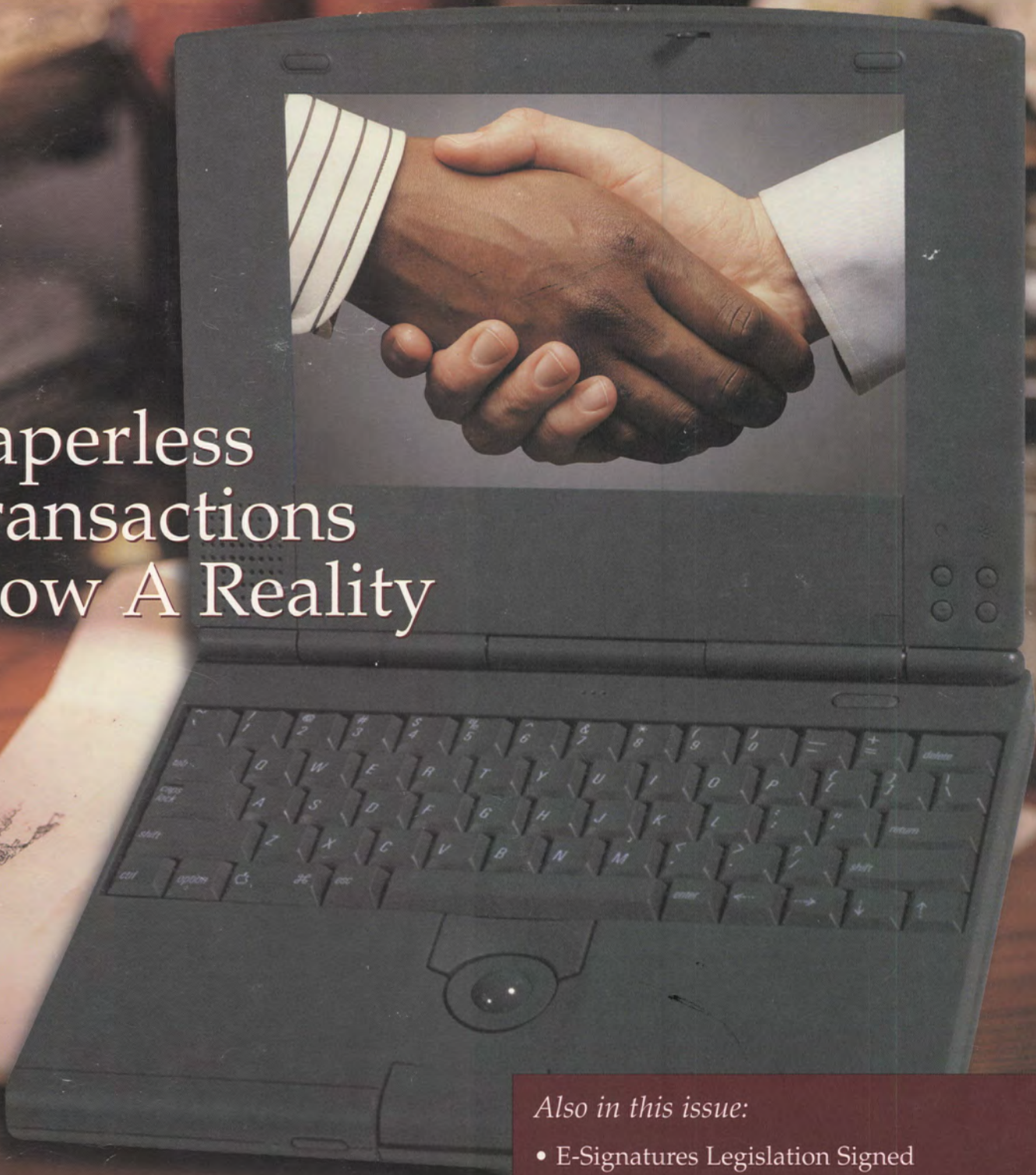


TITLE *News*

SEPTEMBER/OCTOBER 2000

OFFICIAL PUBLICATION OF THE AMERICAN LAND TITLE ASSOCIATION



Paperless Transactions Now A Reality

Also in this issue:

- E-Signatures Legislation Signed
- Subordinate Agreements
- Working with Different Generations
- Rate Regulation



PROUDLY PRESENTING
OUR NEW FACE TO THE WORLD

We are now five brands strong: Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title. Together, we are the market leader in title insurance and real estate information services. Our new alliance and look do not mean a complete change: you can still count on the same thoughtful service from the friendly faces you have come to know and trust.

4050 Calle Real, Santa Barbara, California 93110

www.fnf.com

TITLE *News*

Volume 79, Number 5

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

FEATURES

6 Paperless Closings — A Revolutionary Change in the Real Estate Industry

*by John Sayers, Skip Straus,
and Joe Bryant*

Attorney's Title Insurance Fund was involved in the first fully electronic mortgage loan and home purchase in the U.S. Learn about the other players and how this transaction worked.

10 Paperless Closings — A Technical Perspective

by Darren G. Ross

Stewart Title Guaranty Company was involved in the nation's first paperless residential mortgage refinance. Walk through the process and see what was involved.

12 E-Signatures Legislation — What it Means for the Title Industry

by Ann vom Eigen

E-Signature transactions are now a reality. Is the title industry ready? For that matter, is the real estate industry ready? How does the Federal bill differ from the state statutes? Don't be left behind on this new way of doing business.

18 Subordination Agreements: An Illustration

by Mark F. Cheney

While most title underwriters may be familiar with the term Subordination Agreement, this article highlights one industry case study and how Subordination Agreements came into play.

24 Veterans, Boomers, Xers and Nexters... Oh My!

by John Capotosto

Understanding the various generations in the workforce and what makes them tick will help companies succeed in the new millennium. This book review reveals some things that might surprise you.

26 Rate Regulation

Title insurance premium rates are largely determined by operating and acquisition cost factors. Do you know what else? An excerpt from the ALTA/A.M. Best Company report entitled, "Title Insurance Report and Industry Statistics."

DEPARTMENTS/AND MORE

4	ALTA Events Calendar
22	MERS
30	ALTA News
32	Capitol Comment
36	Names in the News
38	State Association Convention Calendar
38	Marketplace

AMERICAN
LAND TITLE
ASSOCIATION



Members Call Toll Free:
800-787-ALTA

Members Fax Toll Free:
888-FAX-ALTA

Visit ALTA Home Page:
<http://www.alta.org>

E-Mail Feedback to:
service@alta.org

Title News

Publisher: James R. Maher
Editor: Lorri Lee Ragan, APR
Production Editor: Christina Rizzoni

©2000 American Land Title Association.

Title News is published bi-monthly by the American Land Title Association, 1828 L Street, N.W., Suite 705, Washington, DC 20036. U.S. and Canadian subscription rates are \$30 a year (member rate); \$48 a year (non-member rate).

For subscription information, call 1-800-787-ALTA. Send address changes to: *Title News*, circulation manager, at the above stated address.

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

Reprints: Apply to the editor for permission to reprint any part of the magazine. Articles reprinted with permission must carry the following credit line: "Reprinted from *Title News*, the bi-monthly magazine of the American Land Title Association."



ALTA COMING EVENTS



2000

September

18-19 Title Industry Accountants Meeting
Vancouver, British Columbia

October

18-21 ALTA Annual Convention
Kamuela, Hawaii

November

12-14 Title Counsel Meeting
Carmel, CA

18-21 TRC Board
San Francisco, CA

December

1-5 Systems Committee
Puerto Rico

2001

January

13-16 Large Agents Meeting
San Antonio, TX

April

22-24 2001 Federal Conference
Washington, DC

February

2-4 TIAC/ALTA Board Meeting
Florida Keys

4-6 Tech Forum 2001
Orlando, FL

24-March 3 Management Development Program (MDP)
Houston, TX

August

19-21 Reinsurance Committee Meeting
North Falmouth, MA

October

10-13 ALTA Annual Convention
Palm Desert, CA

AMERICAN
LAND TITLE
ASSOCIATION



ASSOCIATION OFFICERS

President

Charles H. Foster, Jr., LandAmerica Financial Group, Inc., Richmond, VA
(E-mail: cfoster@landam.com)

President-Elect

Cara L. Detring, Preferred Land Title Company, Farmington, MO

Treasurer

Mark Winter, Stewart Title Guaranty Company, Washington, D.C.

Chair, Finance Committee

Mark A. Bilbrey, Warranty Title and Abstract, Inc., El Reno, OK

Chair, Title Insurance Underwriters Section

Frank P. Willey, Fidelity National Title Insurance Co., Santa Barbara, CA

Board Representatives, Title Insurance Underwriters Section

Gary L. Kermott, First American Title Insurance Company, Santa Ana, CA

Charles J. Kovaleski, Attorneys' Title Insurance Fund, Inc., Orlando, FL

Chair, Abstracters and Title Insurance Agents Section

Stanley B. Friedlander, Continental Title Agency Corp., Cleveland, OH

Board Representatives, Abstracters and Title Insurance Agents Section

Gregory M. Kosin, Greater Illinois Title Co., Chicago, IL

Michael F. Wille, The Title Company, Inc., La Crosse, WI

Immediate Past President

Joseph M. Parker, Jr., Parker Title Insurance Agency, Inc., Winston-Salem, NC

ASSOCIATION STAFF

Executive Vice President

James R. Maher

Director of Research

Richard W. McCarthy

Vice President—Administration

David R. McLaughlin

Legislative Counsel

Ann vom Eigen

Director of Education

Patricia L. Berman

Director of Communications

Lorri Lee Ragan, APR

Director of Meetings and Conferences

Liza Trey, CMP

Director of Information Systems and Technology

Kelly Throckmorton

Director of Marketing and Membership

Alice Baldwin

Title News Production Editor

Christina M. Rizzoni

A Message From The President



Dear Members of the American Land Title Association:

It is true. When you sit as President of ALTA, the year goes by very quickly. Happily, the organization has survived the year with me holding the gavel. I have an even greater appreciation for all ALTA has done historically, and that it has done it extremely well.

At the annual banquet last year, I set forth the goals and objectives for my reign as President. Included in the list were goals having to do with a continuation of accomplishments in grassroots,

technology, and education.

The top priority for the year was assigned to strategic planning — something that was not intended to be a one-year project. The potential power of and value of ALTA lies with two things: expanding the depth and scope of our agency base, and attracting new constituencies involved in the real estate information and settlement services business into our fold. In terms of long-term effect — probably the most important thing that has been accomplished this year is the strategic planning effort — the laying out of strategies to begin to expand the boundaries of ALTA.

It has been done in a form and fashion that can and will be carried on — it is something to which all of the members of the Board who are in the chairs to succeed to this President's position have agreed.

We have our work cut out for us. But it is important and it is exciting. I have enjoyed working with all of the component groups of ALTA very much, including its Committee Leadership, the State and Regional Associations, Jim Maher and the entire staff in Washington, and the Board of Governors.

These are all talented and dedicated people, whom I know will continue to make a big difference as the industry and our fine association evolves to meet the demands of the changing landscape. Through her heavy involvement in ALTA issues over the past three years, I have come to know and greatly respect the leadership exhibited by our President-Elect, Cara Detring. While the induction of our first Madam President is a momentous occasion for our organization, I predict that with Cara at the helm, next year will be a momentous year for ALTA.

The momentum starts at the Annual Convention, scheduled October 18-22 in Hawaii. I hope you have made arrangements to attend. It promises to be one of the best ever.

Aloha!

Charlie Foster

Paperless Closings — A Revolutionary Change in the Real Estate Industry

by John Sayers, Attorneys' Title Insurance Fund, Inc., Skip Straus, e-cloz.com, inc. and Joe Bryant, eOriginal

The Problem

One of the biggest problems in the real estate industry is that there is simply too much paper. It represents the single largest activity cost — no matter which aspect of the industry. Costs include the management, collation, shipment, courier, maintenance and storage of documents, as well as the costs associated with lost documents and concurrent document access — that only one person can work on one piece of paper at a time.

