November/December 2000

Title NEWS

Official Publication of the American Land Title Association

ALTA's First Woman President
Cara Detring

PLUS

- Making Strategic Alliances Work
- Translating the Real Estate Process to the Internet
- How Far Does RESPA Section 8 Extend?
- Preparing for Sexual Harassment Claims
- ALTA Tech Forum Promo

www.alta.org

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Title News • Volume 79, Number 6

leading edge

A Message from the President

AMERICAN LAND TITLE ASSOCIATION

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Title NEWS

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All the News That's Fit to Read

As I'm sure you have noticed, this issue of *Title News* has received a much-needed redesign, both in terms of layout and content. As a result of comments from members, each issue will include articles focused on technology, industry issues, and running your business. Each edition will also spotlight a government affairs issue of importance to our industry, and highlight an ALTA event, such as the Tech Forum and Annual Convention. A wonderful improvement to this member benefit.

A Look Ahead

For 2001, ALTA has several other new initiatives I'm excited about as well. To improve communication with members, the ALTA Web site has undergone a facelift. Over the next few months, it will be easier to navigate, especially when tracking government affairs issues important to our industry. And, we have started sending ALTA E-NEWS, a weekly e-mail to the membership with important industry and government affairs news.

In our meetings area, you'll see expanded sessions at the 2001 Tech Forum next February in Orlando, FL, including sessions on marketing, general management, and operations.

The Federal Conference, next April in Washington, DC, will include a meeting of the state affiliates. What better place for the states to meet than Washington, where they can meet with their Members of Congress.

The Land Title Institute, ALTA's educational arm, has created a CD-ROM on Escrow Accounting Procedures, a new medium for ALTA, but one we think will be well received.

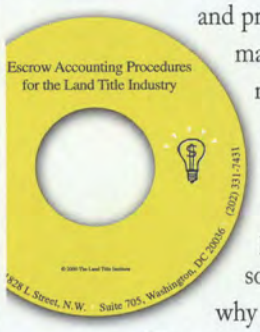
And, last but not least, ALTA has finished a three-year strategic plan that I'm quite pleased about. One of the major initiatives will be broadening ALTA to include others in the settlement services industry. You will see a broadening in all ALTA has to offer, from meetings, to distance learning, to tangible products. This is an important step to keep ALTA a vital force in the industry, continuing to offer products and services of value to our customers. Look for more on the strategic plan in the next issue of Title News.

I look forward to this next year as president, and as always, to your comments on ALTA, and especially these new initiatives. With an eye to the future....

Cara L. Detring

Employee Training Tool Available on CD-ROM

The Land Title Institute has just released a self-study CD-ROM program titled, "Escrow Accounting Procedures for the Land Title Industry." The program examines the role and responsibilities of the escrow closer and presents a model system of good managerial practices designed to minimize risk in handling escrows. It covers how to segregate escrow duties, reconcile accounts, control procedures for receipts, employ sound accounting practices – and why these procedures are important.

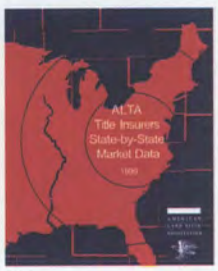


The program comes with the CD-ROM, a 76-page reference guide, and the booklet "ALTA's 2000 Escrow Internal Control Guidelines for Title Insurance Companies, Agencies and Approved Attorneys."

Price for the CD-ROM program is $99 for members (ordering 1-10 copies) and $149 for non-members. Discounts are available for multiple copies. To order the CD-ROM, visit the ALTA Web site at www.alta.org, click on Education, then Land Title Institute, or call (202) 331-7431.

Market Share Data Report Available

Each year, ALTA compiles state-by-state market share data for all title insurers and compiles it into a report. State-by-state charts list direct premiums written, percentage of premium, other income, and total revenue for each title insurer. And, you can access figures for total premiums for each state. Copies of the report are available to ALTA members for $500; nonmembers, $1,500. To order a copy, call Jean Coisman at ALTA at 1-800-787-ALTA, or visit the ALTA Web site at www.alta.org and click on publications.



ALTA's Tech Forum 2001— Juggle. Manage. Succeed.

Juggle.Manage.Succeed. is the theme for next year's ALTA Tech Forum, February 4-6, in Orlando, FL. Education sessions have been expanded to include new topics such as marketing and time management, 21st century title insurance and enhanced operations. In addition to the education sessions, ALTA's Tech Forum 2001 will feature an exhibit hall showcasing the latest software and hardware designed specifically for the title industry.

See the special feature on the ALTA's Tech Forum 2001 on page 41 for more information and a registration form.

ALTA 2000-2001 Resource Guide Available

Look for your copy of the ALTA Resource Guide in the mail this month. The Resource Guide lists all of the publications available from ALTA, including the Policy Forms Handbook, Minimum Standard Requirements for ALTA/ACSM Land Title Surveys, the ALTA Abstracter and Title Agent Annual Organizational & Financial Characteristics Survey, and a variety of brochures agents can use to market title insurance to their clients. In addition, the Resource Guide has information about the videotapes and correspondence courses offered by the Land Title Institute. Select from videotapes on subjects such as, Behind the Scenes: A Look at the Settlement Process, Problem Solving with the HUD-1, and Completing a Title Insurance Commitment Form. If you do not receive a copy by December 1, contact ALTA at 1-800-787-ALTA (2582).

Correction:

Last month in Title News, we reported on the staff members who have been working at ALTA for many years. Patricia L. Berman, director of education for ALTA for 16 years, was inadvertently left out. Our apologies to Pat for the omission!

Management Development Program Adds Technology Component

The Management Development Program, a week-long education program teaching the newest management and leadership techniques, has added a two-hour seminar devoted to technology. Managers will be separated into groups according to expertise to hear topics specifically for them. Then, all participants will hear a panel discuss current technology topics affecting the land title industry.

The program, sponsored by the Land Title Institute, is scheduled for February 25-March 2, 2001 at the Houston Baptist University in Texas. Other subjects include: Principles of Managing, Leadership Skills, Marketing Strategies, Finance, and Customer Service. For more information on courses and tuition, visit the ALTA Web site at www.alta.org, click on "Education", then on "LTI Management Development Program", or call ALTA at 1-800-787-ALTA (2582) for a course brochure.

ALTA Members Gear Up For Hill Visits

April 22-24, 2001 are the dates for the ALTA Federal Conference in Washington, DC. Each year, the Federal Conference focuses on issues members face in everyday business. We may well face a new administration next year, and Congress is likely to be considering RESPA reform and new legislation requiring businesses to protect consumer privacy. Attendees will hear education sessions on these and other issues of importance to the industry, then have the opportunity to visit with their Members of Congress. Look for registration information shortly after the new year.

ALTA 2001 FEDERAL CONFERENCE
NEW LAWS. NEW TRENDS. NEW COMPETITION.
APRIL 22-24, 2001

Have you visited www.alta.org recently? A new look arrives in December.

calendar

ALTA Coming Events

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

February
2-4
TIAC/ALTA Board Meeting
Florida Keys

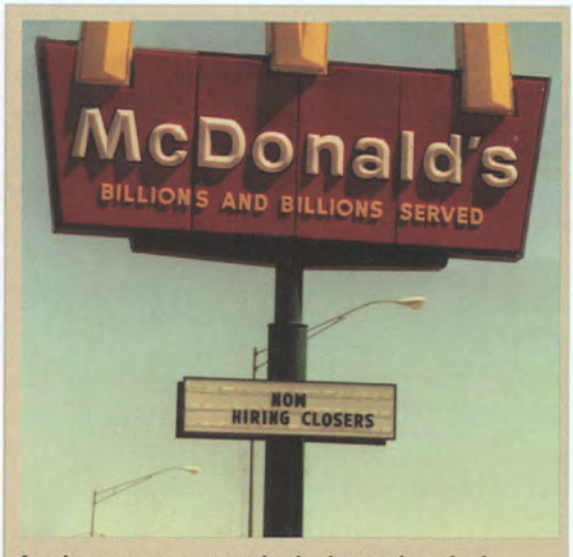
4-6
ALTA Tech Forum 2001
Orlando, FL

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

April
22-24
2001 ALTA Federal Conference

August
19-21
Reinsurance Committee Meeting
North Falmouth, MA

October
10-13
ALTA Annual Convention
Palm Desert, CA



And we were worried about banks!

government & agency news

ALTA Combating October Surprise

Rumors exist that a large lenders group has tried to insert language in any "end-of-session" bill, that would exempt from RESPA Section 8 (anti-kickback provision) the guarantee of a maximum amount for packaged closing costs. ALTA has traditionally opposed this proposal, since it might force title agents to agree to discounts for packaging from lenders who may not pass such savings onto consumers (a requirement of Section 8). ALTA coordinated a letter to Capitol Hill signed by 10 interest groups asking Congress to postpone action until full deliberation on all issues has taken place. A sample letter to send to Congress was sent to all ALTA members (see www.alta.org for another copy). The RESPA packaging proposal was discussed as a possible solution to the related but different issue of predatory lending, in the June 20, 2000 joint report of HUD and the Federal Reserve. You can view this report by going to the June 20th news item at the "Government Action" section of the Web site. Details: Charlie Frohman, ALTA director of grassroots, 1-800-787-ALTA.

ALTA Opposes Inclusion of Title Fees in Predatory Loan Test

In comments filed with the Federal Reserve, ALTA opposed a proposal to repeal a current exclusion for title charges with respect to high-cost loans under the 1994 Home Ownership and Equity Protection Act (HOEPA). Under current law, if a title charge is reasonable, does not go directly, or even indirectly, to the benefit of a creditor, and involves no affiliation with a creditor, then that title charge is exempt from inclusion in HOEPA's high-cost "points and fees" test. HOEPA points and fees equaling the greater of 8% of the loan amount or $400 (indexed) will trigger HOEPA's additional disclosures and restrictions. For a copy of our comment filed with the Fed, go to the "August 30" new link under "News," in the "Government Action" area of the Web site. Details: Ann vom Eigen, ALTA legislative counsel, 1-800-787-ALTA.

ALTA Fights Bank Loophole, Seeks Clarification on RESPA

In comments filed with federal banking agencies (the Federal Reserve Board, the Office of the Comptroller of the Currency — the national banking regulator, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision), ALTA opposed a loophole that would exempt some bank financial subsidiaries from proposed rules governing consumer protection of insurance sales. ALTA pointed out that the proposed rules failed to cover all financial subsidiaries equally, and asked the agencies to address the omission. Further, ALTA asked the agencies to eliminate possible confusion between provisions under Gramm-Leach- Bliley allowing referral fees in certain instances, and the requirements under RESPA. Meanwhile, the Ohio bank case (Huntington National Bank et al v. Duryea) remains on appeal, with oral arguments having taken place on August 2, 2000. Other banks have sought to preempt state laws in West Virginia and Rhode Island. For a copy of ALTA's insurance sales comment, click on the "Banks and Insurance" link at the "Issues" section of the ALTA Web site.

How to Comply with IRS Reporting Requirements...

was the topic of the November 16 telephone seminar. Participants heard Steven Friedman of the National Tax Practice of KPMG LLP; Kevin Kelly, CPA, vice president - tax for LandAmerica Financial Group, and Ann vom Eigen, ALTA's legislative counsel; discuss the latest attorney fee reporting requirements, TIN solicitation requirements, and answers to escrow disbursement questions. For a copy of the tape of this two-hour session, go to the "Education" section of the ALTA Web site, and click on "Telephone Seminar," or call 1-800-775-7654 and refer to #ALT5876-0.

government & agency news

Congress May Pass Interest on Business Checking

The House passed H.R. 4067, the Business Checking Modernization Act, on May 11. The legislation is also included in H.R. 2614, the Taxpayer Relief Act of 2000, which may be considered in the lame duck Congress to be convened after the November 7 election. The bills would allow banks to pay interest on business checking accounts three years after enactment, the delay meant to allow a phase-in for those bankers who oppose such payments. In the interim, the bills would expand sweep accounts, by increasing the number of withdrawals that corporate customers could make per month from sweep, or money market deposit accounts, from 6 to 24. The bill may affect bank and title agency escrow relationships, since it would lift the current prohibition against banks paying interest on escrow funds. For additional information, go to http://thomas.loc.gov/ and input the bill numbers.

No Response from HUD on Commission Split Disclosure

ALTA has not yet heard a response from HUD correcting their position that title commission splits must be disclosed on the HUD-1. ALTA has had one meeting with HUD in July, and has sent two letters on the issue. For copies of the letters from ALTA, click on the June 15, 2000 "news" item in the "Government Action" area of the ALTA Web site. Details: Jim Maher, ALTA executive vice president, 1-800-787-ALTA.

Bankruptcy Liability Hangs Over Head of Title Until 2001

Despite effective lobbying and grassroots efforts by ALTA, the inclusion we achieved for our bankruptcy provision dealing with the 1996 McConville court case may not solve the problem, since the underlying bankruptcy bill (H.R. 833) may not pass this year. Our provision would have clarified that title companies not be held liable for bankruptcies that aren't properly recorded under state's recording laws. While our prov-ision is noncontroversial, the underlying bankruptcy bill is, so we may have to restart this effort on the McConville court case in 2001. For more information on our bankruptcy liability, go to the "McConville/Bankruptcy" issues section of the "Government Action" area of the ALTA Web site. Details: Ann vom Eigen, ALTA legislative counsel, 1-800-787-ALTA.

GSEs, Under ALTA's Watchful Eye, Off Hook Until 2001

The government-sponsored enterprises, such as Fannie Mae and Freddie Mac, settled round one in Chairman Richard Baker's (R-LA) effort through H.R. 3703, the Housing Finance Regulatory Improvement Act, to limit the powers of the entities. H.R. 3703 creates a single, powerful regulator for the GSEs; requires prior approval before Fannie or Freddie could offer new products or enter new markets; and repeals the GSE's credit line to the Treasury Department it could use if the companies are financially threatened. Chairman Baker plans to introduce a new bill in 2001. In October, Fannie Mae and Freddie Mac announced, in conjunction with Chairman Baker, that they would voluntarily increase their capital standards and enhance disclosures. Several real estate entities have formed a watchdog group called FMWatch (http://www.fmwatch.com/), to monitor the GSEs. Details: Ann vom Eigen, ALTA legislative counsel, 1-800-787-ALTA.

Are You Ready for Electronic Real Property Contracts?

ALTA held a telephone seminar on this topic September 27 — the highest attended phone seminar in ALTA's history. R. David Whitaker, assistant general counsel at Freddie Mac; Jan Alpert, president of LandAmerica Financial Group; and Ann vom Eigen, ALTA's legislative counsel; discussed lender customer demand for electronic communication, working with your county reporter, and the need to still have some documentation on paper. For a copy of the tape of this two-hour session, go to the "Education" section of the ALTA Web site, and click on "Telephone Seminar," or call 1-800-775-7654 and refer to #ALT5847-0.

