, callers often forget the most important information—a phone number. Ask people to begin the message with their phone number and repeat it at the end.

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# NEW SERVICE **Keying** **Title Plant Records**

Now from Datatrace, a leader in title plant consulting, comes a new service offering title plant keying for your title records. With a new technologically advanced keying system, Datatrace can offer this service on-line, at your title plant facility or from one of our national keying centers.

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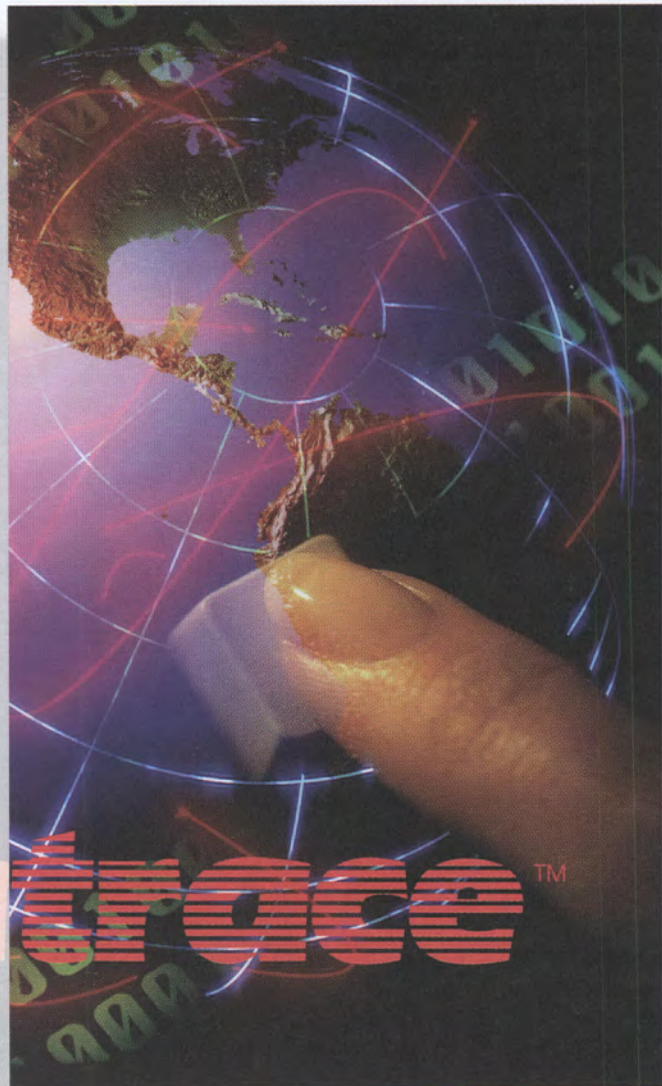
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*\*May not be available in all parts of the US.*



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# Employment Practices Liability Insurance

## Do we need to buy it?

by Pamela J. Newman

**W**hen I went to college, a woman professor was known for her special ABC grading policy: "A is for athletes in my classes; B is for Boys in my classes; C is for coeds in my classes." While this was not, in fact, how the professor graded and was considered an amusing, oft-told story about the professor, I expect in today's environment it would be a comment that the professor would have to expunge in order to hold her job. Comments, like this one, meant to be funny, are now viewed as discriminating and inappropriate.

Employment Practices Liability is one of the fastest growing areas of claims in the insurance industry. It has long since replaced workers' compensation claims as a remedy for the remembered pain employees felt over potential layoffs and salary freezes. It is also a fertile area for plaintiff attorneys: Recent jury decisions suggest a pendulum swinging in favor of claimants.

Ten years ago the coverage was rarely used—now many corporations have purchased it. Among other triggers, employment practices incidents can be a result of sexual harassment, sexual discrimination, age discrimination, wrongful termination, and race or religious discrimination/retaliation.

A claim may be filed by one person or by a group of people, a class action, or the federal government.

Employment practices is a serious issue today. If you think it won't happen to **you** . . . don't be so sure.

Agents and underwriters often see themselves as immune from incidents they may think can only occur in organizations with large workforces such as insurance companies, retail operations, and financial institutions.

Title insurance executives often think employment claims are not a problem because of the fact that their organizations have fewer people than public corporations, and often have employees who are extended family. The title insurance executive gets lulled into a false sense of security.

Today's environment distorts these positive work force characteristics: Family members *do* sue other family members; long-time employees sue, and organizations with just a few people get sued as well. The suit can be a result of a disgruntlement, genuine anger, or a perceived or legitimate event. Inevitably, the suit can be very expensive in terms of aggravation and money for both parties.

The courts have seen suits from both genders, from members of just about every religion and race, and from people of all ages.



*Pamela J. Newman is Executive Vice President of Manhattan-based Aon Risk Services Inc. of New York. She can be reached at [pamela\\_newman@ars.aon.com](mailto:pamela_newman@ars.aon.com) or 212-441-1000.*

In fact, the real-life examples cited below suggest agents and brokers are as exposed to Employment Practices Liability risks as any other organization:

- A private theme-restaurant developer was happy to see a clerical person sorting files on the floor. He said to her "I'm going out to lunch now. I hope you are still on the floor when I return." (The individual not only sued, but organized several others to join her with separate claims of sexual harassment.)
- A group of laborers collectively sued the general contractor and the building owner for inappropriate slang references used by the construction manager during a renovation. ("I've always used these nicknames," said the construction manager, "they are terms of affection.")
- Two long-time partners had a bad fight. Distribution allotment was the source of the feud. It was an old source of friction. This time one partner quit. (The partner who quit said he was unfairly compensated by the other partner that year and every other year because he was 10 years older than the more dynamic, younger partner.)

When someone sues for employment-related actions, they will often sue both the individual who has allegedly caused the affront and the entity itself.

