

March/April 2001

# Title NEWS

Official Publication of the American Land Title Association

## ALTA Works for You at the Federal Level

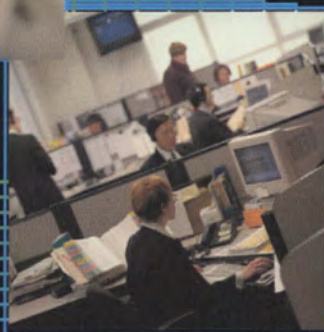
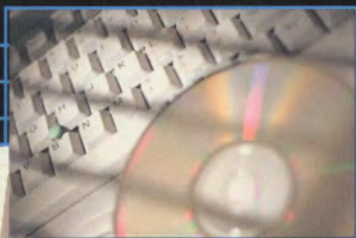
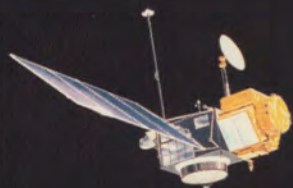
### PLUS

- Should We Market Directly to Consumers?
- Making Home Closings Smarter
- The Title Agent's Role in Outsourced Services
- Distance Education: The Title Industry's Future?
- ALTA Survey Reveals Value of Title Insurance
- Federal Conference Schedule

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# Leading edge

A Message from the  
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## Title NEWS

Publisher: James R. Maher  
Editor: Lorri Lee Ragan, APR  
Layout/Production Manager: Christina Rizzoni  
©2000 American Land Title Association

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

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

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

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## Opening ALTA's Doors

*"It's not the strongest who survive, neither is it the most intelligent, but rather those who are the most responsive and adaptable to change."* Charles Darwin

It's interesting how profoundly this quote characterizes the title industry. In the midst of unprecedented change, it is clear only companies that adapt to the new economy and its business realities will survive.

As the organization representing our industry, ALTA should be on the cutting edge of change. One of the most critical issues facing our tradition-bound industry is finding ways to reach out to the new faces in our business and provide representation and support for our common benefit. The Board of Governors has recognized this goal in the Vision Statement of the newly adopted Strategic Plan: "ALTA will serve all providers supporting the real property transaction, focus on their common issues and prepare them to be successful in a changing marketplace." (For the full strategic plan, see the January/February issue of *Title News*.)

### Education is Key

To accomplish this goal, the Board has designated education as the most important factor in the Plan. ALTA will expand our educational programs to lenders, builders, Realtors, and ancillary service providers. Educating our partners about the value of title insurance is critical to our collective futures. One of our first initiatives will be to work with the Mortgage Bankers Association to incorporate a "title component" into their week-long Mortgage Banking School. Pending the success of this initiative, ALTA will work with the mortgage brokers, Realtors, and other industry groups to add title components to their continuing education programs. Additionally, over the next three years, ALTA will launch a public relations campaign aimed at these audiences.

### Utilizing Market Research

To maximize our efforts, ALTA will conduct an industry market research survey this year to identify new audiences and to learn more about our existing membership. ALTA will also develop alternative educational offerings, such as Web-based distance learning, CD-ROM courses, and Web-based forums, to reach our new audiences.

Opening our doors to nontraditional title professionals and expanding our educational offerings are only a beginning. If we have learned anything, it is that change is a constant. As a member of the ALTA Board, I look forward to the challenges set forth in our Strategic Plan and to the opportunity to lead the association and its members into the future.

Frank P. Willey



## ALTA President-Elect Appointed to Fannie Mae Advisory Council



Frank P. Willey, vice chairman of Fidelity National Financial, Inc., and president-elect of ALTA, will join a group of influential leaders in housing and finance on the Fannie Mae Advisory Council.

The Advisory Council, that includes the CEOs of mortgage firms, financial institutions, government officials and consumer interests, is a unique forum in which leaders from every segment of the industry come together to address housing issues and to advise Fannie Mae.

## ALTA/A.M. Best Study Released



For the third year, ALTA and A.M. Best collaborated on the report, "Title Insurance and Industry Statistics" released in December 2000. The study outlines the history of title insurance, the economic growth in 1999, and examines title industry

attributes, economic results and issues, regulatory environment, business risks and unique challenges the industry faces in the rapidly changing real estate and insurance markets. A complimentary copy was mailed to all ALTA members. To order additional copies, visit the ALTA Store on the newly redesigned Web site at [www.alta.org](http://www.alta.org) or call 1-800-787-ALTA.

## Directory Listing Cards in the Mail

By now, you should have received a Directory Listing Card in the mail from ALTA. These "cards" indicate the information that we have on your company in the ALTA database, and the information that will be printed in the next membership directory. When you receive the card, please take a moment to ensure that the information is correct, and let ALTA know of any change as soon as possible.

# calendar

### ALTA Coming Events

**April  
22-24**  
2001 ALTA Federal Conference  
Washington, D.C.

**28- May 1**  
Spring Title Counsel Meeting  
Williamsburg, VA

**May  
5-8**  
Internal Auditors Meeting  
Key West FL

**16**  
ALTA Board Meeting  
Colorado Springs, CO

**June  
24-26**  
Systems Committee Meeting  
Sheraton, Boston, MA

**July  
22-26**  
Marketing Seminar  
Las Vegas, NV

**August  
19-21**  
Reinsurance Committee  
Meeting  
North Falmouth, MA

**27**  
Research Committee Meeting  
Annapolis, MD

**October  
10-13**  
ALTA Annual Convention  
Palm Desert, CA

**November  
19**  
TRC Board Meeting  
San Francisco, CA

### Affiliated Association Conventions

**February  
15-17** Alaska

**April  
4-6** Tennessee

**May  
3-6** Palmetto

**4-6** Oklahoma

**6-8** Iowa

**9-11** California

**10-12** New Mexico

**June  
3-5** New Jersey

**3-5** Pennsylvania

**3-5** Virginia

**7-8** South Dakota

**7-9** Texas

**21-23** Arkansas

**21-24** New England

**24-26** Oregon

**July  
13-14** Illinois

**19-21** Utah

**21-24** Michigan

**August  
2-4** Kansas

**2-5** Montana

**9-11** North Carolina

**10-12** Minnesota

**15-18** Idaho

**19-22** New York



## New ALTA Member Benefit Attracts 581 Subscribers

**MERS**® ALTA members are now able to access the MERS, database for an annual fee of \$35, a special ALTA member price. Almost 600 members have signed up to be able to determine the correct current servicer of any loan on the MERS system, and access those servicers' Web sites right from the record. MERS has approximately 3 million mortgages registered and is adding more than 6,000 loans daily.

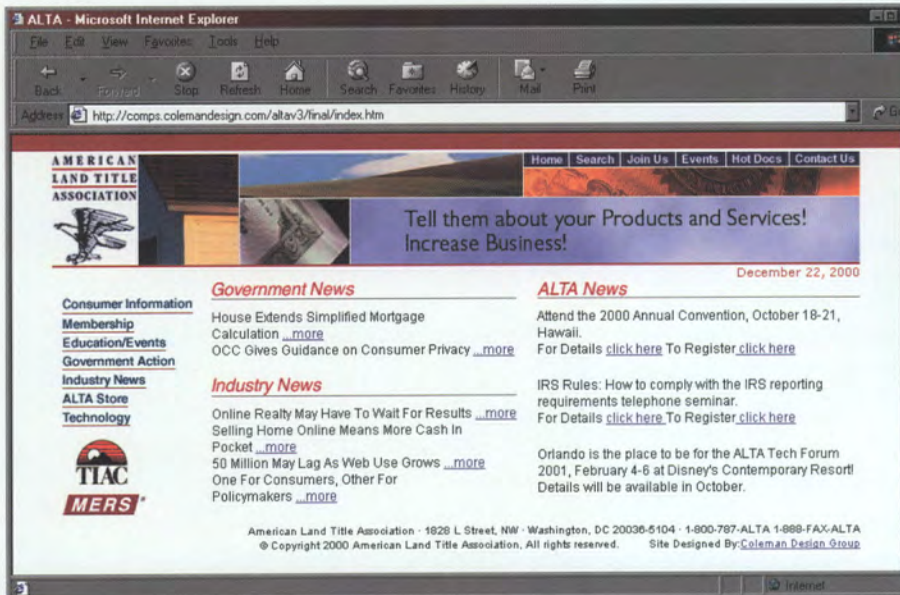
To learn more about MERS, click on the MERS logo on the ALTA home page at [www.alta.org](http://www.alta.org).

## "Privacy Matters" is the Topic for Next Telephone Seminar

ALTA's next telephone seminar, March 21, 2001 from 3:00 - 5:00 p.m. EST., is on the hot topic of consumer privacy. Consumers have become more concerned about companies selling their personal information, and the government is requiring that companies allow them to control use of that information. Review the Federal requirements on title agencies and companies under the Gramm-Leach-Bliley Act. Learn what you need to look for in your company's practices and what you need to tell customers. Look at model legislation to be used by state legislatures this year. To register, call ALTA at 1-800-787-ALTA.

## ALTA Debuts New Look and Navigation for Web Site

In case you have not seen it yet, the ALTA Web site has been redesigned. The new look debuted February 1. The main difference is that information is easier to find on the new site. Frequently requested documents, such as the ALTA/ACSM Land Standards, can now be accessed directly from the home page under the button, "Hot Docs." And the Events Calendar is now in actual calendar format, rather than a straight listing. You can click on any date or event and find out the location and contact name and phone number for that event. As always, the news on the home page is changed almost daily, so be sure to look there for industry news! We invite you to visit [www.alta.org](http://www.alta.org) and let us know your feedback!



## Affiliated Association Conventions, cont.

### September


- 6-8 Dixie
- 6-8 Wyoming
- 6-9 Washington
- 9-11 Ohio
- 12-14 Nebraska
- 12-15 Colorado
- 13-15 North Dakota
- 14-16 Wisconsin
- 21-23 Missouri
- TBD Nevada
- TBD Indiana
- TBD Maryland

### November

- 7-10 Arizona
- 7-10 Florida

### December

- 6-7 Louisiana



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# Highlights from the ALTA 2001 Tech Forum



Attendees heard a panel of title industry leaders discuss what strategies they are using to succeed in this new century. Pictured here are from left to right: Gary Kermott, First American Title Insurance Company; Jan Alpert, LandAmerica Financial Group; and Stewart Morris, Jr., Stewart Title. Also participating were: Pat Stone, Fidelity National Financial; and Rande Yeager, Old Republic Title Insurance Co.

Fidelity said it will continue to outsource its IT functions to Micro General (MGEN - NASDAQ), a controlled subsidiary that is developing an ASP solution and data interface engine for Fidelity offices and agents. It is anticipated that the project will be completed over the next 24 months at a cost of \$60 million.

First American said a company's technology strategy needed to complement the business plan/strategy, and that underwriters will compete for agents using technology. It's goals are to lower product and improve margins; improve turnaround time and provide better service for customers; and further developing e-commerce.

LandAmerica plans to provide internet order placement, status and product delivery to customers and agents over an ASP (application service provider). Stewart's goals are to improve the delivery of technology available to their agent network; provide workflow and evaluation of technology through regional staff; reduce re-keying, paper and turnaround time through the use of integrated systems; and to provide alternative solutions to e-commerce such as EDI, and RealEC. Old Republic will build upon successful production and plant systems enabling staff to satisfy customer needs for immediate turnaround; refine capabilities to receive, process, retrieve and deliver title and escrow documents electronically, both internally and externally; and ensure secure transactions using digital signatures.