ALTA Successful on Privacy Language

For the past 10 months, the National Association of Insurance Commissioners' (NAIC) Privacy Issues Working Group has been working on a Privacy of Consumer Financial and Health Information Regulation covering insurance companies and insurance agents. The federal regulations, adopted for financial institutions, generally require that those institutions provide consumers — with whom they have an ongoing customer relationship — an annual privacy notice concerning their use of the consumers "nonpublic personal information." The regulations also state that this requirement ceases when the customer relationship is terminated. The NAIC's first draft regulation, dated June 7, 2000, did not contain a provision specifically recognizing that a "customer relationship" with a member of the real estate settlement services industry effectively terminates after the real estate settlement has been completed, and thus real estate settlement service providers should be relieved of providing subsequent privacy notices on an annual basis. ALTA wrote to the Privacy Working Group through its chair, Kathleen Sebelius, the Kansas Insurance Commissioner, explaining our position. The final NAIC Regulations adopted on September 26, 2000 contain our requested language: "(a) licensee no longer has a continuing relationship with a customer in the case of providing real estate settlement services, at the time the customer completes execution of all documents related to the real estate closing, payment for those services has been received, or the licensee has completed all of its responsibilities with respect to the settlement, including filing documents on the public record, whichever is later."

Following the passage of the Gramm-Leach Bliley Act, the NAIC established the Definition of Insurance Working Group. In the July 27, 2000 draft, ALTA took issue with the statement, "With limited exceptions for title insurance and 'authorized products,' Section 302 of the GLBA generally prohibits a national bank and its subsidiaries from providing insurance as principals." We proposed the following alternative language: "With limited exceptions for 'authorized products' and grandfather rights for certain banks in connection with title insurance, Section 302 of the GLBA generally prohibits a national bank and its subsidiaries from providing insurance as principals." ALTA's language was adopted by the NAIC. Details: Richard McCarthy, ALTA director of research, 1-800-787-ALTA.

Get a Jump Start: Meet Your Congressman Before 2001

There's good reason to become or remain politically active. In 2001 Congress may try to amend RESPA's Section 8. Congress may also include independent title charges in HOEPA's high-cost "points-and-fees" test and hold title agents liable for the collection of credit insurance premiums, and increase liability for scrivener's errors. Several of the issues affecting title companies and agencies may arise, including efforts to strengthen privacy regulations within reforms for predatory lending, and Federal regulators may also be asked to preempt state consumer protection statutes dealing with bank entry and licensure.

Your lobbyist can help, but you are also needed if we want to win on Capitol Hill and with the regulators. Invite your Members of Congress to stop by your office for 15 minutes. Send the photo to your local press and to ALTA – we will publish it in Title News. For a sample letter to invite your Member of Congress, go to the "government ction" section of ALTA's Web site. Details: Charlie Frohman, ALTA director of grassroots, 1-800-787-ALTA.

Jan Alpert, president of LandAmerica Financial Group (l); and Ann vom Eigen, ALTA's legislative counsel, (r) attended a fundraiser for Delegate Eric Cantor, (c) Republican Nominee for Virginia's Seventh Congressional District. Cantor is the Delegate in LandAmerica's district, and has a background in the real estate industry.

ALTA 2001 FEDERAL CONFERENCE

NEW LAWS. NEW TRENDS. NEW COMPETITION.

APRIL 22-24, 2001

Each year, ALTA members gather in the Nation's Capital to expand their knowledge base, network with their peers and make their voices heard on legislation and issues that concern the land title industry.

We invite you to join them April 22-24 at the
ALTA 2001 Federal Conference

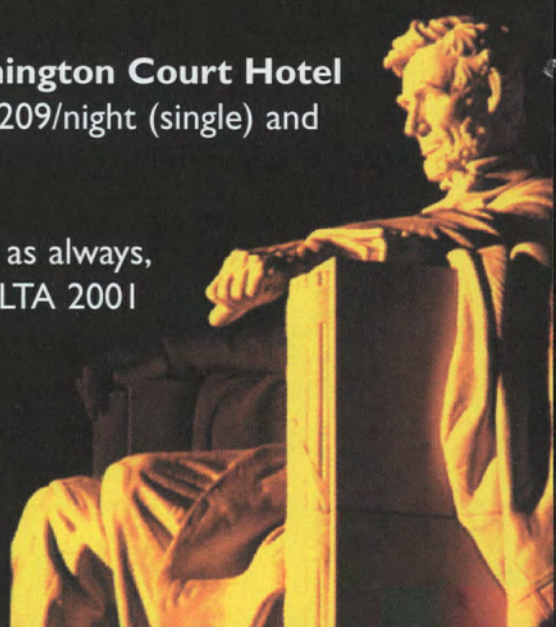
Register by March 22, 2001, to save 15% on registration fees:

	By March 22	After March 22
ALTA Member	$295	$339
Non-Member	$345	$395

Make reservations by March 22, 2001 at the **Washington Court Hotel** by calling 1-800-321-3010. ALTA room rates are $209/night (single) and $229/night (double), plus tax.

2001 promises to be a year of new beginnings and, as always, change for the industry. Ensure your place at the ALTA 2001 Federal Conference.

Mark your calendar and watch your mail for registration information.



Cara Detring Takes the Helm at ALTA

by Ellen Schweppe

Cara Detring had absolutely no intention of following in her parents' footsteps at their title insurance agency in the small town of Farmington, MO, where she grew up. In fact, when Detring left Farmington to study pre-med at the University of Missouri, she vowed she was "never, never coming back."

But she fell in love with the title insurance business, joined the family firm and took over the reins of St. Francois County Abstract Co., now Preferred Land Title Co., when her parents retired. Now she has become the first woman to serve as president of the nearly century-old American Land Title Association.

It all started when Detring took a typing job at an abstract company in Columbia, MO, while her husband, high school sweetheart Terry Detring, finished his accounting degree. She had graduated earlier while he took a military detour in Viet Nam.

The office manager who hired Detring became seriously ill, so Detring and a co-worker just stepped in and did whatever was needed to keep things business as usual. First, Detring went home to see her father.

"I said, 'Dad, you need to teach me everything there is to know about title insurance in two days,'" Detring recalled. "I had no idea how naive I was being." But she absorbed everything she could and discovered that the analytical, problem-solving aspects of title insurance captivated her. "I got totally hooked on the business," she said.

After she earned a law degree, Detring and her husband decided to move back to Farmington—she to join her parents' company and he to start an accounting firm. They had Jeremy, now 23, and Christine, 15, and settled into a life of combining two demanding careers, volunteering in the community and raising cattle on their 320-acre farm.

Industry Involvement

From the beginning, Detring was involved in the Missouri Land Title Association, becoming president in 1987. She followed in both parent's footsteps. Her father, Milton Schnebelen was president in 1963 and her mother, Phyllis Schnebelen, had been the state group's first female president in 1972.

Detring also became active in ALTA, chairing the Education, Closing and Young Title People committees and serving—like her father, Milton Schnebelen—on the Board of Governors. She served as president of the Land Title Institute, wrote the LTI workbook on Land Descriptions and for two years has participated as an industry commentator at LTI's Management Development Program.

Along the way, she impressed industry colleagues with her deep knowledge of and dedication to the title insurance industry, as well as with her leadership, organization, and communication skills.

"She's bright, dedicated, good-humore—every association should have a Cara Detring," said Mike Currier, president of Guaranty Title Co. in Carlsbad, NM, and former ALTA president.

"Cara has a history of hard work and service to ALTA," said Dan Wentzel, chairman and chief executive officer of North American Title Co. in Walnut Creek, CA, and former ALTA president. "She's very intelligent, she speaks what's on her mind, and she communicates really well."

"She's a real leader. She always presents herself as organized and knowledgeable about the subject she is talking about," said Cathy Weise, former owner of Cherryland Title Inc. in Sturgeon Bay, WI, and past president of the Wisconsin Land Title Association.

"She has a true love of this business," said Carolyn Hoyer, secretary-treasurer of Wisconsin

Cara is passionate when she speaks about her love for the title industry.

Title Service Co. Inc. in Waukesha, WI, and ALTA Land Title Systems Committee member. "She really comes through for the industry."

Detring's rise to the office of president, while a milestone for the association, comes as little surprise to her colleagues. "Everybody has always talked about her as someone who should become president," said Jack Rattikin Jr., chairman and chief executive officer of Rattikin Title Co. in Fort Worth, TX, and former ALTA president. The fact that she is the association's first woman at the helm is "a step in the right direction. We've needed a woman for a long time," he added.

Detring takes over as president at a critical time for the industry, as consolidation and technology change the way title companies do business.

"She came up through the ranks of an all-male organization. That says a tremendous amount about her ability," said Ellen Albrecht, vice president of Security Land Title & Escrow Co. in Omaha, NE, and president of the Nebraska Land Title Association. "But I'm not glad she's president just because she's a female. She's intelligent, she has given a tremendous amount to the industry and the association, and she deserves to be president."

"Cara's voice will be very important for the industry, not only as a representative of the agents in the heartland, but as a representative of women in the industry," said Jan Alpert, president of LandAmerica Financial Group in Richmond, VA, and ALTA Government Affairs Committee member. "She's passionate about things. If it's important to her, she will not hesitate to stand up and speak about it."

Critical Time for the Industry

Although Detring set the ALTA presidency as a goal years ago, she does not consider herself a trailblazer. "I just hung in there and worked hard," she said. "My motivation has always been service to the industry."

She maintains that being the first woman president should not be a big deal. "I am very pleased to be that person, but I guess in my heart I know that it does not make me any more special than every other woman I know who makes a career in the title business," she said. "The level of dedication and the talent of title people everywhere is phenomenal, and those attributes are not tied to gender."

Detring takes over as president at a critical time for the industry, as consolidation and technology change the way title companies do business and industry customers looking for new revenue sources seek to become business partners.

"There is no question that the industry is changing. The change is affecting the way every single title office does business today," she said. "I think the title industry and ALTA have to take the approach that the changes occurring in the title marketplace are opportunities. This is not a time to sit back and do nothing. This is a time to be proactive and try to help shape marketplace demands."

Continuing the progress of ALTA's ongoing strategic planning process is a priority for Detring during the coming year. That process, which is designed to provide a framework for encouraging change in the association and industry, includes expanding ALTA's boundaries to accommodate new industry players. "We need to broaden ALTA's base to include others in the real estate settlement industry," she said. "If we broaden our base, we broaden our power."

Detring cautions that change may not be popular with all ALTA members. "Change is not comfortable," she said. "That is why I try to keep in mind that ALTA has a proud tradition of service to the title industry and that history is important, but ALTA's leadership has to keep an eye to the future. And I think we are."

Grassroots a Priority

Another priority is encouraging grassroots involvement among industry professionals, a message Detring will carry to state groups throughout the year. "It's hard and it takes time, but I always tell people, 'If I can do it, anyone can do it,'" she said. "We don't have the luxury of sitting back and waiting for someone else to take the

initiative. We all have to take the initiative."

Grassroots support was integral to ALTA's lobbying success during the 1999 debate on the Financial Services Modernization Act, helping to preserve state regulation of title insurance and prohibit banks or their subsidiaries from underwriting title insurance. Although the industry's concerns represented a small fraction of the massive legislation, Detring said, ALTA was able to have an impact.

"ALTA will continue to build grassroots support so that our voice in Washington and in every state capital is strong and demands attention from our lawmakers and regulators," she said. "This process is ongoing and has to start at the state level. We have great representation in our lobbying effort in Washington. Now we need to give that effort even more clout."

Detring plans to speak at as many state conventions as she can squeeze in during the year, increasing her current tally of 25 states to at least 44. While attending industry gatherings is essential to spreading the ALTA message, it also provides networking opportunities. "I really enjoy going to industry events," she said. "I get to be with people who do what I do and love what they do. It is just the best."

Detring's colleagues, in turn, appreciate her willingness to share the expertise she has gained in her 25-year career. "Cara spent the whole week with us at the Management Development Program in Houston to help us learn," recalled Albrecht. "Her willingness to share her knowledge is a tremendous asset to the industry."

When she can, Cara flies to industry meetings with her husband, Terry in their family plane.

Balancing Work and Family

Reaction from her normally supportive family was not quite as positive. While Detring's typical business trip is three days or so—just long enough for everyone to get tired of Dad's meatloaf, she often tells audiences—her week in Houston put a temporary strain on the father-daughter relationship.

"One night, I got an e-mail from Christine saying, 'Mom, don't you EVER leave me with him this long again,'" she said, laughing. "The next morning, I got an e-mail from Terry saying, 'Cara Lenore, don't you EVER leave me with her this long again.'"

Managing the family, career, and community facets of her full life is a "juggling act," Detring admitted. "But you just do it. Sometimes you steal time from work for your family and other times from family for work, but it all seems to work out better for it."

Detring credits her husband with taking on a lot of home and business responsibilities. "Terry is very supportive," she said. "He has always been willing to share family obligations. If he didn't, I couldn't do a lot of the things that I do.

Outside the Industry

In addition to running her title insurance company, Detring maintains a law practice focusing on real estate and estate planning. She also has been active on numerous community boards and committees, including those of a nonprofit hospital, hospice organization, college foundation, and church.

She spent eight years as a part-time municipal judge, ruling on everything from speeding tickets to ordinance violations to the occasional barroom brawl. "It was kind of like 'Night Court,'" she said. "I liked it because of the people aspects of it. I enjoyed helping people work through the system."

Despite her demanding schedule, Detring treasures the times she can relax with her family at their farm outside of Farmington, just 15 minutes from her office. They have 80 registered Brangus cattle, 4 horses, 3 dogs, 2 cats, and Detring's beloved Belled Galloway cow — otherwise known as the "Oreo cows."

"They look just like Double Stuf Oreo cookies—white in the middle

and black in the front and back," she said. She first spotted the Scottish cows on a trip through South Dakota, and then looked around for some to add to the farm's stock. She finally located two in Vermont, and her herd has now grown to seven.

It is a life in which Detring remains completely fascinated by the title insurance business she at first resisted.

Returning to Farmington to raise a family and forge a career turned out to be the right decision for the Detrings. "It was a hard decision for us to make at the time, but we haven't regretted it," she said. "It has been a good life."

It is a life in which Detring remains completely fascinated by the title insurance business she at first resisted. Not long ago, while studying a file her mother had worked on 20 years earlier, she finally figured out why the plat of a tract of land encroached on the adjoining properties. Someone in the lot's distant past had written the description while looking at a plat upside down, so north in the description really meant south.

"If you turned the drawing upside down, it made sense. It was the neatest thing in the world to figure that out," Detring said. "I called my mom and said, 'You won't believe this—and mom remembered!!'"

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Preparing for Sexual Harassment Claims

by Hunter Lott

I know we are all tired of hearing about sexual harassment, but this is the employment practices topic that will not die. In 1998, the Supreme Court expanded the definition of harassment and made it easier to file suit. The headlines continue to tell the story. Mitsubishi settled their suit for $44 million. The EEOC forced a $1.9 million settlement on a same sex harassment case. Last year the highest-ranking female in the Army complained that the Army was condoning harassment. Just this summer, the pastry chef at the White House was accused of sexual harassment. Attorneys continue to find new ways to sue for harassment. In Maryland, a "wrongful discharge" lawsuit is pending in a case where a worker was fired after she refused to have sex with her supervisor. The supervisor is accused of violating the state's public policy against prostitution.