Agents and brokers should purchase Employment Practices Liability as a separate, free-standing policy that protects not only the directors and officers of the organization, but the corporate entity itself. Key advantages of this insurance include: (1) defense costs are covered (above the deductible); 2) defense costs can be advanced; 3) experienced defense counsel can be provided; and 4) coverage is quite reasonably priced.

Employment Practices Liability insurance will not only pay for any covered indemnity or settlement—depending on the applicable jurisdiction, coverage for punitive damages may also be available.

The insurance company that writes these policies will work hand-in-hand with their policy holders (as do insurance brokers) to help build best practices loss control methodologies that will help you to avoid employment practices lawsuits.

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*Agents and underwriters often see themselves as immune from incidents they may think can only occur in organizations with large workforces ...*

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Key best practices **might** include:

- Putting together and distributing an employment practices handbook.
- Training, using case studies.
- Setting the right example.
- Explaining how ego can interfere with developed best practices.
- Discussing appropriate employment issues at management meetings.
- Promoting fairly.

- Consulting with outside specialists for independent comments.
- Demonstrating senior management concern.
- Analyzing and resolving grievances as they occur.

Title insurance organizations have to be very sensitive to jokes being circulated on e-mail; ethnic or racial slurs; untoward gender comments; bad language; temper displays, and; hasty firing. Thinking before acting is the best loss control measure.

Employment Practices Liability insurance is useful for agents and brokers today because, as the numbers point out, it is more likely that their bottom line will be negatively affected by an Employment Practices Liability suit than it will be by losses from a fire—a risk for which they routinely buy property insurance. 🐾

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## Inside ALTA

### Hawaii is the Place to Be...

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Hilton Waikoloa Village on the Big Island. Reserve your hotel room and airline tickets now so you can attend educational sessions, have the opportunity to network with colleagues and experience the tropical breezes of Hawaii.

Call the Hilton Waikoloa Village directly at 808-886-1234 to reserve your room. Room rates range from \$183-\$280, depending on your view. You can also take advantage of special airline discounts with Delta and American airlines. For Delta, call 1-800-241-6760 and reference file #130523A for ALTA discounted rates. For American, call 1-800-433-1790 and refer to file #64H0AK.

Early bird registration discounts (until September 17) are: \$525 for members, \$750 for non-members. Look for your program brochure in the mail this summer or register on-line at [www.alta.org](http://www.alta.org)!

### Two Weeks To Go!



You still have two weeks to help recruit new members for ALTA in the Member-Get-A-Member Campaign. In just the past two months, two-thirds of the membership applications have been referrals from members! Recruiters are now eligible to win prizes. If you need additional campaign brochures, contact Alice Baldwin, Director of Marketing & Membership, at [alice\\_baldwin@alta.org](mailto:alice_baldwin@alta.org) or 1-800-787-ALTA.

### ALTA Announces New Member Benefit Program



ALTA members are now just a few clicks away from the easiest long distance service any business could ever want. ALTA has partnered with Talk.com to bring members low long distance rates, hassle-free dialing and clear, reliable service. Here are some of the program highlights:

7 cents/minute—about the lowest rate you'll find today; on-line enrollment, billing and customer service; and easy-to-use account management. To sign up, visit <http://www.benefits.talk.com/~alta>.

### New Look Debuts on ALTA Web Site



If you have not visited the ALTA Web site recently, you are in for a treat. The home page has been re-designed to provide more news content, which will be updated daily. We have contracted with an outside consultant to review various news sites

and summarize industry and government issues of importance to the title industry.

To make it easier to get around, the navigation bars on the home page have been changed, and the entire site will be searchable. So, if you are not sure where to find what you need, you can type in a keyword and find that information. You will also be able to search for members, and in the near future, change your member record if you get a new phone number, e-mail or position, and register online for ALTA seminars and conventions. In addition, the past two to three years of *Title News* articles will also be searchable. This new site should be live this summer.

### Joint Property Records Task Force to Focus on Standards

The Joint Property Records Task Force, which is composed of county recorders and private sector representatives, met in Washington, DC, on March 2-3, 2000. There is a consensus among all parties that the Task Force focus on establishing uniform, consistent recording guidelines, before initiatives and strategies in the technology, education, and legislative arenas can be appropriately determined and addressed. The Standards Committee of the Task Force will take the lead in establishing guidelines to be considered by the Task Force and the Executive Board. The first initiative to be undertaken is the development of a white paper on Notarization.

At the Executive Board meeting in Washington, the "Document Formatting White Paper" was officially adopted. Copies of the white paper can be found at the Task Force's Web site at <http://www.faxon.com>.

Both the Task Force and the Executive Board will meet in Charlotte, North Carolina on July 12-13, 2000. Participation in the Task Force is open to all interested parties. Details: Rich McCarthy, Director of Research, at [rich\\_mccarthy@alta.org](mailto:rich_mccarthy@alta.org) or 1-800-787-ALTA.



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# New ALTA Members

## Active Members

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Garland County Title Co., Inc., Hot Springs  
Lafayette County Abstract & Title, Inc., Lewisville

### Colorado

First American Title Co. Of Delta County, Inc., Delta

### Connecticut

Peck & Tuneski, P.C., New London

### District of Columbia

Federal Title and Escrow Company

### Florida

Guardian Title Services Corp., Fort Myers  
Key Title and Escrow, Miami  
Caribbean Title Services of South Florida, Inc., Miami Lakes

### Georgia

Horst Michaelbody, Alpharetta  
Spalding Land Title, Inc., Alpharetta  
Charles P. Wrenn, Jr., Clarkston

### Illinois

Commercial Title Co., Belleville  
Law Title Insurance Co., Inc., Oswego

### Indiana

Title Max, Inc., Valparaiso

### Iowa

Service Abstract Co., Davenport

### Kansas

Earhart Abstract & Title, Inc., Washington

### Kentucky

Collier Title Services, Inc., Elizabethtown  
Chelsea Title Agency of Louisville, Inc., Louisville  
P-A-K Title Co., Louisville  
Timothy J. McAipin dba Solomon-High Street Title, Lexington