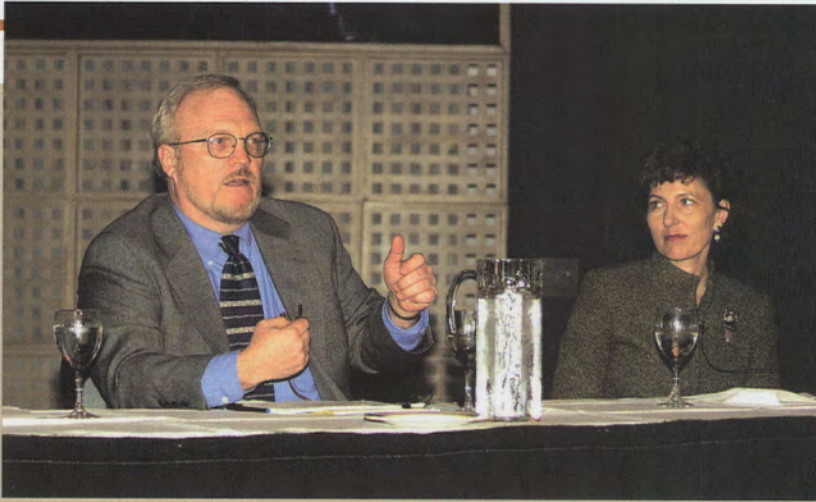


## Thank You Sponsors!

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Title Solutions





Michael Gordon (L), assistant general counsel in the Freddie Mac Legal Division, and Charlotte Haberaecker, vice president of e-commerce for Fannie Mae talked about the impact of digital signatures and the E-Sign legislation on the real estate industry, and the future of the e-mortgage process.



Whether it was one-on-one, or in a group, 'demonstration' was the key word at the 2001 ALTA Tech Forum. Exhibitors showcased products to the title industry attendees designed to make their jobs easier – everything from software, to mortgage origination products, Internet-based applications, and the new Application Service Provider concept. Over 35 companies exhibited at the Tech Forum, showing their products to hundreds of attendees.

## See You Next Year!

2002 Tech Forum  
February 17-19  
Fairmont Hotel  
New Orleans, LA

# ALTA Works for You at the Federal Level

by Ann vom Eigen

ALTA had several government affairs successes in 2000. Our operation has helped the industry's bottom line by limiting underwriting risk, and trying, to some extent, to direct the pace of major structural market change which can affect the industry's bottom lines.

ALTA dealt with a mix of issues at the Federal level: Predatory Lending; RESPA and TILA Reform; Consumer Privacy; Electronic Signatures; Bankruptcy Reform; Reporting Requirements and the Home Owners Equity Protection Act.

This wide variety of issues affects underwriting, the structural marketplace in which the industry operates, and the means through which we deliver our services. Here is a brief look at some of the successes of this past year.

## Reducing Government's Burden on Business

Over the years, ALTA has sought to minimize the administrative burden involved in needless information reporting, and our efforts produced results in two areas last year.

ALTA filed comments and testified on proposed IRS regulations on gross payments to attorneys, suggesting critical modifications to the regulations.

Because concerns like ours were raised, implementation of the rule was delayed in December 2000. Consequently, compliance with the regulations proposed in 1999 would undoubtedly provide a safe harbor. However, title agents and underwriters can argue, if audited, that differences of opinion in reasonable interpretations of the statute continue to exist. Therefore, a disbursement from escrow for closing services is not reportable.

Also in 2000, the IRS gave the industry some positive news in releasing proposed regulations on the treatment of "middlemen." As the party responsible for disbursing checks at real estate closings, a title insurance agent or underwriter is technically a "middleman." The IRS included an example suggested several years ago by ALTA: when a settlement agent performs a real estate settlement, no reporting is required. Only when the settlement agent becomes actively involved in management does reporting become necessary.

## E-Signatures

The Federal law which will have perhaps the most dramatic structural change on the industry's service delivery system is the "The Electronic Signatures in Global and National Commerce Act." ALTA members actively lobbied this

legislation when they came into Washington for the Federal Conference in March, 2000.

The Electronic Signatures Act essentially preempts state laws to provide for the validity and enforceability of inter state contracts which use electronic signatures and "records." The legislation includes, as ALTA originally sought, provisions which specifically states that transferrable records "relate to a loan secured by real property" and covers insurance. In addition, the bill provides that notarization requirements are met if an electronic notarization, together with all other information required to be included by statute, regulation or rule of law, is attached to or "logically associated with the signature or record." This is also a provision which ALTA members originally lobbied. Title insurance agents are not liable for any deficiency in the electronic procedures if they are not negligent, were not engaged in the development or establishment of the electronic procedures, and did not deviate from the procedures.

Title insurance companies and agents may also take advantage of provisions in the Electronic Signatures Act which provide that effective March 1, 2001, state law requirements for records retention may be met through electronic

means.

Because of our assistance on this matter and our continuing relationship, Freddie Mac has been positive to the industry about title issues involved in electronic transactions. Freddie Mac's preliminary specifications for electronic transactions include a requirement to include title insurance as part of the electronic file. Further, concerns about consolidation of the preliminary notices given to consumers may also be addressed. We expect that Freddie Mac's outreach to the industry will continue to be a productive partnership on both a technological and legal level.

### Consumer Privacy

"Consumer privacy," or protection of consumer's personal information collected by banks and insurance companies, also became a Congressional concern. Congress included in the Gramm-Leach-Bliley Act requirements that businesses notify customers what they do with any personal information collected during their normal business process. This notification requirement is applicable to all "financial institutions," as they are defined under the act. In addition to the initial notice requirement, the law requires that consumers be given the ability to "opt-out" or direct that this information not be shared with third-parties.

All "non-bank" financial institutions, including title insurance underwriters and agents, fall under the auspices of the Federal Trade Commission (FTC).

ALTA had several successes in lobbying the FTC. As a result of a series of meetings with the ALTA

Government Affairs Committee, staff follow-up meetings, and comments submitted to the FTC, the FTC regulations specifically recognize that "customer relationships" with members of the real estate settlement services industry effectively terminate after the real estate settlement service has been completed. Thus, we are relieved of providing annual privacy notices to customers who hold our title insurance policies. Second, the definition of "nonpublic personal information" included in the FTC and Federal bank regulator regulations, exclude "publicly available information." The term "publicly available information" specifically covers real estate records. This definition should help to exempt many title insurers and agents from providing "opt-out" notices before they share information. Third, both the FTC and the financial institution regulations include several provisions that help minimize the burden on companies seeking to comply.

ALTA also successfully convinced the NAIC to include similar language in final NAIC Regulations adopted in September, 2000. The NAIC had been working on a Privacy of Consumer Financial and Health Information Regulation covering insurance companies and insurance agents. The final draft contained a provision specifically recognizing that a "customer relationship" with a member of a real estate settlement services industry effectively terminates after the settlement has been completed, and thus providers should be relieved of providing subsequent annual privacy notices.

### Title Underwriting Issues

Early in 2000, a title insurance underwriting concern that had unsettled the industry for many years was finalized. A multi-year effort to control the Supreme Court's strong law enforcement stance and protect individual



ALTA members from NY met with Rep. Rick Lazio (R-NY), chair of the Housing Subcommittee, during the 2000 ALTA Federal Conference.

property rights culminated in the enactment of the Civil Asset Forfeiture Reform Act of 2000. Title insurers benefit in three major ways. First, the new law limits the Federal Government's ability to seize real property which has been involved in the commission of crime. In addition, it establishes new procedural requirements for real property forfeitures. Third, it fosters legal certainty in real estate transactions by clarifying protections for persons owning real property through a statutory "innocent owner" defense.

ALTA's effort to overturn a 1996 Federal Court decision, *McConville*, stalled, because the bankruptcy bill in which it was



Rep. Mike Oxley (R-OH), current chair of the House Financial Services Committee, spoke during the 2000 ALTA Federal Conference.

contained, was vetoed by President Clinton. We are optimistic our amendments will be included by the new Congress. In *McConville*, the Ninth Circuit failed to apply section 549(c) of the Bankruptcy Code to allow perfection of a lender's lien after the borrower filed an undisclosed bankruptcy.

On the plus side, as *Title News* goes to press, the House Judiciary Committee has reported the 2001 version of bankruptcy reform and legislation has been introduced. The Senate bill also contains our *McConville* amendments.

### **Title Fees Excluded from Predatory Lending**

While state issues are traditionally managed by the state associations, ALTA has succeeded in limiting efforts to sweep us into the predatory lending problem at the Federal level. One effort, suggested by some interest groups and recommended by HUD and Treasury in the last Administration, is to include currently excluded points and fees (such as title

insurance) in the "trigger" calculation for determining whether or not a loan becomes a high cost loan. Under HOEPA (Home Owners Equity Protection Act), additional disclosures are required to be provided to consumers when a loan is deemed a "high cost" loan.

On December 19, 2000, the Federal Reserve Board issued proposed amendments to Regulation Z implementing HOEPA that maintained the current treatment of points and fees for title and closing services. This is a major victory for ALTA, given the pressure by the consumer groups and other trade associations, including RESPRO, to include points and fees in the HOEPA test.

### **TIPAC**

TIPAC, the Title Industry Political Action Committee, enhances our lobbying efforts in Washington and works to strengthen our industry and work place.

ALTA members raised \$89,492.50 for TIPAC in 2000. TIPAC spent \$137,531 toward congressional campaigns during the 2000 election cycle, dipping into a balance raised in prior years. Consequently, the industry was able to assist many incumbents who were friends of the industry and also support candidates who were seeking open seats. TIPAC supported 12 Senators and 76 Representatives. Overall, 92% of the members TIPAC supported won their races.

The passage of the Electronic Signatures Act is a strong example of how TIPAC facilitates and enables important dialogue to take place between ALTA's Government Affairs department and Congress.

In addition to ALTA's staff lobbying efforts, members participating in the Federal Conference in March lobbied to achieve inclusion in Federal legislation several provisions relating to transferrable records and notarization requirements. Rep. Jay Inslee (D-WA), a TIPAC recipient and a key House sponsor of the Consumer protection provisions of the bill, visited with the ALTA Finance and Planning Committee last summer to discuss the genesis of those consumer protection provisions. In the end, this piece of legislation will have a lasting effect on the way we conduct business.

Visits to corporate offices can also be an invaluable way to educate a member about an industry. This is particularly helpful for our industry, as we seek to change our image from an industry that has relied on paper records to one in which technology issues and investment has become a paramount concern. For example, ALTA helped facilitate a visit by former Governor, now U.S. Senator, George Allen to the LandAmerica office in Richmond.

### **Outlook for the New Congress and Administration**

The new Administration is just beginning to prioritize policy changes, and political appointments are being made. To date, President Bush's policy initiatives are focused on education and taxes. It is highly likely that enactment of a Bush tax bill, if it includes changes to the estate tax, and the income tax rate, will have a great effect on the title business.

However, increased enforcement or changes to the major Federal statute which affects our industry,

the Real Estate Settlement Procedures Act (RESPA), could also have a substantial effect. Secretary Mel Martinez, of the Department of Housing and Urban Development, which has enforcement and interpretive jurisdiction over RESPA, is just beginning to learn the department and the issues. A former litigator, and elected chief executive of Orange County, FL, his exposure to HUD programs was developed through his service on the Orlando Housing Authority from 1982-1986. ALTA, on the basis of the Government Affairs Committee research and recommendation, endorsed Mr. Martinez' nomination as Secretary of HUD.

Mr. Martinez has outlined his mission at HUD as "good, strong, management." He is developing his list of priorities on the basis of the General Accounting Office (GAO) recommendations. GAO, a Federal Congressional "watchdog" agency, performs both financial and management audits of Federal agencies, and has made many recommendations for management improvements. While Clinton Administration Secretary Andrew Cuomo developed a plan to hire 900 employees, including additional RESPA enforcement staff, Mr. Martinez is expected to freeze that initiative. Thus, for the moment, the future at HUD is uncertain.

The extended presidential election cycle, as well as the large number of contested races, delayed final organization of the House and Senate Committees.

Senator Phil Gramm (R-TX) will again be chairing the Senate Banking Committee, which has jurisdiction over RESPA. One issue on the Committee's agenda

with the most relevance to the title insurance industry, is the plan for the Government-sponsored enterprises, Fannie Mae and Freddie Mac. In recent years, both have been highly criticized in the business community for expanding their activities beyond their initial charter requirements into business activities which compete with private businesses that are already meeting market needs. Chairman Gramm indicated in his initial press statement that "while no legislation is currently planned, there will be a continuing need for oversight of the activities of the government sponsored enterprises."

In addition, Senator Wayne Allard (R-CO), Chair of the Housing Subcommittee has placed RESPA reform on his agenda, and specifically mentioned potential changes to mortgage disclosure during the confirmation hearings for Secretary Martinez.