In a recent article, written by an attorney, the statement was made that there were only a handful of harassment cases at the Circuit Court of Appeals level. That may well be true, but let's talk to the business owners on these cases and see how much they have spent on defense costs, attorney fees, and what their time is worth. They may win their case, but spend $100,000 plus to do so. I don't know about you, but I don't consider that a win for the employer.

Ten years ago an attorney told me she was fed up with all this talk about sexual harassment. She said there was no need to keep beating this dead horse, people should just move on. I would love to find that attorney today. We are raising our sons and daughters differently than we were raised. They are not going to tolerate harassment at work. This is not going to go away.

Definition

Sexual harassment is an unwelcome sexual advance that creates a hostile work environ-ment. Hostile is determined legally as quid pro quo, this for that. This is a situation of power and control, "sleep with me or you're fired." The target also can define hostile. If she/he doesn't like it, then that's all it takes. This can be both on the job and off the job, by members of management, co-workers, and even third parties.

Sexual harassment while communicating via any company outlet, i.e., e-mail, voice mail or Internet, is also the responsibility of the company. In June of 2000, the New Jersey Supreme Court ruled that Continental Airlines was responsible for a pattern of retaliatory harassment on the work-related electronic bulletin board.

Even though the Court said that the company had no duty to monitor the electronic bulletin board, once the company had knowledge that this could be going on, then the company could be held accountable.

Most updated definitions also require a business to have an anti-harassment policy in place. The policy should include a prohibition of slurs or comments about gender, race, religion, national origin, age, or any other legally protected characteristic. This keeps the company current with the expanding definition of harassment in the courts.

Hostile Work Environment

Watch for an expansion of the definition of hostile work environment. States may set up standards on what is hostile, either through sexual harassment laws or workplace violence rules. If there is a manager at your workplace who yells at employees or quietly belittles as a management style,

start to reel them in now. The old "baseball bat" theory of motivation doesn't work as well as it once did. When the unemployment rate is 4 % nationally and your supervisor is on the inside raving "my way or the highway," even good employees start to leave. This behavior, on the part of management, is no longer acceptable and may soon be problematic legally. Don't yell at bad employees, fire them.

Attitude vs. Behavior

Yes you can hire, fire, evaluate, and promote for attitude. However, take attitude out of the subjective and make it objective. Turn attitude into behavior. What you manage is an employee's performance and behavior. Some people do their jobs but are miserable about it. What is the employee doing that's driving you crazy? Rolling eyes? Sighing? Constant complaining? These are examples of behavior. Behavior can be measured, attitude cannot. If you can't measure it, it's hard to manage it. Whiny, complaining employees are not protected. Can you imagine a grumpy greeter at Wal-Mart? Can you imagine a slug at Nordstroms? You need to communicate that you expect the employee to "maintain a positive work atmosphere by behaving and communicating in a manner so that you get along with customers, clients, co-workers, and management."

One company put this in their job descriptions as a core value, and had applicants signed it. They now have attitude established as part of the company policy and documented with each employee before the company makes the hiring decision.

"That's not fair!" Work isn't fair. The closest you come to fair at work is consistent. Remember, what you owe to the employee is communication. If a code of conduct is in place and communicated, it is easier to defend your action in maintaining a harassment-free workplace.

Lawsuits and Liability

The courts look for patterns. A one-time incident has a tougher time getting to court. It doesn't mean that we should condone these incidents, but liability goes up the more we ignore the complaints. If the company knew, or should have known, then the liability goes up. The question becomes, "what is reasonable?" Did the company show reasonable care? What would a reasonable man, woman, person tolerate given the work environment? The liability is different at the construction site versus the 28th floor of an office building. This is one of the few areas of employment practices where the supervisor can be held personally accountable. In California, there is pending legislation that would hold non-supervisory co-workers personally liable for workplace harassment, regardless of whether their employer knew or should have known about the conduct. We see this word "reasonable" in all kinds of lawsuits. Is there a working definition of "reasonable"? Yes! Think "60 Minutes!" Would you want to go on "60 Minutes" and defend a dumb blond joke to Diane Sawyer? No, so don't let the kind of behavior exist in your workplace either.

We are raising our sons and daughters differently than we were raised. They are not going to tolerate harassment at work. This is not going to go away.

Investigations

Each situation has to be handled on its own merit. When a complaint is made, don't jump to any conclusions. Do not commit to personal confidentiality. If you tell the employee "this will go no further," you are accepting personal liability for this situation. Without a guarantee of confidentiality, the employee may refuse to go forward. "Well if you're not going to keep this a secret then I'm not going to tell." This is, of course, the employee's right. The manager then responds that, "We will have to investigate regardless. We hope that we keep this on a positive tone, but ultimately the burden is on the employer to guarantee a harassment-free work environment."

In April of 1999, the Federal Trade Commission ruled that a sexual harassment investigation done by an outside party (consultant or attorney) would trigger disclosure guidelines under the Fair Credit Reporting Act. (No kidding!) Basically, we have to tell everyone involved everything we find out. It's not quite that bad, but good grief! Doesn't the FTC have better things to do? Congress has legislation pending that would fix this. But until this happens, check with local legal counsel before having a third-party investigate the claim.

Alert, Alert!

This past July, a National Labor Relations Board ruling was on the front page of almost every legal and human resource practices publication. The ruling applies to nonunion companies in all 50 states. It said that if an employee thinks that a meeting with the manager is to investigate some workplace issue that could lead to discipline, the employee has the right to ask for a co-worker as a witness, and the request cannot be denied. This NLRB ruling will be appealed, but in the mean time, don't be the test case.

This right does not have to be communicated to the employees. Check with local legal counsel before turning down an employee's request for a witness.

Retaliation

Another legal technique is to add a charge of retaliation on any discrimination case.

This means that the company, and especially the front line supervisor, must treat any employee who files charges against the company no better or worse than any other employee. This involves controlling the emotions. You don't want to go to court and win the discrimination case but lose $700,000 for retaliating against the employee who filed the charge.

What To Do

Given this workplace and legal environment, what can you do to protect your company?

1. Have a company policy on sexual harassment including the following:
   - Zero tolerance policy
   - Anti-harassment statement
   - Definition of sexual harassment
   - Procedures whereby employees can easily complain
   - Disciplinary action up to and including termination
   - Investigation procedures
2. Documentation. Include an entry on the new employee orientation checklist about the company policy.
3. Training. Train employees on the company policy against sexual harassment and train managers on handling sexual harassment investigations.
4. Behavior. Add behavior to your workplace vocabulary and hold employees accountable.
5. .Legal counsel. Set up a meeting with employment practices legal counsel to discuss the company's exposure and updates on the recent FCRA and NLRB decisions that affect sexual harassment and workplace investigations.
6. Take action. Ignoring sexual harassment issues at work can only add to the potential liability and financial damages.

Sex Audit

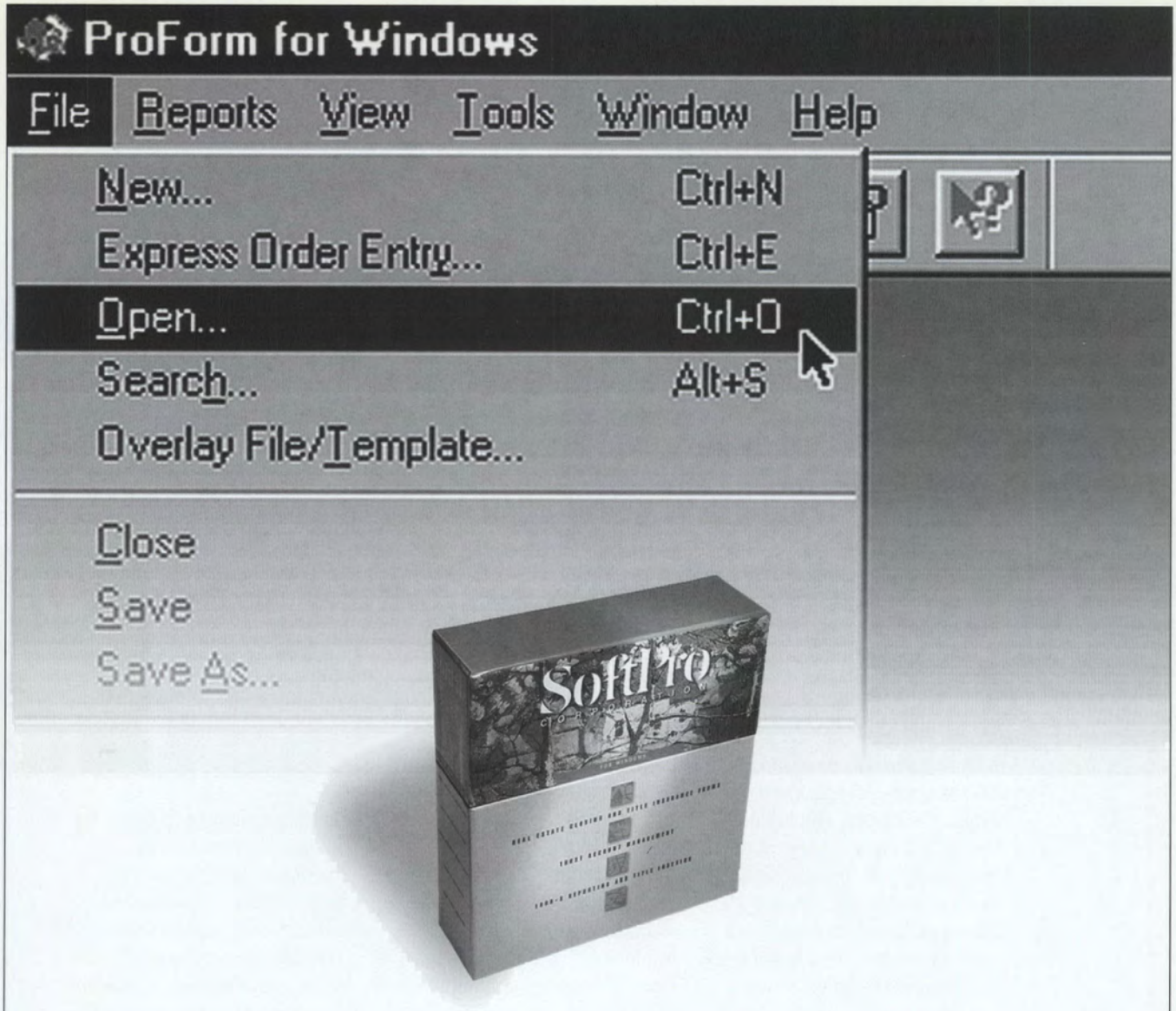
1. True or False…Management cannot be held financially liable for sexual harass ment done by their employees?
2. True or False…There is a difference between sexual harassment and anti-harassment?
3. True or False…An accused harasser can demand a co-worker of their choosing be present during a sexual harassment investigation?
4. True or False…Same sex sexual harassment doesn't count?
5. True or False…Off-the-job harassment doesn't count?

Answers: 1.False. Although the big bucks are really with the company, the law does allow the target of harassment to go after the individual manager. 2.True. Starting with some Supreme Court rulings in 1998, the definition of "harassment" has expanded. 3.True. A July 2000 NLRB ruling has made this true for any investigatory interview. 4.False. In 1998 the Supreme Court ruled same sex counts. 5.False. If the conduct meets the definition of sexual harassment, it doesn't matter if it's on or off the job.

Hunter Lott is the owner of Encore Information Network specializing in training managers and business owners on employment practices. He can be reached at HIRE2FIRE@aol.com. For sample sexual harassment policies visit www.hunterlott.com. This article is an excerpt from Hunter's presentation at the 2000 ALTA Annual Convention in Hawaii.

Resource

The Society of Human Resource Management has a great Web site to keep updated on all HR issues, www.shrm.org.



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Translating the Real Estate Process to the Internet

by David T. Pietsch, Jr.

The Internet has been called "the ultimate convenience store," because it offers choice and value, it's open 24 hours a day, 365 days a year, and you don't have to leave your desk to shop. It's no wonder that the 327 million people online today will grow to one billion by 2003 (according to Computer Industry Almanac). And it's no wonder that savvy consumers, now accustomed to shopping online for books, CDs, banking services, airline tickets and stocks, will look to the Internet when embarking on their biggest transaction ever—buying a home.

The implications for real estate professionals are immediate. Our industry is notorious for belabored decision making (usually a two-year process) and, with the average age of REALTORS® at 55 years, there is sometimes a resistance for them to change. You might think you have the choice to sit back and let this e-commerce thing work its bugs out; but the truth is, those who don't log on will die off; those who don't retool might as well retire. This is a matter of survival: Survival of the Finest.

Creating an Internet Strategy

Every title company and real estate organization needs an Internet strategy. Your Internet strategy should answer the question that successful businesses continually ask themselves: What do my customers need and how can I meet their needs in today's environment? Whatever your answer, it should incorporate an Internet strategy, as there is no turning back from the power of this medium.

I am not suggesting that the Internet is the one and only road to commercial success in the 21st century. Rather, I am proposing that the Internet be viewed as an additional way that customers can communicate with businesses. Because electronic technology can speed up and even simplify communication, the Internet has already become the preferred method of commerce for many successful companies.

There are two approaches to the Internet. You can decide to spend money on it (i.e., creating a Web site; advertising on related links), or you can decide that you want to make money from it (i.e., providing an online product, service, or process that others pay to be a part of). Our firm, Title Guaranty of Hawaii, Inc., has chosen the latter strategy.

Because the homebuying process is a very complex one—involving many vendors, much paperwork and heavy regulation—the Internet (with its estimated 10 million real estate Web sites) does not yet offer a seamlessly integrated real estate shopping and transaction experience. Lest that be more fodder for the "sit back and wait" types, I would warn you that, right now, there are components of the process that are being parceled out and perfected by forward-thinking firms and individuals.

What you need to do is to create an online strategy that you can conceive of as a collection of Lego™ parts: both those that will plug into pieces that are currently operational and those that will integrate in the future. What can you proceed with today?

When you consider that the typical closing takes four weeks and involves over 30 steps and stacks of paper being exchanged between a dozen parties, you can understand the potential for errors and the enormous expense in terms of time.

Clearly, the real estate transaction is not an easy process to standardize (i.e., "Web-ize") for the purpose of translating it to the Internet. Programs that currently exist tend

to fall into one of three categories: customer relationship management (CRM) programs, order receiving programs, and forms router programs that capture and distribute data.

Where once real estate professionals were gatekeepers of information, REALTORS® are now interpreters of information. After all, with online consumers having instant access to millions of homes in the U.S. and with direct access to loan application Form 1003, information that was once guarded has been "set free." Recognizing this trend, savvy Land Title professionals are transforming themselves into data-driven online transactional experts (while still providing the high touch services that are called upon during the homebuying process).