### Louisiana

ARK-LA-MISS Title Search Co., Vidalia  
Stone Title Insurance Agency

### Massachusetts

McDonough & Novak, Inc., Norwood  
Gould & Ettenberg, P.C., Worcester

### Missouri

Top Flite Land Title and Closing Company, Inc., Nevada

### Mississippi

Joseph McAllister, Meridian

### New Hampshire

Hubbard & Quinn Title Services, Inc., Amherst

### New York

Equity Settlement Services, Inc., Babylon  
Century Title Agency, Inc., Syracuse  
Mountain Abstract Co., Inc., Chestertown

### Ohio

Vision Land Title Agency, Inc., Montgomery

### Oregon

Pacific Northwest Title of Oregon, Inc., Tigard

### Pennsylvania

Dakar Enterprise, Philadelphia

### Utah

Anderson-Oliver Title Insurance Agency, L.L.C., Moab

### Virginia

Executive Title Agency, L.C., Salem

## Associate Members

### Iowa

Davis, Brown, Koehn, Shors & Roberts, P.C., Des Moines

### Florida

Lorien Technologies Inc., Sunrise

### Kentucky

Ray Ringham Real Estate Services, Bowling Green  
Dan Ringham & Krista Ringham, Owensboro

### Massachusetts

Carvin, Delaney & Bryson, LLP, Braintree

### New York

Valtech Research Inc., Carle Place

### North Carolina

First Union Corp., Charlotte

### Wisconsin

UCLID Software, Madison

## Get Connected!

Join ALTA today and here's how you'll benefit: ALTA offers title industry-specific correspondence courses; videos; a technology conference; the Annual Convention; telephone seminars; and a management/leadership school, all to help you keep abreast of changes in the industry. ALTA is in touch with Congress on legislative issues that affect your business. Gain even more valuable information from *Title News*, and the membership directory.

For information about joining, contact Alice Baldwin, Director of Marketing & Membership at [alice\\_baldwin@alta.org](mailto:alice_baldwin@alta.org), or 1-800-787-2582.

# ProForm for Windows

File Reports View Tools Window Help

New... Ctrl+N

Express Order Entry... Ctrl+E

Open... Ctrl+O

Search... Alt+S

Overlay File/Template...

Close

Save

Save As...



## See how easy it is to close.

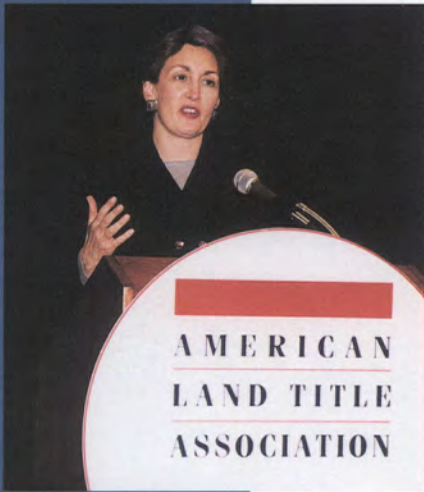
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# Highlights from the

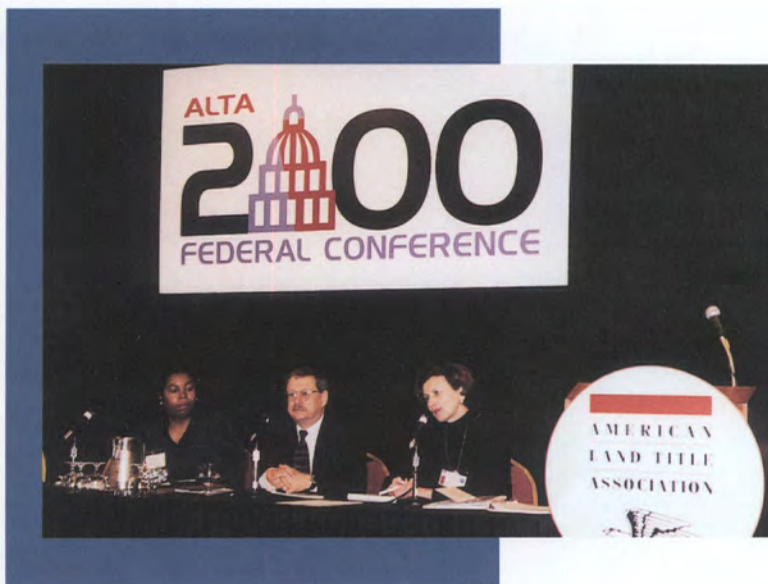
# ALTA 2000 FEDERAL CONFERENCE



Jamie Gorelick, Vice Chair of Fannie Mae, told the audience that Fannie Mae has no intention of selling title insurance. However, Fannie Mae is working with the title industry and county recorders to support and promote electronic recording in a variety of states. Gorelick said, "The work the title industry is doing to improve electronic recordation, to streamline, to make greater uniformity, all of those things, I think are going to be very important, not just to Fannie Mae, but to the marketplace."



Banking Committee member Melvin Watt (D-NC) praised ALTA's efforts on obtaining special treatment for title insurance in last year's modernization legislation. He commented that he understood the valuable role the title industry plays in the real estate transaction — since one of his previous jobs as a lawyer was doing title searches in North Carolina.



Adrienne Hurt, (left) Federal Reserve Assistant Director for Consumer Regulations, Ken Markinson, (middle) Assistant General Counsel at HUD, and Ann vom Eigen, (right) ALTA's Legislative Counsel, agree that action on RESPA/TILA reform is unlikely in this Congress.

However, Congress may consider changes to RESPA and the Truth in Lending Act disclosures when they review so-called predatory lending practices—inciting frequent refinancing of high cost mortgages.