In the House of Representatives, Chairman Mike Oxley (R-OH), a

H. Baker (R-LA), was the primary sponsor of HR 3703 the "Housing Finance Regulatory Improvement Act"—commonly referred to as the Government Sponsored Enterprise (GSE) Reform Bill—in the last Congress. He has a newly established Capital Markets, Insurance, and Government Sponsored Enterprises Subcommittee. Rep. Paul Kanjorski (D-PA), a constant title industry friend, will serve as ranking member.

The new Subcommittee on Financial Institutions and Consumer Credit will be chaired by Rep. Spencer Bachus (R-AL), the major sponsor of the title industry amendment in the Financial Services Modernization legislation. The Subcommittee has announced a comprehensive review of the implementation of the Gramm-Leach-Bliley Act. Also on the Subcommittee's agenda will be hearings on consumer financial privacy. Of key interest to the

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### **Legislation to allow banks to pay interest has broad Congressional support. If enacted this year, it is likely to have dramatic implications for the title insurance industry.**

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speaker at ALTA's 2000 Federal Conference, was handpicked to chair the newly established Committee on Financial Services. This new committee is the successor to the House Banking and Financial Services Committee, but has expanded jurisdiction, including securities and the exchanges, and, important to the title insurance industry – insurance.

The House Financial Services Committee also has several new Subcommittees. Chairman Richard

Subcommittee is Electronic Signatures Legislation, and whether the financial services industry is able to provide new services to consumers without the potentially anticompetitive obstacles of outdated statutes.

Also on the Subcommittee's agenda and one of the first issues to be considered by the Banking Committees in this Congressional session, will be the issue of allowing banks to offer interest on checking to small businesses. Legislation to

allow banks to pay interest has broad Congressional support, and almost passed in the last Congress. The bill provides that, effective three years from the date of enactment, banks will be allowed to pay interest on business checking accounts. If enacted this year, it is likely to have dramatic implications for the title insurance industry. It will affect current bank and title agency escrow relationships, since it would lift the current prohibition against banks paying interest on escrow funds.

The Housing Subcommittee will be Chaired by Rep. Marge Roukema (R-NJ), with Mark Green (R-WI) as Vice-Chair, and Rep. Barney Frank (D-MA) as the ranking Democratic member.

Sensitive to Secretary Martinez' priorities on management of HUD, the Subcommittee plans include conducting a comprehensive review of the management reform initiatives implemented at HUD in the past five years, and possible hearings on comprehensive mortgage finance reform to address the evolution of mortgage finance for the 21st century. Their plans note that "outdated statutes" such as RESPA and TILA should be reexamined.

Also on the Congressional and regulatory agenda will be a review of the Federal Reserve Board's proposed rule to allow financial holding companies to engage in real estate brokerage and management activities. As this has

become a dramatically controversial proposal as it will further increase consolidation of service providers, the Federal Reserve Board has extended the normal rule comment period to May 1, 2001.

So for now, 2001 promises to be another interesting year for the title industry. Look for further updates on ALTA legislative and regulatory issues in the Government & Agency News section of Title News. For more in depth information on ALTA issues, visit [www.alta.org](http://www.alta.org) and click on "Government Action."

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Ann vom Eigen is legislative/regulatory counsel for ALTA. She can be reached at 1-800-787-2582 or [annvomeigen@alta.org](mailto:annvomeigen@alta.org).



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# Should We Market Directly to Consumers?

by Dan Miller

**N**No matter how exciting and interesting, it is almost impossible to market title insurance and closing products directly to the consumer and stay alive. Impossible, that is, unless you are really creative, willing to take chances, and a tad bit insane. To get a real sense of the difficulties and possibilities, let's examine some great ideas which haven't worked and then a few that just might.

## **Great Idea—So where is everybody?**

### **Idea #1**

*Title insurance and closing product enhancements.*

One of the biggest problems we face in the title industry is how little we actually know about the consumer as a decisionmaker. We make lots of guesses drawing on experiences we have had at the closing table and assumptions we make based upon personal experiences. We know how consumers feel and act about the real estate purchase and refinance experience overall, but we're not sure they care one iota about title insurance specifically. In spite of this, we create intricate new underwritten products with cool expanded protections, we figure out ways to enhance the efficiency of the closing process. However unfortunate, consumers see title

insurance and closing as an extension of the real estate transaction, not as a separate business. Because of this, and a number of other important factors, attempts to make title insurance more attractive by expanding coverages and closing services interesting through efficiency efforts have been lost on consumers.

### **Idea #2**

*Marketing title insurance to listed properties.*

A little while back, a title company had launched a huge campaign aimed at getting sellers to choose them over competitors. While against regulation, cultural practice in the area is that the seller (seller's agent more accurately) controls where the title and closing work would be performed. The title company was mailing and calling the sellers directly, marketing free value-added services like in-home or in-office signings. Sellers were polite and happy to commit. The title company was rubbing its hands together and gleefully awaiting the arrival of all the orders. They're still waiting. The problems with the strategy were many, the most obvious being the fact that listing agents were basically 1) perturbed at the title company for stepping on their "turf" and 2) powerful enough to

sway the seller to use their own company of choice. Oops.

### **Idea #3**

*Title insurance.com*

There is no question that the Internet will accelerate the title and closing process and provide enormous cost, delivery, and efficiency benefits in the near-term. Yes, one day, electronic connectivity will be the standard facilitation tool for the entire real estate transaction. There is little doubt that the Internet has, and will continue to, dictate significant short-term changes in the way we transact in our industry. All true. What isn't necessarily true is that consumers will care to notice. At present, unless I missed an important memo, title insurance is not the point of sale for a real estate transaction. Because of this, it is highly unlikely that the consumer will even notice our dramatic changes and Internet-related efficiencies. WE will notice, THEY won't care. If you can bank on the Internet, order your groceries, reserve a flight, buy perfume, of course you can close a transaction. Technology will be a competitive advantage for some companies as it's deployed to assist real estate agent, builder, and lender clients and provide value to their customers. But to the consumer, we'll still all look the same. They'll



count on their real estate service provider (their agent) to handle the transaction from start to finish just as they always have, including title insurance and closing services.

### **Ok, So Now What?**

There are so many reasons not to attempt to market title and closing products to consumers, you might feel discouraged. Fortunately, there are some ideas that have worked and others that are likely to work.

Let's take a closer look at three that are likely to work:

At the moment, the most obvious and successful way to attract consumers to directly buy our products and services is to market them to owners who are attempting to sell their homes themselves. In some geographic markets, such as Columbus, Ohio for example, properties sold by owner made up as much as 23% of total sold resale volumes in the year 2000. Where there is a vibrant FSBO market and culture dictates that sellers determine where title and closing services are to be performed, marketing direct can be fruitful. If done correctly, a FSBO marketing program can both increase orders from the FSBOs themselves and generate a source of leads to hand out to good real estate agent and lender clients. The approach that works is one where the title company provides the same type of marketing assistance to the potential seller that they provide to listing agents. Homebuyer kits, valuation tools, relocation kits, materials for open houses and other common industry goodies can give sellers real value. Where legally possible, it's advisable that you charge for the FSBO tool kit and then refund the amount charged at

the closing table to cover your efforts. It's also important to tell the FSBO that you can provide a referral to a real estate professional if they get frustrated or need help from a lender. Lastly, FSBO seminars are a great way to give value and make connections. Be sure to bring in one of your good clients to talk about how to write contracts, prepare the house for sale, and other useful info. Better yet, charge for the seminar. People will perceive the information to be more worthwhile and are more inclined to show up. Again, if you wish, you can always credit the seminar charge to the attendees at the closing table if they choose to use your core services. Either way, everyone wins.

Another great way to become attractive to consumers is to figure out ways to package consumer driven products with settlement services and to market them

planning, whatever) to gain access to the consumer in exchange for future title and closing services. Come to think of it, why not pre-sell closing services? Kind of like time-share for the title business, a consumer could pay a fee and receive closing services for a fixed period of time with the caveat that they allow the closing company to pick the title provider. Just a thought.

The upcoming idea is a bit of a stretch, but is really my personal favorite. If you're really interested in becoming the point of sale for the real estate transaction, why not buy (or startup) your own real estate agency? Think of it. Pretty soon, many of the big real estate companies will provide title and closing services if they don't already. One of your customers may even try to buy your company. In general, we'll have an increasingly difficult time competing with

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## **The most obvious and successful way to attract consumers to directly buy our products and services is to market them to owners who are attempting to sell their homes themselves.**

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together. Not bundled service products like flood certifications, credit reports, and other products important to mortgage and real estate professionals. Consumers don't care about any of that stuff any more that they do about title insurance. Instead, think about creating a separate corporation charged with establishing marketing alliances (i.e., commission arrangements) with seemingly unrelated companies. Market cellular services or legal services (wills, trusts, estate

customer-owned title and closing operations. As you build your brokerage, you could attract a great deal of refinance business into your title company from loan officers who want access to your agents and builders who won't really care that you also own a real estate brokerage. True, some of your real estate agent customers will go sideways because they see you as a competitor. Whatever. Instead of worrying about it, hire them if they're worth a darn. A broker or two may close their office to your

sales effort...big deal, chances are it's already closed to title companies anyway. A small price to pay to improve your net per transaction by three hundred percent and still retain the majority of your customers, hiring the ones you like the best to help you build the brokerage. The nay-sayers will just fuel your marketing efforts by loudly whining, inadvertently marketing your company in the process. Chances are those same nay-saying brokers will own an interest in one of your competitors anyway.

It's easy to see why most title providers steer clear of marketing directly to the consumer. Given the difficulties in differentiating our services from other components of

the real estate process, a lack of consumer interest and education about the value of our products, and the fact that no one buys title or closing products outside the context of a real or personal property transaction, it will be difficult for us to ever have much sex appeal with the general public. Instead, we have to creatively examine other sales opportunities using our existing tools and spread our wings beyond what we're comfortable with. To get to the consumer we'll have to convince ourselves we're willing to take some drastic steps outside the real estate cultural box. We'll have to be armed and ready to endure the questioning looks of our peers, and take the risk that our business savvy may not apply to

other service driven industries. In the end, we'll not only sell more title insurance, but we'll sell a lot of other stuff besides. We might even build in some protection against market cycles. Wouldn't all that be terrific? Absolutely.

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Dan Miller is the CEO of RightNow Business Development Systems, a San Francisco-area training and consulting company which specializes exclusively in the title and mortgage industries. Dan can be reached at dan@nowstuff.com or view their Web site at www.nowstuff.com. This article is an excerpt of Dan's presentation at the 2001 ALTA Tech Forum.

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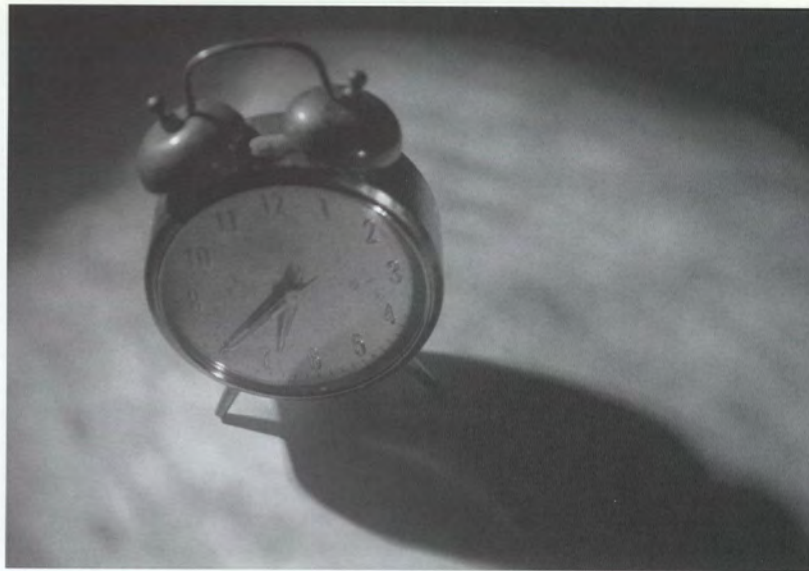


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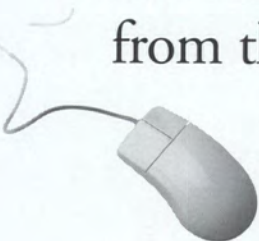
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# Making Home Closings Smarter

By Lori Naylor and Steve Pittman

When technology developer Vijay Sankaran enlisted the services of veteran Realtor® Tim Ford, he never thought he would end up with more than a new home. Not only did he seal the deal on a house, he chanced upon a tremendous business partnership at the same time.