Only two methods for minimizing the amount of paper have been used with any frequency: imaging and work flow. Imaging is the process of scanning the document, putting it into a digital format, and granting access for viewing purposes. The downside is that you still have the paper — it is the authoritative copy.

Work flow is a routing mechanism to help everyone involved in the process work more efficiently. Instead of individuals deciding what to do next with the paper, technology does it for them. It doesn't make this process any better, only faster.

The best method would be the complete elimination of paper. To do that, an office must have a process-based solution, not a technology-based solution. If an office is used to dealing with paper, however, there has to be a natural way to go into an electronic environment. For it to work, there needs to be document security and reliability, federal and state legislation compliance, and consumer and industry acceptance.

The Solution

Today, this vision has become a reality. New technology and recent legislation have made possible the complete elimination of paper in a real estate transaction. And, on July 24, 2000, Attorneys' Title Insurance Fund, Inc. (The Fund), eOriginal, e-cloz.com, and six other industry innovators including Mortgage.com, Enterprise Title, Inc., Broward County Records Division, New Vision Systems Corporation (NewVision), Irwin Mortgage and Fannie Mae completed the first fully electronic mortgage loan and home purchase to occur in the United States.* The loan was closed, recorded, and delivered to the secondary mortgage market in less than three hours.

John Sayers is Research and Development Manager at The Fund, the nation's sixth largest title insurance underwriter. He can be reached at 800-336-3863. Visit The Fund Web site at www.thefund.com, or www.doubletime.com.

Skip Straus is President of e-cloz.com and owner of Enterprise Title, Inc. He can be reached at skip@e-cloz.com. Visit the e-cloz Web site at www.e-cloz.com.

Joe Bryant is Senior Vice President and General Manager of the real estate division for eOriginal. He can be reached at 410-659-9796. Visit the eOriginal Web site at www.eOriginal.com.

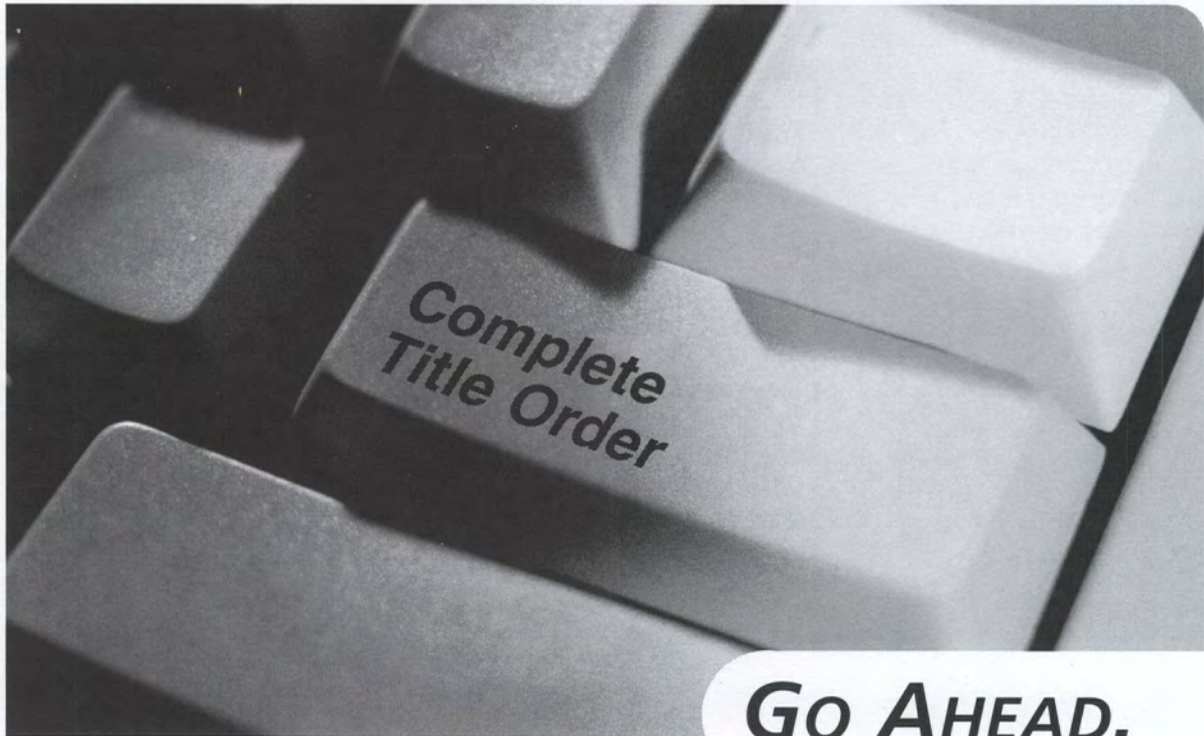
Supporting Legislation and Technology

This milestone event for the real estate industry was completed in Florida, one of the many states to have enacted the Uniform Electronic Transactions Act (UETA), enabling electronic signatures and documents to be legally binding. This act has been in effect in Florida since July 1, 2000, prior to the recent passage of the federal E-Signatures legislation which made electronic signatures and documents legally binding nationwide.

At the core of this paperless transaction is a process-based solution derived from proprietary systems and technology from eOriginal and e-cloz.com. eOriginal's patented process allows companies to create, execute and store Electronic Original™ documents, and then retrieve, view, transfer ownership of, or destroy those records all electronically. The eOriginal™ system is the only solution today that enables true e-commerce by producing the legally enforceable equivalent of the paper-based original.

e-cloz.com's Paperless Closing Network™ electronically connects the different parties in the transaction, including mortgage lenders, closing agents, county recorders and title insurance underwriters, to perform end-to-end paperless transactions.

Each participant in the Paperless Closing Network can access Electronic Originals stored in a secure repository called the Trusted Custodial Utility™ (TCU). Through this central



GO AHEAD. GET IT OUT OF YOUR SYSTEM.

Now, by entering information on a title order once — *just once* — you can get everything you need from your system automatically to complete that order. With *SMS Title Works*, it's that simple.

SMS Title Works was developed to share pertinent information between all of the departments and systems you use to complete title orders. It automatically orders the title search. It displays your chain of title on screen and lets you tag the documents you want to see. Its sophisticated imaging system creates electronic file folders and retrieves the documents, starters and maps requested. It lets you create customized documents in a flexible **Windows** environment, utilizing SQL, Client Server, and so much more.

Bottom line — it gives you more control, increases your productivity, and helps you realize increased profits. Contact us to see what *SMS Title Works* can get out of your system.

800-767-7832
<http://www.smscorp.com>



location, participants can electronically create, submit, retrieve, view, edit, sign, and transfer documents. An authentication service in the TCU validates the signature on the recorded document, date and time stamps the document, and digitally signs the document. In addition, document control is in place to limit and audit access to documents, track original and revised documents, and preserve the authenticity of the original electronic documents by differentiating the original document from a copy.

The Transaction

The home was sold by Arvida Homebuilders, who electronically executed the deed at Enterprise Title's office in Weston, FL. The buyer's mortgage was originated, underwritten, processed, and approved using online lending tools powered by Mortgage.com's Web technology. Mortgage.com then prepared the loan document package as Electronic Originals. Closing documents were prepared electronically by Enterprise Title using a version of The Fund's DoubleTime® software which includes eOriginal system components. The buyer and Arvida then executed all closing documents electronically, including the HUD-1, promissory note and mortgage. Once all of the borrower's loan documents were executed and Mortgage.com performed its online quality control of the settlement documents, the deed and mortgage were electronically transmitted to the Broward County Records Division. The documents were verified, recorded, and fees were collected electronically through software developed by NewVision for the purpose of handling electronic submissions as part of NewVision's Official Records System. After recording, the mortgage and deed documents were instantaneously available for public search through Public Search Workstations at Broward County Records Division, or through the Internet by accessing the

Broward County Web site. The deed, HUD-1 Settlement Statement, affidavits, and other closing documents were transferred electronically to Mortgage.com by Enterprise Title using DoubleTime. Once closing documents were executed and recorded, The Fund's electronic title insurance policy was issued immediately and the ownership of the loan was electronically transferred by Mortgage.com to Fannie Mae, completing the first purchase of an electronically originated mortgage loan by a secondary mortgage market company.

Additionally, the loan servicing rights were released electronically to Irwin Mortgage, complete with all legal and credit documents as well as a data file that Irwin used to "board" the servicing into their permanent system. The eOriginal process sealed the loan documents with the participants' electronic signatures each step of the way, ensuring the integrity and authenticity of the Electronic Originals. The mortgage finance transaction was also the first electronic documentation of its kind to be insured for legal enforceability. Through a large third-party insurer, eOriginal provides \$1 million in liability insurance for each transaction processed.

Benefits of Electronic Processing

The benefits of the electronic mortgage process are compelling — not just in administrative cost savings, but in the compression of the business cycle and the reduction of the risk associated with changing interest rates. Additional benefits to the real estate industry include:

- A significant decrease in preparation and processing time.
- Guaranteed security on all documents prepared through the eOriginal system.
- Reductions in telephone calls, courier fees, duplication costs, and post-closing errors, since all participants have access to the Electronic Originals.
- The accessibility of information to all parties involved at any stage of the closing.
- Reduced gap period from the time records are searched to when the sale is closed, minimizing risk.
- An audit trail of every version of each document which can be accessed in one central location.

Conclusion

Due to recent legislation and the development of process-based technology, there is now a natural way for the real estate industry to move into an electronic environment. Paperless closings are leading the way for revolutionary change in the way real estate transactions are conducted nationwide. If you're going to remain competitive, it's time to go electronic. ➤

** Editor's Note: On June 29, 2000 the first paperless refinance took place. See page 10 for that story.*



PREFERRED DIRECT INSURANCE™

the only direct source
for professional
liability insurance

underwriting company
rated A- VII (Excellent)
by A.M. Best

buy direct
and save
up to
15%
or more

telephone
1.800.343.5079
fax
1.804.327.8961

PO Box 27007
Richmond Va. 23261

www.preferredirect.com

Paperless Closings — A Technical Perspective

by Darren G. Ross

On June 29, 2000, the nation's first paperless, online refinance occurred in Orem, Utah. The residential mortgage refinance was facilitated by new digital signature technology and Utah state UETA (Uniform Electronic Transactions Act) legislation pertaining to the use and enforceability of digital signatures and electronic documents. One day later, President Clinton signed into effect (electronically signed with a smart card, at that...of course accompanied by a traditional hand-written ink signature) the Electronic Signatures in Global and National Commerce Act, P.L. 106-299. The Act provides that no contract, signature, or record shall be denied legal effect solely because it is in electronic form. U.S. individuals and businesses conduct approximately \$600 billion worth of government transactions annually, with less than one percent of that now occurring online. In response, Congress has mandated that by 2003, all federal government forms will be available in electronic formats that can be digitally signed and electronically filed.

My, how the times are changing — and at dot-com speed. State-specific versions of UETA had been adopted in 18 states as of June 2000 and additionally 46 states had some form of active digital signature legislation. Emerging new technologies will enable real estate transaction participants to re-engineer existing business processes and create a new paradigm for transactions of the future. For the first time, it will be possible to: produce an electronic clos-

ing package from origination through closing, provide them to all parties 24/7 via an Internet-based virtual transaction folder with security privileges, and electronically record and deliver them to the county recorder and/or secondary market in a matter of hours instead of weeks.

Examining the Process

The technologies involved and aspects of implementation are still somewhat immature and in time will be much more tightly integrated providing even further realizations of all of the true benefits involved and ease of use and understanding between all the parties (and their systems) involved in a transaction. Firstly, as mentioned above, the conducted transaction was a residential mortgage refinance secured by a 20-year conventional, fixed loan. The borrowers (husband and wife) filled out an online application with the specific loan parameters desired through LowRatesUSA.com's Web site and Virtual Loan Officer. Additionally, an appraisal and flood determination were ordered to accompany the loan application file for the loan underwriter's review. The loan application file documents, including

the electronically delivered appraisal and flood reports, were uploaded to iLumin Corporation's Online Signing Room which was created specifically for the transaction and its participants. The original format of the electronic documents as produced varied from image file formats (PCX, TIFF, BMP, etc.) to MS Word to Adobe PDF. At the time the documents were received by iLumin, the documents were converted into an XML format which provides the mechanism for process automation and the conversion of "dumb" documents into tagged-content, "intelligent" documents. By converting the documents to XML, it enabled the documents to be used for other purposes, such as populating application system databases or eliminate typing of redundant data into new documents. Additionally, it provides an additional security level whereby specific sections of documents (such as signatory lines, boilerplate text, etc.) could be locked or unlocked depending upon the respective parties security privileges to the document.