Jan Alpert, (standing) Chair of the ALTA Government Affairs Technology Task Force, introduces Paul Scolese, (middle) House Commerce Staff Member, and David Barkley, (right) Freddie Mac's Director of Customer Support, who spoke about E-commerce and its effect on the title industry. See the article on this subject by David Barkley on page 10.



Representatives from New York and Missouri visit with their members of Congress. ALTA members brought the industry's message to Capitol Hill. Discussions on RESPA, Bankruptcy Reform, and Electronic Signature legislation ensure that the title industry's positions were heard.



## Capitol Comment

*Legislative & Regulatory News*

### **New Department Debuts in *Title News***

In order to keep you informed of ALTA's legislative and regulatory issues, this issue of *Title News* debuts a new chart that provides information on the issues' status and how implementation will affect your business. "Washington Watch," found on page 32, will run in every other issue of *Title News*. We welcome your comments on this chart. Details: Ann vom Eigen, Legislative Counsel, ann\_vomeigen@alta.org or 1-800-787-ALTA.

### **ALTA Begins Work on Privacy Rules**

Onerous administrative paperwork requirements and needless notices should be removed from the proposed Federal privacy rules, according to ALTA comments filed at the end of March 2000. Privacy rules proposed by the Federal Trade Commission and the federal banking regulators were released in February 2000. These rules, required by last year's Gramm-Leach-Bliley Financial Services Modernization Act (P.L. 106-102), compel financial institutions, defined to include title companies and agencies, to disclose institutional policies on sharing customer information to consumers. ALTA comments on the proposal emphasized the practical problems title agents would face in complying with the requirements. Specifically, the Federal Trade Commission proposal would require that in addition to an initial privacy notice, perhaps required for both insurance agents and underwriters, title companies would have to file an annual notice of their privacy policy with customers.

During the ALTA 2000 Federal Conference in Washington, the ALTA Government Affairs Committee members pointed out several potential practical problems to Federal Trade Commission counsel Kellie Cosgrove. ALTA President Charlie Foster, CEO and President of LandAmerica Financial Group, Inc., pointed out that comparable to a bank customer's use of an ATM machine, the title insurance agent and underwriter contact with a consumer is usually limited to a single instance. This similarity could help the title insurance industry escape from the annual notice requirement. In addition, ALTA is arguing that the lack of customer contact may help us fall under another exception to the annual notice requirement—one which eliminates the annual notice requirement if entities do not have contact with a customer within a twelve-month period.

Companies would have to develop their policy notices, and, in the insurance industry, would have to arrange a distribution network through independent agents. Consequently, ALTA is also seeking a delay in implementation of the rule, which presently would require title companies and agencies to prepare and provide these notices by November 2000.

Several states, such as California and Texas, are considering privacy legislation, so watch your state legislature as well. While the most politically sensitive issue appears to be medical information sharing, the potential crossover into other lines of insurance could have a significant effect on the title insurance industry.

### **Freddie Mac Issues New Seller Service Guide—Title Insurance Requirements Affirmed**

Freddie Mac still believes in the title insurance product. ALTA is pleased to note that the Freddie Mac revised Single-Family Seller/Service Guide (Guide) has maintained **all** existing title insurance requirements in their recent reissuance. The revised Guide becomes effective on June 20, 2000, and includes the standard language regarding title insurance with **no** changes (Chapter 39). Freddie Mac legal representatives emphasized their belief in the value of the product in February 2000 meetings with ALTA Forms Committee Chairman Joseph C. Bonita, Sr. V.P., Chicago Title Insurance Company; Cliff Morgan, Sr. V.P. and Underwriting Director; Jim Maher, ALTA E.V.P.; and Ann vom Eigen, ALTA's Legislative Counsel. Potential changes to the ALTA Forms were discussed with Jim Newell, Associate General Counsel of Freddie Mac, and representatives from the business industry and customer service group. Similar meetings were held with Fannie Mae legal and business staff.

Although the title insurance provisions remain consistent, there are major changes to the Freddie Mac Guide to incorporate Loan Prospector®, update Freddie Mac's underwriting and documentation requirements, make offerings previously available only on a negotiated basis available as standard Guide product, including expanding market products and Investment Property Mortgages, and adding common terms of business and fee information. For more information, go to: <http://www.alta.org/government>.

### **Civil Asset Forfeiture Reform Act of 2000 Passed & Sent to President for Signature**

ALTA efforts to support lender and owner concerns raised in the early 1990s culminated in this century when the Congress sent to the President long-sought reforms in Federal asset forfeiture law. Lenders and owners believed the validity of their title and ownership interests were threatened by government practices instituted in the late 1980s and early 1990s to seize properties which had been involved in the commission of a crime. Particularly troublesome were court decisions to "reach back" to take properties which had previously been used for criminal activities. Title insurers were particularly concerned that gov-

ernmental practices threatened due process requirements under the Federal constitution.

Title insurers will benefit from the law in three primary ways. First, the bill limits the Federal government's ability to seize real property which has been involved in the commission of a crime. Second, it establishes new procedural requirements for real property forfeitures. Third, it fosters legal certainty in real estate transactions by clarifying protections for persons owning real property through the "innocent owner" defense, discussed below. This defense extends to lenders as it includes those having interests in real property. The bill also raises the standard of evidence that the Federal government must meet in order to forfeit properties. In addition, the bill requires that real property must be forfeited through judicial rather than administrative proceedings, a position that ALTA has advocated for many years.

The most significant provision in the bill from a title industry standpoint is the so-called "Innocent Owner Provision," which establishes a statutory defense for owners of real property which has been seized by the Federal government. This is critical because a few federal civil forfeiture statutes do not include a provision authorizing an innocent owner defense, and the Supreme Court has ruled that the Constitution does not require an innocent owner defense in civil forfeiture proceedings. Under the statutes that do not presently include an innocent owner defense, an innocent owner runs the risk of losing his property in a civil forfeiture proceeding.