Sankaran was interested in relocating to the semiconductor-rich "Silicon Hills" of Austin, TX. Like many others flocking to this southwestern technology town, Sankaran found himself in the market for a new home. Despite all the high-tech innovations springing up in Austin and the real estate industry, Sankaran discovered that buying a home is still a slow, tedious and paper-and-communications intensive process—especially during closing. The inefficient and error-prone practice of reviewing documents, scheduling appointments and meeting deadlines astonished him.

Sankaran's "pains" soon turned into innovation. Sankaran drew upon his expertise in creating workflow solutions for the semiconductor manufacturing industry to design a technology platform for managing residential real estate transactions. He pitched this plan to his tech-savvy Austin real estate agent and neighbor, Tim Ford, who was very familiar with

the tedium of closing on a home after 18 years in the residential real estate industry.

Ford was immediately intrigued by the promise of a more efficient homeclosing and the two partnered to finalize the concept, combining Sankaran's technical expertise with Ford's extensive knowledge of real estate, mortgage, and title processes. They officially joined forces in July 1999, to create Expeditrix™ Corporation. By the end of the summer of 1999, the two co-founders secured funding, hired employees and within one year they introduced its first product, SmartClose™. SmartClose is a Web-based service that links participating title and escrow companies with their clients and other local service providers to streamline and accelerate the real estate closing process for all parties.

## More Efficient Closings

Lori Naylor, president of Commonwealth Title—Austin, works with buyers like Sankaran on a daily basis. With approximately 400 phone calls and 70 documents per closing, she sees the impact a stressful closing can have on all of the transaction participants, including the agents, title or escrow company, buyer/seller, mortgage companies and attorneys.

Naylor wanted to find a more

efficient way to service her customers and looked for a solution that would allow her company to provide leading-edge service and have a competitive advantage in a hot real estate and technology market.

"Buyers and sellers are demanding instantaneous information, which they haven't had in the past," said Naylor. "We needed a service to streamline the closing process and enable our personnel to focus on providing the best customer service instead of fielding status-inquiry phone calls from other participants in the process."

Multiple parties—Realtors®, title or escrow companies, buyers/sellers, mortgage companies and attorneys—must work together to complete each real estate transaction and research shows the Internet could save participants up to \$60 billion that is lost annually to restructuring deals, rescheduling closings, inadequate notification of affected parties and duplicating



work efforts.

### Web-Based Solutions

Several companies have created Web-based services to alleviate the pain points in the real estate industry by providing checklists and shared online folders for the main participants. However, these types of solutions serve only as an intermediate placeholder for documents and do not deliver long-term work-flow solutions. With many transaction participants, it can be difficult for one business to act as the glue and bring all of the parties together. In order to truly streamline a residential real estate transaction, a complete work-flow solution must be utilized because each transaction is unique. The business rules and security requirements of each transaction must conform to the needs of the title or escrow company providing the service to their clients and other participants involved.

Another solution that has been utilized to address the problems inherent in a multiparty transaction is a set of Customer Relationship Management (CRM) tools. While these tools store information about customers, the actual work flow of business transactions has been primarily managed offline on the telephone and with paper trails, making this solution less than ideal.

The only solution that combines all of the necessary elements is a neutral entity to connect the parties—a transaction management platform that allows multiple parties to participate and adheres to real estate business rules and processes. “After looking at all of the options, we chose to select a Web-based transaction management platform,”

commented Naylor. “From a competitive and economical standpoint, an online platform offered an integration into our existing computer systems and quickly allowed us to have instant access to the parties involved in the transaction. Choosing to partner with Expeditrix and its proven transaction management platform, SmartClose, saved us time and money; it was a smarter decision than trying to develop our own system.”

### Choosing A Transaction Management Platform

In general, a Web-based transaction management platform can address the needs of the residential real estate industry by simplifying the closing and allowing all participants to be more informed and productive. Not all transaction management platforms are created equally; it must include all of the following necessary components to serve as a complete solution.

The ideal system would enable businesses to collaborate by integrating with existing technologies—computers, mobile

and exchange communications with a complete audit trail.

Transaction management services for the residential real estate industry must focus on incorporating functions that ensure the transaction context is appropriate for each potential individual business role. In addition, a successful transaction management platform must contain document security requirements and be designed to be extremely modular and flexible to support a wide range of business transactions and individual client needs.

“After evaluating several transaction management services, we found that Expeditrix’s SmartClose best supports our current business model and allows us to stay ahead of our competitors,” remarked Naylor. “The executive management team at Expeditrix has a deep understanding of the real estate industry, so the SmartClose service was created to offer our escrow officers and customers a better closing experience. Not only that, SmartClose integrated with our title production software to provide

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## The only solution that combines all of the necessary elements is a neutral entity to connect the parties—a transaction management platform.

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phone, e-mail, fax, and personal digital assistant (PDA)—to increase efficiency. It is also important that the transaction management platform include proactive communication—automatic updates distributed to participants—and the tracking of those interactions. This allows users to manage and monitor all closing-related documents, tasks, deadlines,

us a more efficient way to manage documents and process transactions. Plus, SmartClose was the only product we reviewed that offers proactive notification and archival of all interactions which allows for improved communication, a complete audit trail and thus better customer service.”

### **Expeditrix's SmartClose Service**

SmartClose is a Web-based service that automates time-consuming and complex multiparty transactions for the residential real estate industry. It enables existing time-tested business relationships to collaborate online without leaving the comfort of familiar communication devices or the comfort of their homes if they choose. No more late night trips to the office before closing day; agents, buyers, sellers, title, and mortgage companies can access the progress of each transaction anywhere, and at any time.

When important documents are added to the system, participants receive instant notification through their preferred communication device—e-mail, phone, fax, pager, or personal digital assistant. This exclusive feature of SmartClose allows the participants to keep abreast of each and every aspect of the transaction and increases

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### **Through transaction management platforms and eventually digital signatures, technology is revolutionizing the residential real estate industry.**

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accountability between the participants. Now, all of the participants know and participate in the status of each closing document.

“The accuracy that SmartClose brings to the multiparty residential real estate transaction makes the process of contract to closing more efficient, which provides participants more quality time to spend with customers at closing

and less stress with last minute mistakes,” said Steve Pittman, CEO for Expeditrix. “SmartClose also alleviates the confusion involved with closing. There will be no more ‘Has this been ordered?’ or ‘When can we expect it?’ types of phone calls. All of these multiparty tasks are automatically assigned and easily tracked in the secure system.”

After Naylor determined SmartClose was the right option for Commonwealth Title—Austin, Expeditrix provided training to all of the Commonwealth Title—Austin closing professionals. Furthermore, as Pittman points out, with the Web-based model, the only significant requirement for a title or escrow company employee to use SmartClose is Internet access and a Web browser. “There is no software to purchase or special system requirements, and we provide training and customer support, so the service is easy to initiate and easy to maintain. In fact, once a Realtor®, lender, home inspector, or other service professional has entered contact information and preferences into SmartClose, they are easily accessed for each new transaction,” he said.

By utilizing SmartClose to add, update, view, or print relevant closing documents, Commonwealth Title—Austin’s closing professionals will decrease the hundreds of phone calls and status inquiries that are part of a traditional closing transaction. An escrow officer can now set up each transaction by adding the closing participants and their respective tasks. SmartClose then adapts intelligently to each step of the closing process according to the transaction and the documents involved. Naylor believes that

SmartClose has provided a win-win situation for everyone. The buyers and sellers have that instantaneous information, and the agents have a stress-free closing because the title company they chose has a service that helps further the relationship between the agent and the client. “We actually have had agents request that they use Commonwealth Title—Austin because we offer SmartClose,” she said.

Just as title companies like Commonwealth Title—Austin are realizing the benefits of transaction management platforms, the industry is already buzzing about the next big technology change.

### **How Digital Signatures Figure In**

A Web-based closing service may not revolutionize the residential real estate industry in quite the same way that Gutenberg’s printing press galvanized book publishing, but adding digital signatures to the Web-based service, will make reality seem more like science fiction. The passage of the e-signatures act by the House and Senate has ignited the process of establishing a uniform standard for electronic transactions that would take the place of handwritten signatures.

Because of its digital imaging and universal document acceptance features, SmartClose is poised to take full advantage of digital signatures for residential real estate closings. “The passage of the digital signature bill in the House and Senate is just the beginning of this next phase in online collaboration with legal agreements,” said Pittman.

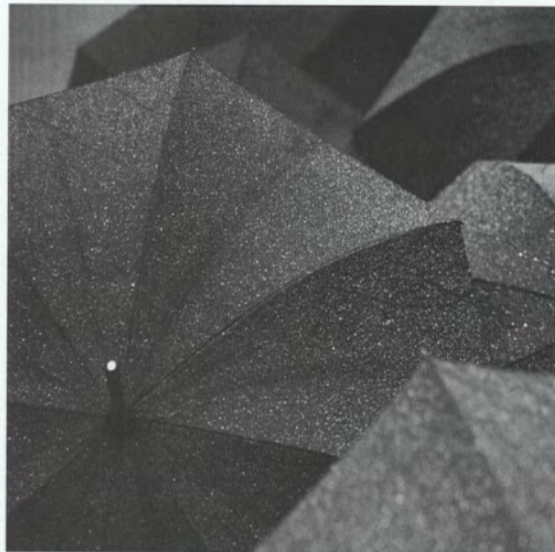
Whereas people once relied on a

word of honor, a handshake or even a wax seal, the consumer of the future may rely on a secret code or even an electronic thumbprint to complete transactions. But whatever the manifestation of the digital signature may be, Expeditrix remains focused on maximizing its potential for the settlement services industry and the home closing work flow process.

Through transaction management platforms and eventually digital signatures, technology is revolutionizing the residential real estate industry. Agents, brokers, title and escrow company representatives, and vendors can finally enjoy desktops cleared of thick, manila folders as they view, collaborate and approve (with their digital signature image) all of the documents in a multiparty residential home transaction. And, this technology will allow Commonwealth Title—Austin and other title companies around the nation to alleviate closing inefficiencies and finally give consumers a “pain-free” home buying or selling experience.

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Lori Naylor is president of Commonwealth Title Austin. She can be reached at [lnaylor@landam.com](mailto:lnaylor@landam.com) or 512-346-0044. Steve Pittman is CEO of Expeditrix Corporation. He can be reached at [spittman@expeditrix.com](mailto:spittman@expeditrix.com) or 512-306-1112.



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# The Title Agent's Role in Outsourced Services

By Lee Kaplan and Jeffrey D. Vaughan

Today's lending market is in a constant state of evolution. Let's look at some of the more prevalent market forces that impact the title industry and the title agent.

Lenders are finding that their mortgages are becoming more commoditized. People can and do shop the market for mortgage rates and points, be it via the Internet or through other sources. If a borrower has good credit, the least expensive lender will usually win out because the market perceives no other differentiating factor among mortgage companies. And Internet real estate brokers, who discount their services, are setting the wheels in motion to commoditize real estate commissions as well.

Severe price competition has

some announcement of more consolidation. Just recently Citicorp completed its acquisition of The Associates and Washington Mutual is now consolidating its operation with that of PNC Mortgage Company. On the brokerage front Homebytes.com recently announced that they were the first real estate broker to be licensed in all states. By the way, they also indicate that they offer a fixed fee listing commission rather than a percentage of the purchase price. Change is constant.

## Effect on Title Agents

One source estimated recently that only 25 lenders originated 85% of first mortgages in the first quarter of 2000. What effect does all of this consolidation have on lenders and title agents?

In the case of lenders, local branch offices no longer function as processing offices that order title, appraisal, and other products. They now function as sales offices.

Instead, remote processing centers assume responsibility for ordering all of the necessary products and services to get the loan approved and closed.