The Signing Room

The iLumin Online Signing Room is an Internet-based, central repository where all transaction documents for signing are stored as the transaction progresses. Thus, it is available to all authorized parties 24 hours a day, 7 days a week. The loan underwriter, Allied Mortgage, reviewed the application file and submitted its underwriting conditions to the signing room. LowRatesUSA (the "originator") viewed and accepted



Darren G. Ross is Director of Electronic Commerce at Stewart Information Services Corp. in Houston, TX. He can be reached at DROSS@landata.com or 1-800-729-1900 ext. 8482.

the conditions, fulfilled conditions, and posted the conditions back to the signing room. Once the loan underwriter and originator signed off on conditions, submitted closing document requests and posted final approval, the underwriter authorized closing and posted the lender instructions to the signing room. Pro-Title and Escrow, the closing agent, prepared closing documents and posted wire instructions to the signing room. EscrowData.com prepared and posted the HUD-1 statement and the originator signed the final 1003. At this point, the transaction was ready for closing. At the scheduled closing, the borrower executed (or "signed") documents with the closing officer and a notary public in the closing room (the physical closing room today). The closing package was arranged in a logical sequence and was merely a process of stepping (or clicking) through each document in the closing package and applying the borrower's and/or notary's digital signatures to the docu-

ments. Digital certificates — the electronic equivalent to a tamper-proof ID card that proves you are who you say you are — were obtained through three Utah state-approved digital certificate authorities, Digital Signatures Trust, Arcanvs, and UserTrust, for each of the respective parties in the transaction who needed to create, edit, and/or execute documents. Digital signatures are based on PKI encryption techniques that verify the identity of the signor in an electronic transaction and prevent documents from being altered after the deal is completed. A document is signed with one's private key by attaching it to the document or file. The "public" key, which is sent along with the certificate, allows another computer to check your digital certificate to ensure that the signature is authentic.

After execution of the closing package and subsequent underwriter review, the deed of trust and any additional closing instruments were ready for recording with the county

government offices in Orem, Utah. Following the mandatory 72-hour right-of-recission period, the documents were electronically recorded with the county recorder's office and final funding/wires executed.

As mentioned previously, the levels of integration and embedded implementation of the various party's order origination and management systems with iLumin's technology are still greatly varied, but even without tight integration, this entire transaction was performed in 8-12 actual working hours. Through more streamlined integration and business partner relationships, this transaction could be reduced to a mere few hours from start to close. Driving the adoption of this technology is primarily consumer acceptance and fullyenabling legislation and guidelines within each state and/or county, but in the not too distant future, the virtual closing experience will become a reality. ➤

Your
Website
Should Be
More Than
A Company
Brochure

Imagine Offering Your Clients

- The ability to place escrow and title orders on-line
- 24 hour status reports on pending transactions
- The ability to download a library of printable documents and forms
- A one-stop shopping center for all real estate needs

Winner of the 2000 Discovery Award.

*Best new computer application by
Title Technology.*



www.tgexpress.com/info

DTP Holdings, Inc. · All Rights Reserved · Patent Pending

It's e-commerce.
It's e-business to business.
It's better for your business.

DTP Holdings, Inc. 1.888.252.4770



E-Signatures Legislation — What it Means for the Title Industry

by Ann vom Eigen

Within the last decade, the electronic marketplace for lower-priced consumer goods has grown exponentially. In the real estate industry, concern about the high costs involved in mortgage transactions has led to consumers shopping for mortgage products on the Web. However, that shopping does not produce many electronic originations. Why is this?

Contract laws, and state real property laws in particular, simply did not contemplate the business reality that is developing today. Electronic communications have raised particular issues for real property transactions. For example, the statute of frauds, which requires that many documents be in writing, clearly is inconsistent with current trends. The changes that this new technology will engender for the title insurance industry are dramatic. In the words of Charlie Foster, ALTA's President, and Chairman of the Board & CEO of LandAmerica, "If the world really needs another new beginning, here it is." Will the title industry be ready to cope with this new world? ALTA believes that it will, and in fact, ALTA members participating in the ALTA Federal Conference this past March lobbied to achieve inclusion in Federal legislation of several of the provisions described below to facilitate electronic real property and insurance contracts.

A Review of the Bill

This article reviews the key elements of the federal Electronic

The Electronic Signatures Act essentially preempts state laws to provide for the validity of interstate contracts conducted by electronic means.

Signatures in Global National Commerce Act, P.L. 106-299, (hereafter the Electronic Signatures Act), affecting real property and title insurance transactions. The Act was signed into law by the President on June 30, and is the new beginning the Federal government is bringing to the title insurance industry. In addition to the key provisions covering the contract transaction, this article also reviews the Federal bill's relationship to state laws, and describes some possible effects on industry developments.

The Federal bill is based on a model act — the Uniform Electronic Transactions Act (UETA) — developed by the National Conference of Commissioners on Uniform State Laws (NCCUSL) in 1999. In conjunction with real estate industry participation, NCCUSL developed a model law covering sales of many different types, ranging from simple e-mail sales to EDI transactions. In the last 100 years, NCCUSL has drafted more than 200 uniform laws on a variety of subjects. Their work on commercial law, most notably the Uniform Commercial Code, promotes uniformity in state law to advance interstate com-

merce. Similar to the National Association of Insurance Commissioners' model acts, these model acts are not effective until enacted by a state or Federal legislature.

Coverage of Real Property Transactions

The Electronic Signatures Act essentially preempts state laws to provide for the validity of interstate contracts conducted by electronic means using electronic signatures and "records." As with most legislation, the key to the issues are the terms in the definitions. Under the Act, electronic signature is very broadly defined as electronic records, which simply means a contract or other record which is created, generated, sent, communicated, received, or stored by electronic means. Thus, the act has a very broad definition of the types of communication which will qualify as an electronic signature. Electronic "records" are a contract or other record which is created, generated, sent, communicated, received, or stored by electronic means. Again, this is a very broad interpretation of the possible coverage of electronic contracts. The term "transaction" as defined in the Act means an action or set of actions relating to the conduct of business, consumer, or commercial affairs between two or more persons including, of most interest to us — the sale, lease, exchange, or other disposition of any interest in real property, or any combination thereof.

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.

With just a click of your mouse, you can launch the most powerful Closing and Title Insurance software in the industry. SoftPro's ProForm for Windows gives you everything you expect from the #1 selling Closing and Title package – one-time data entry, automatic calculations in real time, and the best customer support in the business. So try ProForm in your office for 30 days. If the software does not meet or exceed your expectations, we insist that you return it for a full refund. Guaranteed.

SoftPro
CORPORATION

1-800-848-0143 | www.softprocorp.com

Again, a very broad, and specific provision covering many forms of real property transactions.

Several other provisions in the bill address issues which are key to real property transactions. One section of the bill specifically allows electronic notarization for transactions relating to interstate commerce. It specifies that a state statute, regulation or other rule of law requiring a notarization, acknowledgment, verification, or oath, may be satisfied if the electronic signature of the person authorized to perform those acts, with all other required information is attached to or logically associated with the signature or record. In addition, the legislation gives those in control of electronic records the same rights as holders in due course under the Uniform Commercial Code, which will facilitate efficiencies in the mortgage securitization processes.

But as we all know, the title insurance industry serves a dual role in the real estate process. While real property transactions are the basis of our business, the product that we offer is insurance, and we are regulated as insurance. As a result of the McCarran-Ferguson Act, insurance is state-regulated. Thus, there was some concern that the new statute would not apply to insurance policy contracts or the operations of insurance companies. Therefore, the insurance industry sought provisions in the legislation to make clear that the new Federal law applies to the business of insurance, including title insurance. In addition, the good news for the title insurance agent is that insurance agents will not be liable for any deficiency in the electronic procedures if they are not negligent, were not engaged in the development or establishment of the electronic procedures, and did not deviate from the electronic procedures used for the transmission of the information.

Consumer Effect

But what about the consumer? The statute specifically provides that the

content and timing of consumer disclosures, such as the good faith estimate or the Truth in Lending Statement in the mortgage transaction, are not affected. However, it does preempt existing Federal and state statutes to allow consumer disclosures to be provided electronically. However, the consumer consents to the process, or confirms his or her consent electronically, and is notified of the hardware and software requirements for access to and retention of the electronic records and any fee charges that might be applicable for paper copies. Consumers must be notified if a change in the hardware or software

Bad news, such as notices of default, foreclosure and eviction notices, would still have to be provided in paper form.

requirements needed to access records creates a material risk that they would not be able to access records. However, any bad news that would be delivered to consumers, such as notices of default, acceleration, foreclosure and eviction notices, would still have to be provided in paper form.

State Laws vs. Federal Bill

While the scope of this article does not allow for a detailed discussion of preemption of state laws, the Electronic Signatures Act sets standards that apply to all 50 states, but defers to states that adopt the Official Text of the Uniform Electronic Transactions Act (UETA). Thus, while the Federal bill is based on UETA, UETA remains important. When this Federal bill was under consideration, several states had already enacted or had under consideration in their state legislature a version of UETA. Consequently, Congress provided that under the Federal Act, if a state had enacted the model UETA, the state law will control. However, if a State had

excluded bodies of state law other than those specifically listed by the UETA drafters, the Federal law controls. For example, the Kentucky version of UETA excluded coverage for real property transactions, while the Federal bill (Section 106(13)) specifically covers real property transactions. Consequently, the Federal law would control. Further, a separate "technology and procedure" provision in the Federal statute preempts state laws which give greater legal effect to use of a specific technology or technological specification. This provision is intended to preempt state laws which are not technology neutral, as in, for example, Utah. Thus, it is likely that any inconsistent, nonuniform provisions of a state law, would be preempted while the consistent provisions of the state law would, in all likelihood, survive.

Some state laws still apply. For example, Section 9 of UETA specifically provides that an electronic signature is to be attributed to that person if it was the act of the person. The Federal bill, on the other hand, contains no provision addressing attribution of electronic signatures, so in states where UETA has not been enacted, state law would apply. UETA also defers to state law for several other substantive determinations, so questions of authority, agency, forgery, and contract formation, are still determined by state law. Further, there are some gaps in state electronic transaction law. For example, states may want to enact legislation providing for validity of intrastate electronic contracts. In real estate, this might apply, for example, to cash transactions.

As *Title News* goes to press, one provision of the law which is very important to the practical reality of the real estate transaction is subject to interpretive controversy. Section 104 of the Electronic Signatures Act, which states the applicability of the Act to Federal and state governments, has been interpreted to require county recorders to accept electronic docu-

DCR

Duff & Phelps
Is Now:

The Recognized
Leader in Insurance
Ratings & Research

FITCH

FITCH
FITCH IBCA, DUFF & PHELPS

LONDON
(44) 207-417-4222

NEW YORK
(212) 908-0500

CHICAGO
(312) 368-3100

ments by October 1, 2000 — the effective date of the Act. ALTA has asked a law firm to perform a detailed legal analysis of this issue. Nevertheless, it appears unlikely that a court would require county governments, some of whom are several weeks behind in recording paper documents, to develop and pay for systems to accept county documents electronically. Further, the Federal bill does not limit or supersede any requirement by a Federal or state regulatory agency that records be filed in specified standards or formats. It also provides that performance standards issued by these entities may be specified, but may not be technology specific. States may also require private records to be retained in tangible printed form only if there is a compelling governmental interest relating to law enforcement or national security.