Threats/Opportunities for Land Title Industry

A good economy has pushed homeownership in America to a record high in the first quarter of 2000 (67.1% of families, or 70.7 million Americans, own their own homes). This trend bodes well for the real estate business as proven by the 17,000 new brokerages opened in the last year and the nearly 30,000 additional real estate service providers, including new title search firms, inspection companies, and appraisers. (Realty Times, 4/12/00) It's important to realize that the real competition for REALTORS® is not other REALTORS®, but rather consumers, who are taking more of the process into their own hands, and the companies that cater to them. In the last two years, use of the Internet to find a home increased by more than 200 percent.

The biggest challenge is the FSBO (For Sale By Owner) which, in combination with the resources of the Internet and its access to buyers, is a threatening equation. The trend also presents a dilemma for title companies who are currently targeting lenders and REALTORS® but not consumers. The percentage of Internet-facilitated FSBO transactions will increase unless REALTORS® and other real estate professionals can provide more services to sellers and buyers. Remember, marketing to the consumer is very expensive.

Some title insurance underwriters and national lenders currently view themselves as at the center of the business-to-business process. E-commerce and technology have made the present way of doing business—contracting, selection of service providers, closing process—all antiquated. Land Title Associations and their members need to change now, or others will control the sales process sooner than anticipated. Within the next year, thanks to new technology, real estate professionals can begin to reposition themselves at the center of the transaction process, and regain the vital role they've enjoyed in the past. The land title industry must start anticipating and adapting now, so that it is ready when this revolution takes place. Put together an Internet strategy now.

Technology-Assisted Online Transactions

Imagine an online Internet system that can assist you with all facets of sales transactions. This is not a pipe dream; the technology currently exists to provide an electronic transaction platform with all of the features that are critical and particular to the real estate business.

E-Commerce Transaction Platform Features

	Internet: Online
Regional Forms Library	☑
Regional Standard Clause Library	☑
Secure User Site to Conduct Transactions	☑
Sales Contract Completed and Circulated	☑
Loan Forms Completed and Circulated	☑
Loan Approval in Minutes	☑
Shows Only Your Preferred Service Providers	☑
Coordinate Contract Requirements	☑
Automatic E-mail Tracking & Storage	☑
Ability to Forward Status to Buyers & Sellers	☑
Remembers Your Previous Contracts & Forms	☑
Remembers Service Providers & Products	☑
Links to Most MLS Systems	☑
Access 24/7/365	☑

This chart represents some of the features RealCentral provides over the Internet.

Moving from Title Office to Settlement Services Center

Title Guaranty decided to position its marketing professionals as "real estate advisors for life," implying a full-service, long-term relationship. We took a careful look at the actual costs involved in the property title and settlement pro-cess and identified opportunities for automation while, at the same time, recognized that information is more valuable when compiled into a database than standing alone. With the expertise of com-puter architects from CyberCom Inc., Title Guaranty set out to construct an online real estate center and created two tools toward that end: TGExpress and RealCentral.com.

TGExpress provides title and closing companies with the ability to provide "one-stop shopping" to real estate agents, lenders, and attorney clients. RealCentral.com complements TGExpress by providing sales and closing coordination. We developed RealCentral.com, an e-commerce transaction platform, to automate and speed up a range of tasks that, until recently, had to be laboriously performed by hand.

Land Title Associations and their members need to change now, or others will control the sales process sooner than anticipated.

RealCentral.com's library of documents contains industry-related forms (both local real estate and national lender forms) such as sales contracts, addenda, proprietary forms, and hundreds more. Once the appropriate forms are selected, data are imported into "smart" worksheets so that the user needs to enter or download the information only once. Selection of service providers—ranging from banks and title companies, to appraisers and termite businesses—is automatic, and orders are routed electronically. Service providers receive only the information that pertains to them; they then confirm the order via e-mail and ultimately send back their reports via e-mail attachments. RealCentral.com insures that each order is automatically tracked and archived to a specific transaction, and up-to-the-minute status reports are available throughout the process. All of this is carried out in a secure environment that is log-on and password protected.

Benefits to Users

Users create their own profiles by selecting particular forms and particular service providers. These preferences are then stored for subsequent transactions, making the e-commerce transaction experience a highly personalized one. A real estate professional can give a client background information about a particular service company by clicking on an icon which is hot-linked to the organization's Web site.

By capturing information for all selected forms at the same time, all parties involved are literally working from the same page; and by inserting standard regional clauses (drawn from a "Special Wording Library"), misunderstand-ings can be avoided down the line.

We created an e-commerce transaction platform that was designed as an interactive site which cannot only receive and distribute information, but can also "think"; it lets the user know when wording has exceeded available space (in which case it automatically creates and catalogues an Appendix).

Its open architecture allows system users to be compatible with most title, listing and closing systems, including TGExpress.

Using Internet-based technology that allows wide access to a range of products and services enables users to be at the center of the sales and funding process and empowers regional businesses to compete with national firms.

Benefits to Web Site Owners

The uniqueness of an e-commerce transaction platform can be found not only in the site's features, but also in the system's administration. Administrators of the Web site determine users and are allowed to customize (brand) the features to meet the needs of their members

Because the use of RealCentral.com is free for most users, it provides added value to users. Not only does the site increase revenue but it also can help to decrease expenses, when you consider the time that is saved in being able to pull up the latest forms—avoiding the inconsisten-cies that so often delay the closing process—and the forests that are saved when reams of paper are no longer wasted in copying and re-copying forms for distribution.

Making it Happen

The hardest thing to achieve when working with advance technology is simplicity. Thankfully, you don't have to be a techie to benefit from what land title professionals have produced using Microsoft-based state-of-the-art software. An e-

commerce system is only as successful as it is easy to use. Within a two-hour training session, real estate professionals can learn how to become familiar with it using either system. Courses can be provided by qualified service providers such as your marketing representatives.

The Future is Here

Not since the creation of the Multiple Listing Service (MLS) have real estate professionals had access to a product that can address the actual costs of a real estate transaction in terms of time, accuracy, and confidentiality. E-commerce transaction platforms shorten the normal real estate processing time by 30-40 % and also make the overall transaction an easier and safer one. As with all new advances, this technology will become the industry standard sooner than anyone anticipates.

As both computing and online access become faster, cheaper and more universal, the Internet will continue to impact the realty marketplace. In the near future, wirelessness will allow your customers to link the Internet with their cellular phone and, when that happens, there are no connection boundaries. As fast as the Internet user base has grown in the last five years, the Internet is not a mature medium; the majority of people, especially in our industry, have yet to go online. Having said that, the growth in e-commerce that is anticipated to emerge in the coming decade should beckon all land title professionals to heed the advice of the sage who warned, "E-Shape-Up or "E-Ship Out."

David T. Pietsch, Jr. is an owner of Title Guaranty of Hawaii, Inc. and manager of RealCentral.com, LLC. He can be reached at dpietsch@tghawaii.com or (808) 521-0217. This article is an excerpt from David's presentation at the 2000 ALTA Annual Convention in Hawaii.

Making Strategic Alliances Work

by Michael Hick

September 11, 2000 it hit the public. At last a press announcement of a strategic alliance that spells out the right reasons. See if you can figure out what they are:

According to David Curren, COO at Lender's Service, Inc. (LSI), "increased coverage like we just announced in Arizona, benefits all of LSI's customers from our national and electronic mortgage loan providers to our individual, local customers. The ability to work through a single source such as LSI for appraisal, title, and closing maximizes a lender's time, cost and service efficiencies. That allows our customers to increase value to the consumer. It's an important service step for us with all of our clients."

And then the comment from the other party,

Marty Althoff, CEO of First Southwestern Title Agency of Arizona explains, "By partnering with an established agency such as First Southwestern in Arizona, LSI brings 'best of breed' distribution to its customers courtesy of an integrated platform. The first clients to use services under this joint venture operation have been very pleased with the results."

Do they have it right? Yes, they do. Because in a short press release they mention the words "customer, consumer, or client" no less than seven times!

The joint venture deal put together between LSI and First Southwestern Title Agency, Inc. enables LSI to facilitate a full array of title and closing services in the state of Arizona. The alliance appears totally customer focused. If so, given good management, it will hopefully survive long term.

How many Affiliated Business Arrangements (ABAs) and alliances are born for the right reasons? How many will not celebrate their third birthday? Unfortunately the infant mortality rate is unacceptably high; some say 85% will not survive to the age of five. Why is this? What can we do to be sure they live an adult life?

Partnerships in business are a lot like marriages in life. Their success or failure has a lot to do with series of rules and principles. Let's look at the five driving reasons why partnerships fail.

Immediate Gratification

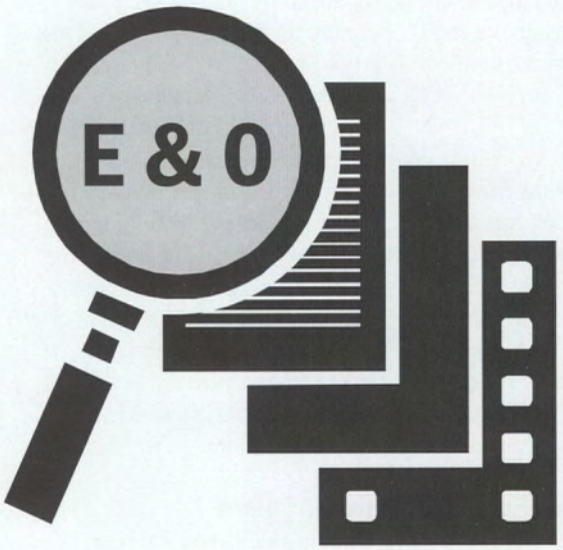
"I thought we would have seen profit from this deal by now." "We've got to show some positive results from this arrangement this month, quarter or year, or else my head is on the block." "What has happened to all the pizzazz that used to be in their business? Since we got involved it has gone dead."

Failed expectations are the top cause for collapsed alliances. Few are constructed with properly drawn business plans, formed from truth, where the goals and aspirations of the parties are carefully studied and agreed beforehand. Is your overall objective for the long-term good of your customers, or has the alliance been put together just to capture that slippery, elusive eel called "market share"? "If we don't do a deal with them, someone else will!"

Blind Dates

Getting into bed with a partner for the wrong reasons. Heading into the future with someone you hardly know—they just look good. Sometimes you can't even remember their name! This marriage usually collapses after the honeymoon. The chemistry isn't right. Partnerships, like marriages, are all about people and their interaction. The same standards, ethics, goals, and ambitions have to be present. You may have to live with them before you sign the register. A good alliance is like any

Nobody's Perfect



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TPA


Nancy Walker

other good marriage. It is based on a high degree of mutual respect. It is made in order to grow together (learn, nurture, improve); constantly assess mutual goals and aspirations; build a strong financial future and raise even more satisfied customers. Sound familiar?

Cash Cows

These fat bovines are the first ones to be slaughtered when they are milked dry. Cash cows cannot go on giving milk forever and when they cease to produce, everybody gets upset. They live or die by their ability to keep pumping. When the business dries up (which it usually does), there is no longer any need for them. Cash cows have often been created from an overdose of bull so they can never live up to their expectations. Those in the joint ownership of a cash cow often butt heads over the amount of time spent on the milking chore, each one thinking that the other doesn't work hard enough at it. Any alliance put together for the sole benefit of the cash cow stands charged with missing the whole idea. It's the customer you are milking. The good health of the customer is the only reason we are all standing out here in the pasture!

Partnerships in business are a lot like marriages in life. Their success or failure has a lot to do with series of rules and principles.

Ego Trips

Big egos will demolish anything, but even small egos will ruin a good alliance. A partnership is strictly what it says it is and both should leave their egos at the closing table. Dominant partners in an alliance, who attempt to overrule and command the venture, often lose sight of the original intention. This is not a competitive road race, a game to see who wins. Big ego is another form of low esteem. Ego likes to be competitive. Competitive attitudes are only relevant if your product and service is not unique. Does the business of the alliance separate itself from everything else around it? The venture is bigger than us. It is devoted to the increased well-being and high satisfaction of our customers.

Dumb Waiters

After the deal closes, you hear nothing. Is this the best-kept secret ever? How many wonderful works of business art have been sculptured only to have them locked away from public view? Lack of good integrated communication is one of the biggest problems of world business. Every alliance should include instruction, training, and information as part of the initial goals. A talking head should be appointed to the permanent role of planting the information into the hearts and minds of the people concerned on both sides. Everybody should understand the defining statement of the alliance, and should be totally customer benefit directed.

The Seven Golden Rules For Successful ABAs

(after you have been to the lawyer and checked the law).

1. Both sides must have a strong desire to succeed in the venture. Commitment to win is absolutely vital.

2. Precise goals agreed by both sides. Hammering out the aspirations and intentions of the alliance is crucial. Focus on the goals like a laser. Review them regularly making certain that you are staying on track.

3. Outstanding communication. Leaders and operators of the venture should be outstanding communicators. Not just good talkers but excellent listeners. Once the deal is negotiated and running, it's time for everybody to get to know each other better. Work to understand their business and how they operate. It will be of major importance in the long run.

4. Be flexible and responsive. Things happen on the way to your goals. Being involved with a partner who can roll with the punches and come up smiling is a major plus. The rate of change means that everything you compose today will have to be fine-tuned tomorrow and that there is no certainty in anything—except change. If your intentions are customer focused, then your customers tell you what to change.

5. Having the right personal chemistry with the other side is vital. Exercise your intuition—it will tell you if it's right. Far too often in business we look at the practical issues rather than the intuitive. It's advisable to quit if your head says yes, but your heart says no.

6. Install a culture of trust and integrity into the relationship and therefore into the venture. To be productive, trust is the bedrock of a successful partnership. Be sure that this ethic is part of the mission you announce together and that all associates and customers know it.

7. Partnering is a relationship of interdependence. No one is top dog. Each depends on the other for the achievement of the goals they have set and the welfare of the customers. Appreciate the synergy you both bring to the table.

The Wave of the Future

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Mark-ups, Splits, Unearned Fees: How Far Does RESPA 8(b)Extend?

by Sheldon Hochberg

Section 8 of RESPA prohibits a settlement service provider from paying a referral fee or otherwise giving a portion of its charge to another person other than for services rendered. On this, everyone agrees. But does §8 prohibit a provider from charging the consumer more than the "fair value" of the services rendered? Or charging the consumer for services not rendered? In short, does §8 limit what a provider of settlement services may charge the consumer if the provider is not paying a referral fee or otherwise splitting its charge with another person who does not render services in return for that payment? That very important RESPA question is the focus of this article.

What Does the Statute Say?

Section 8(b) of RESPA, 12 U.S.C. 2607(b) (1995), provides that: No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually rendered.

Because of the broad reference to "no person," this language can be read to mean that settlement service providers ("persons") who render little or no services in return for a fee charged to the consumer are "accept[ing]" a "portion" of a "fee" "other than for services actually rendered." On the other hand, by imposing obligations and liabilities on both the person paying the unearned fee and the person receiving the unearned fee, the statutory language appears to be focusing on the splitting of fees between persons involved in the settlement process, rather than on the payment of fees by the consumer. Otherwise, the consumer might be viewed as violating §8(b) in paying an earned fee—an obviously absurd result.