In many instances, the remote processing centers outsource much of the supply chain management. Why? The answer is simple. According to Equity Magazine,

there are over 40,000 real estate Web sites trying to sell services to lenders. This doesn't include the companies that do not have a Web site. Lenders believe that if they can use a few vendor management companies who become responsible for figuring out connectivity, consistency, turnaround time and pricing issues, that they can further automate the loan processing process and reduce their costs. The effect of this can be huge. According to Stephen G. Timme, president of FinListics Solutions, a consulting company based in Atlanta, if an average company in the S&P Register with \$5 billion in revenue could reduce its cost of supply chain management by 5%, it



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**Successful agents in today's market are those that sell a la carte or as-an-agreed-to package.**

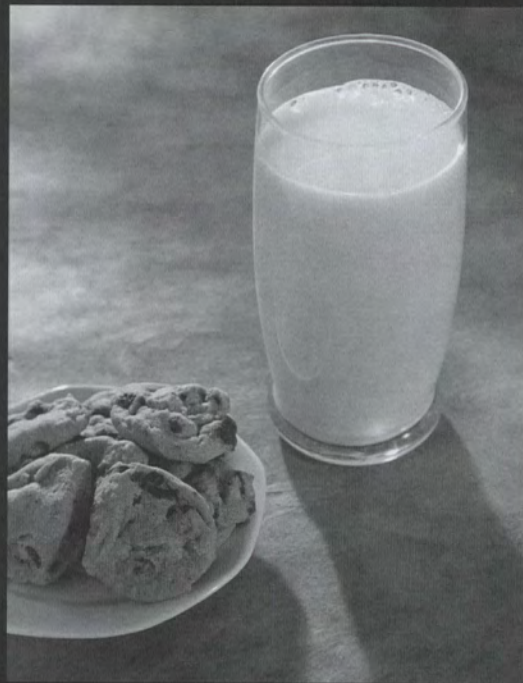
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caused rapid consolidation across all market segments occupied by the title agents' traditional customers. This includes mortgage companies, loan servicers, relocation companies, and even real estate brokers. Industry mergers, acquisitions, and consolidations are occurring at an accelerated pace.

Not a week goes by without



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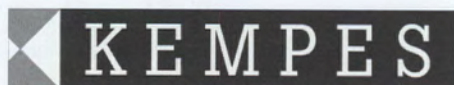
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would increase profits by \$20 million and market value by \$450 million. According to CIO Magazine, Cisco Systems claims to have reduced its administrative overhead for processing and shipping an order from \$100 to less than \$6. This is both impressive and scary.

### **Vendor Management Companies**

Which brings us to another market force affecting the title agent today: Vendor Management Companies or VMs.

Vendor Management Companies are large national and regional centralized process management centers. VMs trace their roots to the mid 1960s as service providers to the consumer finance industry. At that time, they furnished short searches (property reports), equity title insurance, and appraisals with quick turn times to meet market demands. Typically they operate with low brick and

and advanced order management systems and offer their client base value-added services such as quality control, review, and warranties.

VMs saw a major market expansion in 1978 with the passage of the National Second Mortgage Act. It was then that VMs saw a considerable increase in the demand for their services. Lenders choose VMs for a variety of reasons: surety, warranties, performance guarantees, global coverage, consistency, and simplified process.

Today's fulfillment process is shifting away from the transactional order basis to that of a strategic process. And, strategic process management is replacing the piecemeal "commodity" concept. Vendor managers have evolved to become information and fulfillment managers as strategic alliance partners to their clients. Traditional companies such as Lender's Service, Inc., joint ventures like Household's Integrated, or wholly

for an underwriter? In the customer environment that currently exists for title agents, the local contacts that once controlled the placement of title orders are gone. Responsibility for that function is shifting to internal centralized vendor management groups or outsourced to third-party vendor managers. If the local title office is fortunate, it retains the business. But it is likely to find that new customer, the Management Company, is going to order and manage strictly by a matrix. If the right products are offered, if the turn times and performance are met, and if the price is competitive, you keep the business. If not, the controller of the order will be forced to look elsewhere.

### **Adjusting the Title Product Mix**

Since vendor managers also tend to be multistate title agents, vendors may not be asked to write the title insurance. They may, in fact, be asked to unbundle their current package of services.

Traditionally, title agents have sold some combination of a search, examination of title, title insurance product, closing, and recordation services. The mix has tended to vary depending on the customs and practices in the location where the title is located. However, in most instances, products and services have been sold as a package. Vendor relations groups are constantly told, "I do not want to sell you a search or I do not want to do the closing if I cannot write the title insurance." This doesn't work in today's environment and is exactly why independent searchers, document-recording services, witness-closing companies, and

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## **The local contacts that once controlled the placement of title orders are gone. Responsibility for that function is shifting to internal centralized vendor management groups or outsourced to third-party vendor managers.**

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mortar costs with a centralized employee base. VMs are large and profitable independent agents that manage large networks of vendor suppliers for traditional title-related products such as property reports, title searches, title policies, closing management, centralized funding, sub-escrow activities, and document recordation. They also manage networks to provide appraisal and valuation services, flood and credit reports. VMs operate using customized, proprietary, refined,

owned subs, such as Bank of America's HomeFocus Services, are examples of today's vendor management companies.

VMs now provide services to lenders in many channels: A paper, sub prime, brokers, equity, servicers, and relocation. And the VM market is growing. In 2000, VMs completed more than 15 million transactions and had combined revenues in excess of \$1 billion.

What does all of this mean to the local title agent or branch office

document retrieval companies are emerging at a rapid pace and thriving.

New competitors will continue to enter the market to answer demand for services that they do not perceive as being met. These new entrants are a competitive threat to the title agent.

But title agents are in the perfect position to offer the kinds of services being requested in the marketplace. The services routinely requested include: deed reports, ownership and encumbrance reports, full searches in a format suitable to write title commitments, full closings, witness closings, document recordation, and document retrieval.

Successful agents in today's market are those that sell these a la carte or as-an-agreed-to package. They also are able to adapt their business to include new products or variations on existing ones. Most of the processes used to produce traditional services have not been challenged or changed in many years. Tomorrow's agent will look for ways to radically change the process. They will set goals that may seem unrealistic like improving production time by 50% or reducing the cost to produce a service by 50%. They will likely find ways to hit these goals. Sometimes the risks in making the change are, at face, unacceptable. But often it is not. Management companies reengineer their business model and adapt to changing market at every opportunity as they move forward. Those that don't will be left behind. And the same may be true for the title agent.

Currently, the predominant share of business done with title agents is through the fax machine, through

overnight mail, or in some cases through e-mail. Given that the goal is to create a seamless transaction from the customer to the vendor manager to the vendor and back, the current process can be greatly improved upon. The desired means of connectivity would be PC to PC or system to system order entry, order status and product delivery. In many cases this can be accomplished by using the Internet or some value-added network such as Real EC or Real Trans to transfer files in an agreed upon format—like PDF.

The successful agent will implement a method to address important items such as: confirmation of order receipt, real-time status of order, automated billing procedures, consistent, flat pricing of each product, guaranteed delivery times, and a cancellation policy.

The market is forcing lenders to change. As lenders change, so must the industries that support them. VMs look for service-oriented vendors that provide consistency in product and service. Their strategic business partners must meet the demands of the market. Title agents' customer base will change. Those customers will manage you by matrixes and you will be asked to provide a full menu of products and services.

Successful agents will develop and then sell their capabilities to vendor managers. In filling that role, they should look for opportunities to expand geographically.

Change is constant and adaptability to change is key.

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Lee Kaplan is the outgoing executive director of TAVMA, the Title Appraisal Vendor Management Association. You can contact TAVMA at 412-299-4801 or [www.tavma.com](http://www.tavma.com). Jeffrey Vaughan is former president of LandAmerica's One Stop and currently executive vice president, corporate strategic planning, for LandAmerica Financial Group. He can be reached at 804-267-8410 or [jvaughan@landam.com](mailto:jvaughan@landam.com). This article is an excerpt from their presentation during the ALTA Annual Convention in Hawaii.

# ALTA Survey Reveals Value of Title Insurance

by Mark A. Bilbrey and Richard W. McCarthy

For the 4th consecutive year, ALTA surveyed its member abstracters and title agents to determine operating statistics and other characteristics of the group. The resulting report, "ALTA Abstracter and Title Agent Operations Survey 2000" is helpful in gauging operating results, in comparing one company with another, and in tracking changes in the industry.

This article provides a summary of some of the survey results on types of business activities, gross revenue, operating expense, and other operating statistics. These characteristics are comparable with similar information reported from surveys in 1997, 1998, and 1999. A comparison of employee benefits is useful in assessing each company's current competitiveness for staff.

### Ownership issues are the most common defect that requires curative action.

Some of the benefits information was also reported in previous surveys and provides a reliable overview of employee benefits in companies of various sizes.

Several new topics are introduced in this current survey. The percent of orders that require curative actions and the most

common defects that require curative action are reported for the first time. The size of each company's market, and each company's market share, is reported in more detail.

### How Responses Are Reported

Revenue is the most important demographic characteristic associated with all companies. All survey responses are reported by four categories of annual revenue. The percent of respondents in each revenue category in the current survey (based on gross revenue in 1999) and in the 1999 survey (based on gross revenue in 1998) is:

Revenue	1999	2000
Less than \$500,000	51%	58%
\$500,000-\$999,999	21%	14%
\$1 million-\$3 million	18%	18%
More than \$3 million	7%	10%
Not reported	3%	-

Several participants did not report revenue in 2000; those companies were assigned to a revenue category based on other reported attributes. The 1999 survey covered base pay and other compensation of selected officers and staff. This topic may have generated higher-than-normal interest among companies with \$500,000 to \$999,999 revenue.

Companies this size surged to 21 percent of the sample in 1999 but decreased to 14 percent of the current sample, similar to their representation in the 1998 and 1997 surveys. Companies with \$1 million or more revenue have accounted for approximately one-fourth of responses in each of the four surveys.

Survey results are also reported by five categories based on number of orders received. In each category, the percent of companies in the current survey (based on orders received in 1999) and in the 1999 survey (based on orders received in 1998) is:

Orders Received	1999	2000
Fewer than 500	11%	18%
500-1,099	20%	24%
1,100-2,499	13%	12%
2,500-4,999	13%	12%
5,000 or more	11%	11%
Not reported	21%	16%

The shift in the current sample to relatively smaller companies (those reporting fewer than 500 orders) mirrors the shift among revenue categories from the 1999 survey to the 2000 survey. However, companies reporting 2,500 or more orders are almost one-fourth of the sample in both years.

Measured by average number of full-time employees, companies participating in the 2000 survey are approximately the same size as companies participating in 1999. Among all participants, an average of 12 full-time employees was reported in both years. Median number of full-time employees decreased to 5 in 2000 from 6 in 1999, reflecting an increase in the number of companies with 3-5 full-time employees in the 200 sample. The percent of respondents in each staff size category is:

Full-time Employees	1999	2000
1-2	18%	20%
3-5	23%	33%
6-10	26%	17%
11-25	21%	19%
More than 25	9%	10%
Not reported	3%	2%

Full-time employees range from an average of 4 in companies with revenue less than \$500,000 to an average of 49 in companies reporting revenue greater than \$3 million. Median number of full-time employees varies from 3 in the smaller company category to 34 in the larger company category.

Other respondent characteristics, including percent of revenue generated from typical activities, operating expenses and payroll, population of the countries in which the company conducts business, transactions recorded daily in these countries, percent of the company's business that is residential, and the way the company is organized for accounting and tax purposes, are continued in the survey.

### Characteristics of Surveyed Companies

Title insurance, with 360 of 420 surveyed companies reporting, accounts for almost two thirds of revenue. Title insurance accounts for approximately 65 percent of revenue among all sizes of companies. Escrow and closing functions account, on average, for 20 percent of revenue among the 309 companies reporting. Companies with revenue of \$1 million or more reported that escrow and closing functions account for 23 percent of their revenue.

Only 243 of 420 companies reported that abstracts account for any portion of their revenue. Among these 243 companies, abstracts accounted for an average of 39 percent of revenue in 1999. Smaller companies derived a larger proportion of their revenue from abstracts. Among 165 companies with less than \$500,000 revenue, abstracts accounted for an average of 46 percent of revenue. Among 23 companies with more than \$3 million revenue, abstracts accounted for an average of 24 percent of revenue.

Among the 420 surveyed companies, only 33 reported any revenue from law practice. Twenty-

two of the 33 indicated their company's 1999 revenue was less than \$1 million and that a law practice accounted for an average of 34 percent of gross revenue.