In general, the legislation is effective October 1, 2000. Consequently, conventional mortgages (those purchased by Fannie Mae and Freddie Mac) can be completed electronically after that date, and in fact, as noted in the articles in this issue of *Title News*, have occurred. However, the Federal bill also delays applicability to Federal loan guarantees and insurance, such as FHA insured and VA guaranteed loans, to make them effective one year after enactment of the bill, namely, June 2001. With respect to state law requirements for records retention, the statute is generally effective March 1, 2001, although it may be delayed under certain circumstances until June 1, 2001.

What Does this Mean to Us?

So what can the bill mean for the title insurance industry? On a business to business level, opportunities are now legally available to take advantage of the new technologies to develop a new real estate paradigm. However, several practical issues may prohibit the move to a truly electronic real property world. First, the title insurance industry will face the practical realities of technological capabil-

ity. While many lenders do have the capability to transmit information electronically, many more may only have e-mail capacity, and some may not even have that. In addition, many consumers may not have the capability to receive electronic communication, and there are likely to be even fewer who have enough confidence in electronic procedures or their service providers — such as the mortgage originator — to want to participate in a fully electronic mortgage transaction.

In fact, it will be necessary for more widespread adoption of these opportunities for the mortgage finance industry to adopt technologies and procedures that will provide the necessary assurances of attribution, non-repudiation, data integrity, and reliability. For instance, safeguards are necessary to assure that the record is accurate — in other words, that the buyer and seller have electronically “signed” the same contract. While the Federal bill does specify that electronic notarization is allowed, there is some debate that the physical presence before the notary is required. While some parties may be willing to rely on a “chat room” notarization by an electronic notary, as our industry knows all too well, that reliance may disappear when problems arise subsequent to the closing. The Act does not eliminate the risk associated with electronic documentation, and does not preempt state law regarding attribution.

As noted by John Hollenbeck of First American, a member of ALTA's Technology Task Force, “The enactment of the Federal digital signature legislation is a critical step to enabling many exciting technology and process-oriented initiatives certain to improve the real estate closing process. It will be important in the months to come for the title industry, in cooperation with the mortgage finance industry as a whole, to develop technology standards necessary to implement digital signatures in a meaningful way.”

ALTA's Involvement

ALTA is actively participating in a standard setting process — the Mortgage Industry Standards Maintenance Organization, (MISMO). This group is developing the common electronic standards that will allow lenders, title companies and agents, and county recorders to communicate mortgage information in a standardized XML manner. Further, technology is developing, and will develop, that will allow parties to the contract, and their arbiter, the courts, to actually, not just legally, rely on each other's “electronic” signatures. Public and private key infrastructures (“pki”) allow for the creation of “digital” signatures. These systems use symmetric or asymmetric “keys” to encrypt and decrypt messages. Further levels of security can be provided through the use of digital “certificates,” based on a process of registering keys with a third-party agency.

It is the evolution of the technology, the law, and the ability of the industry to change with all these developments, that will actually bring us into this new world. ➤

Ann vom Eigen is ALTA's Legislative Counsel. She can be reached at ann_vomeigen@alta.org or 1-800-787-2582.

To Learn more...

ALTA is offering a telephone seminar on Electronic Real Property Contracts, September 27, from 3:00-5:00 p.m. EST. Cost is \$200 for members and \$250 for non-members. To register, call KRM at 1-800-775-7654 and refer to code# ALT 5847-0. Or register on the ALTA Web site, www.alta.org.

Nobody's Perfect



Title Agents & Abstractors Errors & Omission Insurance

Title Program Administrators

5225 N. Central Avenue, Suite 110

Phoenix, AZ 85012

Phone: 800-277-5680

Fax: 602-404-9933

Internet: www.titleprogram.com

email: walkerntpa@aol.com



Nancy Walker

Subordination Agreements: An Illustration

by Mark F. Cheney

Most title underwriters, title agents and escrow companies require that all Subordination Agreements be approved by management or counsel before recording in a transaction. Clearly, it would be best if they went through the approval process **before** they were signed, but since they are often prepared by a lender or attorney outside of escrow, that "luxury" is not always possible.

Black's Law Dictionary defines subordination as "the...process by which a person's rights are ranked below the rights of others." We hear the term used frequently in the title and escrow business, but since an example is much better than a cold definition, the following will serve as an illustration.

Subordination Agreements are most often used to subordinate one deed of trust to another. A few years ago there were some cases known in the title industry as the BURKONS/MANLEY vs. TICOR cases in Arizona. These cases centered around some people who sold their commercial properties and took carryback deeds of trust for a good portion of the sale price. Shortly thereafter they were asked to subordinate their "carryback" interest to new loans which seemed to be loans for improvements on the properties, but which did not specifically so state. It ended up that they did subordinate their loans, that the new loans, plus their carrybacks (now second deeds of trust), were for substantially more

Black's Law Dictionary defines subordination as "the...process by which a person's rights are ranked below the rights of others." We hear the term used frequently in the title and escrow business.

than the unimproved properties were worth. This was to be a precarious position for the sellers, because as it turned out, the buyers took the money from the new loans and defaulted on both loans. This caused the now "first" lenders to foreclose and subsequently "wipe out" or eliminate the interests of the subordinate or second deeds of trust. Even had the original sellers been able to protect their positions in the properties by paying the first deeds of trust off, it was no longer practical to do so since the properties had not been improved and were not worth the amounts of the new loans. It was what we often term "over-encumbered" property. TICOR suffered

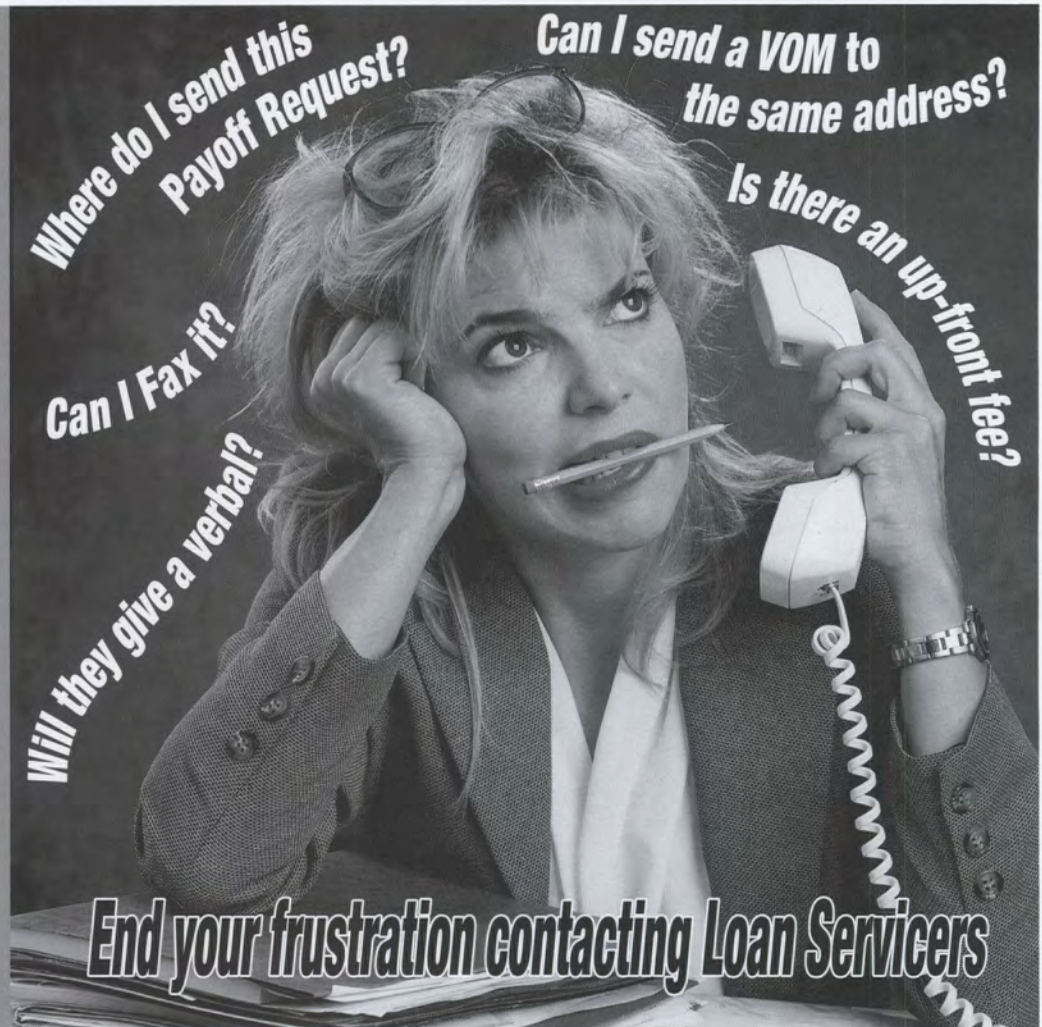


Mark F. Cheney is
President and Senior
Trust Officer for
Yavapai Title Agency,
Inc. in Prescott, AZ.
He can be reached at
mfc@2yta.com or 520-445-2528.

substantial losses due to these lawsuits, and the findings of the court ("case law") set a new standard of care for the industry in Arizona.

A number of years ago an owner's policy was issued to a developer covering a tract of land and an easement for roadway purposes leading to the tract. We called attention to the fact on our title insurance policy that the easement strip was encumbered by a deed of trust. Subsequently, the developer filed a subdivision plat on the tract showing the easement strip as access to the subdivision. The Subdivision Title Report was prepared to accompany the plat in the application package to the Real Estate Department, and again we had to mention that the easement strip leading to the subdivision was subject to a deed of trust. This had to be done because in being asked to insure against lack of a right of access to and from the lot, we could not, since a subsequent foreclosure of the deed of trust in question would have "cut out" or eliminated the easement, thus land-locking the subdivision.

To remedy this situation, we required that the easement strip be either partially released from the lien of said deed of trust, or subordinated to the instrument creating the easement. A Subordination Agreement was prepared by an attorney for the developer and delivered to the holder of the note and deed of trust for signing and subsequent recordation. Once this had been accomplished, we could issue our policies insuring access to the subdivision without further exception.



payoffassist.com can help Loan Closers and Escrow Officers answer these questions and close loans faster.

- **Very Useful Information.**
This website has accurate data on over fourteen thousand Banks and Mortgage Bankers. All in one easy to find place!
- **It's FAST!**
Log-on and within seconds you'll pinpoint the information you need!
- **It's Accurate!**
Loan servicer information changes much faster than most people realize. Every year there are thousands of changes. We keep track of them so you don't have to!

payoffassist.comSM
online directory

*The online source that helps you find Loan Servicers
and order Payoff Statements and Mortgage Verifications.*

Visit www.payoffassist.com
Or call us: 800-345-0203

© 1999, KAY ENTERPRISES, INC.

Although it is not something we would normally insure, as "experts" in title matters, we would be wise to give notice to our client that unless the easement was specifically acquired to serve a subdivision, the owner of the servient parcel(s) may claim that the easement would be overburdened if used for a number of parcels. Also, the subdivision laws of cities and counties usually require roads of a certain width. Subdividers should determine before major investment that the easement is wide enough to accommodate the subdivision.

In looking at a Subordination Agreement, the following questions are asked by management, counsel, or an underwriter: (1) Has the subordinating party been made fully aware of the possible consequences of subordinating their lien or interest? (2) Does the Subordination Agreement clearly state what is being done — which lien is subordinate and which is superior? and (3) Has the subordi-

Clearly, it would be best if they went through the approval process before they were signed, but that "luxury" is not always possible.

nating party been given all the information about the amount, interest, and any balloon payments of the lien to be made superior? This last question was brought up in a case a few years ago, and the Subordination Agreement in question was found invalid by the court since this did not happen. For equity's sake the subordinating person has to be given the financial status of the new loan in order to evaluate their ability or desire to take over the loan in case of a default on the part of the borrower.

There are certainly times when a subordination of interest is to the

benefit of all parties. However, it is something that should be done with complete understanding of the process, since it could mean that a foreclosure on the deed of trust being given a superior interest could override the interest of the subordinated lien, especially if the person subordinating is not in a financial position to pay off the other lien.