Further light (or, perhaps, confusion) as to the plain meaning of §8(b) may be shed by the companion prohibition of RESPA §8(a), which prohibits the payment and receipt of any fee, kickback, or thing of value, pursuant to an agreement for the referral of business. Reading the two provisions in tandem, one can argue either that (i) §8(b) reinforces the prohibition in §8(a) by prohibiting payments between parties involved in the settlement process when no real services have been rendered even if there is no clear linkage to an agreement to refer business, or (ii) Congress must have intended §8(b) to cover payments beyond those covered by §8(a) and, accordingly, interpreting §8(b) to cover payments by consumers to settlement service providers (in addition to covering payments between settlement service providers) would give separate meaning and effect to §8(b).

What Does HUD Say?

While HUD has not squarely addressed this issue through a duly promulgated regulation, it has, with increasing clarity, suggested that §8(b) applies to settlement charges paid by consumers where little or no services are provided even when the charge has not been divided between two parties.[1] For example, §3500.14(c) of HUD's RESPA regulations as amended in 1992 (24 C.F.R. §3500.14(c) (2000)) provides: A charge by a person for which no or nominal services are performed or for which duplicative fees are charged is an unearned fee and violates this section. The source of the payment does not determine whether or not a service is compensable. Nor may the

prohibitions of this part be avoided by creating an arrangement where the purchaser of services splits the fee.

Section 3500.14(g)(3) of the regulations (also adopted in 1992) goes on to state: Multiple services. When a person in a position to refer settlement service business . . . receives a payment for providing additional settlement services as part of a real estate transaction, such payment must be for services that are actual, necessary and distinct from the primary services provided by such person.

While it is not clear that these regulations are addressing charges to consumers (one court that has considered the issue has concluded that these provisions apply only in the context where a fee is split between two parties), there is less ambiguity in two other HUD statements on this issue.

In discussing the prohibition against referral fees in the information booklet required by RESPA §5, HUD states "[i]t is also illegal for anyone to accept a fee or part of a fee for services if that person has not actually performed settlement services for the fee."[2] The booklet goes on to provide an example of such a prohibited practice: "a lender may not add to a third-party's fee, such as an appraisal fee, and keep the difference." Although the example provided is one of potential fee-splitting between settlement service providers, the implication of the main sentence is that accepting a fee from the consumer where services are not actually performed is a violation of §8(b).

HUD's clearest statement of its views on §8(b) were presented in the explanatory comments accompanying the release of its Statement of Policy 1996-1 on Computer Loan Origination Systems (CLOs) (61 Fed. Reg. 29,248-50 (June 7, 1996)). In responding to the argument that §8(b) did not provide a legal basis for HUD's original proposed rule regulating the conditions under which borrowers could be asked to pay for CLO services, HUD made clear that: (i) it disagreed with those court decisions that had concluded that §8(b) only applies where two parties split a settlement service fee; (ii) the interpretation of §8(b) as permitting a single settlement service provider to charge "unearned or excessive fees" so long as it does not share the fees with another party is "an unnecessarily restrictive interpretation of a statute designed to reduce unnecessary costs to consumers;" and (iii) §8(b) could apply in a number of contexts: (1) where one settlement service provider receives an unearned fee from another provider; (2) where a provider charges the consumer for third-party services and retains an unearned fee from the payment received; or (3) where a provider accepts a portion of a charge—"including 100% of the charge"—for other than services actually performed.

If HUD's view is ultimately upheld by the courts, it could provide a basis for a challenge to any settlement fee or charge that HUD or a consumer believes is not justified by the services rendered or is "excessive."

The first context in which HUD says that §8(b) could apply is clearly contemplated by the language of the statute. Although several recent district court decisions have lent some support to HUD's view that §8(b) can be applied in the second context[3]—where one party "marks up" another provider's charges— reaching that result under the language of §8(b) may be problematical.[4]

Apart from whether the mark-up of another provider's charges is a violation of §8(b) if the amount of the mark-up cannot be justified on the basis of the services rendered by the person marking up the charge, HUD has made clear that the amount actually paid to the provider of the services must be separately shown on the HUD-1 settlement sheet as Paid Outside Closing ("P.O.C."). 24 C.F.R. § 3500.8(b) (specifying that the HUD-1 form shall be completed in accordance with the Instructions set forth in Appendix A to the regulations), and Appendix A to 24 C.F.R. Part 3500, General Instructions and Instructions for Section L (specifying that "[t]he names of the recipients of the settlement charges in Section L . . . should be included on the blank lines" and "[f]or all items except those paid to and retained by the Lender, the name of the person or firm ultimately receiving the payment should be shown.")

Finally, HUD's position on the application of §8(b) in the third

context—that §8(b) prohibits unearned or "excessive" fees charged by a settlement service provider to consumers—has far-reaching, and potentially disturbing, consequences. It should be noted that a recent Supreme Court decision has made clear that, under the Court's 1984 hallmark *Chevron* decision, the courts do not need to defer to an agency pronouncement that is not embodied in a decision following formal adjudication or in a regulation issued pursuant to notice and comment rulemaking. *See Christensen v. Harris County*, 120 S.Ct. 1655, 1662-63 (2000) ("Interpretations such as those in opinion letter—like interpretations contained in policy statements, agency manuals, and enforcement guidelines, all of which lack the force of law—do not warrant *Chevron*-style deference.")

Nevertheless, if HUD's view is ultimately upheld by the courts, it could provide a basis for a challenge to any settlement fee or charge that HUD or a consumer believes is not justified by the services rendered or is "excessive." As will be discussed below, the legislative history of §8(b) is inconsistent with HUD's view, and virtually all of the courts that have considered the issue have concluded that the language of §8(b) will not support HUD's interpretation.

§8(b) was never intended as a vehicle to regulate payments by consumers.

What Does the Legislative History of §8(b) Reveal?

The legislative history of §8(b) makes clear that the provision was directed at payments by settlement service providers to other providers and was never intended as a vehicle to regulate payments by consumers.

The provision ultimately enacted as §8(b) was initially introduced in 1972 by Rep. Wright Patman, the chairman of the House Banking Committee, as §103 of H.R. 13337, the "Real Estate Settlement Reform Act of 1972." As introduced by Rep. Patman, a Texas populist and frequent critic of lawyers, the measure provided that no attorney who performed any legal services in connection with a settlement involving a federally related mortgage loan could receive any commission in connection with the issuance of title insurance in the transaction. Mr. Patman's concern appeared to be that attorneys were not rendering any additional services to the title insurance company beyond those for which they were already being paid by the consumer, although §103 would have prohibited such payments even when the attorney was rendering legitimate services to the title insurer in connection with the issuance of the policy.

When the bill was considered by the full House Banking Committee, a substitute sponsored by Reps. Robert Stephens and Ben Blackburn of Georgia (referred to as the "Stephens Substitute") was adopted by the Committee. Section 907 of the bill as reported by the full Committee modified the Patman approach to prohibit any person from giving and any person from receiving any portion, split or percentage of any charge for title insurance other than for services actually performed in the issuance of such title insurance. (H.R. Rept. 92-1429, at 88 (Sept. 21, 1972).) The focus of the provision in the Stephens Substitute was whether real services were rendered by anyone —attorney or otherwise— who was receiving a portion of the title insurance premium from the title insurance company, rather than on prohibiting attorneys from ever receiving title insurance commissions. Rep. Stephens explained this change from the Subcommittee bill as "designed to strengthen the existing language, making the category of cases against which the prohibition runs a much broader one." (118 Cong. Rec. 28,118 (Aug. 14, 1972).) The bill, however, failed to reach the House floor before the end of the 92nd Congress.

In the 93rd Congress, Reps. Stephens, Blackburn and others introduced H.R. 9989, which was a modified version of the "Stephens Substitute." Section 106(b) of H.R. 9989 incorporated the language of what is now §8(b) of RESPA—thus expanding the prohibition on fee-splitting from title insurance to all settlement services. Sen. Bill Brock (R. Tenn.) introduced the same legis-lation in the Senate as S. 3164 on March 17, 1974. In a floor state-ment at the time of introduction, Sen. Brock described the provision as "prohibit[ing] any fee-splitting among persons who render settlement services unless the fee is paid in return for serv-ices actually rendered." (120 Cong. Rec. 6,586 (March 13, 1974).)

H.R. 9989 was reported out by the House Banking Committee on July 9, 1974. The House Banking Committee report described §106(b) as "prohibit[ing] a person

or company that renders a settlement service from giving or rebating any portion of the charge to any other person except in return for services actually rendered." (H.R. Rep. No. 93-1177 at 7 (1974).) Identical language was contained in the Senate Banking Committee report on S. 3164. (S. Rept. No. 93-866 at 6 (1974).)

During the August 14, 1974 debate on the bill on the House floor, Rep. Blackburn was asked whether §106(b) would permit a civil or criminal action against a settlement service provider if the provider's charges were not reasonably related to the value of the services rendered. (120 Cong. Rec. 28,263 (Aug. 14, 1974).) On August 20, 1974, Rep. Blackburn amplified his response emphasizing that: (a) section 106(b) would not authorize such a suit, (b) the House Banking Committee report made clear that the prohibition "was intended to deal only with fee-splitting arrangements among participants in the settlement process," and (c) any other interpretation would subject consumers who pay unearned fees to liability because the section says no person shall give and no person shall receive an unearned fee. He concluded: "[t]hus, there should be no question that section 106 does not in any way authorize a civil suit nor subject an attorney or anyone else who provides settlement services to civil or criminal penalties if the homebuyer believes that the charge made to him is in excess of the reasonable value of the services rendered. What is subject to civil and criminal penalties is if the person rendering the settlement service gives or splits a portion of the fee he receives with someone else and the person receiving the payment provides no legitimate service in return." (120 Cong. Rec. 29,442-43 (Aug. 20, 1974).)

In sum, the legislative history of §8(b) leaves no doubt regarding congressional intent. Every version of the provision addressed only fee splitting between settlement service providers. Accordingly, when read in context of the development of the provision, the phrase "no person shall give and no person shall receive" was clearly intended to expand the coverage of the provision to include payments between any settlement service providers, not just title companies and attorneys.

How Have the Courts Interpreted §8(b)?

The majority of court decisions to date have rejected the contention that §8(b) can be used to challenge a settlement service charge that a consumer (or a consumer's lawyer) believes is "too high" or is not for services actually rendered. Rather, with limited exceptions, the courts have affirmed that §8(b) only applies to the split of a settlement service charge between two providers, one of whom does not provide services for the portion of the charge it receives.

The two most important decisions have been decided by unanimous panels of the U.S. Court of Appeals for the Seventh Circuit. In the first decision decided more than 15 years ago, *Mercado v. Calumet Fed. Sav. & Loan Assn,* 763 F.2d 269, 271 (7th Cir. 1985), plaintiffs claimed that the S&L's charges for agreeing to refinance their loan was a violation of §8(b) because it was not for services rendered. The panel characterized this claim as a "transparent attempt to transform section [8](b) into a general mortgage loan antifraud provision in circumvention of the statute's plain language and purpose." In commenting on the use of §8(b) to challenge fees that are thought to be too high, the court stated that if a party "imposed a single fee of $100 per transfer of title, it would not be possible to attack that fee under RESPA by saying that everything over $25 is 'too high' and 'abusive' because the cost of service is only $25. Congress considered and rejected a system of price controls for fees; it concluded that the price of real estate services should be set in the market [citing 1974 U.S. Code Cong. & Admin. News 6549-50]. It directed §8 against a particular kind of abuse that it believed interfered with the operation of free markets—the splitting and kicking back of fees to parties who did nothing in return for the portions received. . . . Doubtless RESPA is a broad statute, directed against many things that increase the cost of real estate transactions. . . . But the objective of the statute is not a warrant to disregard the terms of the statute."

Nearly a decade later, another panel of the Seventh Circuit, in *Durr v. Intercounty Title Co. of Ill.*, 14 F.3d 1183 (7th Cir.), *cert. denied*, 513 U.S. 811 (1994), reiterated that §8(b) only applies where the defendant gives or receives a portion, split or percentage of a settlement service charge to a third person. In that case, the plaintiff sought class action status for a complaint that the title company had violated §8(b) in adding $8 to the Cook County Recorder's charge

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for recordation of a deed and mortgage, even though the bill to the plaintiffs made clear that a service and handling charge had been included for instruments recorded. Citing its earlier decision in *Mercado*, the court concluded that because the complaint failed to contain an allegation that a portion of the charge was paid to a third-party other than for services rendered, it failed to state a cause of action under §8(b).[5]

Several other court of appeals and district court decisions have applied the *Mercado* reasoning to reject §8(b) claims of purported "overcharges" that did not involve fee splitting. *See Willis v. Quality Mtge. USA, Inc.*, 5 F.Supp.2d 1306, 1310 (M.D. Ala. 1998) (granting motion to dismiss claim that a lender's appraisal review and document preparation fees were not for services rendered and therefore violated §8(b) as interpreted by HUD; court concluded that HUD's interpretation that charges for which no or nominal services are performed violate §8(b) only applies when a settlement service provider is splitting a fee with another party who does not render services and that HUD "is empowered to interpret the statute, not to create new laws"); *Bloom v. Martin*, 865 F. Supp. 1377 (N.D. Cal. 1994), *aff'd on other grounds*, 77 F.3d 318 (9th Cir. 1996) (granting motion to dismiss complaint that demand and reconveyance fees violated §8(b) because there was no allegation that the fees were shared with another person); *Callahan v. Commonwealth Land Title Ins. Co.*, 1990 U.S. Dist. LEXIS 14524 (E.D. Pa. 1990) (approving class action settlement involving charges for notary services that were allegedly not performed and noting that a "serious question" exists as to whether §8(b) applies since there was no fee splitting); *Duggan v. Independent Mtge. Corp.*, 670 F. Supp. 652, 654 (E.D. Va. 1987) (concluding that §8(b) does not apply "where payment may be in excess of the value of the services rendered" and allegation that a lender received money for something it failed to do presents a "garden variety breach of contract dispute.")

In contrast, there appears to be only one district court decision that has concluded that §8(b) may be violated by overcharges that are not split with a third party: *DeLeon v. Beneficial Construction Co.*, 55 F. Supp.2d 819 (N.D. Ill. 1999) (declining to dismiss §8(b) count that mortgage broker charged for services it did not render.) The significance of this decision is limited in view of the fact that the court completely failed to consider or address the Seventh Circuit precedents in *Durr* and *Mercado*.

An interesting recent decision is *Christakos v. Intercounty Title Co.*, 2000 U.S. Dist. LEXIS 12438 (N.D. Ill. Aug. 25, 2000) in which the court granted class action status in a case where it was alleged that a title company had charged borrowers in refinancing transactions a $29 fee for recording the release of the prior mortgage even though (a) it had not performed that service, (b) the recording had been performed by the prior lender, and (c) the prior lender had charged the borrower a fee ($23.50) for the recording. Although the title company had not directly shared its $29 recording fee with a third person, the court nevertheless concluded that the borrower had paid total recording fees of $53.50 of which the title company had received a portion—$29—for services it had not rendered. Accordingly, the court found that its decision was in accord with *Durr* and *Mercado* because there was a "split" of the $53.50 in total recording fees paid by the borrower. "Although this is not the typical kickback situation envisioned by RESPA's drafters, the plain language of the statute and regulations are broad enough to cover a situation where a borrower pays two amounts to two parties for the exact same service, one of whom performs the service, and one of whom receives the unearned fee while providing no service whatsoever."