Please send comments or questions regarding this matter to [ann\\_vomeigen@alta.org](mailto:ann_vomeigen@alta.org) or 1-800-787-ALTA.

## Electronic Transaction Legislation Moves Forward at the Federal and State Level

Several states and the U.S. Congress are considering enactment of versions of the Uniform Electronic Transactions Act, (UETA) a uniform bill designed to address electronic commerce issues. From a real estate perspective, many state real property laws and notice requirements present challenges in an era of electronic commerce. The uniform legislation provides for general rules to replace writing and signature requirements that exist in Federal and State statutes. On the Federal level, legislation has passed both the Senate and the House, and conferees have been appointed to work out the differences between the two bills. ALTA is supporting the House version of digital signature legislation with several clarifications: H.R. 1714 contains specific recognition of the need for Federal legislation regarding insurance (Sec. 102(b)). These provisions should be retained in conference. H.R. 1714 does not reference real property. Language should be included to specify applicability to real property transactions to ensure recordation and securitization of mortgage loans. Two issues that currently require clarification include the treatment of negotiable notes so that securitization of mortgages is possible, and provisions to allow electronic notarization.

Several states have legislation under consideration. ALTA State Legislative Committee members are on the watch for possible amendments in several areas. Namely, possible amendments include prohibitions on providing consumer disclosures electronically, including cancellation and post-default notices.

### ALTA Thanks Members for Grassroots Efforts on Bankruptcy McConville Provisions

ALTA is indebted to the following members for their help in Conference action on Bankruptcy Reform legislation. ALTA thanks members for faxing letters to key Judiciary Committee members in order to retain the House-passed Bankruptcy Reform Act (H.R. 833) provisions correcting the 1996 *McConville* court case. That case invalidated a lender's lien due to an undisclosed bankruptcy. The ALTA-supported provisions in the bill clarify that undisclosed bankruptcies are not grounds for invalidating security interests.

**The Senate Bill.** The Senate-passed version of Bankruptcy Reform legislation included some but not all of the provisions supported by ALTA. Our challenge is to convince those Senators serving on the pending conference committee to "recede," or give in, to the House, on the McConville provisions. Contacting Senate Judiciary Committee Chairman Orrin Hatch (R-UT) and his staff was Tom Hatch, President of Security Title Company in Panguitch. Hal Miller, State Manager for First American Title Insurance Company in Burlington, sent a letter to that committee's Ranking Member (top Democrat), Senator Pat Leahy (D-VT). Working with the Senate Judiciary Subcommittee on Administrative Oversight and the Courts Chairman Charles Grassley (R-IA) was Sid Ramey, President of Peoples Abstract in Des Moines. Tim Russell of Gulf Coast Title in Foley is appreciated for contacting Senate Judiciary member Jeff Sessions (R-AL). Obtaining letters from title industry professionals in New Jersey for Senate Judiciary Subcommittee on Administrative Oversight and the Courts Ranking Member Robert Torricelli (R-NJ) were Joe Clayton, Executive Director of the New Jersey Land Title Association in Princeton, and Lou Meyer, President of NIA/Lawyers Title Agency in Paramus.

**The House Bill.** Unlike Senate grassroots, where we're trying to get Bankruptcy Reform (H.R. 833) conferees to "recede" to the House on the McConville language, ALTA's objective with the House members is to encourage conferees to retain their own House-passed McConville language. Gregory Kosin of Greater Illinois Title Company in Chicago contacted staff for and faxed a letter to Rep. Henry Hyde (R-IL), who chairs the Judiciary Committee. Anthony Fitzgibbons of Fitzgibbons & Fitzgibbons in Lebanon, PA, contacted Rep. George Gekas (R-PA), the chairman of the Judiciary Subcommittee on Commercial and Administrative Law, which has jurisdiction over the bill. Sharon Sabol of the New York Land Title Association is working with Manhattan title professionals in contacting Chairman Gekas' Ranking Minority Member, Rep. Jerrold Nadler (D-NY). And, Virginia Land Title Association Board Member Anne Kerr in Lynchburg is helping with possible conferees Reps. Bob Goodlatte (R-VA) and Rep. Rick Boucher (D-VA).