We should always recommend that our customers seek the advice of someone competent in real estate law if they are unsure of the exact situation created should they subordinate any interest in real property. ➤

Have You Digitized Your Official Records Yet?



ORBB, Official Records Book Builder™ Simple to use, simple to learn • One step indexing and quality control • High speed production • Easy, Fast and 100% accurate

- Ensures accurate page numbering
- Quickly repairs problem pages

The Intelligent Solution for Official Records Conversion.



5501 Backlick Road • Springfield, VA 22151 • 703-256-2020—phone • 703-256-9153—fax • www.amitech.com

Phone 800-331-9759

E-mail Us

Fax 918-683-6842



The nation's largest provider of E&O for Title Professionals

Now you can shop for or compare your current E&O rates in less than five minutes. Simply visit us at:

www.titlepac.com

INTERSTATE
INSURANCE
GROUP



Visit us on-line or complete the following and fax to our office to receive your indication.

Name _____		Phone _____			
Address _____		Fax _____			
City _____	State _____	Zip _____	WWW _____		
			E-Mail _____		
Have you had any past claims? (If yes, stop and call us for your indication)		Yes	No		
Is more than 25% of your work commercial? (If yes, stop and call us for your indication)		Yes	No		
Estimated annual gross revenues: \$ _____		# of Employees (Not owners) _____			
% revenues as: (=100%)	TitleAgent _____	Abstract Search _____	Escrow Closer _____		
Requested Limits: (Please Circle)	\$100K	\$250K	\$500K	\$1m	\$Other
Requested Deductable: (Please Circle)	\$2.5K	\$5K	\$10K	\$25K	\$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) _____				

MERS registered loans top 1.7M

by R.K. Arnold

At this point it looks like we're past the start-up phase at MERS -- sort of like that first stage of a rocket that has to drop off into the sea before the booster stage kicks in to soar out of the atmosphere.

We want to say thank you to all our customers for making us successful with your business.

Our members have registered more than 1.7 million loans on the MERS® System and seem to be very pleased with the value they get from MERS. We now have 25 of the top 30 mortgage companies as

members and more than 100 companies register loans on a daily basis.

We recently rolled-out MERS® OnLine, which is our new browser-based interface to the MERS® System. It allows our MERS® Lite customers to register loans without having to pay dial-up charges.

We also rolled-out an updated version of the MERS® System. The update will make it even easier to use MERS and provides expanded flexibility based on our customer feedback.

Finally, we want to welcome Gary Meeks as the new Chairman of the MERS Board of Directors. Gary is CEO of Alliance Mortgage, one of the first members to use MERS, and his leadership has already made a big difference.

New browser-based interface links members to MERS

by Dan McLaughlin

In our ongoing effort to make it easy to do business with MERS, we introduced MERS® OnLine on May 30, 2000. MERS® OnLine enables you to process some functions of the MERS® Client Desktop Application through a browser-based interface to the MERS® System. To access MERS® OnLine, go to the MERS home page at www.mersinc.org and click on the MERS® OnLine link.

With MERS® OnLine you can register loans on the Internet through a process similar to using the MERS® Client Desktop Application. You can view reports, create users, update existing users, and perform password maintenance.

Superior Mortgage Corporation was the first member to register a loan through MERS® OnLine. Betty Palmer of Superior Mortgage commented, "The

entire process went very smoothly. Getting into the site was very simple and registering the loan was just inputting basic data. Once the data input was complete, it was just a matter of submitting the information and *viola*, the loan was registered."

MERS® OnLine gives us a browser-based platform to rapidly introduce enhancements to the MERS® System. We are already hearing from other technology providers that MERS® OnLine will make it easier for them to integrate their products with MERS.

Based on the acceptance of MERS® OnLine as an effective alternative to registering loans on the MERS® System, we will roll out additional functionality over the next few months. Transfers, Registration Reversals, and MIN Updates are planned for an encore. If you have any comments on or suggestions for MERS® OnLine, please call me at 800-646-MERS (6377).

MBA document conference

by Bill Hultman

Meet with us at the MBA Document Custody Conference September 10 - 12, 2000 at the Wyndham New Orleans at Canal Place in New Orleans. Dan McLaughlin and Bill Hultman will host a session on MERS at 11:00 am on Tuesday, September 12. One of the topics is the Electronic Tracking Agreement and our relationship with the warehouse lending community. With us will be Karen Gelernt, a partner at Cadwalader, Wickersham and Taft, who represents Chase Manhattan Bank, the first institution to enter into the Electronic Tracking Agreement. She also represents other MERS members that have signed the agreement.

MERS sets fall user conference

The next MERS User Conference will be held on October 2-3, 2000 at the Hyatt Hotel, Reston, VA. Please join us for informative sessions presented by MERS members, MERS staff and Agency representatives. Topics will include correspondent lending programs, servicing systems transactions, MERS® Lite strategies, conduits and rated securities, MERS desktop software training, MERS® OnLine training, report reconciliation, legal roundtable discussions and open forums for integration and active members to exchange information. Alltel and MortgageServ meetings are also scheduled. Attendance is limited to 200 so please respond early to your invitation. For further information, call us at 800-646-MERS (6377).

MERS upgrades dial-up services

by Andy Landry and Howard Scott

If you haven't already noticed, MERS has introduced a new dial-up service for members using the MERS® Client Desktop Application. The new dial up service, UUNet, has replaced the existing service, Gridnet/Worldcom.

The benefits of migrating to the new service include dial-up numbers in more areas, the availability of more local numbers in existing areas, and improved recoverability in the event of network outages. To use this new dial-up service, install the dial-up utility software called MERS PAL. MERS PAL expedites logging on to the MERS® System. It can be downloaded at www.mersinc.org/manuals.htm.

Members have already been assigned a UUNet Id(s) and Password(s). Members can obtain the Id(s) and Password(s) from the MERS Help Desk. For more information, or if you have problems switching over to the new system, please contact the MERS Help Desk at 888-680-MERS (6377).

CHFA incorporates MERS language

MERS has been working diligently with Clint Ingle, Portfolio Manager of the California Housing Finance Agency (CHFA). CHFA is in the process of incorporating MERS language into their documents. They plan to implement MERS with all current originating lenders and servicers. A major portion of CHFA's originating lenders are either MERS members or in the MERS integration pipeline.

New system release increases flexibility

by Jeff Purvis

Effective June 26, 2000 we have upgraded the MERS® System to Release 1.5. Highlights of this major system release include:

Associated Members

We added functionality that allows servicers or subservicers to grant inquiry-only access through the MIN Information window to organizations that do not fit the role of Investor, Servicer, Subservicer, Interim Funder, or Custodian on the MERS® System. The system notifies Associated Members through two new reports when they are named or removed on a loan or when major transactions such as transfers and payoffs occur. You can establish and remove Associated Members through the MERS® Client Desktop Application, MERS® OnLine and through batch interfaces.

Combination TOBR/TOSR Transaction

This new transaction allows you to perform an Option 2 Transfer of Beneficial Rights and a Flow Transfer of Servicing Rights on the same loan or group of loans in a single transaction. This transaction is currently available through the MERS® Client Desktop Application only.

Registration Reversal Transaction

This new transaction allows you to reverse a Registration transaction that was performed in error. This transaction is available through the MERS® Client Desktop Application and through batch interfaces.

Release 1.5 allows Option 2 Transfer of Beneficial Rights and a Flow Transfer of Servicing Rights on the same loan or group of loans

Portfolio Analysis Report

This report allows you to set various parameters to selectively retrieve loans registered on MERS in which you have an interest. You order the report through the MERS® Client Desktop Application.

Third Party Security

You can now define processing relationships with third party vendors that are authorized to perform transactions on MERS on your behalf. You set up these relationships through the MERS® Client Desktop Application.

For a complete explanation of the functional improvements included in this release, please see the 1.5 System Release Notes on the MERS web site at www.mersinc.org/manuals.htm

We want to thank Lori Lucas of Alliance Mortgage, David Wilson of Freddie Mac, Carmen Bramante and Paul Acheampong of Fannie Mae, Gretel Meier and Kathryn Ter Horst of Wells Fargo, Don Ivers of Old Kent Mortgage, Sheryl Larson of Principal Residential Mortgage, and the EDS MERS Account Team. You were critical to the success of this UAT.

Please call the MERS Help Desk at 888-680-MERS (6377) if you have any questions about this release.

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



Veterans, Boomers, Xers and Nexters...Oh My!

A book review of *Generations at Work: Managing the Clash of Veterans, Boomers, Xers, and Nexters in Your Workplace*, by Ron Semke, Claire Raines, and Bob Filipczak.

by John Capotosto

As if there isn't enough to think about in the ever-changing world of work, we now have four generations working side by side, creating a lot of challenges and frustrations in the process. The adage, "a little understanding goes a long way," is an understatement I have come to realize after reading *Generations at Work*. The basic premise set forth is that if organizations understand the characteristics of each generation and how they fit in the workplace, they will be successful in managing and using the various talents that each group brings to the table.

According to the authors, the four generations in the workforce today are veterans (1922-1943); boomers (1943-1960); Xers (1960-1980); and nexters (1980-2000). The authors do a good job of painting a vivid picture of what it's like to be a part of each of these generations and describing the traits each group brings to the workforce. Granted, not everyone fits into a distinct category.

There are groups within the four generations, called "sandwich" groups, that share some of the same characteristics, but haven't necessarily shared the same experiences. For instance, those born in the 1930s were not called to serve in World War II, but they do share the same feeling with their older cohorts that their democratic beliefs were being fought for. Throughout these chapters, there are also sidebars that give quick points

Don't plan on making this generation put in their dues at work like past generations. This group wants to be involved in the running of the business on their first day at work.

of reference that reinforce the basic characteristics of each generation, from who their heroes are, to what significant events occurred in their lives. These add value to the overall understanding of each generation.

Following are some highlights that characterize each generation:

Veterans

The generation whose vision and hard work created the United States as we know it today — a bold, powerful, prosperous, vital, modern democracy with all of its inherent challenges and paradoxes. It seems that World War II, with all of the challenges, victories, and innovations it

John Capotosto is Learning Experiences Manager for the Greater Washington Society of Association Executives. Reprinted with permission from Executive Update Magazine.

sparked, had a tremendous impact on the veteran generation. Applied to work, this group likes order, discipline, hard work, adherence to rules, and duty before pleasure. In many ways, we owe a great deal of respect to this generation for their contributions and defining character of our nation as we know it.

Boomers

With the victory in World War II, there began an increase in the birth rate unprecedented in our history... the Baby Boom. With one born every 17 minutes for 19 years, this is by far the largest generation, weighing in around 73.2 million born between 1946-1960. These babies were not just seen as an economic necessity and a biological inevitability; they were doted on, cared for, and nurtured in a post-war economy that was booming. The core values of a boomer generation are optimism, team orientation, personal gratification, and involvement. They like to see the vision of an organization, know that their efforts are helping "the cause," a chance to be a star. This is the generation that has really kept the business management authors and lecturers in business. They see themselves as changing with the times.

Xers

Ah, that beloved group of misguided children, to which I belong. As the boomers' children started to

grow up, the economy wasn't the greatest. No longer was it affordable for a parent to stay at home and take care of the children, as so many boomers experienced. Therefore, Xers were taught, consciously or not, to take care of themselves...the first of the "latchkey" kids. While boomers are always looking for the opportunity to shine, Xers just want to get their work done so they can have a life outside of work. They like hands-off supervision, ideas evaluated on merit, a fun and relaxing work environment, and training that will further their careers. But don't dismiss this group as "slackers," for they are among the technologically literate for whom the boomers and veterans have come to rely.

Nexters

If Generation X was the "lost generation," this is the "found generation," with parents not only escorting but advocating for them. This new cohort is starting to enter the work-

In many ways, we owe a great deal of respect to this generation for their contributions and defining character of our nation as we know it.

force, adding the fourth layer to the mix. They were born with technology (the Web is a second language to them), are more active, optimistic, confident, civic-minded, and diverse than any other generation before them. Don't plan on making this generation put in their dues at work like past generations. This group wants to be involved in the running of the business on their first day at work.