A title company that will be making a charge for a settlement service to the consumer should not give a portion of its fee to a third person unless the payment represents reasonable compensation for goods or services provided.

Application of §8(b) in Various Contexts

While the courts will have the last word on this, based on the language and legislative history of the provision, and current precedent, the following guidelines appear to be warranted.

First, a title company or any

other settlement service provider ("Provider A") that will be making a charge for a settlement service to the consumer should not give a portion of its fee to a third person —particularly someone who is in a position to refer business to Provider A—unless the payment represents reasonable compensation for goods or services provided. There is no question that §8(b) applies in this context and the Provider should be prepared to justify the reasonableness of any such payments.

Second, Provider A should avoid marking up the charge of another settlement service provider (Provider B) unless it is comfortable that it can justify the amount of the mark-up on the basis of services it performs in connection with that charge. Even then, Provider A should keep in mind that, if its practice is challenged, establishing such justification may be difficult and that the company may not be able to get a case dismissed on a motion to dismiss or for summary judgment. From a RESPA standpoint, if Provider A believes that it is incurring real effort and expense in connection with another Provider's charges, it would be preferable to increase its own fees or charge a separate fee with an appropriate name. The fact that competition may make it difficult to implement these alternatives and that it is easier to get the extra revenue by simply increasing some other party's charge only points out the underlying problems with such mark-ups.

Third, while strong arguments can be advanced that §8(b) does not apply when Provider A makes a charge for which no services are provided, all providers of settlement services would be well-advised to avoid such practices. Not only can such practices give rise to litigation, including potential class action litigation, but the fact that RESPA §8(b) may not apply does not mean that the practice cannot be successfully challenged under state law theories of liability. As the *Christakos* decision demonstrates, such charges are particularly risky if they appear to be for a service that another party actually performs and charges for. Moreover, the charging of such "junk fees" has come under increasing consumer criticism and has led to the call for more fundamental reform of the way in which consumers are charged for settlement services.

Fourth, if some services are provided in connection with a charge made to the consumer, §8(b) should not be read as providing a cause of action to challenge the fee as being "unearned" or "too high." Indeed, reading §8(b) as authorizing such a challenge would inevitably result in HUD or the courts having to determine what is an "appropriate" or "reasonable" charge for the service. Congress explicitly rejected federal rate regulation of real estate settlement costs when it enacted RESPA and such an interpretation of §8 would necessitate the kind of rate regulatory scheme that Congress rejected almost thirty years ago. As the courts have recognized, RESPA is a broad statute directed against certain practices that increase the cost of real estate settlements, but it is not a general license for HUD or the courts to proscribe conduct that Congress has not circumscribed.

Finally, how does §8(b) apply to the activities and charges of so-called "vendor management" companies (hereafter "VMCs")? These are companies that may assist lenders, real estate developers and others who have repeated needs for various settlement services (in some cases, for transactions in various parts of the country) by arranging for a package of those settlement services from various providers that may be independent of the VMC or affiliated with the VMC. While a full discussion of these VMC arrangements is beyond the scope of this article, some initial observations may be made.

Any analysis of whether particular VMC arrangements pose problems under RESPA is necessarily fact-dependent. This is highlighted by the following two polar examples: (1) a company not affiliated with a lender goes into the business of helping nationwide lenders meet their needs for various settlement services by identifying and selecting various providers, negotiating their charges, monitoring their performance, and assuming significant financial and oversight responsibility for the services provided; and (2) a mortgage lender establishes a subsidiary that it calls a VMC; the

If some services are provided in connection with a charge made to the consumer, §8(b) should not be read as providing a cause of action to challenge the fee as being "unearned" or "too high."

company has no real employees and no significant expenses or responsibilities, but is used as a vehicle through which the charges of settlement service providers used by the lender are funneled so that the subsidiary can mark up those charges and keep the difference. (Most real world situations are likely to fall somewhere in between, but the two examples help make clear a number of relevant issues.)

In the first example, the independent VMC is clearly providing real services to the lender. Assuming that neither the VMC nor the settlement service providers selected by the VMC are paying any referral fees to the lender, and the only benefit the lender derives from the VMC's activity is lower charges (or better service) for the settlement services it needs, the VMC's charges should not be viewed as violating §8(b). Those charges would have been set in arm's length negotiations between the VMC and the lender and can be assumed to reflect market value for the services rendered by the underlying providers and by VMC. In theory, this should be true whether the VMC (i) makes a separate charge for its "packaging" services and simply passes through the charges made by the providers in the package, or (ii) marks up the prices of the various providers in the package by amounts that, in the aggregate, provide the net revenue that the VMC expects to realize in the transaction.

In practice, however, HUD or the courts may have different views on the two approaches. From a RESPA standpoint, clearly the first approach is the safest. The VMC is making a charge for services it has rendered and there is no mark-up or splitting of a settlement charge that could be alleged to be in violation of §8(b). The second approach, however, raises §8(b) issues because there is a splitting of charges between the VMC and the settlement service providers. This is not to say that there is an "unlawful" split. If the amount of the VMC's mark-up can be justified on the basis of the services rendered by the VMC, there is no §8(b) violation. However, at present there is no guidance from HUD or the courts as to whether the amount of the mark-up has to be justified for each of the settlement services that have been marked-up, or whether the VMC can justify the total amount of all of the mark-ups based on the total value of the VMC's services.

Determining the "reasonableness" of a charge for which there is no ready market price can be difficult and uncertain.

Moreover, as anyone familiar with RESPA has come to realize, determining the "reasonableness" of a charge for which there is no ready market price can be difficult and uncertain.

With regard to the second example, calling the lender's affiliate a "vendor management company" does not get around the concerns that the mark-ups made by the company may not be justifiable on the basis of services actually performed. Moreover, the fact that the amount of the mark-up would not have been negotiated at arm's length further complicates any attempted justification for the amount of the mark-up.

One final point deserves noting. Beginning as early as 1994, HUD staff has opined that when lenders charge consumers an aggregate fee that includes settlement services provided by third parties, they are required to disclose the amounts they pay for such services to the third-party providers. *See* Letter of February 18, 1994, from HUD Senior Attorney Grant E. Mitchell, *reproduced in* Paul Barron & Michael A. Berenson, Federal Regulation of Real Estate and Mortgage Lending, (Fourth Ed.) at App. 2-90 (stating that when a lender charges a $500 application fee that consists of a $200 appraisal fee, a $50 credit report fee, and $250 retained by the lender as a true application fee, the appraisal and credit report fees must be shown as P.O.C. on the HUD-1.) More recently, in response to questions posed by a California state court, the General Counsel of HUD has stated that: If the lender charges additional amounts for performing actual services in connection with a particular settlement service purchased from a third party (for example, processing and evaluating an applicant's credit report purchased from a third-party credit reporting company), those amounts cannot simply be added to the fee paid to the third-party provider for disclosure purposes. Rather, such charges by lenders for processing or other services must be broken out from the particular third-party fee and specifically identified and disclosed in the line item reserved for processing or origination costs (line 801) or, in

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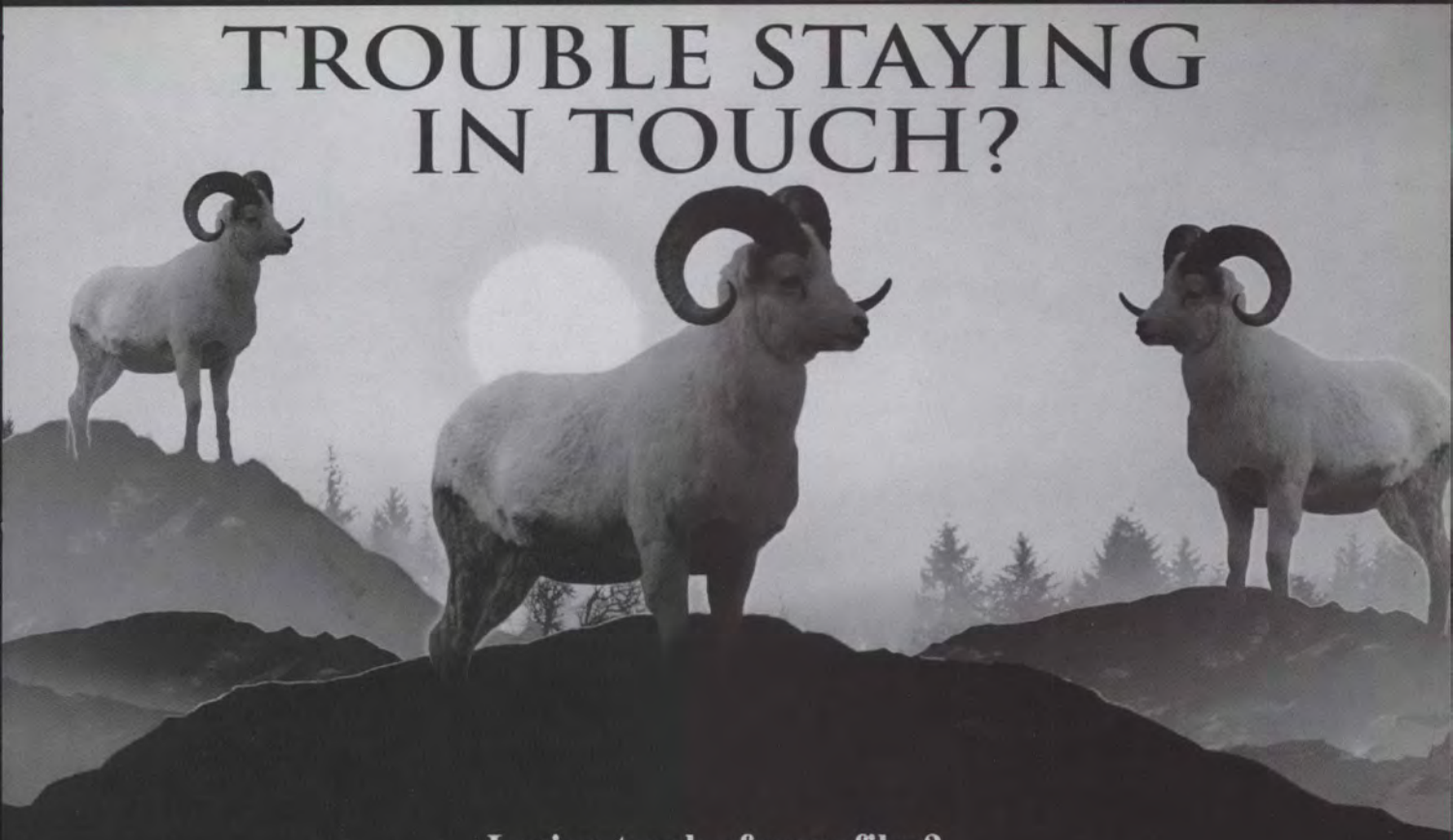

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accordance with section 3500.9(a)(4), may be inserted in blank spaces.[6]

In short, according to these two HUD letters, if a lender or, presumably, a lender-owned VMC marks up the charge of a third-party provider, the amount of the mark-up should be separately disclosed on the HUD-1 form. While HUD has not been as clear in other non-lender contexts, there is reason to believe that it would apply the same disclosure requirement to other settlement service providers who mark up other provider's charges as well. Accordingly, irrespective of whether a particular mark-up is a violation of §8(b), to comply with HUD's disclosure requirements the HUD-1 form must disclose not only the ultimate amount charged to the consumer for the particular settlement service, but the name of the third-party provider of the settlement service and the amount (before the mark-up) paid to that provider.

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footnotes

[1] In a related context, "HUD's game of winking, nodding, and frowning" has been criticized as leaving the courts "with no clear administrative direction." *Barbosa v. Target Mortgage Corp.*, 968 F. Supp. 1548, 1555 (S.D. Fla. 1997).

[2] U.S. Department of Housing and Urban Development, Office of Housing – Federal Housing Administration, "Buying Your Home: Settlement Costs and Helpful Information" (June 1997) at 13 (available at HUD's website http://www.hud.gov/fha/sfh/res/sc2secti.html).

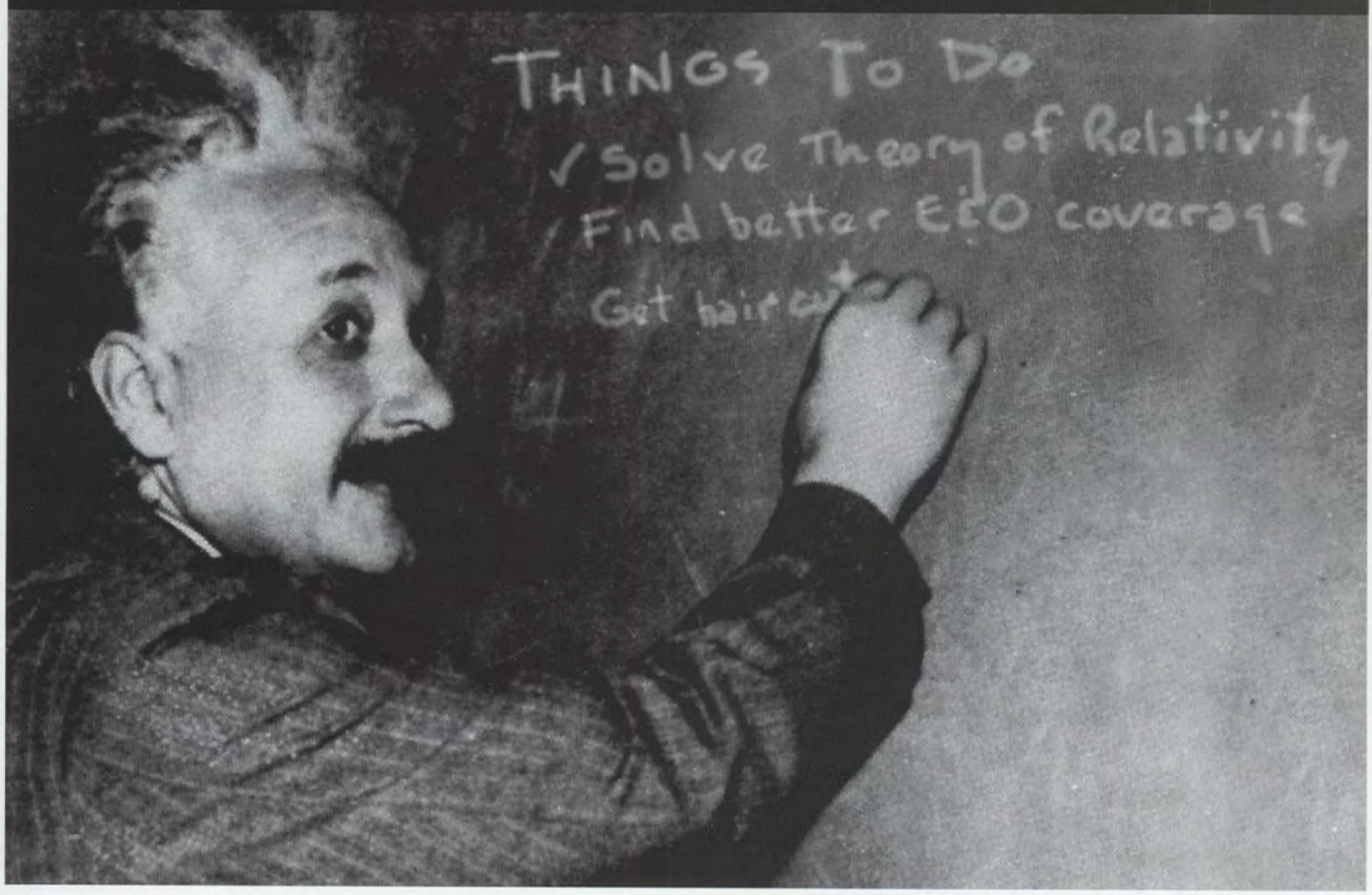
[3] See *McCulloch v. Great Western Bank*, 1998 U.S. Dist. LEXIS 8226 (W.D. Wash. Seattle Div. 1998) (denying motion to dismiss §8(b) count alleging that bank had charged plaintiff $50 for a credit report for which the bank had paid $10), and *Martinez v. Weyerhauser Mtge Co.*, 959 F.Supp. 1511 (S.D. Fla. 1996) (refusing to grant summary judgment to defendant on §8(b) count where the defendant charged the plaintiff $65 for courier fees but could only document $56.25 in courier expenses.)