Issue	Synopsis & Business Effect	Status
<p>Allowing electronic delivery of signatures, contracts and records (H.R. 1714/S. 761)</p>	<p>The bills by House Commerce Committee Chairman Tom Bliley (R-VA) and Senator Spencer Abraham (R-MI) provide that states may not discriminate against electronic contracts and may allow some e-mailing of disclosures. A few states already accept e-mailed signatures. The legislation will affect the title industry by facilitating business-to-business electronic communication of documents, and, with consumer consent, electronic mortgage transactions.</p>	<p>April 2000—Having passed both the House and the Senate, the bills will be merged in a conference committee before final passage. Some consumer opposition may slow timetable. For a sample letter you can send to your Members of Congress, see <a href="http://www.alta.org/govt/00/e_com.htm">http://www.alta.org/govt/00/e_com.htm</a></p>
<p>McConville decision resulting in claims for undisclosed bankruptcies (H.R. 833/S. 625, Bankruptcy Reform)</p>	<p>Bankruptcy judge in 1996, in <i>In Re McConville</i>, invalidated lender's lien due to borrower's undisclosed bankruptcy. The House-passed bill includes provisions overturning the Ninth Circuit decision. The Senate-passed legislation includes some, but not all, of the McConville provisions. Without McConville language in the bankruptcy bill, title companies will face increased claims risk due to undisclosed bankruptcies.</p>	<p>April 2000—Having passed both the House and Senate, the bills will be merged in a conference committee for final passage. Conference action is currently delayed by continued opposition to bankruptcy reform by certain Senators. For a sample letter you can send to your Members of Congress, see <a href="http://www.alta.org/govt/00/bankruptcy.htm">http://www.alta.org/govt/00/bankruptcy.htm</a></p>
<p>Limiting title fees and other closing costs for "high-cost," "predatory" loans (H.R. 3901, S. 2415, H.R. 2450)</p>	<p>Congress and several states are considering adding to the 1994 Home Owner Equity Protection Act (HOEPA) law that added restrictions to the Truth in Lending Act (section 32) to loans whose rates and fees exceed certain thresholds (rates over 10 points above equivalent Treasury or costs equal to greater of eight percent of loan or \$400 [indexed annually for inflation]). Legislation has been introduced by the Ranking Democrats of the House and Senate Banking Committees. Some of the new proposals include caps on closing costs in certain situations.</p>	<p>April 2000—Legislation introduced in both the House and Senate. Hearings in House and Senate Banking Committees possible later this year; regulators targeting lenders and enforcing existing laws—HUD has established a task force to hold hearings and make recommendations.</p>
<p>Limiting bank insurance sales and underwriting of title insurance and requiring state regulation. Implementation of Gramm-Leach-Bliley Financial Services Modernization Act of 1999 (P.L. 106-102) and <i>Ohio v. Huntington Federal Court Case</i> (Assn. of Banks in Insurance, Inc., et. al. v. Harold T. Duryee, Civil No. C-2-98-1120 (S.D. Ohio June 18, 1999))</p>	<p>The Gramm-Leach-Bliley Act, (P.L. 106-102), passed November 12, 1999, limits sale of title insurance by national banks and their subsidiaries. It requires that title insurance underwriting can only be done through a financial holding company affiliate. National banks selling title insurance through subsidiaries must comply with (1) licensing and (2) all other state insurance regulations that do not "significantly interfere" with a bank's ability to sell insurance. Litigation in Ohio, <i>Ohio v. Huntington Bank</i>, currently on appeal, may serve as precedent on when state title regulations are a "significant interference" and thus preempted. National banks or subsidiaries selling or underwriting title insurance as of November 12, 1999 are grandfathered.</p>	<p>March 2000—OCC finalized rule on national bank subsidiary title insurance sales (ALTA filed comment); January 1, 2000—Federal Reserve published guidance on conversion into "financial holding companies." ALTA filed comments on April 3, 2000, on "privacy" rules; Appeal pending in Federal case: <i>Ohio v. Huntington</i> (cited in left column).</p>
<p>Protecting consumer information privacy (FTC and banking regulator rules)</p>	<p>Gramm-Leach-Bliley Financial Services Modernization Act, (P.L. 106-102), contains privacy provisions requiring financial institutions to offer consumers the right to "opt-out" of information sharing with 3<sup>rd</sup> parties but not affiliates. Title companies and agencies must provide privacy policy disclosures to consumers and may have to provide annual updates to these same consumers. ALTA filed its comment, <a href="http://www.alta.org/govt/00/l_clarke.htm">http://www.alta.org/govt/00/l_clarke.htm</a>, with the Federal Trade Commission and banking regulators on March 31, 2000.</p>	<p>2000—tougher privacy bills pending in 22 states. May 12, 2000—final regulations due on privacy provisions (published February 3, 2000) November 2000—expected date rules will be effective.</p>

This information is meant to be a summary only. For more detailed information, visit the Government Action page of ALTA's Web site at <http://www.alta.org/govt>



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email: [walkerntpa@aol.com](mailto:walkerntpa@aol.com)



Nancy Walker

## Names in the News

### Movers & Shakers

#### Arizona



**John A. Corey, CSEO** has been named Arizona County Operations Manager for Metro Title Agency Arizona. Prior to joining Metro Title, Corey worked for Chicago Title Insurance Co.

#### Illinois

**Kay L. Nordquist** has joined Security Title, Inc., in Rockford as Office Manager. Formerly she was self-employed as a freelance title searcher/closer for several local attorneys.

#### New York

**Andrew J. Chon** has been named Marketing and Sales Representative

for Advance Abstract Corporation, a full-service title agency serving New York and New Jersey. Formerly he was Human Resources Counselor with the South 40 Corp.

### Mergers & Acquisitions

**Chicago Title Corporation**, Chicago, IL, and **Fidelity National Financial, Inc.**, Santa Ana, CA, merged March 20.

**Lawyers Title Insurance Corporation**, a subsidiary of LandAmerica Financial Group, Inc., Richmond, VA, announced the acquisition of the stock of the Lorain County Title Company, located in Elyria, OH. The former agency will function as a division of Lawyers Title.

**Metropolitan Title Company**, Howell, MI, has acquired Raisin Valley Title of Monroe, MI, giving Met-

ropolitan Title a presence in Monroe County for the first time. Metropolitan Title has also acquired Associated Title Company, Inc., an Indianapolis-based title company. Metropolitan Title now employs a staff of nearly 1,000 employees in 90 offices in Michigan, Indiana, and Illinois.

**First American Title Insurance Company** has acquired Charter Title Company, Inc., Key Largo, FL. Charter Title will operate under its current name as a wholly owned branch office of First American.

**American National Financial, Inc.**, Irvine, CA, has acquired Pioneer Land Title Corp., giving it a presence where its underwriter, National Title Insurance of New York, is located.