Along with the generational descriptions in each chapter, the authors give key principles on recruiting, orienting, developing, and mentoring each generation. As you read through the different generations and the work-

traits they bring to the table, you start to identify coworkers in your office that exhibit some of these behaviors. Be careful!! Don't assume that these characteristics are shared by all members of a specific generation...you run the risk of making generalizations that could harm your relationships at work. Instead, read through the case studies offered to gain some insight in dealing effectively with such a diverse group in the workplace. An added bonus in this book is a test to see just how cross-generationally friendly your organization is. ➤

Q by Data Pro

Simply the best in National Title Service and Limited Products Automation

- Title Information Research
- National Title and Escrow Desk
- Limited Products
- National Recording Information
- Document Preparation
- Web Delivery of Title Research

Data Pro Services, Inc. (541) 896-0408 QbyDataPro.com

Rate Regulation

The following is excerpted from the ALTA/A.M. Best Report, "Title Insurance Report and Industry Statistics."

Like the rates for other forms of insurance, rates for title insurance are usually regulated by the state governments to ensure that premiums are not excessive, inadequate or unfairly discriminatory to the public. States have different methods of regulating title insurance rates. The types of rate regulation used are:

1. Promulgation — A state regulatory body sets the rates.
2. Prior Approval — Insurers propose rates which must be formally reviewed and explicitly approved or deemed approved by the regulatory body before they can be charged.
3. File and Use — Insurers set rates, but they cannot be charged until the regulatory body has been notified and allowed time for review and action if necessary. In some prior approval states, almost the same result is achieved through a so-called deemer provision. Under a deemer, rates proposed by insurers are deemed approved if the regulatory body takes no action to disprove a filing within a specified time and the filer notifies the state that the rates are being deemed approved.
4. Use and File — Insurers set rates which can be charged immediately, as long as the new rate schedule is filed with the regulatory body.
5. No Direct Rate Regulation — Insurers set rates which can be changed at an insurers' discretion. Even in this apparent unregulated situation, a regulatory body is still

Title insurance premium rates are largely determined by operating and acquisition cost factors.

charged with overseeing the title insurance industry and can question the propriety of a rate that appears to be unfairly discriminatory or otherwise violates statutory standards.

Exhibit 1A provides a state-by-state outline of rate filing statutes.

Title Rates

Title insurance premium rates are largely determined by operating and acquisition cost factors, as compared to property/casualty rates that are based on the actuarial determination of expected losses. The risk of title loss is a function of many factors, which may vary considerably from jurisdiction to jurisdiction and transaction to transaction. Rates also vary considerably from state to state.

Rate Adequacy and Stability

Title insurance premium rates are based on five considerations:

1. the cost of maintaining current title information on property local to that operation, i.e., title plant;
2. the cost of searching and examining title to subject properties;
3. the cost to resolve or clear defects to title;
4. the claims costs covering title defects; and
5. the allowance for a reasonable profit.

Loss Characteristics Between Companies

Title insurance loss experience varies considerably among individual companies based on a wide array of factors, including:

1. Experience and technical competency of both a company's agents and title underwriters.
2. Quality and quantity of title documentation and evidence (both public and private) underlying the search and examination process.
3. Regional differences in title insurance customs and practices, underlying title insurance risks, the mix of residential sale, residential refinance, and commercial business, and defalcation risks.
4. Adequacy and effectiveness of a company's underwriting controls and agency management systems.
5. Differences in the proportion of a company's agency vs. direct book of business.
6. Differences in the proportion of a company's commercial vs. residential book of business.
7. Differences in company claim administration processes in areas of claim recognition, evaluation, timing of settlement and recoupment.

Title companies compete with nearly identical products, based on title policy forms developed by either the American Land Title Association or the Jurisdictional (Statutory) Land Title Association. As a result, the areas for competition have shifted to price and service. ➤



THE JOINT VENTURE THAT COMBINES SMART TITLE SOLUTIONS AND DATATRACE INFORMATION SERVICES CREATES A NEW TECHNOLOGY COMPANY WITH BIG IDEAS TO MATCH ITS IMPRESSIVE CREDENTIALS. AND ITS NEW NAME, DATA TRACE. ALREADY THE NATION'S LARGEST PROVIDER OF TITLE TECHNOLOGY, OUR AIM IS TO ESTABLISH A TRUE NATIONAL TITLE PROCESSING PLATFORM. TO DO THIS, WE ARE FORMING PARTNERSHIPS ACROSS THE COUNTRY TO BUILD NEW PLANTS SO TITLE AND TAX DATA, DOCUMENT IMAGES, PROPERTY PROFILES AND OTHER INFORMATION CAN BE ACCESSED FASTER AND MORE EFFICIENTLY FROM A UNIVERSAL SOFTWARE BASE.

the **BIG** step forward

IT'S A GOAL WE'VE HAD FOR A LONG TIME. NOW WE HAVE TAKEN A HUGE STEP BY FORMING THIS TIMELY JOINT VENTURE. LEVERAGING OUR STATE OF THE ART INTEGRATION SOFTWARE, WE'RE GOING TO REACH IT. THEN, WE'RE GOING TO TAKE MORE BIG STEPS. CALL US FOR MORE INFORMATION AT 888 225-5787, OR VISIT OUR WEB SITE AT WWW.EDATRACE.COM.



www.edatrace.com

Exhibit 1A

STATES	SECTION	PROMULGATE	PRIOR APPROVAL	DEEMER PERIOD (IF ANY)	FILE AND USE	WAITING PERIOD (IF ANY)	USE AND FILE	NO DIRECT RT.-FILING PROVISIONS
Alabama								X
Alaska	21.66.370 & Order #81-3		X		(1)	30+30		
Arizona	20-376				X(1)	15+15		
Arkansas					X			
California	12401.1&2&# 12414.27				X(3)	30		
Colorado	10-11-118 Reg. 88-5-F				X(3)	30		
Conneticut	38-201x (2)				X(1)	30+30		
Delaware	18-4501				X			
Dist. Columbia								X
Florida		X						
Georgia								X
Hawaii	431-20-120							X(3)&(4)
Idaho	41-2706		X(1)	60+60				
Illinois								X
Indiana								X
Iowa	(9)							
Kansas	40-1111(d) 1&2				X(7)			
Kentucky	304-22-020 & Bulletin 82-DM-004				X			
Louisiana	1.89375				X(1)	45		
Maryland	242A		X	15+30(1)				
Maine	2304				X(1)	30+60		
Massachusetts								X
Michigan	500-2406 &2408				X(1)	15+15		
Minnesota	70A.06				X			
Mississippi					X			
Missouri	381.181 Reg.190.20.01 I				X(1) & (8)	30		
Montana	33-25-212				X			
Nebraska	44-1911 & 1912		X	60				
Nevada	692A.140 & 130		X	30(3)				
New Hampshire	416-A:17		X					
New Jersey	17:46B-42 17:46B-45		X(1)					
New Mexico	59A-30-6, Rule 12-2-1	X						
New York	6409 & 2305				X			
North Carolina	58-36-30				MODIFIED X	60		
North Dakota	26.1-25.04				X(1)	60+15		
Ohio	3935.04				X(1)	15+15		
Oklahoma								X
Oregon	737.205, 737.320				X(1)	15+(2)		
Pennsylvania	40-61-137				X(1)	30+30		
Puerto Rico	1205&1206				X(1)	30+60		
Rhode Island	27-9-7&27-9-10				X(1)	30+30		
South Carolina	38-75-980			60+60(1)				
South Dakota	58-25-7,58-25-10		X(1)	15+30				
Tennessee	56-35-111 & Reg.0780-1-12-03		X		(1)	60		
Texas		X						
Utah	31A-19-203 31A-19-209				X(1)	30		
Vermont	4688(a) & Reg. 85-1						X(1)(6)	
Virgin Islands	1160				X	15		
Virginia		X				15		
Washington	48.29.140				X	15		
Wisconsin	625.13						X(5)	
Wyoming	26-23-326		X	30+30				

(1) Subject to disapproval

(2) Waiting period indicates initial and possible extension

(3) Requires posting in local offices

(4) Must post five days before becoming effective

(5) Within 30 days

(6) Within 15 days

(7) Only for property located in counties have a population of 10,000 or more.

(8) Rates cannot be used prior to effective date and such rates have to be publicly displayed for a period of not less than 30 days in each office.

(9) Title insurance is not permitted in Iowa

TROUBLE STAYING IN TOUCH?



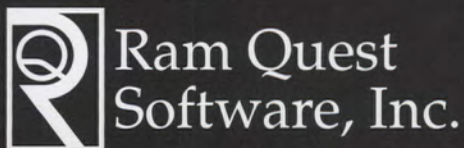
**Losing track of your files?
Branches having trouble coordinating with central offices?
Telecommunications costs exorbitant?
New office start-ups take too long?**

Large offices require special solutions. Ram Quest uses innovative technologies from Microsoft which allows us to quickly tie multiple branches together. Our large office networking product costs significantly less than competitor's offerings and delivers far more-

- Individual file tracking and automatic forwarding.
- Segregation by branch, by closer, by examiner.
- Instant reporting across your entire company.

Based on the latest NT Server technology, Complete Closing Enterprise is a title production, document preparation, closing production and management reporting software package. Now proven nationally with over 2000 users. Capable of meeting your growing needs now and in the future.

Small offices or companies with a limited budget for automation can use our WebCloser® product, which contains all the functionality of our Enterprise product, but at an affordable per-file price.



**Ram Quest
Software, Inc.**

To find out more call

1-800-542-5503

visit us at www.ramquest.com

ALTA News

ALTA Staff Celebrate 125 Years of Experience

During a recent staff appreciation celebration, Richard McCarthy, ALTA's Director of Research was recognized for 25 years of service. Jean Coisman, Office Assistant and Member Service Specialist, was recognized for five years of service. Other long-time staff include: David McLaughlin, V.P.- Administration, 31 years; Jim Maher, Executive Vice President, 16 years; Sharon Johnson, Meetings Assistant, 12 years; Ann vom Eigen, Legislative Counsel, 9 years; and Kelly Throckmorton, Director of Information Systems and Technology, 7 years.

Register Online for Annual Convention in Hawaii

Now, registering for the ALTA Annual Convention, October 18-21 in Hawaii, is easier than ever. Simply go to the newly designed ALTA Web site, www.alta.org, and click on the item about registering for the convention. While you are there, you can view other information about the convention, including information on: education sessions; the exposition showcasing new products and services available to the title industry; pre- and post-convention tours; and the golf, fishing, and tennis tournaments. Highlights include the General Sessions, "Edge City: Life on the New Frontier," with Joel Garreau, a writer at the *Washington Post*, and a futurist who concentrates on demographic and real estate trends; and "Customer Loyalty is Priceless," with Jeffrey Gitomer, of Gitomer, Inc. The convention concludes with a Hawaiian Luau on Saturday night.

Save These Dates:

Save these dates now, then look for information in the mail soon.

The ALTA Tech Forum 2001 will be held February 4-6, 2001 in Orlando, FL, and will feature the latest technology products and services available to the title industry. "Juggle, Manage, Succeed," the theme for the Tech Forum, also relates to the education sessions offered in the areas of management, operations, marketing, and more.



The Management Development Program, offered by the Land Title Institute, is scheduled for February 25-March 2, 2001 in Houston, TX. The week-long program for "up and comers" in the title industry will be held at the Houston Baptist University. To view a sample of last year's courses, go to the ALTA Web site, www.alta.org and click on education. For a 2001 brochure, contact Pat Berman, pat_berman@alta.org.



The ALTA 2001 Federal Conference, April 22-24, 2001, will be held at the Washington Court Hotel in Washington, DC. We may well face a new administration next year, and Congress is likely to be considering RESPA reform and new legislation to require businesses to protect consumer privacy. Hear education sessions on this and other issues of importance to the industry, then have the opportunity to visit with your Members of Congress.