The geographic distribution of respondents in 2000 and 1999 is displayed in the chart at the bottom of the page.

Within each category of orders received the median number of full-time employees is:

Orders Received	Full-time Staff
Fewer than 500 orders	2
500-1099	4
1,100-2,499	7
2,500-4,999	16
5,000 or more	28

Respondents rely on part-time as well as full-time staff, with 247 companies reporting an average of 2 part-time employees. Among smaller companies that employ part-time staff, there is an average of 2 full time employees for each part-time employee. Among larger companies that employ part-time staff, the ration is 9.8 full-time employees for each part-time employee.

### Curative Action Taken

It has always been said that the value of the title insurance product

Region	1999	2000
New England (ME, NH, VT, MA, RI, CT)	1%	2%
Mid-Atlantic (NY, NJ, PA)	5%	7%
South Atlantic (DE, MD, DC, VA, WV, NC, SC, GA, FL)	4%	6%
East South Central (KY, TN, AL, MS)	2%	2%
East North Central (OH, IN, IL, MI, WI)	23%	20%
West North Central (MN, IA, MO, ND, SD, NE, KS)	33%	33%
Mountain (MT, WY, CO, NM, AZ, UT, NV)	12%	13%
West South Central (AR, LA, OK, TX)	11%	11%
Pacific (WA, OR, CA, AK, HI)	6%	5%

is more than just claims paid, it is also the claims prevented by requiring curative actions prior to closing the transaction. This year the committee asked the survey respondents to indicate "excluding current real estate taxes and known existing liens what percentage of orders require curative actions prior to closing or policy issuance."

The results indicate that approximately one-fourth of orders require curative actions prior to closing or issue of a title insurance policy. Among respondents an average of 19% of regimental resales they handle require curative actions, the highest percentage among the several types of

Transaction	Curative Action
Regimental resales	19%
New Sales	13%
Refinancing	17%
Agricultural sales	14%
All types combined	24%

transactions listed. For each type of transaction, the average percent of transactions that require curative action is:

Ownership issues are the most common defect that requires curative action, in the estimation of 37 percent of those responding. Another 15 percent consider liens and judgments the most common defect. Another 11 percent consider legal errors and descriptions the most common defect and 7 percent consider access issues the most common defect. Examples of each type of defect, in the words of respondents, are:

**Ownership issues**, deceased seller; marital status; quiet title; undischarged mortgage; proof of hiership; unreleased deed of trust; affidavits needed to clear title;

unrecorded releases; termination of joint tenancy;

**Liens/judgments**, unreleased loans; county liens; prior lien; circuit judgment; mechanics liens; pay off loans; uncanceled liens; clearing judgments; old liens.

**Legal errors**, mis-executed documents; bad legal description; incorrect legal description; improper legal description; bad legal or overlaps; typos; discrepancy of names; errors on prior deed;

**Access issues**, permits; mineral owner cloud; easements; survey/description; easement violations; state subdivision permit issues; access to and from land; encroachments.

Respondents were first asked to name the three most common defects that require curative actions and secondly, to estimate the percent of total defects each of the three most common defects represented. The most common defects are those listed above, listed in order of number of times mentioned. Among all types of defects named as "most common," respondents estimate their most common defect accounts for 51 percent of all defects. The average percent of total defects accounted for by each specific type of defect named the "most common" is:

Type of Defect	Percent of Total
Ownership issues	49%
Liens/judgments	61%
Legal errors/descriptions	41%
Access issue	51%

Finally survey participants were asked: What percent of the total title insurance marked served by this company has been taken by new entrants not in the title business in the last year? In the last

five years? Four types of organization were listed as potential new entrants: banks builders, Realtors®, and title insurers. "Title insurers" was mentioned most frequently, with 128 companies estimating that title insurers had taken an average of 10 percent of their market in the last year and 145 companies estimating that title insurers had taken an average of 14 percent of their market in the last five years.

Banks were next most frequently mentioned: 94 companies estimated that banks entering their market in the last year had taken an average of 14 percent of the market; 78 companies estimated that banks entering their market in the last five years had taken an average of 14 percent of the market.

All abstractor and title agent members of ALTA were invited to participate in these surveys. The large sample that results from these efforts—approximately 25 percent of all members—makes the results a credible and reliable snapshot of the abstractor and title agent characteristics. Participants receive a complimentary copy of the results. To find out how you can participate in next year's survey, contact Richard McCarthy at the address below.

Mark Billbrey is president of Warranty Title and Abstract, Inc., in El Reno, OK, a member of the ALTA Board of Governors and chair of the ALTA Finance Committee. He can be reached at mbillbrey@wtatitle.com or 405-262-3093. Richard McCarthy is director of research for ALTA. He can be reached at rich\_mccarthy@alta.org or 1-800-787-ALTA. To order additional copies of the survey, call ALTA at the 800 number or visit the ALTA Store on the Web site at www.alta.org.



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# Distance Education: The Title Industry's Future?

By Patricia L. Berman and Melissa A. Kleeman

**H**ow will the title industry receive education in the future? The answer is distance education—education when you want it. Job-related and self interest education via telephone, computer, and the Internet are the wave of the future. These newer mediums of “distance education” are moving faster into the main stream of employee education and personal development. According to the U.S. Department of Education, distance education refers to education or training courses delivered to remote locations via audio, video (either live or pre-recorded), or computer technologies (such as CD-ROM and the Internet). The terms distance

## **ALTA Offers Distance Learning**

The current trend in distance education is moving beyond text-based correspondence courses, video and audiotapes. Audio conferences (education over the telephone) have become very popular in the last several years. ALTA has sponsored more than a half dozen, “well attended” telephone seminars since 1989. (See side bar on the next ALTA telephone seminar entitled “Privacy Matters.”) Training using a CD-ROM and the Internet are becoming more prevalent and are the next wave of education delivery. Courses are delivered “just-in-time” anywhere, anyplace, and at anytime.

available time. No travel costs to attend an out-of-office seminar. (See ad on opposite page.)

## **Online Courses Popping Up**

Web sites dedicated to online education are popping up all over the Internet. These sites include Web universities, where a person may take college-credit courses online to acquire a degree; corporate e-learning programs which offer customized courses to their employees; association-sponsored courses (ALTA will be looking into this—the Mortgage Bankers Association of American already offers courses online); and knowledge service companies.

E-learning at the college level enables individuals who are not physically located near a particular university to take classes online, usually at a convenient time. Not only are college degrees available online, but Web sites focusing on professional certification or soft skills necessary for workplace training are available. The advantages of Web-based learning are tremendous. Training without travel expenses, without absence from the office, and convenience 24/7 are the primary benefits. Employees can take online courses while at their desks or at a designated location set aside for training purposes. Some people log

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**Our society has a taste for immediate gratification when completing every day responsibilities. That is why distance learning will become a preferred way to learn.**

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education and e-learning are becoming synonymous. Due to technological advances, our society has a taste for immediate gratification when completing every day tasks and responsibilities. Convenience and speed are primary focuses. That is why distance learning will become a preferred way to learn.

Late last year, ALTA's educational subsidiary, the Land Title Institute, introduced its newest training product using the CD-ROM format. Entitled “Escrow Accounting Procedures for the Land Title Industry,” the CD-ROM kit includes a reference guide in addition to the CD-ROM. This new product allows employees to view the course when they have



# 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.

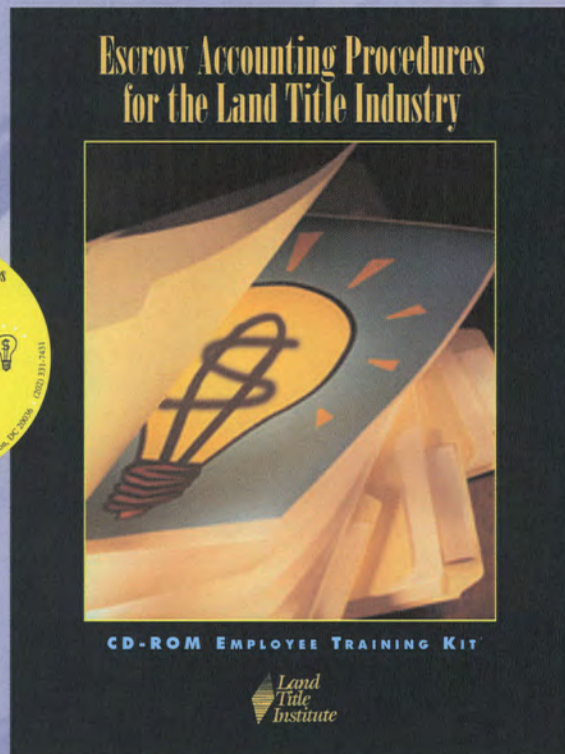
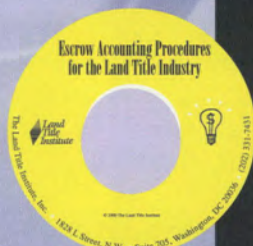
The CD-ROM examines the role and responsibilities of the escrow closer and presents a model system of good managerial practices designed to minimize risk in handling escrows. In a very short time the viewer will learn:

- ▶ 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

## “Privacy Matters” Telephone Seminar

**L**TI will offer a two-hour telephone seminar on Wednesday, March 21, from 3:00 - 5:00 p.m. EST, focusing on privacy compliance requirements. Review the Federal requirements on title agencies and companies for consumer notification required by the Gramm-Leach-Bliley Act. Learn what you need to look for in your company's practices and what you need to tell customers. Look at model legislation to be used by state legislatures this year.

Speakers are W. Riker Purcell, vice president and regulatory counsel for LandAmerica Financial Group, Inc.; Scott Sinder, a member of the law firm of Collier, Shannon, Rill & Scott, PLLC; and Ann vom Eigen, ALTA's legislative/regulatory counsel.

You can register for the phone seminar on ALTA's Web site at [www.alta.org](http://www.alta.org), or call ALTA at 1-800-787-ALTA to register by phone. Cost is \$200 for ALTA members, \$250 for nonmembers.

on at home. Knowledge service companies offer a wide range of generic online courses.

At this time there are some apprehensions regarding online learning. A big concern among students is a loss of the group dynamics. To overcome this concern, many online courses contain threaded discussions and chat rooms for the students enrolled in the course. This permits the group to discuss hot issues or questions regarding the course material. Not all online courses contain this function.

### Two Types of Learning

There are two types of e-learning courses: synchronous and asynchronous. The synchronous course is instructor-lead and facilitated. It is conducted in real time and requires students to log onto the Internet to join an online chat or threaded discussion, and in some sophisticated courses, to participate in a video conference or conference call. Instructors may

post questions which are answered online. There is real interaction among students and the instructor. The course has beginning and ending dates. There is a time line, and the course may last several weeks or even months. An example of a synchronous course is a college-credit course.

In an asynchronous course, the student enrolls and takes the course on their schedule—anytime they want. It is self-directed and self-paced. Usually there is no live interaction with other students or with an instructor. However, there may be some communication via e-mail or discussion board. For the most part, courses which teach soft skills, such as customer service or communication skills and other professional training, are developed for the asynchronous format.

### Title Industry e-Learning

The Land Title Institute staff will be looking into forming alliances with online course providers to offer e-learning opportunities to

title industry professionals.

This is a very exciting time in the education delivery area. New programs and formats will be tried and improved upon in the distance education arena. There will always be some need for face-to-face courses or seminars, but as the Internet develops and the broadband issue (allowing for streaming video) is resolved, more and more unique, educational opportunities will be available. Stay tuned for updates as ALTA and LTI progress further into the e-learning world.

Patricia L. Berman is director of education, and Melissa A. Kleeman is education specialist for the Land Title Institute, ALTA's educational subsidiary. Pat can be reached at [pat\\_berman@alta.org](mailto:pat_berman@alta.org), and Melissa at [melissa\\_kleeman@alta.org](mailto:melissa_kleeman@alta.org), or at 1-800-787-ALTA. To find out more about the Land Title Institute, visit the ALTA Web site at [www.alta.org](http://www.alta.org) and click on Education.