[4] *See* the author's article "Recent Court Decisions Shed Light on RESPA Section 8," *Title News*, July/Aug. 1998 at 7, 9, 24-25 (concluding that (i) while the practice of marking-up another provider's charge may be the kind of practice that §8(b) should condemn, it is not clear how one squares such an interpretation with the actual language of §8(b), and (ii) the fact that HUD and several courts have concluded that the mark-up of another party's fees can violate §8(b) suggests that such practices should be avoided.)

[5] At least one court has criticized the decision for seemingly requiring the existence of a fourth party – a person with whom the party marking up a third-party's charge would split the overcharge. See *McCulloch v. Great Western Bank*, 1998 U.S. Dist. LEXIS8226 (W.D. Wash. 1998). In fact, there is justification for this criticism.

[6] See Letter of December 10, 1999, from Gail W. Laster, General Counsel of HUD, to the Hon. Bruce E. Mitchell, Judge of the Los Angeles County Superior Court, *reproduced in* Paul Barron & Michael A. Berenson, Federal Regulation of Real Estate and Mortgage Lending, (Fourth Ed.) at App. 2-46. The letter also discusses HUD's view that mark-ups not justified by services rendered are a violation of RESPA §8(b).

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



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President's Postcard

by R.K. Arnold

We now have more than 2 million loans registered on the MERS® System, and we're averaging more than 4,000 daily. Our registration volume has doubled in the past nine months.

In business, the numbers tell the story, and our numbers show MERS is quickly becoming a mortgage industry standard. We want to thank our customers who had the vision to realize how MERS can change the way they do business forever.

We also thank the sponsors of our MERS Fall User Conference —First American Family of Companies, Fleet Mortgage, Household Financial Services, MortgageServ, and Profile Business Systems. It was a great conference attended by more than 186 mortgage industry professionals to teach and learn about MERS.

We'll continue to listen to your comments and suggestions. Our partnerships have proven to be important for improving the MERS® System. We'll also continue refining the integration process and increasing our market penetration based on what you want.

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

Communications Manager
Cecil Stack cecils@mersinc.org

2 Million Loan Registrations is History

The MERS team celebrates more than 2 million loan registrations on the MERS® System with a group photo. MERS surpassed the mark on Sept. 21.

MERS Conference Lends Helping Hand

The MERS Fall 2000 User Conference purpose was simple: It's a unique environment where attendees help each other become MERS® Ready. The two-day conference was attended by 186 industry professionals.

The learning began with guest speaker Bill McLean, Fleet Mortgage. McLean highlighted tips that proved successful for Fleet's MERS integration. He also discussed the three challenges most companies face — resources, system constraints, and vendor "buy in." McLean, assistant vice president of Correspondent Lending, stressed the importance of working through those issues to eliminate the paper.

The attendees, who represented investors, lenders, vendors, and MERS members and prospective members, exchanged information and ideas at 18 sessions. The topics ranged from MERS® System Enhancements to Warehouse Lending, Securitization, and how MERS affects the process. The sessions also included user group meetings with Alltel, MortgageServ, and Eastern Empower.

"The classes and information exchanges were helpful," said Sally Vail, Irwin Mortgage. "Before it was 'how do we do this?' Now, it's 'this is how we do it.'" Vail was attending her second MERS User Conference.

The conference reinforces the commitment MERS is making to eliminate paper assignments.

Cherry Peters, SunTrust Mortgage, said the session exchanges gave her more insight as to how to achieve a smooth and successful MERS implementation. Peters, who is the MERS project manager, said the conference reinforces the commitment MERS is making to eliminate paper assignments in the mortgage industry.

Fleet Mortgage, First American Family of Companies, Household Financial Services, MortgageServ, and Profile Business Systems were conference sponsors. The next MERS User Conference is scheduled for March 19-20.

Enhancements Keep MERS Ready and Online

by Dan McLaughlin

MERS and EDS continue to improve the MERS® System and MERS® OnLine, the browser-based interface for the MERS® System, with the release of several enhancements and updates.

MERS® System Release 2.0 improvements, scheduled to take effect on Nov. 13, include "My MERS," the capability for members to customize their trading partner lists, a consolidated report data file, and several enhancements to make system reports easier to use.

Member companies that transmit files through X12/EDI format will not be impacted. However, Release 2.0 may affect organizations that use flat file formats to send information to MERS, and organizations that download MERS text files into their reporting systems for reformatting and dissemination.

For a detailed overview, download the "MERS® System Release 2.0 External System Impact Analysis" from the MERS Web site, www.mersinc.org.

Our goal is to make the system more user friendly and be responsive to our members' needs. Although the improvement process is continuous, we meet formally twice a year to discuss enhancements and set priorities via a MERS Development Steering Committee.

For questions or more information about Release 2.0, please call Jeff Purvis, 1-800-646-MERS (6377).

Recently, enhancements were added to MERS® OnLine, which is accessed through the MERS corporate Web site.

MERS® OnLine is compatible with Netscape Navigator 4.0+ or Microsoft Internet Explorer 4.0+, however Explorer 5.0 is recommended for optimum performance.

Product Performance Manager Melva Moore worked with Jon Rockwood and Cindy Arnold of PineState Mortgage, Atlanta, GA, and MERS® OnLine designer Rodney Mason of EDS to ensure the MERS® OnLine enhancements were ready to go. This teamwork between MERS members, EDS, and MERS staff members continues to make MERS successful and responsive.

For questions or more information about MERS® OnLine, please contact the MERS Help Desk, 1-800-680-6377, or visit the MERS Web site.

Straight Talk

How are title policies issue when MERS is the original mortgagee? There are four options for MERS members to use. The second option seems the most popular.

- Naming the Lender, its successors, and assigns as the insured.
- Naming the Lender, its successors, and assigns appearing of record as Mortgage Electronic Registration Systems, Inc. as the Insured.
- Naming Mortgage Electronic Registration Systems, Inc. as the beneficiary and the Lender as the beneficial lender as the Insured.
- Lender and/or Mortgage Electronic Registration Systems, Inc., solely as nominee for the Lender, its successors and assigns, as their interests may appear.

Advertise your MERS® Readiness

Advertising has come to the MERS Web site. MERS members can advertise their MERS® Ready products and services to other members via the MERS Web site and on MERS® OnLine, our browser-based interface to the MERS® System.

No other company in the mortgage industry has the potential for total market penetration like MERS. Our Web site averages 5,500 visitors daily and that number is growing.

The MERS Web site is available to anyone, anytime, looking for information about MERS or the mortgage industry. MERS® OnLine is for active members registering loans, updating information, or retrieving reports. MERS® OnLine has become the preferred method to register loans by MERS® Lite members.

For more information contact Cecil Stack, 1-800-646-MERS (6377), or e-mail cecils@mersinc.org.

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February 25 - March 2, 2001

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To request a descriptive brochure, please fax your name
and mailing address to the Land Title Institute.

Fax # 202-223-5843. Or call 202-331-7431.

Great reinforcement of management skills. This is the course work you will remember and apply daily!

Make plans now to attend the American Land Title Association's Tech Forum 2001

Since its debut in 1998, ALTA's Tech Forum has become the leading technology event for the settlement services industry. Each year the show has grown in popularity and attendance — attracting new and exciting technology exhibitors and key industry decision-makers, and providing cutting-edge informational and educational sessions.

ALTA's Tech Forums have always been the place to learn about what's new in the industry, meet the people who are developing the latest products, and make purchasing decisions. Now, Tech Forum 2001 goes further by expanding programming tracks to include Managment and Marketing, Operations, the Future (21st Century Title) and, for the professional who already knows the basics, an Advanced Technology Boot Camp.

Disney's Contemporary Resort is the location for Tech Forum 2001. Call 407-824-3869 before January 2 to make your reservations. Mention ALTA for the special room rate of $189 single/double, plus tax. Call **Delta Airlines** at 800-241-6760 to make your flight reservations. Reference File #168524A for discount airfares.

Register now and take advantage of early registration discounts!

SCHEDULE AT A GLANCE

Sunday, February 4, 2001

4:30 - 6:00 p.m.	General Session
6:00 - 8:00 p.m.	Kick-Off Reception & Expo Premiere
6:00 - 8:00 p.m.	Exhibits Open

Monday, February 5, 2001

8:00 a.m. - 5:30 p.m.	Exhibits Open in the Expo Hall
8:00 - 10:00 a.m.	Continental Breakfast in the Expo Hall
8:30 - 10:00 a.m.	General Session
10:15 - 11:15 a.m.	Educational Sessions
11:30 a.m. - 12:30 p.m.	Educational Sessions
12:30 - 2:00 p.m.	Lunch & General Session
2:15 - 3:15 p.m.	Vendor Sessions
3:30 - 4:30 p.m.	Vendor Sessions
4:30 - 5:30 p.m.	Happy Hour Reception in the Expo Hall

Tuesday, February 6, 2001

8:00 a.m. - Noon	Exhibits Open in the Expo Hall
8:00 - 9:30 a.m.	Continental Breakfast in the Expo Hall
8:30 - 9:30 a.m.	Educational Sessions
9:45 - 10:45 a.m.	Educational Sessions
11:00 a.m. - Noon	Educational Sessions
Noon - 1:30 p.m.	Closing Luncheon & General Session

GENERAL SESSIONS — HIGHLIGHTS

Sunday, February 4, 2001

4:30 - 6:00 p.m.

Techno-Life in the 21st Century

A leading futurist and expert in technology and lifestyles will educate and enlighten you about the future of personal technologies. Wireless connectivity and wearable computers are here today. How can you use technology to make your life easier and your relationships more fulfilling? Is it possible to integrate technology into your personal life as a valuable tool and not lose your human identity? Join us to learn about technology's increasing ability to improve your life and help you accomplish what is most meaningful to you.

Monday, February 5, 2001

8:30 - 10:00 a.m.

Strategies of the Title Industry Leaders

Join our industry moderator for a candid Q&A with the CEOs of the national Title Insurance Underwriters. This ever-popular panel is the best place to gauge the future of settlement service products and services. You'll hear from the industry leaders and learn to translate their strategies into prospects and plans for the success of your company.

Monday, February 5, 2001

12:30 - 2:00 p.m.

Time Management in the Technology Age

Enjoy lunch and learning simultaneously — you're already a time management expert! Our speaker will inspire you with ideas and methods for managing your time and creating successful relationships based on determining your goals, setting priorities accordingly, and using today's technology to keep you on track to achieve personal and professional success.

Tuesday, February 6, 2001

Noon - 1:30 p.m.

Secondary Market Leaders Speak Out

Representatives from Fannie Mae and Freddie Mac join Tech Forum participants for an important give-and-take session to discuss what's right about the mortgage finance process today and what the future holds. Incredible milestones have been reached since Tech Forum 2000 and you won't want to miss this dynamic discussion of digital initiatives, Internet e-commerce, and paperless projects across the country. You will leave with a concrete vision of the future for the industry and your company.

Note: This Preliminary Program may change as the needs of the industry change, up to the dates of the presentation.

EDUCATIONAL SESSIONS — TRACKS

Management

E-Mail Policies
How do companies establish rules for employee e-mail, especially internal e-mail? Are there legal pitfalls? Sample policies will be provided.

Internal Technology Policies
Should you have policies regarding the selection, use, and (especially) personal use of your office technology? Sample policies will be provided.

Firewall Protection
How can today's hardware and software choices provide you with a tamper-proof network, especially one that is connected to the Internet? Learn about discouraging hackers and the latest in virus protection.

Technology Solutions: General Management, HR, Payroll, Customer Service
Title-specific software is just the beginning. Learn about solutions for every aspect of your operation.

Total Cost of Ownership: Fat v. Thin
How can you make the case for a thin client solution? Learn about the cost analysis factors that can lead you to the most economical and effective choice for your operation.

Operations

Voice-Over IP
Telephone calls over the Internet? Is this long distance bargain reliable enough for your business needs? Join our panel and see how it's being done.

Managing Communication Costs & Administration
Long distance calls costing you big bucks? Learn how to manage communication resources in your operation for less expensive and more effective customer service.

Ancillary Bundled Services
Still outsourcing those ancillary services? Learn how other title professionals are bringing it all in-house and making customers happy.

Wireless Connectivity
What will the wireless world mean to your operation? Complete freedom to work anywhere? Learn the benefits and pitfalls of taking your company wireless.

Hiring & Retaining Technology Staff
Does Generation X hold the key to productivity and customer service? If employees in this demographic are designing and supporting your computer systems, you must learn how to attract and keep them.

21st Century Title

Digital Documents
Digital signatures are legal. You're ready to start producing digital documents. What tools will you need? Is your county recorder ready? How will UETA affect the process? Explore your options during this interactive session.

County Recorders
The County Recorders are back! This popular and frank group never fails to spark lively and informative dialog. Learn what's on their digital agenda.

Digital Signatures & E-cording
Join our panel for a survey of current paperless transaction projects across the country.

Electronic Document Repositories
Few decisions are more important to you than secure and permanent document storage. Which formats for electronic document storage are legal, reliable, and affordable? Come hear what the experts have to say.

Create An Internet Community
Learn how to establish a Web-based community that empowers customers, colleagues, and consumers. Create an environment with personalized services such as ordering, status checking, and retrieving educational information.

Marketing

Web Page Development
Join our instructor for a quick overview and demonstration of the most common and accessible Web site development tools available. FrontPage will be featured.