TIAC Board Votes Policyholder Dividend

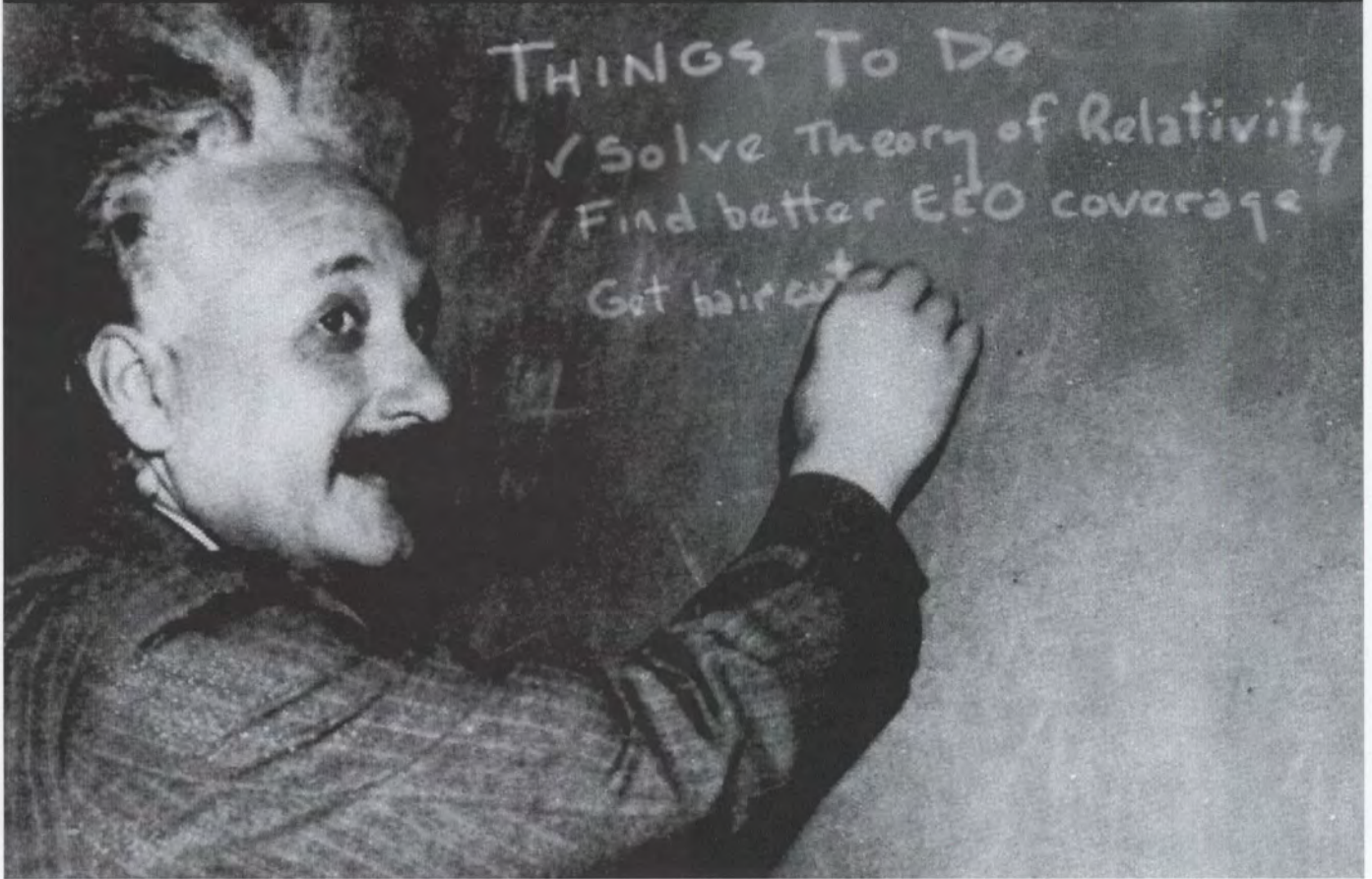
For the second consecutive year, the Title Industry Assurance Company (TIAC), the only abstractor and title agent errors and omissions insurance company endorsed by the ALTA Board of Governors, declared a policyholder dividend to all insureds who were policyholders in 1996 and 1997. Policyholders will receive a check before the end of the year.

TIAC is the only company to pay policyholder dividends to its title agent and abstractor insured. Look for an article on this in the next issue of *Title News*. To find out more about TIAC's errors and omissions insurance, contact Rich McCarthy, ALTA's Director of Research at rich_mccarthy@alta.org or 1-800-787-2582.

In related news, Rich McCarthy, ALTA's Director of Research, was elected to a two-year term of the Vermont Captive Insurance Association Board. The state of Vermont is the third largest domicile for captive insurers in the world. The Vermont Captive Insurance Association is the largest association of captive insurers in the world. Details: Rich McCarthy, rich_mccarthy@alta.org or 1-800-787-2582.



Every now and then, someone
has a really great idea.



An E&O Insurance Company owned and governed
by title professionals is pure genius.

...And that's just what TIAC is. TIAC is also the only E&O program created and endorsed by the American Land Title Association.

Cutting-edge coverage, competitive rates, unparalleled claims and underwriting services,

policyholder dividends, and a 13 year history of providing a stable market make TIAC the smart choice.

Call us today and see what a smart choice TIAC is.



Your company. Your choice.

Title Industry Assurance Company, A Risk Retention Group.

2 Wisconsin Circle, Suite 650 • Chevy Chase, MD 20815-7011

phone: (800) 628-5136 • fax: (800) TIAC FAX

Capitol Comment

ALTA Leadership Lobbies OCC on Importance of Insurance Sales Rules

ALTA President-Elect Cara Detring, Ann vom Eigen, Legislative Counsel and Scott Sinder, Counsel at Collier & Shannon urged the Office of the Comptroller of the Currency to emphasize in a forthcoming insurance sales rule that banks selling title insurance should meet statutory and RESPA requirements. Under the Gramm-Leach-Bliley Act, P.L. 106-102, Federal banking regulators are required to issue customer protection regulations on bank sales of insurance by November 2000. Proposed rules are likely to be published in the Federal register shortly.

Grassroots at its Best



Congressman Dale E. Kildee, (D-MI) (left), visits with Carl Mason, Vice President (middle), and Tim Burgess, Manager (right), of the Metropolitan Title Company in Michigan, to discuss pending legislation that effects the title industry.

"Most Significant Bill of the Year"



On July 26, Congressman Jay Inslee (D-WA), a key negotiator on the E-Signatures Legislation, briefed the ALTA Finance and Planning Committee in Washington, DC about the issues that arose when the bill was considered and its impact on real estate and insurance. He believes this legislation is the most significant bill to come out of Congress this year. ALTA is offering a telephone seminar September 27 on the impact of the E-Signatures legislation. See story below to register.

ALTA to Host E-Signatures Teleconference

On September 27, 2000 from 3:00 - 5:00 p.m. EST, ALTA will host a teleconference on the implications of P.L. 106-229, the Electronic Signatures in Global and National Commerce Act, recently signed into law. Before its passage into law, ALTA helped amend the bill to ensure that notarization and securitization of real property transactions are possible. This new law has already facilitated the first paperless purchase loan as well as a refinance, and is facilitating the automation of county recorders. Cost for the seminar is \$200 for members, \$250 for non-members. To register, contact KRM at 1-800-775-7654 and refer to number ALT5847-0, or register online at www.alta.org.

Get Free Press and Business

Want to see your picture in *Title News* and your local media? Invite your Senators and Representative to your office for a visit! By inviting your Members of Congress to stop by your office, you can build a relationship with legislators, help ALTA, and get business from the free press when you send the photographs to your local media. Send us the photos and we'll place them in *Title News*. You will also be recognized October 20, 2000 at a grassroots breakfast during the ALTA Annual Convention in Hawaii. Go to www.congress.org to get your Representative's fax number or e-mail address. For a sample invitation letter, visit the Government Action page of the ALTA Web site, www.alta.org.

HAVE YOU EVER WISHED YOU COULD JOIN A BETTER CLOSING TEAM?

Here's your opportunity.

We're BridgeSpan Title Company, the first to combine Internet technology with superior personal service. We're licensed in more than 30 states and expanding nationally, with offices opening soon in Westchester, N.Y., Phoenix and Houston. That means we need senior closing and sales professionals in all three cities. We offer outstanding compensation and benefits, pre-IPO stock options and the opportunity to work for a growing, innovative title company. To find out more, email careers@bridgespan.com, phone 888.485.2432, ext. 162 (toll free), fax 972.633.0050, or visit us at www.bridgespan.com.



BRIDGESPAN[™]
Title Company

Where Trust and Technology Connect[™]



HAWAII

2000 ALTA ANNUAL CONVENTION
OCTOBER 18-21, 2000

ALOHA!

Make plans now to join ALTA on the Big Island of Hawaii for this year's premier title industry event — the **ALTA ANNUAL CONVENTION**

MAKE RESERVATIONS NOW TO JOIN ALTA IN HAWAII!

Call the Hilton Waikoloa Village directly at 808/886-1234 for hotel reservations. Rates range from \$183-\$280, depending on view.

Call Delta, ALTA's Official Carrier, at 800/241-6760. Reference file #130523A for discount airfares.

EARLY BIRD REGISTRATION UNTIL SEPTEMBER 17

Member \$525
Non-Member \$750
Spouse/Guest \$275

LOOK FOR PROGRAM AND MEETING REGISTRATION INFORMATION IN YOUR MAIL SOON!

Issue	Synopsis & Business Effect	Status
<p>Disclosing agent-underwriter commission split (HUD response to state bank inquiry)</p>	<p>In answering a 2/25/00 state bank association inquiry, HUD said the commission split between agent and underwriter must be disclosed on the HUD-1. On 6/15/00 ALTA responded in opposition to HUD's answer (see http://www.alta.org/content/govt/00/respa_0615.htm) and sent a second response on 8/2/00 (http://www.alta.org/content/govt/00/respa_0802.htm). Such disclosure could have competitive or unworkable implications for the title industry.</p>	<p>Late summer 2000 - HUD expected to respond to ALTA inquiry, as per meeting between ALTA leadership and HUD staff on 7/26/00.</p>
<p>Indirectly limiting title fees for "high-cost, predatory" loans (H.R. 3901, S. 2415, & HUD-Treasury report, http://www.alta.org/content/news/2000/0620a.htm)</p>	<p>Congress and several agencies are considering adding to the 1994 Home Ownership Equity Protection Act (HOEPA) law that added restrictions to the Truth in Lending Act regarding loans whose rates and fees exceed certain thresholds (rates over 10 points above equivalent Treasury or closing costs equal to greater of 8% of loan amount or \$400). Legislation and proposed regulations would remove current exemption for title charges that are: (1) reasonable; (2) where no direct or indirect compensation goes to the creditor; and (3) the charge is paid to a third-party unaffiliated with the creditor. Removal of this exclusion could result in less subprime or nonconforming business and pressure on title charges.</p>	<p>September 1, 2000 - deadline to submit comments to Federal Reserve on how best to reform HOEPA (http://www.alta.org/content/govt/news00/0710a.htm). September 7, 2000 - final of four Fed hearings on updating HOEPA to attack predatory lending. For 5/26/00 ALTA comment during House Banking Committee predatory lending hearing, click on http://www.alta.org/content/govt/00/pred_statement.htm.</p>
<p>Protecting consumer information privacy (FTC final regulations: http://www.alta.org/content/govt/00/alert01.htm & NAIC resolution, http://www.naic.org/1news/releases/062700PrivacyResolution.htm)</p>	<p>Gramm-Leach-Bliley Financial Services Modernization Act, P.L. 106-102, contains privacy provisions requiring financial institutions, which include title companies & agents, to offer consumers the right to "opt-out" of information sharing with third-parties but not affiliates. Title companies and agencies must provide privacy policy disclosures to consumers but do not have to provide annual updates to these same customers. The NAIC on June 27 passed a resolution consistent with the FTC rule. This new privacy law will require additional disclosures by title companies and agents, but not as many as would be the case if annual disclosures were required.</p>	<p>July, 2001 - Effective date of privacy rules; next Congress expected to face pressure to strengthen privacy laws and regulations. March 31, 2000 - ALTA filed its comment, http://www.alta.org/govt/00/l_clarke.htm, with the Federal Trade Commission and banking regulators.</p>
<p>Fewer Fannie/Freddie title requirements (H.R. 3703)</p>	<p>Congressman Richard Baker's (R-LA) legislation, meant to create a single regulator for all Government-Sponsored Enterprises (GSEs) such as Fannie Mae, would also require a "public comment period," as happens with most proposed regulations, for changes in requirements by Fannie Mae or Freddie Mac. ALTA remains concerned the Government-Sponsored Enterprises may require fewer title services for purchased loans, as they have recently with the allowance of title "reports" as a replacement, in certain situations, for title insurance.</p>	<p>August 25, 2000 - deadline to submit comments to Congressman Baker on his bill and the future of the GSEs, after which a "summit" is planned for sometime in September. Baker request for comments at: http://www.house.gov/banking/72700pr.htm.</p>
<p>Paying interest on business checking accounts (H.R. 4067)</p>	<p>Congress is considering legislation to let banks pay interest on business checking accounts in three years, but some smaller banks are pushing for a longer delay. Until the three year window is reached, banks could increase the number of withdrawals from sweep, or money market deposit, accounts, from 6 per month to 24.</p>	<p>Summer, 2000 - After having passed House on 5/11/00, the bill is stalled in the Senate, where efforts are underway to add extraneous privacy amendments and delay the effective date beyond 3 years.</p>