## CD-ROM Available

The new employee training kit and CD-ROM, "Escrow Accounting Procedures for the Land Title Industry," provides basic instruction on how and why to properly handle escrow funds. If your office handles closings, this is a must-have training program. In less than 2-1/2 hours, the user can review the four modules and complete the short self-assessments.

To order, call LTI at 202-331-7431. Price is \$99 for ALTA members; \$149 for nonmembers.

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## Viewpoint

by R.K. Arnold

All the MERS news is good news.

We busted through the 3 million registration mark in less than five months after taking nine months to surpass the two million mark and two years to get our first million.

GMAC Mortgage converted all its distribution channels to MERS on Feb. 1. We now have nine of the country's top 10 lenders as MERS customers. Other top mortgage originators, like ABN AMRO and Washington Mutual, are working with us to put together their individual integration plans.

Two more state housing authorities now accept loans that designate MERS as the nominee for the lender. The State of New York Mortgage Agency announced its decision Dec. 26. It was the first state housing authority to approve MERS language on its security

instruments. The California Housing Finance Agency (CHFA) announced its decision Jan. 30. CHFA also mandated that once a lender begins originating loans with MERS, all loans thereafter must be registered on the MERS<sup>®</sup> System.

Our partnership with the American Land Title Association (ALTA) is paying off too. We developed an alternative to our telephonic MERS Voice Response Unit for the title insurance industry, and ALTA is signing up people at an impressive rate. It's a browser-based program for retrieving servicer information, accessible by member title companies via the ALTA or MERS home pages. We created a similar program for county recorders.

These achievements reflect the industry's realization that MERS is the industry standard for eliminating assignments and improving electronic commerce.

## GMAC Completes MERS 'Globalization'

GMAC Mortgage completed its "Globalization of MERS" project with the conversion of all its distribution channels to MERS.

GMAC, one of the country's top mortgage originators, opened its retail, wholesale, and correspondent channels as well as ditech.com to MERS on Feb. 1. GMAC named the project the "Globalization of MERS."

"We are excited anytime a top mortgage originator completes MERS integration and begins registering loans on the system," said Carson Mullen, executive vice president, Customer Division. "GMAC now has all of its distribution channels MERS<sup>®</sup>-ready. Its decision to convert all channels will maximize cost savings."

In early 2000, GMAC's correspondent lending division began looking at MERS as a competitive edge. "As discussions evolved, GMAC saw the advantages of MERS in all its channels," said Doug Danko, MERS vice president, marketing and sales. "In November we started working with GMAC's MERS project manager, and her team got it done."

## MERS<sup>®</sup> OnLine at a Glance

MERS<sup>®</sup> OnLine, introduced on May 26, 2000, includes the following:

- Registrations
- Security Administration
- All functions relating to Transfers of Servicing
- All functions relating to Transfers of Beneficial Rights
- Removal of Interim Funder's Security Interest
- Report Viewer
- Registration Reversals
- All functions relating to TOS/TOB Combination
- MIN Search
- MIN Updates
- All functions relating to Deactivations

MERS<sup>®</sup> OnLine communicates with the same online server as the MERS Client Desktop Application and all transactions are recorded on the MERS<sup>®</sup> System immediately.

### January Stats

- ✓ MERS<sup>®</sup> OnLine generated 78% of online registrations
- ✓ 374,168 Web site hits
- ✓ 478 sessions from outside the United States
- ✓ MIN Search was the most active page with 20,220 hits

8201 Greensboro Drive  
Suite 350  
McLean, VA 22102  
(800) 646-MERS (6377)  
Communications Manager  
Cecil Stack [cecils@mersinc.org](mailto:cecils@mersinc.org)

## 3 Million Loans MERS History

Loan registrations on the MERS<sup>®</sup> System passed the 3 million mark on Jan. 31.

"Every million-loan milestone is significant," said R.K. Arnold, MERS president and CEO. "I'm pleased we achieved the 3 million loan milestone so quickly. "The accelerating pace of registrations signals that MERS is an accepted industry standard. MERS ended 1999 with just over 1 million loans registered. It took us nine months to get to 2 million and

we hit the 3 million loan milestone in just five months," Arnold added. Loan registrations are averaging 6,000 per day. Arnold said he expects daily registrations to jump again soon because GMAC Mortgage converted its retail and wholesale channels to MERS on Feb. 1. Top mortgage originators Washington Mutual and ABN AMRO are working with MERS to integrate their correspondent channels as well.

## New York and California Housing Authorities Accept MERS

New York and California state housing authorities have agreed to accept loans that designate MERS as the mortgagee as nominee for the lender.

The State of New York Mortgage Agency (SONYMA) announced it is purchasing loans that designate MERS as nominee for the SONYMA lender as of Dec. 26, 2000.

The California Housing Finance Authority (CHFA) followed in February with a program bulletin that approves the purchase of loans originated on FHA, VA or CHFA approved MERS Deed of Trust documents.

CHFA took further action and mandated that once a lender begins originating CHFA loans with MERS as nominee, all loans originated thereafter will be registered with MERS. Effective Jan. 1, 2002, all loans submitted to CHFA for purchase with a recording date on or after Jan. 1, 2002, must be registered with MERS.

In New York, lenders may submit mortgage loan instruments with the appropriate MERS as Original Mortgagee (MOM) language authorized by Fannie Mac and Freddie Mac. For lenders that use MOM language in the security instrument, the Assignment of Mortgage must be MERS to SONYMA.

## Straight Talk

by Sharon Horstkamp

### **D**o we need to re-record a mortgage or an assignment if we left off or entered an incorrect Mortgage Identification Number (MIN)?

No, the mortgage or assignment is not re-recorded.

MERS recommends that a corrective affidavit be recorded instead. You can find an example of this form on our Web site, [www.mersinc.org](http://www.mersinc.org). The form will need to be modified to specific state requirements such as the notary clause.

### **Why do we have to record anything?**

The MERS Rules of Membership require that every recorded document on the MERS<sup>®</sup> System must contain a MIN. The MIN is not a legally required part of the document. Therefore, the document is still legally valid without a MIN and does not need to be re-recorded. However, the MIN is the most accurate way to track mortgages on the MERS<sup>®</sup> System.

Re-recording a mortgage or an assignment by adding a MIN onto the security instrument may lead to confusion in the county land records. Also, an incorrect MIN may produce inaccurate mortgage information when the MIN is queried on the MERS<sup>®</sup> System. Some members that have been faced with this issue have filed and recorded the corrective affidavit with no problems.

The best way to avoid this issue is to make sure you have procedures in place to produce correct MINs and ensure that the MIN is placed on the document properly.

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Phoenix, AZ 85012

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Fax: 602-404-9933

Internet: [www.titleprogram.com](http://www.titleprogram.com)

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



Nancy Walker



**ALTA**

**2001**

**FEDERAL CONFERENCE**

**NEW LAWS. NEW TRENDS. NEW COMPETITION.**

**APRIL 22-24, 2001**

AMERICAN LAND TITLE ASSOCIATION

# SCHEDULE OVER

More than other years, 2001 promises to be a year of change. A new president and Congress mean changes in policy, direction, and the way government does business. It is important for ALTA members to gather together in the Nation's Capital and make their voices heard on legislation and regulations that concern the land title industry. ALTA's Federal Conference has been designed to give you the latest industry information in an educational format combined with the opportunity to interact with Congressional leaders. You are invited to participate and to make a difference. Register Now for the ALTA 2001 Federal Conference—New Laws. New Trends. New Competition.

## Sunday, April 22nd

**8am - 12noon**  
**Affiliated Title Association Officer - Executive Meeting** *(by invitation)*

**1:30pm - 5pm**  
**Abstracters & Title Insurance Agents Section Executive Committee Meeting**  
*(Open to ALL abstracter/title agent members)*

**6pm - 7pm**  
**Welcome Reception**

## Monday, April 23rd

**8am - 8:30am**  
**Continental Breakfast**

**8:30am - 10am**  
**ALTA Government Affairs Meeting**  
*(open to ALL attendees)*

**10:15am - 11:15am**  
**Government Affairs Committee Executive Session** *(Committee Members Only)*

**11:15am - 12:15pm**  
**Our Future: Working With Government Sponsored Enterprises**  
While the dot-coms come and go, and business strategies change daily, it's hard to tell who the Real Estate players are. One thing's for certain: Fannie Mae and Freddie Mac are definitely in the mortgage industry and both have recently closed electronic transactions. Come hear what these important players have to say about the role they expect the title insurance industry to play in the new electronic environment.  
*Speakers: Gregory J. Foley, Director of Mortgage Asset Acquisition and Custody, Freddie Mac*  
*Richard Amatucci, VP Customer Solutions, Fannie Mae (invited)*

**11:15am - 12:15pm**  
**Survival of State Insurance Regulation**  
State laws on bank entry into title insurance, privacy and e-commerce may be pre-empted. Some would like a federal insurance license requirement. Hear where NAIC stands on these and other state regulations.  
*Speaker: Mike Pickens, NAIC Secretary-Treasurer, and Arkansas Commissioner*

**12:30pm - 2pm**  
**TIPAC Luncheon featuring Tucker Carlson**  
Political analyst for CNN and ABC's *Good Morning America*.

**2:15pm - 3:15pm**  
**Succeeding in the New World of Controlled Businesses and Joint Ventures**  
RESPA is still the major Federal regulation governing the title industry. How, then, can controlled businesses and joint ventures succeed in this highly regulated climate? Bank and Realtor® representatives will enlighten attendees by describing the best methods for working within these restrictions and taking advantage of these business arrangements.  
*Speaker: Ralph Irons, President, Weichert Title Agency*

**3:15pm - 4:30pm**  
**New Trends in Title Insurance and Real Estate Information Services Delivery**  
Vendor Managers have taken on the role of coordinating information delivery to lenders – and title is only one such service that lenders are seeking. How does the title industry fit in this new information services role, and how are other industries dealing with these changes? This session features both vendor management firm and title industry representation, so you can understand the interconnected relationships that are necessary to make this business situation work.  
*Speakers: Joseph J. Murin, President & CEO, Lender's Service, Inc. and President, TAVMA*  
*Kim O'Donoghue, President, Flagship Title & Abstract*

**4:30pm - 5:30pm**  
**TIPAC Board Meeting**  
*(TIPAC Board Members and State Representatives Only)*

**6pm - 7pm**  
**Reception**  
*Senator Wayne Allard (R-CO), Chairman, Senate Banking Subcommittee on Housing*



# Tuesday, April 24th

**8:30am - 9am**  
**Continental Breakfast**

**9am**  
**Bus Departure for Capitol Hill**

**9:30am - 10:30am**  
**Congressional Update**

A highlight of ALTA's Federal Conference, the Congressional Update will feature representatives of Congress who will bring attendees up-to-date on bills, regulations and issues that are of concern to the industry.  
*Speakers: Rep. Mike Oxley (R-OH), Chairman, House Financial Services Committee*  
*Rep. Donald Manzullo (R-IL), Chairman, House Small Business Committee*

**10:30am - 11:15am**  
**The Changing Real Estate Environment**

How has the rapidly-changing business environment affected the way you work with mortgage bankers? Are you working directly with the banker, or are you going through the broker? And, if so, what's the difference? Andrew Woodward will discuss these and other issues, including the Mortgage Bankers Association approach to the legislative/regulatory aspect of the new real estate environment, as well as MBA's course of action regarding RESPA reform.  
*Speaker: Andrew D. Woodward, Chairman, Bank of America Mortgage, and President, Mortgage Bankers Association of America*

**11:15 am - 12noon**  
**Predatory Lending & RESPA**

Predatory lending legislation has been adopted in many states and rules have been issued at the Federal level. Congress will likely look for solutions to predatory

## GENERAL INFORMATION

### Hotel Accommodations

The Washington Court Hotel is located at 525 New Jersey Ave. NW. Make reservations by calling 1-800-321-3010 by March 22<sup>nd</sup> to obtain special ALTA room rates. Room Rates (per night, plus tax):\$209(single)\$229 (double).

### Airline Discounts

Call Delta Airlines at 800-241- 6760, 8am - 11pm Eastern Time. Reference File #168524A for discounted airfares.