Where to Spend Internet Marketing Dollars
"There's money to be made on the Internet — let's get some!" If these are familiar words, you'll want to learn how to get the most bang for your budget.

Virtual Relationships with Customers
In a reprise of one of last year's most popular sessions, we will explore the numerous online opportunities to make or break relationships with your customers — and attract new customers, too.

E-Tools for Marketing & Sales
Join us for a survey of the online tools available for marketing and sales over the Internet. Is there more to e-marketing than broadcast e-mail? You bet there is!

Consumer-Direct Marketing
Selling the value of title insurance to the home buyer has never been a bigger challenge. Come see how you can use today's marketing tools to educate the home buying public.

Advanced Tech Boot Camp

XML in Action
What's happening with XML? Who's using it and how? Join our expert for an overview of current industry applications of XML.

XML Tools
Just like EDI, there are software tools designed specifically for XML. Which ones are right for your needs?

Survey of Operating Systems
Windows and Unix and Linux, oh my! Explore the pros and cons of the various network and desktop operating systems available today.

Bring on the Bandwidth
This annual topic explores the latest in wired connectivity to enable your company to connect and succeed. Join your fellow professionals for this year's update.

ASP Architecture & Terminal Server® vs. MetaFrame 1.8®
Let's get down to nuts and bolts. What does MetaFrame 1.8 add to Terminal Server? Which solution is right for you? Find out how these products enhance your Application Service Provider functionality.

American Land Title Association's

Tech Forum 2001

Registration Form

Registration includes: Educational Sessions, Expo Sessions, Expo Hall Functions, Opening Reception, Expo Hall Happy Hour, and continental breakfast and lunch on Monday and Tuesday.

Important: Please read carefully

1. Full payment for ALTA's Tech Forum 2001 must accompany this form.

2. Your fully-paid registration must be received by January 14, 2001, to qualify for discounted registration fees.

3. Refunds & Cancellations: Refund requests received in writing by January 22, 2001, will receive a full refund, less a $50 processing fee. No refunds will be made after January 23, 2001. Substitutions, however, will be permitted.

Questions?

Call 1-800-787-ALTA for prompt assistance!

Mail

Return this form with payment to:

ALTA Registrations
1828 L Street, NW
Suite 705
Washington, DC 20036

Fax

Fax this form to ALTA (toll-free) with credit card payment:

1-888-FAX-ALTA or
202-233-5843

Online

Register online at:
www.alta.org

1. Primary Registrant (please print or attach business card)

First Name | MI | Last Name | Badge Name

Company

Address

City | State | Zip Code

Phone | Fax | Email

Additional Attendees from Office: 10% Discount! Save money by registering up to three extra individuals from the same office. Each additional attendee will receive a 10 percent discount on registration fees. Additional attendees must be registered at the same time to receive the discount.

Additional Attendee 1 | Additional Attendee 2 | Additional Attendee 3

2. Registration Type

Check registration type and enter the amount in Payment Options Section.

	By 1/14/01	After 1/14/01
ALTA Active/Associate Member	❑ $445	❑ $495
Non-Member	❑ $545	❑ $595
Additional Attendee Member	❑ $400	❑ $445
Additional Attendee Non-Member	❑ $490	❑ $535

3. Optional Tickets

Check option and enter the amount in Payment Options Section.

- ❑ Extra Opening Reception Ticket $50
- ❑ Extra Happy Hour Reception Ticket . . . $35

AMERICAN LAND TITLE ASSOCIATION

4. Payment Options

Total Registration Fees (Section 2): _____

Total Optional Tickets (Section 3): _____

Total Enclosed: _____

Payment Method:

❑ Check ❑ American Express
❑ VISA ❑ MasterCard

Printed Name of Cardholder

Card Number | Exp. Date

Signature

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

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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 currrently 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 issured from) _____

member news

movers & shakers

California

First American Title Insurance Company, has named **Gary Gadeke** as a regional vice president at the Kern County office. Previously, Gadeke was Kern County manager. **Robert W. Duff** has joined Fidelity National Financial, Inc. Duff a title industry specialist, has joined its National Builder Developer Services Division.

Florida

Lennar Title Services, Inc., has named **Richard K. Kasunick** as director of information services. He will work out of the Eastlake, OH, offices. Lennar Title Services includes: North American Title Company, Southwest Land Title Company, Regency Title Company, Universal Title Insurors, and TitleAmerica Insurance Corporation.

Texas

Mike Davis has been named president of Landata Systems, Inc., a subsidiary of Stewart Information Services Corporation. Most recently, Davis served as technical services director.

Mergers & Acquisitions

First American Title Insurance Company, Santa Ana, CA, has acquired Hawkins Title Company in Joplin, MO.

kudos

Ticor Title Wins Vendor Award

Ticor Title Insurance Company, Indianapolis, IN, was named winner of the Vendor Signature Award for the Midwest Region as Best Closing Agent at the recent Fannie Mae National Vendor Conference. Fannie Mae s National Property Disposition Center holds an annual conference recognizing every vendor who plays a role in the sale of a Fannie Mae owned home. Details: Donald Monahan, (317) 267-3555.

Landata Systems Wins Three Marketing Awards

Landata Systems, Inc., Houston, TX, has received three Silver Quill Awards from the International Association of Business Communicators. The Silver Quill Awards recognize marketing pieces and campaigns that demonstrate quality and innovation. Landata s new Trust Your Instincts Jungle Brochure won the highest honor, the Award of Excellence, in the One-Time Publication Design category, and an Award of Merit in the Multi-Page Publication category. The corresponding Trust Your Instincts Jungle Ad won the Award of Excellence in the category of Print Excellence. Details: Julie Emshoff, (713) 871-9222

new ALTA members

Active Members

Connecticut
Nancy Eldridge, Winsted

Georgia
William T. Hitz, Lawrenceville
Legacy Title of Georgia, Kennesaw
Mortgage Assurance, Inc., Atlanta

Idaho
TitleOne Corporation, Boise

Indiana
Heritage Title Company, Inc., Elkhart
Metz Title Company, Inc.,Wabash

Title News Advertisers

kudos (cont'd.)

Richard Angelo Honored for Distinguished Service

The Pennsylvania Land Title Association has awarded **Richard Angelo**, state counsel for First American Title Insurance Company in Valley Forge, PA, with the James G. Schmidt Distinguished Service Award. The award, named for a past PLTA president, is the highest honor given by the association and recognizes outstanding services to the land title industry. A past president of PLTA, Angelo has been involved with PLTA for many years, and was one of the first to earn the designation of Certified Land Title Professional. Details: Chris Reynolds, (610) 566-1960.

Keith Weller Receives Service Award

Keith Weller, Esq, regional counsel for Fidelity National Title Insurance Company in Blue Bell, PA, has received the Albert E. Pentecost Service Award from the Pennsylvania Land Title Association. The award, named for a past president and executive vice president of PLTA, recognizes Weller's vital contributions to the association. Details: Chris Reynolds, (610) 566-1960.

Six Title Professionals Earn Designations

At the recent annual convention of the Pennsylvania Land Title Association, four title professionals received their Certified Land Title Professional (CLTP) designation, and two received their Associate Land Title Professional (ALTP) designation. In the photo (below) are from left to right: **Scott Froggatt**, ALTP, vice president of Robert Chalphin Associates in Southhampton; **Craig Roberts**, CLTP, president of Fidelity Home Abstract in Stroudsburg; **Barbara Milnarcik**, CLTP, vice president and agency manager for Commonwealth Land Title Insurance Company in Pittsburgh; **Patricia Schell**, CLTP, regional manager at ABCO-Abstracting Company of York County; Charlene Ostroski, ALTP, Heritage Land Transfer, Westchester; and **Paul Trefz**, CLTP, vice president and senior underwriter at First American Title Company in Valley Forge.

The CLTP designation is the highest distinction and ALTP the second highest available to professionals working in the land title insurance industry in Pennsylvania. Details: Chris Reynolds, (610) 566-1960.

new ALTA members

Missouri
Wright County Title Company, Mtn. Grove

New Jersey
CB Title Group, LLC, West Orange
Tri County Lawyers Service, Somerville

New York
Charter Land Title Agency, Inc., South Huntington
Contemporary Realty Solutions, Inc., Smithtown
National Land Tenure Company, LLC, Garden City

Ohio
Kaspar & Associates, Inc., Medina
Midwest Title Agency, Powell
TitleLink LLC, Rocky River

Oregon
Commercial Title Co., Roseburg

Texas
Ameristar Information Network Inc., Dallas

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, DC 20036.

SAMPLE: HELP WANTED
Lead Abstractor wanted for three-county Kansas operation, Must be licensed or comparably qualified. Send resume, particulars, to PO 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.

new ALTA members

Utah
Utah Commonwealth Title Company, L.C., Salt Lake City

Virginia
Stonewall Title & Escrow, Inc., Manassas

Associate Members
California
Granite Software, Inc., Los Angeles

Colorado
Lowe, Fell and Skogg, LLC, Denver

Florida
Arion Zoe Corp., Tampa
TitleSoft, Inc., Winter Park

Georgia
CFS Title Services, Inc., Decatur

Missouri
Home Focus Services, LLC, St. Louis

Ohio
Robert S. Ohly, Esq., Middlefield

Texas
Expeditrix Corporation, Austin

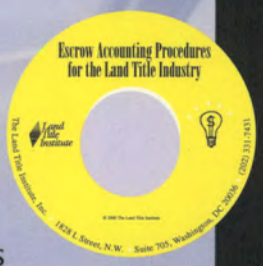
Washington
Reconveyance Services Inc., Vancouver

Wisconsin
Virtual Desktop, Inc., Waukesha

Introducing a New Employee Training Tool

Now available – a "**how** and **why**" program on the proper handling of escrow funds! This self-study, CD-ROM specializing in recommended, precise escrow accounting procedures is produced by the Land Title Institute. It is a **must have** for every closing and escrow office.

The CD-ROM examines the role and responsibilities of the escrow closer and presents a model system of good managerial practices designed to minimize risk in handling escrows. In a very short time the viewer will learn:



- how and why to segregate escrow duties
- how and why to reconcile accounts
- how and why to control procedures for receipts, disbursements and escrow investments
- how and why to protect your company, your employees, and your customers by implementing sound business and accounting practices

The kit includes:

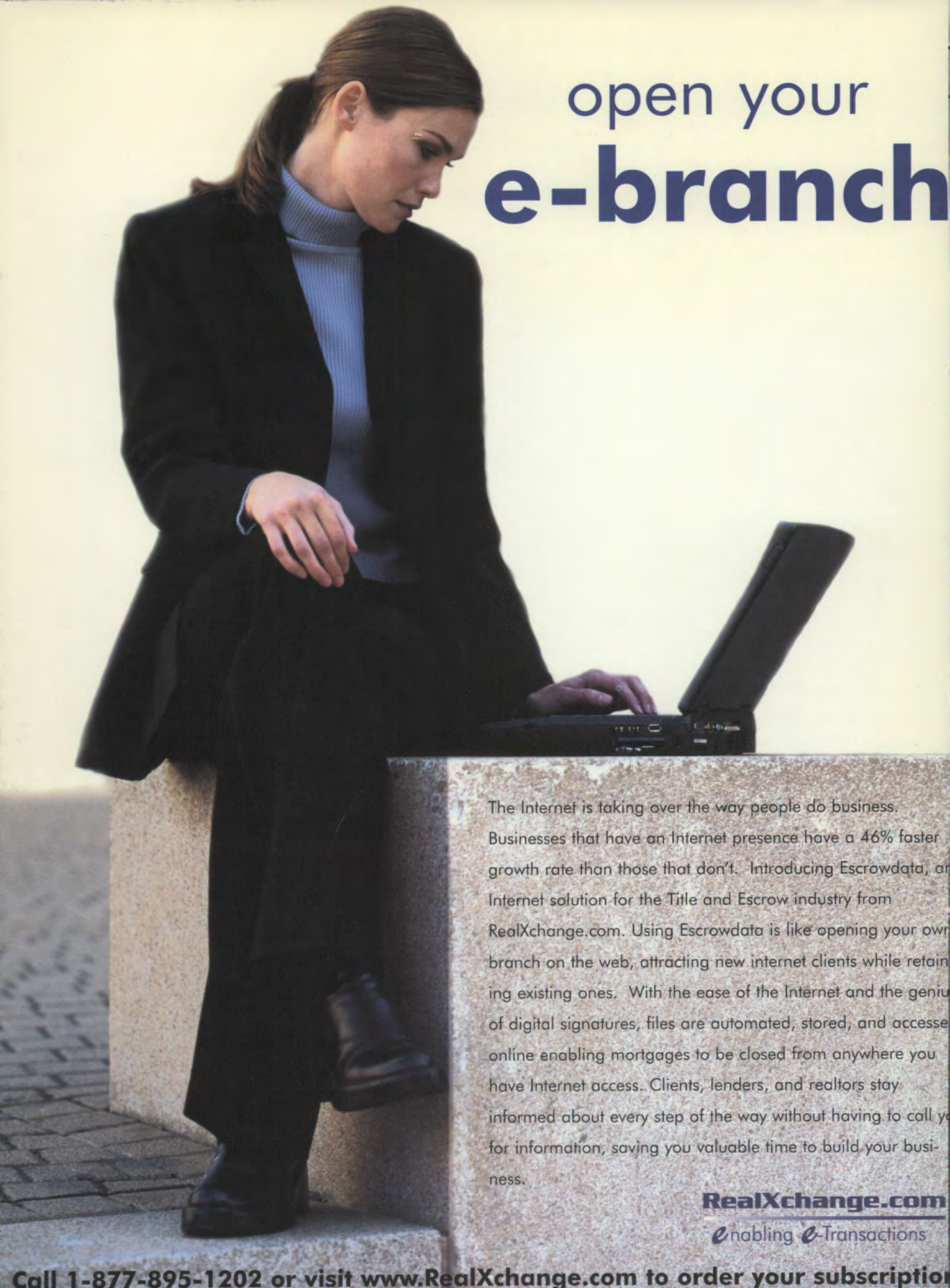
- Interactive CD-ROM tutorial with self tests to reinforce lessons learned
- Sixty-seven page reference guide complete with useful checklists and a glossary
- American Land Title Association's 2000 Escrow Internal Control Guidelines for Title Insurance Companies, Agencies and Approved Attorneys.

It is the best organized, most useful collection of escrow accounting procedures ever assembled, and it is available at an affordable cost right now! To request an order form, call LTI at **202-331-7431** or download the secure order form from the Internet at **www.alta.org**; click on "Education"; then "Land Title Institute"; and then "LTI Videos & CD-ROM."

Escrow Accounting Procedures for the Land Title Industry

Quantity	Members	Non-Members
1-10	$ 99.00 each	$ 149.00 each
11 -25	$ 79.00 each	$ 129.00 each
26 or more	$ 69.00 each	$ 119.00 each

Recommended System Configuration: Windows® platform; 8x CD-ROM drive; Sound card for audio; 16-bit color for the monitor; Screen area 800 by 600 pixels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