**Title Midwest**, a Topeka, KS-based holding company, has purchased Fidelity Title Company, the

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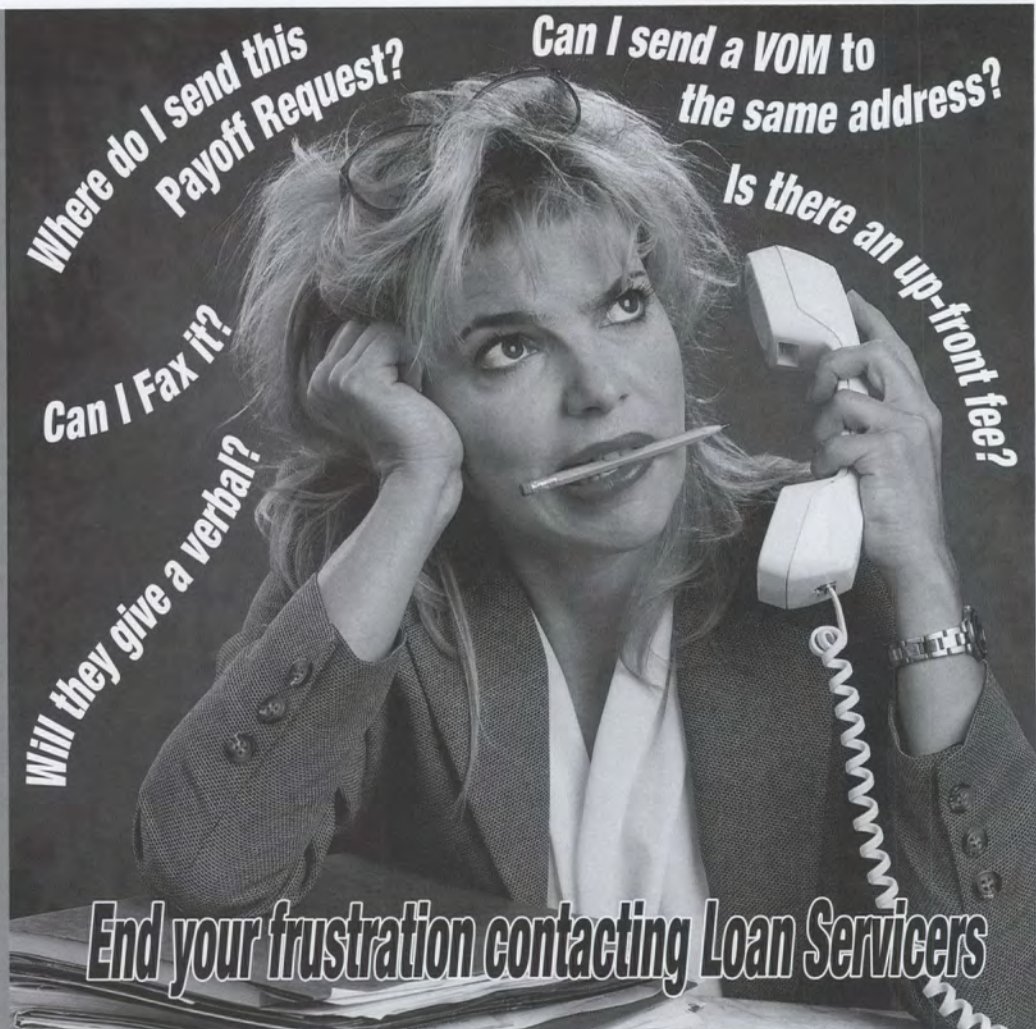
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oldest continuous title and abstract company in Wichita.

**Buchner & O'Toole Title Company**, Ottawa, IL, has been acquired by a group of area attorneys and businessmen. It will continue to operate as an agent of the Chicago Title Company, L.L.C.

**Stewart Title Company**, a unit of Stewart Information Services Corp., Houston, TX, has acquired Fidelity Title Company of Los Lunas, NM, to allow it to offer more services to Valencia County.

### Alliances/Joint Ventures

**Capitol Title Group, Inc.**, and **9keys.com** (one of the fastest growing financial and real estate groups in the U.S.) announced intent to complete an equity exchange and form an alliance that will optimize the use of their respective technologies and the multiple services they provide the real estate industry.

**AmeriTitle**, Ontario, OR, announced the acquisition of Mountain Title Company, located in Idaho's Valley County, expanding AmeriTitle's operations to three states: Oregon, Idaho, and Washington.

**Title Alliance Ltd.**, a Media, PA, title-insurance company, and Terra Financial Group, Inc., a mortgage Broker/Banker, announced a joint venture that will offer real estate bundled services. The new company, Nations Land & Abstract, L.L.C. will be in Philadelphia.

**Fidelity National Financial, Inc.** and Tyler Technologies, Inc. have agreed to form a national data and information company known as NationsData.com. The new company will be a national transaction-based business-to-business Internet portal offering proprietary real property data, information and services. NationsData.com's objective will be to offer via the Internet the largest, most comprehensive real property data-

base for business-to-business E-commerce transactions.

Through its diligent efforts with **First American Title Company**, Canyon National Bank has secured the first-ever Native American title policy on land held in trust for an Indian tribe. This transaction represents another milestone for Canyon National Bank as they move forward in providing financial services to Native Americans.

### We want to hear from you!

Let us know if you have news about new staff, promotions, honors, awards, or mergers and acquisitions. Send them to Lorri Lee Ragan, Editor of *Title News* at 1828 L Street, N.W., Suite 705, Washington, D.C. 20036 or e-mail notices to [lorri\\_ragan@alta.org](mailto:lorri_ragan@alta.org)