### Rental Car Discounts

The official car rental company for the 2001 Federal Conference is Avis.To make reservations, call 800-331-1600 and refer to the ALTA discount number D833367.

lending and changes to RESPA may well be on the Congressional agenda. Don't miss this vital session!  
*Speaker: Adrienne Hurt, Assistant Director for Consumer Regulations, Federal Reserve*

**12noon - 1:30pm**  
**Congressional Luncheon**

ALTA's 2001 Federal Conference's Congressional Luncheon will spotlight Rep. Jo Ann Emerson (R-MO), a former insurance lobbyist. Because of her non-traditional background, Rep. Emerson brings a unique perspective to Capitol Hill and to issues that focus on insurance, including title insurance.  
*Rep. Jo Ann Emerson (R-MO)*

**1pm - 5pm**  
**Capitol Office Visits**

One of the most important aspects of the Federal Conference is the opportunity to speak with your Congressman or Senator. Make your arrangements early because Congress will be in recess April 6 - 23. Instructions on how to make an appointment can be found in the box below.

**3pm - 4pm**  
**D.C. Recorder's Office Tour (optional)**

For those who do not have Congressional visits planned during this time, we invite you to tour the D.C. Recorder's Office and view the new electronic recording system in action. First 25 registrants only.

### Ground Transportation

Cabs are available outside the baggage claim area at Reagan National Airport. The cost is approximately \$15 to the Washington Court Hotel.

The closest Metro stop to the hotel is Union Station on the Red Line. Reagan National Airport is on the Yellow Line. You will need to transfer to the Red Line at Gallery Place to reach Union Station.

### Weather and Attire

Business attire is suggested for all ALTA functions. The weather in Washington, DC in late April is mild. Expect daytime temperatures in the high 60s and high 40s at night.

# REGISTRATION FORM

Register by March 22, and save 15%

Registration includes: General Sessions, TIPAC Luncheon, Continental Breakfasts, and Hill Luncheon.

## Important: Please read carefully

1. Full payment for ALTA's 2001 Federal Conference must accompany this form.

2. Your fully-paid registration must be received by March 22, 2001, to qualify for discounted registration fees.

## Questions?

Call 1-800-787-ALTA for prompt assistance or e-mail [service@alta.org](mailto:service@alta.org).

## 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  
 202-223-5843

## Online

Register online at:  
[www.alta.org](http://www.alta.org)

## Hotel

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.

## 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

## 2. Guest/Spouse Registration

First Name MI Last Name Badge Name

## 3. Registration Type

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

	By March 22, 2001	After March 22, 2001
ALTA Active/Associate Member	<input type="checkbox"/> \$295	<input type="checkbox"/> \$339
Guest/Spouse	<input type="checkbox"/> \$150	<input type="checkbox"/> \$175
Non-Member	<input type="checkbox"/> \$345	<input type="checkbox"/> \$395

## 4. Tour of Washington DC Recorder's Office (optional)

Tuesday, April 24  
 3p.m. - 4p.m.

For those who do not have congressional visits Tuesday afternoon.

The Recorder's Office tour is **free**, but it is limited to the first 25 sign-ups.

Free Recorder's Office Tour

## 5. Payment Options

Total Registration Fees (Section 3) Enclosed: \_\_\_\_\_

### Payment Method:

- Check       American Express  
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Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

AMERICAN  
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 ASSOCIATION



# member news

## movers & shakers

### Louisiana

The Stewart Title Guarantee Corporation of Baltimore, MD has announced the appointment of **Barbara A. Porter** as regional auditor for the state of Louisiana, Mississippi, and Alabama.

### Minnesota



Old Republic National Title Insurance Company has announced the following organizational changes: **Rande K. Yeager**, president of Old

Republic Central Title, Inc., has been promoted to executive vice president/chief operating officer for Old Republic Title



Insurance Group. He will retain his title as president of Old Republic Central Title, Inc., but will relinquish many of his duties to **Dan Hassen**.

**Dan Hassen**, senior vice president of Southwest Operations, has been appointed chief operating officer of Old Republic Central Title, Inc., and;



**Gary J. Horn**, senior vice president – manager of taxes and financial analysis, has been promoted to senior vice president – chief

financial officer of the Old Republic Title Insurance Group.

### Mississippi



**Phillip A. Poitevin** has been named underwriting counsel for the Mississippi Valley Title Insurance Company. Previously, Poitevin was

state manager for First American Title Company.

### North Carolina



**Mitchell D. Ward** has been named vice president – human resources for Investors Title Insurance Company. Prior to joining Investors, Ward

was senior human resources manager for the Bank of America.

### Texas



**Jonathan Buss** has been named senior vice president and senior national underwriting counsel for Stewart Title Guaranty Company. Previously Buss was an

underwriting counsel for Stewart in the mid-West. And, **Allan Wasserman** was named senior vice president and manager for Region E, which covers Arizona, California, Hawaii, and the Northern Mariana Islands.



### Connecticut



**Bruce S. Caplin** has been appointed Southern Connecticut account executive for Connecticut Attorneys Title Insurance, Co. Most recently, he was senior

trial attorney with Kaplan & Winkler in White Plains, NY.

## new ALTA members

### Arizona

**Frank Hagan**  
realink.com  
Tempe

### California

**Rich Macaluso**  
Orange Coast Title Co.  
Santa Ana

### Connecticut

**Lisa J. Peck**  
Morningstar Enterprises, Inc.  
Old Lyme

**Bridget Thayer Melien**  
ClosingsUnlimited.com  
Meriden

### Iowa

**David D. Dunakey**  
Dunakey & Klatt, P.C.  
Waterloo

**Dennis A. Dietz**  
Title Guaranty Division  
Iowa Finance Authority  
Des Moines

### Missouri

**James R. Duncan**  
Bi-State Title Search  
St. Louis

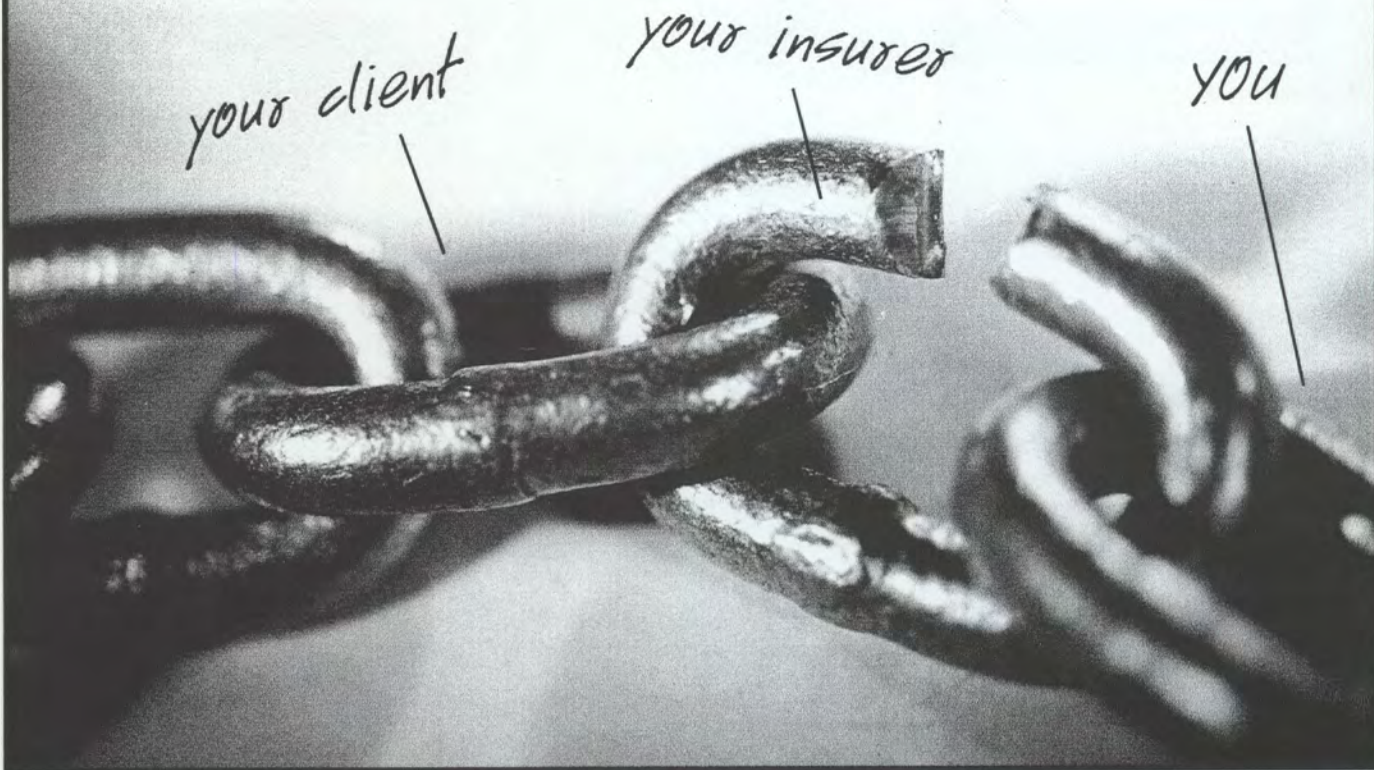
### Minnesota

**William R. Blincoe**  
W. Blincoe Enterprises, Inc.  
Maple Grove

### New Jersey

**Linda C. Koch**  
Victorian Abstract Agency  
Cape May

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[www.cpim.com/tiac](http://www.cpim.com/tiac)

## Mergers & Acquisitions

**First American Title Insurance Company**, Santa Ana, CA, has acquired Androscoggin Title Company in Auburn, Maine. In addition, First American acquired Connecticut Title Services, Inc.

**Metropolitan Title Company**, Howell, MI, has acquired Southeastern Title Company, with three locations in Kentucky. The offices are the company's first branches in the state.

**Stewart Title Company**, Houston, TX, has acquired Red River Title Services, Inc. of Fargo, ND, also known as Cass County Abstract.

## Kudos

**Tom Kurzenberger, Jr.**, manager of the Construction Disbursing Department of Title Insurers Agency, Inc., was recently named "Young Title Professional of the Year" by the Missouri Land Title Association. He was selected for the award for being an outstanding young leader in the business, being a leader in his field, and contributing personally to the improvement of the title industry.

## New Offices

**LandAmerica Financial Group, Inc.**, Richmond, VA, announces the opening of a new National Commercial Services office in Orlando, FL.

**Metropolitan Title Company**, Howell, MI, announces the opening of a new branch in Toledo, OH—the company's first official presence in that state.

## In Memorium

**Alvin W. Long**, 77, retired CEO of Chicago Title Insurance Company, passed away February 16, 2001. Long started with Chicago Title in 1945 as a preliminary examiner and worked his way up to president, chairman, and finally CEO. He retired from Chicago Title in 1982. Long was very active in the IL Land Title Association. In addition, he served as president of the ALTA Board of Governors from 1970-1971, and was named an ALTA honorary member in 1983.

**Tommie Agee**, 59, the centerfielder who made two of the greatest catches in World Series history to help the New York Mets win the championship in 1969, died of a heart attack in New York on January 22, 2001. Agee had been in the title industry for more than 15 years, and an account executive for Stewart Title Insurance Co. for a little more than a year in the Manhattan office. The Stewart Manhattan office is working to establish a program that will benefit the family.

**H. David Lasseter**, 73, retired senior vice president, Stewart Title Guaranty Company, passed away on December 17, 2000. Lasseter started with Stewart in 1970 as executive vice president and county manager in Redwood City, CA. He then opened Stewart offices throughout 14 eastern states and the District of Columbia. He was promoted to senior vice president in 1978 and remained in that position until his retirement in 1990.

He held offices in several state associations, and was president of the Indiana, New Jersey, Pennsylvania, and New England Land Title Associations. He was among the first to receive the Certified Land Title Professional award by the Pennsylvania Land Title Association, having completed the newly designed program. He served on the ALTA Board of Governors from 1980-1983.

## new ALTA members

### New York

Rafael Castellanos  
Strategic Title Agency, LLC  
New York

Michael Maloney  
Tellus Abstract, Inc.  
Southampton

### Ohio

David M. Hanhart  
Colonial Title Agency  
Dover, OH

### Texas

Greg Hahn  
hal Systems Corporation  
Dallas

James H. Davis  
titlex.com  
Palestine

### Virginia

Jonathan Cutler  
Settlement Room, Inc.  
Falls Church

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**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.

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