Names in the News

Movers & Shakers

California

Janett Maxwell has been named Assistant Vice President — New Hire Coordinator for corporate staff at First American Title Insurance Company, Santa Ana. Maxwell started in the title plant of First American's Orange County branch in 1972.



Connecticut

Michael C. McCloskey has been named Senior Vice President and Connecticut and New York Retail Manager for LandAmerica Financial Group, Inc., headquartered in Richmond, VA. McCloskey began his career with Commonwealth Land Title Insurance Company as a college intern in 1985.



Florida

First American Title Insurance Company in Winter Park has announce two new employees: **Robert Graves** has been selected as Assistant Vice President — Production, and **Dawn Rodriguez** has been named Central Florida Agency Manager.

Maryland



Judith Blomquist has been named of Manager of Elkton office of the Conestoga Title Insurance Company, headquartered in Lancaster, PA.

Massachusetts

First American Title Insurance Company announces three new hires: **Rhonda P. Norden** named Massachusetts State Man-



ager. Norden, who is also Vice President and Regional Operations Director for the New England region, will continue to work out of the Boston office.

Donna Meek has been named Assistant Vice President, as well as Branch Manager for the firm's newest office in Hyannis. Previously, Meek managed the commercial underwriting department for First American's Boston office. And, **Haskell Shapiro** has been named Vice President and Senior Counsel. Prior to joining First American, Shapiro had been New England States Counsel and Vice President of Commonwealth Land Title Insurance Company.



Mississippi

Roy J. Perilloux, Esquire has been appointed State Representative and Underwriting Counsel for the State of Mississippi for the Security Title Guarantee Corporation of Baltimore. Roy comes to Security Title with approximately 18 years of experience in the private practice of law with emphasis in real estate transactions.

North Carolina

Investors Title Insurance Company, Chapel Hill, has named **Ralph N. Strayhorn III** as Senior Vice President — North Carolina Marketing and **Valerie L. Weston** as Vice President — Human Resources. Most recently Strayhorn was an executive officer with a Charlotte-based financial institution. Weston has over 15 years of human resources experience in several areas including the insurance and banking fields.



Tennessee

William T. Bozeman has been appointed Senior Vice President and Mid-South Division Manager for Stewart Title Guaranty Company. Bozeman has worked in the title industry since 1982, when he served as local and then state counsel for Ticor Title Company in Nashville.

Texas

Paul T. Sands, Jr., has been appointed Senior Vice President and Director of Commercial Services for Stewart National Title Services. Prior to joining Stewart, Sands served as Executive Vice President and General Counsel for Chicago Title Corporation. In addition, **David C. Mullett**, has been named Director of Business Development for Stewart International. Mullett joined Stewart in 1991 and served as Vice President and Director of Marketing for Stewart Title Houston's commercial division, then moved to Stewart Title Guaranty.



Wisconsin

Reinhart, Boerner, VanDeuren, Norris & Rieselbach, s.c., Milwaukee, has announced the addition of **J. Bushnell (Bush) Nielsen** as a new shareholder in the Real Estate Department. He handles matters involving title insurance coverage, conveyancing, and issues related to title.

Mergers & Acquisitions

Centex Title, has acquired Benefit Land Title Company and Benefit Land Title Insurance Company in Santa Ana, CA.

First American Title Insurance Company, Santa Ana, CA, has acquired Hawkins Title Company in Joplin, MO, and Advance Title, Inc., in Destin, FL.

Lawyers Title Insurance Corporation, a subsidiary of LandAmerica Financial Group, Inc., has acquired the assets of Title Services, Inc. in Englewood, CO.

Name Change

TICOR Land Title Company has changed its name to Allegiance Title Company and has moved its corporate headquarters to the Uptown area of Dallas, TX.

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

Mary C. Feindt to Receive ALTA's Highest Honor

Mary C. Feindt, L.S., President of Advance Geomatics, a division of Charlevoix Abstract & Engineering Company in Michigan, will be awarded ALTA's highest honor — the designation as Honorary Member, Saturday, October 21, during the ALTA Annual Convention in Hawaii.

Feindt has been active in ALTA since 1944. She has served as Secretary of the Abstracters and Title Insurance Agents Section and was a member of the ALTA Board of Governors. She also serves as a member of the Michigan State Survey and Remonumentation Commission; is an Honorary Member of the American Congress on Surveying and Mapping; and was the first recipient of the Michigan Land Title Association's lifetime achievement award, appropriately named the Mary C. Feindt Award.

Many of her industry contributions have resulted from her leadership of ALTA's Liaison Committee with the American Congress on Surveying and Mapping, where she has served as Chair since 1984. With her guidance, the survey standards produced by this group underwent an evolution from an antiquated collection of forms to a broad-based useful set of standards that today are widely accepted and valuable to a large public.

Thank you Mary, for your many years of service to ALTA and the industry!

WE VALUE THE TITLE INDUSTRY!

We specialize in service to the title insurance industry by offering objective, detailed valuations of title insurers, agencies and plants as well as acquisition analysis and performance analysis. We facilitate the transfer of ownership by valuing or negotiating transactions.

Call today to learn how we can serve you.

CORPORATE DEVELOPMENT SERVICES, INC.

Lawrence E. Kirwin, Esq., Accredited Senior Appraiser
American Society of Appraisers

174 Thomas Johnson Drive, Suite 201

Frederick, MD 21702

(800) 296-1540 Fax (301) 631-6745

Member: American, California, Maryland, Ohio and Pennsylvania
Land Title Associations



In 1987, the Michigan Land Title Association established an award for lifetime contributions and leadership to the association, and named it the Mary C. Feindt Award, after its first recipient.

2000 Affiliated Association Conventions

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

If you know the dates and locations for your 2001 conventions send the information to Alice Baldwin at alice_baldwin@alta.org, or send by mail to the headquarters office.

Title News Advertisers

Amitech	page 20
Bridgespan	page 33
Corporate Development Svcs. ..	page 37
Data Pro Services	page 25
DataTrace Information Svcs.	page 27
EscrowData.com	cover 4
Fidelity National Financial	cover 2
Fitch	page 15
Kay Directory/PayOff Assist	page 19
Preferred Direct Insurance	page 9
RamQuest Software, Inc.	page 29
SMS	page 7
SoftPro Corporation	page 13
TIAC	page 31
Title Guaranty of Hawaii	page 11
TitlePac, Inc.	page 21
Title Program Administrators	page 17
Ultima Software Corp.	cover 3

Marketplace

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

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

LEAD ABSTRACTER wanted for three-county Kansas operation. Must be licensed or comparably qualified. Send resume, particulars, to P.O. Box 888, Kansas City, KS

Sample: Sale

TITLE PLANT for sale. Florida location. Microfilm, documents and tract books cover county for more than 50 years. Computerized posting.

How To Advertise in Title News

Title News is sent bi-monthly to a select readership of more than 5,000 title owners and managers nationwide, who establish strategy, direct operations, and make purchasing decisions for abstract and title companies. *Title News* is the industry-wide authoritative source on the myriad of national issues, problems and developments of concern to title management professionals.

For rates and specifications to advertise in *Title News*, visit the ALTA Web site at www.alta.org and click on Publications, or contact Lorri Lee Ragan, Editor at: lorri_ragan@alta.org or 1-800-787-2582.

REAL Solutions that Ease Your Mind!



The Ultima Group has the vision, focus, & strong sense of direction to chart a successful course.

Like intrepid explorers, we embark on our journey into the information age. This endeavor will require effective communication, technical expertise, pertinent experience, and practical ingenuity. The Ultima Group is uniquely qualified to navigate your voyage to this exciting new world.

Ultima has successfully implemented automated systems for a diverse customer base. The Ultima Group develops REAL solutions because we ...

Respect your comfort level with technology.
Earn your business by offering the finest products.
Achieve a standard of excellence in service.
Listen to your goals and aspirations.

If you are investigating comprehensive technology solutions, the choice is simple. Look to the award-winning leader in this field, the Ultima Group. Together, we can build a bright future.



Ultima Software Corporation

Ultima Internet Services
a Division of Ultima Software Corporation

Ultima Computer Systems
Corporation

Ultima Service Bureau
a Corporation



Please contact us by phone, e-mail or visit us on the web!

P.O. Box 600, One Solutions Way
Hardy, AR 72542

Ph: 1-888-4Ultima • Fax: 1-870-856-3179
Email: #ititleplant@ultima.com
www.ultima.com

Now in full release!

114 reasons to switch to EscrowData.com

A few of our clients' favorite reasons.

1. Major productivity increase
2. Internet based—can access from any computer, anywhere.
3. Huge savings!
4. Zero initial \$ investment
5. Includes integrated Oracle accounting package.
6. No expensive server needed.
7. Processes everything! Appraisal to escrow
8. Automatic data backup
9. Free high speed internet access
10. Free updates
11. Free E-mail
12. Graphical interface
13. Management reports that I want
14. Enter info once
15. No Y2K worries
16. Can customize forms
17. Improves/Replaces a lot of our other software
18. Key, secure—Encrypted
19. Can use on laptop or desktop
20. Produces terrific title and escrow docs
21. Low monthly subscription—Secure
22. Policy production
23. Access to online government records
24. Trust accounting
25. No DOS commands to remember
26. Economical
27. Settlement statement production
28. Platform independent
29. Available 24 hours a day
30. Easy!
31. Easy!
32. Easy!
33. Re!
34. SI updates
35. instant client
36. automatic backup
37. monitoring
38. world wide
39. side track



The power and convenience of the Internet has finally reached the title/escrow industry.

There are 114 compelling reasons why you should be using our software in your title/escrow business. Until now, we've not known exactly which would appeal to you most, so we've shown you all 114. Our clients, however, are beginning to form opinions. Here are their top three:

Speed and efficiency - Clients love being able to have information at their fingertips—and cutting down multiple entries of the same information.

Convenience - We maintain files for you—all upgrades are done automatically, without you lifting a finger or clicking a mouse. No upfront costs, no hardware to purchase—just a subscription to the service.

Accessibility - Realtors and lenders love accessing their data from anywhere, at anytime. If they have a computer with Internet access—they can work anywhere. No office required.

Escrow Data.com



The ultimate vehicle for title/escrow processing.

Want to see the list of 114 reasons to switch to **EscrowData.com**?
Call us—we'll mail or FAX you the complete list.
1-877-895-1202 (TOLL FREE)

American Land Title Association

1828 L Street, N.W.
Washington, D.C. 20036