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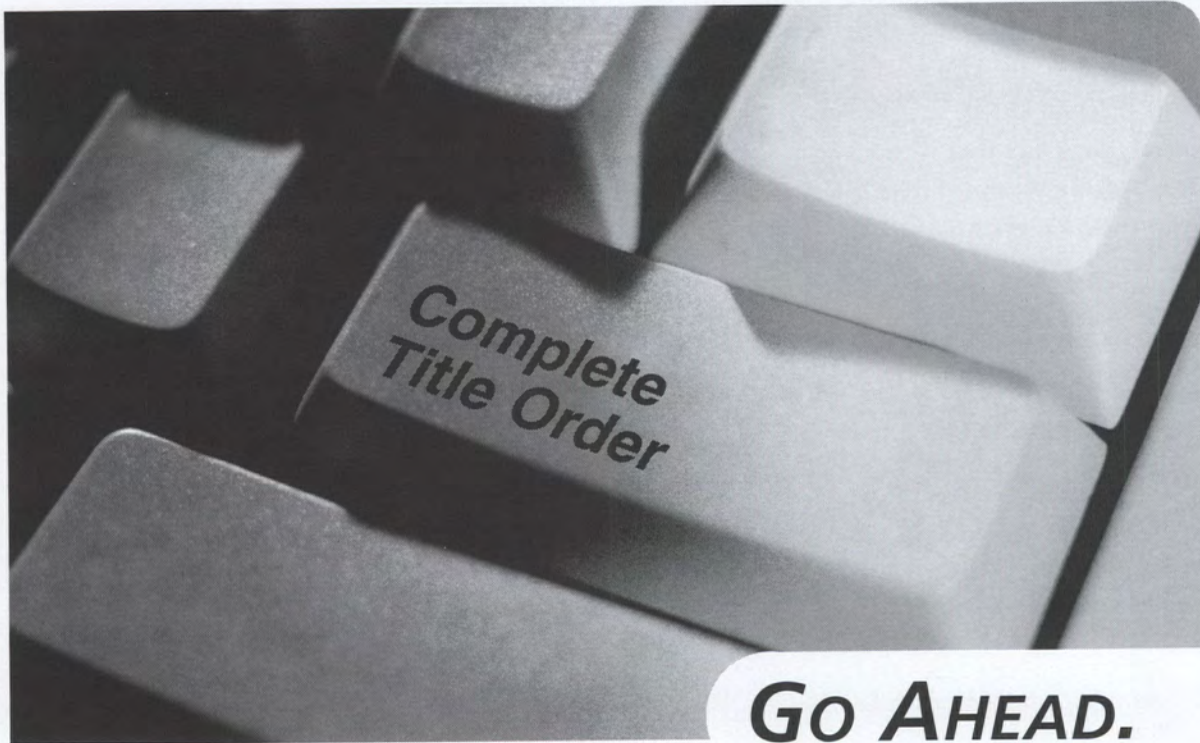
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## 2000 Affiliated Association Conventions

### May

4-6 **New Mexico**, Sante Fe Hilton, Santa Fe, NM

4-6 **Oklahoma**, DoubleTree at Warren Place, Tulsa, OK

7-9 **Iowa**, Iowa City, IA

11-14 **Palmetto**, Carnival's Fantasy Cruise

17-19 **California**, Hyatt Regency, Monterey, CA

### June

4-7 **New Jersey**, The Otesaga Hotel, Cooperstown, NY

8-10 **Colorado**, Sheraton Denver Tech Center, Denver, CO

8-10 **Texas**, Westin Lakantera, San Antonio, TX

9-11 **Virginia**, The Tides Inn, Irvington, VA

11-13 **Pennsylvania**, Nemaocolin Woodlands, Farmington, PA

15-16 **South Dakota**, Aberdeen, SD

22-25 **New England**, Ocean Edge Resort & Golf Club, Cape Cod, MA

23-24 **Arkansas**, Lake Hamilton Resort, Hot Springs, AR

24-27 **Oregon**, Inn at Eagle Crest, Redmond, OR

### July

13-15 **Illinois**, Springfield, IL

16-18 **Michigan**, Treetops Resort, Gaylord, MI

### August

3-5 **Minnesota**, Holiday Inn, Duluth, MN

3-5 **Montana**, Marina Cay Resort, Big Fork, MT

9-13 **North Carolina**, The Park Hotel, Charlotte, NC

17-19 **Wyoming**, The Pronghorn Lodge, Lander, WY

17-20 **New York**, Disney Yacht & Beach Club, Orlando, FL

### September

6-9 **Idaho**, Sun Valley Lodge, Sun Valley, ID

7-9 **Kansas and Missouri**, Overland Park Marriott, Overland Park, KS

7-10 **Maryland**, Princess Royale Hotel, Ocean City, MD

13-15 **Nebraska**, Holiday Inn, Hastings, NE

14-16 **Dixie**, Sandestin Beach & Golf Resort, Destin, FL

14-16 **North Dakota**, TravelLodge Inn, Dickinson, ND

16-20 **Ohio**, Holiday Inn-Sandusky/Cedar Point, Sandusky, OH

21-24 **Washington**, Semi Ah Moo Resort, Bellingham, WA

### October

5-6 **Wisconsin**, Wyndam Hotel, Milwaukee, WI

8-11 **Indiana**, French Lick Springs Resort, French Lick, IN

### November

1-3 **Florida**, Sarasota Hyatt Hotel, Sarasota, FL

### December

7-8 **Louisiana**, Chateau Sonesta, New Orleans, LA

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To place a classified ad in **Marketplace**, send ad copy and check made payable to **American Land Title Association** to: *Title News* Marketplace, ALTA, 1828 L Street, N.W., Suite 705, Washington, D.C. 20036.

### Sample: Help Wanted

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### Sample: Sale

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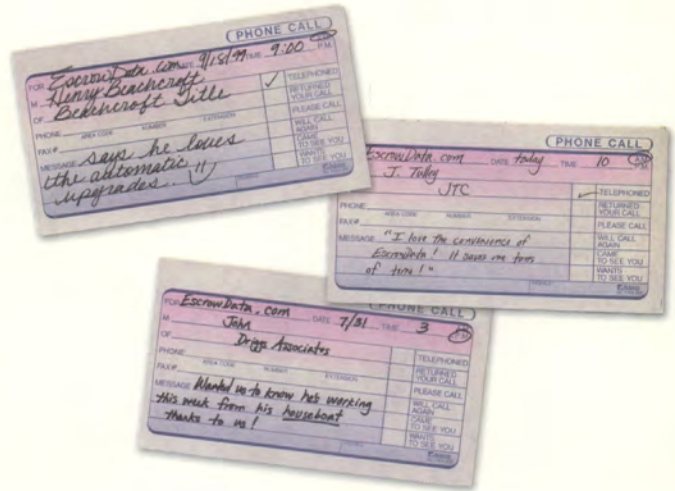
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